

Cautionary Tales Part XXIV Service and Springmaking

An enhanced level of service is as good a basis as any for improving the success of an established business. In a business environment in which raw material costs are increasing (and have to be passed on), customers are moving their manufacturing offshore (often to China) and deliveries, to those customers who remain, are late due to raw material shortages, the service springmakers can offer is reducing. This is not the recipe for success, but these factors are all outside your control.

So, in these difficult times, how can service levels be enhanced – what is within your control?

Offering a free design and development service in the hope of capturing the bulk orders when the development process is complete. Unfortunately this type of low price or free service, which requires a lot of your time and expertise, is not always being rewarded. The developed spring, or, more likely, the assembly into which it is incorporated becomes your customer's property, and promptly has its bulk manufacture transferred to China, India, Far East, Eastern Europe or anywhere other than where your potential customer is located. Hence the loss-leader design service is generating profits for competitors. Is it time for the whole industry to change their attitude to this type of service? – A loss-leading service that leads to losses. My local supermarket offers loss leaders (not free, of course) to attract more regular customers who buy in bulk. Loss-leading services should attract long term sales and profits, as happens at my local and successful supermarket, but not as in the spring industry.

This cautionary tale is taking on a rather negative view of the spring industry, unless you are a springmaker in one of the 'low labour cost, low energy cost, deflated currency' countries of the world who are benefiting from the business being transferred to you. One positive aspect is that there do not appear to be many instances where advancing technology has eliminated the need for springs – the total number of springs required worldwide by automotive, aerospace, white goods, electronics, electrical, building and every other industry does not appear to be reducing, and is probably increasing slightly because of the growth in Western and Japanese economics (1-3%) and in Eastern economies (China 10%, India 6%).

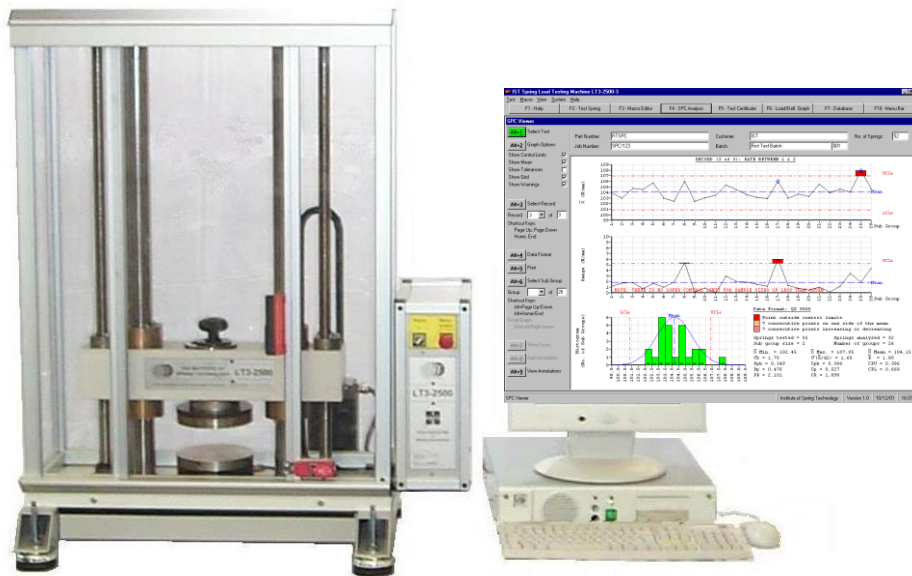
So what services can springmakers offer this growing market?

Responsiveness to local companies' needs is obviously one service that keeps many springmakers going, and ensures that wherever a manufacturer is located, there will be a springmaker nearby.

Quick response to needs is always appreciated, but put together with technical information services, these are the most important advantages US and European spring manufacturers ought to have over newly emerging competitors. Information about whether your customer's spring design is user-friendly to manufacture, at risk of fatigue, relaxation or corrosion are all proactive services that could enhance your business. There is no doubt that

some spring designs are not efficient – so why not offer a re-design at a price that reflects that you might have to assume design responsibility? Information gained from your own experience of spring manufacture is obviously most valuable, and supplemented with the knowledge gleaned from these cautionary tales, and other articles in Springs should help you to supply a service that surpasses anything available from your competitor's who are supplying American, Japanese, or European companies for the first time.

Another information service that you ought to be better placed than competitors to supply, is dimensional and load data on your products with SPC analysis, possibly direct from your load tester, if you have one like those made by IST, an example of which is shown here.



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