

ICMA Spotlight

Alu-Bra Foundry, Inc., Bensenville

James Torkelson, President

Established in 1957, Alu-Bra Foundry built its reputation with industry leading companies by consistently delivering high quality sand castings at competitive prices. Alu-Bra Foundry produces a broad range of non-ferrous alloys including brass, bronze, no-lead, low-lead, and aluminum alloys.

Alu-Bra Foundry has built its reputation with industry leading companies by consistently delivering high quality aluminum, brass and bronze sand castings at competitive prices. We also complement the production of dimensionally accurate and metallurgically sound castings with rapid turnaround.

We continue to expand industries served and are not limited to the above. We are proud to announce that Alu-Bra Foundry Inc. is one of the few US foundries that produce and deliver castings to China.

We are ISO Registered 9001:2000.

See **SPOTLIGHT**, page 3



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THE ILLINOIS CAST METALS ASSOCIATION Runner

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Winter 2009

From Executive Director Stan Zielinski . . .

What will 2009 bring to Illinois business?

It's difficult to understand a more unbelievable year for Illinois and the nation than 2008. Many of us are looking at this year with a hopeful outlook, new determination, and a favorable amount of optimism. ICMA members have these same desires and beliefs as we move through a tough economy while working to be good stewards of our resources. Our search for positive economic signals increases with the understanding that we are not unaffected by the changes of key economic variables such as declining financial markets, budget cutbacks of federal, state and local resources and other signs. However, despite the current outlook, the Board of Directors want you to know that ICMA will continue to deliver essential programs and services that will benefit you now more than ever as you face these challenging times.

With a consumer-based economy in the U.S., businesses across the nation are dependent upon Americans to buy their goods and services. But, consumers are not spending their money. A lack of consumer contributions can impact industries across the nation. The resulting fallout from consumer's reduced spending will drive more companies to down-

size workers, close facilities, file for bankruptcy, or worse, shut down. Unfortunately, the fall-out is having an effect on families, retailers, restaurants and so on down the channel, including state and federal tax receipts that will further inflate the federal deficit.

A brutal year wiped out global economies and created hard times for many people. Housing markets suffered dramatic price declines here in the U.S. The United States is in a war that seems to have no ending. We just went through a turning point in the United States when we elected our first black president. What will the Obama administration do to restore manufacturing in the United States? Can he shore-up the financial crisis or inject a new sense of confidence and trust in our economy? I think the nation is hopeful and willing to give him the opportunity to keep his word. His plan to create a stimulus package is creating a sense of anticipation by Americans.

The financial situation is so grim that investors have experienced major declines in their IRAs, 401Ks and other retirement investments. So much so that legislation was recently passed and signed by President Bush (Dec 23, 2008) that

changes the rules of the Required Minimum Distribution for older Americans in 2009. In other words, there will be no RMD requirement from December 31, 2009 IRA balances for older Americans. Hopefully, that will give them two-years to make up their losses.

Jobs in manufacturing, retail, housing and financial markets were all met with an onslaught of economic collapse. We hope it'll be somewhat calmer times and we'll not have to face another gloomy year. We're anticipating a change, a real change, with the new administration. At least, I think, we're more hopeful than in recent times. Now that we're here, we're left with many unanswered questions about the economy and what the future holds. How will the auto-industry shakeout look after the federal bailout? How will other sectors of commerce appear? How will consumers respond? Pundits encouraged us to spend money to help stimulate the economy. We reacted by stashing whatever money we had. Now analysts are admitting that we're experiencing a market contraction and are in a recession — something we've known for months.

continued on page 2

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It's decision time

Decisiveness is a common trait of successful leaders.

Whether a leader's decisions are driven by values, mission, ego, politics, instinct, fear, greed, or something else, those decisions will have an impact.

How can you be sure you're making the best decisions?

One key is to understand HOW you tend to make decisions.

What words describe your decision making? Analytical. Impulsive. Decisive. Independent. Consensus oriented. Emotional. Practical. Strategic.

When making decisions, do you consider the impact on people — customers, employees or other stakeholders? Or are you more concerned about how the decision will affect your role or the organization as a whole? Your approach may vary depending on the issue at stake.

Today's times require you to make tough decisions.

Smart decision making is at the heart of good leadership.

Whether your decisions are major or minor, here are tips to help you think through them more easily:

- Get clear perspective. Ask, "What's most important?" Talk to others who can help you think through things. Revisit priorities. You must be clear about your personal, business or organizational priorities FIRST.
- Weigh the risks and rewards...from all angles. What are the worst case and best case scenarios?
- Look at the short-term and long-term impact. What seems like a major ordeal in the short-term may be a small bump in the road when you look

back a few years from now.

- Explore all options. Not all decisions require choosing between two alternatives.
- If stuck, ask, "What am I afraid of?" You might need to address a hidden concern.
- Don't second-guess yourself. Make your decision and move on! What kind of decision maker are you? You decide.

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**ICMA member anniversary . . .
Galesburg Casting, founded 1994 — 15 years**

From Executive Director Stan Zielinski . . . continued from page 1

It's important that this year we undergo real change or Americans will really be hurting. In the coming months, we expect Congress to pass a major economic recovery package totaling \$800 billion or more, followed by an ambitious legislative agenda that among other issues includes reforming America's health care system and its tax code. At the same time, legislators will begin looking for new sources of revenue to pay down the nation's rapidly rising deficit. Manufacturers, which are essential to America's economy and quality of life, will want to be involved in the ongoing battle since

they're hard pressed to just survive, let alone face increased taxes.

From the Industry Week's website, an article reports "It doesn't appear that the answers to any of the above questions will come anytime soon. And unfortunately for thousands of workers nationwide, the uncertainty means more companies will continue to shed jobs in anticipation of a long recession. One thing that is for sure: traditional manufacturing will have to undergo a significant face lift to remain globally competitive.

The U.S. auto industry's restructuring will need to include product consolida-

tion and a plan for more fuel-efficient vehicles. And regions that have seen steel plants and assembly-line jobs disappear need to realize those jobs are likely gone for good. That means a greater focus on high-tech, bioscience and so-called "green" technologies. Strides are being made in this area and along with similar programs materializing all over the country."

With many new faces in Congress it will be crucial to present the positive role of American manufacturers. ICMA is focused on advocacy efforts this year on behalf of our members and we will need your help to bolster

these messages with your own elected representatives. While facing many challenges in the coming year, there are also opportunities to reinforce the position and contributions of the manufacturing community. ICMA is committed to providing you with the knowledge and resources to succeed now and in the future. We appreciate your continuous membership and support and we will do whatever we can to help guide you through this troublesome period. At this time of great change, the ICMA Board of Directors wish you well and much success in 2009.

If you don't know what your customer values, you're not selling it

Holding your own in a downturn may be all you need to significantly improve your market share. If you think your product or service defines your value to customers, think again. Your value is what your customer believes it to be and nothing else. Even if you're selling the fastest, smartest, most efficient or effective, if you're not reinforcing what your customers value, or worse yet, you don't know why they keep buying from you, you're not selling value. Of course, if they don't see your value they'll be more easily lured away by the competition, and that's expensive. According to the research of industries spanning financial services to retailing, it can cost five to ten times more to replace a customer than to retain one. The opportunity costs are enormous, too. According to Bain & Co., an international consultancy, a mere five percent increase in customer retention can increase a company's profitability by 75 percent.

What's so tragic is that you may already be giving customers the value they crave, but if they don't realize it, you may as well be doing nothing. Consider one of our clients, a Fortune 500 manufacturer. Their contracts promised regular,

preventive maintenance, and they even guaranteed repairs would be made onsite within two hours. The manufacturer was highly conscientious in satisfying the contract, so, naturally, they thought they were satisfying their customers.

But here's the rub: the manufacturer's staff never told their customers when they had visited or what they did while there to service the account. They missed a critical opportunity to reinforce what the customer valued most: peace of mind. And peace of mind is what the manufacturer was delivering by regularly and promptly visiting sites to keep systems running smoothly. But the customers didn't know that and, consequently, didn't value the manufacturer nearly as much as they should have.

Don't let this happen to you. Reliably providing your customers with the value they seek - and making them aware that you're doing so — isn't necessarily easy, but it isn't complicated either. You have to:

- Understand what they value,
- Sell that value,
- Deliver it, and
- Reinforce it.

Understanding What Your Customers Value
Chances are, you have a

strong grasp of the intrinsic value your product and services provide — it's usually measured as payback in hard dollars, internal rate of return or net present value. However, what customers genuinely value may be more circumspect. So we strongly suggest that you follow the lead of another client of ours, a global commercial HVAC sales and service organization. Every six to nine months, their sales professionals do face-to-face interviews with key accounts. They ask 12 to 14 questions that unveil:

- Why their customers bought from them.
- How they're using and applying their solution.
- What they value most about their solution and their company.

These in-person relationship reviews are significantly more effective than written surveys, which may only elicit yes/no responses or, at most, a simple sentence or two. They approach their interviews like an investigation, listening carefully and asking clarifying questions. By the way, if you're ready to expand in your marketplace or want to lure a customer away from a competitor, take the same approach. If you find out what a

continued on page 4

SPOTLIGHT

Cont. from page 1

Alu-Bra's Core Value Statement:

An understanding that all quality events are predicated on the caring of the

individuals within an organization. A process or a result will not improve or evolve without attention and consideration and this derives from caring. The core purpose of Alu-Bra Foundry is to apply this

philosophy to the manufacture of castings recognizing that what we value and what we produce are one in the same.

Alu-Bra Foundry, Inc. is a loyal ICMA Member



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If you don't know what your customer values, you're not selling it . . . continued from page 3

prospect values most about your competitor, you can show that your solution will do an even better job of responding.

Sell Your Value. In today's challenging sales environment, it's critical that the art of sales -- persuasiveness, fluency, and charm -- meets the science of sales -- analysis and investigation. Selling value effectively utilizes both to:

- Understand who influences the buying decisions.
- Investigate what these decision-makers care about most.
- Align solutions to respond.

This effort requires a deeper knowledge of your customer's business direction and needs. Leverage the insight you gain to drive more powerful marketing and sales messages.

Deliver Your Value. As you commence the delivery or installation of your solution, ensure that all team members involved are well acquainted with the original value proposition. Establish a plan to monitor the customer's use of your solution and track the value they derive from it. As illustrated in the case of the manufacturer who met their contractual obligations but failed to deliver

value — close doesn't count in this venue.

Reinforce Your Value. Within days of delivery, your offering's visibility begins to recede. In fact, the better you are in meeting your obligation to your customer, the more invisible you become. You continue to do a great job, but in six months your own employees are likely the only people who are aware of the quality of product or high levels of service you provide. That's why you need to understand how your customer measures your performance. A regularly scheduled relationship review with your customer

can ensure this happens.

The Process Repeats. Understanding and delivering value to customers is never ending, but with today's economy, doing so has never been more important. After all, holding your own in a downturn may be all you need to significantly improve your market share.

From Industry Week, 2/9/09. Don Gray and Todd Hendries are Principals of Sales Engineering Group, which provides sales and marketing leadership, management, consulting, and training to global Fortune 1000 organizations such as Qualcomm, Symantec, Intel, and Motorola. www.salesengineeringgroup.com

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