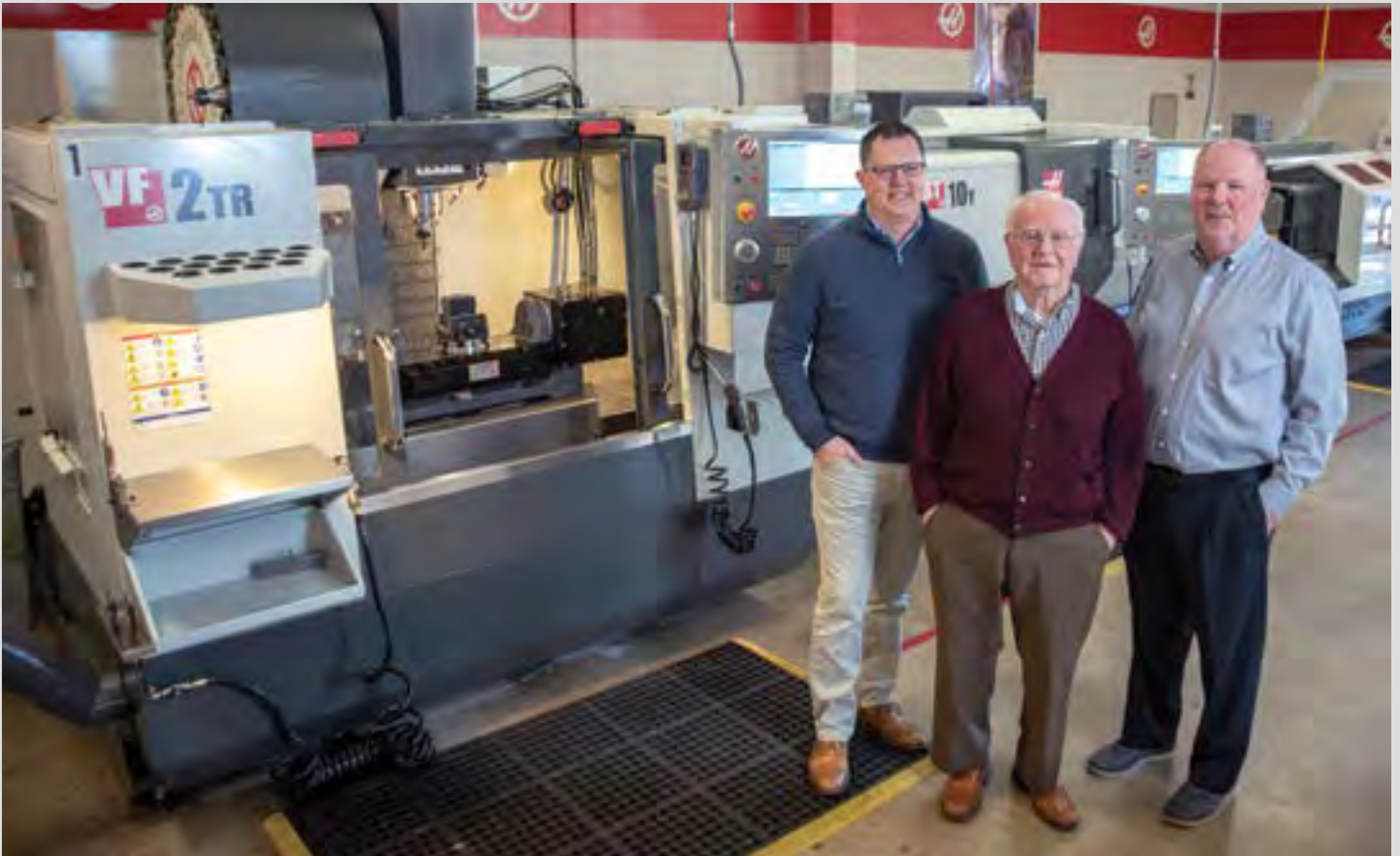


LEADERSHIP PROFILE

The McGill Family, Allendale Machinery Systems | WITH HV MFG STAFF

THE EVOLUTION OF THE MACHINE TOOL INDUSTRY



3 generations of McGills (l-r) Neil, Tom and Marty, owners of Allendale Machinery Systems, are helping Hudson Valley Manufacturers become more productive and efficient.

HV Mfg traveled just over the border to Allendale, New Jersey to meet with a Council of Industry member that's having a big, positive impact on Manufacturing in the Hudson Valley. Allendale Machinery Systems, and the McGill Family who own and operate it, are not only helping manufacturers increase their efficiency and productivity – they are leading efforts throughout the region to develop the next generation of manufacturing worker.

We sat down with 3 generations of McGills - Tom, Marty and Neil - to discuss the evolution of the machine tool industry, its impact on how the things we use every day are produced, and why they are so committed to helping young people learn the skills necessary to find careers in manufacturing.

HV MFG: Tom, you're the elder statesman of the family, the entrepreneur who started it all. How did Allendale get started?

TM: Well we have to go back a long way. In 1946 I was stationed in Japan as part of the occupying force following the Second World War. Part of that mission was to help to rebuild the economy and I met lots of people, both other GI's and Japanese citizens. When I returned to the States after that experience I decided to pursue a degree in International Relations. I was in D.C., at Georgetown University and I really liked it, the education part anyway. The more I learned, however, the more it became clear that a career in the Foreign Service was not for me. Around this time one of the

tools with some success. As he got deeper into the business and I got to know him better, I helped him to understand that he needed to focus on dependability, on service, features and quality. Price matters, but to be competitive he needed to be different from the low cost foreign competitors. He was, and by 1987 Allendale Machinery Systems sold Haas equipment exclusively.

HV MFG: Marty, did you come into the business at that time? What is your degree in?

MM: No degree here! Out of high school I knew college was not for me. I went right into the tree business when I graduated. I climbed trees, ran a chain saw. I did that for 15 years. Eventually, however, Pop's business was growing strong, and an opportunity presented itself for me to be a part of it. I came on board in 1987 – servicing and selling machines.

HV MFG: Your role is bigger than that today correct?



"Like any tool the most skilled person using them gets the most out of them," Thomas McGill.

MM: Yes, and no. I mean my title is Vice President and I technically have more responsibilities. But ultimately my job is to sell Haas machines to customers in North Jersey, Long Island and the Hudson Valley and make sure those machines are well serviced and working efficiently. I still call on customers and such – but my role is also to educate customers and potential customers of the capabilities of the machines Haas makes today – of the productivity improvements we can bring to their businesses. That may mean buying a new machine, upgrading an existing machine or improving the skills of the people operating our machines.

connections I had made in Japan reached out to me and asked me to try to sell a Japanese manufactured lace making machine to the textile industry in the U.S. I agreed to try it. It was a good machine, we did okay selling it and I learned I was a pretty good salesman. By 1959 Hitachi had come out with some lathes and milling machines that were decent quality and about two-thirds the cost of comparable American machines. I went to work for them selling those machines. It didn't always go over too well when I walked into a machine shop run by a U.S. Veteran of the war. Let me tell you, plenty of times I got an earful! But eventually, the lower cost and great quality won the day and the machines started selling.

HV MFG: When did you leave Hitachi?

TM: In 1981 I struck out on my own and formed Allendale Machinery systems...basically out of my truck and my garage. Around this same time I met Gene Haas. He was building machine

More and more that last piece is what our customers need – employees with more and better machining skills. These days I am spending lots of time and resources working with customers, and schools – the Council of Industry, you guys are great partners - and other organizations to encourage people to become machinists and help them get the skills they need to be successful machinists.

HV MFG: We want to hear more about that last point – it's a critical issue for Council of Industry members – and Allendale Machinery is a strong leader in manufacturing workforce development, but first we would like to hear from the next generation. Neil, what is your role at Allendale? How did you decide to be part of the business?

NM: Well, my title is Director of Operations, and basically I have always worked here. I spent summers in high school and college working at different jobs from sweeping the floors to helping to fix machines. After I graduated college in 2006 I did inside sales for the

company. I got to know the customers, what they make, what their challenges are, which of our tools they have and so on.

HV MFG: Where did you go to college, what's your degree in?

NM: I went to SUNY Binghamton for Industrial Engineering. Now as Director of Operations I try to apply all that I have learned - my coursework in engineering, working with our customers, and in the different roles with our company - to make Allendale more responsive to our customers' needs.

HV MFG: How big is Allendale now, how many people are working for you? How many customers?

NM: We have 45 employees. Most are here at our headquarters but some work out of offices across our territory. We have a little more than 800 active customers where we are either servicing machines, providing technical assistance, or installing new equipment.

HV MFG: Before we go into too much depth, for the readers who may not be that familiar with the industry - give us the basics of machine tools - who uses them and for what? How do they work?

MM: A machine tool is a stationary machine that's used for cutting or shaping metal or plastic or any other rigid material. They can cut, bore, grind, mill - things like that. We sell CNC machines. CNC stands for "computer numeric control" and means that the machine

is programmed in advance to produce a part in a particular way.

HV MFG: So the people who operate these machines are basically programmers?

NM: Yes, and no. There is more to it than that. Knowing how to program the machine is important and a skill. But, we believe that a CNC machinist should be a machinist first.

MM: That's right, and what we mean by that is that they should know how to cut and shape metal using manual tools, you should have a feel for it. When you are making a part that requires multiple steps and multiple processes - there can be dozens of different ways to make it but only one that is the most efficient, the quickest, and the way that has the least chance of breaking the part or that uses the least material. That's what a machinist knows. The best way to learn that is to start with manual machines. Once you have that foundation you can learn how to program and operate the CNC machines so that they are making the parts the most efficient way - the best way.

TM: HAAS makes tools. We sell and service tools. Like any tool the most skilled person using them gets the most out of them.

HV MFG: Obviously the sophistication and capabilities of HAAS machines has grown a lot since you've been in the business. What is next for them? What is the latest technology?

The best way to learn is to start with manual machines.

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MM: Automation for one thing. I guess it's like a lot of industries, to build efficiency you try to minimize the repetitive manual labor – whether that's a kiosk at a fast food restaurant to place your order, or in our case, a robot to feed parts into a machine to reduce set up time. It's about efficiencies.

Like I said earlier, we want to bring value to our customers and that means not just providing great tools to make their parts, but also helping them to use those tools effectively. We want them to maximize “spindle utilization.” To do that we are providing rotary tables, bar feeders, palletizers and other solutions. The idea is to keep the machine going, making parts, and maximizing the skills of the operators by giving them more

time making the parts and less time setting up and loading the machines.

HV MFG: This seems like a good time to come back to the topic of the skills gap and developing the next generation of machinists. Allendale Machinery has been very engaged, and very generous in this area. Why is this important?

NM: Well, from a business standpoint it's pretty simple. If our customers can't hire people to run our machines, they will either go out of business or move to where they can find people. We visit our customers – many are Council of Industry members – and this is their number one concern. They have orders and parts that need to be made. They have current openings for machinists,

We need to get young people ... interested in machining.



Lincoln Tech machining Instructor - Max Powers with students - Ken Park and Dominique Smith. Allendale Machinery and the Gene Haas Foundation are partnering with schools across the region to educate and train skilled machinists and toolmakers.

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Machine tools are becoming very sophisticated and are being designed with more and more automation to build efficiency and minimize repetitive manual labor.

plus the machinists working in these companies are closer to retirement than to the beginning of their careers. We need to get young people – people in general, but young people in particular – interested in machining.

HV MFG: Tell us some of the ways you are doing that – getting them interested in machining

TM: Getting the word out is one way and supporting education and training partners who want to be part of the solution, with our financial and other resources is another. College is not for everyone and it seems to me that the high schools around here only think of that route for their students. We want kids to know that these are good and rewarding jobs – with good wages and good benefits, and they can get them without having to go to college and borrowing and spending a fortune.

MM: Pop's right, and we need to get that message out and that's why we have been working with you folks at the Council of Industry and others to do just that. We also want to support the places that offer training and education, not just for machining, but all manufacturing careers. We support Lincoln Tech – right down the road here, Ulster BOCES up in Port Ewen, Pine Bush High School in Orange County, The Brooklyn Navy Yard development and Hudson Valley Community College in Troy. Up in Troy we are helping them with a new building exclusively for manufacturing training and education – the "Gene Haas Advanced Manufacturing Center."

HV MFG: Tell us about that center and the Gene Haas Foundation that helped to get it built.

MM: It's under construction now and should be finished this summer. It's a \$30 million project and private donors (including the HAAS Foundation and Allendale) raised \$14 million of that to get it done. It is State of the Art and will have machining, hydraulics, pneumatics, welding, CAD/CAM and PLC labs and much more. A real showcase of what advanced manufacturing is in our region. The Gene Haas Foundation is a wonderful resource for things like this – but also much smaller projects to support schools and organizations that want to help prepare people for careers in machining and manufacturing. Pine Bush and Ulster BOCES have both received HAAS Foundation grants to support their programs.

HV MFG: You've mentioned the Council of Industry a couple of times – what do you like best about being a member of the Council?

NM: I think that the apprentice program you have started is very important. It helps make the pathway to a becoming a skilled machinist clear and the rewards that go along with that.

MM: We work with lots of organizations in different parts of the region and I have to say the Council is the most effective – especially in promoting the importance of manufacturing. We have worked closely with you on a number of projects and hope to work on more.

HV MFG: Thank you all for your time. We appreciate it and look forward to continuing to work together with Allendale Machinery to promote manufacturing in the region.



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