

MODERN GEARING

By Russ Willcutt

When Matt Lane tells the story of how he came to be owner of Modern Gearing, his voice takes on a certain incredulous tone... and it's no wonder.

"I'm basically a toolmaker by trade, and I was working for a large valve manufacturing company when a local machine tool dealership hired me to train new customers on CNC controls" he says. "But before I'd even started the job, the owner called me and asked 'Matt, do you know anything about the gear business?' I told him what I knew, which wasn't much, and he said that I'd better start learning because they had just bought a company called Modern Gearing and I would be running it."

The reason for the sudden promotion had to do with the fact that the company's owner, Geoff Saville, wouldn't sell Modern Gearing, which is located in Montreal, unless the buyer had someone onboard with the specific skills and experience he felt were necessary to run the operation—right down to the technical school from which he had graduated. "I just happened to meet all of his criteria," says Lane. "So that allowed him to feel a little more comfortable about letting us run his company."

Probably the biggest surprise came two years later, however. "A serious downturn in the machine-tool business meant that my employers weren't going to be able to pay me a salary," Lane recalls. "But they didn't want me to quit, either, because of the training and service work I was doing for them. So my bosses sat me down and said 'Tell you what, we'll sell you Modern Gearing, you can run it right here out of our building, and when we need you to do some work for us, we'll hire you and you can invoice us by the hour.' I was grateful for the opportunity to acquire a turnkey operation, but I've got to admit that it was a bit of a baptism by fire."

In the 12 years since that day, Lane has done his best to uphold the reputation of a company that was founded nearly 50 years earlier, in 1956, by a group of former W.E.



Sykes employees. "This was a group of three engineers who'd emigrated from England, and two of whom went on to work in other gear-related industries," says Lane. "The one person who stayed on was Geoff Saville, who was still here when I took over as manager, and I was very fortunate to have him around for a few months to show me the ropes before he moved back to England."

In addition to inheriting this knowledge, Lane also inherited the company's reputation for service,

which he has worked hard to maintain. "Since Modern Gearing has been around for so long, it had a well-established customer base, which was really helpful," he says. "It would have been much more difficult to just start from scratch, without having a customer base, good suppliers, and a reputation already in place."

Still, there were challenges. "One thing that complicated the whole transition was the fact that Geoff had been looking for a buyer for about a year before he finally found one, and he'd been winding things down, so there was the perception among the existing clients that Modern Gearing wasn't going to be around that much longer. Customers would call looking for a very standard tool and Geoff would have to say 'Sorry, but we've run out of those.' Once the sale was finalized, we really had to be quick about getting the word out to our customers and suppliers that we were back in business."

Lane says that he's fully aware of the fact that customers will only give you so many opportunities to produce. "I think that people will call once, and if you don't have what they need, they might call one more time, but that's it," he says. "They'll get it in their head that you don't

AS PRESIDENT AND OWNER OF MODERN GEARING, MATT LANE HAS WORKED HARD TO UPHOLD—AND ENHANCE—THE REPUTATION OF A COMPANY WITH A LONG TRADITION OF SERVICE AND QUALITY.

come through, that you don't have stock, so it's really important to be responsive to their needs and let them know that their business matters to you every single time they call. You've got to keep your name out there, and you have to make smart decisions about what you keep in stock, too."

Luckily, running a business with such a long history means that Lane has an extensive record of past orders on file. "Geoff ran a really tight ship, and he kept files on every transaction he ever made, so that means that if a customer calls with a repeat order, we'll be able to find the information we need in our records. We can pull a customer's order from 1956 and find the drawings or specifications for the gear tool they need."

And chances are that they'll have it in stock. Modern Gearing maintains an inventory of gear hobs, gear shaper cutters, and thread milling cutters in a wide range of diameters, circular, and metric pitches. And when special items are required—such as custom worm gear hobs, skiving hobs, or special form hobs or shaper cutters—the company has solid relationships with suppliers who can provide any gear-cutting tool the customer needs.

"Half of our business is selling gear-cutting tools from stock," Lane says, "and the other half is sourcing suppliers to manufacture gear tools from customer specifications, drawings, or even from worn-out gears and cutters. So if we don't have it on the shelf, we'll get busy finding the best sources and prices for our customers."

Although Modern Gearing has longstanding relationships with British-based suppliers such as shaper-cutter manufacturer Dathan Tool & Gauge and hob manufacturer Norris Engineering, the company is always forging new relationships; most recently with FHUSA, a manufacturer of gear-cutting tools that's based in Spain. "They're an aggressive company with a quality product, and they are quickly establishing a name for themselves in North America," Lane says.

"They've said 'you sell it, and we'll supply it,' and they've really been good on their word. They're probably our primary gear hob supplier at this point."

Modern Gearing is also considering working with certain U.S.-based suppliers, such as the Interstate Tool Corporation, which is headquartered in Cleveland, Ohio. "They make a great product, and we're hoping to represent them here in Canada," Lane says. "One of the advantages of being located where we are is that it's a relatively small market, compared to the United States, so the manufacturers don't want to commit a full-time salesman to this side of the border. This creates an opportunity for a small business like ours to represent several cutting-tool lines."

Even though Lane is appreciative of the legacy he has inherited through his company, many things have changed since Modern Gearing was founded. "Back when the company was started, it wasn't so easy for customers to do cross-border business transactions, so they did a lot less shopping around," he says. "But with free trade, all of that has changed, and there's a lot more competition out there. We are no longer an order-desk type of operation, and we've got to get out there and knock on doors to make people aware of what we have to offer. While that takes a lot of time and effort, it's definitely worth it."

"What keeps me excited about what I do every day is the fact that we haven't nearly reached our potential, in terms of what we're selling right now in Canada," Lane says. "There's still a lot more business out there, so I'm spending most of my time concentrating on the company's core activities, which is selling gear hobs, gear-shaper cutters, and gear-cutting tools. That's what we've been doing since the company was established nearly 50 years ago, so there's a certain sense of satisfaction in that."

For more information about Modern Gearing, call (888) 595 9897, or visit the company's Web site at [www.moderngearing.com].