

*"Committed to Assisting Our Members in the Pursuit of Profitability and Growth within Their Respective Worldwide Markets"*



The beach at Longboat Key Club and Resort sits on the Gulf of Mexico

**56<sup>TH</sup> AEPMA ANNUAL MEETING  
FOCUSES ON "RAISING THE BAR  
THROUGH VALUE INNOVATION  
AND BRANDING"**

Recent AEPMA Annual Meetings featured well-known business executives, motivational speakers and industry economists (to name a few) that drew high praise from convention attendees for the practical information they conveyed and the engaging manner in which it was delivered. The April 23-25, 2008 event at the Longboat Key Club and Resort in Longboat Key (Sarasota), Florida will continue that trend with two exceptional speakers who will offer imaginative concepts on how to compete and win in today's tough global economy.

In her program *"Blue Ocean Strategy: How to Create Uncontested Market Space & Make the Competition Irrelevant,"* keynote speaker Dr. Sarah Layton of Corporate Strategy Institutes will present a dynamic approach for

making the competition irrelevant. Having played key roles in planning the strategic direction for leaders in service, production and manufacturing industries, she will show how companies offer innovation and value to customers while keeping costs low and profits high.

Author, trainer and branding consultant T. Scott Gross will call upon his years of hands-on experience as an entrepreneur and corporate executive to provide practical business solutions. He knows you can't always have the lowest prices in your market — but you can have the best service. His program entitled *"Positively Outrageous Service"* will demonstrate how you can take branding and service to a higher level ... and your profits along with it!

AEPMA members and guests will also be treated to a rare look at Ontario Knife Company and Queen Cutlery Company. Owner and president Nick Trbovich, Jr., will chronicle the historical journey of the two sister companies that trace their origins back to the late 1800s.

The convention provides a number of enjoyable networking events and activities for all attendees. Scheduled are three receptions, two dinners (including the annual banquet), golf tournament, fishing tournament and a unique program one morning for spouses and guests. There is

also ample time to take advantage of the many amenities the resort and surrounding area have to offer.

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**PRESIDENT'S  
MESSAGE**

*Alan Peppel  
President  
Dexter-Russell,  
Inc.*

Happy leap year and election year! Similar to our presidential candidates' "call for change," I am pleased to share with you that AEPMA is changing too... and for the better!

As we head towards our April 23-25, 2008 Annual Meeting at the exclusive and relaxing Longboat Key Club and Resort in Longboat Key, Florida, we fondly remember our first West Coast Technical Seminar that was held last August in Portland, Oregon. It was a terrific event that included manufacturers from the region such as Benchmade Knife Company, Buck Knives, Gerber Legendary Blades, Kershaw Knives and Leatherman Tool Group (East Coast manufacturers were also well represented). We enjoyed hearing talks related to equipment, materials and processes involved in the polishing and finishing of cutlery and other edged

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### President's Message from page 1

products. Plans are well underway to build upon the success of last summer's program by holding a Technical Seminar in Portland again this summer.

In the past two years AEPMA has added Benchmade Knife Company, Ontario Knife Company and Sherrill Manufacturing as manufacturer members. New associate (supplier) members over the same period include 3M Corporation, Rosler Metal Finishing USA, Schaffner Manufacturing Company, SXMT and Theis Precision Steel Corp. We look forward to more manufacturers and associates being with us in Florida this April as we all realize the value of being together to help solve the issues of our industry while enjoying each others' company.

All of these positive changes are the result of a dedicated board of directors along with the support of our manufacturer and supplier members. As we enter into a year that blows with the winds of change, we are much stronger as an organization and better prepared to continue our work together to keep the American edged products industry strong and competitive.

With my term as AEPMA president coming to a close in three months, I wish to thank David Barrack for his continued good work and involvement, the board and membership for their support, and all those who have helped this group stay connected personally and moving forward as professionals.



Islandside golf course at Longboat Key Club and Resort

### 56<sup>th</sup> AEPMA Annual Meeting from page 1

The Longboat Key Club and Resort is located on a barrier island in the Gulf of Mexico. It features 232 newly decorated rooms and suites, all with private balconies and most with full kitchens. Guests can enjoy 45 holes of championship golf, 38 Har-Tru tennis courts, heated swimming pool, bicycling, fishing, a state-of-the-art fitness center, massage therapy and miles of white sandy beach. Four restaurants offer casual to formal dining. In addition, there is an endless array of activities, attractions, restaurants and shopping in the greater Sarasota area.

Nearby airports are the Tampa International Airport (TPA) and the Sarasota Bradenton International Airport (SRQ).

The AEPMA Annual Meeting is *the* premier yearly event for the North American edged products fabricating, manufacturing and marketing industry. Online registration is available at [www.aepma.org](http://www.aepma.org), or call 703-433-9281 to register by phone. To make a room reservation call the resort at 800-237-8821 or 941-383-8821 and ask for the AEPMA group rate of \$280 single/double per night. A few suites are also available. The deadline for room reservations and early registration rates is March 22, 2008.

## ASSOCIATION'S FIRST WESTERN TECHNICAL SEMINAR IS A BIG SUCCESS!

In answer to requests from West Coast manufacturers and suppliers for a technical seminar like the ones AEPMA has been holding for nearly 20 years back east, the association presented a program August 22-23, 2007 at the Embassy Suites Hotel in Portland, Oregon. The event was well attended by executives and plant personnel from both coasts and offered a great networking opportunity for U.S. manufacturers of knives and edged hand tools to discuss matters of common interest.



*AEPMA's Technical Seminar in Portland, OR was well attended*

While each of the technical presentations received a rating in the good to excellent range, VSM's session entitled "Evolution of Coated Abrasive" was the clear favorite. Other sessions included "Bonded Abrasives for High Tech Steels" by American Siepmann Corp.; "Grinding Technologies for Advanced Steels" by Siepmann GmbH; "Buffing Compounds" by JacksonLea; "How to Influence the Finish of Workpieces by the Quality of Polishing Tools, Surface Speed, Advance Speed, Coolant Additive, Etc." by Heinz Berger Maschinenfabrik; "Flap Wheels Performance Update" by Schaffner

Manufacturing Company; "Keramo-Finish for Knife Blades – New Process Developments" by Rosler Metal Finishing USA, and "Abrasive Products for Non-Traditional Times" by Saint-Gobain Abrasives.



*Nick Gonzales of Jacksonlea speaks on buffing compounds*

When asked for their thoughts on specific speakers and topics, comments were: "Even though there are some very cool machines, I was more interested in the details of polishing, grinding, etc.", and "I would like to hear more about the make-up of the products along with details about their capabilities and advantages."

When asked about topics for future seminars, respondents listed packaging, heat treating, new steels, differences in handle materials (including assembly process, fastening, riveting, screwdrivers, etc.), and sharing of technical experiences between industry representatives.

Respondents agreed that supplier exhibits were an important component of the event. Displays were set up in the meeting room and were frequently visited throughout the day.

The networking agenda (reception, luncheon, breaks and optional dinner) received a very favorable rating. Attendees

had plenty of time to meet and share ideas with peers from around the nation. Comments included "I'd like to see the program expanded to 1-1/2 or 2 days and include a golf tourney, a visit to a local landmark, or both to get more people a chance to interact;" "It was nice to meet everyone and to share experiences that are similar," and "It was good to meet people in the industry and discuss problems and solutions."

The technical seminar logistics, organization and format (one day plus reception the night before) were considered good to excellent by all survey respondents. They also said they would like to see another program in Portland next year and would recommend that others from their company attend. In summing up the experience, one respondent said "This was a fantastic event – I learned a tremendous amount. Thank you."



*Attendees stop by Rosler Metal Finishing USA, one of several supplier exhibits at the 2007 AEPMA Technical Seminar*

Plans are currently in progress for the next AEPMA Technical Seminar. The tentative dates and location are August 13-14, 2008 at the Hotel Monaco Portland in Portland, Oregon. To keep informed about this program and other association events, visit the AEPMA website at [www.aepma.org](http://www.aepma.org).

**“BLUE OCEAN STRATEGY: HOW TO BREAK AWAY FROM THE COMPETITION”**



*Dr. Sarah Layton is Managing Partner of Corporate Strategy Institute in Orlando, Florida and the keynote speaker for the April 23-25, 2008 AEPMA Annual Meeting in Longboat Key, Florida.*

Are you struggling to be profitable in a fiercely competitive market? We call that market the bloody Red Ocean of competition. Would you like to make the Red Ocean less bloody, eliminate potential future risk and start identifying how you can create some original market space where the competition isn't? If so, read on.

***The best way to beat the competition is to stop trying to beat the competition***

We finally have tools that have the potential of helping us think like the greats – like

Henry Ford, Walt Disney, Guy Laliberte. So even if you are not as visionary as they are, there are tools that can help you think on purpose the way they thought naturally. The Red Ocean is where most companies reside with all industry competitors seeking customers from the same market. The great visionaries did not seek customers from the same market. They broke away from the Red Ocean of bloody competition by creating uncontested market space in the uncharted Blue Ocean that makes the competition irrelevant.

Henry Ford put the horse and buggy competitors in the rear view mirror. Walt Disney made all other modes of children's entertainment providers uninspired. Guy Laliberte left the traditional circus competitors swinging from a stationery trapeze.

Red Ocean Strategy focuses on existing customers, and has several characteristics. First, the focus is on competing in the existing market space and following the industry rules. Second, the emphasis is on beating the competition and exploiting existing demand. Third, most companies begin their strategy formulation sessions by

benchmarking the competition and seeing how they can beat them in various factors of competition or value, such as price, quality of materials and delivery.

Fourth, in a Red Ocean you are trying to make the value cost trade-off and the entire company is focused on either differentiation or low cost. Most companies don't know how to keep value high while keeping costs low. So when the value goes up, so does the cost. When a company's strategy is low cost, value to the customer suffers.

Fifth, the entire company system is designed to produce either high value or low cost, but not both.

Now there are tools that help keep the value high and the costs low. In fact, it is a requirement. If you can't make the kind of profit you desire while giving the value your customers require, then it is not a Blue Ocean Strategy, period!

Blue Ocean Strategy breaks from the competition and reconstructs market boundaries. How do you do that? The tools developed for the book *Blue Ocean Strategy: How to Reconstruct Market*

**Red Ocean versus Blue Ocean\***

<b>Red Ocean Strategy</b> <b>Focus on existing customers</b>	<b>Blue Ocean Strategy</b> <b>Focus on non-customers</b>
Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm's activities with the strategic choice of differentiation or low cost	Align the whole system of a firm's activities in pursuit of differentiation and low cost

\*from the book *Blue Ocean Strategy: How to create uncontested market space and make the competition irrelevant.*

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**Blue Ocean Strategy**  
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*Boundaries and Make the Competition Irrelevant* (Harvard; 2005) are designed to help us to do just that.

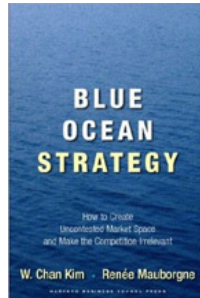
The tools include the Strategy Canvas, the Value Curve and the Four Actions Framework. These tools help determine how your competitors compete, how your company competes and how you can move your company away from them and into a Blue Ocean where current industry competitors are not.

***These tools and methods are changing the way organizations are formulating strategy - it's not strategic planning as usual.***

In most established companies, the Red Ocean is here to stay. You are not going to drop your current products and services to sail off into the Blue Ocean sunset. You are going to continue being the most competitive you can be in that Red Ocean while trying to find a new Blue Ocean opportunity to round out your offerings. Combine these new Blue Ocean Strategy tools with some of the traditional tools of management like the SWOT analysis, supply chain management, benchmarking, and customer segmentation, and you can make the bloody Red Ocean less threatening and also pursue new markets and opportunities.

Blue Ocean Strategy is changing the way organizations are thinking about strategy and doing strategic planning. It is not strategic planning as usual. Utilizing new creative tools along with tried and true

traditional tools, organizations can blunt the impact of competition while creating new markets where both revenue and profits are high.



For a free summary and review of the book, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*, send an e-mail request to Dr. Layton at [drsarahl@corporatestrategy.com](mailto:drsarahl@corporatestrategy.com). For further details, log on to [www.corporatestrategy.com](http://www.corporatestrategy.com) and the Blue Ocean Strategic planning blog at [www.blueoceanstrategyplanning.blogspot.com](http://www.blueoceanstrategyplanning.blogspot.com).

**FUTURE AEPMA EVENTS**

**2008 Annual Meeting**

Longboat Key Club  
and Resort  
Longboat Key, Florida  
April 23-25, 2008

**2008 Technical Seminar**

Hotel Monaco Portland  
Portland, Oregon  
August 13-14, 2008

**ASSOCIATION WELCOMES NEW ASSOCIATE MEMBER**

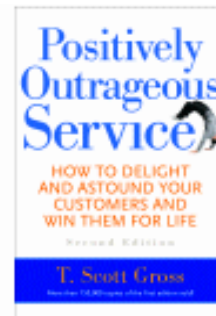
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**Contact:** Chris Theobald,  
Marketing Supervisor

**Products & Services:**  
Abrasive Products and Safety  
Products

**Brand Names:** 3M



Author, trainer, motivational speaker and branding consultant T. Scott Gross will speak April 25 during the

2008 AEPMA Annual Meeting in Longboat Key, Florida. He has worked with some of the world's most respected companies. But more than a writer who speaks, he has literally been there and done that. His first book, *Positively Outrageous Service*, is based on hands-on experience as an entrepreneur who knows what it's like to make payroll every Friday. In this publication, readers will learn how to:

- Capitalize on trends - new and developing
- Bring out the creativity of your employees in serving customers
- Hire, train, and manage a team to serve outrageously
- Identify opportunities to serve outrageously
- Be thankful for complaints... and learn how to handle them!
- Get your customers to advertise for you!
- Implement Positively Outrageous Marketing!

To order a copy of *Positively Outrageous Service* or another of the interesting and useful publications available, visit [www.tscottgross.com](http://www.tscottgross.com).

You may also call or write:

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**AEPMA RECOGNIZES AND APPRECIATES THE SUPPORT OF ITS ASSOCIATE MEMBERS. ALL EDGED PRODUCTS MANUFACTURERS ARE ENCOURAGED TO WORK WITH THESE VALUED INDUSTRY SUPPLIERS WHENEVER POSSIBLE**

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mike.frankland@aksteel.com  
www.aksteel.com

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**Contact:** M.L. Frankland, Marketing  
Manager, Special Automotive and  
Consumer Products

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Treating and Finishing Equipment

**Contact:** Greg Borrosch, President

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**Contact:** Rick Berger, President

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**Contact:** Manfred Egerer, Pres.

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**Contact:** Edward Linkowski,  
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**Contact:** Bernie Kerschbaum,  
Production Manager

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#### **SHERRILL MANUFACTURING**

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#### **STAN SAX CORPORATION**

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**Products & Services:** Abrasive  
Products and Safety Products

**Contact:** Chris Theobald,  
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