

50,000 hours

24 hours a day,
7 days a week for 5 years, 9 months and 15 days!

A feat achieved by Hugard from Magland!

Obviously this performance has not run non-stop, but given the fact that the machine was installed in December 1996, i.e. seven years and five months ago, its operating ratio is quite exceptional (75 %, i.e. 18 hours/day on average).



From left to right: Messrs Robert Hugard – Chairman and Managing Director of Hugard SA, A. Tappaz – Commercial Manager of TORNOS France, R. Stauffer – CEO of TORNOS and Maurice Hugard – General Manager of Hugard SA.

In 1999, Hugard took the gamble of completely changing over its fleet of cam-operated machines to a 100 % fleet of DECO machines, immediately before the crisis struck the connector industry, which was the company's main market. Was this an opportunity or a threat?

To find out more, the DECO-Magazine reporters visited Magland on a nice, sunny day.

We were warmly welcomed by Mr Robert Hugard in the reception area, the walls of which were covered with awards and certificates. This set the scene! We were in a company that was geared towards quality and the future... the visit appears to be promising...

DM: Good day Mr Hugard. Thank you for seeing us. The competitive environment has changed quite a lot since 2000, how have you survived this trend?

RH: We have, in fact, gone through a period of a lot of upheavals. As soon as we completed the changeover to a new fleet of machines by adapting to a very specific requirement, it almost seemed that from one day to the next, this requirement disappeared. Some machines were in the process of being supplied, others were still at the order stage and our markets were falling apart...

DM: Against this background, did you think of cancelling the order at that time?

RH: Well, we had two ways of looking at the situation. We could either opt for the "critical" route –

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with a single DECO machine:



in other words only see the threats caused by the changes we had just implemented, or look at things in an optimistic light by considering the opportunities that these machines could offer.

The situation we had to face up to, showed we made the right choice.

In order to respond to the sudden and extreme volatility of the markets, we had to be in a position to adopt new steps, such as:

- ◆ New materials for machining.
- ◆ New lead-time constraints.
- ◆ New batch sizes.

In short, we had to become very flexible and extremely reactive. This is precisely what our investments in the DECO enabled us to achieve.

DM: *You therefore had to carry out small operations on the DECO. Afterwards, what was the outcome of your analysis and what were the limits of the system?*

RH: At Hugard, our experience was extremely positive. Having as its starting point a very well conceived program, the DECO system demonstrated its full versatility. Just to give you an example, we

sometimes get orders for new parts on a Friday afternoon and are able to ship them to the USA on the following Friday morning!

DM: *So you're telling us that this was a new opportunity for you?*

RH: Well, with lead-times of more than 20 weeks, we were, to a certain extent, prisoners of our markets. This change in our financial environment provided us with the opportunity to expand our horizon. Paradoxically, the problem was not in having new machines that had to pay for themselves but rather not having sufficient competent operators to handle them.

DM: *Training is, of course, very important. What steps did you take and how do you see the future of training?*

RH: Training to upgrade to the DECO has never been a problem at human level. Initially, training was off-site but very quickly it was transferred in-house. Each new operator is assigned to a "tutor", who helps to familiarise him with the machine by showing him all the operational finesses. Throughout this period of turbulence, the

priority decision-making point for our customers was the lead-time. We had to be in a position to comply with this and only perfectly trained operators could make the difference.

DM: *So in your opinion, this training is absolutely vital, but is it not somewhat cumbersome?*

RH: It is an essential investment. By reinforcing the skills of our operators, it allows us to face market trends. We have also been financing English courses over the last few years for those who are interested. 80% of our company's activities are geared to the American market and we believe that it is of utmost importance that our employees are familiar with the language and culture of our customers.

DM: *Talking of the USA: Hugard has a production plant over there. What is the difference between that company and the parent company? Are there any particular difficulties being in the USA?*

RH: We set up an exact replica of our European workshop in the USA,

The company Hugard: talking of the USA



Hugard – USA

as part of our development strategy. This is not a relocation. This site enables us to produce certain lines at a much reduced cost compared with Europe. We still mainly supply the North American market from Europe. Much of the production from the American site is exported to Asia.

DM: *What about exchange rates and macro-economic problems?*

RH: The fact that we have two production sites – one in the dollar zone and the other in Euroland – means that we are not so exposed to exchange rate risks. It's a very useful strategic position enabling us to benefit from the best of both worlds.

DM: *Coming back to the machines, what do you think of the*

USA operators compared with the French? Are there any differences in approach or skill?

RH: Our precision turning setters are highly qualified and skilled on both sides of the Atlantic, perhaps operating with a little more autonomy in the USA.

The DECO system operates at full power when the "critical limit" is reached in a company. A single DECO machine in a workshop remains an isolated element that cannot demonstrate its entire potential. A workshop full of DECO machines on the other hand, creates a synergy and DECO culture, which, once incorporated, works absolute miracles!

DM: *You have been active in the USA for 19 years. Talking of the international scene, we are now*

hearing a lot about Asia. Is Hugard also thinking of setting up there as well?

RH: This is not currently on the agenda. Our European and American production is still competitive. For small and medium series runs, using highly automated processes, the impact of low-cost labour is still slight.

It is true that a lot of small precision turned parts have "left" for Asia during the past two to three years, some of which have returned to Europe or the USA. This is not to say that these parts have no future in Asia – it's quite simply that the "labour" aspect is not a determining factor for these products.

Hugard: Our philosophy regarding the use

of our fleet of machines is quite simple – we want to use them to a maximum within a minimum of time.



DM: *So Asia isn't on the cards for the moment...*

RH: We are active in micro-precision turning with strong added value. The transport costs are limited and operations are highly automated. For the time being, we don't believe that there are competitive advantages in the short-term but it is obvious that with a more far-sighted vision, the transfer of technology that has been ongoing over the past 3 years will change the state of affairs. We must remain open and act at the opportune time.

DM: *If I can come back to staff and training, would this not also be a potential problem in Asia?*

RH: Everywhere in the world it's the quality of the workforce that makes the quality of the company stand out. To manage a company, whether it is local or 6,000 km away, you must have efficient teams, a fail-safe organisation and

a concept of service and reactivity. This is achieved through training, motivation and the company culture. Twelve years ago, Hugard expanded and doubled its size in 24 months and our main challenge was to build up and structure our team. In the USA, which is culturally similar and has vast industrial experience, the task was probably far easier than would be the case in Asia, where communication problems and differences in mentality are far greater.

DM: *Nowadays you are working with a lot of different types of materials. If I have understood correctly, are these always complex parts?*

RH: Absolutely, but we also execute parts with simple geometry which, for various reasons, entail complex processes, such as in cases where "cosmetic" requirements make what looks like a simple part difficult to execute.

DM: *Ever more stringent requirements. Does that mean that parts are getting more and more complex and making things more difficult for you?*

RH: Yes, the engineering offices are always on the look out for machines that have improved capability of producing more highly complex parts.



*Fm. left to right:
Messrs Robert Hugard - Chairman and Managing Director of Hugard SA and Maurice Hugard - General Manager of Hugard SA*



DECO is that the first one, which is nearly 8 years old, and the latest one, which has only been with us for a couple of weeks, operate with the same software, the same programming and the same power!

DM: *So what you seem to be saying is that this machine (as well as the very first ones) could more or less be replaced now!*

RH: Our standard calculations are as follows: depreciation of the machine over 5 years, then an additional 3 years to help finance the replacement. It is therefore likely, that we'll start to replace some of these machines in the short term.

DM: *But if the difference between a recent machine and the oldest is not obvious, why bother changing?*

RH: We always like to move with the times. For example, we're thinking of changing from the DECO 7 mm to the 10a and DECO 13a for some of these replacements. Quite simply so that we can more fully meet the requirements made of us.

DM: *How do you operate with regard to research and development?*

RH: We are sub-contractors! R&D is made up of challenges provided by our clients in terms of the parts to be executed. We research precise and durable solutions involving material (for specifications), tooling and lubricants that respond both to our customers' requirements and our criteria for profitability. Sometimes these challenges are very interesting! Here too, the value of our teams comes into its own.

which worked well, executed complex operations and utilised all its capacities. We had no special worries with maintenance and it really worked like a Swiss-made clock!

Our philosophy regarding the use of our fleet of machines is quite simple – we want to use them to a maximum within a minimum of time. What is remarkable about the

DM: *If we now come to your fleet of DECO machines, today you have 28 all coloured blue, the first of which has just crossed the 50,000 hour threshold. How do you consider this machine?*

RH: Paradoxically, this particular machine has not produced the most parts – it only produced roughly 6 million. It is a machine,



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A feat achieved by Hugard from Magland!



Fm. left to right : Messrs Hugard in company of Messrs R. Stauffer - CEO of TORNOS and F. Koller - Sales Director of TORNOS during the visit.

DM: *I would just like to come back to the blue DECO machines used in your workshop. Why did you opt for this colour in particular?*

RH: The machines decorated in this manner provide a certain character to our workshops... but this isn't the real reason. We believe that the hammered blue effect gives a more solid impression and it ages less quickly than the standard off-white. I also challenge you to pick out the first DECO when you visit our workshop.

DM: *Fine! I'll take you on! Thank you Mr Hugard for the interesting presentation of your company. This clearly demonstrates that the constant of change is full of opportunity. Before visiting the plant, which will be accompanied by TORNOS*

General Managers, do you have any concluding comments?

RH: Everything can always be further improved upon and sometimes I find myself dreaming of a DECO that will send all its operating information right across the company through a wireless network... But in all, I must say that we have never regretted changing from the cam-operated technology to the DECO – in fact the complete opposite is the case.

Whether we are in a phase of economic buoyancy or suspension, the versatility of these machines enabled us to adapt to market conditions thereby allowing us to develop our business.

PS: Our journalist lost the bet! He just could not identify the "birthday" machine

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