

## Fairfield Receives Boost From Foreign Ownership

By Rebecca Patrick

**W**hen Fairfield Manufacturing opened for business in 1919 on U.S. 52 in Lafayette, the idea of a foreign company one day purchasing it likely would have been scoffed at and simply unimaginable.

But times they do change. Fast forward to 2006: After some restructuring, the Hoosier gear manufacturer was put up for sale. As it happened, the successful bidder was Saurer AG, a Swiss textile corporation. A year later, another Swiss conglomerate, Oerlikon Group, acquired Saurer.

Did foreign ownership turn things upside down at Fairfield? Hardly.

Today, Fairfield Manufacturing – still headquartered on U.S. 52 – has the same management team and “a high degree of autonomy” from Oerlikon, says company president and CEO Gary Lehman. Ownership comes to town twice a year, while Lehman and the CFO travel to Switzerland quarterly to give updates on Fairfield’s performance. Above all, Fairfield has come to embrace the benefits of now being part of a worldwide team.

### Making the transition

As Lehman points out, there’s an adjustment period – due to personalities involved as well as any new requirements – regardless of the type of ownership change that occurs.

“Most importantly, we needed to discover where they can assist us, and that always takes an understanding of the company – and some time. We’ve tried to identify where we can utilize the vast resources of Oerlikon to better Fairfield and thus contribute to the success of the parent company,” he explains.

While Lehman says there really haven’t been what he would term challenges in the past four years, there are certain expected differences encountered. Currency is an obvious one; Fairfield’s business is dollar-based and must be translated to Swiss francs. Similarly, there are different legal compliances to be met in addition to being sensitive to the rules of the Swiss Stock Exchange as Oerlikon is publicly traded.

“Basically, they hold us accountable to run the business as we see fit; however, that’s all conditioned on meeting certain financial objectives and running the business in the ethical way the Swiss require,” Lehman states.

Product development and refinement – a constant process for engineered gear and transmission systems – is also done independently, but now with a welcome twist. Fairfield enjoys collaboration with an Italian company also under the

Oerlikon umbrella that just happens to make gears very similar to its own line.

“We have much more day-to-day contact with our Italian counterparts, sharing technical resources and capabilities. We’ve even gone as far as relocating machine tools to their factories where appropriate and sharing knowledge of markets and customers in order to service the (global gear) market in the most efficient way.”

### Global benefits

Fairfield’s efforts with its sister company is but one example of a major advantage it didn’t have before foreign ownership: a global approach to running the business.

“It brought us some benefits in our worldwide sourcing activities – getting the best value when purchasing raw materials and services. We’ve also seen advantages when we pursued business that was outside the U.S. Customers could see the benefits of Oerlikon’s global presence,” Lehman notes.

“Before Oerlikon, we were simply little Fairfield – a Lafayette-based domestic gear company. While we are still Fairfield, we can now say we are part of a much larger industrial organization. That normally will give comfort to a potential customer. It says we have some staying power and potential to invest and meet their (growing) needs.”

There have also been invaluable connections made. “We’ve had interest for quite some time in understanding and potentially pursuing opportunities in Russia. However, we had limited knowledge and certainly resources to be able to pursue those markets,” Lehman reports.

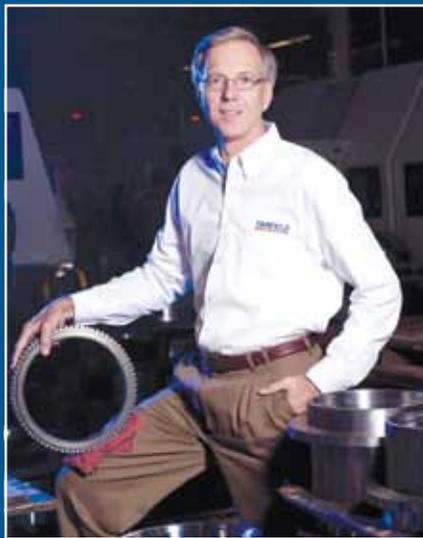
“A major shareholder of our parent company is Russian and has opened up significant doors for us to pursue as a result of his strong business relationships in that country.”

Lehman adds that the option of offering employees the possibility of careers outside of the U.S. has also helped with prospective hires.

“If you take advantage of the opportunities, foreign ownership can be very positive for the business and the people,” he surmises. “You can open up new avenues for the company, as well as just the chance to learn and to work with people from all over the world; it’s absolutely fascinating.

“And it’s not a horrible assignment for those of us who must go to Switzerland,” he concludes with a smile. “It’s an absolute gorgeous country.”

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**Management continuity was maintained at Fairfield Manufacturing after the company was bought by a Swiss group and helped ease any transition process for employees.**