

► BY DENNIS SPAETH, ELECTRONIC MEDIA EDITOR



Okuma America's logo appears over the left brake light on this Richard Childress Racing stock car.

Okuma America

# Racing to market

Why metalworking suppliers are teaming up with NASCAR—big time.

With some 30 million NASCAR fans willing to switch brands to support their favorite team, according to several market research reports, small wonder the logo for Target emblazons the hood of a Chip Ganassi stock car. Not only do fans see the logo as the car wends its way around the track, if the car wins, that's more air time.

Even if the car crashes, that's just more air time for the logo.

That's great for consumer compa-

nies, driven as they are to reach the fans who support the companies that help their racing teams win. After all, NASCAR fans know that racing teams are only as fast as their sponsors are generous.

None of this, however, explains the growing number of machine tool builders and other metalworking suppliers sponsoring NASCAR teams with equipment and services. For this unique breed of sponsor, air time for

their logos is of little consequence.

"Much of the time, we don't even request that a sticker be put on the race cars," observed Bill Haas of the Camarillo, Calif.-based DP Technology Corp. "After all, unless you have the hood or trunk [of a stock car], nobody can see your name or sticker unless the car crashes to a stop directly in front of a TV camera—and your sticker didn't get scrubbed off on the wall in the process."

Even with high-definition TV and TiVo, television viewers are not likely to spot a 4"-square sticker on the bottom side panel of any stock car.

Nevertheless, over the past decade or so, the list of machine tool builders and metalworking suppliers partnering with NASCAR teams has grown to include Haas, Kennametal, Okuma America, Mazak, UGS, DP Technology, Lincoln Electric, Doosan, Cincinnati, Miller Welding, Siemens, PBA Workholding, PTC Software, Clausing, GBI and Dassault. And these are just the associate sponsors.

There's also a lower level of sponsorship that includes companies such as Exact JobBoss, Starrett, Sandvik, Mitsubishi EDM/Laser, Stratasys, Flow and Charmilles.

While any air time their logos may get is welcome, these companies typically want two main results from their sponsorship deals: help the stock cars go faster and show their tools and systems being used by their respective NASCAR teams. Perhaps even more so than their consumer-oriented counterparts, metalworking suppliers want to see their teams go faster and win. This isn't just another avenue for advertising for them; it's an opportunity for these sponsors to showcase the effectiveness of their products.

### Good exposure

"Everybody gets involved with racing for the exposure," noted Seth Machlus, senior manager of marketing and communications for Okuma America Corp., Charlotte, N.C., an associate sponsor of the Richard Childress Racing team (RCR). "It's this supposed marketing gem that's out there that everyone wants to be a part of. The problem for us is we're not a Hershey's or a PayDay bar. Fans who like a particular team with the Hershey's logo on it may go out and spend 75 cents on a candy bar, but that's not going to happen with a \$200,000 machine tool."

On the other hand, he added, there appears to be a strong link between machinists and gearheads. Okuma leverages that connection by bringing customers through the RCR shop.

"We have a full-fledged, 24/7 facil-



As Juan Montoya, a driver for Chip Ganassi Racing, celebrates a victory, the Kennametal logo took a near hit in the lower driver's side panel during the race.

ity where we can bring customers to as long as there is no conflict of interest or confidentiality that we cannot disclose," said Machlus. "So, from that viewership standpoint, it helps us."

Plus, the more word gets out about Okuma America's partnership with RCR, the more relationships it can strike up with other manufacturers of parts within the high-performance motorsports industry. It's important, said Machlus, that other teams know Okuma America has been tested.

### Auto Industry Tie-In

Rudy Frank, marketing communications and corporate advertising manager for Kennametal Inc., Latrobe, Pa., cited the link to the automotive industry that comes with its sponsorship deals with Chip Ganassi Racing (CGR) and Dale Earnhardt Inc.

"When you're talking about racing teams, you're talking about folks being on the leading edge of technology," explained Frank. "It's a shared, mutually convenient relationship where we're providing them with technology and they're providing us with exposure."

"It's not purely a marketing gimmick like it is for a lot of consumer companies that are trying to build brand loyalty," he continued, adding that CGR owner Chip Ganassi "helps

us out with events and functions we do for the company. He's a valued guest speaker; he's done events with us at trade shows—all because of this relationship."

The Ganassi-Kennametal partnership began about 8 years ago when Kennametal received a phone call from a CGR representative who explained that the team had just received a machine tool without any cutting tools. "Within an hour," said Frank, "we had someone there recommending how to equip the machine. And everything

### The following companies contributed to this report:

**DP Technology Corp.**  
(805) 388-6000  
[www.dptechnology.com](http://www.dptechnology.com)

**Haas Automation Inc.**  
(800) 331-6746  
[www.haascnc.com](http://www.haascnc.com)

**Kennametal Inc.**  
(800) 835-3668  
[www.kennametal.com](http://www.kennametal.com)

**Okuma America Corp.**  
(704) 588-7000  
[www.okuma.com](http://www.okuma.com)

just blossomed from there. [Ganassi] was so blown away that we reacted that quickly, and it's been a marriage made in heaven."

Considering that vehicle manufacturing is one of Kennametal's largest markets, racing is "right up there" for reaching their typical customer, added Frank.

As for exposure, he said, that's all in what you make of your marketing opportunities.

"We publish a NASCAR schedule," continued Frank. "We put on that schedule that we are a proud sponsor of Chip Ganassi Racing and Dale Earnhardt Inc. The fact that we are helping these teams with our technology drives our automotive efforts. We're proud to say they use our tooling to build and make their cars better."

And the Ganassi shops supply a unique backdrop for Kennametal sales meetings, observed Frank. In addition, Kennametal takes clients to races and supplies pit passes so they get a genuine race day experience.

"The Ganassi people go out of their way to help us, too," he added. "They take great care of us."

### The Next Level

The Haas Automation NASCAR story followed a similar track until January 2002, when Haas Automation shifted its involvement into high gear with the launch of its own team, Haas CNC Racing. Up to that point, the machine tool builder was content to be an associate sponsor of Hendrick Motorsports.

Haas partnered with Hendrick about 10 years ago just before it became "the premier race team in NASCAR, and that proved to be a very beneficial relationship for us," recalled Scott Rathburn, marketing product manager for Haas Automation Inc., Oxnard, Calif.

Initially Haas had just a couple machines in the Hendrick shop. With each passing year, the team added more machines. Today the shop includes about \$5 million worth of Haas machines.

"They've pretty much become a full Haas machine shop, using all of our machines," noted Rathburn. "The Hendrick facility has become a huge show-



Haas Automation

**Haas CNC Racing recently opened this new \$15 million race shop and headquarters in Kannapolis, N.C.**

room where we can take customers to see Haas machines at work doing cutting-edge racecar parts. Our distributors on the East Coast use that to good advantage to take customers there to see the machines actually cutting."

Peter Zierhut, Haas public relations director, who arranged the first NASCAR sponsorship deal for Haas, heralded the Hendrick facility "a great place to bring our customers," but noted that Haas also likes getting its logo out in front of the fans.

While they aren't the primary target of the publicity Haas seeks through its sponsorship, the NASCAR fan base is not lost on Haas.

Noted Rathburn, "Even though a majority of those people aren't going to know what a machine tool is, you get the Haas logo out there enough, and they see it and they start to recognize it. And there are a lot of people who do watch racing and do know machine tools. Most of your machinists are interested in some form of motorsports."

What began as a way to obtain publicity, however, has grown into much more, said Zierhut. Gene Haas, owner of Haas Automation, was looking for something else to do once he found the right management team to run Haas Automation.

With production growing from 250 CNC machines a month 10 years ago to 1,384 in March 2007, the company is well on its way toward reaching

its goal of \$1 billion in revenue by 2010, noted Zierhut. Given that success, Gene Haas has turned to racing, one of his longtime passions.

Haas CNC Racing resides in a new \$15 million race shop and headquarters in Kannapolis, N.C. With guidance from Hendrick, Haas CNC Racing has grown to include two stock car teams, one driven by Jeff Green and the other by Johnny Sauter.

Now that Haas CNC Racing has two stock car teams, said Zierhut, efforts to tie racing to Haas Automation will take a huge step forward with plans to invite some 1,200 customers to 19 races this year. Not only will customers get a chance to tour the race shops, they will get "some of the best seats in the stands to see the races," he added.

As Haas has become more involved in racing, the reverse is becoming more apparent as well—with more racing teams realizing the need to improve their machining technology to compete.

Noted Okuma's Machlus, "It is an industry that I'd say has taken a big transition over the last few years because they really were running a lot of manual machines. Only now are they really jumping in and seeing the benefits and repeatability of CNC."

A lot of teams, he continued, are pulling work in-house rather than continuing to purchase from an outside vendor because they can't ensure the confidentiality of the parts. "That

means a lot of money has to be invested,” said Machlus, “and you have to find the engineering support to do that. That’s where we come in. We’re looking to partner with teams and help on the engineering side.

“It’s really a win-win for everybody,” he continued. “But I think for teams to compete nowadays—as the framework of what can change and cannot change in these cars continues to decrease—it basically means pulling the little things, little tenths out of the car, small amounts of weight and things like that. That’s going to be done on the manufacturing side.”

Machlus observed that working with race teams involves much more than delivering a machine tool and asking for a sticker on the side of a racecar. “At the end of the day, that sticker doesn’t mean all that much to us,” he said. “It’s more about bringing our customers to see the engine shop to see what’s going on, and being able to show what Childress has done to advance their manufacturing and pull out those extra horsepowers.”

Kennametal’s Frank couldn’t agree more—helping the team go just a tenth of a second faster is really what it’s all

## Speed over to the CTE Web site

**F**or a closer look at the NASCAR teams sponsored by the companies mentioned in this article, visit CUTTING TOOL ENGINEERING’s Web site at ctemag.com for a special interactive NASCAR feature.

The CTE Web-based report will identify each of the NASCAR racing teams sponsored by a machine tool builder or metalworking product supplier and track the success of these teams throughout the NASCAR season this year. Companies that sponsor NASCAR teams include Haas, Kennametal, Okuma America, Mazak, UGS, DP Technology, Lincoln Electric, Doosan, Cincinnati, Miller Welding, Siemens, PBA Workholding, PTC Software, Clausing, GBI, Dassault, Exact JobBoss, Starrett, Sandvik, Mitsubishi EDM/Laser, Stratasys, Flow and Charmilles.

In addition, the online report will include a look at Okuma America’s role as the official machine tool sponsor of the National Hot Rod Association, more about the Haas CNC Racing team, a photo gallery, a host of racing links and audio commentary from other metalworking suppliers that sponsor NASCAR teams.



Okuma America

**Okuma America is the official machine tool sponsor of the National Hot Rod Association.**

about.

“Although that’s less than a blink of an eye,” concluded Frank, “it makes all the difference in the world for winning

and losing in this sport. When you talk about a hundredth of a second, millions of dollars are on the line—that’s the heart and soul of everything.” △

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