



**Drives, LLC: Recipient of the  
2008 North American Mechanical Power Transmission, Chain Drives  
Customer Value Enhancement Award**



*Pictured from left to right: Barbara J. Ross, Director, Corporate Relations & Business Development, Drives, LLC and Art Robbins, President, North America, Frost & Sullivan*

*"We accelerate growth."*

## **2008 North American Mechanical Power Transmission, Chain Drives Customer Value Enhancement Award Award Recipient: Drives, LLC**

### **Award Description**

The Customer Value Enhancement Award is presented each year to the company that has demonstrated more innovative, value creation, and enhancement strategies than competing vendors.

The key differentiators of a Customer Value Enhancement Award from a traditional Customer Service Award is that -

1. it is a proactive function rather than a reactive function
2. it focuses on value creation and enhancement rather than simply ensuring client satisfaction
3. it focuses on maximizing the ROI of the investment customers make in a company's products or services rather than simply providing after sales support and service

This Award recognizes the degree to which the company's strategies have met customers' stated needs and requirements. Such innovation is expected to significantly improve customer interaction and contribute to customer value.

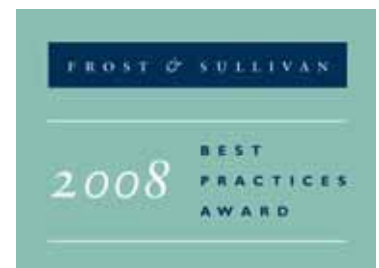
### **Research Methodology**

In order to select the Award recipient, analysts quantify several market factors for each market participant according to predetermined criteria. Through primary and secondary research methods, all companies' customer value and service strategies are tracked. When a company demonstrates proactive strategies to create increased value for customers, which in turn leads to increased penetration, it is a candidate for the Customer Value Enhancement Award.

### **Measurement Criteria**

In analyzing companies for CVE recognition, we use specific criteria to determine the final Award rankings. The recipient of this Award has excelled based on one or more of the following criteria:

- Leading proactive initiatives to improve value to customers
- Inclusion of new features and benefits for an existing service or product that enhances value for the client
- Implementation of a new or unique pricing strategy
- Implementation of a new or unique product bundling strategy
- Launch of a new product(s) to offer a "one-stop shop" in response to customer demands
- Launch of a new service protocol to improve overall customer ownership experience
- Launch of a new program to help improve the utilization rates for products or services procured by clients
- Creating new venues, such as online services, for an established product
- Strategic mergers, acquisitions, or joint ventures to provide additional benefits to the customer



The recipient of the 2008 North American Frost & Sullivan Award for Customer Value Enhancement in the Mechanical Power Transmission, Chain Drives Market is Drives LLC. This award is presented to Drives in recognition of its efforts in developing a higher degree of manufacturing and engineering expertise in order to better serve its customers. Through an extensive capital investment program and

comprehensive talent exploration, Drives has been able to increase its capabilities as well as expand its production quality in order to better serve its current and new customers.

Drives has implemented innovative strategies in order to compete in the industrial chain drive market, which is considered a mature market and has been marginalized as a commodity. For this reason, Drives has decided to change the status quo by taking proactive steps to improve value to its customers by actively recruiting professional talent and making strategic capital investments for improving its overall manufacturing systems. By introducing newer manufacturing concepts, such as computer numerical controls (CNC), to its production apparatus, Drives is able to improve its manufacturing cycle efficiency, process productivity, and process quality yield; thereby attracting new customers. In addition, Drives' growing and talented engineering staff allows it to both increase its customer service capabilities and offer advance technical services to end users who are challenged with properly trouble shooting difficult issues within their industries. The combination of these two tactics is propelling Drives into new market verticals and helps them discover other niche opportunities within the existing market verticals.

### **Value through Capital Investment**

A majority of participants within the Mechanical chain drives market continue to restructure and emerge as a distributor and re-packager of chain produced in foreign countries. These companies believe that there is no value in producing mechanical chain products in house, and that they are unable to compete with the low priced chain infiltrating the North American markets.

Drives has taken a unique approach. Over the last ten years, Drives has continued in its quest towards a technologically advanced manufacturing facility. These capital investments have allowed Drives to practice six sigma type methodologies and offer superior quality compliant chains, as well as improve its standing in customer satisfaction, while increasing its market share and penetration into previously unexplored market verticals. As an example, when Link Belt® was acquired by a competitor, Drives was able to capitalize on this move by purchasing the competitor's chain manufacturing equipment in 2001 at an auction price. After an extensive retrofit of the equipment, Drives was able to fill the void created by the consolidation in the industry, especially in the oil and gas industry. This has made Drives presence felt within the highest ranks of its competition. In 2007 Drives was again able to maintain a double digit growth rate in an industry that had a growth rate that has kept pace with inflation, further indicating its market expansion.

Maintaining a technological manufacturing edge within a market that is as mature as the mechanical chain drives market is a costly, time consuming, and potentially risky proposition. There are a multitude of hazards that can make or break a company, such as the capital expenditure necessary for current generation manufacturing equipment. Drives has taken on these risks in order to offer its customers the highest quality chain that can be produced for every possible demanding application its customers may have.

### **Leadership with Market Innovators**

Having the right manufacturing equipment is only part of the equation. The need for talented engineers who can not only develop new chain systems with various capabilities, but also maintain and support current product lines, is critical. Drives has assembled an impressive engineering staff to augment its manufacturing upgrades.

Having a combined knowledge base and experience of over 100 years in the mechanical power transmission market, Drives engineering staff provides the insights and product development for all vertical markets in need of chain. This allows Drives to provide further services to not only niche market participants, but also offer customers the opportunity of application based engineered products and services. This, combined with advanced manufacturing capabilities, allows Drives to offer its clients a broad base of services unsurpassed in today's commoditized chain market.

### **Application Based Selling**

With the majority of Industrial Chain manufacturers moving towards the self fulfilling prophecy of commoditization of the market, Drives has repeatedly demonstrated profitability and end-user acceptance in providing application based solutions. From lumber and paper products to food processing, packaging, and even mining; Drives has incorporated its years of knowledge and technological advancements into a customer centric industrial chain provider.

The application based selling program at Drives provides customers with the answers to their toughest questions with a quality they have come to expect. Drives has been able to solve customers' problems that have saved its customers from loss in production, down time, and maintenance costs.

### **Conclusion**

Drives demonstrates a level of ingenuity unsurpassed in the Mechanical Power Transmission Market. As its competitors scramble to reduce overhead costs in order to sell their chains at a lower price, Drives astounds its customers with a high quality product and dependable engineering services that are geared towards helping its customers. Frost & Sullivan is proud to present Drives with the 2008 Customer Value Enhancement of the Year Award in the Mechanical Power Transmission, belt and chain drives domain. Drives emulates Customer Value Enhancement by offering its customers much more value than a commodity provider could ever provide.

#### **About Frost & Sullivan**

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting and Growth Team Membership™ empower clients to create a growth-focused culture that generates, evaluates and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 30 offices on six continents. For more information about Frost & Sullivan's Growth Partnerships, visit <http://www.awards.frost.com>.

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