

PREPARE FOR ANYTHING

The presentations at last month's AGMA/ABMA Annual Meeting provided plenty of food for thought. In particular, the topic of artificial intelligence kept coming up. But, as always, attendees wanted to know what's going to happen next with the economy.

Jim Meil, Principal, Industry Analysis for ACT Research, gave his usual analysis of the state of the economy, apologizing at the outset that all of his information, prepared the week before, might already be out of date (the Silicon Valley Bank failure occurred the weekend before the meeting). Meil has been presenting at the annual meeting for a number of years, and his detailed analysis—and dry sense of humor—make his presentation always well anticipated.

This year, of course, the main gist of Meil's talk was whether or not there will be a recession, or even whether or not we're already in one. We're in unusual times, he said, with unprecedented low unemployment at the same time we're experiencing rapid inflation. The Fed has never gone through a sustained period of rate hikes when the country has been at 3.5 percent unemployment, so they're operating without a road map, Meil says. In addition, we've seen repeated shocks to the system over the past several years, including trade wars, COVID and the war in Ukraine. He pointed to softening of demand in things like the Purchasing Managers Report. All of this makes it pretty hard to predict what's going to happen next. When banks start failing, and the federal government is about to reach its debt limit, it could make for a very interesting summer.

So will there be a recession or won't there? At the end of the day, Meil shrugged his shoulders and said, probably yes, a small one, on paper. "But it will be the best recession of most of your careers."

Overall, the mood at the event was extremely positive. Gear manufacturers and suppliers alike were enthusiastic to be together again for only the second meeting since COVID. People are definitely still celebrating the fact that we can all get together in person. From my observations and conversations, not too

many were overly concerned about the economy.

The other topic that kept coming up, both in the presentations and in individual discussions, was the importance of beginning to understand artificial intelligence. Much of this has to do with the recent headlines surrounding ChatGPT and other language-learning chatbots that are becoming scary good at what they do. Mostly, people in industry are looking at this as another tool that they can use to make their businesses more efficient. If you haven't done so, you should try it, if for no other reason than so that you know what everyone is talking about.

We live in crazy times, when the only thing that seems certain is that we have not yet reached the pinnacle of craziness. Change is happening on so many fronts that it's hard to know what's going to come next. Like Jim Meil, we just have to shrug our shoulders and give it our best guess.

I say it's time to prepare for anything. In your business, you need to be agile, and to be agile, you need to be informed.

One of the best ways to be informed is to continue reading *Gear Technology*. Every issue we try to bring you information that will help you in the business of gear manufacturing. One of the other ways is to attend industry events. While the AGMA/ABMA Annual Meeting is a members-only event, there are plenty of other opportunities—some coming up soon, like AGMA's Motion+Power Technology Expo, which takes place October 17–19 in Detroit (motionpowerexpo.com). The association has a lot planned for the event, and there will be more opportunities to learn and network than you can possibly fit into just three days. You should add it to your calendar now.

IT'S JUST ONE WAY YOU CAN PREPARE FOR THE NEXT ROUND OF CRAZINESS.



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ARE YOU READY?

