

# How economic downturns can provide new opportunities

By Ron Feigel


The recent recession was among the worst Universe Machine Corporation has faced in over 53 years of business in Canada. Work slowed significantly, forcing cost cuts and other changes, which included downsizing staff by over one third. The economic slowdown this time around was not just due to low oil prices. Increasing global competition, as well as the change of our provincial and federal governments here in Canada and their ensuing damaging new policies, were also contributing factors.

Downturns are difficult for businesses and staff, but they can certainly bring some positives.

It's been easier to find that skilled employees and staff tend to be more engaged and productive. Having to run leaner to survive has spurred innovation and efficiency improvements. It's led to exploring further diversification, automation, and increasing capabilities. Having more time and resources enabled us to uncover new opportunities, ramp up R&D, and work on improving our products and services. This has proven to be beneficial in the short term, and we are confident this will provide long-term benefits as well.

Our investments in research and development during this downturn have included focusing on the testing and upgrading of our existing products, utilizing compiled data and various research mediums for new or improved platforms, adding larger equipment capacities and more services. We have also increased Universe's marketing exposure, focusing on strengths, new offerings, and other markets. All of this helps send the message that Universe Machine continues to move forward, even during difficult times.

During this downturn, Universe Machine has developed several new products, including Universe Hydraulic Bucking Units. This equipment utilizes existing in-house items that we manufacture vertically for rigs. With some creative engineering, we can cost-effectively transform them into a completely new horizontal product line for pipe yards, thereby enabling customers to more quickly and accurately pre-assemble pipes and couplings in a more controlled environment. Many Universe products have been designed utilizing the same parts, and that cuts down on inventory costs for both our business and our customers.



Automated Power Tong & Backup.

UNIVERSE  
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Torquing Pipe - Universe 9.625 Bucking Unit.

Besides the bucking units, Universe has also developed a revolutionary new hydraulic backup that mates perfectly with our seven-inch Universe Closed Mouth Power Tong. This is unique because currently only manual backups exist for this type of equipment.

Universe Machine has completed engineering our existing Hydraulic Power Tong Upgrades which beef up equipment and allow for higher operating torque. All these new offerings have been rolled out as industry improved, with the hope to increase sales and market share as our economy picks up again. Another benefit of all this research is that it indirectly provided much of the data required for a new line of Universe High Torque Power Tong equipment that will eventually also be introduced.

It's important to invest in these opportunities during downturns, because as the economy turns around, companies will be better positioned to take advantage of it. Thankfully, industry confidence is slowly returning along with higher oil prices, providing some sustained improvement and a more positive tone.

However, Universe isn't the only one who stands to profit from the efforts the company is taking to invest in research and development during challenging times. This move will enable Universe to produce products more efficiently in the future; thereby staying globally competitive, satisfying customers' needs, and keeping Albertans employed.

In other words, investing in research and development means investing in Canada's future economy, and that's the best way to reinvest stability and growth into our future! ▶

Ron Feigel does business development for Universe Machine. Find them on Facebook, Universe Machine Corporation, or on Twitter, @umcorpcanada.



7.0 Closed Mouth Tong + New Hydraulic Backup.

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MACHINE** CORPORATION **HIGHER TORQUE  
POWER TONGS**

**YOU  
DEMANDED  
MORE  
TORQUE**

9 5/8 TONG  
27,000 FT-LBS

13 5/8 TONG  
36,000 FT-LBS

17 TONG  
41,000 FT-LBS

20 TONG  
50,000 FT-LBS

24 1/2 TONG  
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