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The Most Powerful Name in Corporate News

Robotic Systems Integrator

CEOCFO: Mr. Lorentzen, would you tell us about Genesis Systems?

Mr. Lorentzen: Genesis Systems Group is a robotic systems integrator. A robotic systems integrator fills the gap between robot manufacturers and robot users, those who use robotics in their manufacturing processes. Genesis does the engineering and application of the process that the robot will perform. Genesis builds the positioning equipment, work holding devices, systems controls and value-added programming of the robot for the manufacturing task.

CEOCFO: Would you tell us about the state of robotics in general?

Mr. Lorentzen: I would characterize robotics as a mature industry ready for its second or third generation of usable innovation. The industry was founded in the 1970's, industrial robotics were in their infancy in the 70's, robotics came into acceptance in the late 1980's and 1990's, when robotics really accelerated into the market place. The intelligence of the industrial robot dramatically increased during that period, to the point where they became stable products in many types of factory automation. It was now rare that people would look into factory automation without considering robotics anymore. The intelligence has continued to increase year after year; it is really the number of processes robots can deliver that is defining the next generation of innovation.

CEOCFO: When is a company likely to turn to Genesis?

Mr. Lorentzen: Manufacturers turn to Genesis for a number of reasons. Some rely on the experience and know-how engineered into our robotic systems. We have specific experience processing a lot of different parts that are robotically manufactured. We are also on the leading edge and are often the first to robotically process specific parts. Solutions may include welding, non-destructive inspection, vision, material handling, etc. Our engineering depth and experience is often why companies turn to Genesis for complex and new applications.

CEOCFO: Are customers coming to you because of your 30-year history? How important is that in today's environment?

Mr. Lorentzen: Our 30 plus year history does matter. The 1980's may not seem like a long time ago to some of us, but in terms of the industrial robot it is a long history. Over time, Genesis has accumulated a lot of know-how and experience to handle and avoid many of the challenges that occur with robotic automation. That knowledge becomes even more important to manufacturers when they face challenging applications and schedules. The margin for error is smaller in these cases. Our history has also enabled Genesis to acquire scale, both technically and geographically. So when there are issues of such scale and complexity, our history definitely matters.

CEOCFO: Can robotics help almost everywhere today?

Mr. Lorentzen: Robotics can be advantageous in many areas of manufacturing. Current technology and the readiness of the parts being processed are typically the limiting factors of when robotics will be the right choice for a manufacturer. Determining what processes are right for robotic automation is what Genesis does for its customers. As robotic intelligence continues to increase, so will the uses of robots in manufacturing.

CEOCFO: Is it difficult to find the appropriate people for your organization?

Mr. Lorentzen: The industry is seeking talented people in general. Our public and private institutions do a wonderful job of training people to use the tools of design and manufacturing analysis. However, the specificity of what is required in know-how to deliver a process is something that I think is nearly impossible for anyone to deliver other than the



Joel Lorentzen CEO

companies who are delivering those processes. Companies need to finish the education. For an employee to have real contribution the first day is not realistic, but it is common to be very happy with employees over time.

CEOCFO: *How is business?*

Mr. Lorentzen: Business is good. The long term trajectory of the business is up. Robotics are a generally accepted method of factory automation and there is a lot of factory automation going on in the world. The industry is sensitive to capital investment cycles, there are years that the automotive, aerospace or agricultural industries will be buying and those are big business opportunities. Last year was a record year for robotic sales in North America. This year is at a similar pace, but there is a little more hesitance in the market based on capital investment cycles.

CEOCFO: If we talk a year from now what might be different?

Mr. Lorentzen: The technology involved with robotic automation is trending towards more virtualization. Virtual tools are becoming more and more useful; offline programming tools are becoming very good and more accurate. However, these tools do require a knowledgeable user to be effective. I think you are going to see a trend in the industry towards fewer iterations in the physical realm and more iterations in the virtual realm of work-holding devices and of manufacturing systems that include robots. I expect us to also see the number of processes that robots can deliver continue to expand. Collaborative robots will be an example of this. They will expand the market, not necessarily displace today's industrial robots.

"I think you are going to see a trend in the industry towards fewer iterations in the physical realm and more iterations in the virtual realm of work-holding devices and of manufacturing systems that include robots." - Joel Lorentzen

CEOCFO: Why should people look to Genesis Systems Group?

Mr. Lorentzen: Genesis Systems has the deepest history in deploying robotic systems of anybody in the world doing the business that we are doing. We start earlier than anybody else in the industry with engineering advisory services. We also service later than anybody in the industry. We can collaborate when a customer is designing their part and continue into the production. Our technical range, scale and speed set us apart. We do everything from our own controls to electrical design to our own fabrications and application engineering. Of anybody that I am aware of in the world, we have the deepest history and broadest customer base of satisfied clients doing robotic automation. I am extremely proud of the team we have assembled.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

For more information visit: <u>www.genesis-systems.com</u>

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