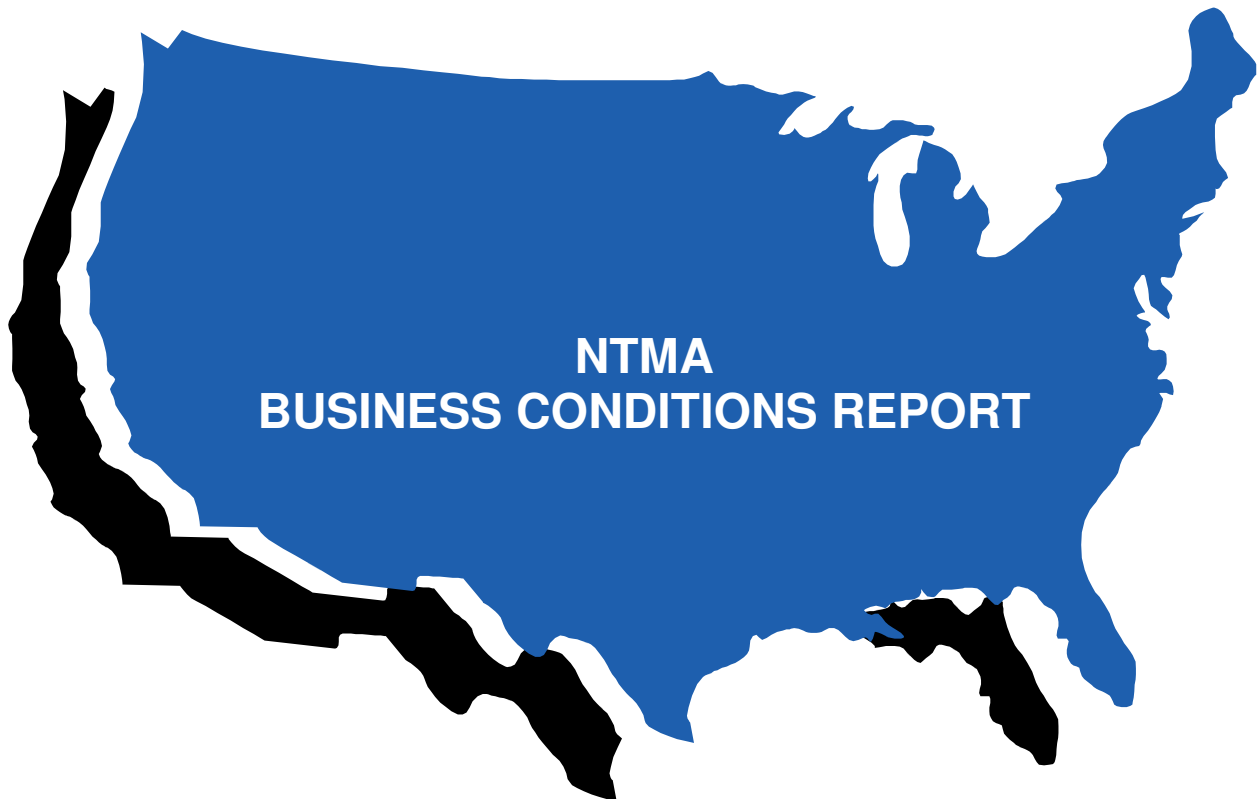




NATIONAL TOOLING AND  
MACHINING ASSOCIATION



**Prepared February 2019  
(for the period ending December 31, 2018)**

- **Overall Survey Results**
- **Results by Industry Segment**
- **Results by Geographic Region**
- **Member Comments by Industry Segment**



February 8, 2019

This NTMA Business Conditions Report covers the second half of 2018, a projection for the first half of 2019, and is a geographical “snapshot” of business trends and conditions in the special tooling and machining industry.

This Report, based on information from 70 NTMA member companies, indicates that overall business conditions during the 6-month period ending December 31, 2018 were Very Good to Excellent for 48% of respondents, down from 62% at the end of June 2018. Looking ahead, 58% are projecting that the next six months will bring a moderate-to-substantial increase in business conditions. The greatest optimism was expressed equally by members in the Central Southwest Region (AR, LA, OK, TX, NV, CO) and New England (ME, VT, RI, NH, MA, CT) and by those serving the Molds sector.

Average work week per employee decreased to 45 hours. Future work on the books decreased as well to 15 weeks. Average Sales Per Employee, however, came in higher at \$134,092.

Top business priorities have been reordered as follows:

- #1: Increase Productivity (no change)
- #2: Increase Sales (#3 in June)
- #3: Finding Skilled Employees (#2 in June)
- #4: Finding New Customers (#5 in June)
- #5: Cost Reductions (#4 in June)
- #6: Leadership Staffing (no change)

A special thanks to the NTMA member companies that participated in the December 2018 NTMA Business Conditions Report. We appreciate your support of this important benchmarking survey and encourage non-participating members to join the next survey in June.

Sincerely,

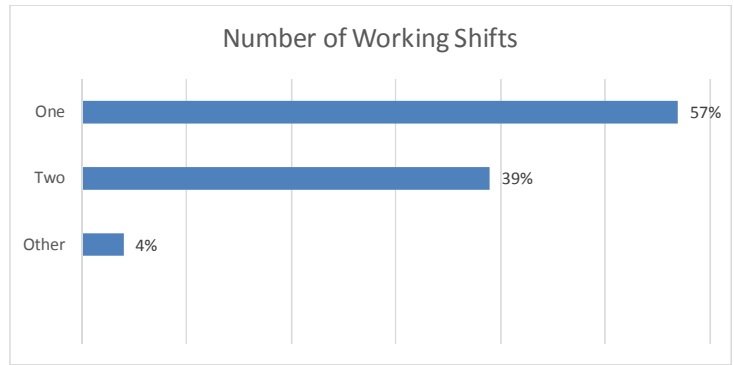
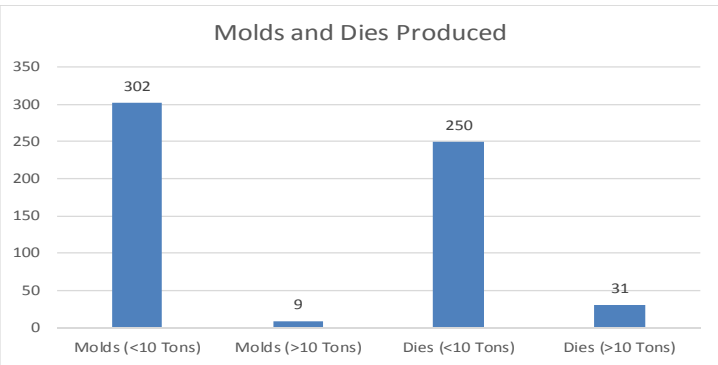
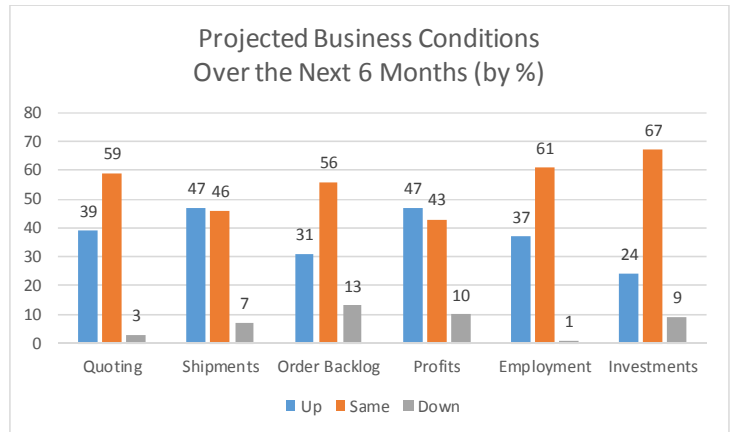
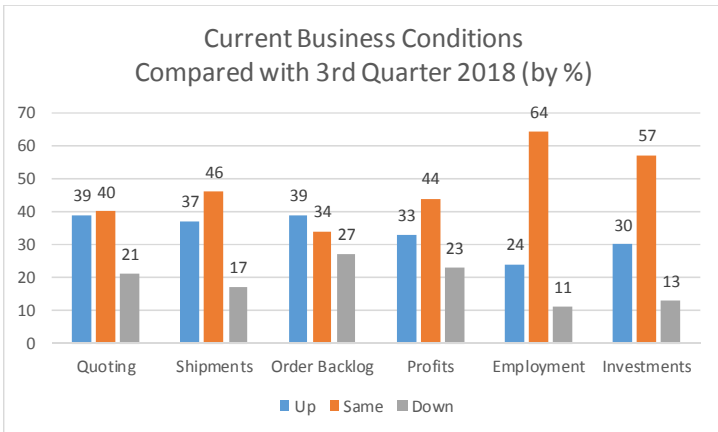
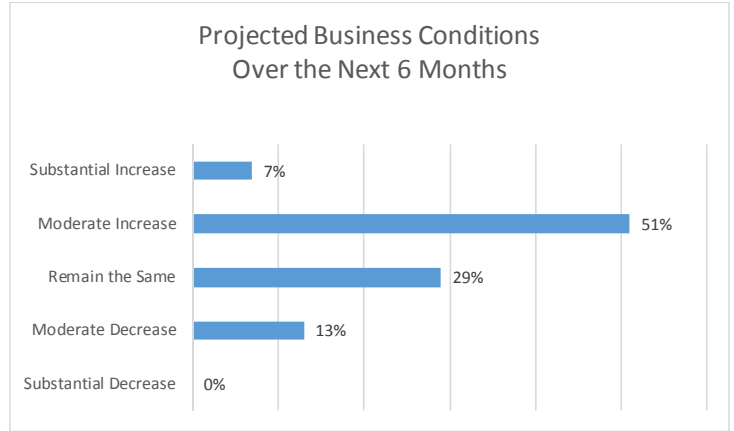
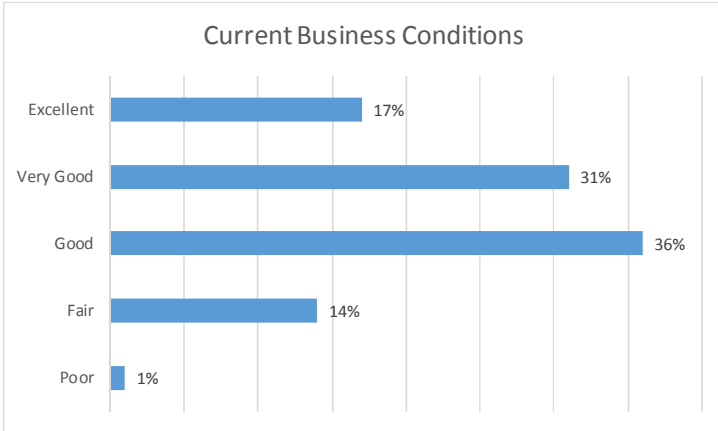
A handwritten signature in black ink, appearing to read "Dean Bartles", with a long, sweeping flourish extending to the right.

Dean Bartles  
President



# December 2018 NTMA Business Conditions Report

Based on responses from 70 NTMA member companies



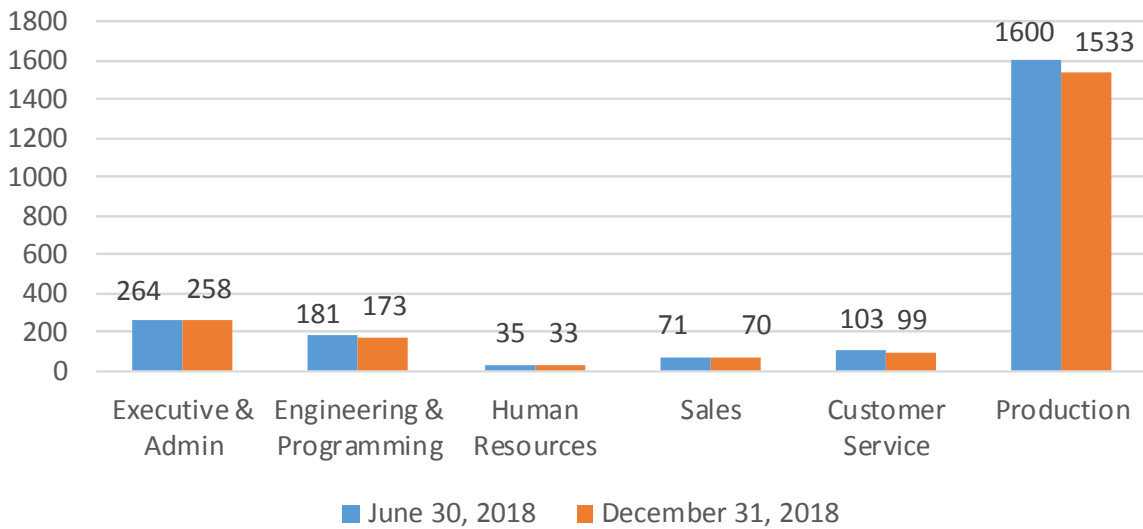
**Total employees as of June 30, 2018: 2,718**  
**Total employees as of December 31, 2018: 2,783**

**Future Work on Books (Average): 15 weeks**

**Current Average Workweek per Skilled Employee (hours per week): 45.25 hours**

**Sales Per Employee: \$134,092**

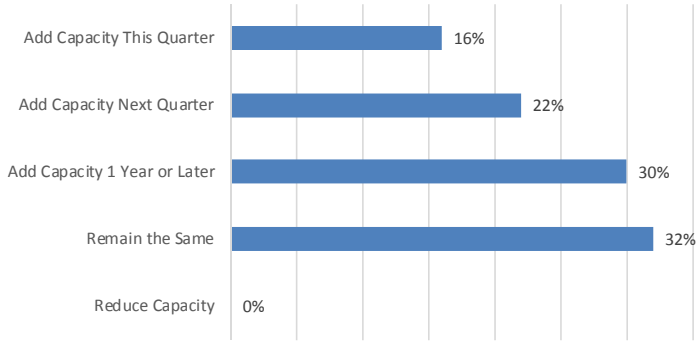
## Distribution of Employees (June 2018 compared with December 2018)



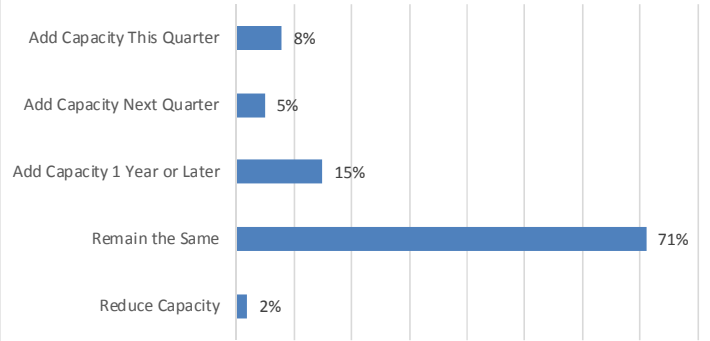
**Q23. Our priorities for our business for this quarter are (rank 1-6, with 1 being the highest priority).**

	Productivity Increases	Sales Increases - existing customers	Finding skilled employees	Finding new customers	Cost reductions	Leadership staffing	Total
Rank 1	15	12	19	10	8	4	68
Rank 2	20	19	8	13	6	2	
Rank 3	19	14	11	8	13	3	
Rank 4	6	8	8	12	22	12	
Rank 5	5	8	16	16	10	13	
Rank 6	3	7	6	9	9	34	
Weighted Rank (Score)	1 (297)	2 (270)	3 (260)	4 (234)	5 (225)	6 (142)	

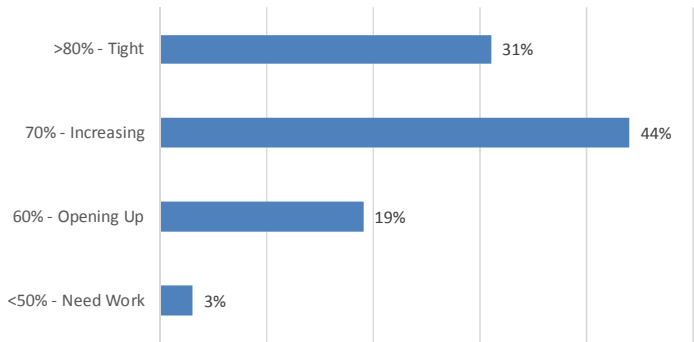
### Capacity Plans: Machines



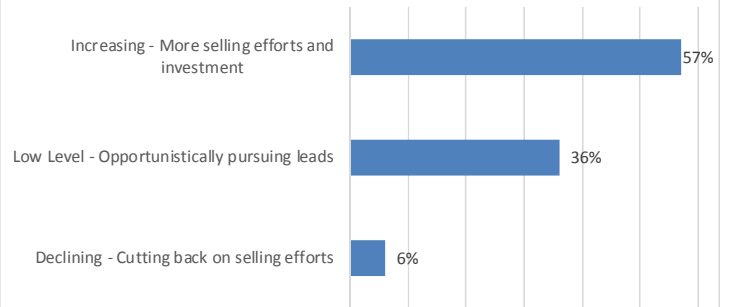
### Capacity Plans: Buildings



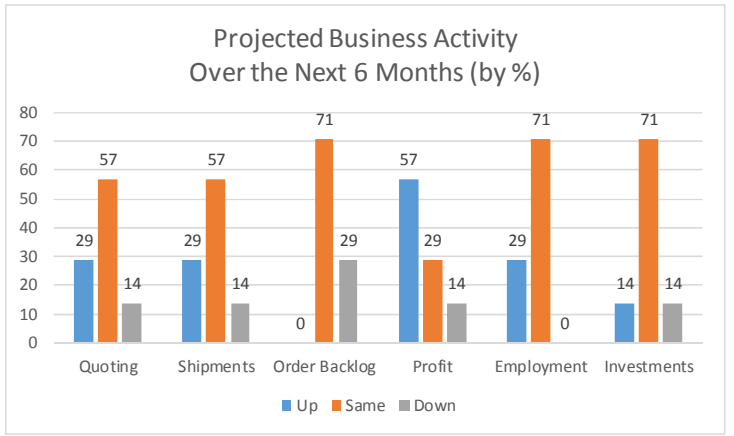
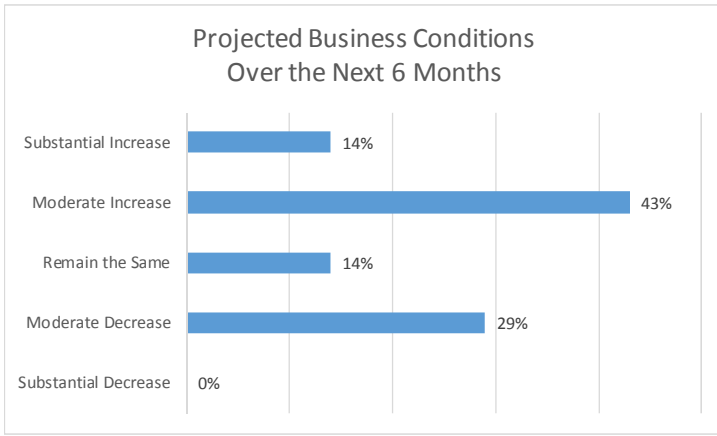
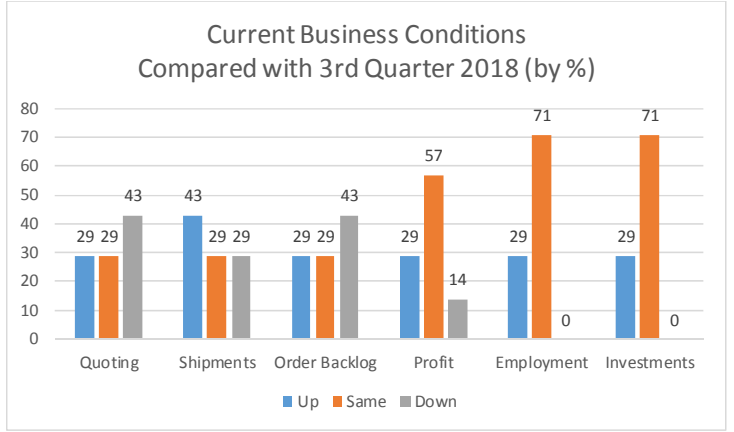
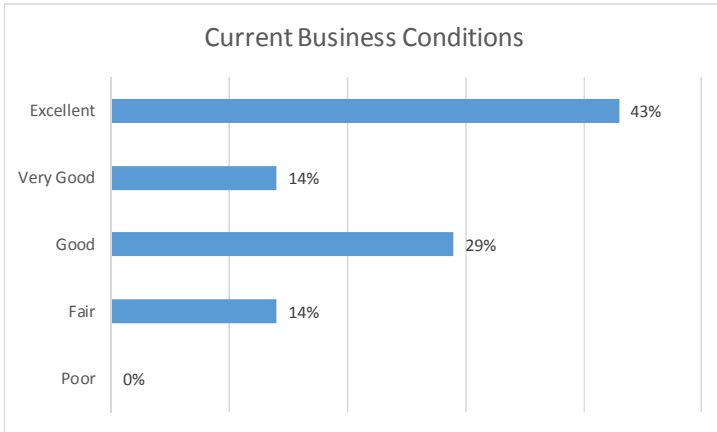
### Sellable Production Capacity



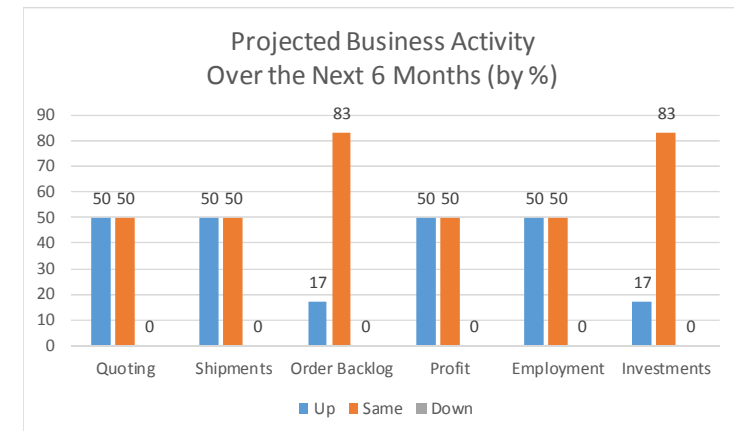
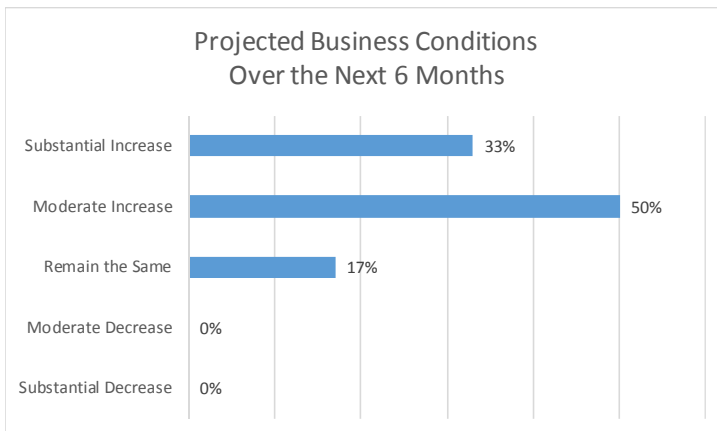
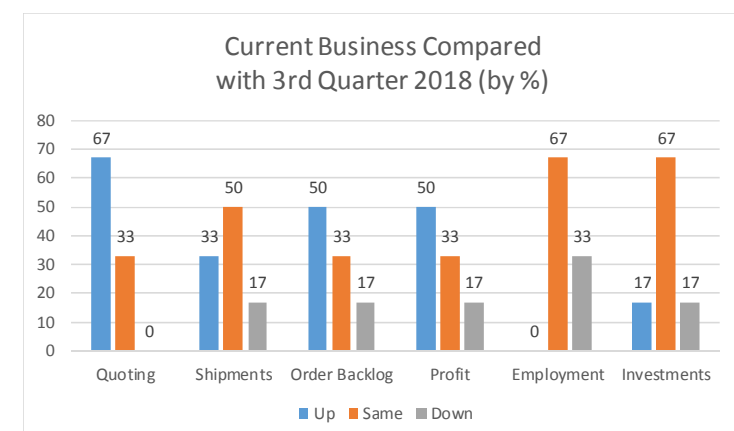
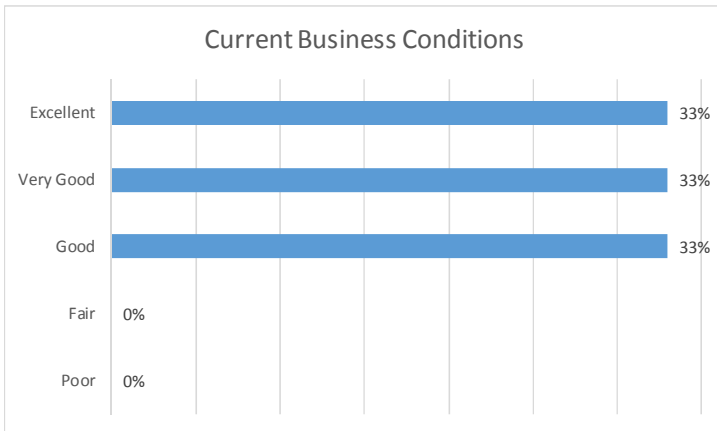
### Proactive Selling & Business Development Activity & Investment is:



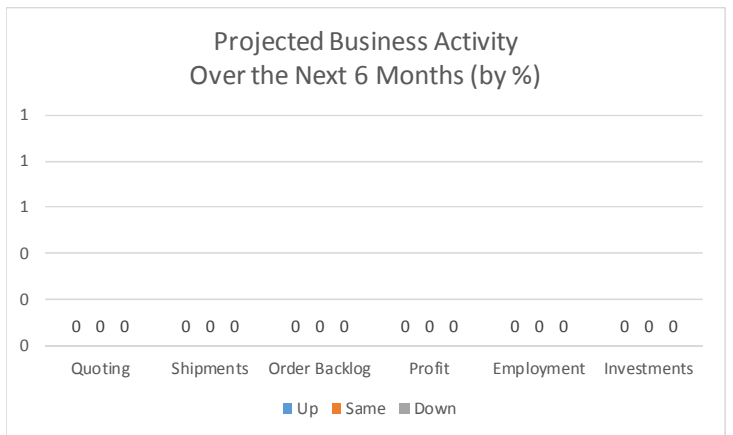
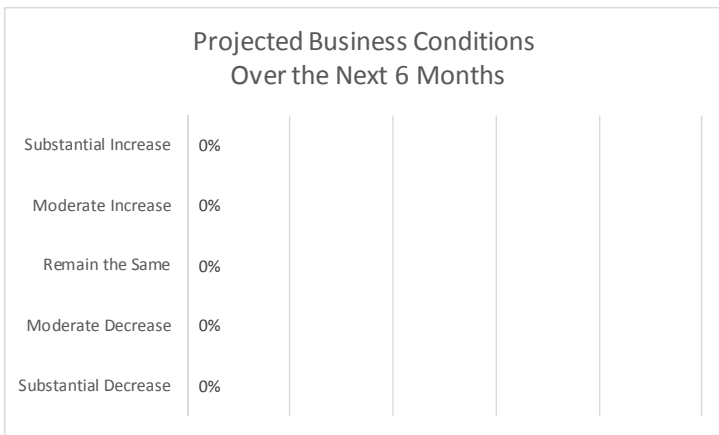
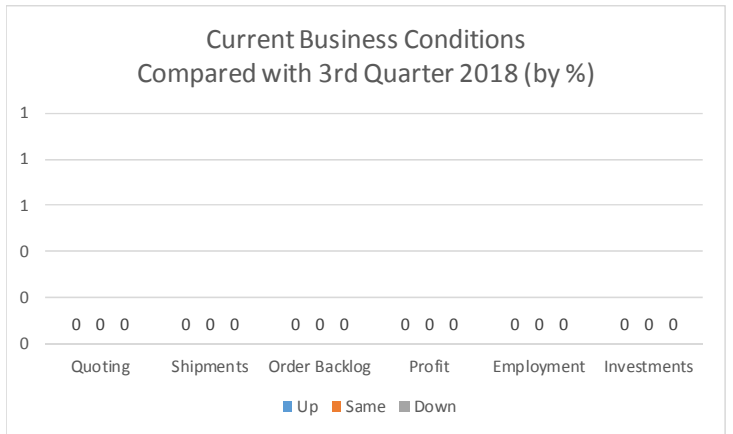
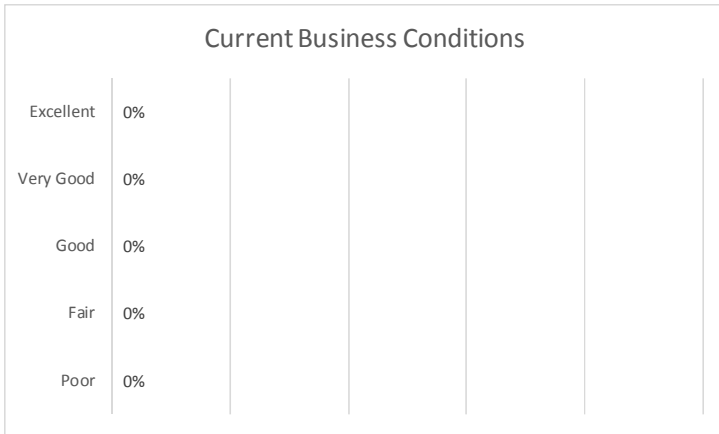
## Business Conditions by Industry Sector Tools, Die & Fixtures (7 responses)



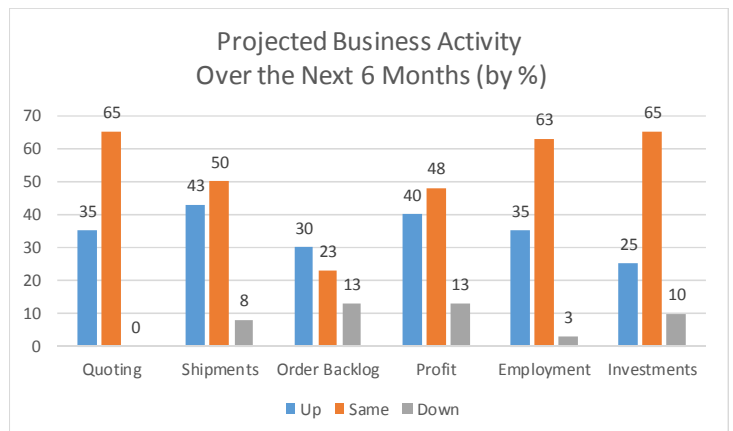
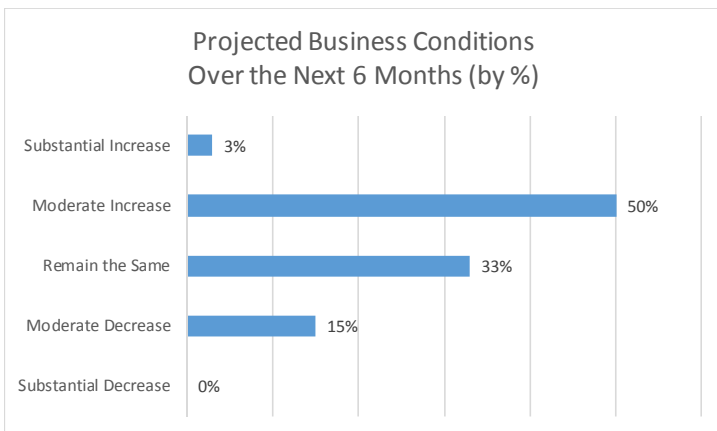
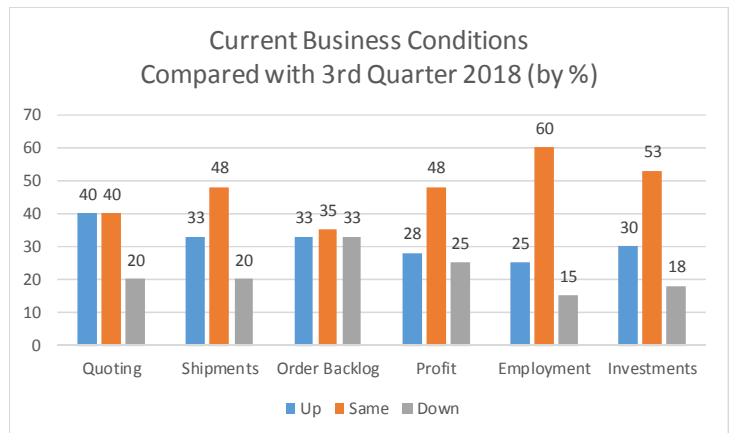
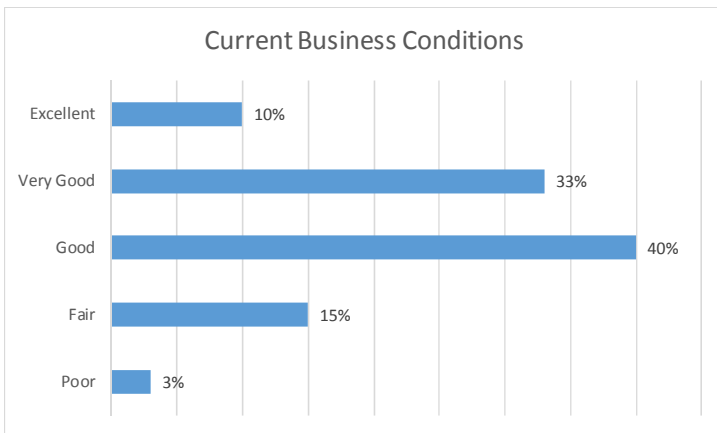
## Molds (6 responses)



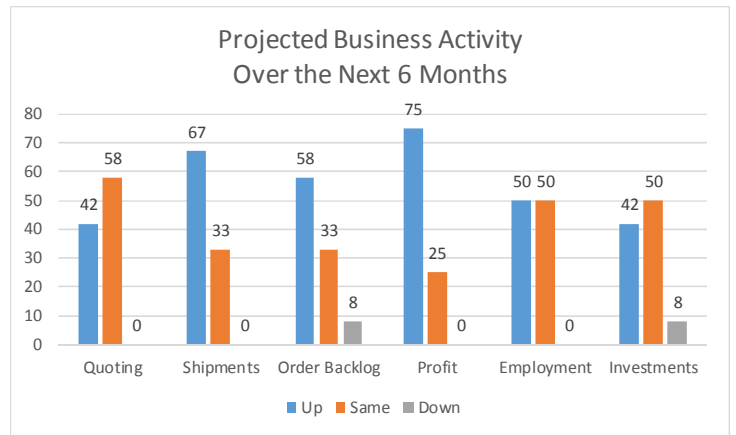
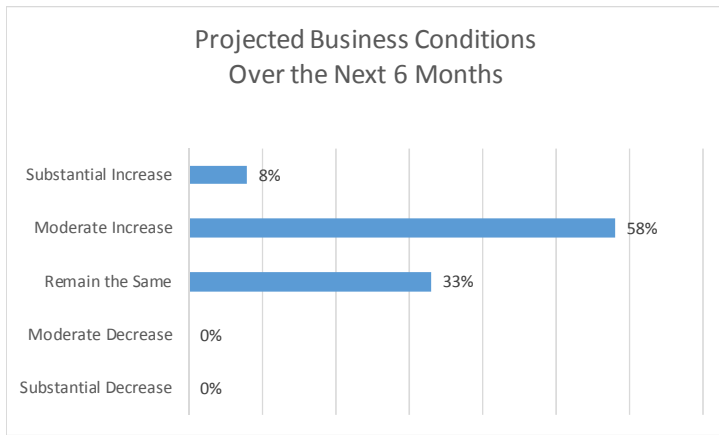
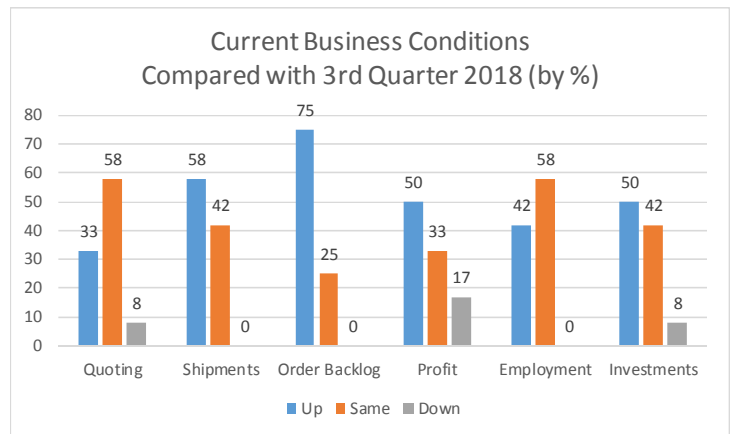
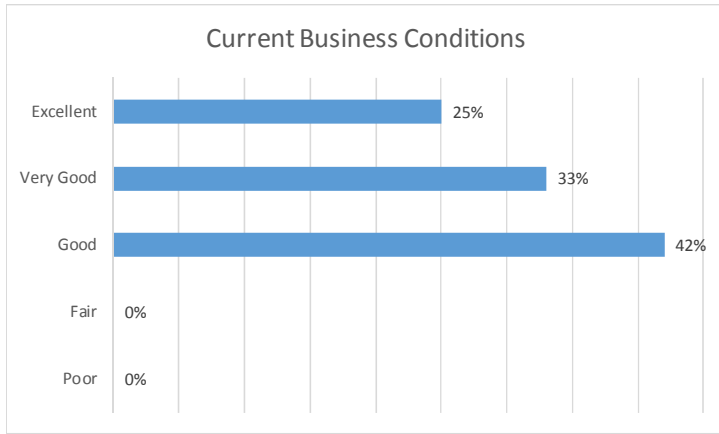
## Special Machines (too few responses to tabulate)



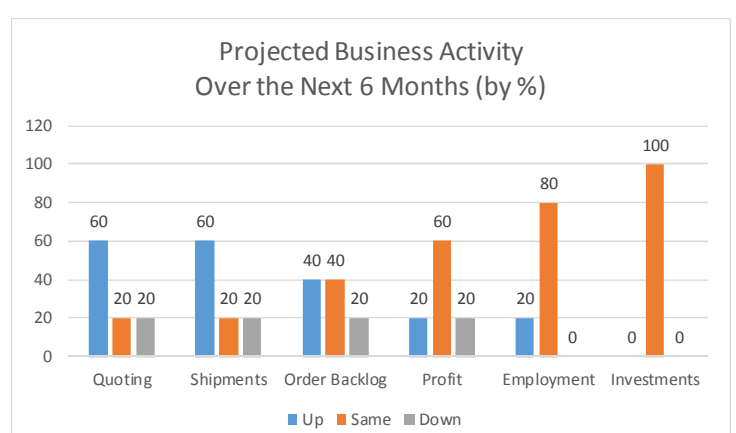
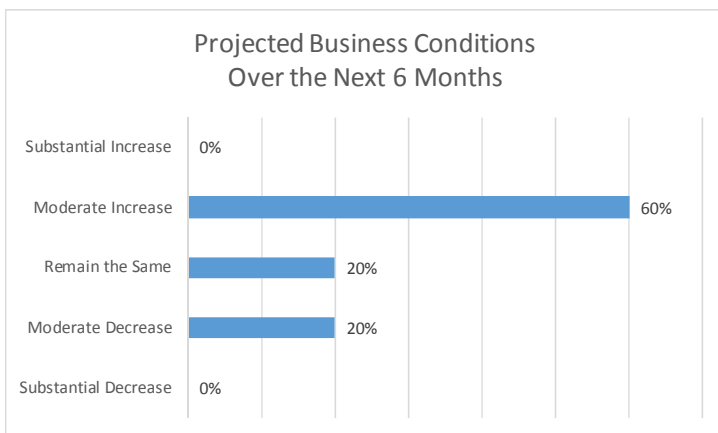
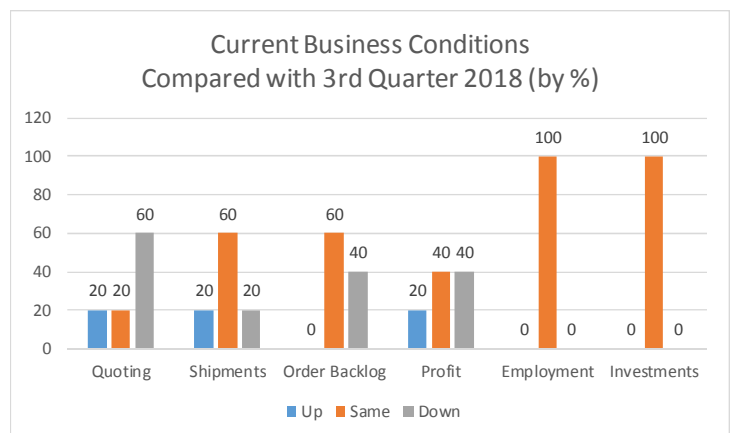
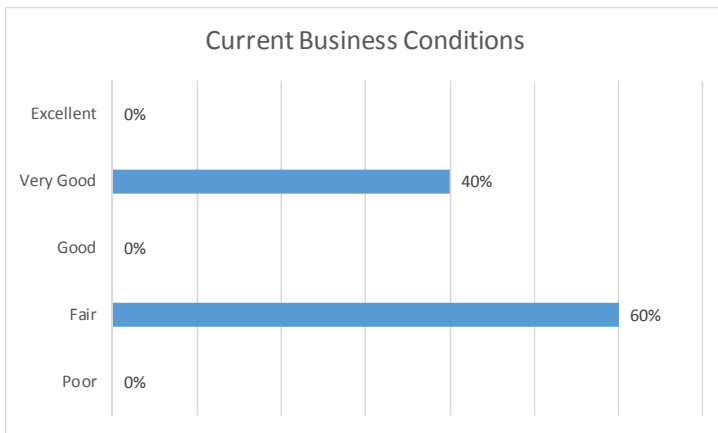
## Precision Machining excluding Aerospace (40 responses)



## Aerospace Machining & Fabrication (12 responses)

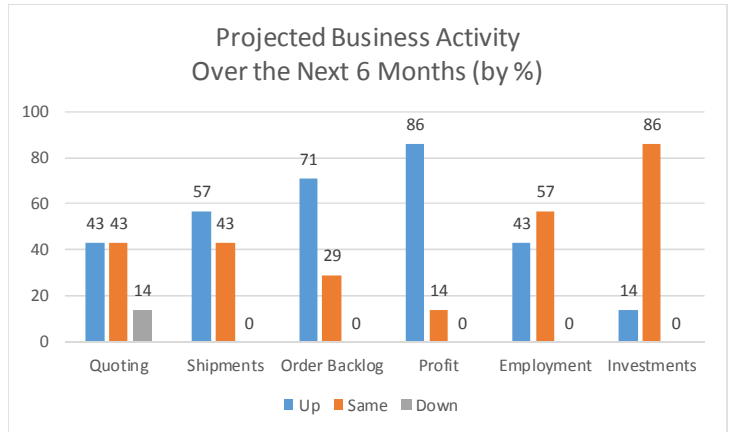
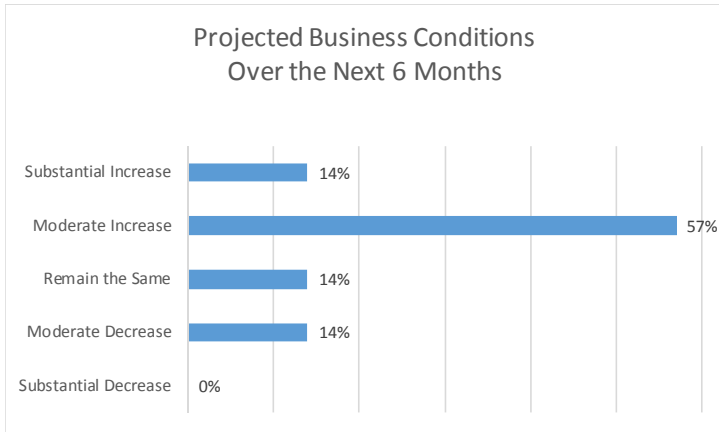
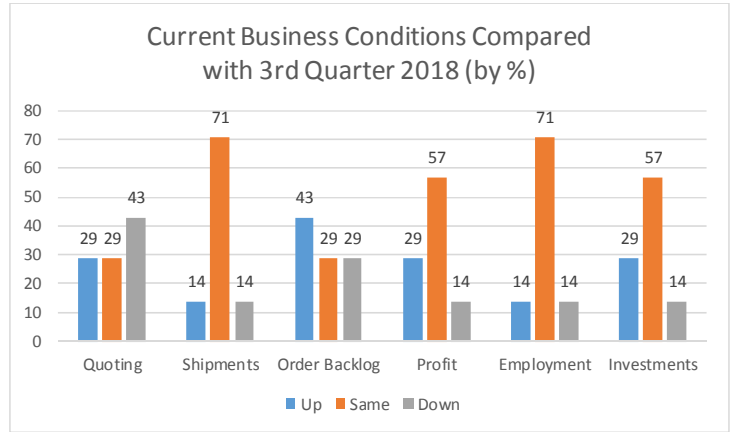
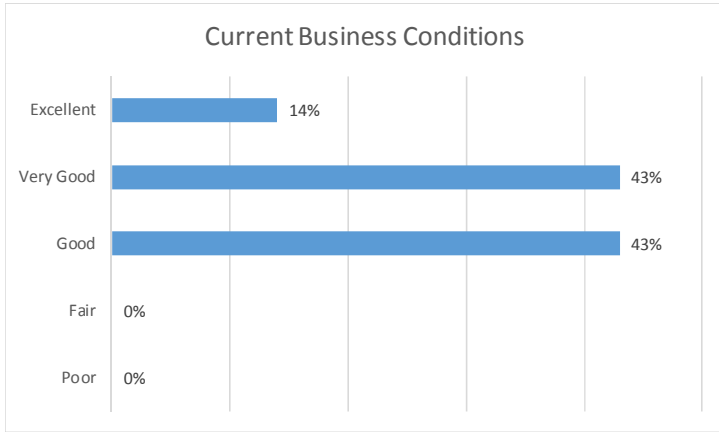


## Metal Fabrication & Stamping (5 responses)

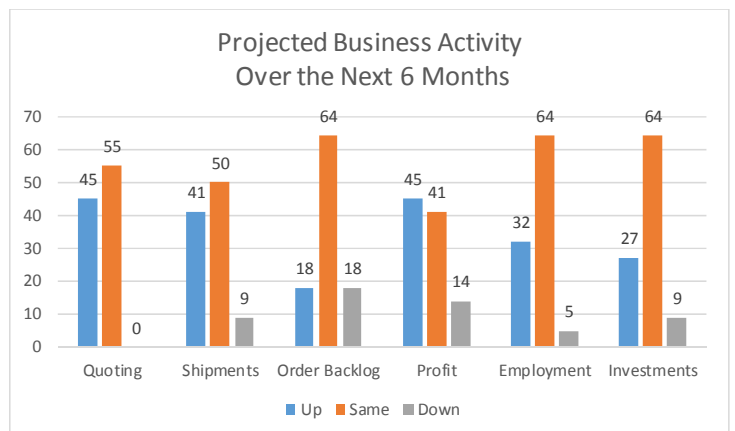
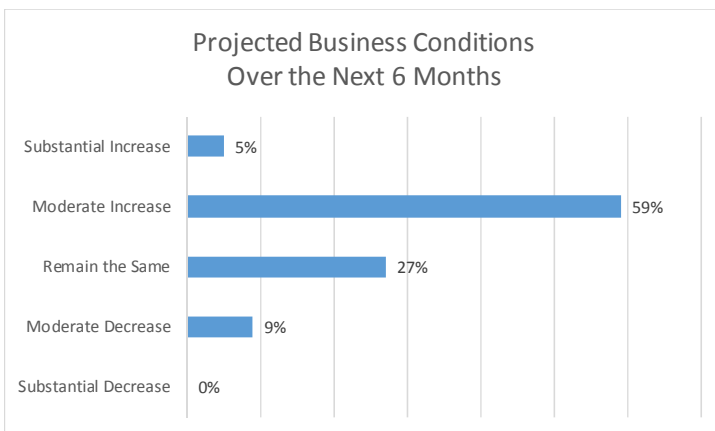
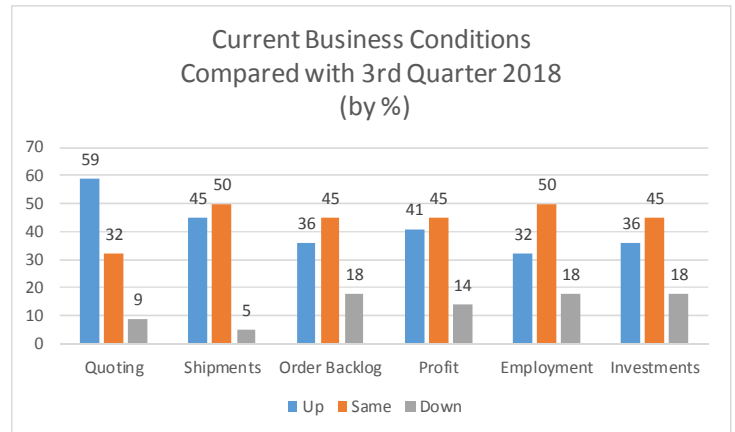
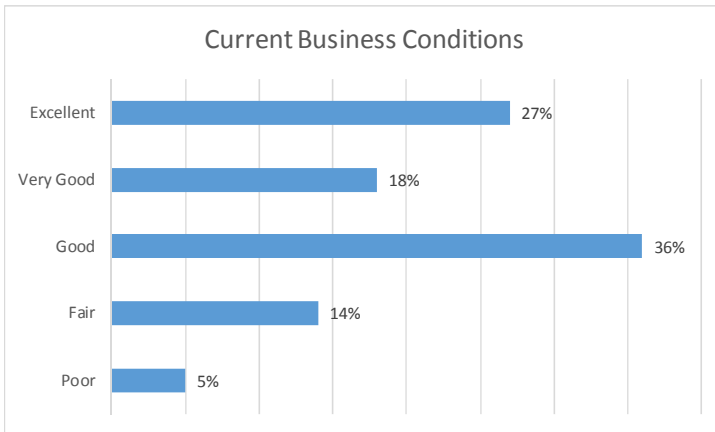




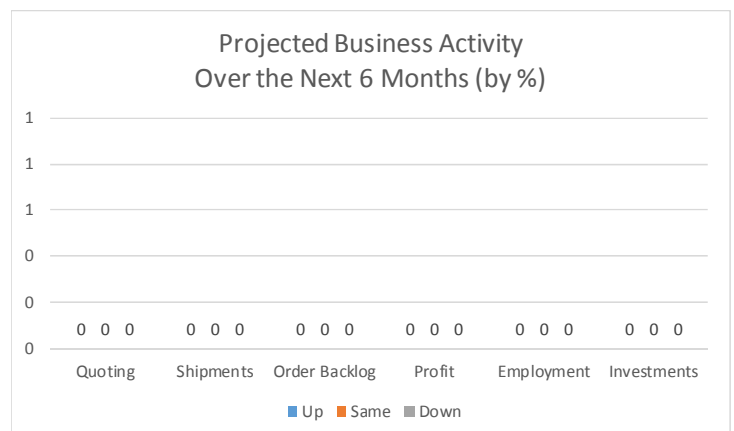
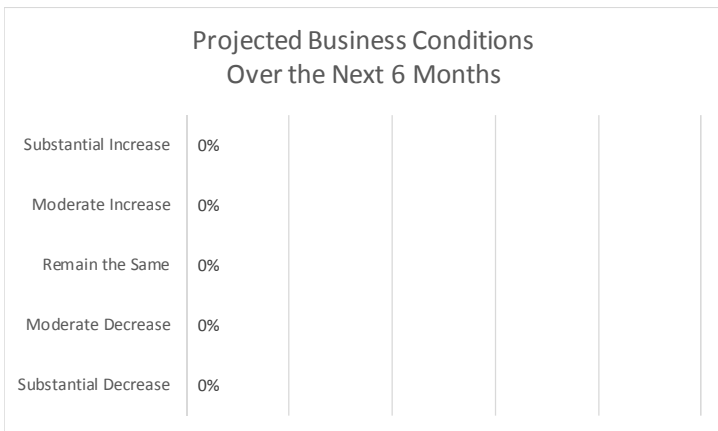
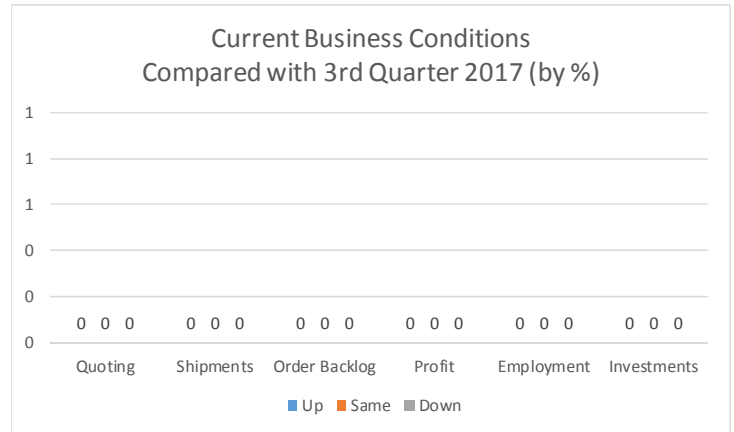
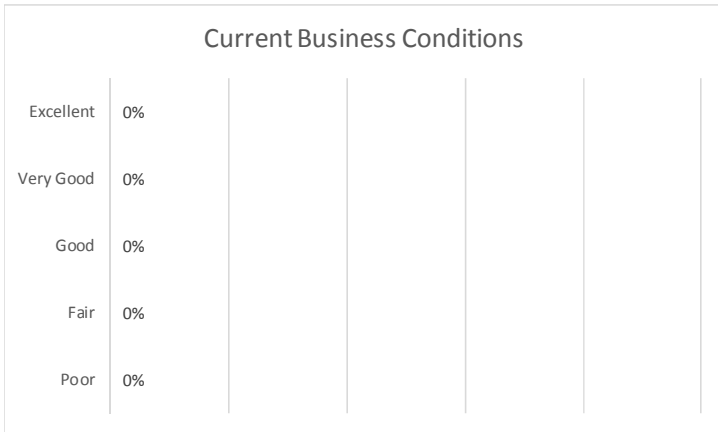
## BUSINESS CONDITIONS by Geographic Region NEW ENGLAND (ME, VT, RI, NH, MA, CT) – 7 responses



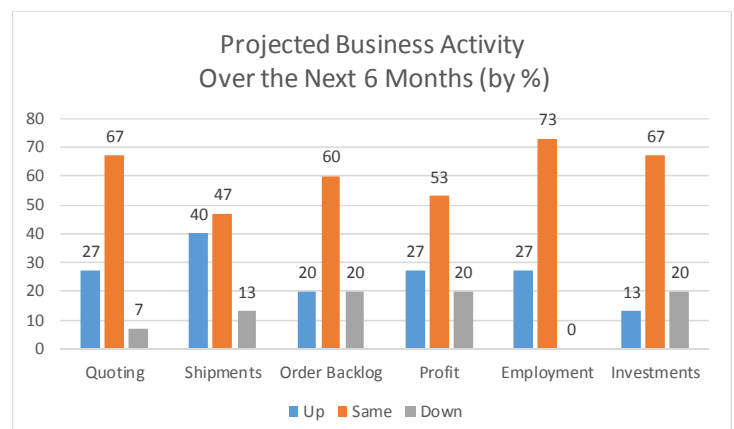
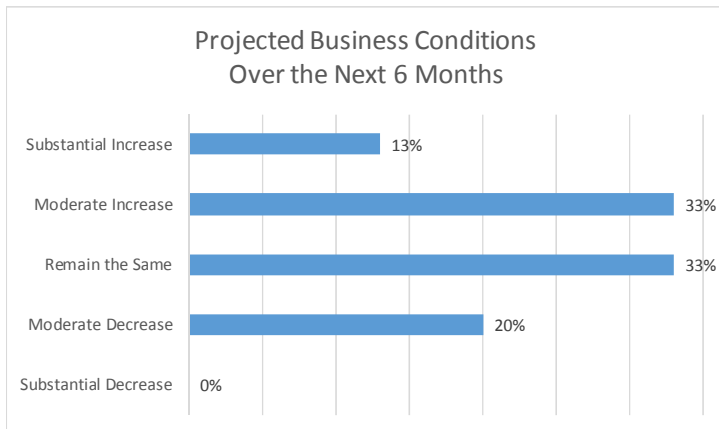
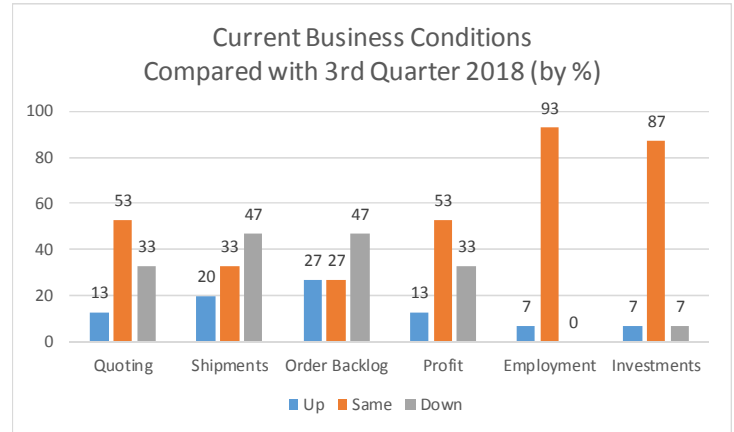
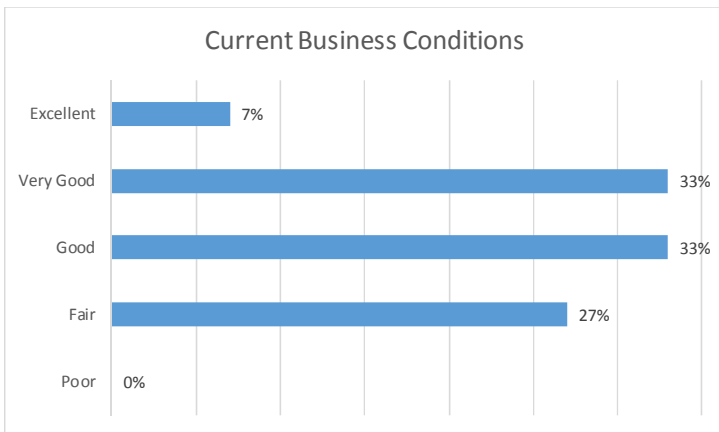
## NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA) – 22 responses



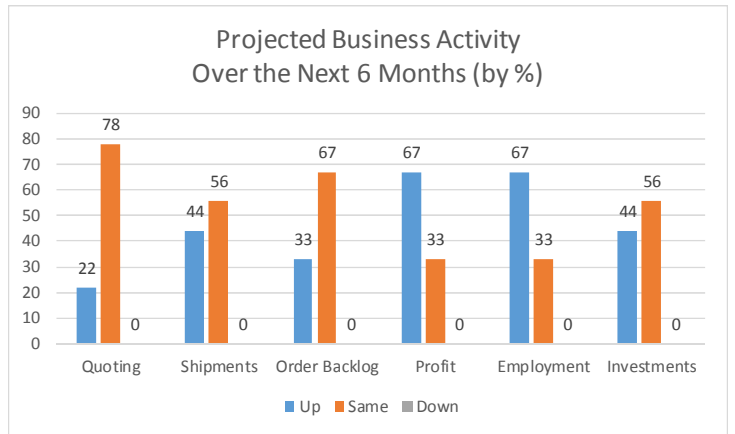
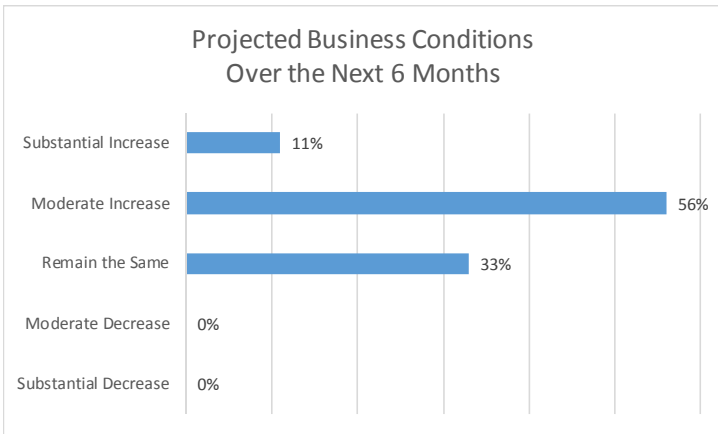
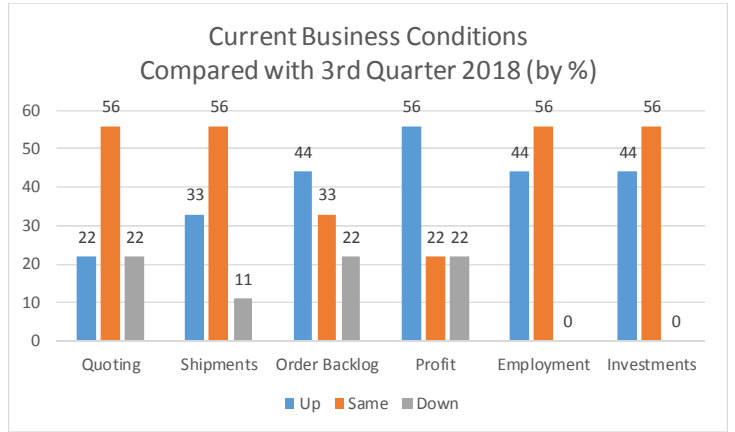
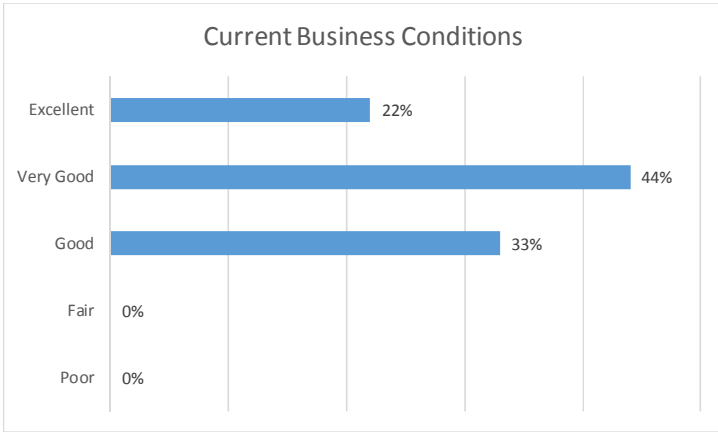
## SOUTHEASTERN (FL, KY, NC, SC, TN, GA, AL MS) – 0 responses



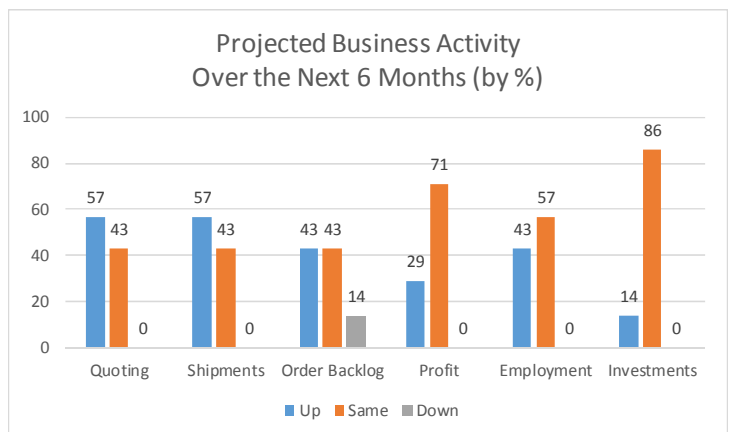
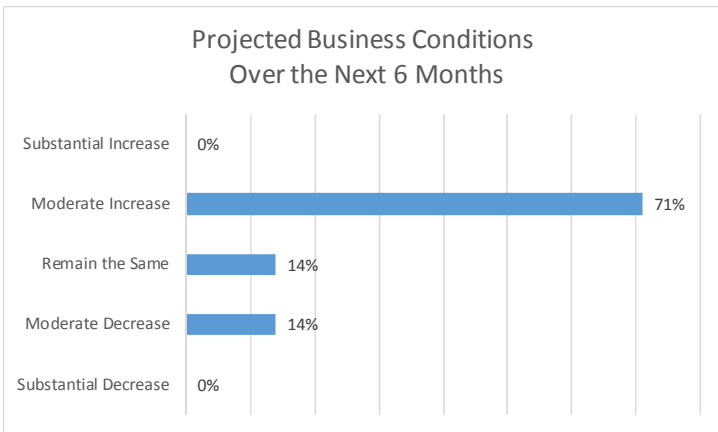
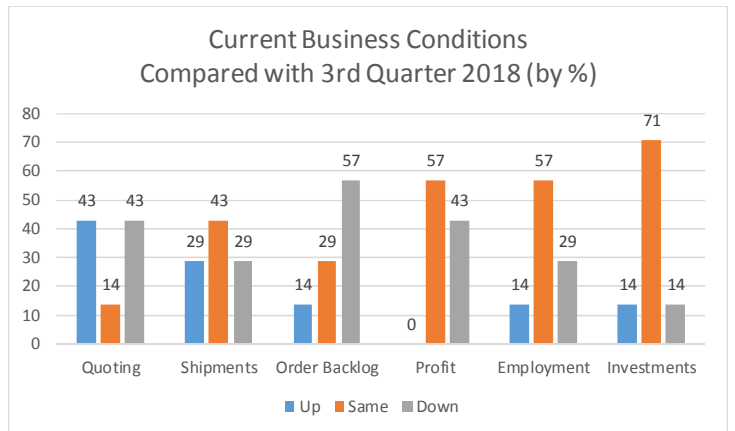
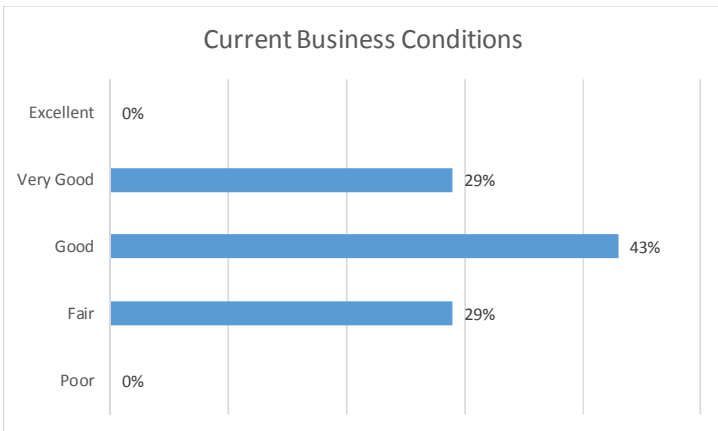
## NORTH CENTRAL (OH, MI, IL, IN, WI) – 15 responses



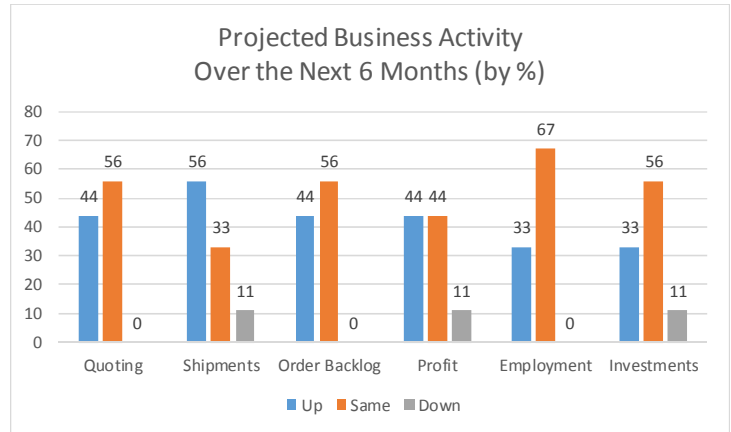
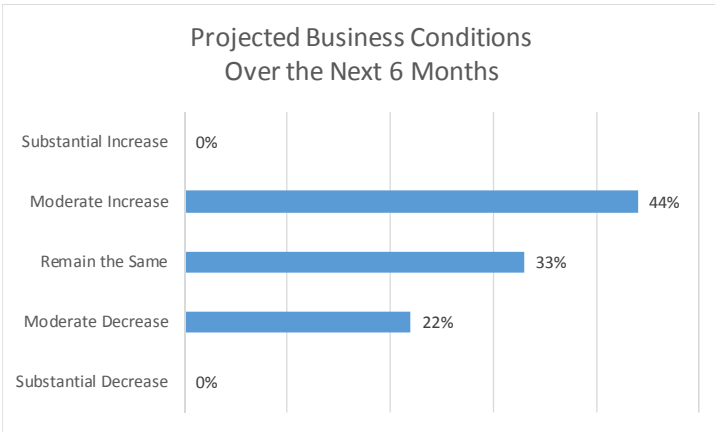
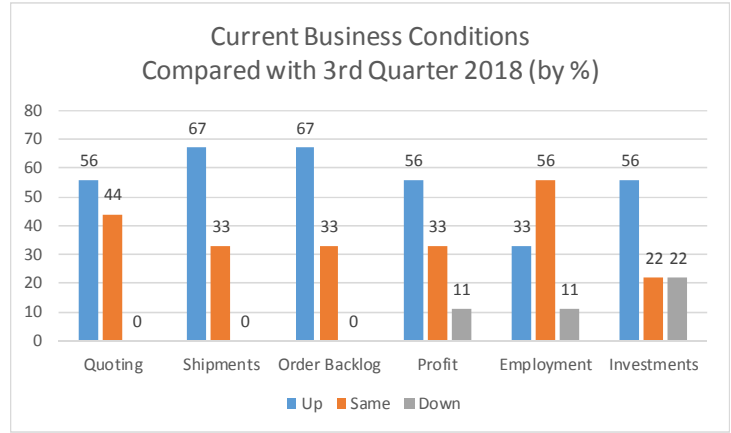
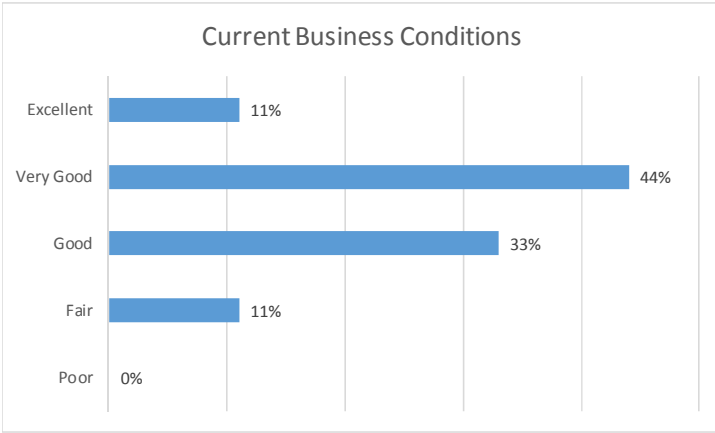
## CENTRAL (IA, MO NE, KS, MN) – 9 responses



## CENTRAL SOUTHWEST (AR, LA, OK, TX, NM, CO) - 7 responses



**GREATER PACIFIC SOUTHWEST (CA, NV, AZ, UT) – 9 responses**



**CENTRAL NORTHWEST (ND, SD, MT, WY) – 0 responses**

**GREATER PACIFIC NORTHWEST (ID, WA, OR) – 1 response**

Current business conditions: Excellent  
Current level of business compared with Q3

Projected Business Conditions: Remain the same  
Projected over the next 6 months:

Quoting: Same  
 Shipments: Up  
 Order Backlog: Up  
 Profits: Down  
 Employment: Same  
 Investments: Same

Quoting: Same  
 Shipments: Up  
 Order Backlog: Down  
 Profits: Up  
 Employment: Same  
 Investments: Same

**In order to achieve our business goals, our three biggest needs are:**

Need #1	Need #2	Need #3
Skilled workers	New equipment	New business
Finding employees	Training employees	Learning new technologies
Skilled labor	Fewer regulations	Lower healthcare costs/insurance costs
Additional skilled people	Cash flow	Upgrade equipment
Improved market conditions	Skilled Labor	Customer forecast confidence
Increase Quote conversion	Customers need to pay sooner.	Improve scheduling efficiency
Locking down new clients	Stronger sales focus	Better at training/education
Skilled new hires	Improved workflow	New ERP
Improve production scheduling & management	Lean out our operations	More training and better HR management
Skilled Workforce	Raw Materials	Automation
Attract better team members	Reduce impact of customers sending work overseas	Find new accounts
Increased Revenue	Investment in technology	Qualified workers
Skilled machinists	Skilled machinists	Skilled laborers
More work		
Improve processes by measuring and monitoring	Automate	Control spending
Maintain Order Flow	Continuous Improvement	Training
Personnel- Skilled Employees	Material Pricing	Less Pricing pressure from customers
New Equipment	Train Young People	Keep Up With New Technology
More skilled machine operators	More skilled machine operators	More skilled machine operators
Skilled machinists	Skilled engineers	Update old CNC machines with new ones
Skilled Employees	More work from current customers	New Customers
Increase in sales by 12%	Increase lights out machining	Re-establish lean initiative
Skilled labor	Soft skill training	Lean - continuous improvement activity
More work	More work	More work
More sales	More customers	Better customers
People	Software implement	Up time
Employees	Skilled employees	Trainable employees
2 more very qualified machinists	A bigger building	
Dedicated sales function	More production employees	Increased efficiency gains
Skilled labor	Experienced managers	Time to pursue the right fit customers
Increase sales	Reduce health care costs	Improve margins
Add customers	Improve productivity	Hire more qualified employees
New capacity	Increased customer growth	Efficient workforce
Improved marketing campaign	Grow sales staff	Increase bottom line
Increase skill level of employees	Increase output/reduce capacity level (% of load)	Add Technology - robotics and automation
Schedule our production better	Decrease spending	Increase shipments

Get the current molding presses running production	Land more of what we quote	Lean manufacturing
Focus on current customers	Increase customers	Buy low, and sell high
More floor space	More equipment	More employees
Improve production efficiency	New customers	Skilled employees
Eliminate stupid trade wars and tariffs	Adapt to changing consumer demographics	Increase market share for our products
Employees	Training	Work
People	Equipment	Vendors
New sales orders	New business system	Skilled workforce
Increase capacity	Updated MRP System	Skilled Machinist
Increase work center utilization	Tool Management	
Employees	Sales	
Improving productivity	Adding automation	Raising profits
Skilled labor	Equipment	Infrastructure
Qualified employees	Sales	An apprentice
Skilled Employees	Continued Strong Economy	Fewer Government Mandates
Increase capacity	Add machines	Increase efficiencies
Add one major customer	Advertise more	Expand with current customers
Quality	Cost	Employees
Reliable, trained employees	Beefing up our Engineering	Better Engineering Prints from our Customers
We need to hire a salesperson somehow	Ramp up our online social presence	More fully utilize our existing equipment
Find More work	Get orders out on time	Possibly hire new CNC machinist
New customers	More employees	Current machinery
Quicker turnarounds	Lower costs	Supplier management
Skilled labor	Competing with China on price of molds	Controlling costs
Skilled technical personnel		