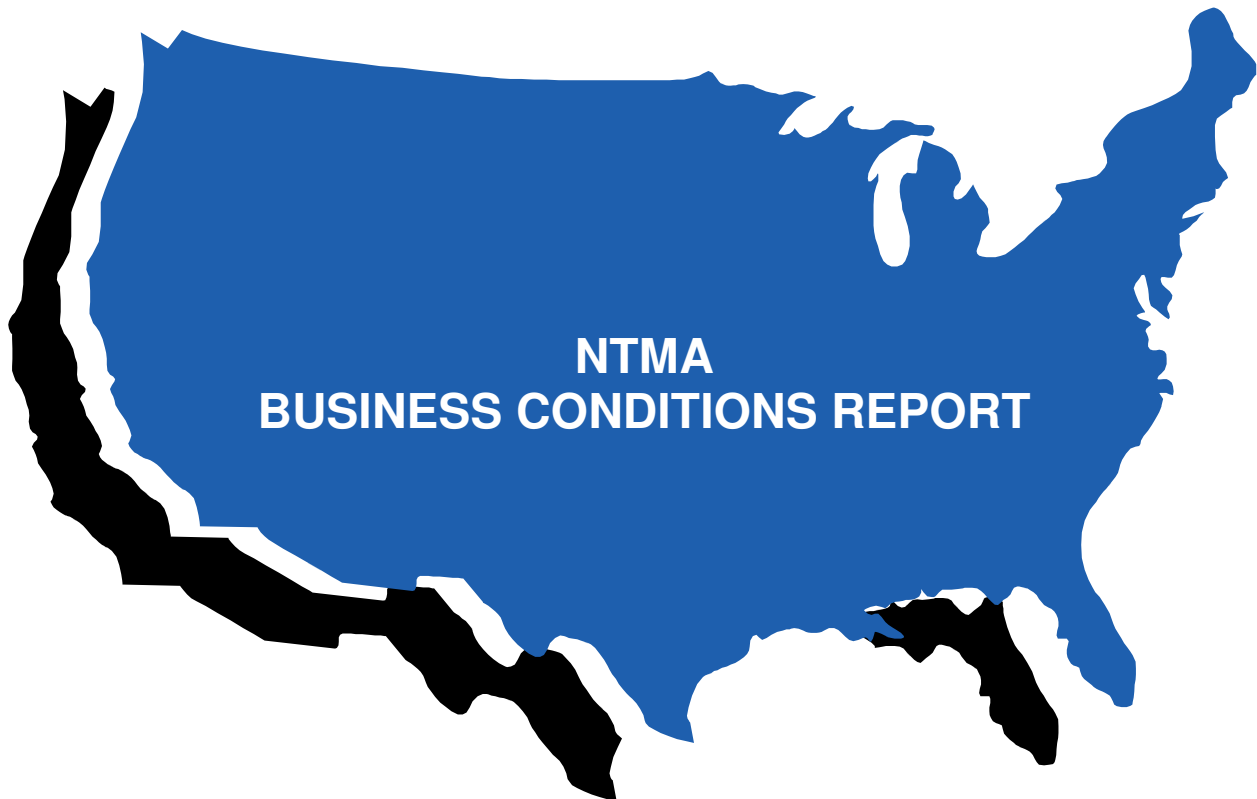




NATIONAL TOOLING AND  
MACHINING ASSOCIATION



**Prepared August 2019  
(for the period ending June 30, 2019)**

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



August 12, 2019

This NTMA Business Conditions Report covers the first half of 2019, a projection for the second 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 71 NTMA member companies, indicates that overall business conditions during the 6-month period ending June 30, 2019 were Very Good to Excellent for 53% of respondents, up from 48% at the end of December 2018. Looking ahead, 48% are projecting that the next six months will bring a moderate-to-substantial increase in business conditions. The greatest optimism was expressed by members in the Greater Pacific Southwest Region (CA, NV, AZ, UT) and by those serving the Molds sector and Aerospace Machining & Fabrication sector.

Average work week per employee increased to 56.6 hours. Future work on the books decreased to 14 weeks. Average Sales Per Employee, however, came in higher at \$141,923.

Top business priorities have been reordered as follows:

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

A special thanks to the NTMA member companies that participated in the June 2019 NTMA Business Conditions Report. We appreciate your support of this important benchmarking survey and encourage non-participating members to join the next survey in December.

Sincerely,

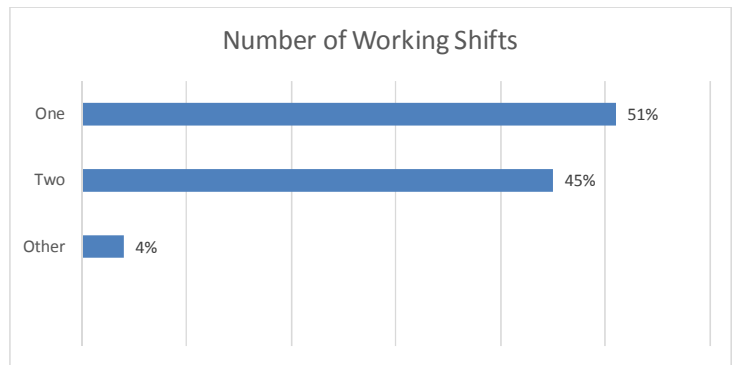
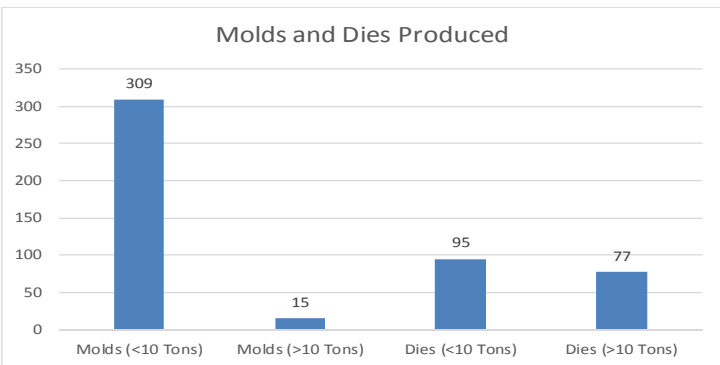
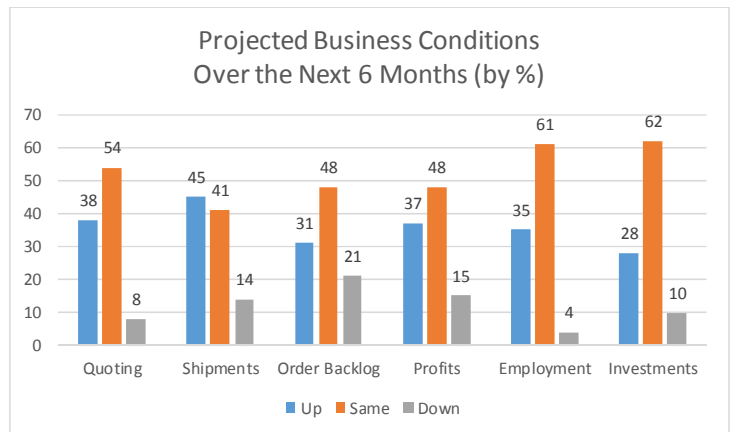
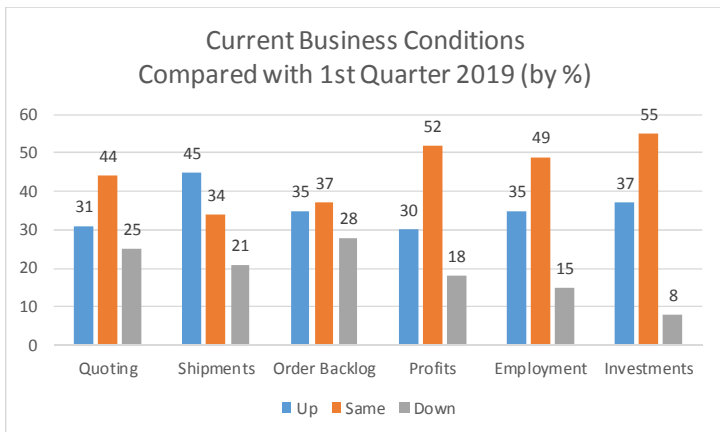
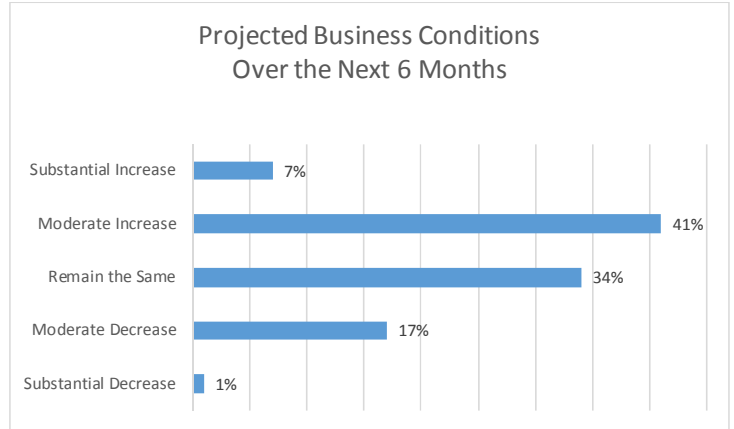
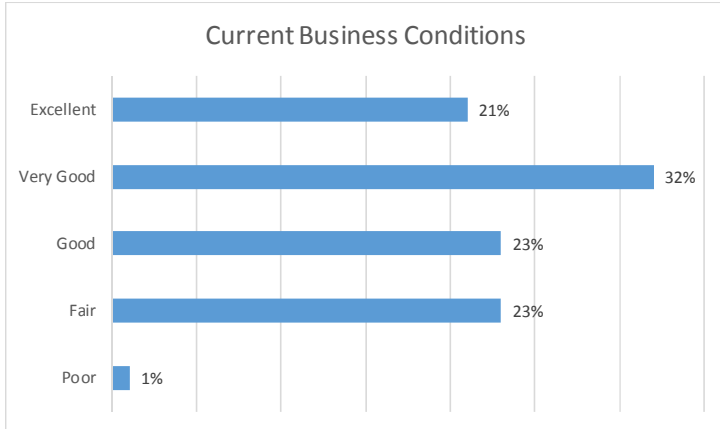
A handwritten signature in black ink, appearing to read "Doug DeRose", written over a horizontal line.

Doug DeRose  
Interim President



# June 2019 NTMA Business Conditions Report

Based on responses from 71 NTMA member companies



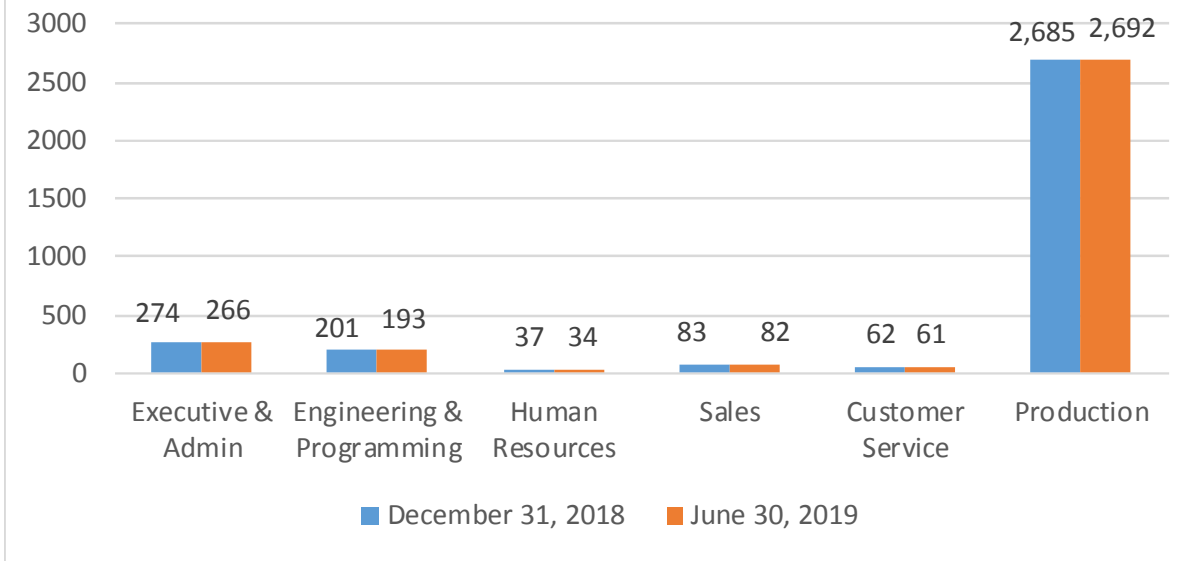
**Total employees as of December 31, 2018: 3,738**  
**Total employees as of June 30, 2019: 3,883**

**Future Work on Books (Average): 14 weeks**

**Current Average Workweek per Skilled Employee (hours per week): 56.6 hours**

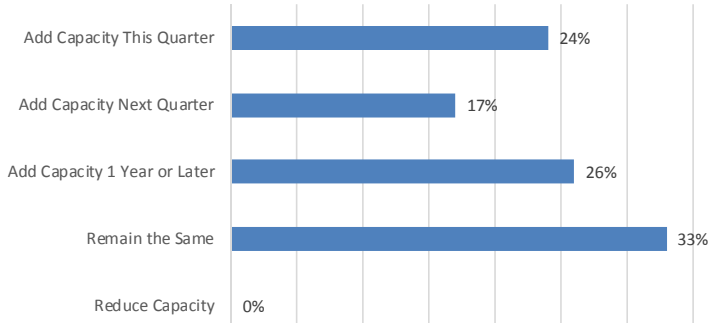
**Average Sales Per Employee: \$141,923**

## Distribution of Employees (June 2019 compared with December 2018)

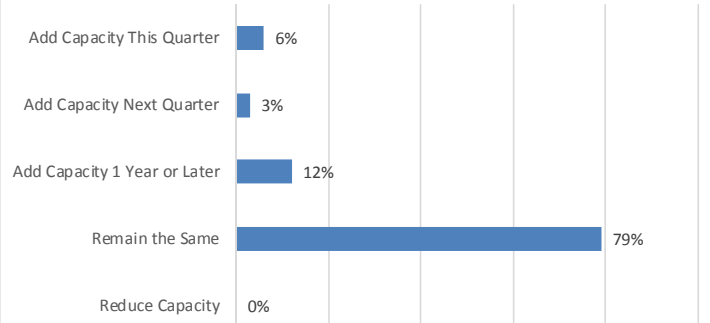


Priorities							
	Finding skilled employees	Productivity Increases	Sales Increase - existing customers	Finding new customers	Cost reductions	Leadership staffing	Total
Rank 1	30	9	14	9	1	5	68
Rank 2	7	23	8	14	10	6	
Rank 3	8	17	14	8	19	2	
Rank 4	8	15	15	6	16	8	
Rank 5	10	3	12	18	12	13	
Rank 6	5	1	5	13	10	34	
Weighted Rank (Score)	1 (296)	2 (289)	3 (254)	4 (223)	5 (214)	6 (152)	

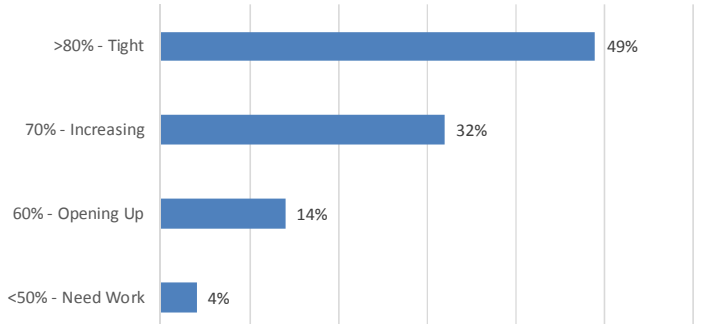
### Capacity Plans: Machines



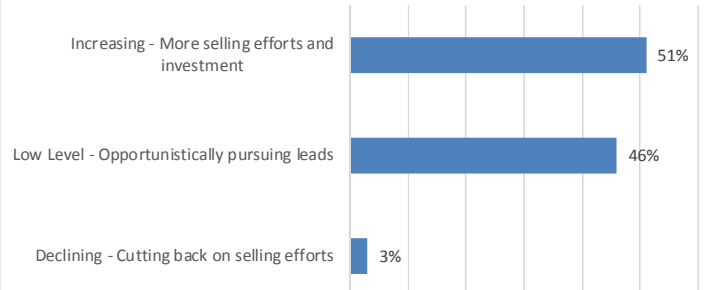
### Capacity Plans: Buildings



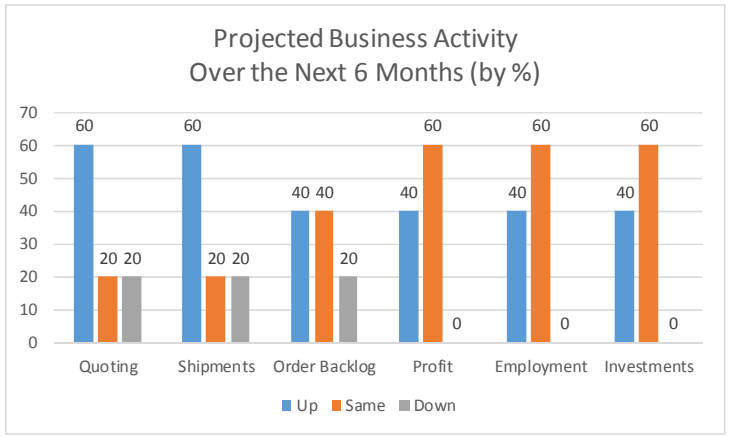
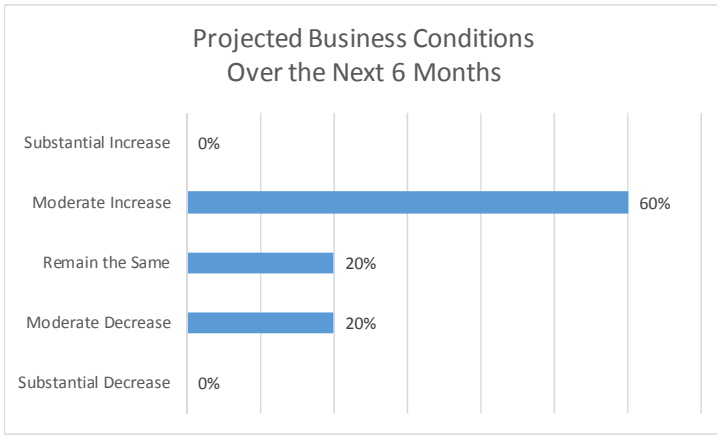
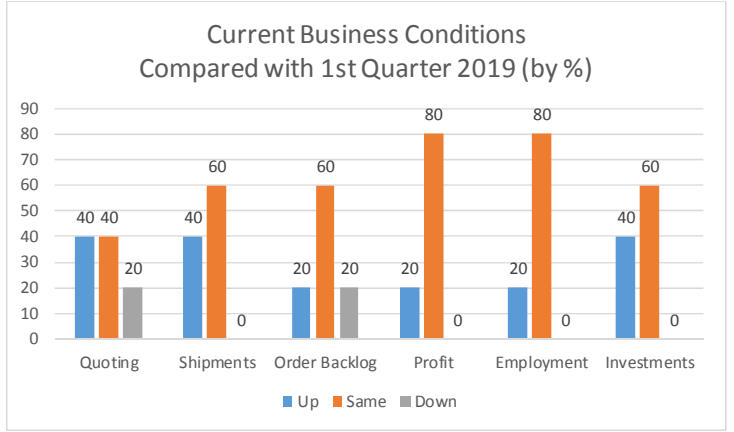
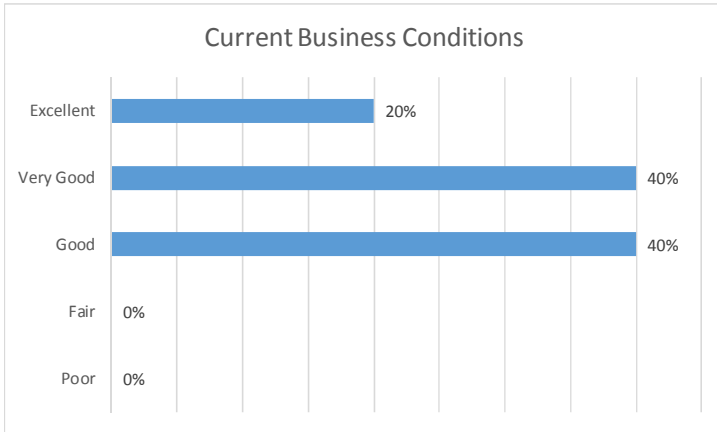
### Sellable Production Capacity



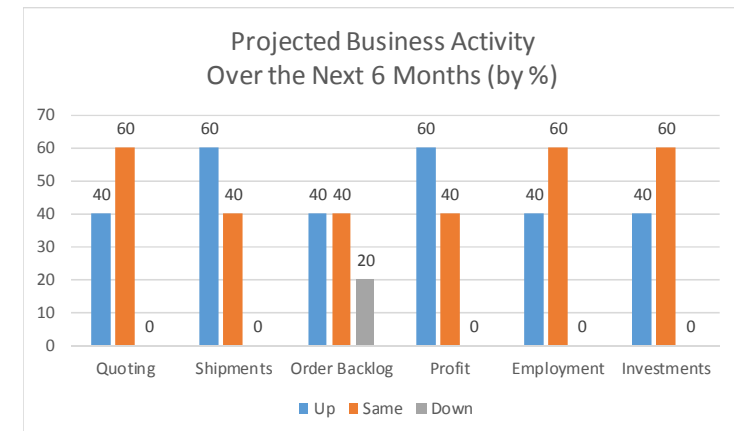
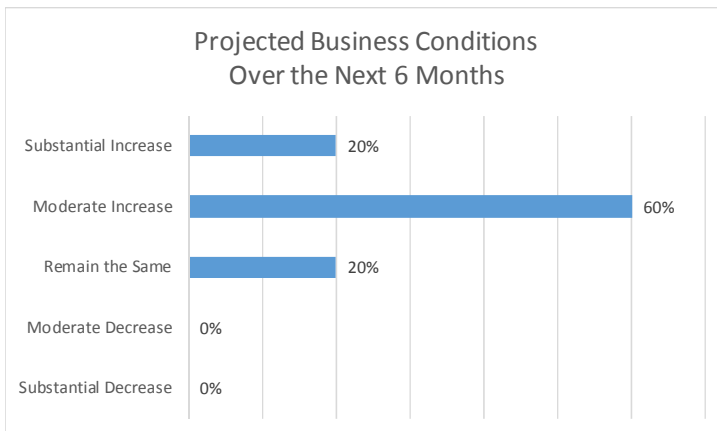
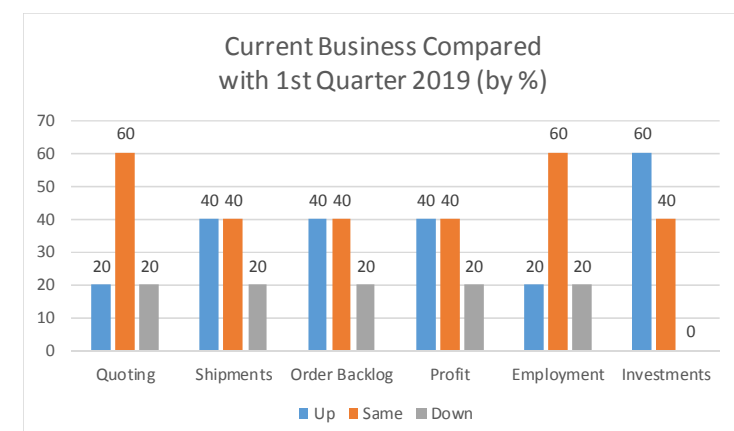
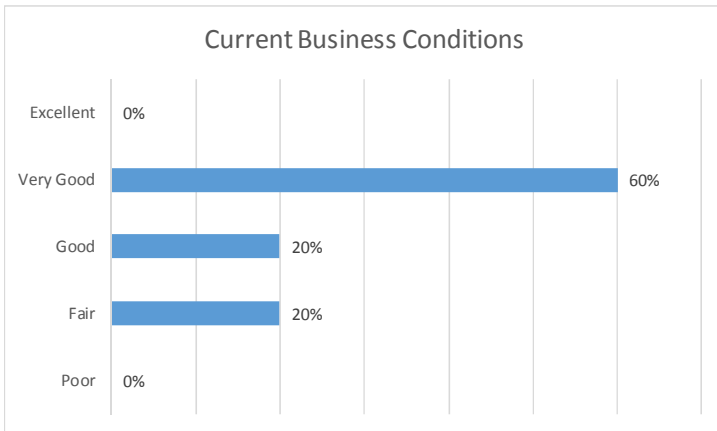
### Proactive Selling & Business Development Activity & Investment is:



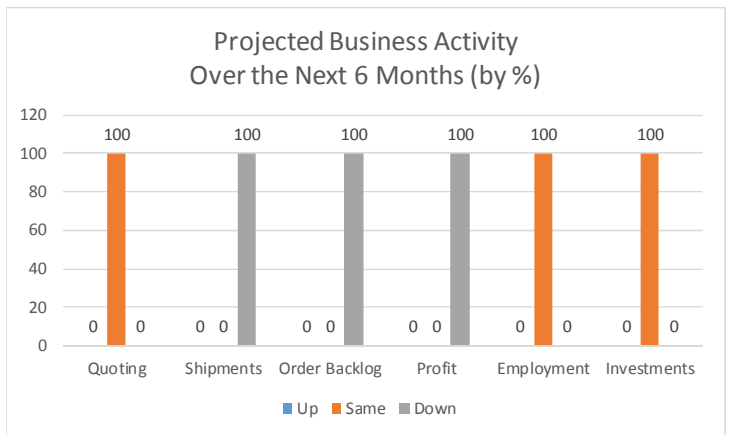
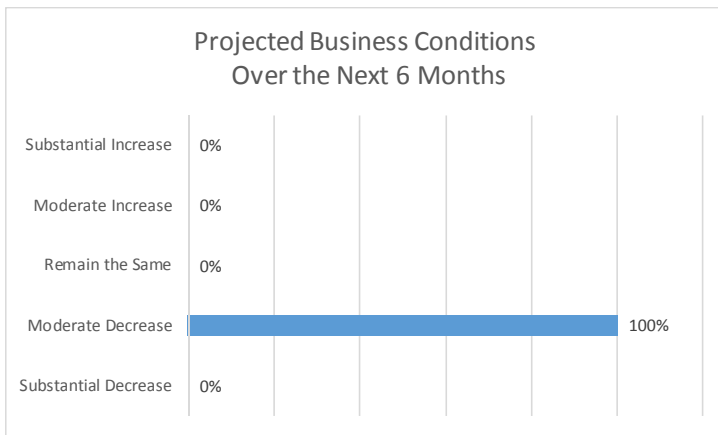
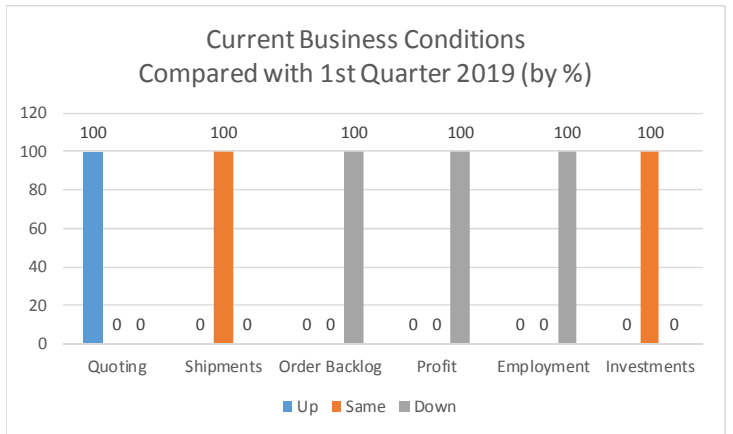
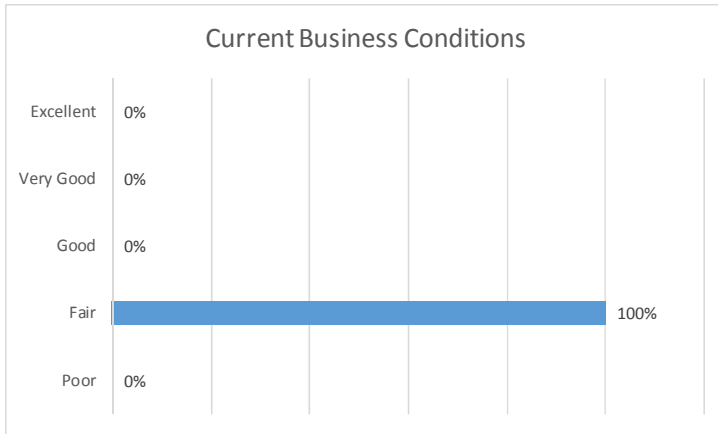
## Business Conditions by Industry Sector Tools, Die & Fixtures (5 responses)



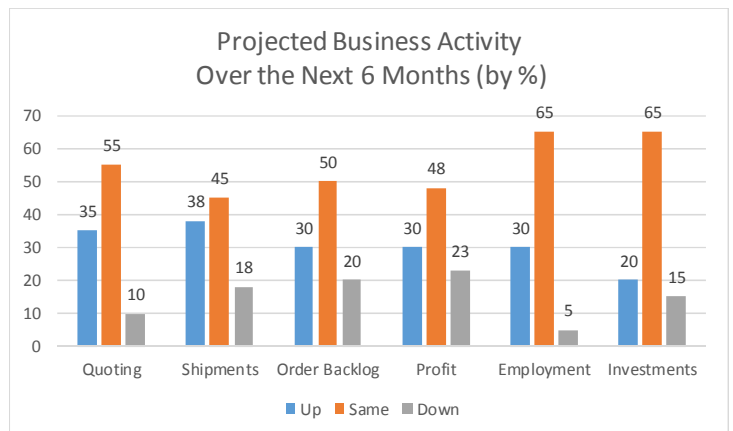
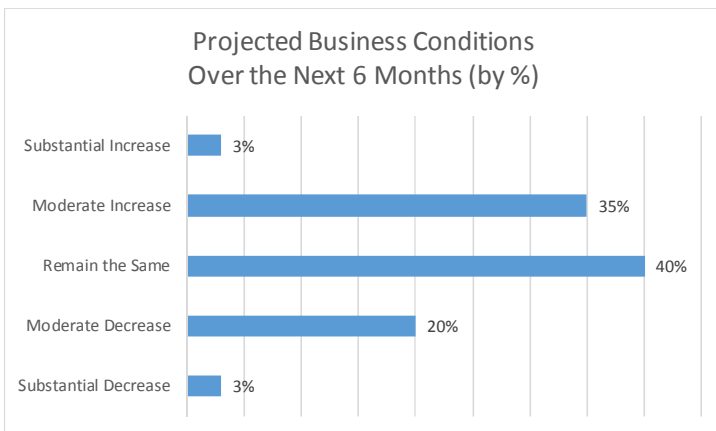
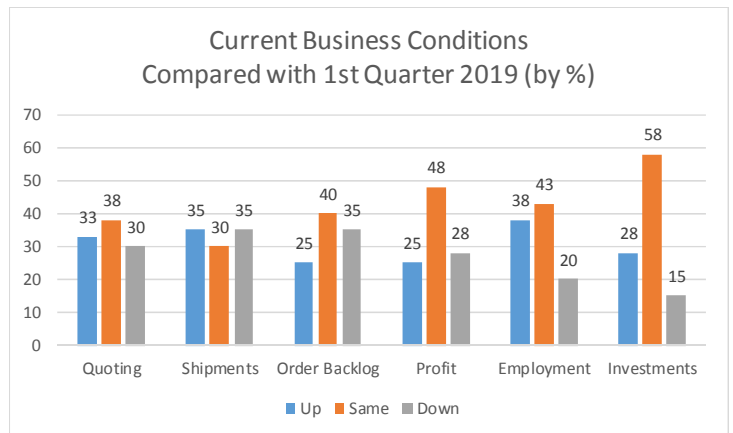
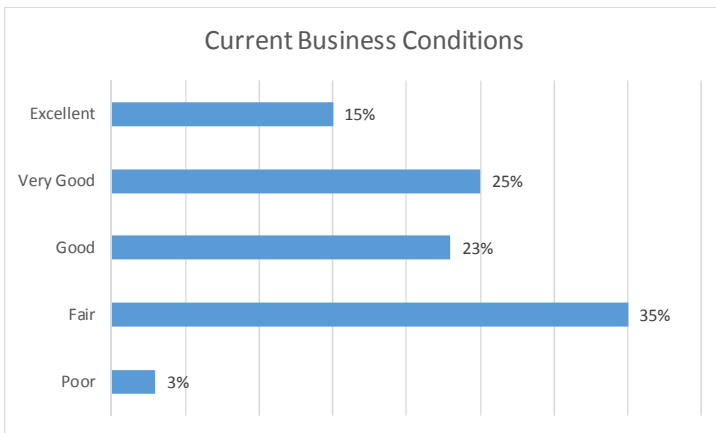
## Molds (5 responses)



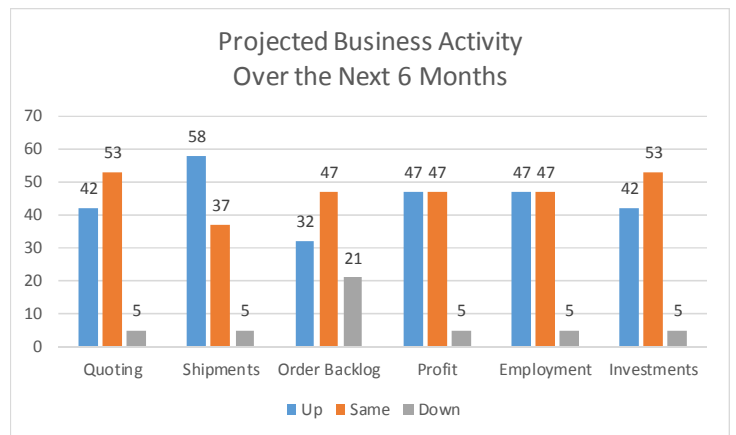
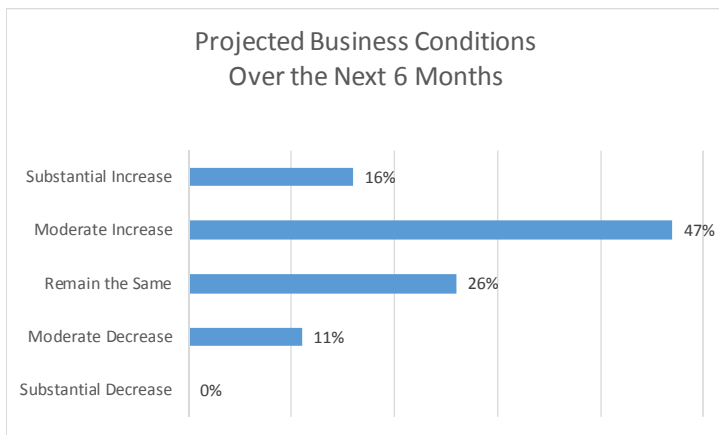
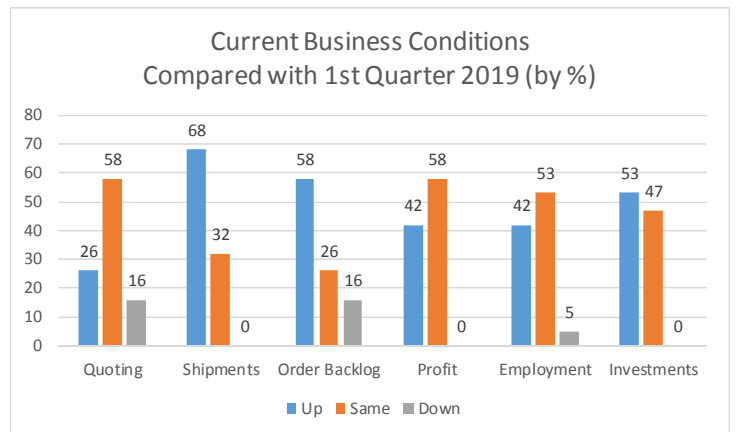
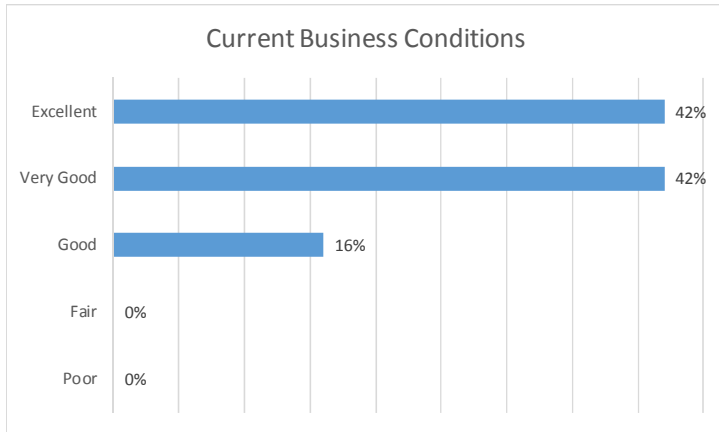
## Special Machines (1 response)



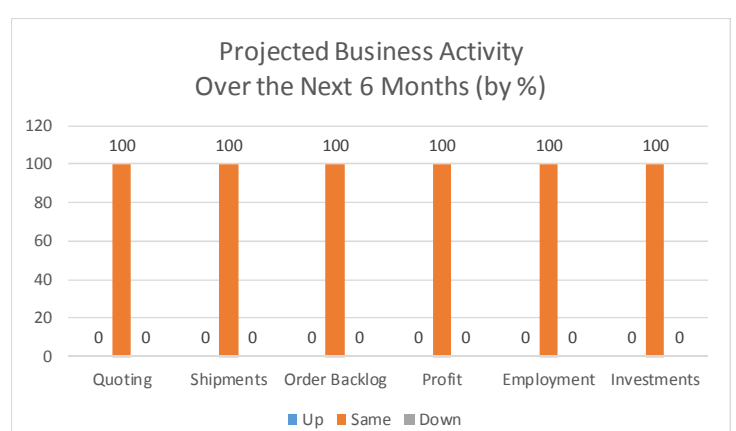
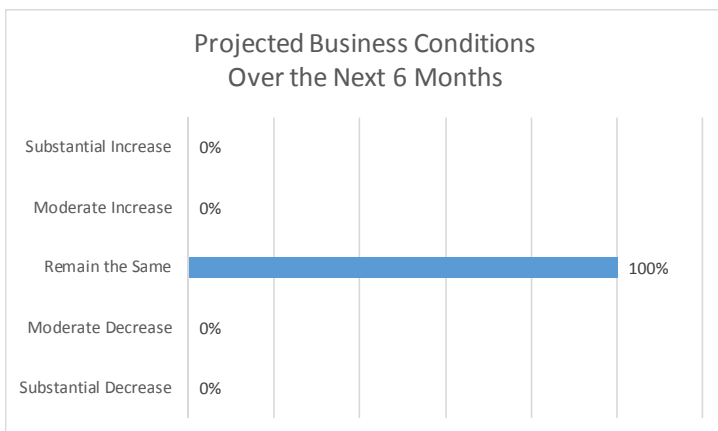
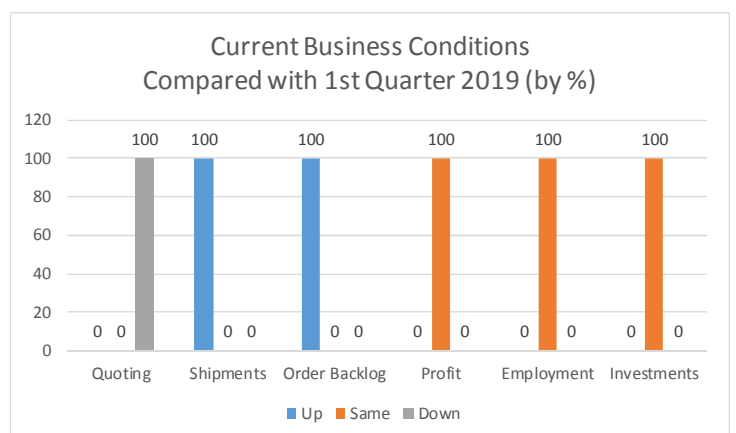
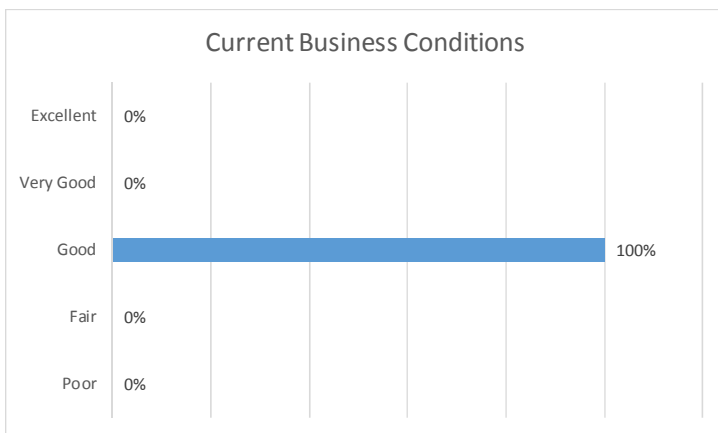
## Precision Machining excluding Aerospace (40 responses)



## Aerospace Machining & Fabrication (19 responses)

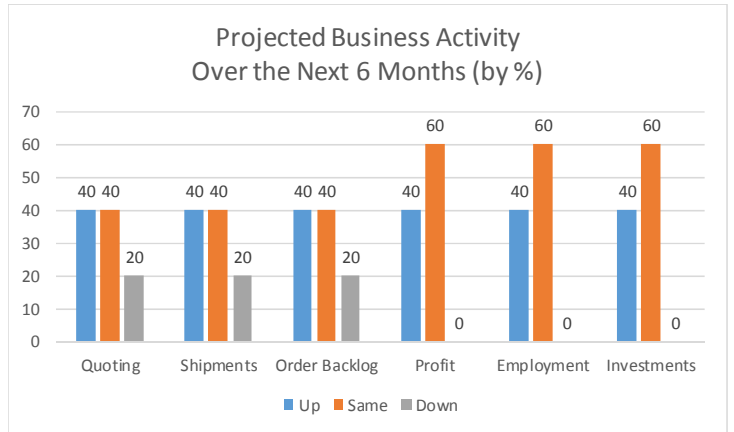
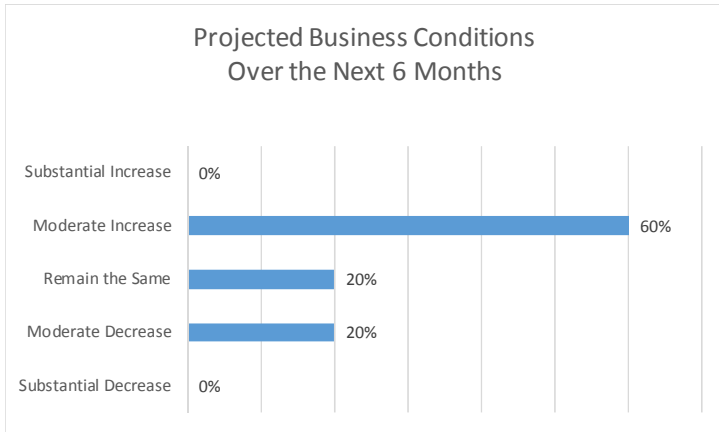
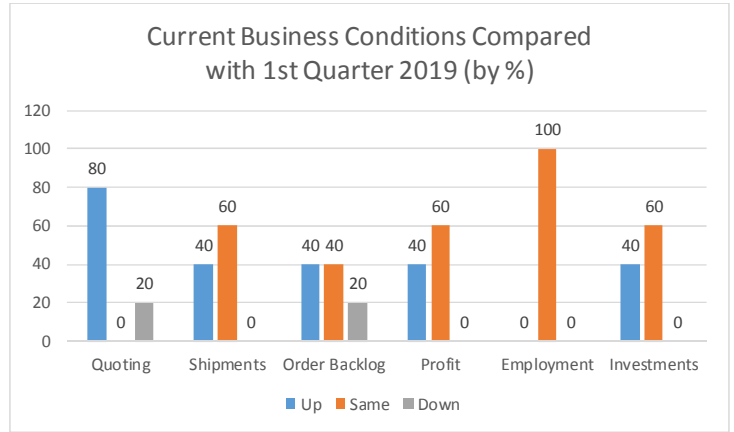
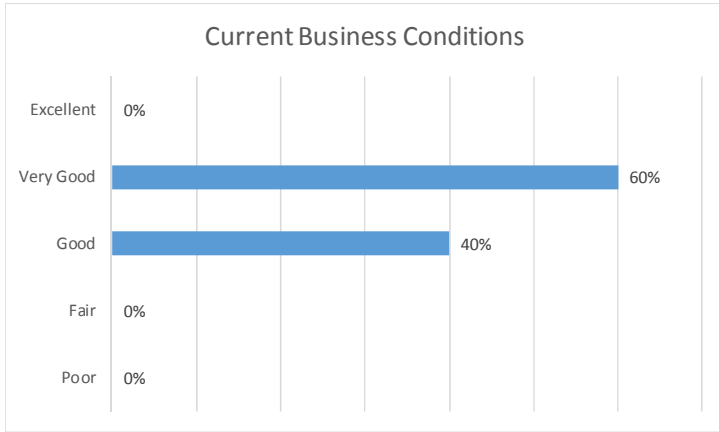


## Metal Fabrication & Stamping (1 response)

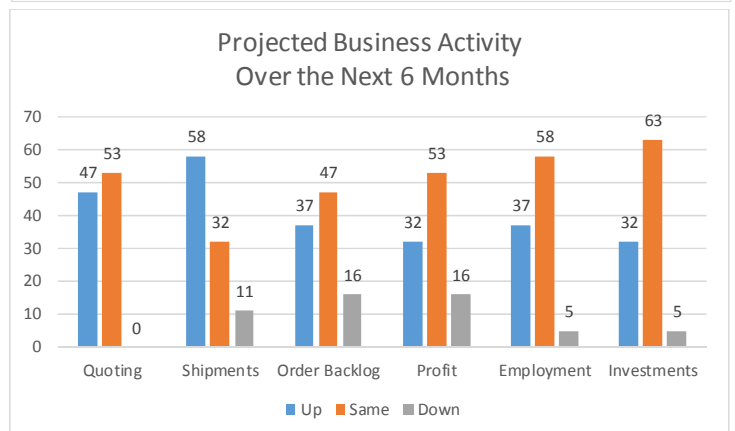
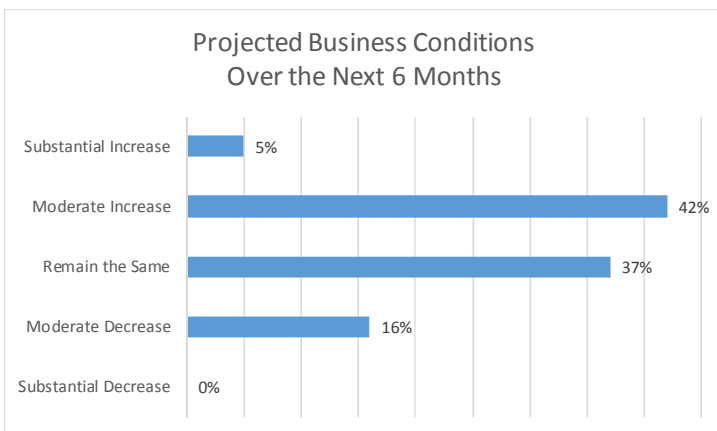
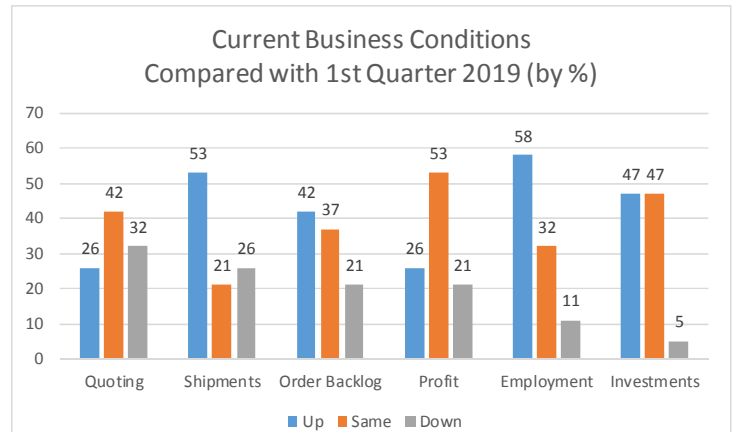
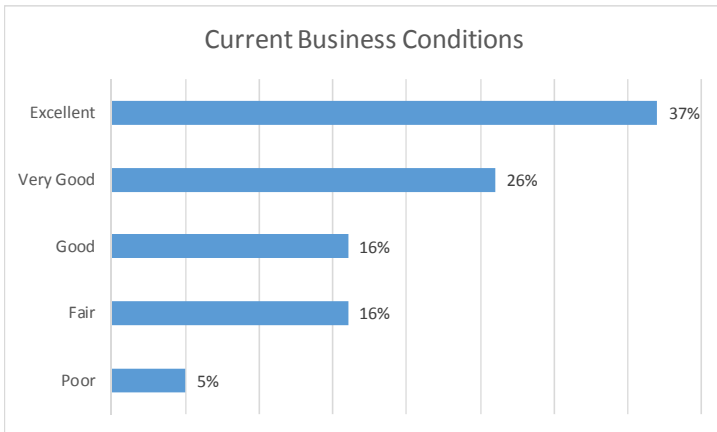




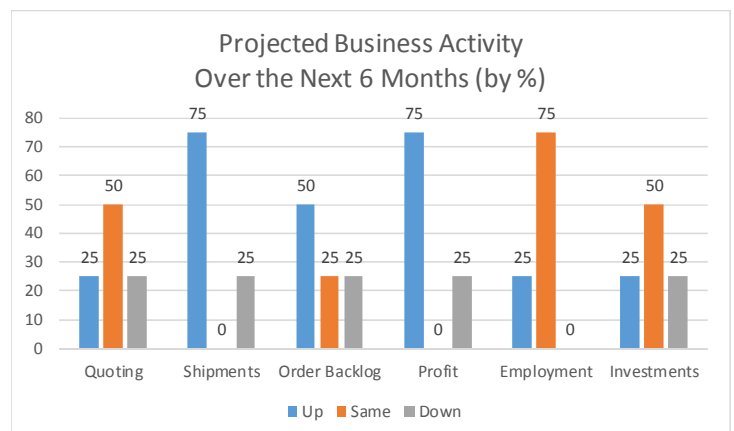
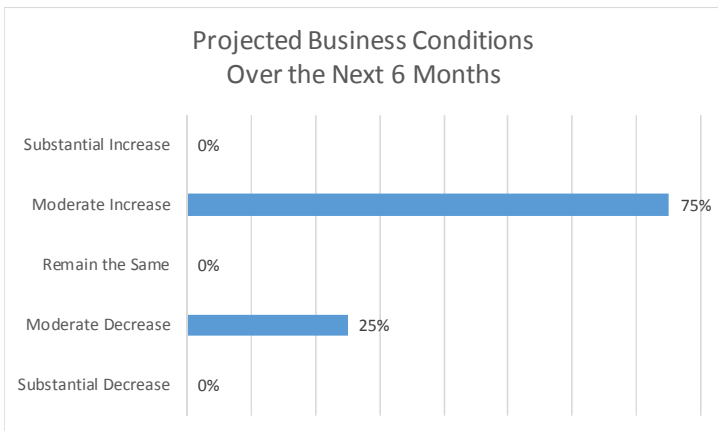
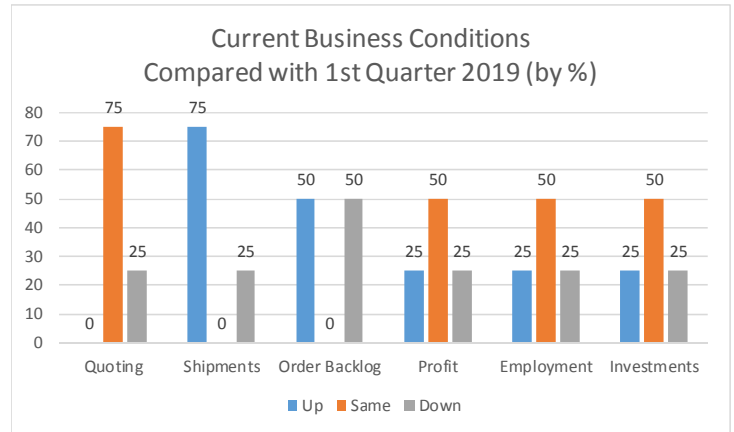
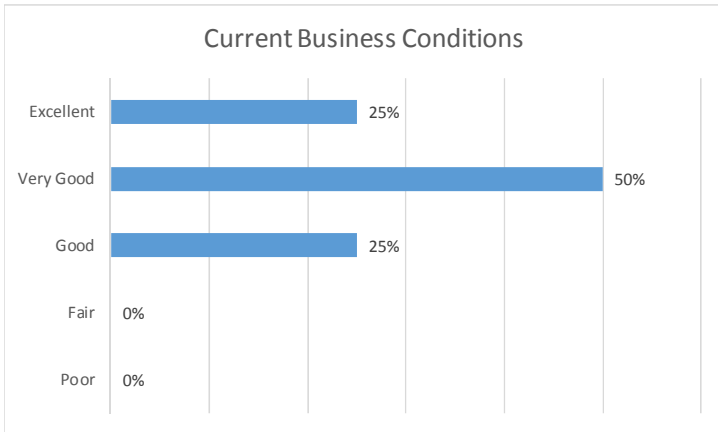
## BUSINESS CONDITIONS by Geographic Region NEW ENGLAND (ME, VT, RI, NH, MA, CT) – 5 responses



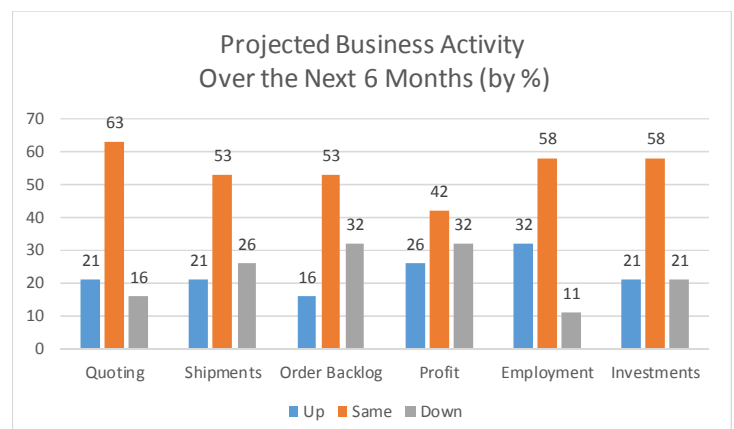
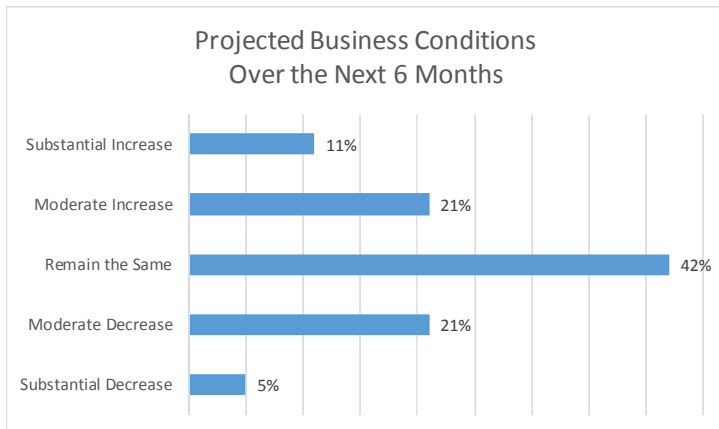
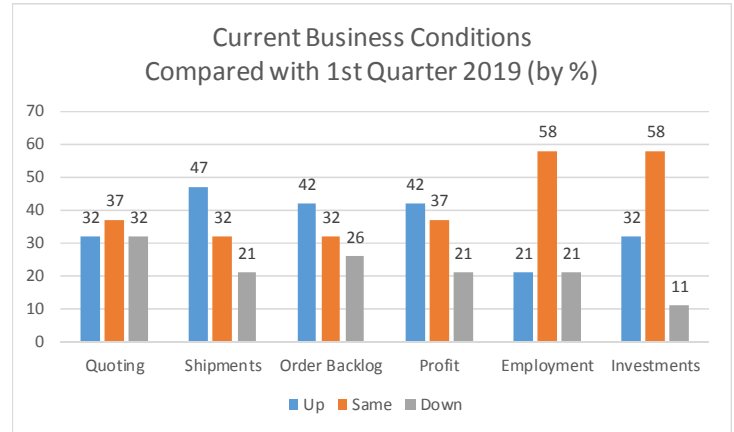
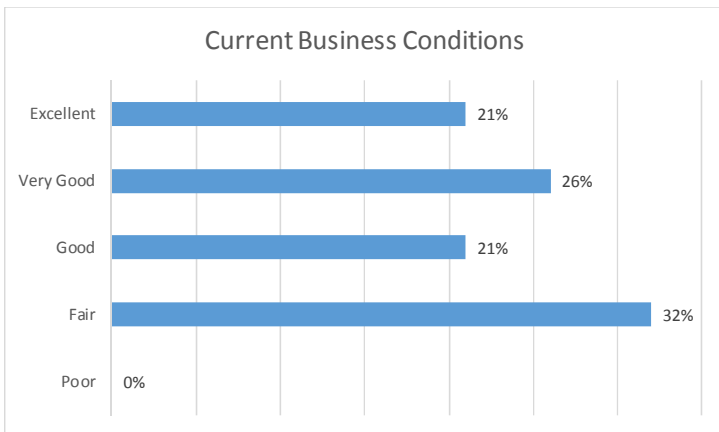
## NORTHEASTERN CENTRAL (DC, NY, PA, NJ, DE, MD, WV, VA) – 19 responses



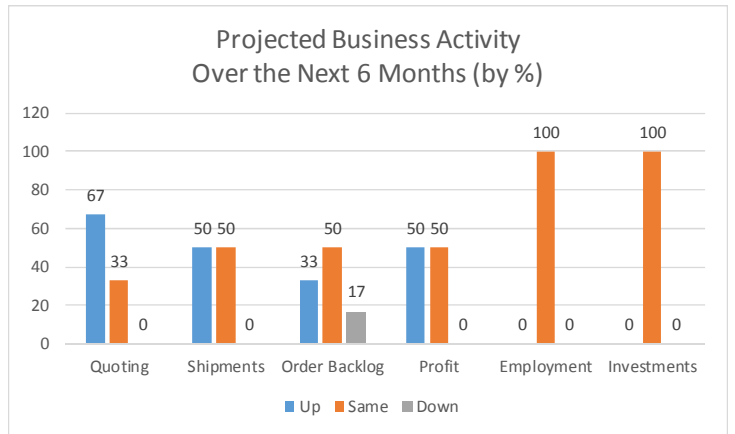
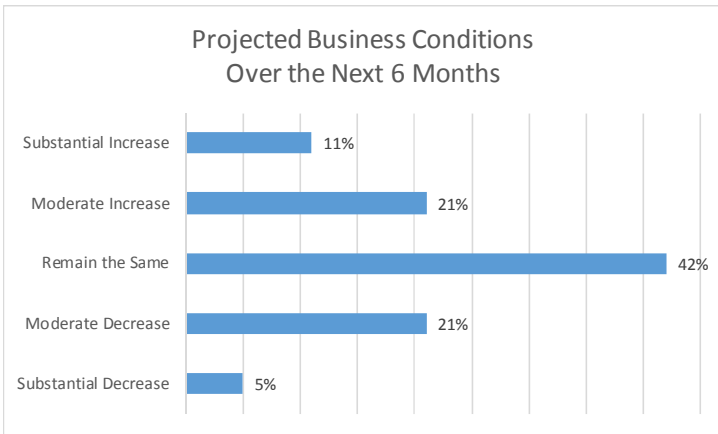
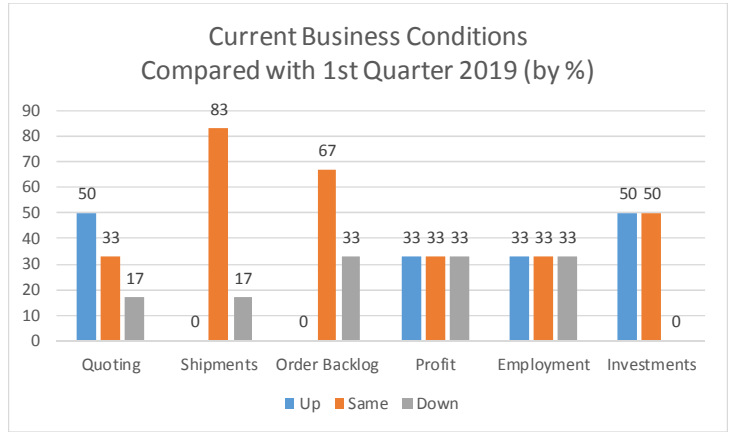
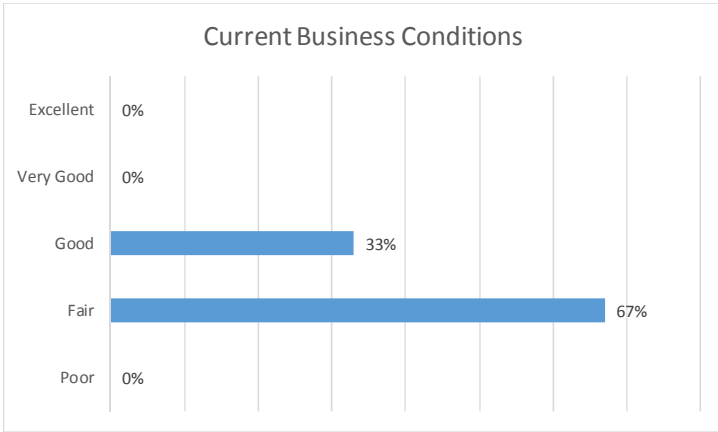
## SOUTHEASTERN (FL, KY, NC, SC, TN, GA, AL MS) – 4 responses



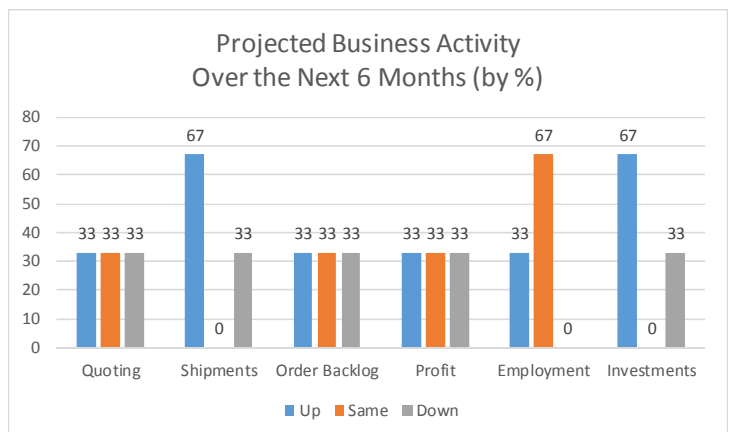
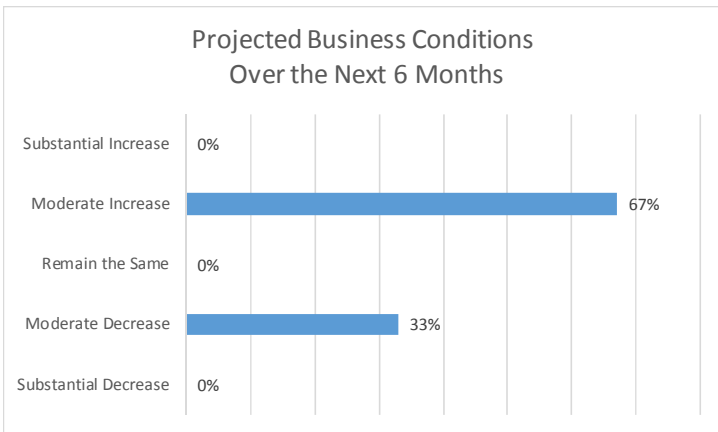
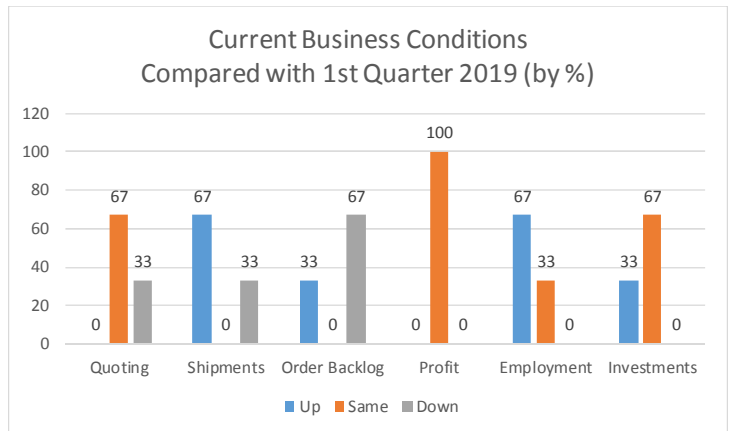
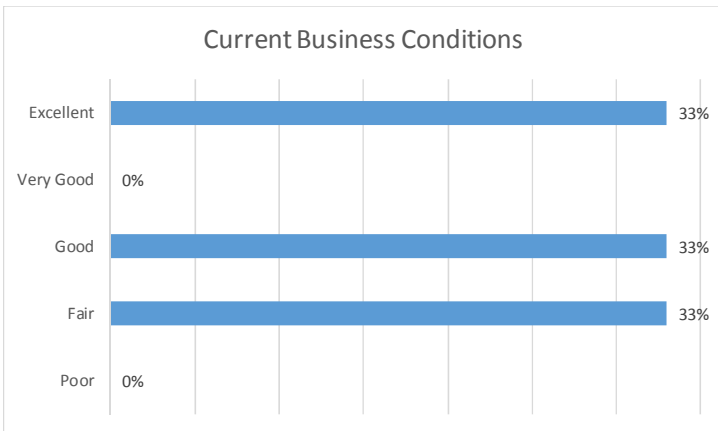
## NORTH CENTRAL (OH, MI, IL, IN, WI) – 19 responses



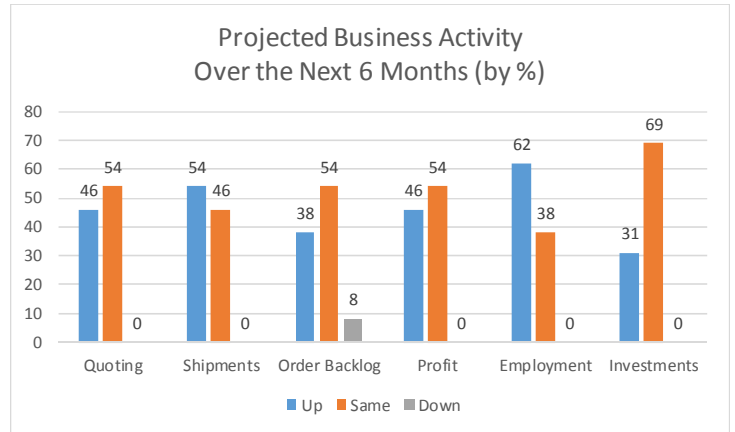
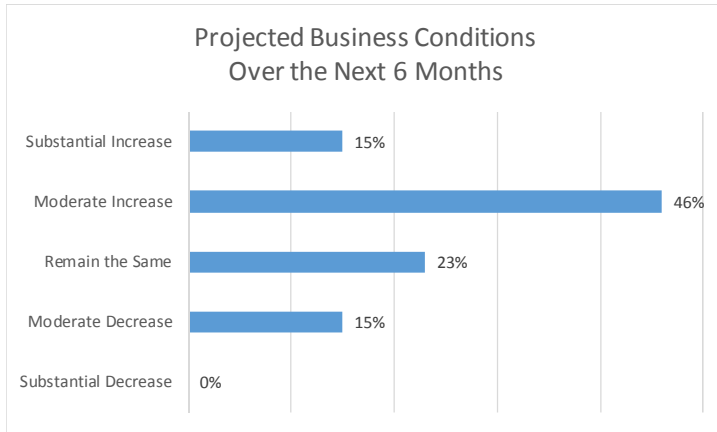
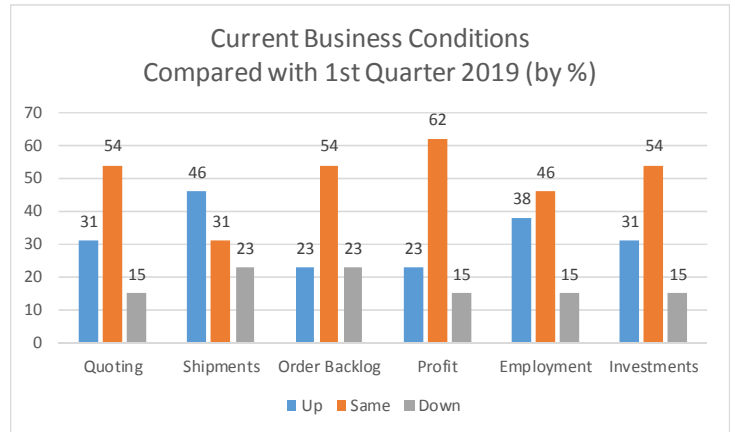
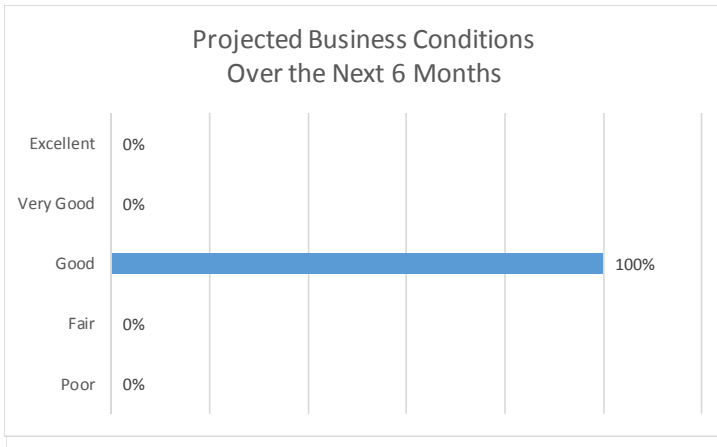
## CENTRAL (IA, MO NE, KS, MN) – 6 responses



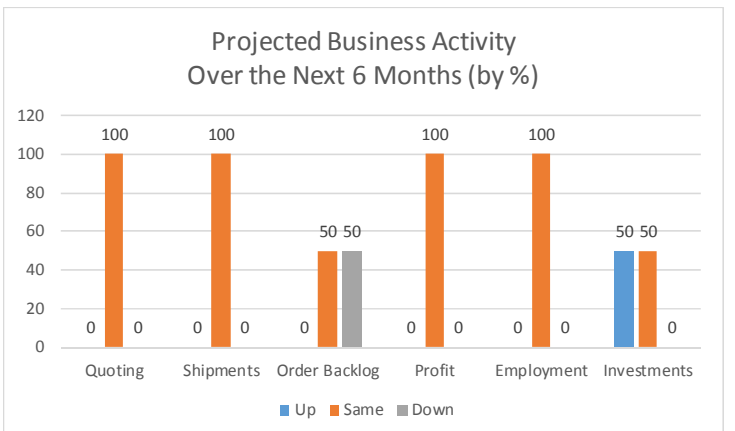
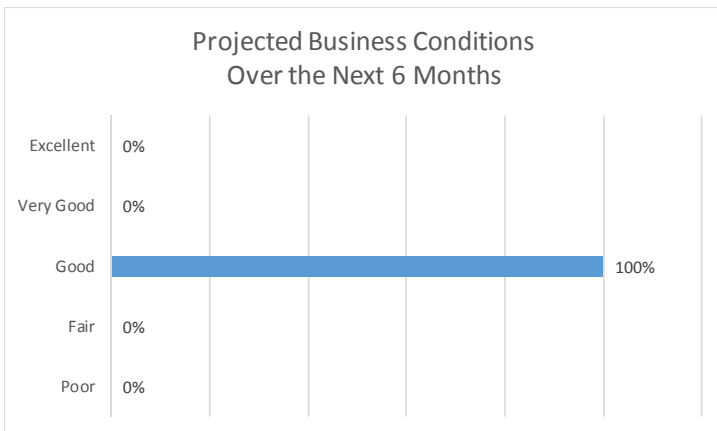
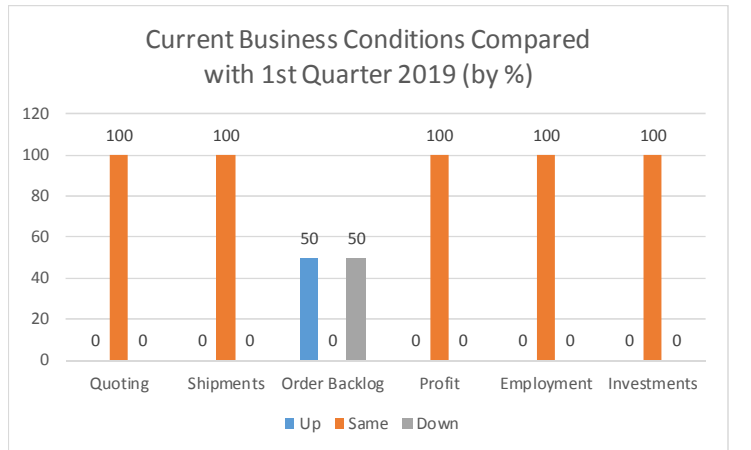
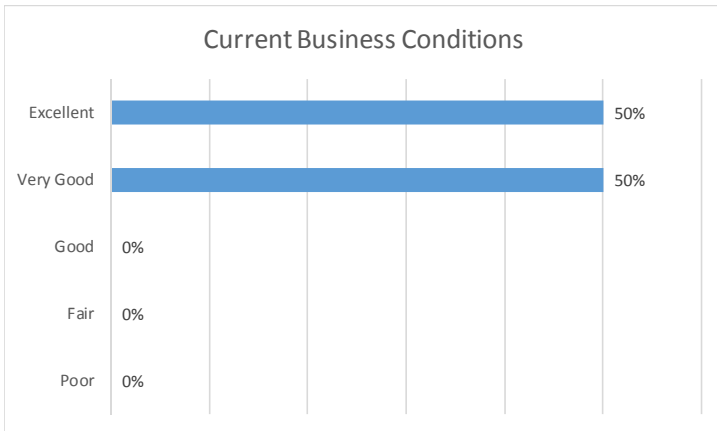
## CENTRAL SOUTHWEST (AR, LA, OK, TX, NM, CO) - 3 responses



## GREATER PACIFIC SOUTHWEST (CA, NV, AZ, UT) – 13 responses



## GREATER PACIFIC NORTHWEST (ID, WA, OR) – 2 response



In order to achieve our business goals, our three biggest needs are:		
Need #1	Need #2	Need #3
Skilled people		
Avoid an economic downturn	Additional factory space	Additional factory power
Finding skilled employees	Reducing costs	Improving productivity
Availability of skilled labor	Implementation of new equipment	
Increased sales and better gross margins	Increase productivity	Reduced cost of health care
Finding Skilled labor and training existing people	Adding automation	Improving current processes - set up reduction
Attracting skilled labor	Standardizing processes	Formalizing training for all team members
Additional labor availability in our area	More foundry options - many have closed	Control of healthcare costs
Skilled Labor	Skilled Labor	
New employees	New employees	New employees
Sales	Skilled labor	Equipment
More work	Skilled person	New customers
People	Equipment	Acquisition
Skilled labor	Increase machine capacity	Improve contract review process
Skilled employees	New customers	Overhead cost reduction
More work	Skilled Workers	Increased productivity
Employees	Strong leadership	New customers
Increased training of current machinists	Adding a general manager to help with logistics	Improve efficiency
Skilled labor	Less regulations	Less taxes
Qualified employees	Process refinement	Sales
Qualified employees	Qualified employees	Qualified employees
Enter new markets	Implement process improvements	Upgrade equipment
Skilled Labor	Low overhead costs, rent, medical, workman's comp	Capital Investment
Hiring skilled machinists	Improving manufacturing profit	Divest unprofitable business
Qualified Employees		
Increased capacity	New customers	Increased square footage
More Sale Leads New Customers	More In House Training on Procedures and paperwork	Need younger workforce to help transition Older
Finding new employees	Training employees	Updating technology
Purchasing power		
Hiring Scheduling/Capacity Planning Staff Person	Implementing Lean/Six-Sigma/TOC Activities	Expanding and diversifying our customer base
Skilled Labor	Skilled Labor	Skilled Labor
More steady work from our customers	Blanket orders to help level out production	Reducing direct labor
finding more help		
Workforce	Material cost and availability	Relief from regulations

Skilled labor		
Increased productivity	Cost reduction	Skilled workforce
Business development in new markets	More skilled tradesman	Market diversity
Skilled Employees	Strong Economy	Less Taxes and Regulations
Smooth transition of a new business purchase	Ongoing funding	
Lean / efficiency	New employees	New customers
Trained employees	New software	New machinery
Increase sales	Get AS9001 certification	Increase unattended output
More Skilled Employees	Additional Outsourcing Vendors	More Billable Hours
Capital Equipment/ Credit Lines	QA Personnel	Production Personnel
Increased sales and better gross margins	Reduced health care cost	Increased production efficiency
New production runs of 50 or more units	New customers in varied industries	Greater throughput through efficiency gains
More highly qualified finish toolmakers	We need to grow a sales presence	Train
Add new customers	Increase efficiency	Add services
Qualified employees	Consistent cash flow	Improved vendor turn-around
Sales	Employees	Efficiency
New Customer Acquisition	Customer Retention	Brand Awareness
Increased sales	Sales person	Programming person
Bringing in new skilled labor	Growing talent internally	Increasing market awareness
Skilled Labor	Better Vendors for outsourcing	More Equipment
Sales	People	
Skill	Floor space	Leadership
Customer diversity		
Steady sales	Faster production times	More production work, less prototypes
Skilled Employees		
Capacity	Financing	Skilled people in all facets
Skilled workforce	More sales	Training
Human Resources	Capital	Technology