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ACM UPDATE

December 31, 2018

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Aerospace Components Manufacturers, Inc.

The World's *Aerospace Alley!*[®]

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Business Development

The Business Development Team met on December 11 at The Lyceum in Hartford. The meeting was well attended with 42 members and 1 guest present. Much of the meeting was dedicated to a round table discussion on the **Future WorkForce Fair & Tradeshow**. Paul Murphy informed the members that there were 819 students registered for the morning session and that 587 attended from 33 schools in 27 towns. The afternoon session had 86 members displaying along with 6 colleges and 4 state agencies. 490 members attended along with 182 outside guests for a total of 672 attendees. Also noted were 223 registered people who did not attend. Another item of note was the low attendance from the area's primes. Paul informed the membership that the ACM has entered into a license agreement with the CT Convention Center for the 2019 event to take place on Wednesday November 20th.

Future WorkForce Fair & Tradeshow Discussion

An engaging roundtable discussion was conducted on what went well and what didn't for both the afternoon and morning sessions. **Future WorkForce Fair Discussion**, it was agreed that the morning session was the highlight but there is a need to engage more actively with the schools. Paul noted that many of the students who registered and did not attend were due to "not having the required permission slip to attend". Paul also informed the members that the Workforce Development Team is actively seeking a program to engage and get to the schools, guidance counselors, superintendents, PTA's / PTO's and parents. A goal has been set for 1000 students in 2020. **Tradeshow Discussion**, the sentiment was that the featured speaker at lunchtime worked well but that the afternoon session needed to end sooner. Much discussion was had on potential for changing the format and engaging the primes. Discussions on B2B's were conducted as well as many other considerations. It was determined that a sub-committee for the afternoon Tradeshow be formed to explore options. A committee was formed consisting of Tony Petersen, Atlantic Fasteners, Tom Ferreira, Satellite Tool; Katie Legowski, PTI, Bob Grant, Projects Inc, Chris Gessay Accu-Rite Tool, and ACM Board Members, Jessica Taylor, Aero Gear, Glenn Ford, Phoenix Manufacturing, Rick Cleary, ATI East Hartford & Mike Scotto, ACMT. We await the reports from that committee.

The next meeting will be on Tuesday January 15 at 8:00am at The Lyceum in Hartford. The meeting will focus on roundtable discussions of opportunities and challenges that will present themselves in 2019. Please plan attend to contribute and to learn.

Future Business Development Meetings:

We have secured the 2019 meeting dates at The Lyceum. All are on a Tuesday and all start at 8:00am. Dates are February 19, March 12, April 16, June 11, July 16, August 13, September 17, October 15 and December 17. No meetings are scheduled for May (Presidents Meeting) or November (Tradeshows). Your participation is encouraged and appreciated.

Industry News / Meetings / Tradeshows:

Feedback: We look forward to members who attended to provide feedback on these events.

-PWA Supplier Conference held on October 16-17. Members reported that the Conference was focused on the big 3; quality, deliver and price. As discussions are candid not all information is printed.

Upcoming Industry Meetings

- GE LTA Conferences TBD
- Avalon – Australia airshow, 02/26 – 03/01
- Heli Expo – ATL, 03/04 – 03/07
- Aerospace & Defense Trade Mission to Turkey February 3-8, 2019
- Aerospace Forum – Birmingham, UK 03/19 – 03/21
- Aviation Week MRO Americas; aerospace MRO industry; Atlanta, Georgia April 9-11, 2019
- Aeromart Montreal on April 16-18
- Aerospace Innovative Technologies Summit on May 07-09, 2019 in Birmingham, AL
- ACM Presidents Meeting May 15, 2019 Bradley Air Museum
- US Commerce Summit: Space Industry; May 2019; details to be announced
- Paris International Airshow Paris France June 17-21, 2019

If you know of other shows and events that may be of interest to our membership, please forward to pmurphy@acm-ct.org

Materials Procurement Update

Material Resources Planning Team: A collaboration among service center ACM member companies to report on factors influencing pricing, trends, availability & lead times for raw materials used in aerospace manufacturing.

THE SMALLIDGE REPORT:

- Tim Regan, Yarde Metals & Leslie Mason updated the membership on activities and trends of the metals industry.
- Tim reported that aluminum demand is up and leadtimes continue to move out. Leslie stated that domestic aluminum tubing leadtimes have moved out to 40-70+ weeks due to tariffs and with capacity and demand from domestic suppliers being consumed. Titanium Alloy pricing has somewhat stabilized but it's a tight market and leadtimes are moving out beyond 52 weeks with capacity being strained through the foreseeable future. In this busy climate with limited and sold out capacity the message is to "buy right".

Transportation has been a new issue from the mills as they want the trucks "full". One member reported buying "truck load purchases" to ensure delivery and price.

It was reported that Arconic had furnace issues and were stretching deliveries due in December out into late January. There are some deals to be had on SS in certain sizes.

We look forward to continuing these informative presentations at the monthly meeting.

Roundtable Discussion:

- Due to much of the time spent on the Future WorkForce Fair & Tradeshow Discussion this was kept short in respect to time.
 - GE T&C C64 was a discussion amongst the group.

Roundtable discussions of current issues and news in the industry are candid conversations and therefore details are omitted from these Newsletters.

Workforce Development

The Workforce Development team met on Tuesday December 4th at ACMT 369 Progress Drive Manchester, CT 06040 at 8:00am to discuss the next phase of course offerings as well as a review on the Future WorkForce Opportunities Fair and the Wage and Benefits Survey.

The ACM Training Grant is well underway with the following classes/seminars being offered. This is a joint program of the Connecticut Department of Economic and Community Development and the Connecticut Department of Labor. The grant is a 50% shared reimbursement. The ACM is the grant holder and will submit all the paperwork. **This grant is a fantastic way to train your incumbents at half the normal cost.** It is also a great tool for the attraction and retention of employees **and another valuable benefit of membership.**

Classes completed:

Front Line Supervisory Training, 3 GD&T classes, B/P Reading Class, PC-DMIS Training Class & Continuous Improvement Champion Certificate Course (CICC)

Current classes that are underway:

Front Line Supervisory Training

Classes currently scheduled for February

Front Line Supervisory Training

The ACM will be offering additional classes in early 2019. **Please email Paul Murphy with your class requests for future consideration.**

A catalog can be found on the ACM website under About ACM/ACM Class Syllabus
[Click Here for Catalog](#)

Under this grant the **ACM is also offering Tooling U 10 Class Packaged Bundles for \$125 each.** Contact Paul Murphy for further info.

Progressive Manufacturing

The Progressive Team has formed a steering committee to work on topics, seminars and events for 2019. If you have a suggestion that may be of interest to the membership, please contact Paul Murphy.

The Progressive Manufacturing Team will be meeting at 8:00am on Thursday January 17 at Har-Conn Chrome Company. The topic of discussion is; **Working Together for a Mutually Beneficial Solution:** Hear Tim Backus, President, Har-Conn Chrome Company & Chris DiPentima, President, Pegasus Mfg. present how their two companies conducted a kaizen. Find out the why, how and the results achieved. A small group from the

Progressive Team is working with Atlas Stamping and Manufacturing on a lean strategy and this will be considered for a future event once details have been worked out.

A Few Minutes with Murph

As previously announced the ACM has teamed with 7 Ct manufacturing organizations, CBIA and Connstep to form a new organization called the **Connecticut Manufacturers Collaborative (CMC)**.

I am pleased to report that the CMC met with Governor Elect Lamont on December 18th to present him the **2019 CMC Strategic Priorities**. The meeting went quite well, and Governor Elect Lamont was very engaging and inquisitive of the manufacturing community's needs. He seemed to truly understand that with the fiscal challenges the state faces that a bright spot is the Manufacturing sector. He fully understands that for every dollar spent in manufacturing, another \$1.89 is added to the economy and that for every 1 manufacturing employee added an additional 3.4 workers are created elsewhere. Our top priority for Governor Elect Lamont was the critical need for **Administrative Structure & Appointments**. The CMC presented the following as its top priority:

A. Create a Secretary for Manufacturing Policy and Coordination within the governor's office to provide critical strategic direction and significantly enhance statewide coordination, collaboration and partnership among public, private and non-profit entities

B. Ensure the commissioner and other leaders within the state Department of Education will be strong advocates for technical high school education, including expanding technical education opportunities within traditional public middle and high schools

C. Appoint commissioners and deputy commissions in key agencies including DEEP, DOL and DECD that have business experience - preferably as, or working with manufacturers

To that end, the CMC also provided a Role & Responsibility scope as well as qualifications for the **Secretary for Manufacturing Policy and Coordination** position and most importantly, 2 very qualified individuals as endorsed by all of the manufacturing organizations representing the CMC for consideration to fill the position should he choose to act.

The CMC also spoke to Workforce, Technology, Economic Policy, Regulatory Policy, Funding & Financing & Marketing and Strategic Business Capabilities.

I can safely state that the time spent with the Governor Elect was well received and on a few occasions, he simply stated, "This is fantastic". While we have yet to learn of his decisions, we are optimistic that Ned Lamont will be an advocate of manufacturing.

Topics of Interest

Manufacturing's Mixed Messages Aren't Helping Close Skills Gap

Even as the industry promotes itself as a bastion of career stability and good pay, negative news sells the opposite story.

Are we making headway in closing the manufacturing skills gap?

The answer seems to be no. In their latest study of the U.S. manufacturing sector and its future workforce needs, the Manufacturing Institute and consulting firm Deloitte say the skills gap not only persists, but that the results "appear to highlight a widening gap between the jobs that need to be filled and the skilled talent pool capable of filling them."

Specifically, projections cited in the 2018 study, released in November, suggest unfilled manufacturing jobs will grow from 2 million to 2.4 million between 2018 and 2028. It is the organizations' fourth skills gap study.

In short, we seem to be sliding further from our goal, despite tremendous efforts on the part of many U.S. manufacturers and organizations that support U.S. manufacturing.

[Click Here for Full Article](#)

Tariffs are Destroying Demand for Products Manufactured in US: Steel Index Study

The difference between U.S. and competitors' prices is 1.8 times larger since February.

American manufacturers are paying 17.2% more than their foreign competitors for hot- and cold-rolled steel, according to a new study, from Business Forward released on Dec. 12.

The difference between U.S. and competitors' prices is 1.8 times larger since February, the report says.

"President Trump's tariffs on steel and aluminum are increasing consumer prices and hurting American exports," explained Business Forward president, Jim Doyle.

"American manufacturers have started shifting production overseas, and they are cutting back on capital investment. The long-term costs are becoming clear," Doyle added

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Cyberattacks Skyrocketed in 2018. Are You Ready for 2019?

We have seen a 350% increase in ransomware attacks, a 250% increase in spoofing or business email compromise (BEC) attacks and a 70% increase in spear-phishing attacks in companies overall.

Board directors continue to up their investment in cybersecurity. Seventy-three percent now say their organization requires that third-party vendors meet certain cyber risk requirements—up 30 percentage points from 2016, according to the 2018 BDO Cyber Governance Survey of 145 co-directors at public companies.

This increase in requirements and investment is warranted as manufacturing companies adopt and integrate more advanced technologies into their operations.

[Click Here for Full Article](#)

News from ACM Members

If you have news worthy articles/awards that you would like published in this newsletter, please forward to pmurphy@acm-ct.org