



# Puerto Rico

## FORMING OUR FUTURE

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# March 5-8, 2025



**MetalForming**  
Magazine

# Unlock Your Competitive Edge: Utilizing PMA Metalforming Insights Benchmarking Data

**Laurie Harbour, Partner, Wipfli**





## **Our services**

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Digital  
services

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Risk  
advisory

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Organizational  
performance  
and coaching

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Outsourcing

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Audit and  
accounting

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Tax services

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M&A transaction  
advisory

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Private  
client services

# Is manufacturing at an inflection point?



# Where we were; where we're headed

**MFG**  
**Recession**  
**Felt**

missed  
targets

**Interest Rate**



**Going Down**  
more to come?

**Wages**



**Increased**  
at a declining rate

**Election**



Trump  
won

**Efficiency Improved**



But didn't translate to  
profits due to  
increased cost

**Labor**



**Kept our People**  
In a down year

**Consumers**



**Felt Pain**  
kept spending

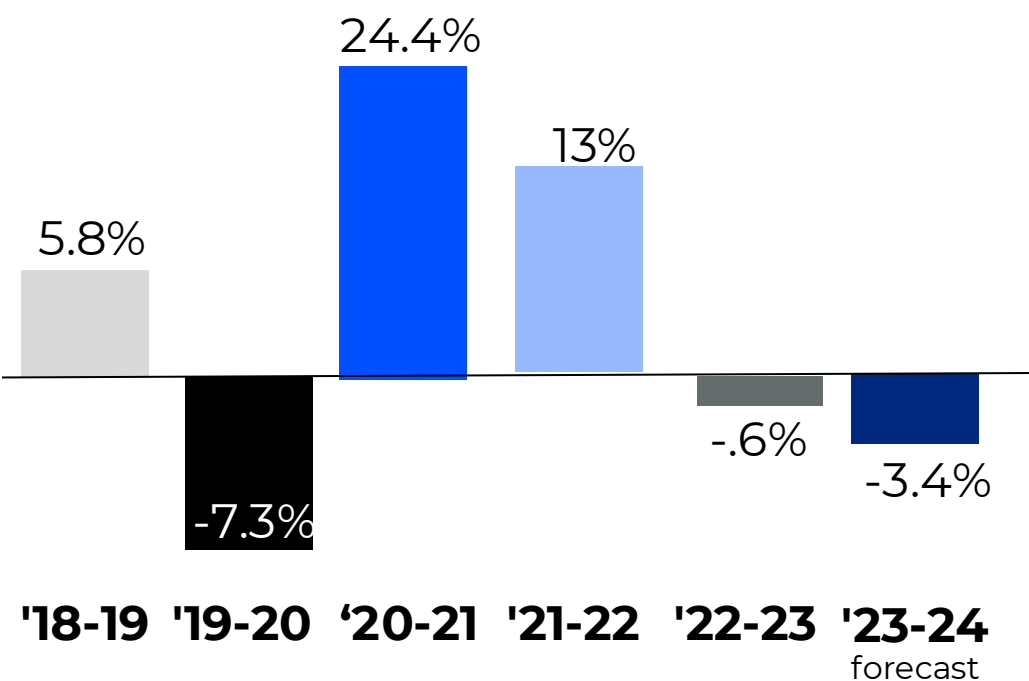
2025 brings underlying uncertainty and a challenging Q1

# The cost and profit squeeze

## Manufacturing Performance

Year	Throughput	Profitability
2017	\$85,000	7.4%
2018	\$91,000	5.5%
2019	\$86,000	5.1%
2020	\$96,000	4.1%
2021	\$105,941	5.6%
2022	\$115,358	5.1%
2023	\$120,929	5.1%

## Avg. Revenue Growth



Preliminary 2024 data shows reduction in revenue and profits going into 2025!



# Current Metal Forming Performance

HARBOUR | IQ™  
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## Q1 2025 Pulse Study 71 Metal Forming Respondents

### Utilization

**62.7%**

2024

**66.8%**

Forecast

### Revenue Expectations

**+2.1%**











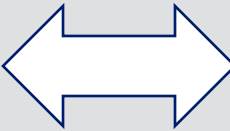



### Profit Expectations

**+1.2%**

### Top Concerns

Higher Cost  
Trade & Tarif  
Inflation  
Price  
Wage Pressure

# North American Industry Outlook

						
Aerospace	Agriculture & Off-Highway	Household Appliance	Automotive	Consumer Products	Medical Devices	Powersports
Projected 5 Year CAGR						
7.9%	4.8%	4.3%	1.6%	4.4%	5.2%	5.6%
Wipfli Manufacturer's Q1 Quoting Levels						
						

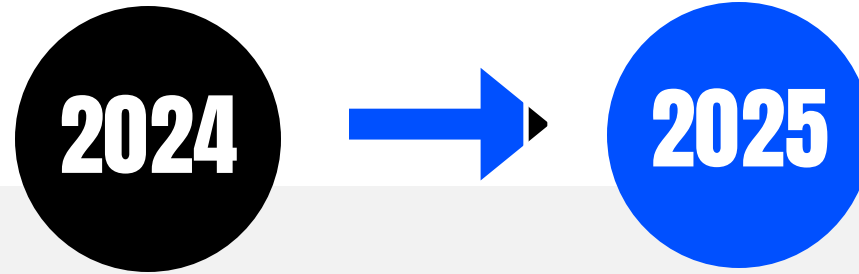


WIPFLI

# Does the data inform your strategy?



# What did you learn from 2024?



- ✓ Are you right sized for current demand?
- ✓ How robust is the forecast?
- ✓ Did you run scenario plans for different volumes?
- ✓ Is your supply chain robust?
- ✓ Do you challenge the organization enough?
- ✓ Do you have a robust sales process?
- ✓ Are you costing and quoting effectively?

# Your strategy must include these

**01.** Use data to drive quality of earnings

**02.** Drive a robust sales process

**03.** Evaluate cost plus vs. market price

**04.** New approach to efficiency

# Use Data to drive Quality of earnings

Dashboards

Benchmarks

PQ Analysis

# Drive flexibility: Don't blindly cut or grow



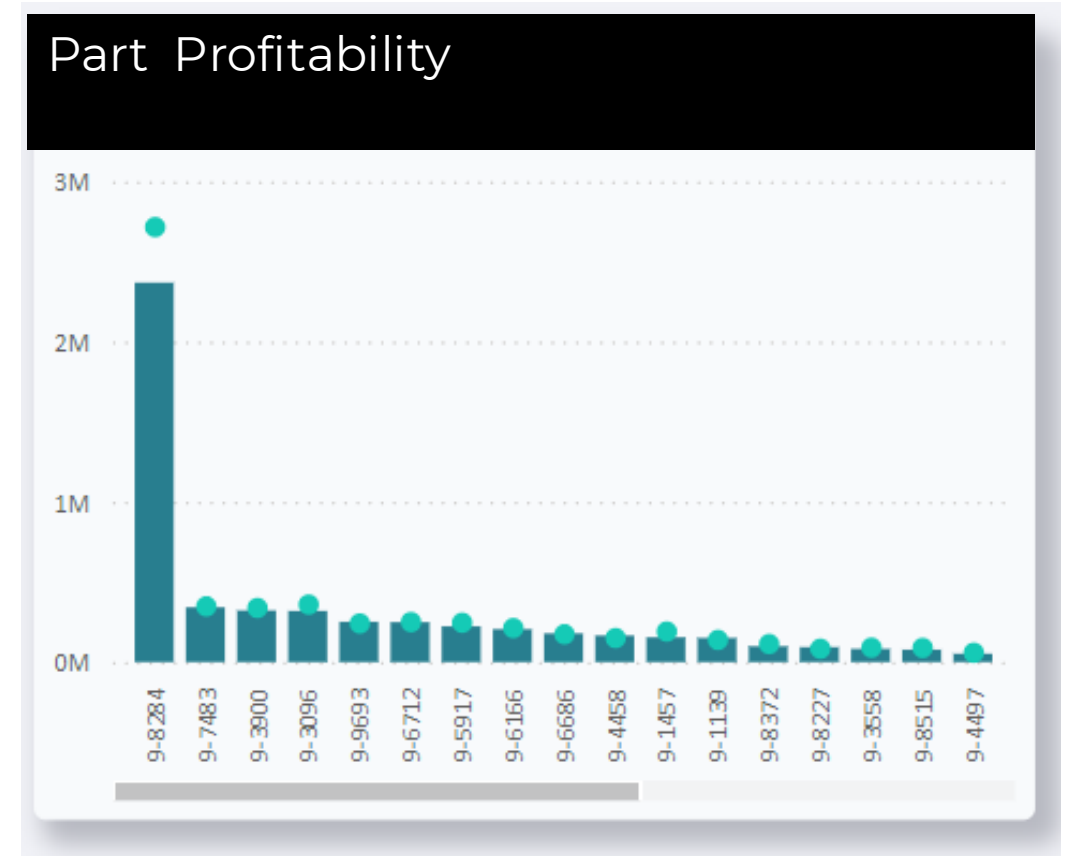
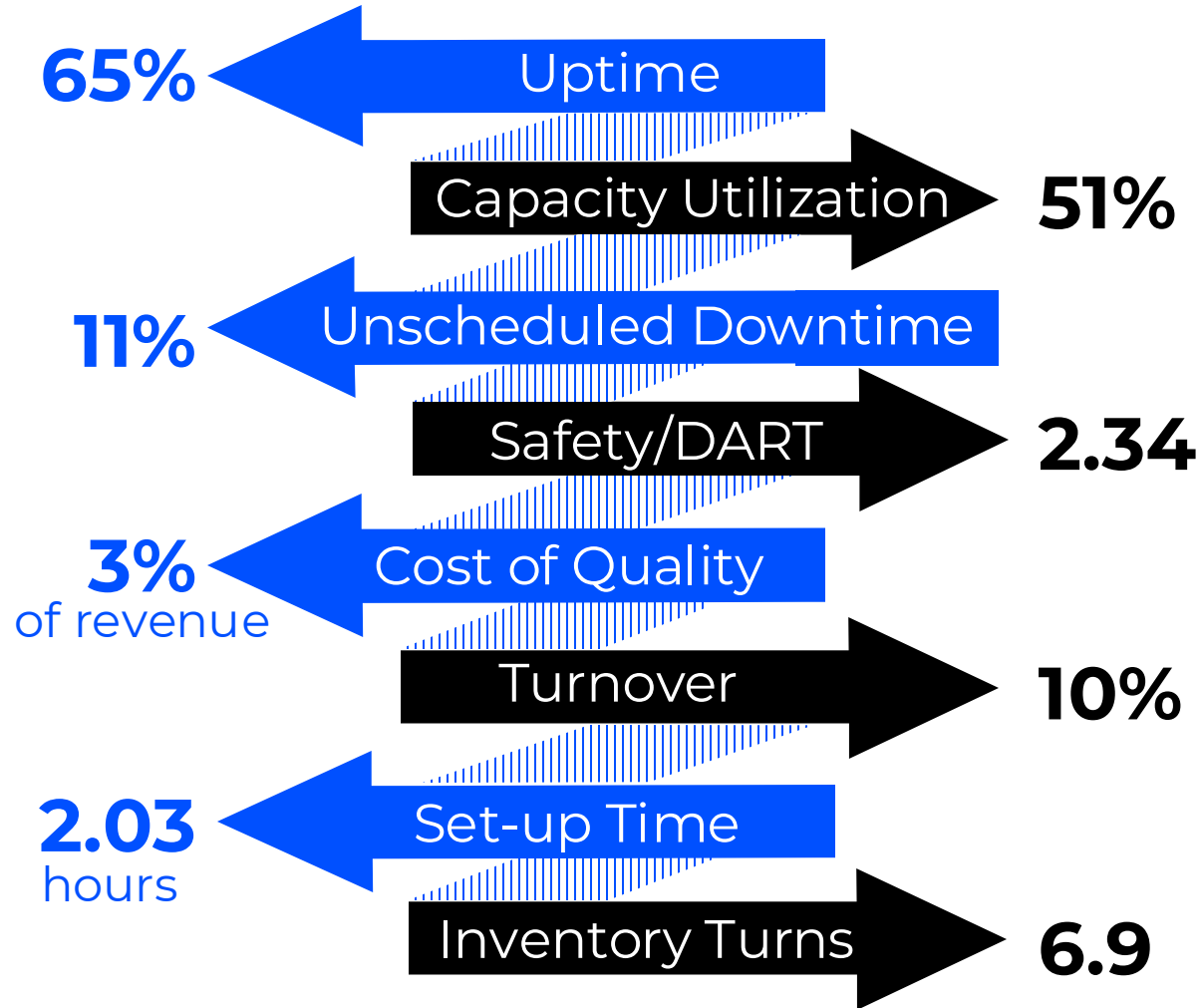
## Scenario Plan

Base case

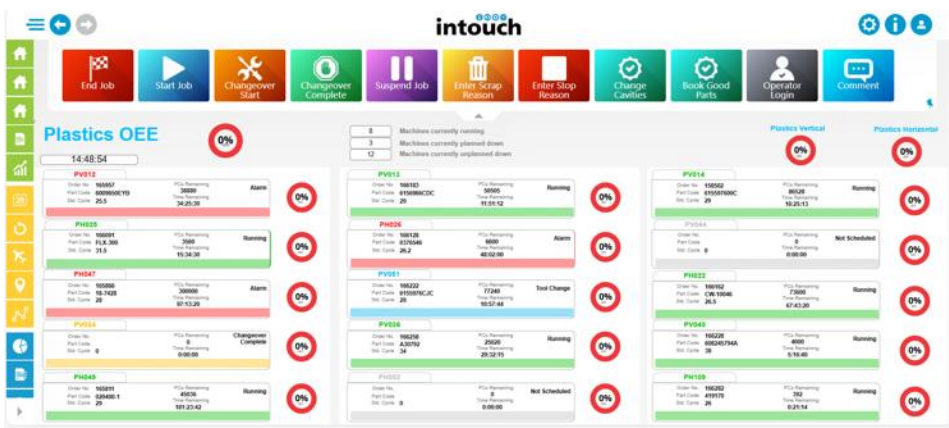
30% growth case

25% reduced case

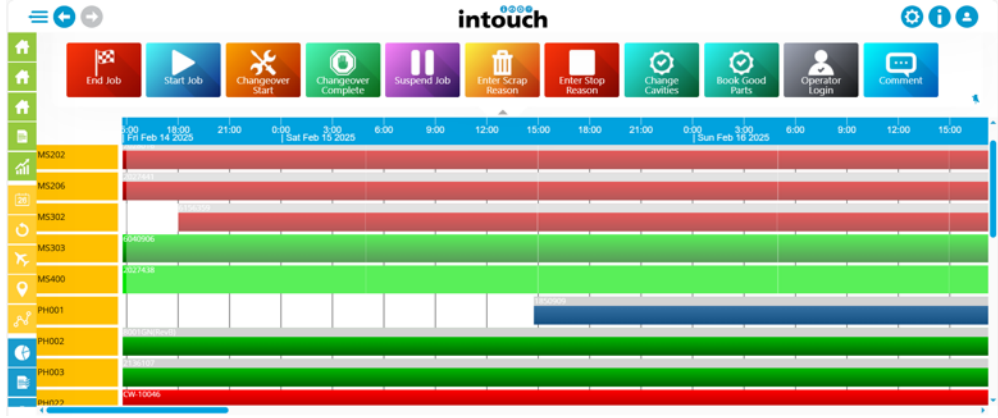
# Data says that performance is slipping



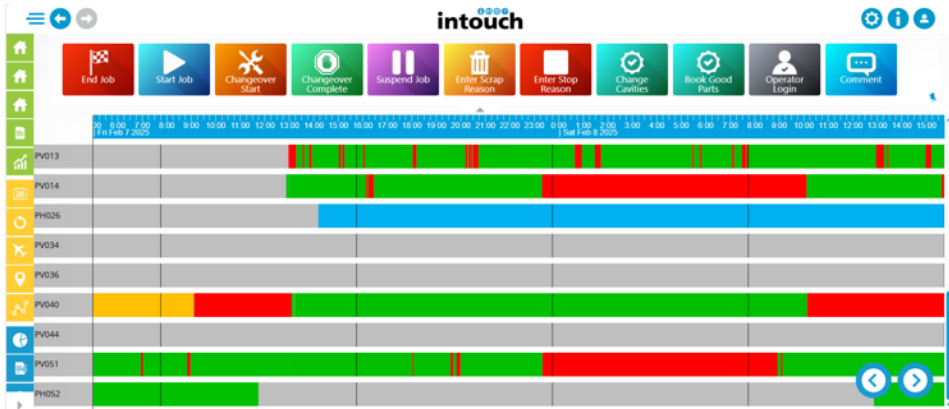
# Shop Floor Status at a Glance



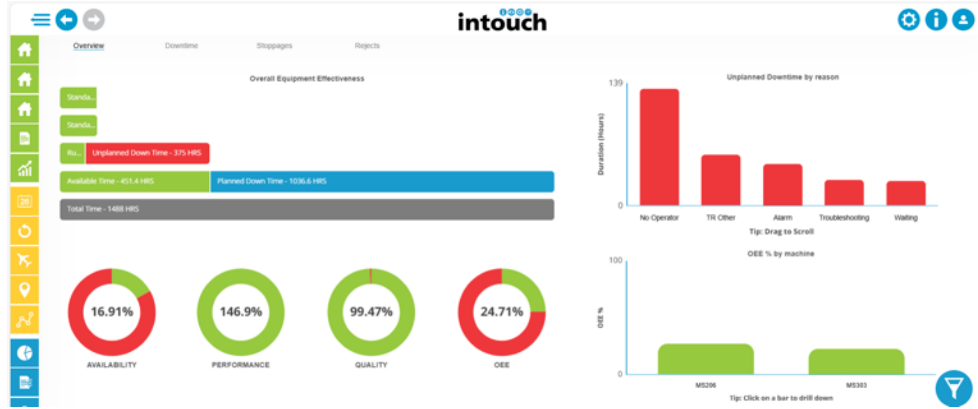
# Scheduling Gantt Chart



# Shift Profile of Machine Activity



# Shift Overview on Demand



Start with the Basics!

What is happening with your equipment and how do you react?





# **Drive a robust Sales Process**

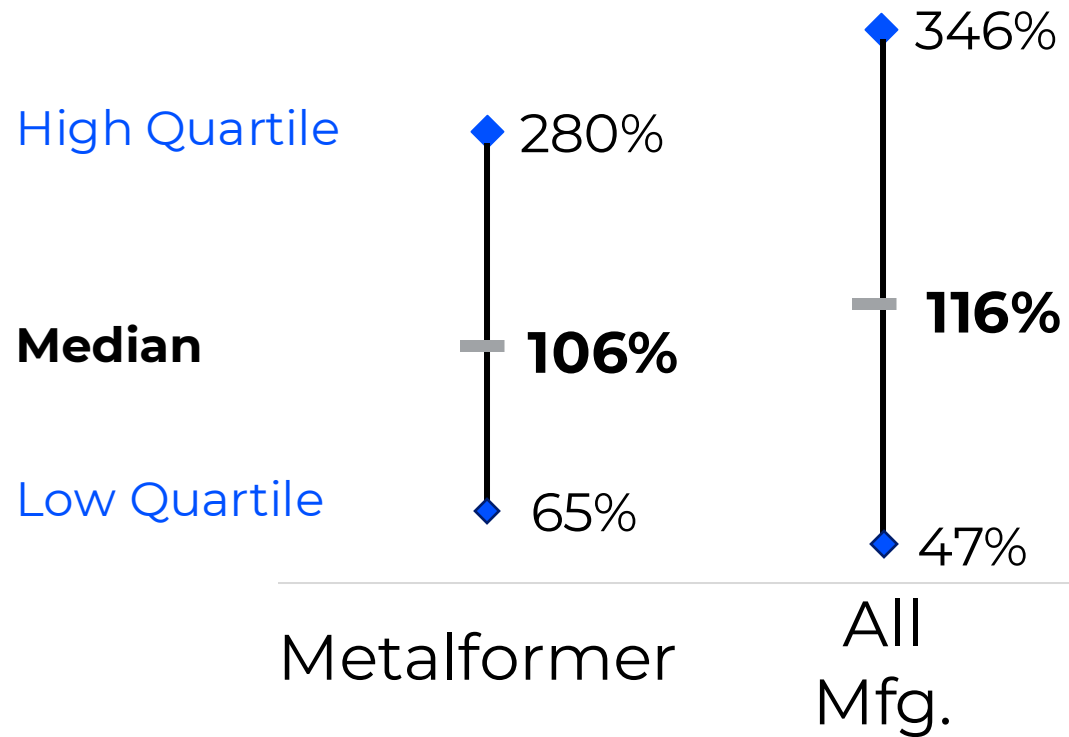
**Data**

**Customer Communication**

**Sales Team/Reps**

# Sales is not doing enough

## Quote Funnel % of Revenue



**65%**

Of Forecasted  
Revenue Booked

**5%**

Churn

**\$6.3M**

Revenue per Sales  
Person

**12%**

Hit Rate (\$ value)

**46**

Total Number of  
Customers (50 in 2022)

# Sales needs a reboot

## What is sales doing?

- Hunting or farming
- Attending the right events
- Visiting the right customers
- Attack the tail
- Setting goal/metrics
- Critical / creative thinking

Drive sales to understand the business and deliver results

## What about sales reps?

- Making money in perpetuity
- No need to hunt for new business
- Compensation structures
- Hold them accountable

Sales teams have become complacent – need to drive action and accountability





# Re-evaluate Cost Plus vs Market price

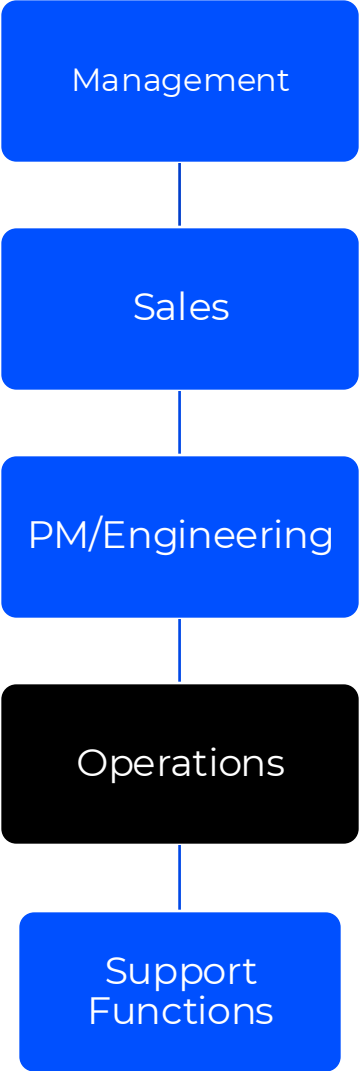
Accountability

Optimize Profitability

Data

# Sell to open capacity

Cost Category	Current State	Traditional Cost Buildup	Leveraged Model Cost Buildup
Revenue	\$20,000,000	\$23,000,000	\$23,000,000
Revenue Growth (15%)		\$3,000,000	\$3,000,000
Material (42%)		\$1,260,000	\$1,260,000
Direct Labor (12%)		\$360,000	\$0
Indirect Labor (13%)		\$390,000	\$0
Supplies (4%)		\$120,000	\$120,000
SG&A (12%)		\$360,000	\$0
Other		\$100,000	\$100,000
Profit on New Business		\$410,000	\$1,520,000
Margin on NB		13.7%	50.7%
Overall Margin	\$1,600,000	\$2,010,000	\$3,120,000
Overall Margin %	8.0%	8.7%	13.6%





# New Approach to EFFICIENCY

Industry 4.0

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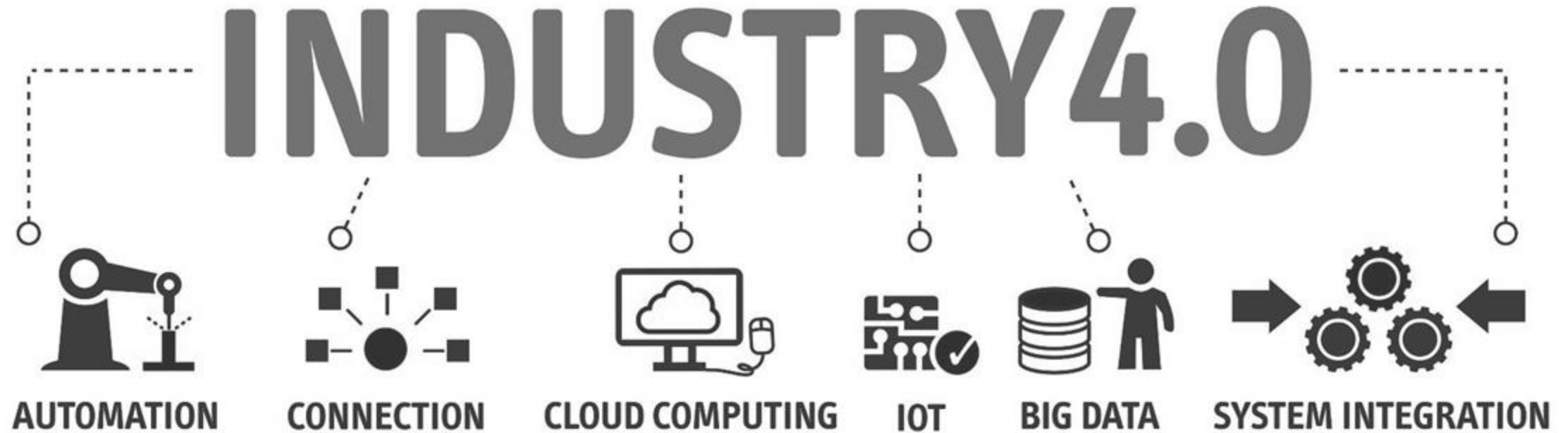
Your People

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Process

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# Industry 4.0 drives manufacturing improvement



**Increase  
competitiveness**

**Improve efficiency**

**Reduce waste**

**Hunker down**



# Where do you stand to the top performers?

	Top Performer Average	Bottom Quartile Average	Median	Top Quartile Average
<b>EBIT</b>	<b>9.4%</b>	-1.4%	5.1%	11.4%
<b>EBITDA</b>	<b>14.1%</b>	2.7%	9.0%	15.9%
<b>Throughput</b>	<b>\$145,029</b>	\$ 90,597	\$120,929	\$167,286
<b>Inventory Turns</b> (days)	<b>7.5</b>	4.4	6.7	10.3
<b>Hit Rate</b> (#)	<b>13%</b>	5%	14%	46%
<b>Hit Rate</b> (\$)	<b>17%</b>	2%	12%	35%
<b>Average Dart</b>	<b>8.75</b>	0	2.34	9.17
<b>Up Time</b>	<b>63%</b>	42%	65%	80%
<b>Cost of Quality</b> (% of Revenue)	<b>4%</b>	6%	3%	1%
<b>Turnover</b>	<b>14%</b>	31%	10%	0%
<b>Set-up Time</b> (hours)	<b>1.98</b>	4.46	2.03	.79

# Things to watch and focus on for 2025!

## Changes with administration

Taxes, policies, etc.

Tariff & Trade – know your supply chain

## Customer demand and volatility

Go and visit your customer!

Capitalize on reshoring

## Operations and Labor Strategy

Clean up the plant!

Back to the basics

## Capital investment

Automate, automate, automate!

## Cost structure and change in demand

What levers to pull based on demand

# PMA benefits driving performance improvement



Q1 2025 Report – March 18

The only resource for metal forming benchmarking information

Provide members data & information critical to making informed business decisions

## Strategic Assessment Program (SAP)

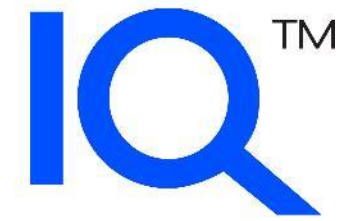
2-day on-site assessment of 9 business categories

Identify gaps and opportunities within a business

Actionable insight provided immediately upon completion foster immediate ROI

# HARBOUR

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# Questions?

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