



Metal Treating Institute

132 Maple Row Blvd #530

Hendersonville, TN 37075

904-249-0448 • info@heattreat.net

ATTN: Commercial Heat Treating Executive
FROM: Metal Treating Institute Executive Committee
RE: Call to Action for Commercial Heat Treaters

As we are turning the corner in the COVID-19 era and we have turned the corner into 2022, there are many opportunities in front of us as heat treat companies. However, the growing economy does not come without many challenges, including:

- Labor shortages & supply chain issues
- Lack of qualified management
- Rising operational costs
- Constant changes in technical specifications (Nadcap, AMEC, CQI-9, ASTM)
- Overall uncertainty
- Cybersecurity threats

What we know to be true in the times we are facing is... "We are stronger together than separate." An industry must work together to create the prosperity we want for our company and employees. We are asking you to join our "industry movement" of heat treaters focused on:

- Minimizing uncertainty in financial decisions
- Maximizing productivity, quality, and safety
- Creating well-trained employees
- Building effective leaders/managers
- Enhancing audit compliance for quality departments
- Providing "real-time" information through LIVE webcasts & MTI mobile app

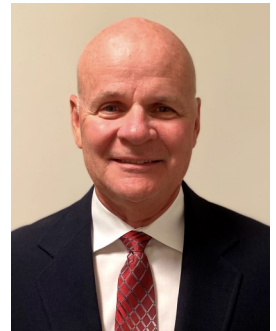
See enclosed, MTI's Productivity and Profit Took Kit, to view the top programs over 80% of MTI's commercial heat treaters are engaged in to drive success.

Act on our "Call to Action." Join MTI today and receive MTI's **Key's to Supervisory Skills Training Program** for FREE, to train up to six of your key managers on the skills they need to lead your team. That is a \$2,970 value (see page in included brochure). Studies show people aren't leaving their job... they are leaving their boss.

Take advantage of this offer to join the industry with MTI, and together we will create the future you want. To join, go to www.MTIStrong.com and click on Commercial Heat Treater.



Don Hendry
Pinson Valley Heat Treating
MTI President



Jim Orr
Penna Flame Industries
MTI President—Elect



Glen Ottinger
ThermoFusion
MTI Treasurer



Jim Oakes
Super Systems
MTI Immediate Past President



Metal Treating Institute

Productivity & Profit Tool Kit

OUR GOAL IS YOUR SUCCESS



- Minimizing uncertainty in financial decisions
- Maximizing productivity, quality & safety
- Creating well trained employees
- Building effective leaders/managers
- Enhancing audit compliance for quality departments
- Providing “real-time” information through LIVE webcasts & MTI mobile app

OUR MISSION



To help commercial heat treaters succeed by driving prosperity through collaboration.

GET IN TOUCH: • 1-904-249-0448 • 132 Maple Row Blvd. Ste. 130 Hendersonville, TN 37072 •
JOIN TODAY: www.MTIStrong.com



MTI MANAGEMENT TRAINING - NEW MEMBER SPECIAL

Invest in the **SKILLS** Your Managers Need to Lead People

12 Modules Include:

- Character Traits of a Leader
- Communication and Leadership
- How Effective Leaders Make Quick Decisions
- Leaders Provide the What, Followers Provide the How
- How Leader Develop Effective Teams
- Leadership Staff Development
- Great Leaders Obtain Followers
- Getting What You Want Without a Fight
- How to Calmly Not Choke the Difficult Person
- Leadership and Attitude
- Leadership and Personality
- Leadership and the Third Person

Program Includes:

- 12 video modules
- 1 Instructor Guide
- 6 Student Handbooks
- 6 Tests
- 6 Certificates of Completion

*Online or print options available

(Retail Cost for 6 People: \$2,970)

Taught by Dr. Rick Marks
- National Leadership Trainer
- YES Mgt. Program Instructor

“People aren’t leaving their job. They are leaving their boss.”

Equip & Empower Your Management Team

Join MTI Today at www.mtistrong.com



Metal Treating Institute Monthly Sales Trend Report

*1 page of 14 page report showing your companies ranking and
marketshare in your region and nationally.*

Company Sales Rank within District

	Billings for Month	Billings for Month	Billings to Date	Billings to Date
	August 2020	August 2021	August 2020	August 2021
Rank	8	6	7	6
District Total	13	13	13	13

Company Sales Rank Nationally

	Billings for Month	Billings for Month	Billings to Date	Billings to Date
	August 2020	August 2021	August 2020	August 2021
Rank	87	60	79	63
Total Companies	137	137	137	137

Company District Sales Percentage

	Billings to Month	Billings to Month	Billings to Date	Billings to Date
	August 2020	August 2021	August 2020	August 2021
Percent	5.36	3.93	6.36	6.24
District Total	\$4,667,720.00	\$11,070,084.27	\$38,603,063.00	\$52,850,060.27

Business Cycle

<u>Page Number</u>	<u>Industry</u>	<u>Phase</u>	<u>Current</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
4	MTI Average Monthly Sales	A	-18.3%	10.5%	5.4%	-1.1%
6	US Industrial Production Index	A	-6.8%	5.9%	3.1%	1.6%
7	US Nondefense Capital Goods New Orders (excluding aircraft)	B	2.9%	9.9%	1.6%	0.3%
8	US Construction Machinery New Orders	A	-0.2%	10.6%	0.2%	2.8%
9	North America Light Vehicle Production	A	-19.1%	8.3%	10.1%	2.0%
10	US Heavy Duty Truck Production	A	-30.1%	17.2%	10.9%	6.1%
11	US Oil and Gas Extraction Production	D	-8.9%	1.0%	9.1%	3.1%
12	US Medical Equipment and Supplies Production	A	-8.3%	5.5%	2.2%	0.8%
13	US Civilian Aircraft Equipment Production	A	-29.4%	17.0%	14.4%	-4.0%
14	US Computers and Electronics New Orders	B	5.7%	7.2%	2.2%	2.3%



RECOVERY



ACCELERATING GROWTH



SLOWING GROWTH



RECESSION



MTI Operational Cost Survey

Report Ending June 30, 2021

METAL TREATING INSTITUTE, Operation Cost Survey Results							
	ABC Sample Heat Treat	All Companies	Companies with Profit	Companies With Loss	Top 50% of Co's in Sales	Bottom 50% Co's in Sales	Companies Similar In Size
Number of Companies	1	36.00	28.00	8.00	18.00	18.00	9.00
Average Number of Employees	41.00	42.00	44.00	34.00	60.00	24.00	37.00
Total Labor as a % of Sales	42.00	27.99	25.72	35.91	26.88	29.10	28.13
G&A Costs as a % of Sales	11.00	20.86	20.02	23.79	19.99	21.73	18.69
Total Utilities as a % of Sales	14.00	9.98	9.51	11.62	8.40	11.56	9.33
Maintenance as a % of Sales	4.00	7.83	7.27	9.80	8.17	7.49	7.01
Transportation	2.00	2.63	1.95	4.75	1.43	4.06	2.54
Health care	6.00	5.75	5.35	7.15	4.76	6.74	4.69
Workers Compensation	2.00	0.67	0.73	0.60	0.43	0.92	0.53
Net Profit as a Percent of Sales Before Taxes	5.00	8.78	14.75	-12.11	14.41	3.16	8.63
Delivery Metric	98.00	78.86	87.91	41.13	86.59	71.61	61.95
Average \$ per Order	1,500.00	886.22	889.54	875.83	1,073.06	687.69	604.51
Sales Per Employee	85,366	149,738.68	173,228.81	67,523.23	210,075.91	89,401.44	108,397.34



When is the Right Time to Train Your Staff?... **NOW!**

INCREASES:

Confidence, Employee Morale,
Quality, Productivity

DECREASES:

Error Rates, & Need for
Micro-management

WHY TRAIN YOUR STAFF WITH MTI'S ONLINE ACADEMY FOR HEAT TREATERS?

Meets minimum training
requirements for
Nadcap, ARP 1962, ISO
9000 and AS9100

Best Training **VALUE** in
Heat Treating

MTI CORPORATE TRAINING SUBSCRIPTION INCLUDES:

- ◆ 6 Certificate Programs
- ◆ 24-7 Access
- ◆ Dashboard to Easily Administer Your Team's Training
- ◆ All Records Digitally Tracked Online (no paper)
- ◆ Mobile Friendly

"It is well known that the success of a company is linked with the quality of service offered from their suppliers. We have been taking advantage of the outstanding Training Program offered by the MTI, that is why they are recognized in our company as one of the most valuable sources of training."

Pedro Aranda • **Eaton Industries**

"MTI's Online Technical Training and Certificate Programs has reshaped our team, increased morale and engaged everyone in professional development. They love it when they achieve their Qualified Furnace Operator Certificate or the Heat Treat Specialist. It has enhanced our productivity having more knowledgeable employees."

Dave Secrist • **Induction Heat Treating Corp.**



TOP SELLING ONLINE TECHNICAL TRAINING SITE IN HEAT TREATING

SUBSCRIBE YOUR COMPANY FOR UNLIMITED ACCESS TODAY

For more information, contact MTI at training@heattreat.net or MTIAcademy.com.



MTI LIVE WEBCAST

Bringing Real Time Content That Impacts Productivity, Profits, and People

Quality & Audit Compliance:

Quarterly Updates on Nadcap, ASTM, Aerospace Specs and ASTM

Sales & Financial Management:

Quarter Sales Forecasts on Heat Treat Sales and 7 Industries That Drive Sales

Operations & Production:

Monthly Shows on Energy, HR Issues, Cybersecurity and Automation

Post-COVID Forecast Accuracy
When Things Were First Starting to Go Awry...

	Date in Through	Date of Forecast	Duration	Accuracy
US GDP	Dec 2019	Mar 20th	9	98.4%
US Ind. Prod.	Feb 2020	Mar 25th	9	96.5%
Europe Ind. Prod.	Jan 2020	Mar 25th	9	98.7%
Canada Ind. Prod.	Dec 2019	Mar 25th	9	94.9%
China Ind. Prod.	Feb 2020	Mar 29th	9	92.8%
Retail Sales	Jan 2020	Mar 21st	9	98.7%
Housing	Jan 2020	Mar 26th	9	99.6%
Employment	Feb 2020	Mar 28th	9	93.7%

ITR Economics provides the best economic intelligence to reduce risk and drive profitable business decisions.



MTI Keeps Members Ahead of the Change and Disruption Curve.



Official Energy Specialists of the Metal Treating

Energy Solutions. Data Driven.

The APPI Energy database of daily supplier prices enables our team to benchmark prices in every deregulated energy market. We review thousands of prices every day to deliver data-driven solutions, and true apples-to-apples price comparisons.

Selecting the best energy supplier price and contract is a complex process. The critical goal is to ensure that each supplier's quote includes the same price components and contract clauses. Since 1996, APPI Energy has vetted and approved 36 supplier companies and more than 144 contracts. Our proprietary platform gives clients a competitive edge as they make informed, customized purchasing decisions.

■ Pricing Database

APPI Energy maintains a proprietary database of more than 250 million records, enabling our consultants to compare historical and real-time prices in every deregulated energy market.

■ Trends & Analysis

Decisions about when to buy and contract length are based on data, analytics, and expertise. APPI Energy consultants craft solutions that fit each client's needs.

■ Customized Solutions

APPI Energy helps you select a supplier and negotiate price and contract terms & conditions, ensuring a seamless transition to a customized energy solution.

■ Supplier Platform

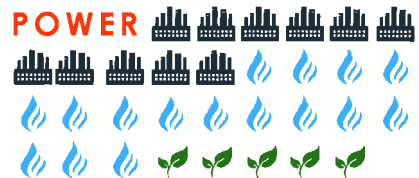
APPI Energy's in-house Corporate Counsel performs continual due diligence of suppliers, vetting each company's financial, managerial, and operational stability and performance.



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Affinity groups,
trade associations and
chambers of commerce

endorse APPI Energy to provide our data-driven procurement and consulting solutions to their members across the U.S.



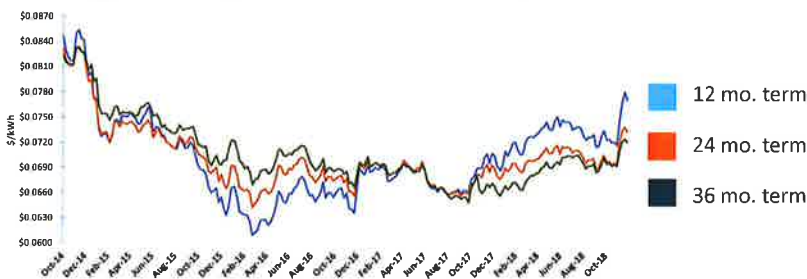
APPI Energy currently manages 10 billion kWh and 18 million DTH for 2,176 clients.

■ 10 billion kWh is enough to power almost 13,579 average manufacturing facilities for one year.

■ 18 million DTH is enough natural gas to supply more than 24 manufacturing facilities for 29 years.

■ APPI Energy has five demand-side services to reduce energy consumption and increase efficiencies.

Average Weekly Benchmark Price by Contract Term



We monitor electricity and natural gas markets across the U.S. every day. Our access to wholesale market intelligence equips us to identify buying opportunities and prudent solutions. Our proprietary pricing database enables us to benchmark contract start dates, terms, and identify the lowest supply prices to help you make a good buying decision.

Chart represents price per kWh by term length on a monthly basis.



Data-Driven Procurement & Consulting

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