Metal Finishing Industry Market Survey 1993-1994

Executive Summary

From the Surface Finishing Market Research Board

In recognition of the need for statistical information about the metal finishing industry, the American Electroplaters and Surface Finishers Society (AESF), the Metal Finishing Suppliers' Association (MFSA), and the National Association for Metal Finishers (NAMF) have joined to form the Surface Finishing Market Research Board (SFMRB). Representatives of the sponsoring organizations form the membership of the SFMRB.

The SFMRB met to discuss methods of gathering data of interest, and it was determined that questionnaires would be used to survey the various industry components. The initial series of survey questionnaires was distributed in September 1993. An initial report was presented at the joint meeting of MFSA/NAMF/AESF held in March of 1994. This report summarizes the results of the second survey conducted by the SFMRB in late 1994 and early 1995.

The SFMRB, with the cooperation of all the key industry associations and trade journals, created a comprehensive, merged mailing list of metal finishers and metal finishing suppliers. Two simplified survey forms were designed by the committee to obtain information from: (1) Jobshop and captive finishers; and (2) material and equipment suppliers. The forms were mailed in January 1995. A system to maintain confidentiality of all information was designed by using a CPA firm. A total of 352 usable completed survey forms were received.

Survey Results

Statistically significant reported data was used to calculate scaled-up industry results. The key findings of the analysis of the survey data, related only to the metal finishing industry, are:

- The metal finishing industry has an annual sales turnover of several tens of billions of dollars.
- A strong majority of the metal finishing industry believe business will improve in 1995–96, and a small minority think it will be worse.
- The metal finishing industry is estimated to employ 22 percent fewer people, but with a higher annual turnover than in the initial report.
- Average factory sizes for suppliers are indicated to be about the same as in the initial survey, but are indicated to be significantly smaller for jobshop finishers.
- The average jobshop sales revenue and revenue per employee increased slightly over the initial survey by an amount about equal to inflation. Captive sales revenue per employee is much higher, while the average number of employees is down. Also, because the role of distributors was factored into the current survey for the first time, the averages for supplier sales revenue, and sales per employee, are significantly higher than the initial report.
- The average line plates slightly less square footage than in the initial report. Mild and hard steels are still indicated to be the dominant substrates plated. The total area plated for copper alloys and plastics showed a reduction, while aluminum and zinc showed increases over the initial survey.
- The average number of plating lines per facility, and the percentages of manual vs. automatic, remained virtually unchanged from the initial survey. Compared to the initial survey, there was a dramatic increase in the use of rack plating and a large decrease in the use of barrel plating. This may be the result of improvement in the limited statistics of the initial survey, however.
- The total number of North American plating facilities (captive and jobshop) is indicated to be slightly higher than in the initial report, but they are employing about 20 percent fewer people. The overall sales turnover was shown to be much larger.
- The automotive end-use market demand is the largest, followed by consumer durables and the defense/military.
- The metal finishing material and equipment suppliers are estimated to employ fewer people with a higher gross domestic product contribution than the initial report.
- Current reported percentages of costs for jobshops, compared to the initial report, are:

  3Labor—higher
  3Material—much higher
  3Environmental—much higher
  3Safety and Health—higher

- Participation by jobshop finishers was significantly higher than in the initial survey. The supplier participation was lower.

In future years, broader cooperation from all segments of the metal finishing industry will be encouraged to enable the SFMRB to report improved, more comprehensive, and more accurate data on the metal finishing industry. o