

Success Snapshot

Strategic Planning for a Path to Recovery

Machining Concepts

Background

Machining Concepts (MC) is a contract machine shop located in Erie, PA specializing in precision CNC machining, drilling, boring, cutting, mill and lathe work. The company produces high precision CNC machined parts for customers in various markets, including Aerospace, Electronics, Energy, Mechanical, and Medical Device. Over the years, they have differentiated themselves through investments in precision capabilities, advanced materials, and industry-specific expertise allowing them to avoid automotive and focus on higher margin markets. The company has diverse capabilities having diverse CNC lathes, mills, vertical & horizontal as well as sub-spindles, live-tooling, automated gaging, a CMM, and a vision system.

Business Issue

The company's most recent strategic plan was eight years outdated and management was working internally on a new succession plan to include a new generation of core management. After participating in the NWIRC's COVID-19 Recovery Program business assessment process, the tactical action plan recommendations included formalizing an updated strategic plan. A new plan would outline action steps to meet or exceed the company's goal of continued sales growth, year over year, and provide insights into what future markets should be targeted. A plan would enable the company to move through the challenges that many companies were facing during the pandemic.

Solution

Strategic Planning

To help MC address the critical business issues,

challenges, and plan for growth, NWIRC facilitated a strategic planning project to create a vision for moving forward. The project involved one on one employee interviews, anonymous employee surveys, developing a mind map of the business, leading the management team in a SWOT analysis, and developing strategic objectives and action items. The process ensured each team member had input and was engaged, since many of the new leaders had not been involved in developing a strategic plan in the past.

Success

By engaging the new generation of leaders, the team was able to review and look at key areas of the business from different perspectives. The process also proved to be a good team building exercise. The final plan included each team member owning action items ensuring that the current leadership team would be highly engaged, accountable, and responsible for the future growth of the company. Co-owner and President Jim Willats said, "The NWIRC and their invaluable people, process, and resources helped Machining Concepts educate and engage the next generation of leadership to participate and take ownership of the decision making which will lead us as we emerge from the economic impact of the this last year's pandemic."

The management team at MC anticipates results from the project in the coming year to include an estimated increase in sales of \$150K, and a cost savings of \$50K. In addition, the company plans to increase their investment in new equipment by \$150k and their investment in workforce practices by \$25K over the next 12 months.