

MMI Releases Manufacturing Trends for 2014-2015

STEVENSVILLE, Md. (MMI) — As quoted in an interview last week, Jacob Prak, CEO of Michigan Manufacturing International (MMI), provided an overview of manufacturing trends for the coming twelve months. A mechanical engineer, Prak founded MMI in 1991. He has seen many changes over the last 23 years and is well positioned to provide a comprehensive overview of the trends in manufacturing.

Positive Outlook

Jacob Prak said that manufacturing in the United States is getting a significant boost from the shale oil and gas boom. Cheaper natural gas feed stocks are making US-produced plastics and other materials less expensive than in other parts of the world. This in turn will mean that finished products which rely on these materials will be more competitive.

Technology

Prak believes that communication technology will continue to diminish obstacles associated with bringing together geographically disparate manufacturing expertise. Manufacturing will need to react to market trends ever more quickly as demand can now be developed nearly instantaneously through social and other media. Companies that are able to recognize and satisfy needs the fastest will be able to generate the highest rates of return. This means production lines and supply chains will need the flexibility to adapt quickly. Regarding the sales cycle, Prak said that product life spans are shrinking and thus requiring a faster decision-making process.

Challenges

When asked what he sees as the biggest challenge for the manufacturing industry for the second half of 2014, Prak said, "Throughout the world, industry is facing headwinds due to taxation, regulation and political unrest. In many countries, governments are responsible for an ever-increasing share of buying decisions either through direct taxation and spending or by regulation. In many places, the rules which govern the economy can change on a whim which makes production planning and the associated capital investment extremely risky. This leads to further economic erosion, which creates a challenge when it comes to manufacturing."

Research and Development

Prak said that research and development spending, like any investment, only occurs when it is possible to envision a return. Since there is a great deal of uncertainty in the economy, any proposed research project will require both a higher expected

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rate of return and shorter pay back schedule. Because of this, it is his view that fewer research endeavors will be undertaken.

3D Printing

It is Prak's opinion that 3D printing will have a positive effect on manufacturing because it will allow for inexpensive prototyping and sample production runs. He stated, "At the same time, 3D printing does not pose a threat to traditional processes because the materials used in 3D printing are not appropriate for the vast majority of applications. Furthermore, the cost of 3D printing techniques is at least an order of magnitude higher than traditional methods when more than a few parts are made."

Localizing

When asked if there will be a focus on localizing products according to geographies, Prak responded, "In our industry, shipping and distribution costs have been a relatively small portion of the overall cost of a particular product, but this is changing. As cost structures around the world equalize, it is probable that some production will move closer to the consumer."

Conclusion

The next twelve months will be exciting in the field of manufacturing. Companies that are well aware of the changing situations and flexible enough to adapt will be in the best position to grow and succeed. With locations in China, India, Korea, Mexico and Vietnam, MMI is making an investment in sales and engineering, adding personnel to meet the demand.

Founded in 1991, Michigan Manufacturing International (MMI) specializes in supplying manufactured to print assemblies and components to original equipment manufacturers (OEM). Products include assemblies, castings, stampings, machined parts, gears, bearings and more. Services include product engineering, manufacturing, inventory management and stocking programs — all designed to streamline client operations and increase profitability. MMI designs the most effective, highest quality solutions from anywhere in the world.

For more information about MMI, visit <http://www.michmfg.com/> [1] or call 800-677-0504.

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