



## **HISTORY OF THE USMTO**

Both AMT – The Association For Manufacturing Technology and the American Machine Tool Distributors' Association (AMTDA) came to the conclusion that their respective statistical programs were not effective or as valuable as they could be to their members. In January 1992, AMT's Economic and Statistics Committee determined that AMT's 90 year-old program had to work outside the box; a program that reported only market activity for U.S.-built equipment told only half the story. During AMTDA's 1993 spring meeting, their Board of Directors created a task force with the sole purpose of restructuring their index-based program into a value-based program that distributors could customize to their unique marketing areas.

The AMTDA Board of Directors established seven key objectives for a new market-wide program based on the task force's report. Primary among those objectives was the creation of a machine tool consumption reporting system for the entire market. The Board created the Marketing Data Task Force to oversee the creation of this new program. The Task Force developed an action plan, which was approved in the spring of 1994. A test region -- Upstate New York -- and a vendor -- Arthur Andersen -- were selected to initiate the program.

Upstate New York was chosen by AMTDA's Task Force due to the enthusiasm the members in the area had demonstrated for this particular strategic objective of the association. Arthur Andersen was chosen as a partner in the program to ensure one of the three "Guiding Principles" of the program -- confidentiality. Arthur Andersen was known, at the time, worldwide for its integrity and security in fiduciary issues and related areas. AMTDA felt that Arthur Andersen's role as a third party would provide the level of confidence in the confidentiality of the data necessary to secure the participation of non-AMTDA distributors and builders.

Concurrently, AMT made contact with key foreign producers of manufacturing technology. The goal was to create a momentum of non-AMT membership participation during the roll-out of a machining center and lathe report that would include foreign-built products for the first time in an AMT report. AMT's plan was similar to AMTDA's plan only rather than tackle one region at a time, AMT would tackle one or two technologies at a time.

By the summer of 1994, AMTDA and AMT were well on their separate ways towards creating the same product -- a consumption-based statistical program that would provide the industry with specific, confidential and useful machine tool market data. The two association presidents met in July 1994 to discuss common issues. During that meeting, it became apparent that the associations' market data programs were on a common path and that they should seek to achieve their common goal together.

Chairmen of AMTDA's Marketing Data Task Force and AMT's Economic & Statistics Committee met at IMTS 94 to discuss the joint venture. The groundwork was laid for the creation of an inter-association, ad-hoc committee -- the Joint Statistical Committee (JSC). The JSC met for the first time in November 1994 and the meeting was an overwhelming success. The JSC consists of the two chairmen and three members from both associations' marketing data oversight committees; AMTDA's Marketing Data Task Force and AMT's Economic & Statistics Committee. The JSC is co-chaired by the chairmen of AMT's Economics & Statistics Committee, Rodger Pinney and AMTDA's Marketing Data Task Force Chairman; Ron Mager. From its

creation, the JSC oversaw program changes by Arthur Andersen, contractual arrangements between the three parties, the naming of the program -- U.S. Machine Tool Consumption, policy and definitional issues, and the production of the fall 1995 education and marketing program. A program that put the entire JSC, senior staff from the associations, and key players from Arthur Andersen into the field to produce introduction and training sessions in 35 different cities across the United States. The first reports were mailed in March 1996 for the January 1996 reporting period.

In 1998, Arthur Andersen began a significant upgrade of the software running USMTC to increase its utility to participants and to make it compatible with the latest Microsoft operating systems. It was also during 1998 that participation reached its peak and the report's market coverage exceeded 72 percent. The extended coverage was the result of a significant increase in participation from companies that were not members of either association.

As the upgrade was being introduced to participants in early 1999, Arthur Andersen made a strategic decision to exit the benchmarking survey sector and sold that business unit to Profit Planning Group in Boulder, Colorado. PPG was not a stranger to the associations as they produced AMTDA's financial benchmarking surveys and eventually took on AMT's financial surveys as well. The upgrade had challenges but the three partners, PPG, AMTDA and AMT dealt with them as they came about. However, 1999 was the beginning of a recession in the manufacturing technology market that would go on for another four years and have a dramatic negative impact on the forming machine sector of the report. As a result of the decline in the market, its impact on companies financial health, layoffs, and industry consolidation market coverage fell to as low as 55 percent in 2003.

Changes in internet technology and Microsoft operating systems led the two associations to seek a web-based as early as 2002. In addition, PPG was not the program's creator but more of a caretaker. The caretaker of a program built outside their system in such a convoluted fashion that to make small repairs took months. The associations worked out a draft of a web-based program and what it would entail as far as features and add-ons that would create value for participants. The two associations wanted to try to stay ahead of any changes that would occur to an individual's desktop machine. By the end of 2004, USMTC participants were using at least six different operating systems, some of which would not support the 1999 version of USMTC. The answer was to introduce a system that would operate on its own system and not be constrained by any other feature of a participant's desktop other than its ability to access the Internet.

In December 2004, the associations determined that the time had come to move to the Internet. Challenges were cropping up in the software, a growing number of firms couldn't use the desktop software, and the report creation time frame had crept up to more than two weeks after the last participant submission. The Joint Statistics Committee met in March 2005 and provided an overview for their expectations of a new program. It was clear that the next step would not be an upgrade but a reinvention of the program. AMT and AMTDA identified seven seemingly qualified potential vendors for the USMTC upgrade project through web searches and referrals. They sent out a RFQ to these seven candidates in late April and early May. Through an iterative process including analysis of the vendor's attributes, interviews and reference checks they eliminated all but two firms.



At the time, Bridgeline Software offered a significantly lower price with the option to leave the discovery phase with the revised requirements document (post discovery proposal). The two associations awarded the contract to Bridgeline Software based on the thoroughness of their work on the requirements document. The rapid development in the program at Bridgeline Software's headquarters in Atlanta, Georgia, couldn't have been accomplished without the unselfish assistance of the prior vendor, PPG. The transfer of the data and the database from PPG to Bridgeline Software was completed without a hitch.

Bridgeline Software's work in the discovery phase provided the momentum to dive into the program with nearly all of the challenges identified in advance. Throughout the fall of 2005, AMT and AMTDA staff pushed the development of the new program along at a steady pace. As a result, the web-based version of USMTC rolled out on April 3, 2006, with only the most minor of issues to resolve in a Phase II development plan.

In July 2011, in a joint decision between AMT and AMTDA, the name USMTC was changed to make it more obvious that the program was based off of orders data and not shipments. Therefore the name was changed to USMTO- U.S. Manufacturing Technology Orders.