



FORGING INDUSTRY ASSOCIATION / Committee Meeting Record

MARKETING COMMITTEE

Date Held: March 10, 2009
Time Started: 8:30 a.m.
Time Adjourned: 12:15 p.m.
Place of Meeting: Doubletree Suites Pittsburgh
Pittsburgh, PA

PURPOSE OF MEETING - AGENDA

- 1) Welcome and introductions
- 2) Minutes approved
- 3) General business update and concerns
- 4) Review 2009 Marketing Workshop location/tour
- 5) Discuss 2009 Marketing Workshop topics
- 6) Incorporate "Market Smart in Down Economy"?
- 7) 2008 Marketing Benchmarking Survey Update
- 8) Technical Roadmap Marketing challenges; actions
- 9) "Cool Stuff Being Made" & Recruit CD updates
- 10) FIA website usage stat review
- 11) 2008-09 Committee Goals

Next Meeting

Kathy Shumsky, Electralloy
CHAIR

Jason Artner, Scot Forge
Bob Buss, Milwaukee Forge
Artemio Cuellar, FRISA
Kelly Daniel, A. Finkl & Sons
Carl Dirks, Jorgensen Forge
Sofya Dragunsky, Wabtec Corp.
Nancy Eisenman, Lakeview Forge
Greg Fitzgerald, Portland Forge
Kevin Gilbank, Patriot Forge
Gary Hatton, Ellwood City Forge
Bob Hirsh, Erie Press Systems
Chuck Hopper, Composite Forging
Jim Kaniecki, Ellwood National Forge
Dustin Kirby, Weld Mold Co.
Mike Klein, Turnkey Forging
Glenn Larson, C.E. Larson & Sons
Shawn O'Brien, McInnes Rolled Rings
LeAnn Rhoades, Meadville Forging

GUESTS:

Kathy Saunders, Ellwood City Forge
Denis Benetti, Vulbruna Slater Stainless
Randy Kline, Valbruna Slater Stainless

PRES **ABS.**

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DISTRIBUTION:
FIA Marketing Committee

OTHERS PRESENT:
Don Farley, FIA

COMMITTEE MISSION: Increase demand for North American forged products.

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Item 1: Chairwoman Shumsky called the meeting to order and asked for self introductions from the members.

Item 2: The minutes of the October 21, 2008 meeting were reviewed and approved.

Item 3: Following a staff reminder concerning FIA's antitrust compliance guidelines, the Committee held a Business Roundtable during which attendees discussed their general perception of current business conditions, general business concerns and their overall outlook for the future. Overall, sales have slowed substantially over the past six months, but most companies have not yet had layoffs. Inquiries seem stronger, but actual 'hits' are weak. The oil and gas market is 'dead' while defense remains strong.

Item 4: The 2009 FIA Marketing Workshop will be at the Grand Geneva Resort in Lake Geneva, WI, September 29-30. The resort is about one hour from Milwaukee and 90 minutes from Chicago.

Although subject to further discussion at the June Meeting, the Committee agreed to a light dinner cruise the evening of September 29. It will include beer and wine only and light hors d'oeuvres. The cost for said function will be built into the overall meeting fee. The resort has offered to shuttle the group down to the Lake Geneva loading dock for the cruise.

Items to be investigated for report at next meeting:

- Shuttle to boat fee ? Return trip also available, and how notify resort?
- Shuttle from airports available ?
- Fees for food and beverage for cruise ?

Item 5: The preliminary schedule for the 2009 Marketing Workshop was set as follows:

Monday, September 28

12:30 p.m. Optional Golf Outing
7:30 p.m. Optional Committee Dinner

Tuesday, September 29

8:30 a.m. Committee Meeting
12:00 p.m. Lunch
1:00 p.m. Garrison Wynn – "Making the Most of Difficult Situations - Changing Markets; Changing Times"

2:30 p.m. Oil & Gas Industry Market Report – Speaker TBD
2:50 p.m. Break
3:10 p.m. Outlook for Steel – Timken Corp.
3:30 p.m. SVM E-Business Solutions - "How to Market Smart in a Down Economy"
5:00 p.m. Adjourn
5:20 – 6:00 Hotel shuttles to Grand Geneva Lake Cruise
5:30 – 6:00 Boat open but docked
6:00- 7:30 Cruise

Wednesday, September 30

7:30 a.m. Continental Breakfast
8:00 a.m. Crestcom – "Dealing with Difficult People and Customers"
9:00 a.m. Crestcom – "Motivating through Positive Communication"
10:00 a.m. Break (check out)
10:30 – 12:30 Global Insight – "Forging Customer Market Forecast"

Item 6: The Committee was told that the 2008/09 Marketing Benchmarking Questionnaire results were being distributed. Participation this year vs. last survey year was as follows:

YEAR	TOTAL	ID	OD	RR
2008/09	41	25	9	7
2005/06	47	35	7	5

Item 7: The Committee reviewed the Forging Industry Technology Roadmap 2008 Update, developed during a 2008 meeting of Industry CEO's and top level managers. The Committee focused on the Marketing issues, comments, recommendations and challenges that came out of that report. It was agreed it may take several meetings to adequately address issues raised, however, some preliminary comments were made as follows:

Appendix A: Market Issues

Point 2: Committee disagreed that they see "eroding customer perceptions" of the process. In fact, just the opposite.
Point 2: Only high volume (automotive) forgings perceived as commodities

Appendix B: Improve Market Positioning

Point 1: Replace word "castings" with "forgings"

Point 3: Educating customer not the primary mission of FIA - should be members using tools developed by FIA

Point 9: North American forging industry will never invest the money required to provide the massive forgings needed for new nuclear construction. Too much risk with little guarantee of ROI.

Point 9: Check numbers – 600 to 6000 tons = 1.2 million to 12 million pounds ? Impossible ?

During related discussion, it was agreed that it is not necessarily the customer engineer that is ignorant or misinformed about the forging process. It is the buyer, and as companies continue to downsize personnel and cut training and education, buyers are becoming more ignorant of the forging process (or any manufacturing process). They do not know nor care what a forging is. What they care about is cost and delivery time.

Making matters worse is that it is often difficult to bypass the buyer in order to get to the engineer or other decision maker.

Ideas were sought to educate the purchasing agent in an abridged short form format. One suggestion was to place a short, simple 'forging fact' quiz on the FIA website. Questions would be fundamental only, and a small prize could be awarded to those completing 100%. **Don Farley** will investigate feasibility and costs.

Item 8: The Committee was shown the video clips sent to the "Cools Stuff Being Made" website and hosted by the National Association of Manufacturers (NAM). The clips were accepted and posted. Unfortunately, technical glitches have kept it from streaming properly. NAM claims they are working on the problem.

Item 9: The FIA website user statistics for February 2009 were reviewed. A high of 52,200 visitors were logged. This is down from a January 2009 high of 82,000. FIA has been averaging about 47,000 users a month. Forging Facts continues to be the top page visited.

Item 10: Goals for Committee Year 2008-09 were set as follows:

- Program and promote the 2009 FIA Marketing Workshop in Lake Geneva, WI
- Discuss and address 2008 Technology Roadmap Marketing Challenges
- Continue offering input/recommendations/subcommittees towards FIA Strategic Plan, Marketing sector
- Promote/distribute new edition of the FIA Forging Capability Guide CD to customer list.
- Promote FIA RFQ via same as FCG CD.
- Continue to promote/distribute FIA customer education CD, "The Forging Advantage".
- Discuss further FIA customer trade show exhibition; determine shows; determine committee involvement
 - Great Designs in Steel 2009
 - Windpower 2010
- Continuously monitor and re-evaluate the FIA website and modify the following Marketing-related sections as needed:
 - Request for Quote
 - Buyers Guide of Custom Producers
 - Global Insight Economic Outlook
- Design Engineering Center

Next Meeting:

The next meeting of the FIA Marketing Committee will be **Tuesday, June 9 in Rosemont, IL (O'Hare Airport). Hotel TBA.** An 8:30 a.m. start is anticipated. A group dinner the evening before is likely.

No other business was transacted.

/s/ Donald J. Farley
Director of Marketing

THESE MINUTES HAVE BEEN APPROVED BY LEGAL COUNSEL.