Demand Driven: Managing The Chaos Of Unpredictable Sales
Who We Are

• Tube Forgings of America, Inc.
  ➢ Location: Portland, Oregon

• Tube Forgings of America is one of the nation’s leading manufacturers of precision welding fittings. TFA’s elbow and tee-shaped fittings are used as connecting points in oil, chemical and power companies pipelines, as well as in water treatment, automobile plants and high-rise buildings.
Who We Are
A DDMRP Mindset

– We Have Been Demand Driven Since 2007
– Demand Driven Has Set Us Apart From The Rest
– Demand Driven Has Enabled Us To Compete and Prosper In What Has Become A Very Volatile Market
– With Demand Driven Logic, We Can Determine The Right Actions To Maintain Our Current Market, and Position Ourselves For Future Growth
What Is Driving Our Market?

• The Energy Boom
  – Specifically-Nature Gas Production.......
THE RISE OF THE ENERGY SECTOR- USA

- A sample Of One Sector Of The Energy In The US Market:

2003 Around 2BCF
2014 Around 32BCF

A 1500% Increase In 10 Years!!

Source: EIA (derived from state administrative data collected by Drillinginfo Inc. Data are through January 2014 and represent EIA’s official shale gas estimates, but are not survey data. State abbreviations indicate primary state(s)).
Years Of Dynamic Change

• 2006-2008 3rd Qtr. ...Sustained Growth
• 2009 Rapid Decline
• 2010 Rapid Recovery
• 2011 Sustained Growth Returns
• 2012 Sustained Growth Continues
• 2013 Stable Sales, But Product Mix Continues To Change
• 2014 Projected To Be Slightly Stronger Than 2013
Positioning For Ongoing Growth

Sales Total Growth 2002 through 2013

- Assess Options
- "Discover DDMRP"
- "Go Live" R+
- Record sales
- Reassess and Modify
- New Record sales


-50% 0% 25% 50% 75% 100% 125% 150% 175% 200% 225% 250%
Volatile Years

Make To Order Vs Make To Stock

MTO % Continues to Rise

Collapse in Sales

MTO % of Sales

Volume Change Rate
Summary

DDMRP has been a guiding force in our business:

• Allowing our company to grow quickly and expeditiously during the good times,

• Enabling us to react smoothly through good markets and bad, with a minimum of pain

• Allowing us to focus on the right metrics, positioning us to be a viable company for years to come.