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The Local Impact of Today's Trade Tensions

In the Special Edition of our quarterly Newsletter sent to you in January, 2018, we addressed the expected tariffs to be imposed by the Trump Administration. We anticipated, at that time, that we would see a 25% tariff on imported steel and a 10% tariff on imported aluminum by the week of March 5, 2018. We were correct on the tariff percentages but actual steel costs have risen almost 40%.

"Today we are seeing what could be described as a 'Disorderly Steel Market,'" commented Long Stanton President, Marvin Cunningham, who started and operated an LS plant in China for over 5 years. He continued "We are seeing higher costs, higher minimum lot charges, doubled lead time and decreased availability."

How will Long Stanton deal with this disorderly market?

Mr. Cunningham continued, "We will leverage our experience, knowledge and long term relationships with our suppliers and work to minimize these disruptions. We can't predict the future but we understand the processes and philosophies employed by both the U.S. and Chinese governments. A reasonable, multi-faceted solution is not out of the question, but it is going to take some time for the dust to settle down and return to our new normal. However, it will return."

"Our solution: We will continue to provide to our customers the best lead time available, encourage safety stocks and provide the responsiveness that our customers depend on. We will continue to monitor the markets for you and to communicate with our senior legislators by reminding them of what is at stake. We believe that everyone needs this to be resolved as quickly as possible, in the best of terms for everyone involved. We need a long term solution."



Customer: "We need robotic assembly carts..."

... and, we need each produced to hold really tight tolerances. There is a sample on the shop floor. By the way, there are no drawings that exist to guide you in order for you to give us what we need."

If you are a regular reader of our newsletter, you know that our team is always up for a challenge. Many of these jobs come to us when someone else could not deliver the product. This project was certainly one of those.

We went to work using our team process. This included: formulating a strategy, developing drawings, identifying and sourcing materials, creating a prototype, and finally, assembling and delivering 84 production ready carts.

Michael Gallagher, Director of Sales at Long Stanton, stated, "These carts are very important to our customer. Each cart must be produced in an identical fashion in order to work efficiently. They were to be made from both stainless and carbon steel and formed to tight tolerances, which is required for heavy use on their robotic assembly line."

We were successful. We met their deadlines and they didn't miss a day. Teamwork!

