



All American Open Machine Time

BACKGROUND:

AllAmericanOpenMachineTime.com is a recently developed website designed to help American machine shops and purchasers of machining form strong business relationships. This website is the brainchild of John Benadum, an Ohio native who has been involved in the machining industry since 1967. Benadum got his start many years ago by walking into a machine shop and asking to learn the trade. For the next 10 years, he learned different aspects of the trade from drilling and milling to metal fabricating and building plastic injection molds.

After learning everything he felt he needed to, in order to start up on his own, Benadum bought a milling machine, lathe, and grinder in 1976 and set up a small machine shop. After the first year, he brought on more employees and moved to a bigger facility, where he stayed in business for the next 23 years. After so many years in the machine shop business, John Benadum was in a very good position to understand the needs of both machine shops and customers.



“ONE OF THE MOST SIGNIFICANT PROBLEMS IN A MACHINE SHOP ENVIRONMENT IS MACHINE IDLE TIME.”



THE PROBLEM AND THE SOLUTION: HOW TO FILL IDLE TIME

One of the most significant problems in a machine shop environment is machine idle time. The machines, representing significant capital investment, need high utilization rates to justify ROI and decrease the payback period. However, connecting with customers and finding jobs to fit the irregularly scheduled machine idle time is a difficult business problem to solve. Over the years, others have attempted solutions to this problem, but the cost to both buyers and sellers for small jobs is often prohibitive. There was no low-cost alternative to connect sellers of machine time with buyers who needed machining services.

John Benadum's experience over nearly 50 years in the industry led him to create the website

www.AllAmericanOpenMachineTime.com, a resource where machine shops with idle capacity can showcase their capabilities and easily connect with perspective customers. This resource will allow shops to solve the problem of idle machine time, the economic bane of the machine shop industry where many operate on very tight budgets.

Machine shops operate on a different business model than many other competing manufacturing industries do in the United States. Instead of undergoing a cycle of continuous production like most manufacturing facilities, job shops work on a case-by-case basis to produce mostly specialized and small batch products for specific uses. For example, a company wanting millions of plastic injection molded toys would likely go to a large-scale manufacturer, but they would need to hire a job shop to make the initial molds for their product first. Because of their more specialized usages, job shops do not usually experience the same kind of consistent demand that their larger industrialized counterparts do, and this can lead to a struggle to maintain a full load of business.

Idle time in the machine shop industry is known as "open machine time" and helping machine shops fill this capacity is the core of what the website accomplishes. To this end, John named his product All American Open Machine Time, AAOMT, which describes the problem that the web site solves for American machine shops. Every shop that is on AAOMT has the

same format; they showcase their machines with a picture, list their capacity and their certifications, and describe their quality standards. This way, purchasing agents, engineers, and buyers can understand quickly if the shop will have the ability to produce the part they want. The prospective client can then contact the machine shop directly, and develop a plan to work together to build a finished product. Currently, most of the shop listings are geographically located around the Greater Cleveland area but the web site is capable of facilitating business nationwide.

BUSINESS MODEL

All American Open Machine Time (AAOMT) is a platform to encourage handshake relationships between purchasers and the machine shops who fabricate finished products. As is becoming too common in the modern manufacturing world, purchasers are mostly concerned about getting the lowest price possible. This leads to distrust between buyers and sellers who lose sight of the goal of building more valuable long-term relationships. The AAOMT platform alleviates this problem by setting up direct contacts between buyers and sellers of machining services and facilitating back-and-forth communication. The AAOMT website is currently free for machine shops to advertise one category of their open machine time. The list of participants is growing and AAOMT hopes to have 150 different shops posted and looking for work through the site soon. After the 150 categories are filled, there will be a subscription fee for that same listing service.

The use of the AAOMT website for inquiries and research by buyers and purchasing agents is free, safe and easy to use and there is no registration needed to view the contractor's information.¹ While there are other sites that offer similar services, none is positioned to be as effective at producing long-lasting business partnerships. John has personal experience with two of the largest and most well known open machine time registries. In all of his experience, these sites are relatively much more expensive and many times ineffective. AAOMT's goal is to help machine shops keep their capacity filled and remain busy year around, without requiring them to break the bank.

THE RESHORING CONNECTION

All American Open Machine Time has the potential to become one of the largest resources for companies who want to manufacture their products domestically. A recent survey indicated that upwards of 54% of American companies over \$1 billion in revenue are Reshoring now or open to the idea of Reshoring. These companies find it challenging to do so at a reasonable cost. Through All American Open Machine Time, prospective companies will be able to evaluate options for domestic production, and quickly and easily get in touch with domestic suppliers.

AAOMT has already facilitated some new business for machine shops in the greater Cleveland area, and as it continues to grow, more shops in other regions of the country will be accessible on line. AAOMT will help American companies evaluate the United States as their manufacturing location first, before having to search abroad. The advantages of domestic production are significant including:

- Shortened lead times
- Improved quality control
- Rapid engineering changes
- Fast prototyping
- IP protection
- Competitive pricing of idle machine time

The obvious benefits to machine shops include exposure to new customers and improved machine utilization.

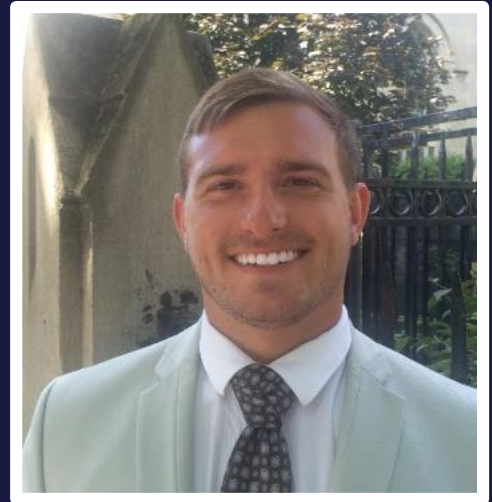
AAOMT is an innovative step forward in assisting companies considering Reshoring. This low-cost on-line solution is expected to become an important link in bringing manufacturing back to the US.



¹ <http://www.allamericanopenmachinetime.com/what-we-offer.html>

ABOUT THE AUTHOR

Andrew Gruszka is a Student Researcher for the Reshoring Institute. He is currently pursuing a Bachelor of Accountancy and Bachelor of International Business degrees with a minor in Supply Chain Management from the University of San Diego. Andrew has an expected graduation date of December 2015.



ABOUT THE RESHORING INSTITUTE

Our Mission

In collaboration with the University of San Diego Supply Chain Management Institute, we provide information, research and support for companies trying to Reshore manufacturing. This includes topics such as site selection, tax incentives, science and math education, marketing, public relations, cost comparison development and case studies.

www.ReshoringInstitute.org



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