

Welcome to
the inaugural
meeting of

Central Kansas
Manufacturing
Network



CENTRAL KANSAS
MANUFACTURING NETWORK

Connect. Learn. Grow.

ABOUT CKMN

CENTRAL KANSAS MANUFACTURING NETWORK (CKMN) is an organization for manufacturers led by manufacturers.

As a result, members focus on manufacturers learning and leading other manufacturers through networking and sharing expertise.

Sharing knowledge between manufacturers can expand business opportunities and strengthen resources.

It is all about YOU!



ABOUT CKMN

To achieve these goals, the Central Kansas Manufacturing Network members, sponsors, and partners participate in

- **Events** - Monthly Meetings including networking opportunities, a program featuring a presenter on a relevant topic, and plant tours
- **Emerging Leaders Program** (Manufacturing member employees, Master & Champion Sponsors and Master Partners only)
- **Subgroups/Working Groups** – Subgroups provide opportunities to connect to and learn from professionals in similar areas of interest and specialty in other manufacturing organizations. CEO Roundtable, Human Resources, Continuous Improvement, Environmental Health and Safety, Sales, Marketing
- **Manufacturers' Summit**
- A dedicated group of volunteers leads the organization as the **Advisory Committee** whose role and responsibility it is to develop outstanding events, programs, and networking opportunities for all members and sponsors



ADVISORY BOARD MEMBERS

ADVISORY BOARD MEMBERS

Jake West

Steve Burt

Catherine Bevan

Stephanie Moran

Steve Dunning

Clint Pangburn

Joe Leroux

Fuller Industries

Martin Machine and Welding

Metal Arts, LLC

Nutri-Shield

Salina Planing Mill

T&C Manufacturing

Hess Services

Thank you for your leadership



SAVE THE DATES

SAVE THE DATES - Next CKMN Meetings

June 17, 2021

July 15, 2021

August 19, 2021

September 16, 2021

October 21, 2021

December 2, 2021

The 3rd Thursday of each month...

Different central Kansas locations...

Relevant topic related to manufacturing ...

Plant Tour ...



SPONSORS

Thank you for you support!



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Trusted Advisors for Growth

TIFFANY STOVALL

CEO

Kansas Manufacturing Solutions



MARK CHALFANT





ARMADA

CHRIS KUEHL

Managing Director
Armada Corporate Intelligence





ARMADA

2021 Economy: What Does a Pandemic Recovery Look Like in Kansas?

KMS

April 29, 2021

**Chris Kuehl
Managing Director – Armada CI**



ARMADA

Analysis of the Forces Affecting Business

Chris.Kuehl@armadaci.com

April 20, 2021

Truer Words Were Never Spoke



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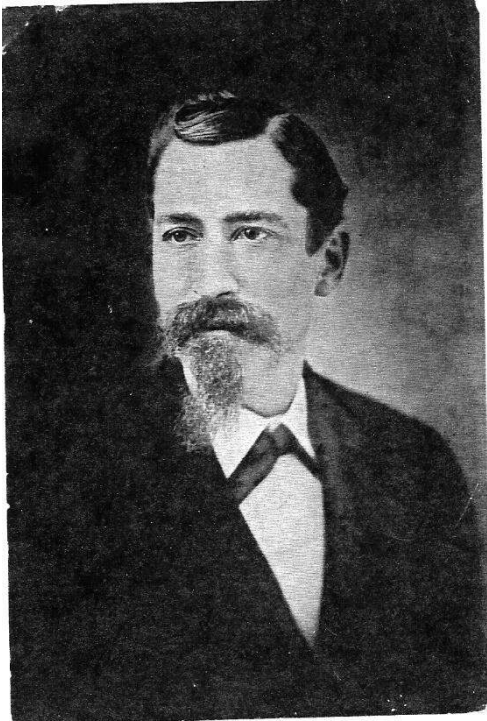


ECONOMICS

The Science of explaining why the predictions of yesterday didn't come true today.

De-Motivational.com

The Great Bend Connection (via my wife)



Alexander Laidlaw
Mayor of Great Bend in
1892 – Town blacksmith
Great Grandfather

Nellie Winifred Laidlaw –
daughter of Alexander.
Married a Ward and lived in
Great Bend



Henry Leslie Ward playing dress up
with my wife's mother - farmer
Great Grandfather

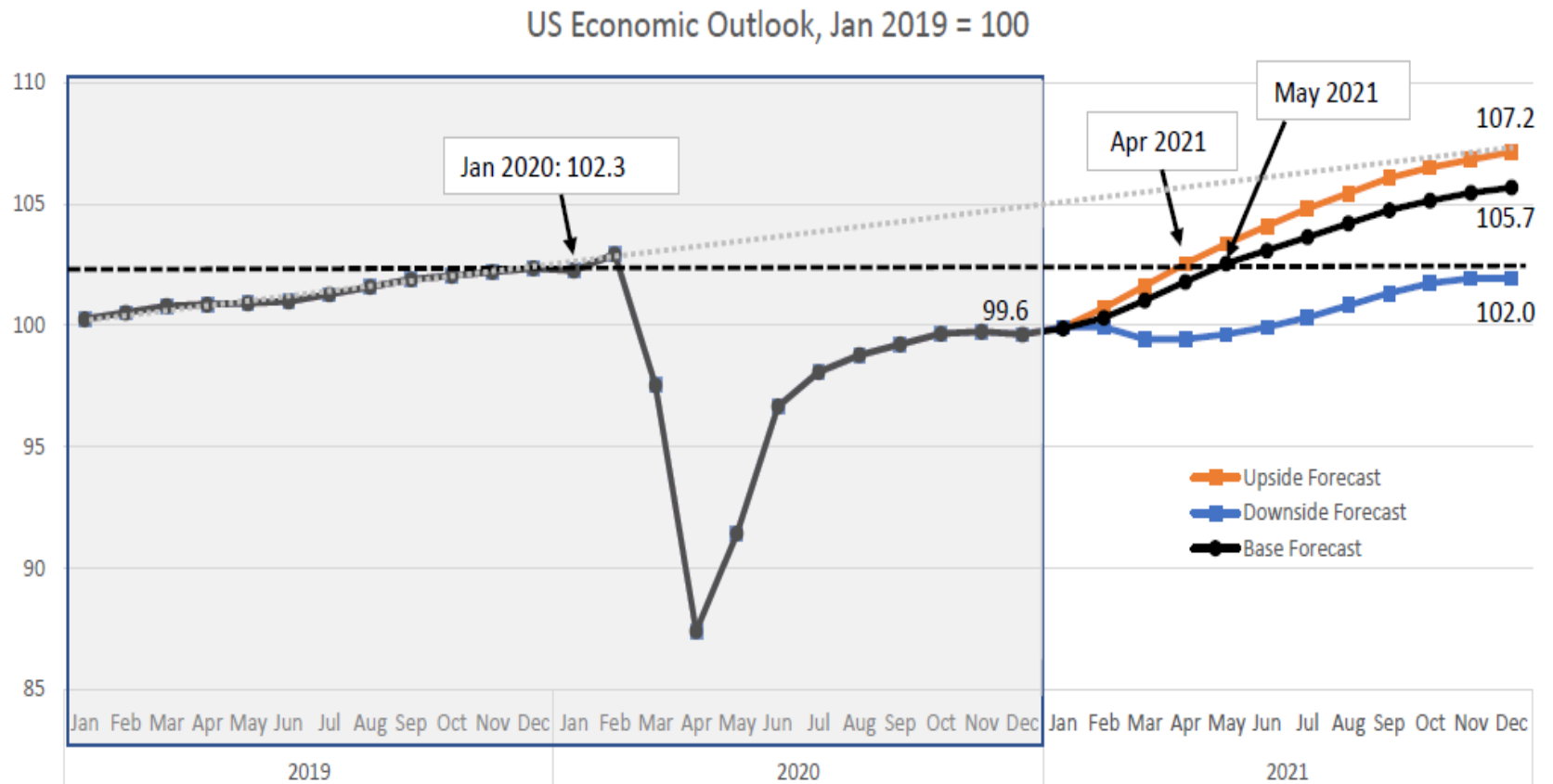
The Five Economic Issues to Watch



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- **Inflation – No movement in terms of core rate thus far but “real” rate is up. When would the Fed elect to act and what would that look like?**
- **Consumer Behavior – Demand is way up but how long does this last? Is this a burst followed by slower growth or is it sustainable?**
- **Business “Normal” – How long before business can claim to have resumed normal patterns? Work situations, supply chains?**
- **Global Economy – Vaccinations are up in US and in much of Asia – not so much Europe and the less developed world. What is the impact?**
- **Market Reaction – What is the financial and investment community thinking?**

Anticipating US Recovery



Labor Market Adjusting

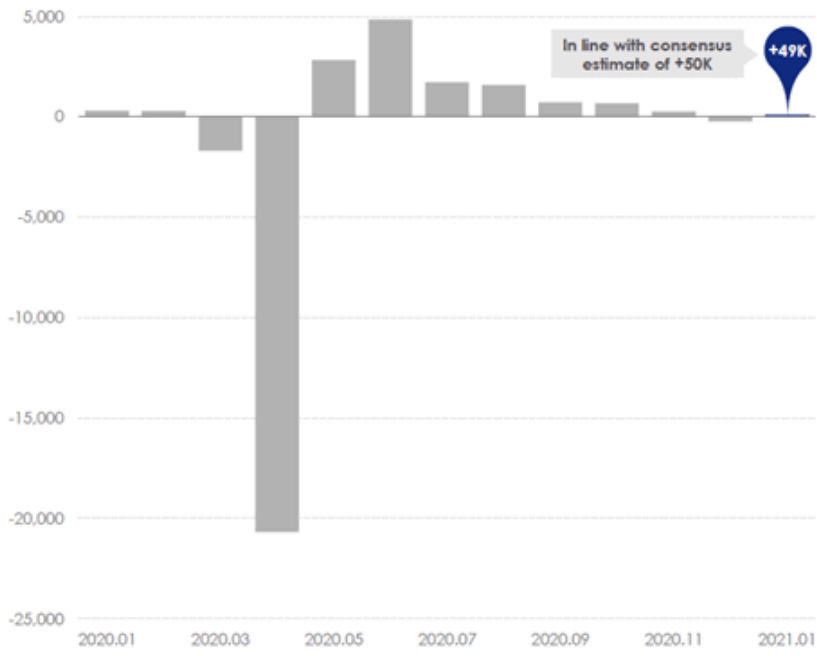


KEYBRIDGE
Partners & Advisors

Labor markets remain challenging. Although employment continues to recover, the pace of improvement has slowed, and no sector has made up for last spring's job losses.

Job Growth

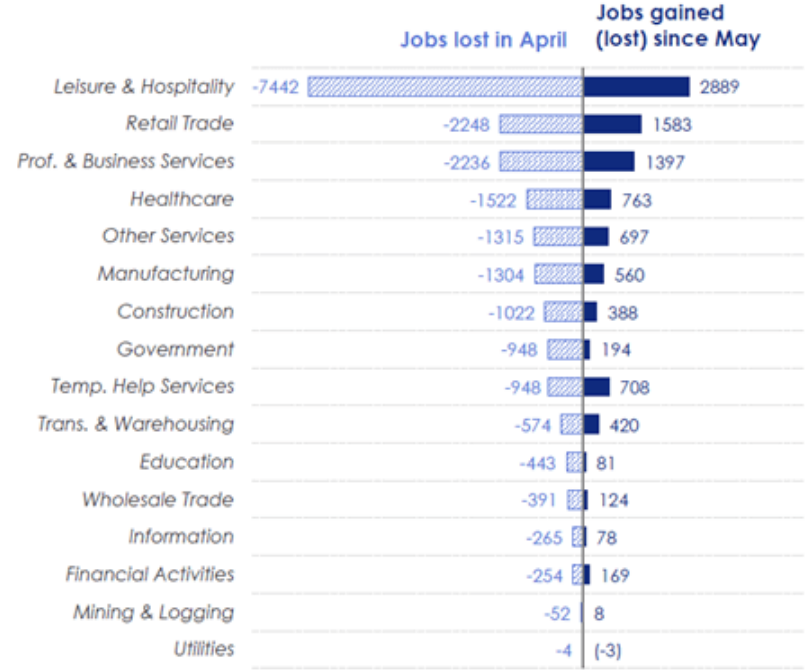
Monthly change in nonfarm payroll employment, thousands



Source: U.S. Bureau of Labor Statistics.

Change in Employment by Major Industrial Sector

Net change in jobs, thousands

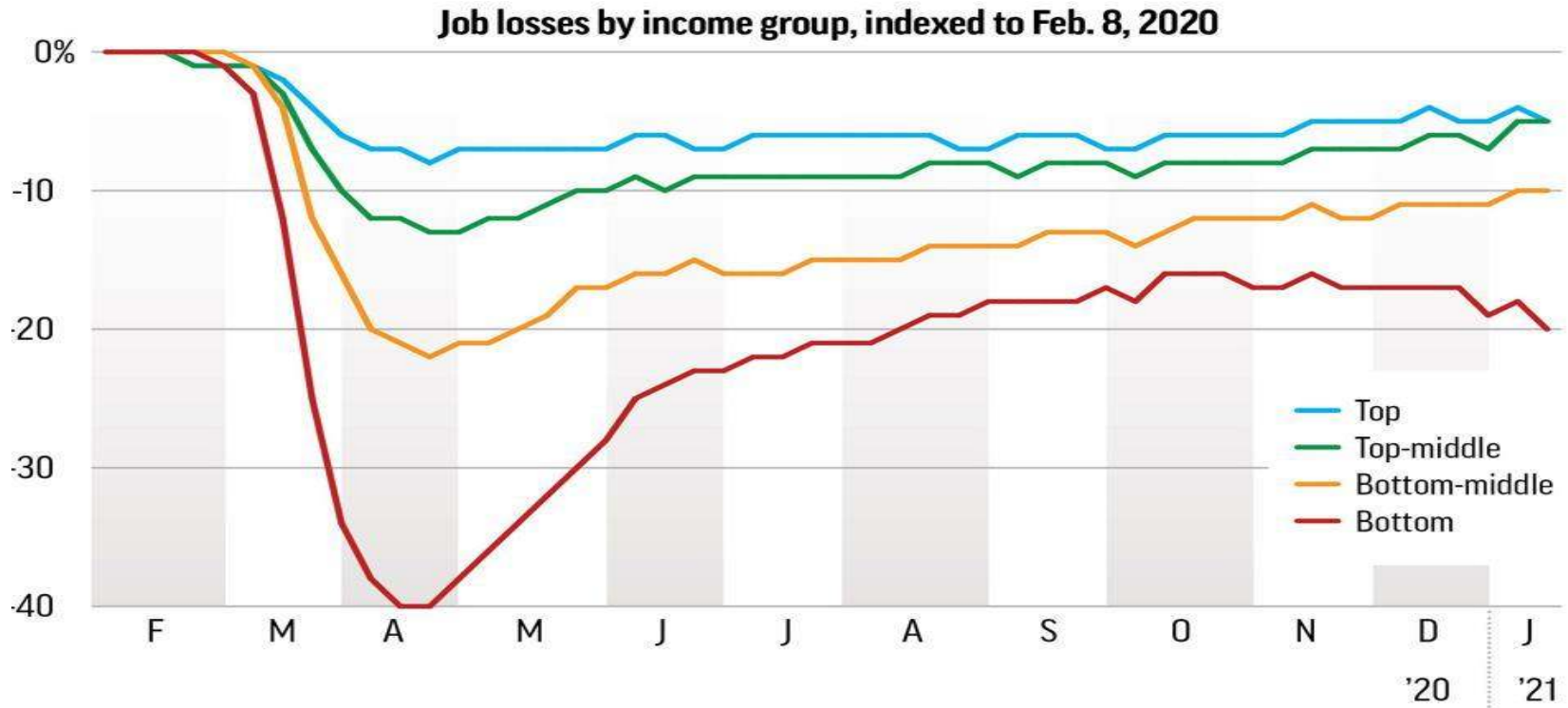


Impact on Low Wage Sector



Job losses hit lower-income Americans hardest

Layoffs during the pandemic recession have been harshly concentrated among the poorest one-quarter of Americans, where the unemployment rate tops 20%



Source: Federal Reserve, ADP



More Openings Appearing

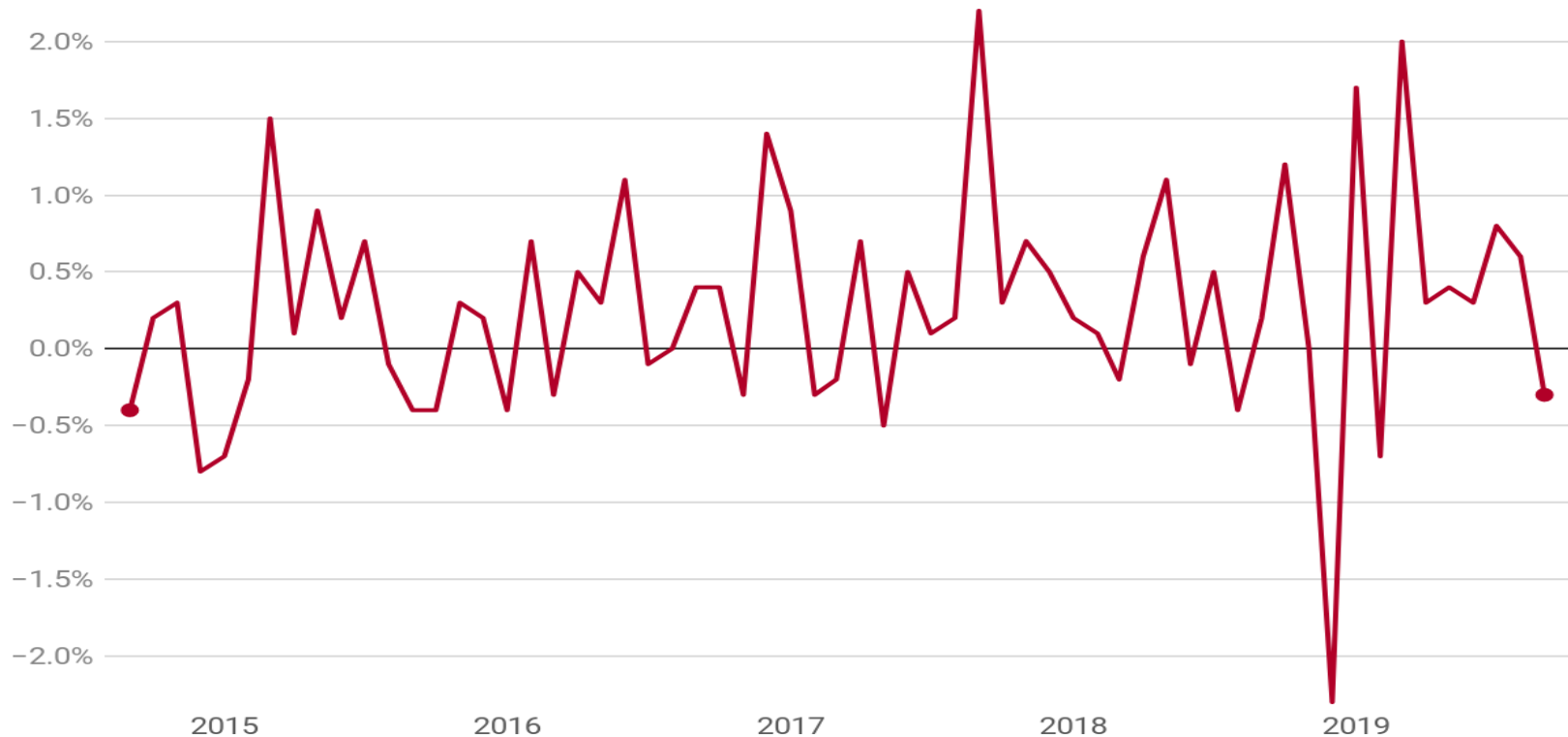


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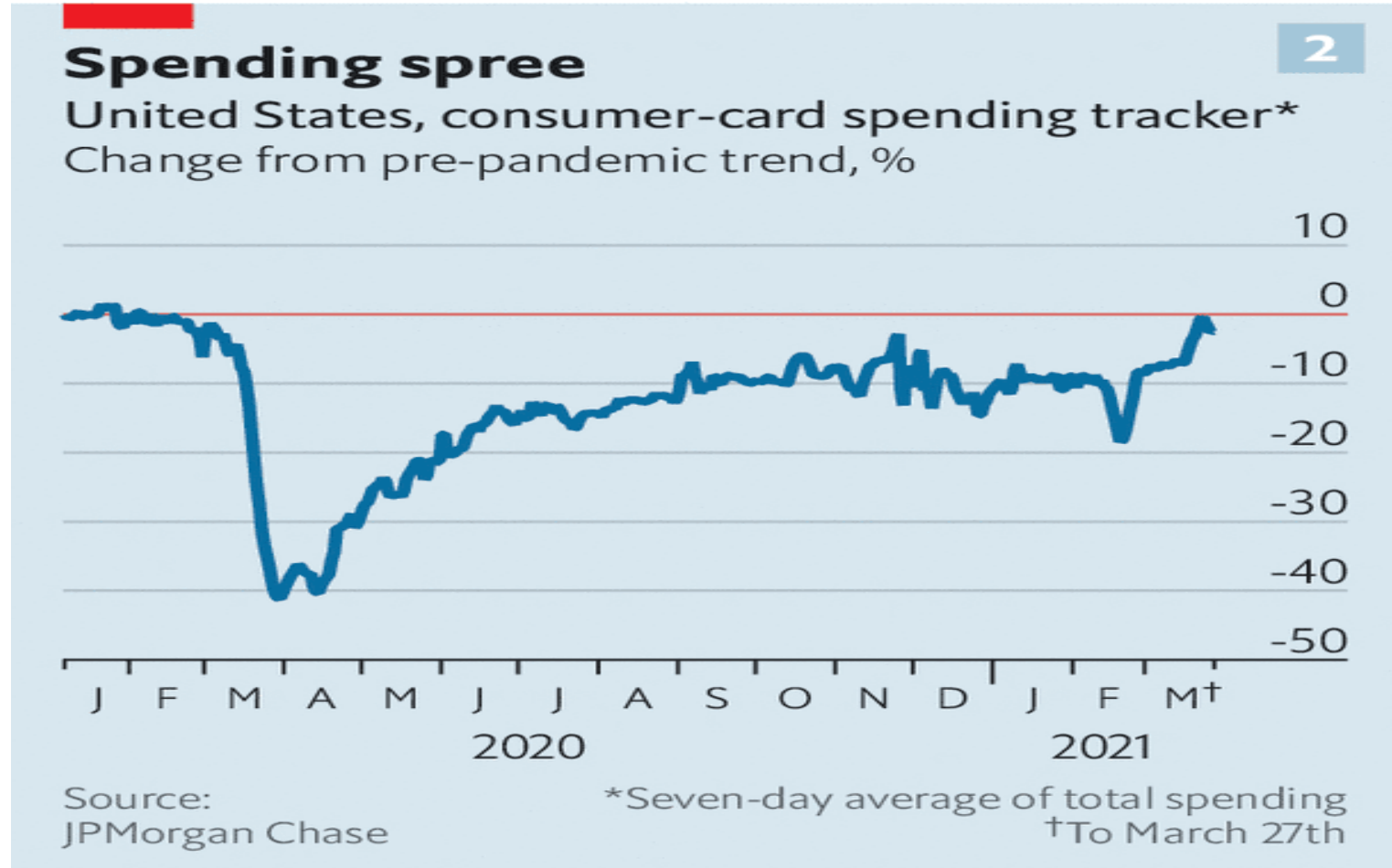
Retail Stability is Something of a Myth

Retail sales over the last 5 years



Source: U.S. Census Bureau • Created with Datawrapper

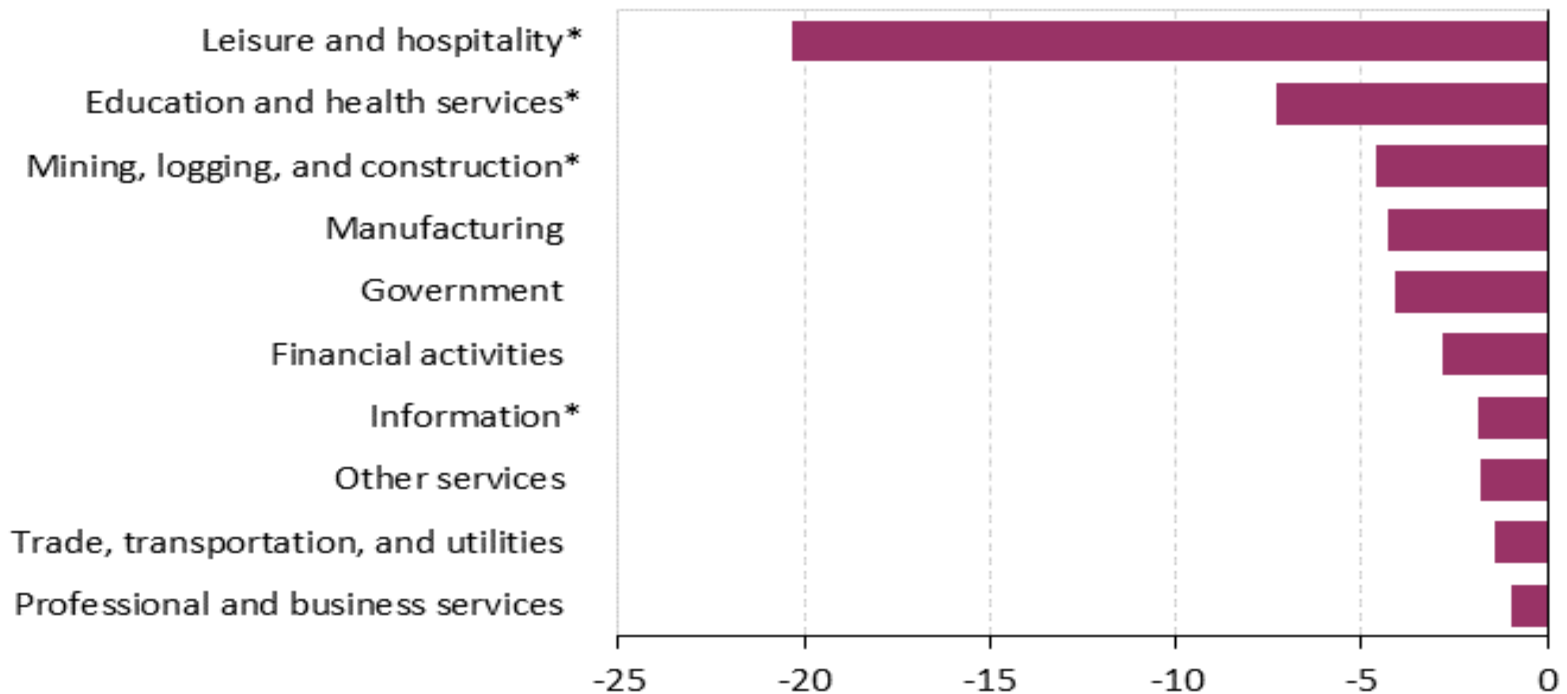
Coming Out of the Gate Quickly



The Economist

KC Reflects National Norms

Chart 2. Over-the-year net change for industry supersector employment in the Kansas City metropolitan area, February 2021 (in thousands)

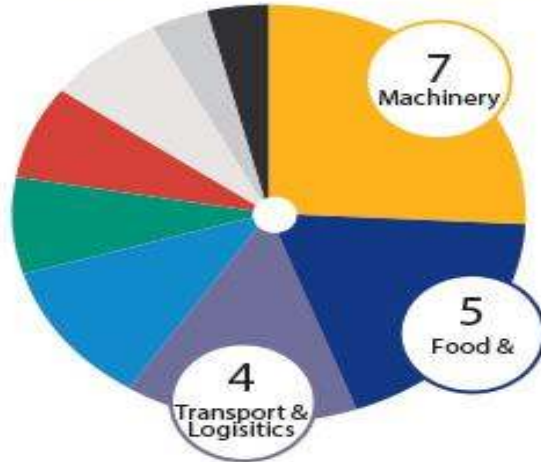


Note: An asterisk indicates statistical significance at the 90-percent confidence level.

Source: U.S. Bureau of Labor Statistics.

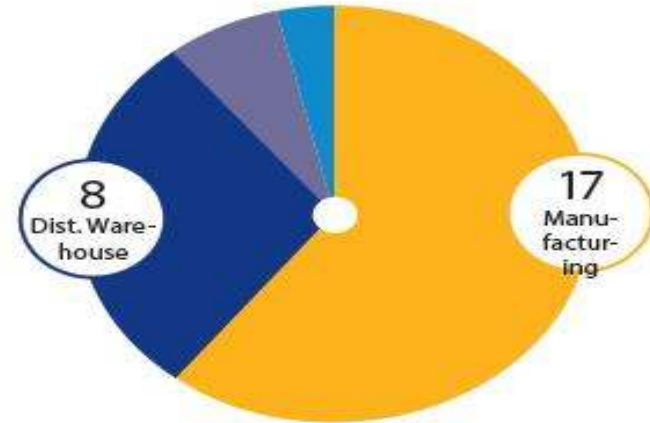
Manufacturing Rules Projects

Projects by Sector



Sector	Projects
Machinery, Equip. & Const.	7
Food & Beverage	5
Transportation & Logistics	4
Metals	3
Life Sciences	2
Business & Financial Services	2
Wood Products	2
Consumer Products	1
Textiles	1

Projects by Type



Type	Projects
Manufacturing	17
Distribution Warehouse	8
Office	2
Research and Development	1

Source Conway Analytics

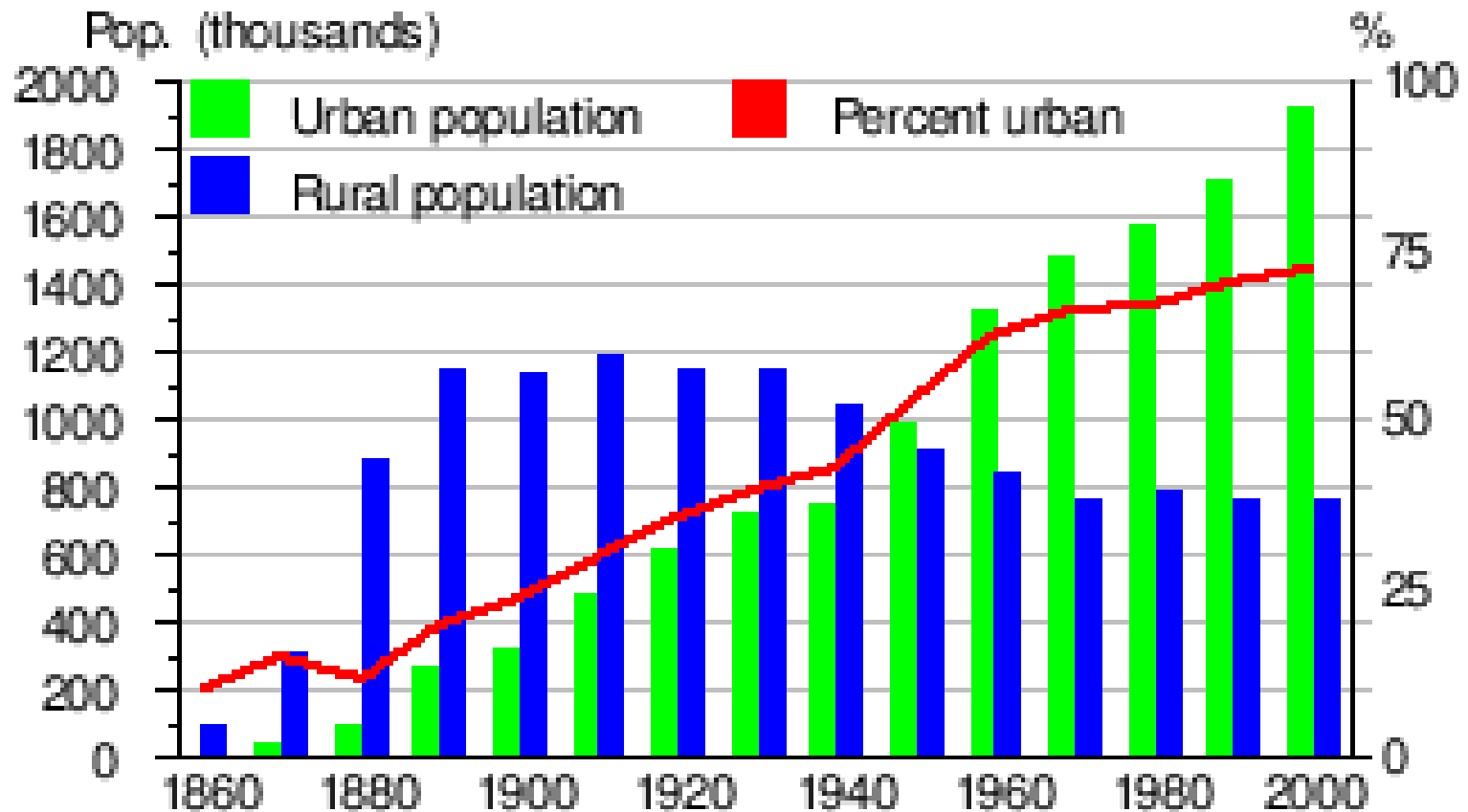
Source: Kansas Department of Commerce

Top Projects of 2020 by Capital Investment

Companies	City	Sector	Category	Type	Investment US\$M	Jobs
Urban Outfitters, Inc.	Kansas City	Textiles	New	Distribution/Warehouse	403	2,719
Schwan's Company	Salina	Food & Beverage	Expansion	Manufacturing	300	225
Merck	DeSoto	Life Sciences	Expansion	Manufacturing	110	10
Pretzels, Inc.	Lawrence	Food & Beverage	New	Manufacturing	88	281
Amazon.com, Inc.	Kansas City	Transport & Logistics	New	Distribution/Warehouse	75	700
Amazon.com, Inc.	Park City	Transport & Logistics	New	Distribution/Warehouse	75	700
Old Dominion Freight Line	Bonner Springs	Transport & Logistics	Expansion	Distribution/Warehouse	53	30
Great Plains Manufacturing, Inc.	Salina	Machinery, Equip. & Const.	New	Manufacturing	43	130
Thermo Fisher Scientific, Inc.	Lenexa	Life Sciences	Expansion	Manufacturing	40	300
Amazon.com, Inc.	Shawnee	Transport & Logistics	New	Distribution/Warehouse	30	200
Amazon.com, Inc.	Wichita	Transport & Logistics	New	Distribution/Warehouse	30	100
Nor-Am Cold Storage, Inc.	Dodge City	Transport & Logistics	New	Distribution/Warehouse	30	90
Peerless Products, Inc.	Iola	Metals	Expansion	Manufacturing	10.3	100
Tuthill Corporation	Lenexa	Machinery, Equip. & Const.	New	Manufacturing	5.3	68
Hostess Holdings LP	Edgerton	Transport & Logistics	New	Distribution/Warehouse	1	150

Source: Kansas Department of Commerce

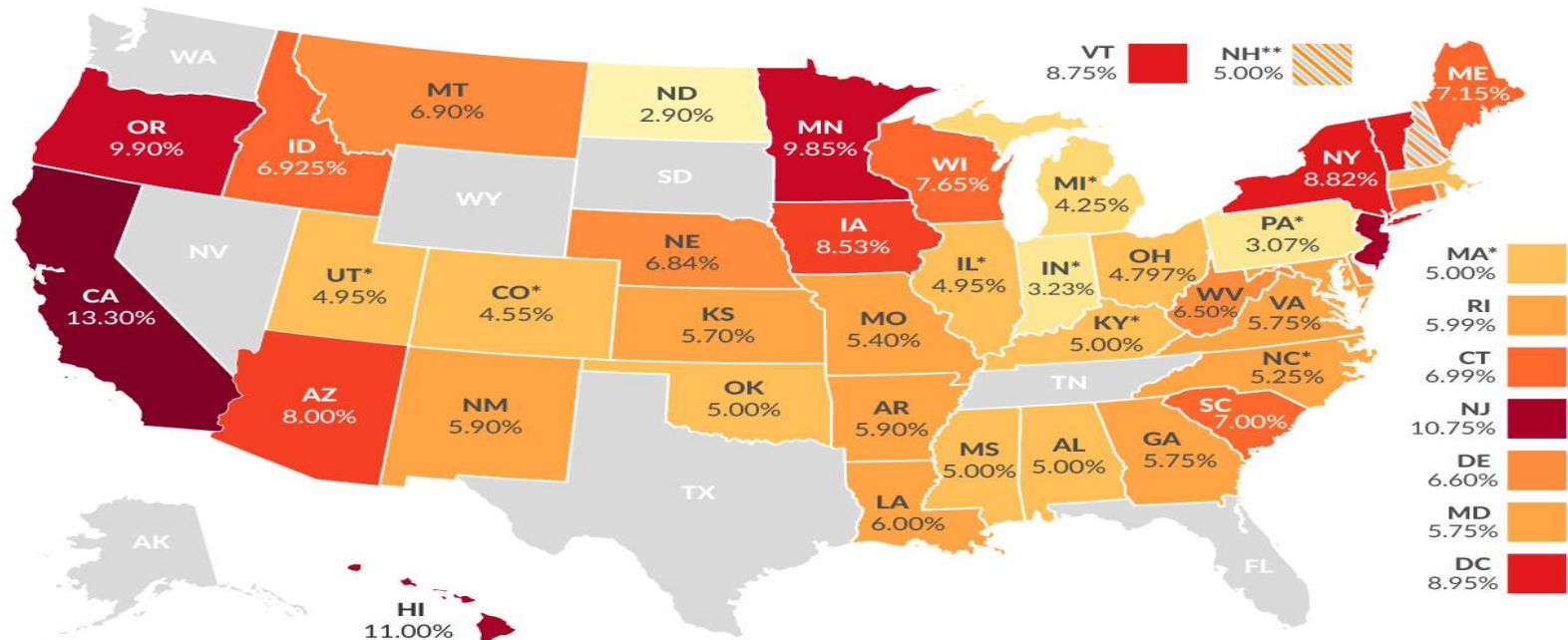
Continued Population Shift



In the Middle Nationally at 5.7%

How High Are Individual Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2021



Note: Map shows top marginal rates: the maximum statutory rate in each state. This map does not show effective marginal rates, which would include the effects of phase-outs of various tax preferences. Local income taxes are not included.

(*) State has a flat income tax.

(**) State only taxes interest and dividends income.

Sources: Tax Foundation; state tax statutes, forms, and instructions; Bloomberg BNA.

Top State Marginal Individual Income Tax Rates



What Do We KNOW About “New Normal”?



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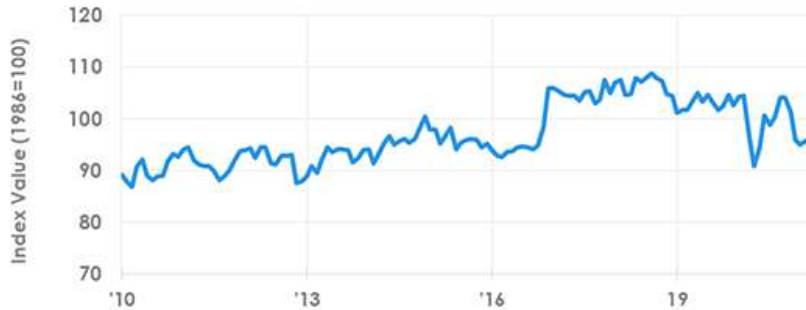
- **Work habits starting to return to old patterns but there will be a significant number of people who will continue to work remotely part of the time. Efficiency and recruitment issues will dominate now.**
- **Consumers are rushing back to old patterns – putting their money where their mouth was. Routine shopping will stay on-line but retailers who emphasize service and entertainment will thrive.**
- **Education will abandon “virtual” as soon as practicable. Learning has suffered and people want to get back to work.**
- **Entertainment and travel are back to high priority status. Airlines, hotels and theme parks are already seeing it.**

Small Business Attitude



Small Business Optimism Index at 98.2

Based on 10 survey indicators, seasonally adjusted, Jan. '10 – Mar. '21

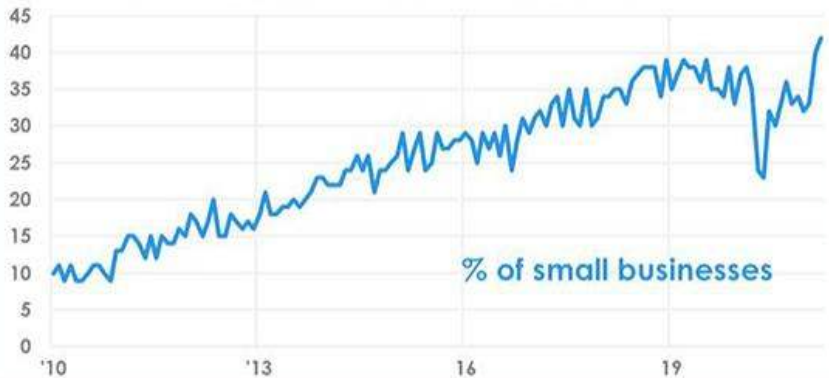


Small Business Optimism

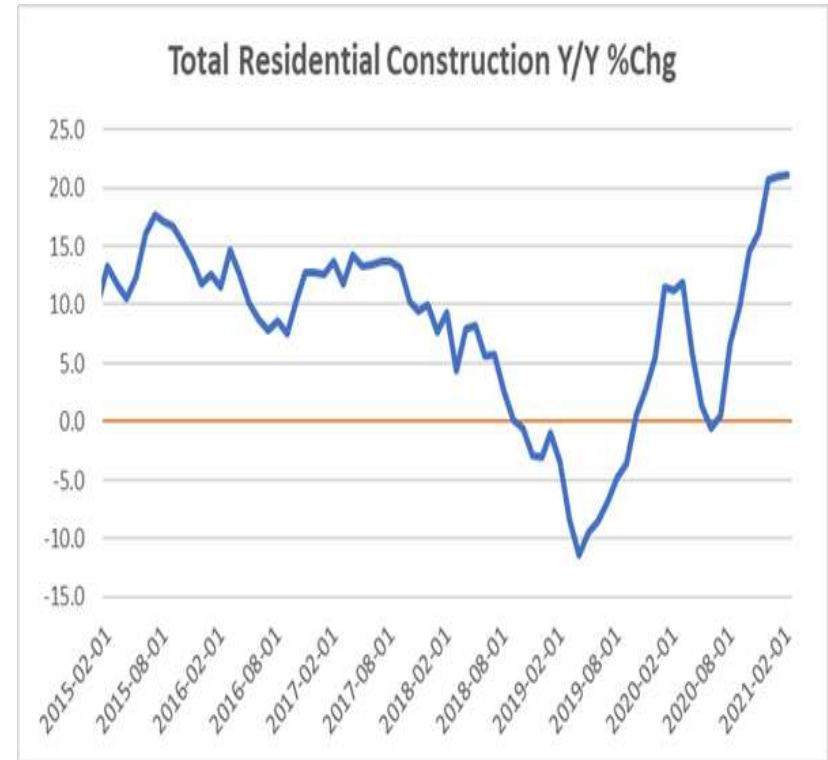
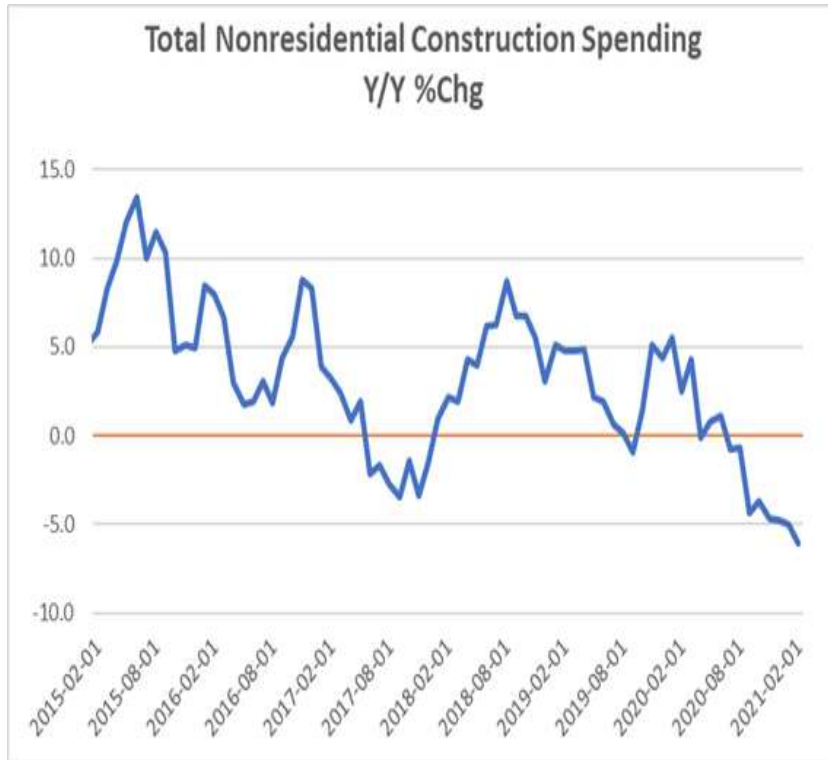
Index Component	Net %	Change From Feb.
Plans to Increase Employment	22%	▲ 4
Plans to Make Capital Outlays	20%	▼ -3
Plans to Increase Inventories	4%	▲ 2
Expect Economy to Improve	-8%	▲ 11
Expect Real Sales Higher	0%	▲ 8
Current Inventory	3%	▼ -2
Current Job Openings	42%	▲ 2
Expected Credit Conditions	-3%	▼ 3
Now a Good Time to Expand	11%	▲ 5
Earnings Trends	-15%	▼ -4

Can small businesses hire enough workers?

Percentage with at least 1 unfilled opening, Jan. '10 – Mar. '21



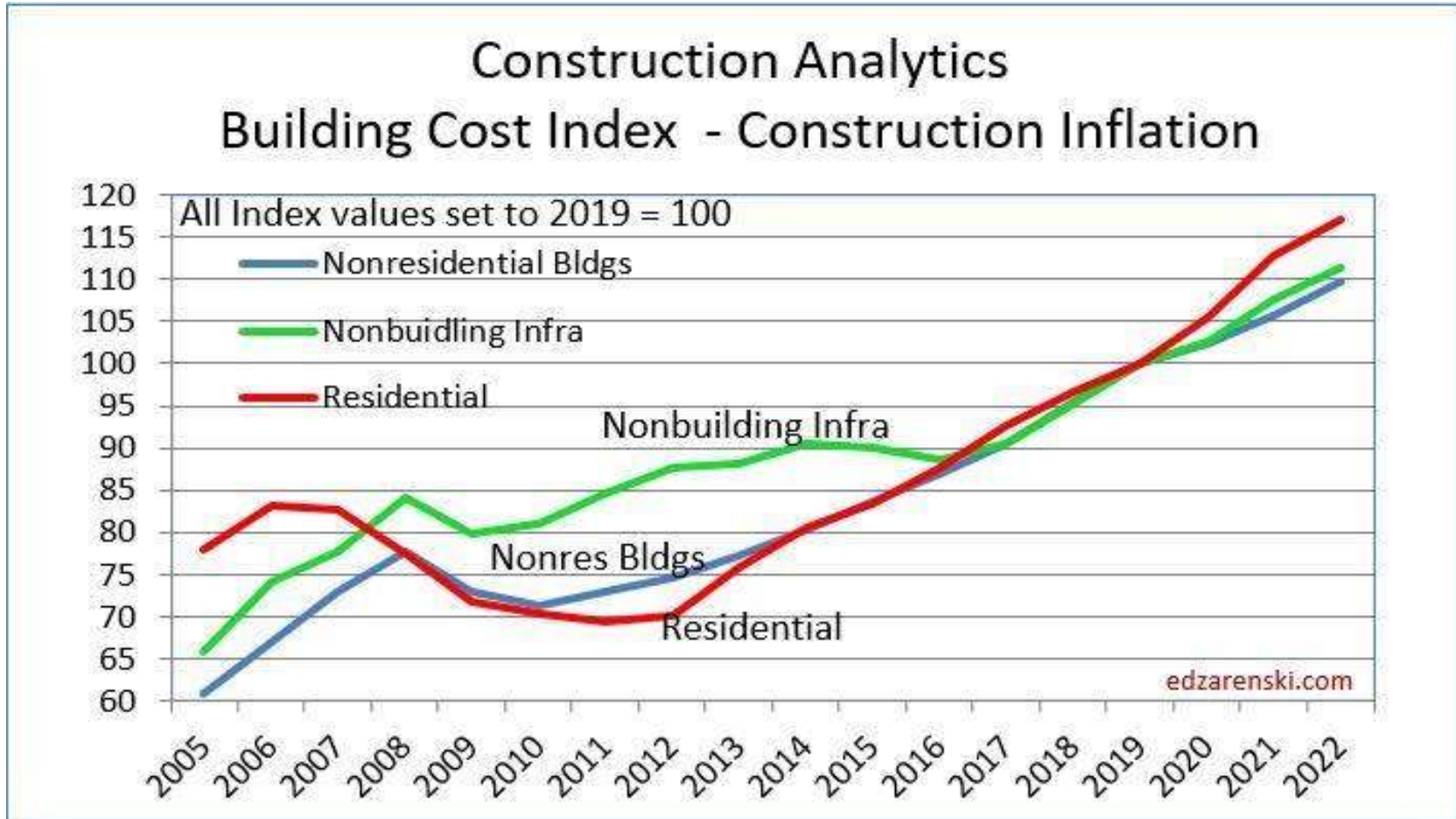
Construction Outlook



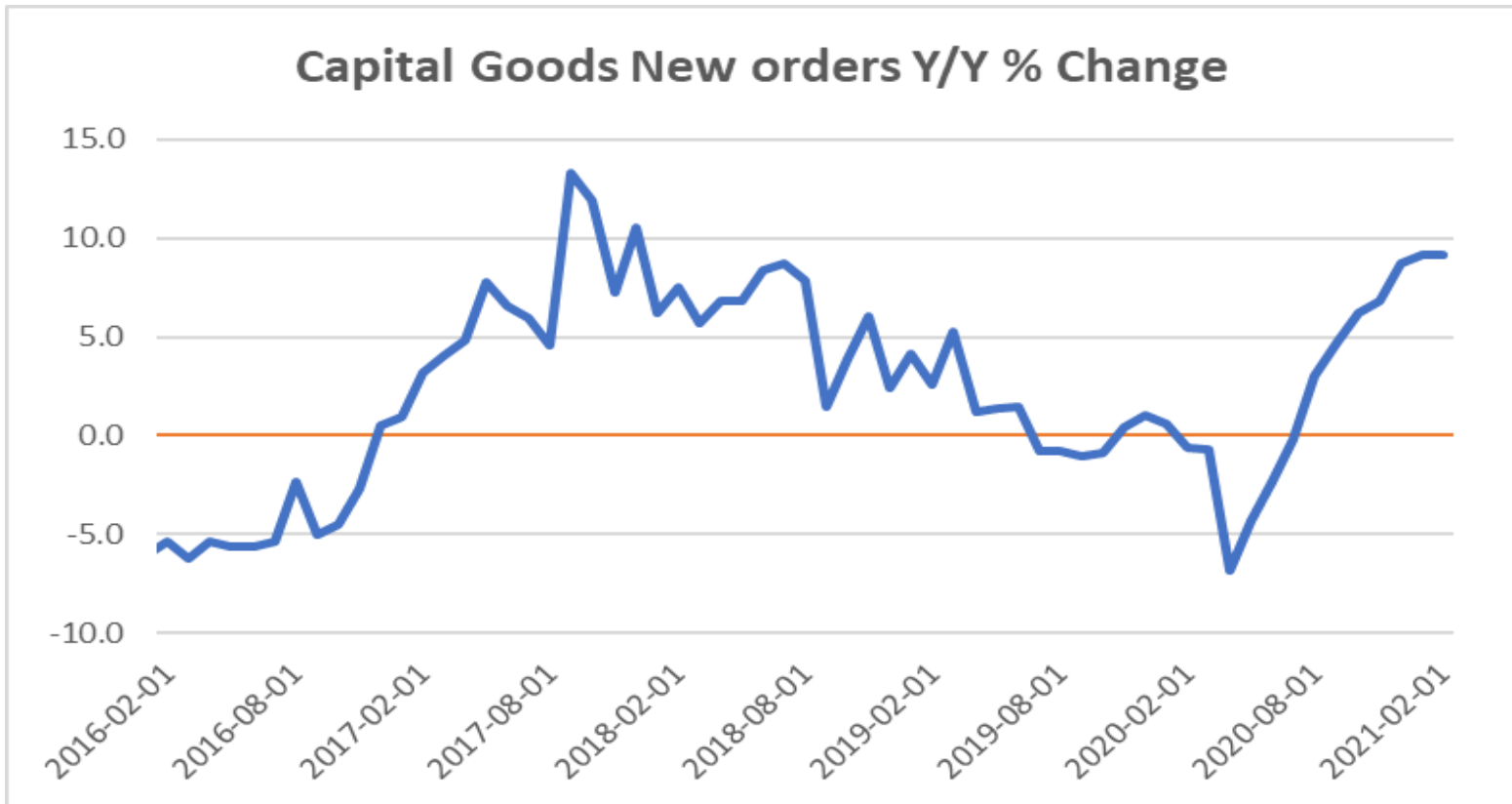
Construction Inflation



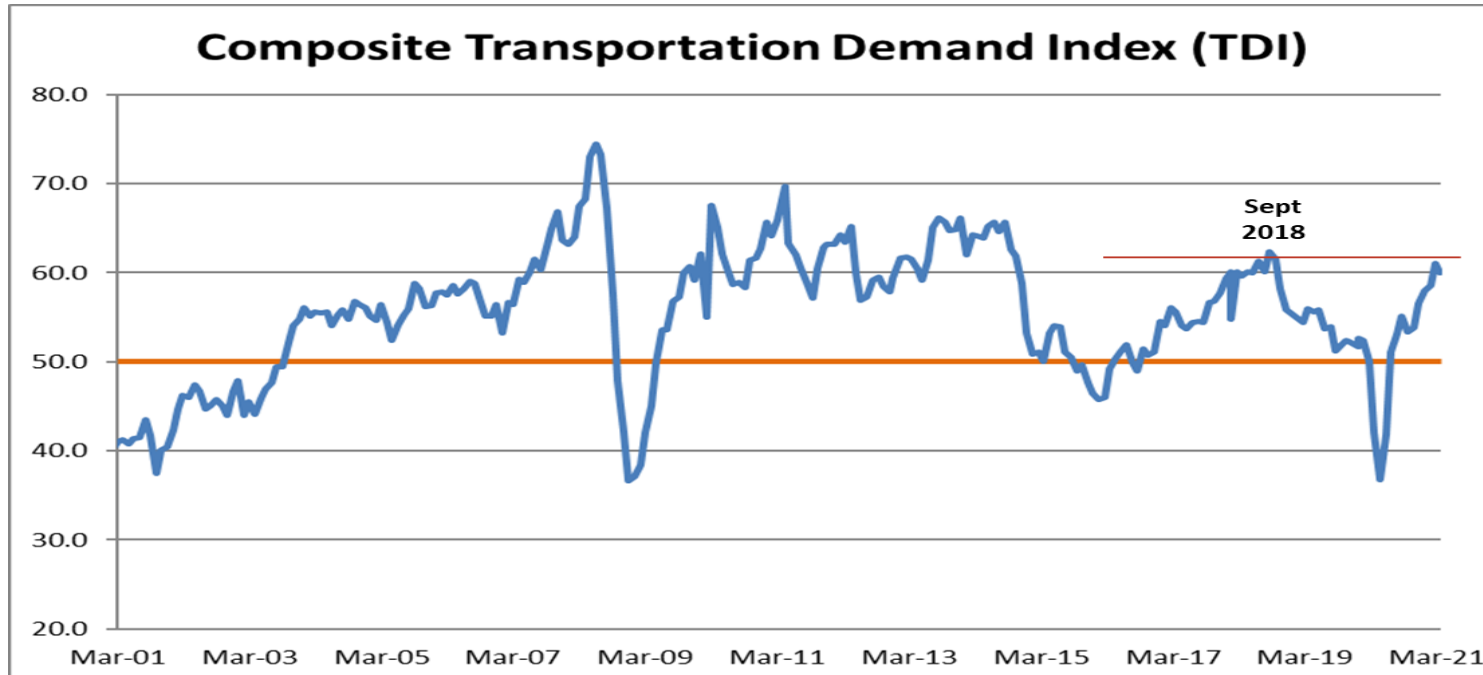
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Big Boost in Capital Goods

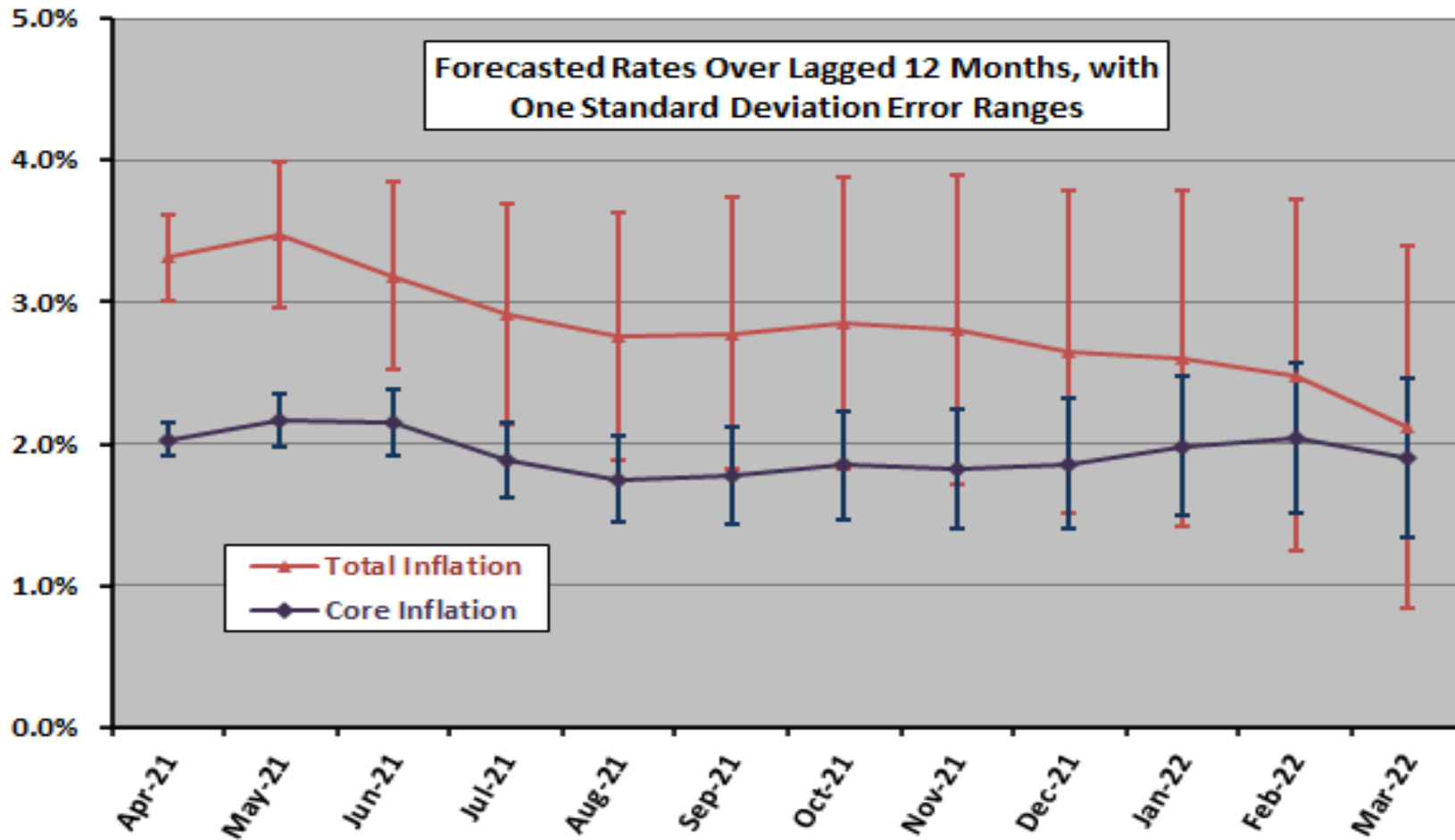


Transportation Demand Index



	21-Mar	21-Feb	Y/Y Change %	M/M Change %
Composite	60.0	58.5	42.7%	-1.6%
Rail	58.4	56.7	41.5%	-0.7%
Trucking	59.9	58.4	43.2%	-1.9%
Air	69.2	68.3	33.3%	-0.6%
Maritime	67.5	66.8	37.4%	-0.2%

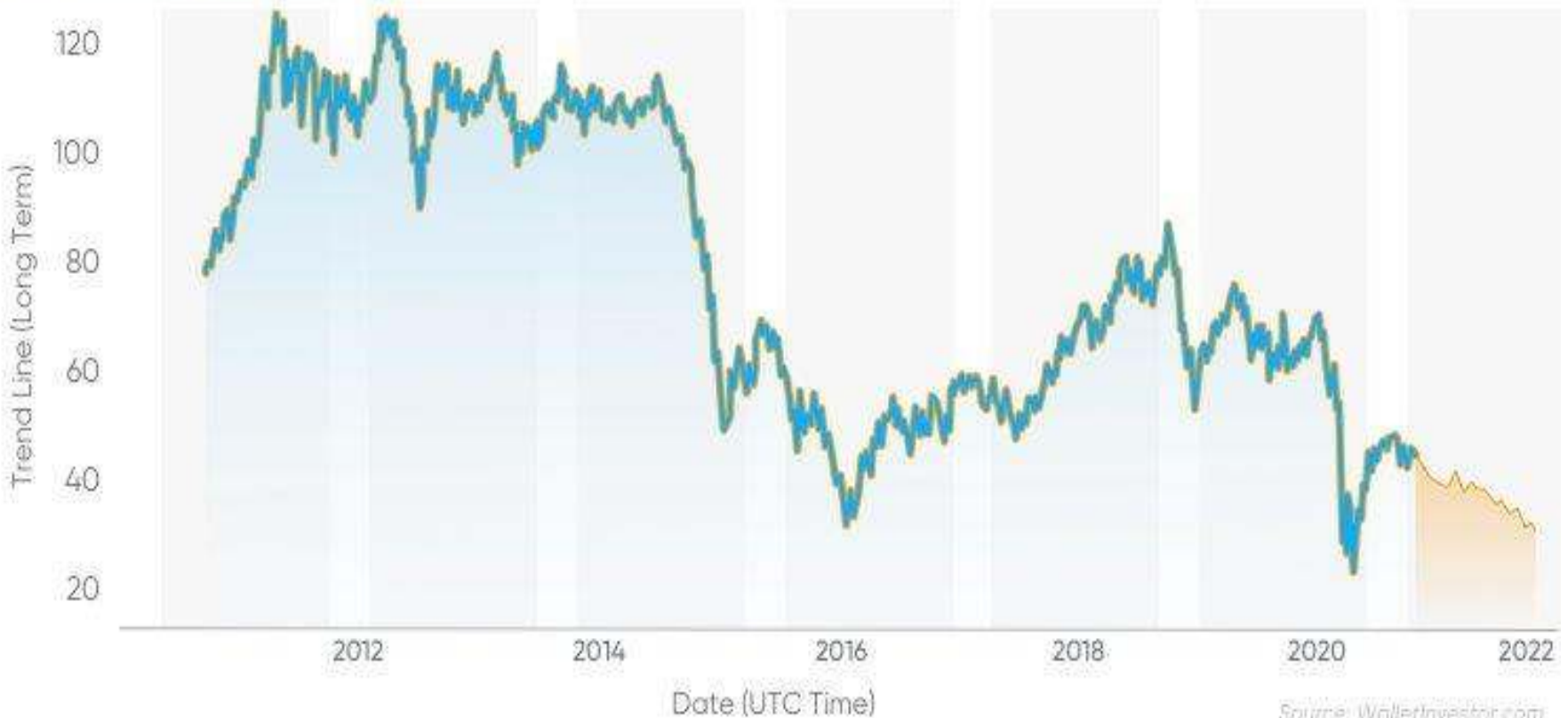
Subdued Inflation Forecast



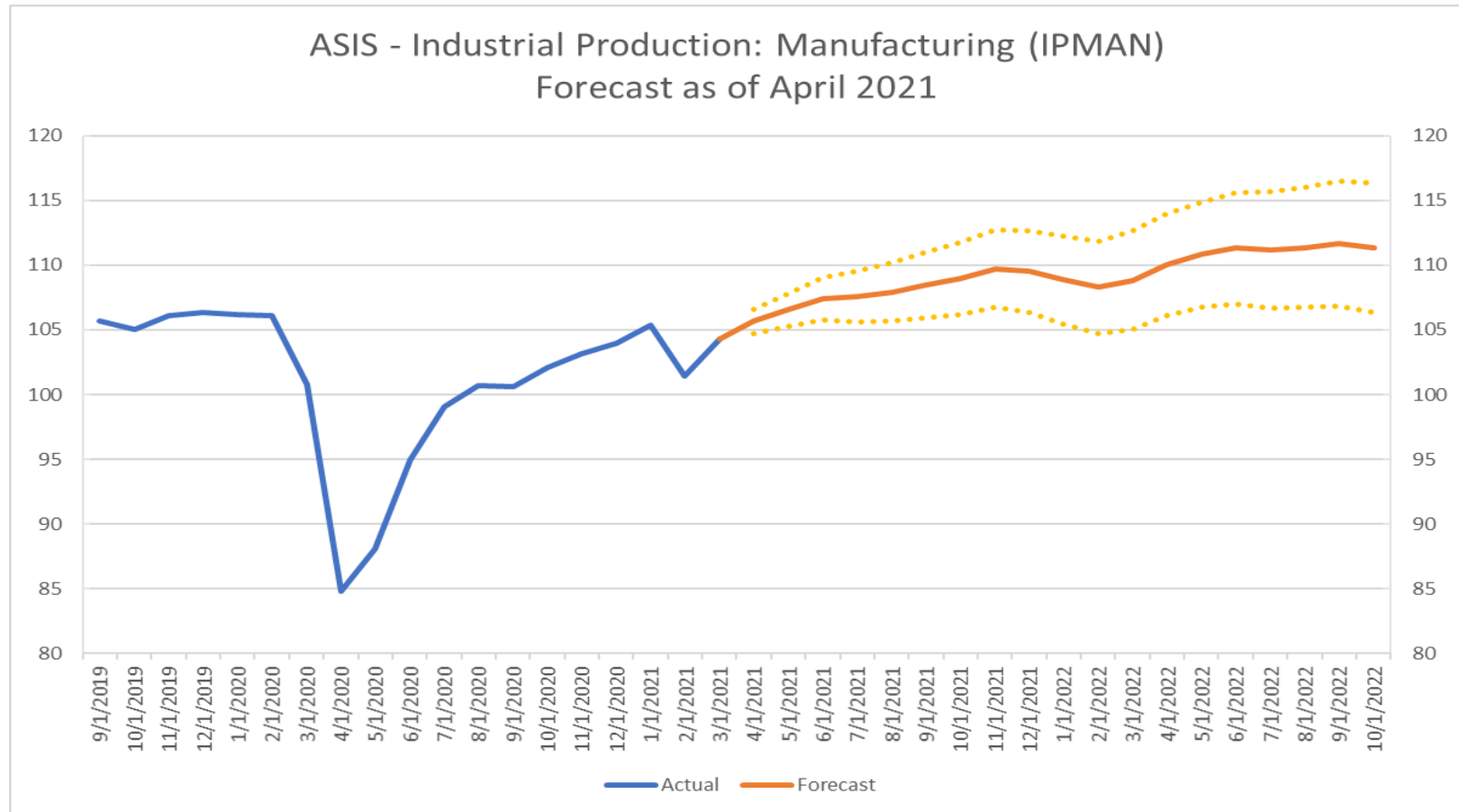
Oil's Long Term Trend is Still Down

Brent crude oil price forecast

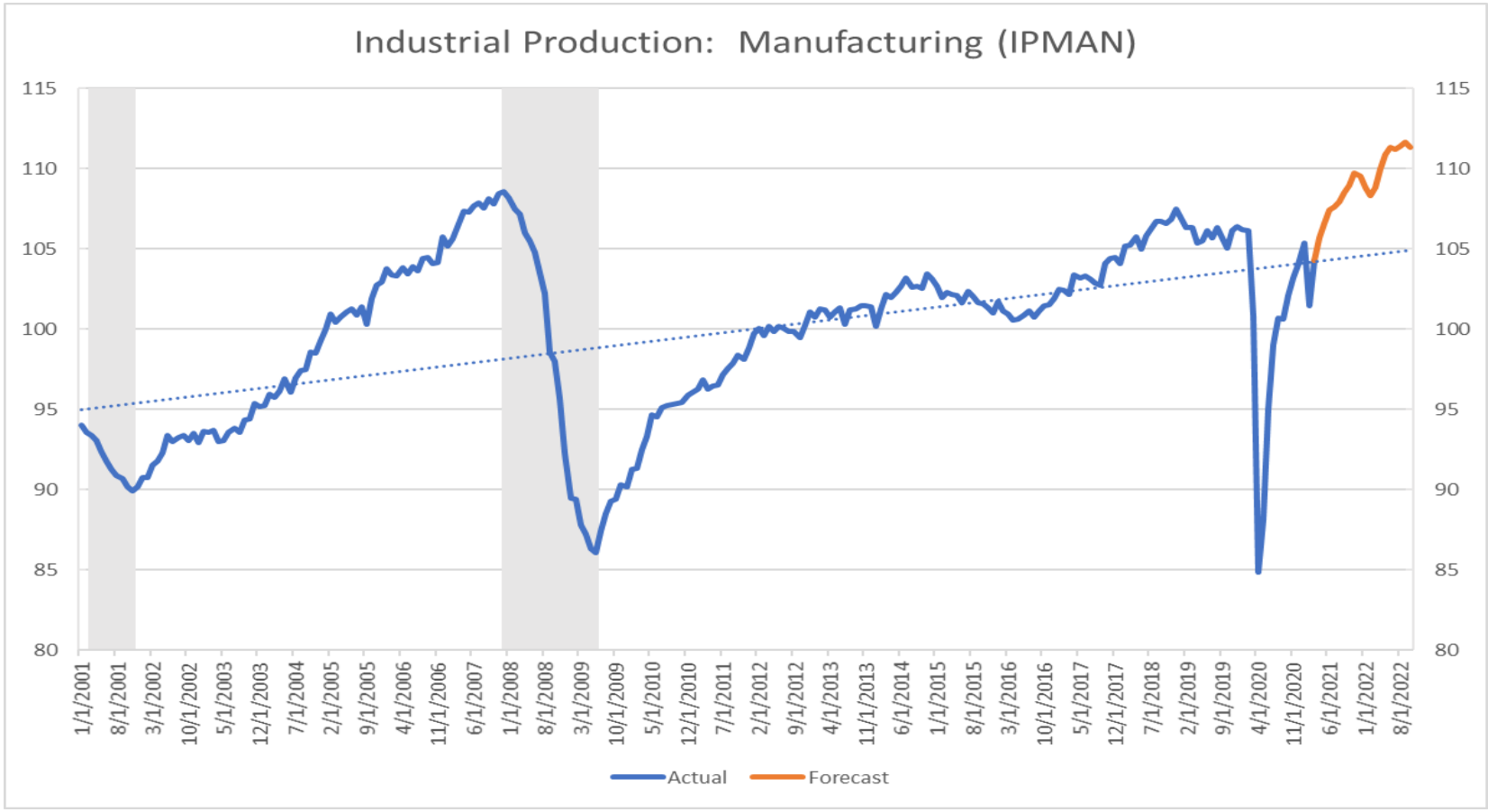
Price line Forecast trend line



Solid but Some Fade by 2022



Historical Perspective



Global PMI Numbers



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Country	Current Month	Latest Month Manuf. PMI	Prior Month Manuf. PMI	M/M Change	Current Month	Latest Month Services PMI	Prior Month Services PMI	M/M Change
Global PMI	Mar	55.0	53.9	1.1	Mar	52.8	51.8	1.0
Eurozone PMI	Mar	62.5	57.9	4.6	Mar	48.8	45.7	3.1
US	Mar	59.1	58.6	0.5	Mar	60.4	59.8	0.6
China	Mar	50.6	50.9	-0.3	Mar	54.3	51.5	2.8
Canada	Mar	58.5	54.8	3.7				
Mexico	Mar	45.6	44.2	1.4				
Japan	Mar	52.7	51.4	1.3	Mar	48.3	46.3	2.0
Germany	Mar	66.6	60.7	5.9	Mar	50.8	46.2	4.6
South Korea	Mar	55.3	55.3	0.0				
UK	Mar	58.9	55.1	3.8	Mar	56.8	49.5	7.3
France	Mar	59.3	56.1	3.2	Mar	47.8	45.6	2.2
India	Mar	55.4	57.5	-2.1	Mar	55.4	57.5	-2.1
Italy	Mar	59.8	56.9	2.9	Mar	48.6	48.8	-0.2
Taiwan	Mar	60.8	60.4	0.4				
Brazil	Mar	52.8	58.4	-5.6	Mar	44.1	47.1	-3.0
Spain	Mar	56.9	52.9	4.0	Mar	48.1	43.1	5.0
Russia	Mar	51.1	51.5	-0.4	Mar	55.8	52.2	3.6
Netherlands	Mar	64.7	59.6	5.1				
Ireland	Mar	57.1	52.0	5.1	Mar	54.6	41.2	13.4
Greece	Mar	51.8	49.4	2.4				
Poland	Mar	54.3	53.4	0.9				
ASEAN	Mar	50.8	49.7	1.1				
Vietnam	Mar	53.6	51.6	2.0				
Australia	Mar	56.8	56.9	-0.1				
Switzerland	Mar	66.3	61.3	5.0				
Hong Kong	Feb	50.0	47.8	2.2				
Singapore	Mar	53.5	54.9	-1.4				

Service Sector Rebound



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U.S. Services PMI Registered an All-Time High in March

Mar. 2021



Source: ISM, U.S. Global Investors

Credit Managers' Index

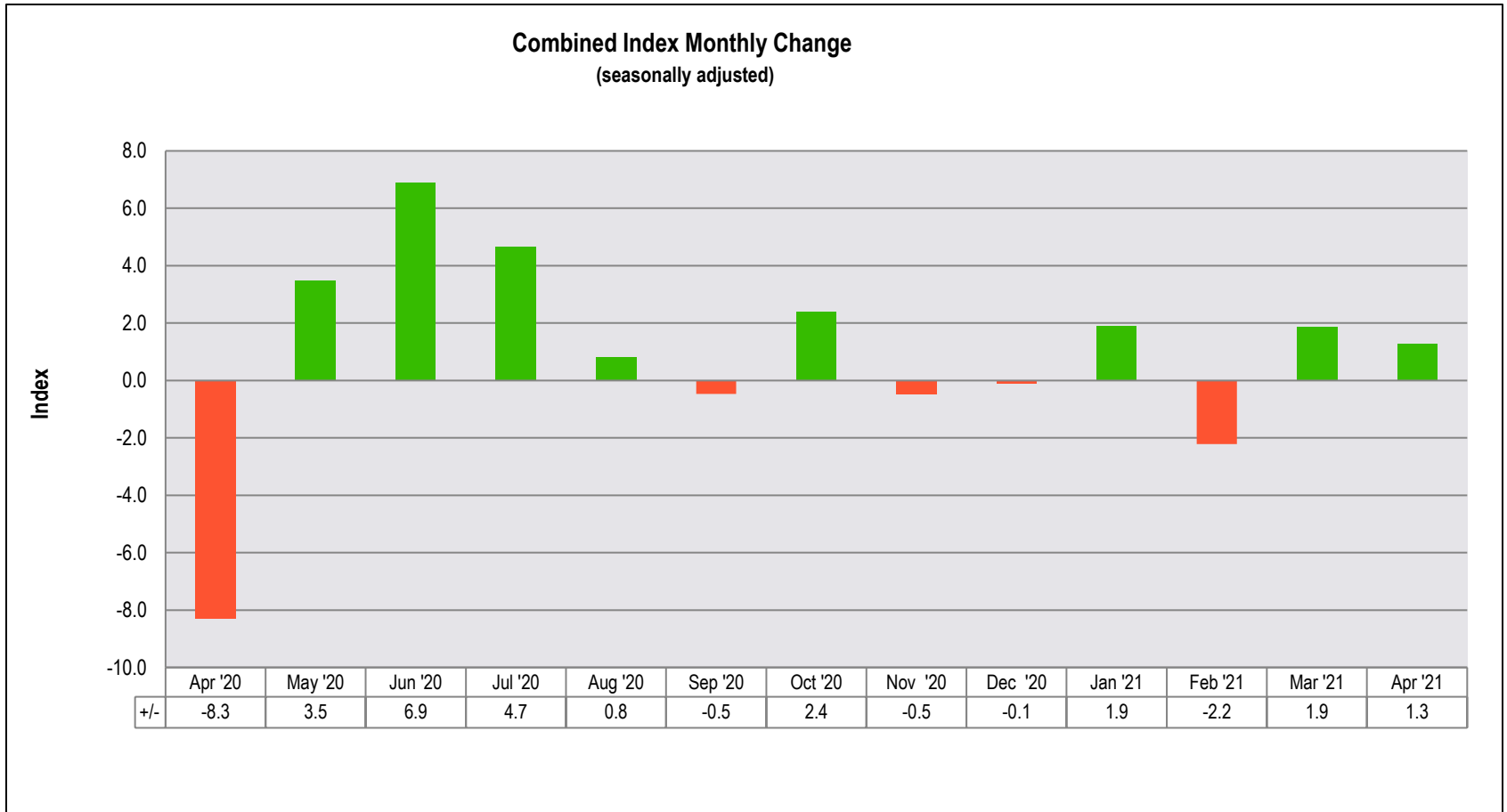
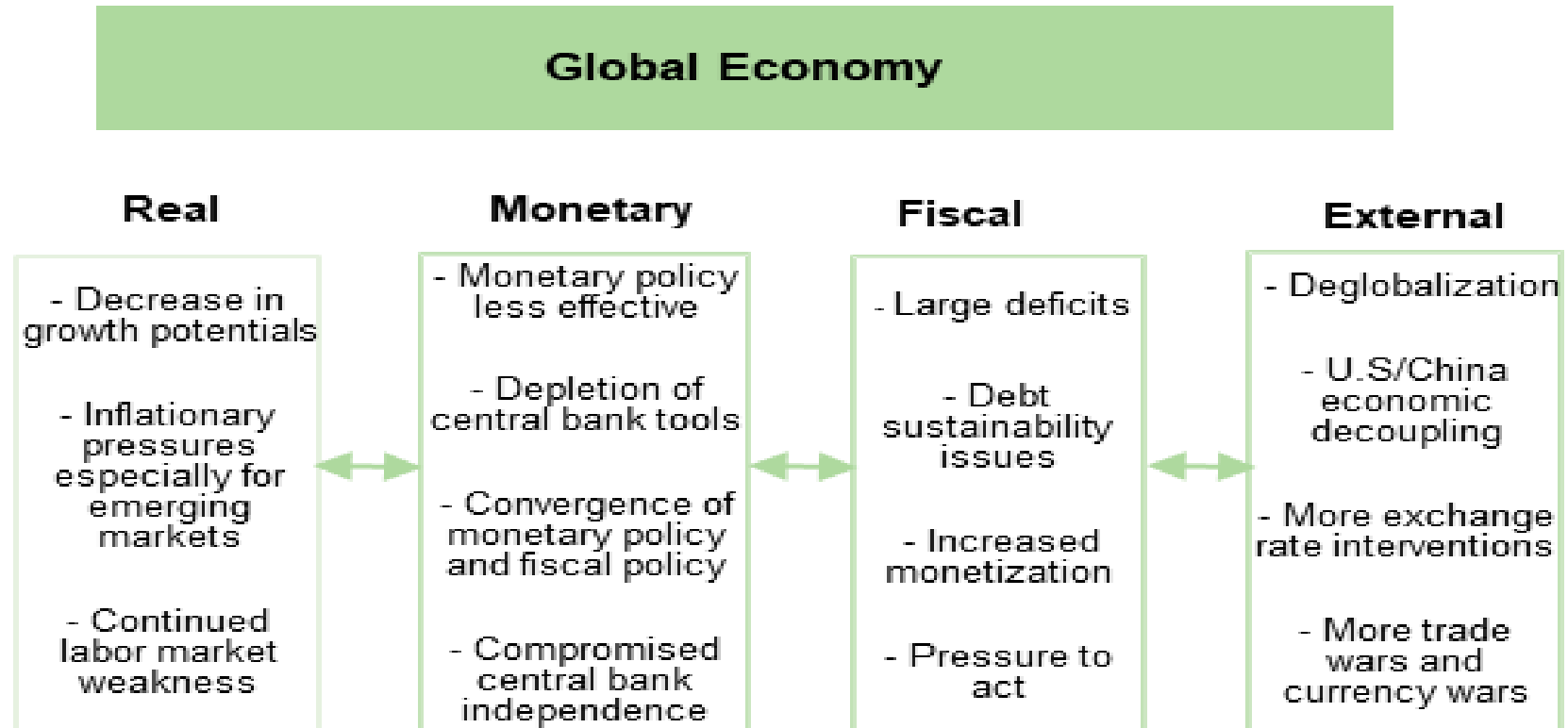


Chart 2: The Global Economy will Change Across the Board



Source: TD Economics

In Case This Was Not Enough



We are nothing if not verbose! Long winded in print as well as in a webinar. Please feel free to check out the various publications so your inbox will not get lonely.

Armada Strategic Intelligence System – monthly and detailed on issues that matter to manufacturers and their suppliers - \$145 a month

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