

PARTNERSHIP WITH ITR ECONOMICS ENHANCES MEMBER BENEFITS

By Lindsey Munson, editor, The American Mold Builder

On the rise and expected to grow over the next decade, mold manufacturing companies are challenged with meeting their operational expectations no matter the external market trends and economic impacts. Management teams are pressured now more than ever to assess, plan and respond based on environmental impacts and shifts – and to meet these demands head-on, they must be provided with the proper tools to make strategic business moves and sound decisions.

For the American Mold Builders Association (AMBA), it's setting its membership up for success and giving them the economic know-how and foresight to navigate these pressures by forming a partnership with ITR Economics.

Troy Roberts, CEO and co-founder of Beanstalk Collaborative Community Wealth LLC and CEO of Tolerance Tool LLC, currently serves on the AMBA Board of Directors and has first-hand knowledge with how the ITR program can impact companies in the molding industry. Roberts said, “Before starting Beanstalk, I worked for a prior company that was a member of the Precision Metalforming Association, which implemented the ITR Economics program. We used the ITR information (e.g., ITR’s Economic Trends Report) to understand where our customers were in their business cycle (i.e., recovery, accelerated growth, slowing growth and recession). This enabled our leadership and management team to proactively anticipate, forecast and plan. As such, we were ahead of the curve in our planning, and not behind the curve. We knew when to conserve vs. invest, when to expand vs. contract.”

As of January 2024, at no cost, members of AMBA will have direct access to a full, simple-to-read quarterly report provided by ITR Economics that includes the US macroeconomic outlook, general direction of the economy and analysis of five major end markets (North America Light Vehicle Production, US Total Retail Sales, US Medical Equipment and Supplies Production, US Private Nonresidential Construction and US Agriculture, Construction and Mining Machinery Production).

CORE OBJECTIVES AND METHODOLOGY

Founded in 1948, ITR Economics is the oldest privately held, continuously operating economic research and

consulting firm in the US. Its mission and ultimate objective is to provide the best economic intelligence to reduce risk and drive practical and profitable business decisions. ITR Economics’ highly regimented training program cultivates the economists who build the forecasts, which also are supported by a rigorous review process. Jeremy Bess, one of the firm’s economists and business consultants, took a moment to elaborate and share key program details, explaining that ITR Economics is one of very few economic forecasting firms that publishes forecast accuracy results, which gives full transparency to its clients and, in turn, helps build trust in its partnerships.

Bess shared, “Our overall forecast accuracy rating since 1985 is 94.7% at one year out! Our business-minded economists provide market forecasts, company forecasts and actionable advice to help business leaders stay ahead of the economic turns that will directly impact their business. We surpass the conventional regression-based approaches employed by other forecasting companies, which contributes to our consistently high forecast accuracy rating.”

ITR Economics’ methodology stands on four key pillars:

- Internal trends – ITR Economics looks at rates-of-change and various statistics to define the bounds of normal for a data series.
- Leading indicators – These predictive datasets provide forward-looking insights based on the correlative and causal relationships between the subject series and various components of the economy.
- ITR Economics’ Long-Term Business Cycle Theory – This theory dates back decades and quantifies the various phases of the business cycle, providing extended views of core macroeconomic indicators.
- News and market observations – These data points, which may include new regulations, black swan events and other factors, are considered as they arise.

MEMBER BENEFITS AND PROGRAM INTEGRATION

In working with ITR Economics, AMBA members will have access to many benefits. They will be subscribed to customized reports that include three-year forecasts for pre-selected industries and markets that impact their businesses. Through the Business Cycle Dashboard, members will

have the tools to understand where the macroeconomy is headed and access to supporting text analysis for additional insights that support the outlook. “This gets to the heart of understanding the economic playing field,” said Bess.

In addition, there will be access to the Alliance Powered by DataCast™ portal for customized reports. Bess elaborated, “It puts members in the driver’s seat, letting them plot their company’s data against any markets covered in their customized report. This real-time experience will strengthen members’ understanding of where their business fits within their specific markets and the overall economy.”

It is key for management teams to understand the trajectories of the economy, selected industries and their own companies. Such insights are pivotal in guiding present-day decisions. Through the various services offered, ITR Economics equips companies with a precise and actionable roadmap that facilitates confident business planning. For association members specifically, ITR Economics crafts market forecasts that empower members to discern the prevailing trends, which in turn helps them make timely business adjustments.

In addition to providing insights into the trajectories of various industries and markets, ITR Economics furnishes associated action items. Bess said, “These are known as Management Objectives; these comprehensive action items are organized according to their optimal deployment in the

phases of the business cycle. Developed collaboratively with our clients over many business cycles, this evolving catalog is a strategic guide focused on preparing for future developments by taking the right actions at the right times.”

In partnership and utilizing these tools, AMBA and ITR Economics are confident that if members integrate and apply the available benefits, they will help drive practical and profitable business decisions.

FORECASTING FOR SUCCESS

In closing, Bess said, “The encouraging news is that the association already has taken a significant stride in providing members with a valuable resource for decision-making. Now, the onus is on individual members to leverage these available tools and services. Integration requires active involvement and utilization.”

By incorporating ITR Economics’ insights, program members stand to enhance their internal forecast accuracy, more effectively benchmark for success and further refine their marketing strategies. Members are encouraged by both AMBA and ITR Economics to stay updated on releases from both organizations so they can familiarize themselves with the advantages of tailored reports and the Economic Portal, where powerful and actionable insights are just a click away. ■

More information: www.amba.org, www.itreconomics.com

CASE STUDIES FROM ITR ECONOMICS

Case Study A

A client that receives company-specific forecasts attended a conference at which ITR Economics provided a keynote speaker. The client already was acquainted with ITR Economics’ outlooks, had a solid understanding of its forecasts and had proactively taken measures to prepare for an imminent recession in its industry. By contrast, the client’s competitors in the audience were caught off guard by ITR Economics’ projections, and they had accumulated excess inventory as demand decelerated.

Meanwhile, ITR Economics’ strategic foresight empowered its client to capitalize on a more favorable pricing environment, which has enabled the client to augment inventory selectively, while its competitors found themselves unable to do the same.

Case Study B

Another client got ahead of a forecasted slowdown in its business by building cash reserves during the growth phase. When demand softened, the client was able to deploy that money and is leveraging the current period of slower

growth to improve its efficiencies, including making a key upgrade to its ERP system.

Case Study C

ITR Economics has observed a prolonged trend of labor market tightness and, in response, has formulated crucial Management Objectives advocating for investment in automation. One of the firm’s clients enthusiastically embraced this advice and committed to robotics investments to assist with more labor-intensive tasks.

Additionally, the client implemented software that automated processes suitable for overnight execution, resulting in by-morning completion. These initiatives significantly elevated the productivity of the client’s current workforce, mitigated the risk of burnout and improved retention amid post-COVID labor market pressures. ■

For additional case studies, visit <https://itreconomics.com/kenneth-brown-case-study/>, <https://itreconomics.com/sekisui-kydex-case-study/>, <https://itreconomics.com/vallen-distribution-case-study/>.