

Make it a Happy New Year

Plan around what you can expect from each month of the year.

Welcome to 2013. As we embark on a new year, I share the observation garnered during 15 years in the finishing industry that, for a finishing operation, each specific month of the year holds its own personality, its own opportunity and its own potential pitfalls. Preparing a bit for the ups and downs of each individual month may help us take advantage of the opportunities and avoid some disappointment.

January always gets off to a slow start as team members accustomed to multiple holidays and perhaps a vacation at the end of December work their way back into the groove. Likewise, customers can be a bit slow to get orders flowing during the first week of the year. By mid-month, though, finishing lines bustle as the new year's capital budgets are released and customers begin to rebuild inventory levels. Combine this with the fact that Januaries have better-than-the-average number of production days (non-holiday weekdays) and that employees are hungry for overtime as the holiday credit card bills start rolling in, and we have the recipe for a strong revenue month.

(Monthly revenue or production volume in a finishing operation often bears a strong correlation to the number of production days.) Januaries are fun months in the finishing world.

The January exuberance is quickly offset by the February hangover. Three out of four Februaries have just 28 calendar days, which makes

them lean on actual production days. If a finishing operation gets off to a slow start in February it will never catch up, so focus on a high-volume first week.

March is a usually a great month in the world of finishing. The 31 calendar days provide an abundance of production days, and the absence of summertime or holiday diversions for team members creates plenty of opportunities to concentrate on process improvements and pushing volume down the finishing line.

For reasons I cannot explain, two months tend to offer more surprises than any of the others, and April is one of them. If the fire sprinkler system is going to burst and flood the office, or the air compressor is to take a dive and require \$50,000 to replace it, it will inevitably happen in April. Maybe it's the weather, perhaps pent-up employee energy, but as spring begins to show its face in earnest things seem to get a little crazy. Be prepared for at least one surprise in April.

May and June are relatively mundane months in our industry. Scheduling gets a little tricky late in May as employees take advantage of the long Memorial Day weekend and often plan vacation days to extend it even longer. Despite being a 30-day month, the absence of holidays gives June a generous number of production days and plenty of opportunity to make budget.

The challenges return in July. Many OEMs shut down for a week or more in July, taking advantage of the Independence Day holiday to give their employees a break and to maintain equipment or gear up for model year changes. For captive finishing operations this can mean a hectic week as new equipment is installed and new finishes are implemented. Job shops and custom coaters deal with the resulting erratic customer volume

Preparing a bit for the ups and downs of each individual month may help us take advantage of the opportunities and avoid some disappointment.

and the need to schedule around employee vacations.

The disproportionate number of employee vacations in August makes for a challenging month from a scheduling standpoint, but the lack of holidays and its 31 calendar days more than offset the scheduling troubles. August is usually a good month in finishing.

One hundred-eighty months of experience in our

MATTHEW KIRCHNER CEO, American Finishing Resources, LLC, mkirchner@afnow.com



industry make it undeniable: September is the toughest month of the year. If a major customer is going to go bankrupt or call and say that we lost their work on price, or an injury is going to take place on the shop floor, it will happen in September. Further, September almost always falls short of revenue expectations. Teams are slow to bounce back from summer, problems we put off addressing over the summer rise to the surface, and Labor Day and the 30 calendar days result in a minimal number of production days. These all conspire to make September the most challenging of all months.

Fortunately, we rebound with October. Customers are generally busy as many of them peak in volume and some begin building inventory for upcoming busy seasons. However, because the following two months are much tougher by comparison, a finishing operation's calendar year is made or lost by the end of October. Want to finish the year strong? Finish October strong.

For several years I enjoyed the holidays less than I should have, thanks to the distraction of poor business performance. November and December are the shortest of production day months due to all of the holidays. Further, during the last week of December, volume is almost always slow as America vacations and celebrates. Consequently, these two months always fall short in terms of revenue.

Rather than obsessing over the slower volume, take enough of a mental break to enjoy Thanksgiving and Christmas and, by all means, a Happy New Year. Here's to an outstanding 2013! ■

Kirchner: The Complete Works

Can't get enough of management column writer Matt Kirchner? Read about what Disney World has to offer surface finishers, the lessons Subway teaches us about lean, the top 10 things you should never do at a trade show, and more. Check out a whole library of "Never Finished" columns at short.pfonline.com/NeverFin.



Like Us On Facebook!
"Products Finishing magazine"

Get your finishing news, right on your Facebook feed!

ADDED BONUS: Like Us and you'll be eligible for our weekly PF gift drawing.




*Experience
 the Magic Rack® difference.*

Custom-designed racking solutions engineered to maximize your finishing line.

That's the Magic Rack® difference. Our personal approach to providing unique solutions that make optimum use of rack space is what has made us the industry leader in custom finishing solutions for over 30 years.

Whether we visit your facility, or you send us your part for analysis, our goal is to provide the best racking solution to **improve your production efficiencies and reduce operating costs.**

Contact us today to discuss how our exclusive *Magic Rack*® 9-Step Analysis process and unique patented racking technology can solve your most challenging finishing needs.

RACKING UP SOLUTIONS.



PRODUCTION PLUS CORP.

Toll-free (U.S.): 866.492.8811
 Phone: 614.492.8811
 E-mail: sales@MagicRack.com
www.MagicRack.com



Made in the U.S.A.

Photo courtesy of Nealon Auto Products.