

FAMA Annual Member Report for 2015

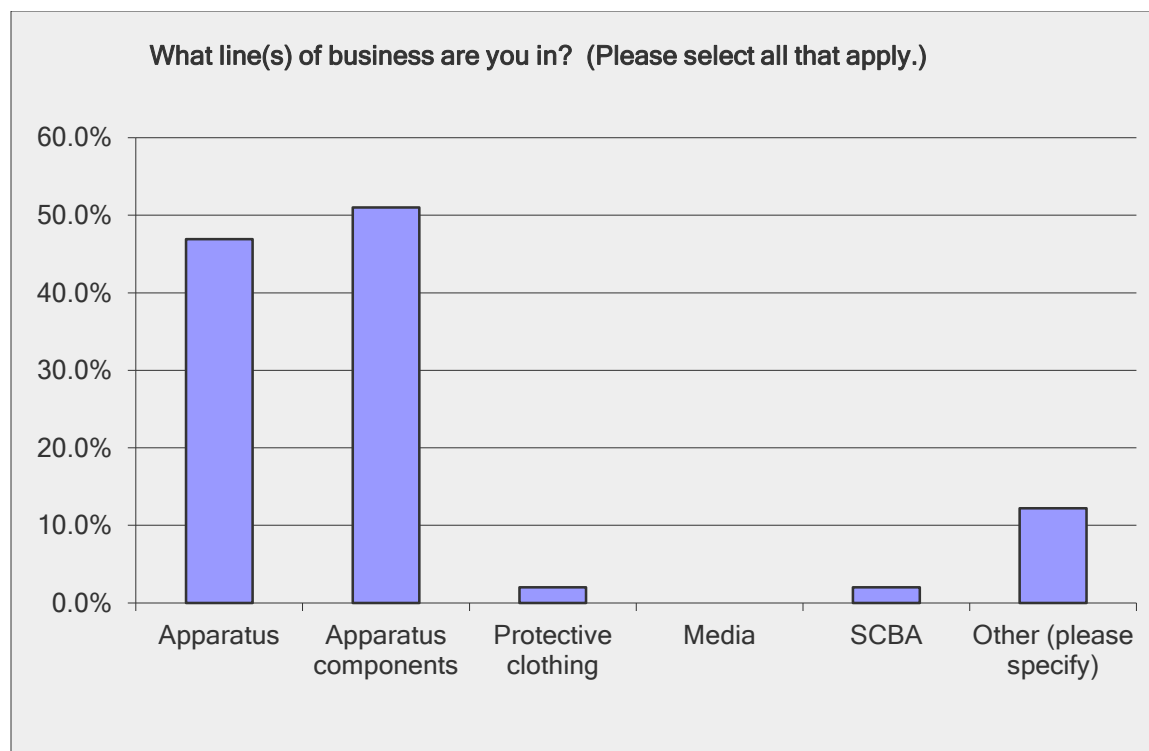
March 2016

2016 FAMA Member Outlook Survey

What line(s) of business are you in? (Please select all that apply.)		
Answer Options	Response Percent	Response Count
Apparatus	46.9%	23
Apparatus components	51.0%	25
Protective clothing	2.0%	1
Media	0.0%	0
SCBA	2.0%	1
Other (please specify)	12.2%	6
<i>answered question</i>		49
<i>skipped question</i>		0

Other (please specify)

manufacture water foam tanks etc.
 Scene Lighting
 Repair
 fire equipment
 Ground Ladders
 Specialty equipment



2016 FAMA Member Outlook Survey

What are the biggest trends which are currently affecting your industry?

Answer Options

Response
Count

43

answered question

43

skipped question

6

Response Text

Price of labor, raw material, increase government regulations

General economy, municipal and fire district budgets.

Budget conscious consumers wanting more for less.

-Lack of funding from the municipalities for our style of product.

-Lower Cost Competition

Material price increases and labor availability

Imports inferior products at low prices

Trends in the market are mass exodus of traditional lighting technologies in favor of new LED technologies. We're seeing a customer base overall more interested in the science behind how lighting technologies work, and willing to listen to more in-depth technical discussions than ever before.

Funding for new vehicles.

Available funding

- For manufacturing, the number one concern has to be the availability of a skilled workforce, especially in the skilled trades. No other challenge is as daunting as finding qualified and skilled labor.

EX headwinds

Aerial business has slowed down due to funding reductions resulting in a increase in pumper sales.

Increased usage of the buy boards to purchase trucks.

Lead times on components from suppliers

As a Canadian manufacturer, the USD/CAD exchange rate.

Healthcare costs, other regulations

Budgets are tight

Global exchange rate for export business

Low oil price - industrial business

Decline in domestic demand

Multi-use vehicle configurations

Finding qualified employees

continuing constrained budgets

Larger apparatus, multi-use

in 2015 towns were hesitant to purchase apparatus. Mid year it seemed like it was loosening up a little. By December it was race to purchase before years end. 2016 has started off very strong and I would forecast this to continue at least into mid year.

Local Jurisdiction Economic Issues, Global Currency Strength/Weakness, and Falling Energy Prices

The cost cutting of municipalities. Also, the end user needs training on how to spec higher level chassis components.

na

Component lead times

Municipal budgets. Will the market for fire apparatus continue to increase?

Oil & gas industry down

Industrial market business being affected by price a barrel and The dollar strength in the world market is softening sales.

More custom apparatus

More change orders

Low Canadian dollar

Health care requirements

Low oil prices

Political uncertainty

Reduced large capacity generator sales (15kW+) due to influx of 12v LED lighting.

Tightening budgets for emergency crews

lack of available people for open positions

Cost of materials; strength of US dollar

no new trends on the horizon

NFPA changes, FEMA grant writing restrictions, Group Purchasing

The return of municipal budgets

Change in government purchasing procedures

Budgets

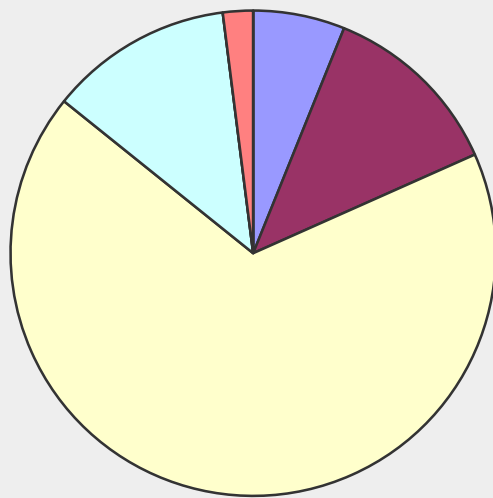
Hi tech, electronic panel items

2016 FAMA Member Outlook Survey

How do you expect your business to change during 2016?

Answer Options	Response Percent	Response Count
Increase over 20%	6.1%	3
Increase 11-20%	12.2%	6
Increase 1-10%	67.3%	33
No change	12.2%	6
Decrease 1-10%	0.0%	0
Decrease 11-20%	2.0%	1
Decrease more than 20%	0.0%	0
<i>answered question</i>		49
<i>skipped question</i>		0

How do you expect your business to change during 2016?



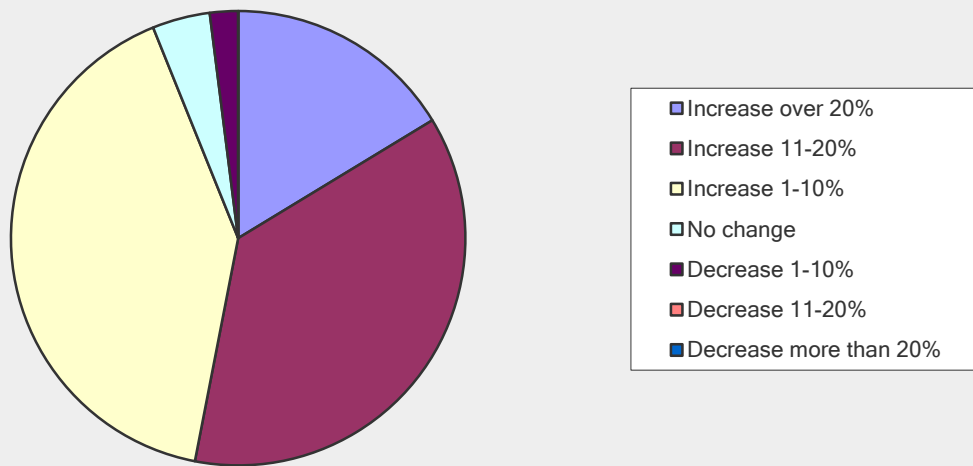
- Increase over 20%
- Increase 11-20%
- Increase 1-10%
- No change
- Decrease 1-10%
- Decrease 11-20%
- Decrease more than 20%

2016 FAMA Member Outlook Survey

How do you expect your business to change over the next three years (2016 - 2018)?

Answer Options	Response Percent	Response Count
Increase over 20%	16.3%	8
Increase 11-20%	36.7%	18
Increase 1-10%	40.8%	20
No change	4.1%	2
Decrease 1-10%	2.0%	1
Decrease 11-20%	0.0%	0
Decrease more than 20%	0.0%	0
<i>answered question</i>		49
<i>skipped question</i>		0

How do you expect your business to change over the next three years (2016 - 2018)?

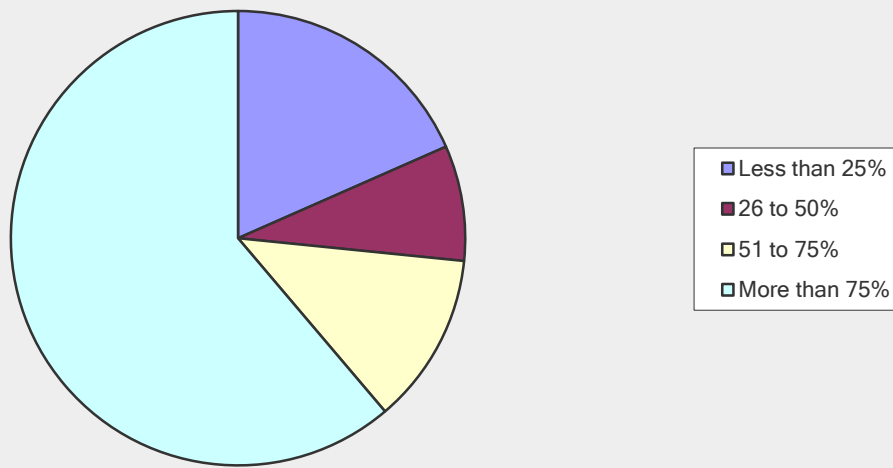


2016 FAMA Member Outlook Survey

What percentage of your business is related to the emergency market?

Answer Options	Response Percent	Response Count
Less than 25%	18.4%	9
26 to 50%	8.2%	4
51 to 75%	12.2%	6
More than 75%	61.2%	30
<i>answered question</i>		49
<i>skipped question</i>		0

What percentage of your business is related to the emergency market?

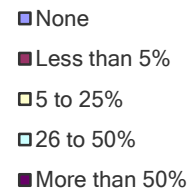
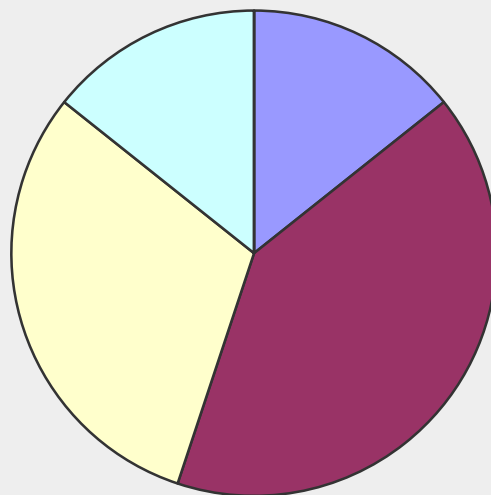


2016 FAMA Member Outlook Survey

What percentage of your sales do exports represent?

Answer Options	Response Percent	Response Count
None	14.3%	7
Less than 5%	40.8%	20
5 to 25%	30.6%	15
26 to 50%	14.3%	7
More than 50%	0.0%	0
<i>answered question</i>		49
<i>skipped question</i>		0

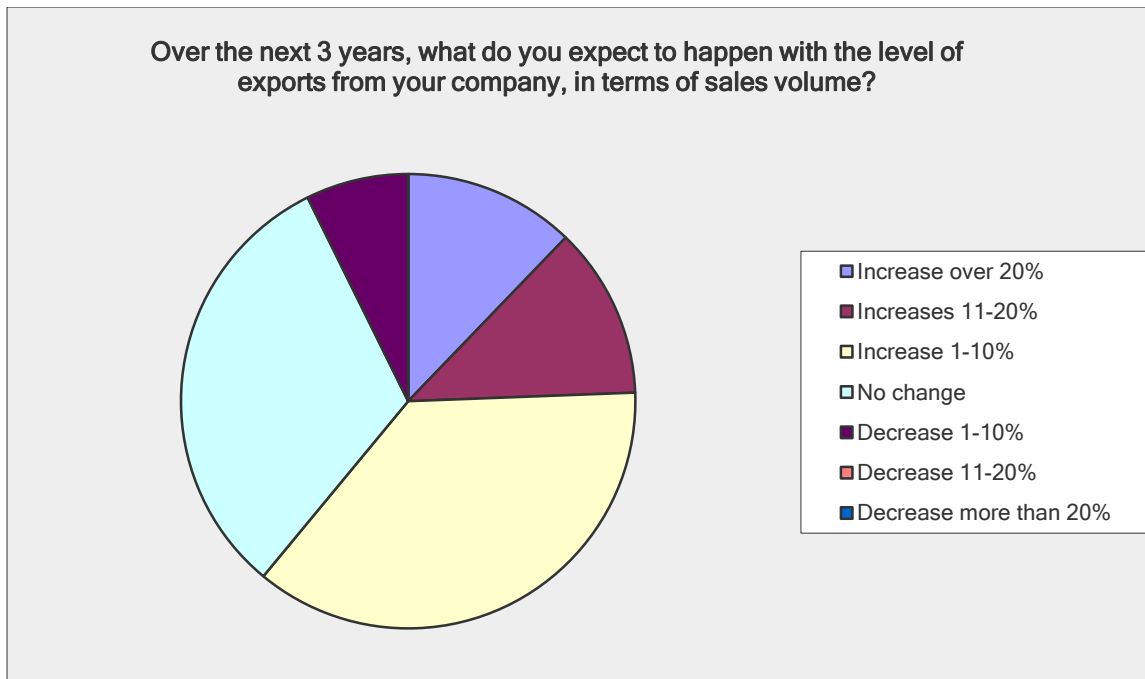
What percentage of your sales do exports represent?



2016 FAMA Member Outlook Survey

Over the next 3 years, what do you expect to happen with the level of exports from your company, in terms of sales volume?

Answer Options	Response Percent	Response Count
Increase over 20%	12.2%	5
Increases 11-20%	12.2%	5
Increase 1-10%	36.6%	15
No change	31.7%	13
Decrease 1-10%	7.3%	3
Decrease 11-20%	0.0%	0
Decrease more than 20%	0.0%	0
<i>answered question</i>		41
<i>skipped question</i>		8



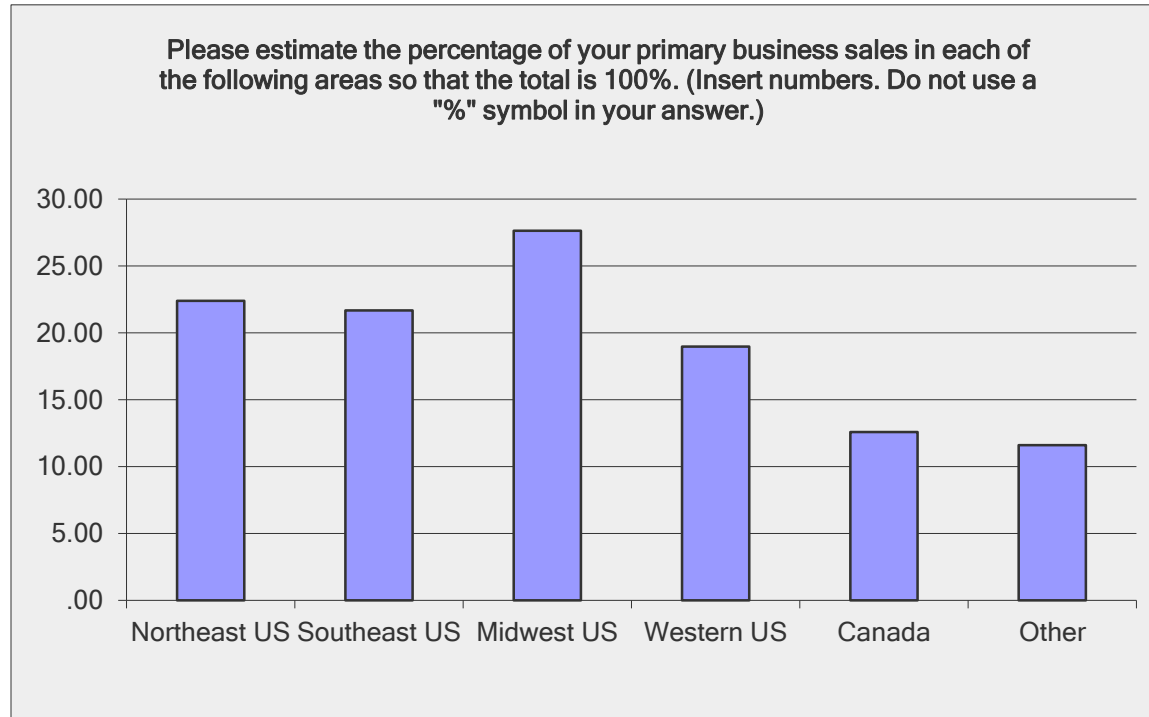
2016 FAMA Member Outlook Survey

Please estimate the percentage of your primary business sales in each of the following areas so that the total is 100%. (Insert numbers. Do not use a "%" symbol in your answer.)

Answer Options	Response Average	Response Total	Response Count
Northeast US	22.39	985	44
Southeast US	21.67	932	43
Midwest US	27.64	1,216	44
Western US	18.98	816	43
Canada	12.58	503	40
Other	11.60	348	30
<i>answered question</i>			48
<i>skipped question</i>			1

Northeast US	Southeast US	Midwest US	Western US	Canada	Other
0	0	0	0	0	100
15	30	30	5	10	10
			100		
14	21	35	5	4	21
10	20	50	10	10	
10	15	30	5	35	5
40	25	25	5	5	
25	35	20	5		15
30	20	25	20	5	
25	10	20	10	30	5
60	10	20	10	0	
20	35	25	10	2	8
75	25				
				100	
10	25	50	10	4	1
			100		
23	17	27	7	11	15
30	40	10	5	10	5
15	65	10	5		5
10	20	50	10	5	5
25	25	15	10	5	20
20	40	25	10	5	
5	60	10	15	5	5
95	5	0	0	0	0
25	20	25	20	5	5
25	25	25	25		
15	15	25	25	20	
15	15	30	30	0	10
		10	80		10
20	25	30	15	10	
5	15	15	65	0	0
30	5	60	5		

30	20	25	15	10	
30	15	25	20	10	
10	10	30	20	15	15
1		1		95	3
10	25	25	25	15	0
15	10	15	15	5	40
22	33	35	5	5	
5	6	75	14	0	0
20	10	50		10	10
20	10	30	20	10	10
5	20	60	5	10	
25	25	18	25	2	5
20	20	25	15	10	10
35	25	20	10	5	5
25	20	30	5	15	5
20	20	55		5	



2016 FAMA Member Outlook Survey

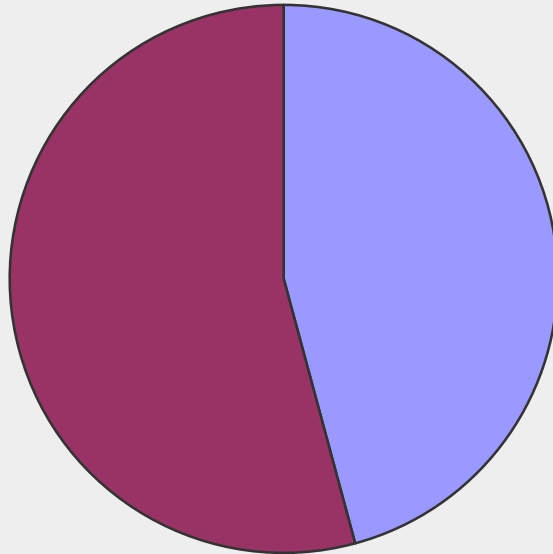
Not including the U.S. and Canada, in what other locations (countries or regions) do you have primary business sales?

Answer Options	Response Percent	Response Count
We do not do primary business sales outside the US and Canada.	45.8%	22
Locations outside the US and Canada:	54.2%	26
	<i>answered question</i>	48
	<i>skipped question</i>	1

Locations outside the US and Canada:

Asia, Australia, Europe, South America, Africa
 Europe, Asia, MENA, South America with sales offices in China and Dubai
 Australia
 Europe, Asia, Australia
 South America
 Australia, Germany, Singapore, Korea
 Europe
 China, Latin America
 Middle East
 South America, Central America, Middle East, Asia
 Asia, Middle East, and South America
 Latin America
 Africa, South America
 Asia
 South America & Middle East
 Middle East, South America
 China, Australia, New Zealand, Latin America
 PPG is a global company
 Distribution partners in over 100 countries worldwide
 South America, Mid East
 china,
 UAE
 Everywhere
 Chile,
 UAE
 Germany
 Australia, Europe, Japan, South Africa
 Asia, Mideast

Not including the U.S. and Canada, in what other locations (countries or regions) do you have primary business sales?



- We do not do primary business sales outside the US and Canada.
- Locations outside the US and Canada:

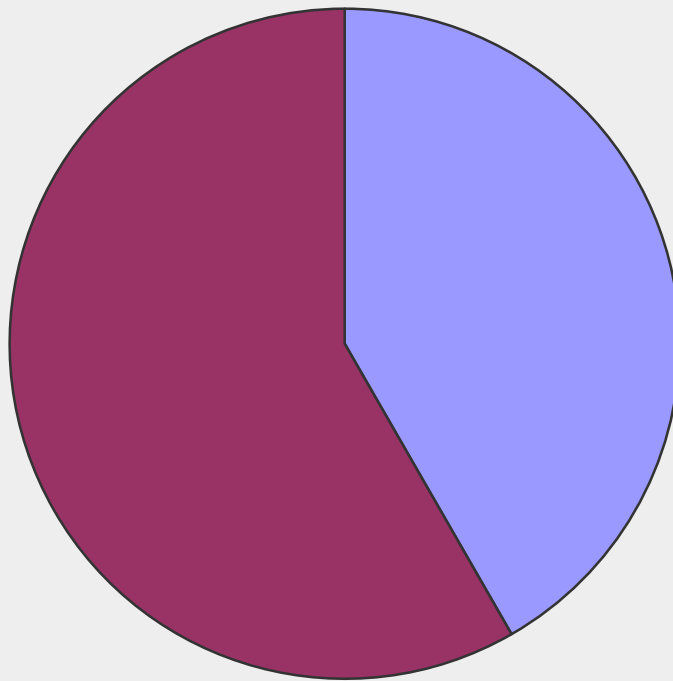
2016 FAMA Member Outlook Survey

Do you sell to the military?		
Answer Options	Response Percent	Response Count
No	41.7%	20
Yes (please indicate percentage of primary business sales)	58.3%	28
<i>answered question</i>		48
<i>skipped question</i>		1

Yes (please indicate percentage of primary business sales)

1
2
10
20
N/A
60
5
2
10
3
5
5
15
5
20
30
15
5
15
2
10
2
5
52
10
2
10
10

Do you sell to the military?



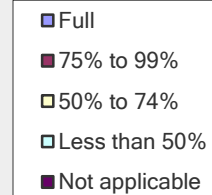
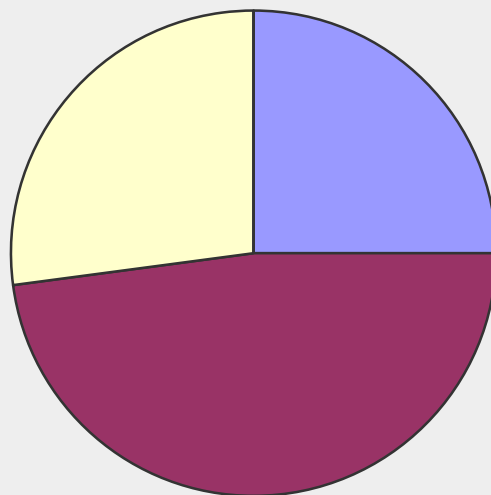
■ No ■ Yes (please indicate percentage of primary business sales)

2016 FAMA Member Outlook Survey

What is your current factory capacity?

Answer Options	Response Percent	Response Count
Full	25.0%	12
75% to 99%	47.9%	23
50% to 74%	27.1%	13
Less than 50%	0.0%	0
Not applicable	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

What is your current factory capacity?

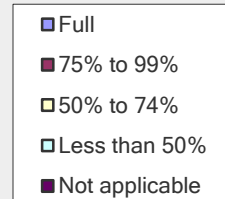
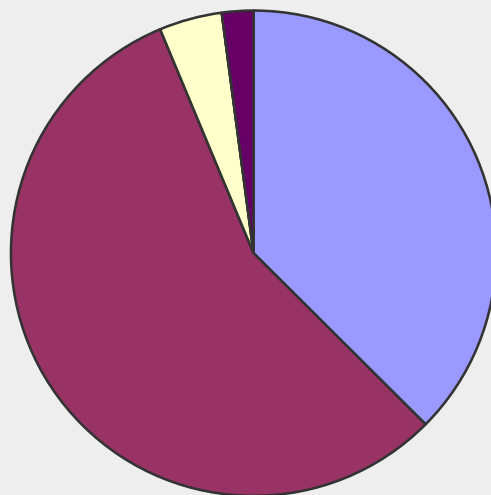


2016 FAMA Member Outlook Survey

What do you anticipate your factory capacity will be in 3 years?

Answer Options	Response Percent	Response Count
Full	37.5%	18
75% to 99%	56.3%	27
50% to 74%	4.2%	2
Less than 50%	0.0%	0
Not applicable	2.1%	1
<i>answered question</i>		48
<i>skipped question</i>		1

What do you anticipate your factory capacity will be in 3 years?

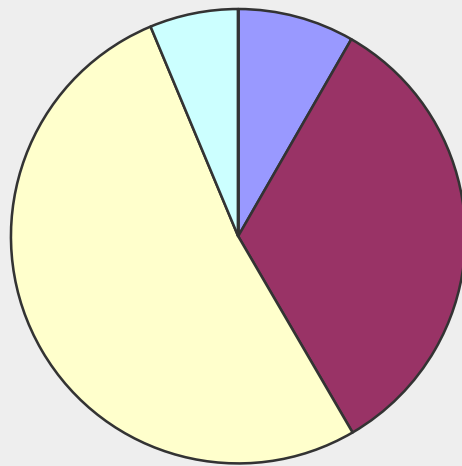


2016 FAMA Member Outlook Survey

What change is expected in the level of capital investment over the next 3 years?

Answer Options	Response Percent	Response Count
Increase over 20%	8.3%	4
Increase 11-20%	33.3%	16
Increase 1-10%	52.1%	25
No change	6.3%	3
Decrease 1-10%	0.0%	0
Decrease 11-20%	0.0%	0
Decrease more than 20%	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

What change is expected in the level of capital investment over the next 3 years?



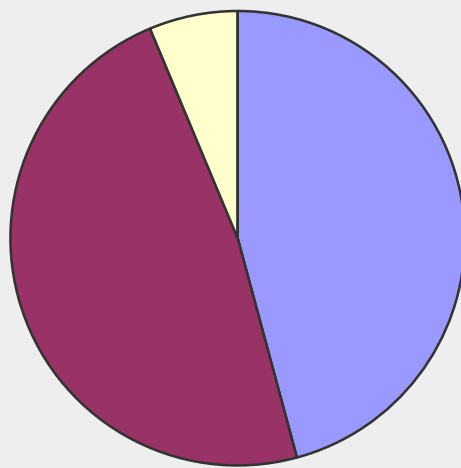
- Increase over 20%
- Increase 11-20%
- Increase 1-10%
- No change
- Decrease 1-10%
- Decrease 11-20%
- Decrease more than 20%

2016 FAMA Member Outlook Survey

What do you expect in terms of product lead times over the next 3 years?

Answer Options	Response Percent	Response Count
They will improve	45.8%	22
They will stay the same	47.9%	23
They will decline	6.3%	3
Not applicable	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

What do you expect in terms of product lead times over the next 3 years?



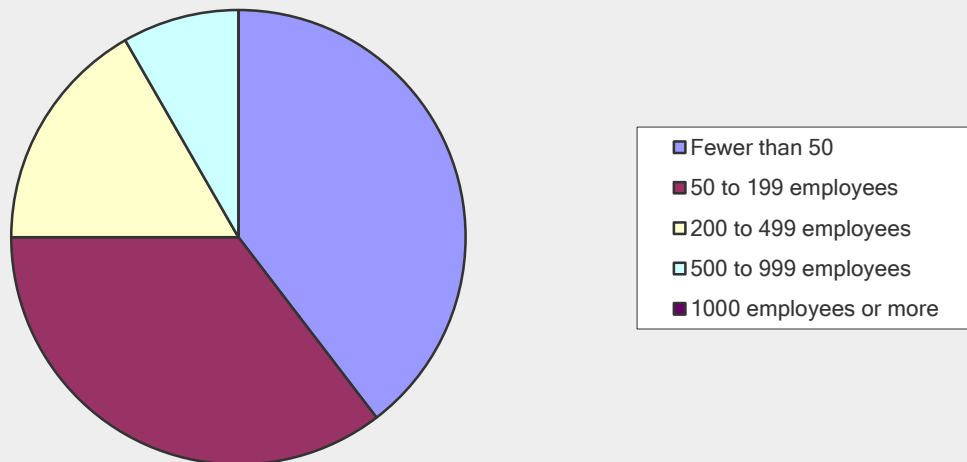
- They will improve
- They will stay the same
- They will decline
- Not applicable

2016 FAMA Member Outlook Survey

How many total employees at your company are involved in fire apparatus or equipment manufacturing?

Answer Options	Response Percent	Response Count
Fewer than 50	39.6%	19
50 to 199 employees	35.4%	17
200 to 499 employees	16.7%	8
500 to 999 employees	8.3%	4
1000 employees or more	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

How many total employees at your company are involved in fire apparatus or equipment manufacturing?

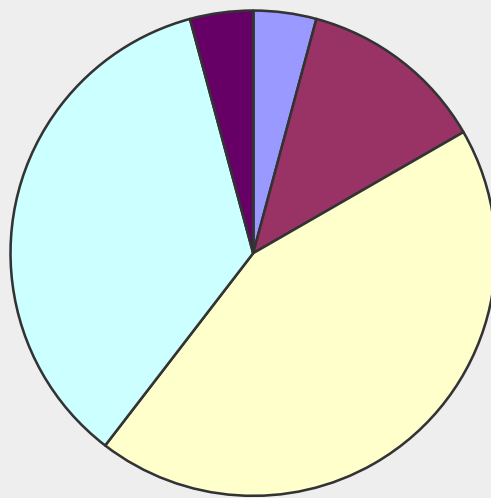


2016 FAMA Member Outlook Survey

What is your planned full-time employment for 2016?

Answer Options	Response Percent	Response Count
Increase over 20%	4.2%	2
Increase 11-20%	12.5%	6
Increase 1-10%	43.8%	21
No change	35.4%	17
Decrease 1-10%	4.2%	2
Decrease 11-20%	0.0%	0
Decrease more than 20%	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

What is your planned full-time employment for 2016?



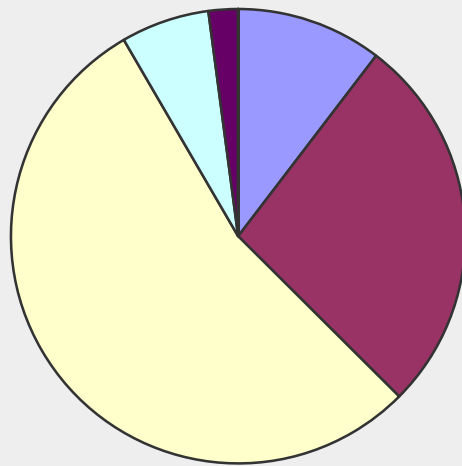
- Increase over 20%
- Increase 11-20%
- Increase 1-10%
- No change
- Decrease 1-10%
- Decrease 11-20%
- Decrease more than 20%

2016 FAMA Member Outlook Survey

How much will employment change at your company over the next 3 years?

Answer Options	Response Percent	Response Count
Increase over 20%	10.4%	5
Increase 11-20%	27.1%	13
Increase 1-10%	54.2%	26
No change	6.3%	3
Decrease 1-10%	2.1%	1
Decrease 11-20%	0.0%	0
Decrease more than 20%	0.0%	0
<i>answered question</i>		48
<i>skipped question</i>		1

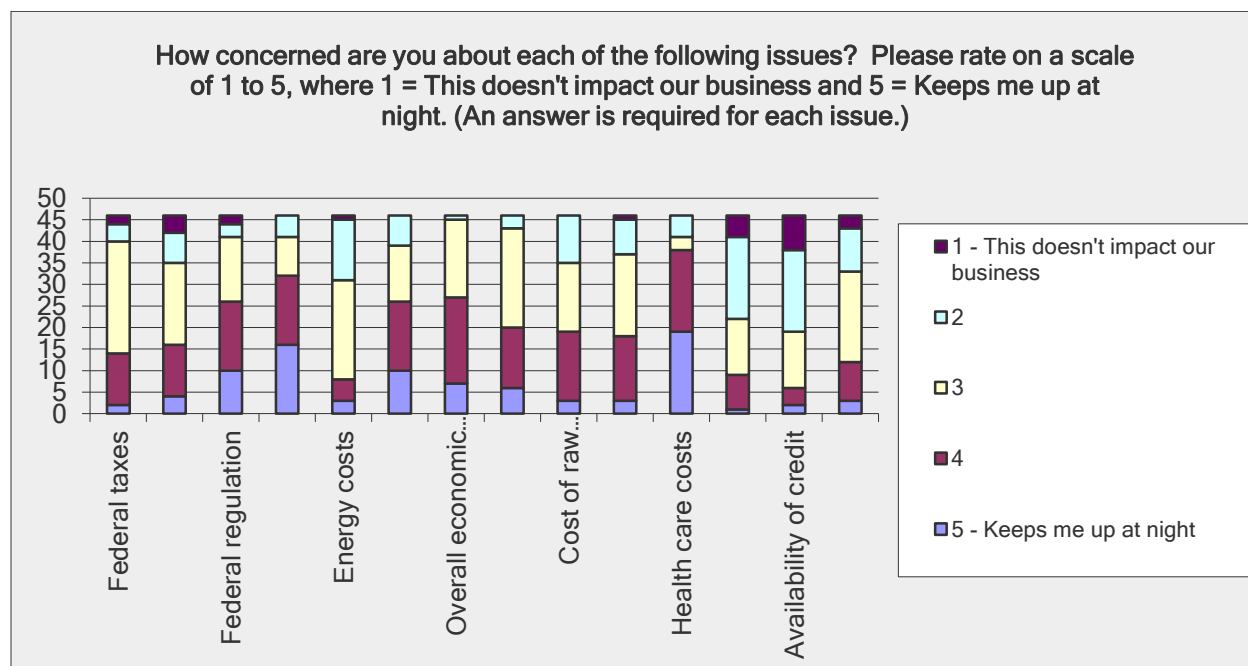
How much will employment change at your company over the next 3 years?



- Increase over 20%
- Increase 11-20%
- Increase 1-10%
- No change
- Decrease 1-10%
- Decrease 11-20%
- Decrease more than 20%

How concerned are you about each of the following issues? Please rate on a scale of 1 to 5, where 1 = This doesn't impact our business and 5 = Keeps me up at night. (An answer is required for each issue.)

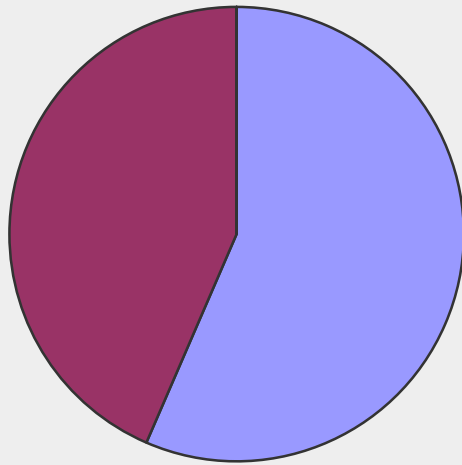
Answer Options	1 - This doesn't impact our business	2	3	4	5 - Keeps me up at night	Response Count
Federal taxes	2	4	26	12	2	46
State/local taxes	4	7	19	12	4	46
Federal regulation	2	3	15	16	10	46
Insurance costs	0	5	9	16	16	46
Energy costs	1	14	23	5	3	46
Funding/budgets	0	7	13	16	10	46
Overall economic conditions/general sales declines	0	1	18	20	7	46
Industry conditions	0	3	23	14	6	46
Cost of raw materials	0	11	16	16	3	46
Product liability and litigation	1	8	19	15	3	46
Health care costs	0	5	3	19	19	46
Housing market	5	19	13	8	1	46
Availability of credit	8	19	13	4	2	46
Competition	3	10	21	9	3	46
<i>answered question</i>						46
<i>skipped question</i>						3



2016 FAMA Member Outlook Survey

What is your opinion on industry consolidation over the next three years?		
Answer Options	Response Percent	Response Count
It will increase	56.5%	26
It will stay about the same	43.5%	20
It will decrease	0.0%	0
<i>answered question</i>		46
<i>skipped question</i>		3

What is your opinion on industry consolidation over the next three years?



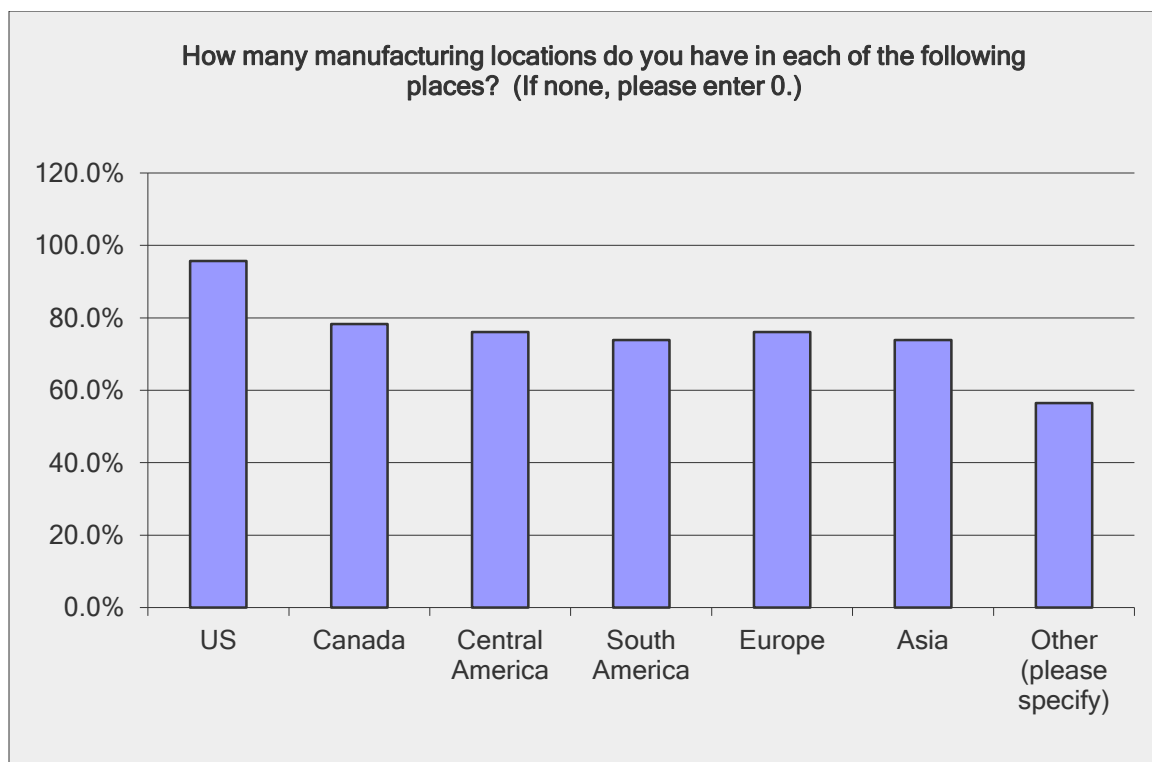
- It will increase
- It will stay about the same
- It will decrease

How many manufacturing locations do you have in each of the following places? (If none, please enter 0.)

Answer Options	Response Percent	Response Count
US	95.7%	44
Canada	78.3%	36
Central America	76.1%	35
South America	73.9%	34
Europe	76.1%	35
Asia	73.9%	34
Other (please specify)	56.5%	26
<i>answered question</i>		46
<i>skipped question</i>		3

US	Canada	Central America	South America	Europe	Asia	Other (please specify)
3						
1	0	0	0	0	0	0
1	0	0	0	0	0	0
4	0	0	0	0	0	0
3		1				
1	1					
1	1	0	0	1	0	0
2	0	0	0	0	2	0
1	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
1	0	0	0	0	0	
	1					
1	0	0	0	0	0	0
1						
1	0	0	0	0	0	0
2	0	0	0	0	0	
1	0	0	0	0	0	0
2	0	0	0	0	0	0
1	0	0	0	0	0	0
4		3	4	6	2	
2						
1	0	0	0	0	0	0
2	0	0	0	0	0	0
15	2	2	1	6	6	
1						
1	0	0	0	0	0	0
2	0	0	0	0	0	0
2						
1	0	0	0	0	0	0
4	2	2	1	4	3	
2				1		
2	0	0	0	0	0	0

3	0	0	0	0	0	0
	1					
3						
1	0	0	0	0	0	
2	0	0	0	0	0	0
1	0	0	0	0	0	0
2						mexico
4	0	0	0	2	0	0
2	0	0	0	0	0	
1	0	0	0	0	0	
1	0	0	0	0	0	0
0	10	0	0	0	0	0
1	0	0	0	0	0	

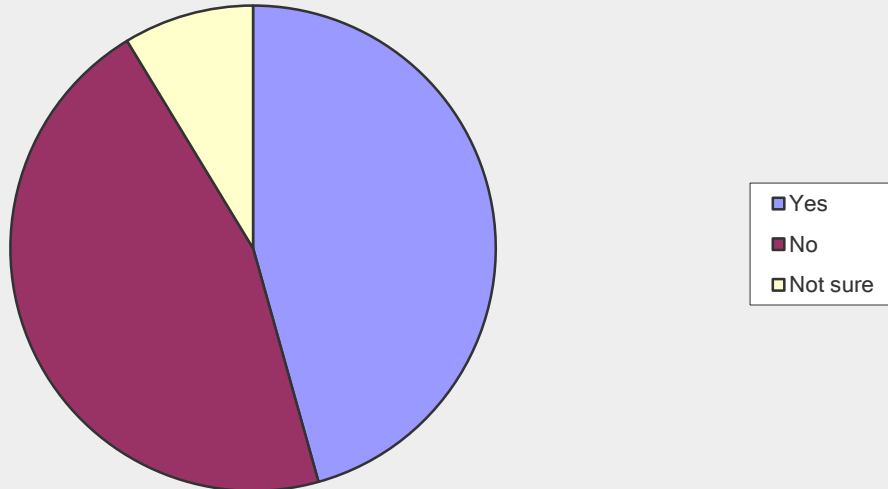


2016 FAMA Member Outlook Survey

Is your business being negatively impacted by the economy?

Answer Options	Response Percent	Response Count
Yes	45.7%	21
No	45.7%	21
Not sure	8.7%	4
<i>answered question</i>		46
<i>skipped question</i>		3

Is your business being negatively impacted by the economy?



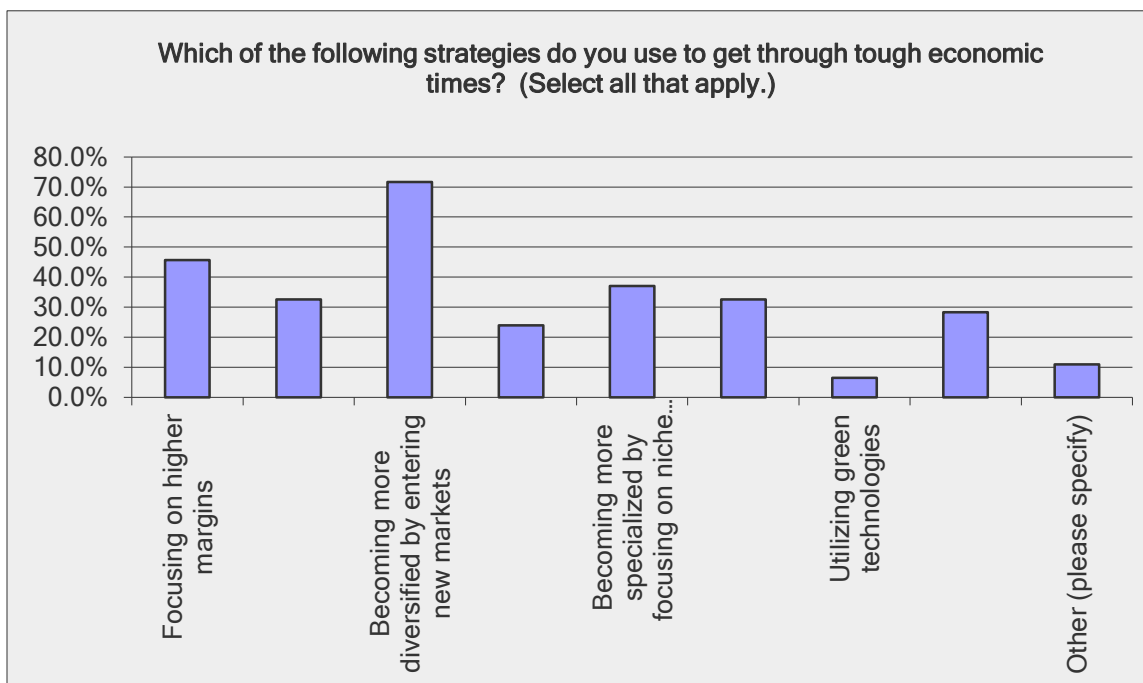
2016 FAMA Member Outlook Survey

Which of the following strategies do you use to get through tough economic times?
(Select all that apply.)

Answer Options	Response Percent	Response Count
Focusing on higher margins	45.7%	21
Becoming a low cost provider	32.6%	15
Becoming more diversified by entering new markets	71.7%	33
Becoming more diversified by entering new markets by focusing on several markets	23.9%	11
Becoming more specialized by focusing on niche markets	37.0%	17
Focusing more on exports	32.6%	15
Utilizing green technologies	6.5%	3
Developing partnerships/outsourcing	28.3%	13
Other (please specify)	10.9%	5
<i>answered question</i>		46
<i>skipped question</i>		3

Other (please specify)

Controlling internal expenses and overhead
Operate as lean as possible
increasing sales efforts
increase marketing on product value
manage smart



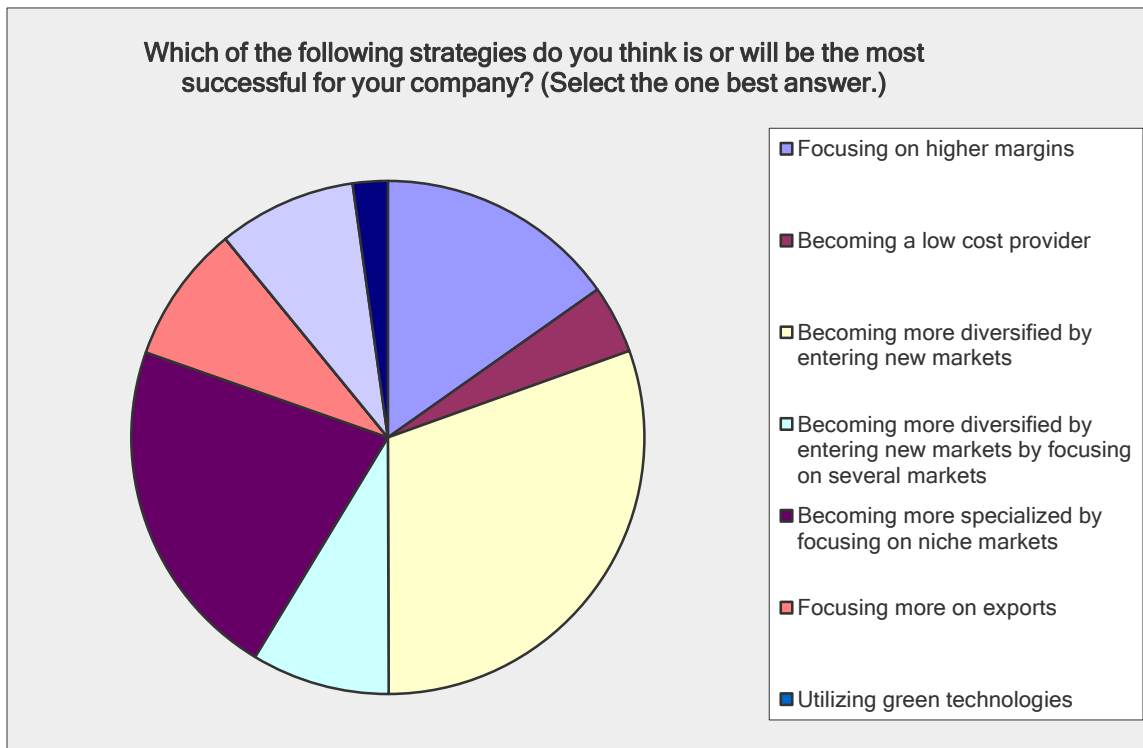
2016 FAMA Member Outlook Survey

Which of the following strategies do you think is or will be the most successful for your company? (Select the one best answer.)

Answer Options	Response Percent	Response Count
Focusing on higher margins	15.2%	7
Becoming a low cost provider	4.3%	2
Becoming more diversified by entering new markets	30.4%	14
Becoming more diversified by entering new markets by focusing on several markets	8.7%	4
Becoming more specialized by focusing on niche markets	21.7%	10
Focusing more on exports	8.7%	4
Utilizing green technologies	0.0%	0
Developing partnerships/outsourcing	8.7%	4
Other (please specify)	2.2%	1
answered question		46
skipped question		3

Other
(please
specify)

increase marketing on product value



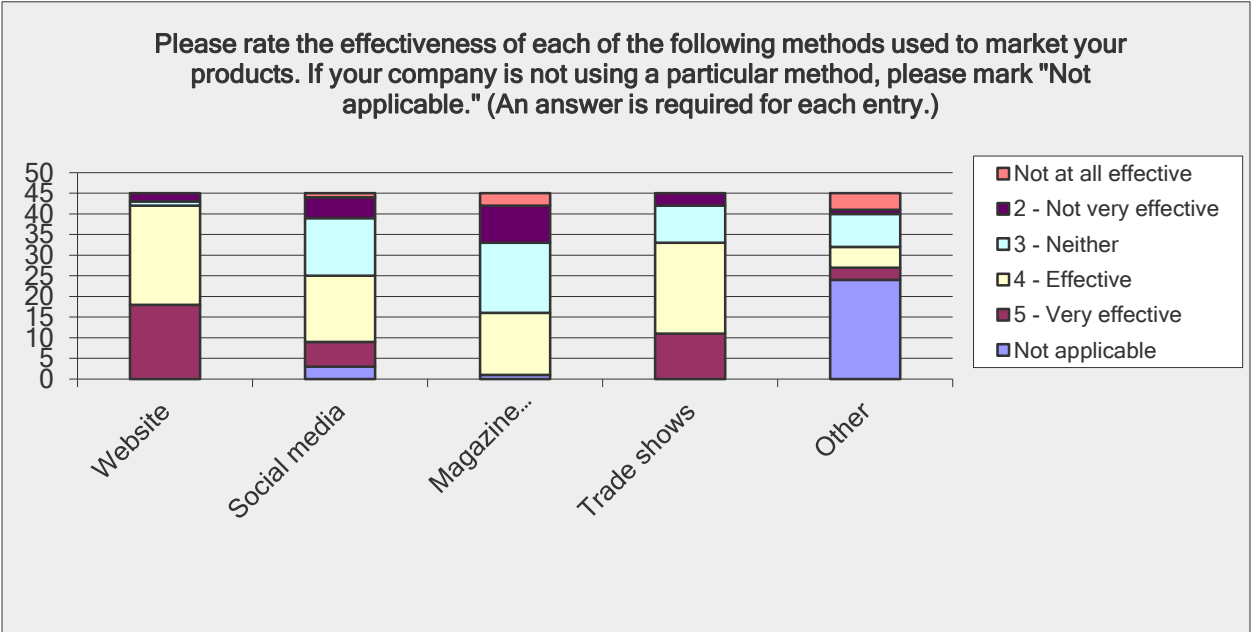
2016 FAMA Member Outlook Survey

Please rate the effectiveness of each of the following methods used to market your products. If your company is not using a particular method, please mark "Not applicable." (An answer is required for each entry.)

Answer Options	Not at all effective	2 - Not very effective	3 - Neither	4 - Effective	5 - Very effective	Not applicable	Response Count
Website	0	2	1	24	18	0	45
Social media	1	5	14	16	6	3	45
Magazine advertisements	3	9	17	15	0	1	45
Trade shows	0	3	9	22	11	0	45
Other	4	1	8	5	3	24	45
Specify "other":							9
answered question							45
skipped question							4

Specify "other":

- Sales people
- Word of mounth
- Customers calling
- Direct Mail, Video Push, Audio Newsletters
- Demonstration units
- factory visits
- Online advertisements
- direct sales staff
- n/a



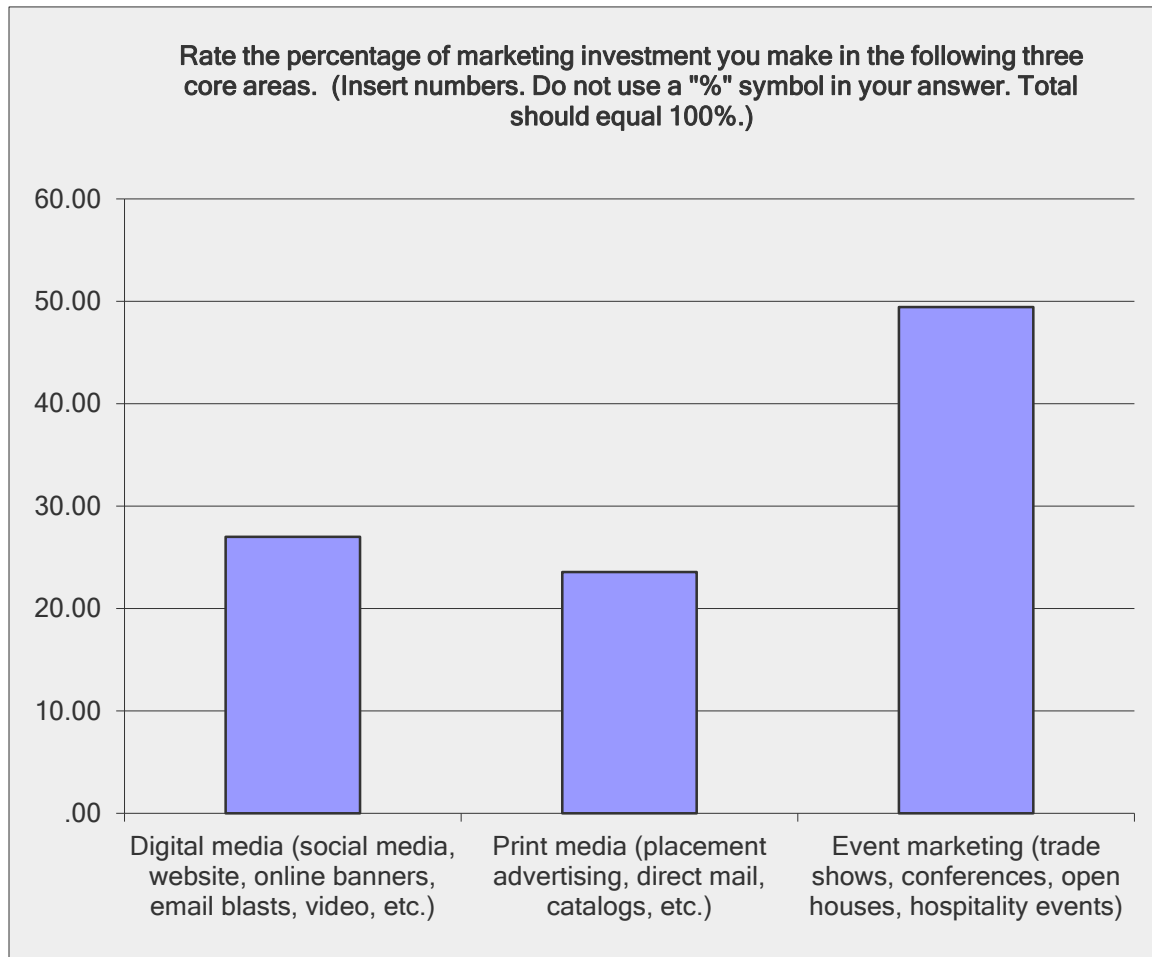
2016 FAMA Member Outlook Survey

Rate the percentage of marketing investment you make in the following three core areas. (Insert numbers. Do not use a "%" symbol in your answer. Total should equal 100%.)

Answer Options	Response Average	Response Total	Response Count
Digital media (social media, website, online banners, email blasts, video, etc.)	27.00	1,215	45
Print media (placement advertising, direct mail, catalogs, etc.)	23.56	1,060	45
Event marketing (trade shows, conferences, open houses, hospitality events)	49.44	2,225	45
<i>answered question</i>			45
<i>skipped question</i>			4

Digital media (social media, website, online banners, email blasts, video, etc.)	Print media (placement advertising, direct mail, catalogs, etc.)	Event marketing (trade shows, conferences, open houses, hospitality events)
30	40	30
60	35	5
50	10	40
15	15	70
5	5	90
20	15	65
20	40	40
10	5	85
0	25	75
25	25	50
30	20	50
40	30	30
0	10	90
90	10	0
20	40	40
5	15	80
20	40	40
25	50	25
5	10	85
40	20	40
20	40	40
40	40	20
25	25	50
25	35	40
10	10	80
40	20	40

15	15	70
50	10	40
30	30	40
40	30	30
50	10	40
25	40	35
20	30	50
15	25	60
30	60	10
15	5	80
35	15	50
10	10	80
5	5	90
50	10	40
5	20	75
40	40	20
20	20	60
40	30	30
50	25	25



2016 FAMA Member Outlook Survey

Finally, what value do you gain as a member of FAMA or FEMSA?	
Answer Options	Response Count
	32
<i>answered question</i>	32
<i>skipped question</i>	17

Response Text

Relationships, reports, and a feel for the industry.
 Statistics, Government Representation & Customer Relationships/Networking
 Networking opportunities, visibility within the industry, opportunity to give back to the fire service.
 Net working
 Recognition as legitimate player in the emergency services industry; differentiation from the hundreds of Chinese importers with no niche specialties, ability to network with executives of both competition and customers at events to break down some of the traditional barriers to access
 FAMA
 Multiple benefits. All positive.
 Networking, partnership formation, technical education, and comradery
 Meeting people within our industry (networking).
 Friendships
 Learning more about our industry.
 This is a great organization to belong to for anyone involved in the fire industry.
 Networking
 Networking, industry information, industry standards and regulations
 Increased visibility to our OEM customers
 Marginal to good
 FAMA
 ?
 Staying in better touch with the heartbeat of our major market.
 Networking and statistics
 Networking & industry support.
 Lots
 Market Intel Great Food Wonderful Friends
 Get to know others
 keep up to date on regulations
 Statistics

networking, info on markets, meeting suppliers

Not a lot other than some networking.

Networking

Adds level of professionalism to our product line

Social connection to our OEM customers (in a non trade show environment) and stats provided from FAMA

networking

Contacts and market data

Statistics and Networking

Industry insight. General sales trends.

definitely get my monies worth

Very favorable. Good friends, industry leaders, learning market trends, share information.