

Spotlight Interview: Linda Montfort



Linda Montfort, AMT

Founded in 1902, the **Association for Manufacturing Technology (AMT)** represents and promotes the interests of American providers of manufacturing technologies. Its goal is to promote technological advancements and improvements in the design, manufacture and sale of members' products in the global marketplace and act as an industry advocate on trade matters to governments and trade organizations throughout the world.

In this month's Spotlight Interview, we talk with **Linda Montfort, AMT's vice president of Finance & Human Resources**, about the current economic situation and the problems facing its members.

What are some of the problems that you are hearing from AMT members?

The main problem is getting credit to run their businesses. The machine tool industry needs cash upfront to build equipment. With more complex machines, it may take many months to complete a project. Even with progress payments, machine tool companies still have to incur considerable debt to finance their business. In the past, we have been able to find "manufacturing-friendly" banks, but currently so many banks are being ultra conservative that it is very difficult to obtain credit.

Compounding the problem is the difficulty that our members' customers are having in accessing credit. Over half the orders our

members have quoted in the past couple of months have run into problems because of credit availability. In fact, nearly 60 percent of our members are financing their customers' purchases to keep the business opportunity alive.

Traditionally the automotive industry has been the biggest market for machine tools. With the current state of the automotive industry, what other industries are your members targeting?

First of all, we believe that a strong domestic automotive industry is essential for the machine tool industry and to help put America back on the road to economic recovery. We are lobbying the government to support the restructuring and rebuilding of the U.S. automobile industry. Outside of the automotive industry, our members are targeting medical equipment, energy, heavy equipment, appliances, and aerospace.

What can the government do to help domestic machine tool manufacturers?

We would like our industry be a part of the overall stimulus package and to receive investment. We believe this Administration can help stimulate the economy and encourage an immediate capital equipment investment by extending the 50 percent bonus depreciation tax credit. Another major area is the corporate tax rate and the death tax. We want to see a reduction in the corporate tax rate, and we are lobbying to permanently reform the death tax, as many of our members' companies are privately-held, family-owned businesses.

Healthcare reform is an area where AMT has lobbied for reform for many years. U.S. manufacturers, not just the machine tool industry, are at a cost disadvantage compared to our overseas competitors, where the provision and cost of healthcare is a government responsibility and not that of an individual employer. At a minimum, we would like to see legislation that would allow AMT to offer health insurance for our members. The majority of our members are small companies that do not enjoy the volume discounts available to larger organizations.

What are the current opportunities for U.S. machine tool companies in China?

The Chinese market has been affected by the global slowdown. It's still growing, but not as much as before. Machine tool companies are still doing business in China. However, our members are still faced with many obstacles. For example, companies that manufacture highly-sophisticated machinery are often faced with the challenges of securing export control licenses and visa permits. These challenges can often hamper a company's ability to secure sales opportunities.

AMT has three offices in China (Beijing, Shanghai and Guangzhou) and a technology and service center in Shanghai that provides our members with office space and a machine demo area. With the current state of the domestic market, companies need to seriously consider exporting to remain viable.

Why should a machine tool company join AMT?

We are a group of experts in our field supporting and enhancing the activities of American manufacturers. We gather and distribute information about domestic and foreign markets and act as the industry's spokesperson on trade matters to governments and organizations throughout the world.

As a member of AMT, one has the opportunity to meet people from all over the world and cultivate relationships that lead to sales, trade opportunities, and joint ventures. AMT also provides assistance with exporting products and establishing a presence in the global marketplace. AMT members can tap into the experience of our staff, make use of AMT offices and marketing initiatives globally, join trade missions, and participate in an exclusive free Business Strategy Review that helps member companies understand their business and market opportunities.