



2021-22 Midterm Report





Jeff Hand
President & CEO
ROSS Controls
2021-22 Chair of NFPA
Board of Directors

NFPA Continues to Strengthen the Fluid Power Industry

Halfway through NFPA's fiscal year, we have seen growth in a number of areas within the association as well as within the industry. Sales have picked up again for a number of our member companies, and a number of NFPA's programs have set the groundwork for enhanced value and reach. Through this time of change and growth, our focus remains on the four essential value propositions that our members find most essential.

In our efforts to create an **Effective Forum**, we have struck a balance between virtual and in-person events and activities to meet the needs of our membership.

The next opportunity is the 2022 Annual Conference, taking place February 22-24, 2022 in Phoenix, Arizona, which will feature enhanced learning and networking opportunities for industry leaders as well as a virtual option for those who can't travel but wish to view the presentations. Registration is open at NFPAHub.com/Events.

Other highlights from the past six months include:

- Two successful Quarterly Conferences, each engaging a record number of members in new technical content.
- The conclusion of our inaugural Executive Leadership Program cohort, an interactive learning experience for Future Leaders, conducted in collaboration with the Kellogg School of Management. Applications are open for the second cohort, and more information will be released in the coming months.
- Dozens of ongoing ISO and ANSI standardization meetings, helping to ensure close collaboration with customers on their use of fluid power.

In our efforts to provide timely **Industry Statistics**, we have provided members with market data and intelligence to help improve their business decision making. We have continued our strong participation in key programs and provided valuable updates to enhance them.

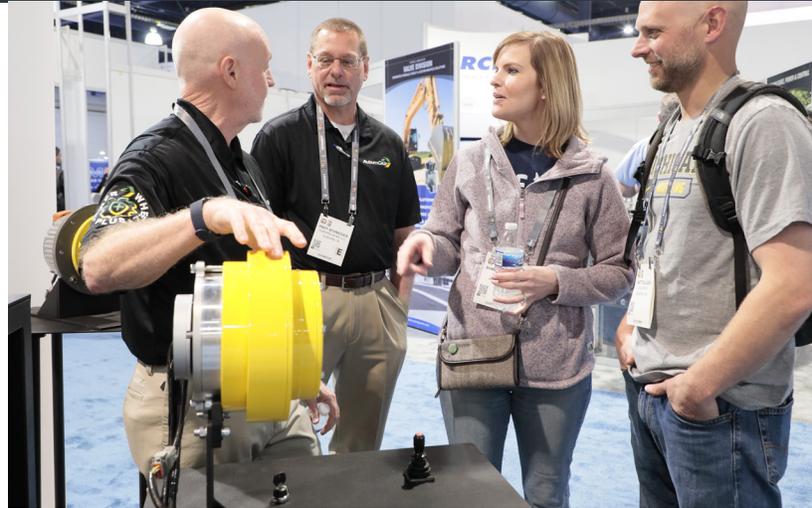
Other highlights include:

- A successful return to in-person programming at the 2021 Industry and Economic Outlook Conference, which also provided valuable live-streamed content for virtual attendees and an enhanced platform for presentation replay for all who attended.
- A number of updates to report content layout and analysis to make them easier to use and more valuable to NFPA members as they use them to plan for 2022.
- Enhancements to the Business Intelligence program, which now has a content library available to members at NFPAHub.com with reports from past surveys of NFPA membership. The program aims to bring valuable information to decision makers on emerging issues for which formal data programs don't currently exist.

In our efforts to help you **Promote Fluid Power**, we are continuing to provide members with opportunities and resources to promote themselves and their fluid power technologies.

To help better spread the word about key advances in our industry, NFPA has focused on:

- Publication of the 2021 update to the Technology Roadmap, a document which identifies fluid power's strengths as well as broad capability improvements for the fluid power industry to work towards to better serve and expand its customer markets.
- Publication of the new Fluid Power Industry Brief, formerly the Annual Report of the U.S. Fluid Power Industry, a shareable resource that informs customers and the general public about the strengths and advantages of fluid power technology.
- Continued growth and promotion of our Fluid Power Forum podcast – now with 60+ episodes and more than 14,000 downloads.
- A new education program initiative targeting trade shows in key customer markets. To date, fluid power education programs have been placed in the 2021 World Ag Expo and 2021 Utility Expo on-demand offerings, and submissions have been created for additional trade shows in 2022.



In our efforts to build an **Educated Workforce**, we have focused on our key workforce development programs while working to aggressively scale and expand to reach additional communities across the country, including those that are underserved.

Activities have included:

- The recognition of two new Power Partner Universities, Milwaukee School of Engineering and Iowa State University, for their continued commitment to fluid power education and industry connection.
- The expansion of the Fluid Power Vehicle Challenge to more than 20 teams from schools across the country, including schools that have previously not had much involvement in NFPA's programs.
- Making plans for additional Fast Track Hubs across the country. Existing Hubs are in Wisconsin and Illinois, and a third Hub is expected to launch within the next year.

This Midterm Report showcases some of our successes over the past year in all of our strategic initiatives, as well as some of the new programs we're building for the future.



Page through this report for the highlights so far this year, and visit NFPAHub.com/Midterm-2021-22 for additional resources.



Make the Right Connections



NFPA provides an effective fluid power forum where NFPA members, OEMs, and related technology partners connect and advance our collective interests.

Bringing More Members into the Fold

It's never been easier to get more of your employees connected to NFPA benefits. Any employee at an NFPA company is eligible to get access to NFPA's Market Information and attend NFPA events. The hybridization of many of NFPA's events has made it even easier for more individuals at NFPA member companies to take advantage of the networking and content, whether in-person or online. Be sure to share opportunities as they arise with others in your company.

In addition to getting more people at existing member companies involved, we have seen growth in membership numbers overall. In addition to a number of trial members that are trying select benefits before moving on to full membership, the following companies have signed up for membership since July 2021:

- A.W. Chesterton
- Elwood Corporation
- Guangdong Ishino Technology Co Ltd
- Idemitsu Lubricants Americas
- MHA Zentgraf Corporation
- Motion & Flow Control Products
- New Dimensions Precision Machining
- OPS Controls
- VIS Hydraulic North America

Know of a company that would benefit from NFPA membership? Refer them for membership and get a free conference registration when they join. Contact Denise Husenica at dhusenica@nfpa.com for more.

Connecting Members to Opportunities

NFPA continues to bring together the fluid power supply chain partners - manufacturers, distributors and suppliers - by connecting industry leaders through NFPA's conferences, regional events, as well as other engagement opportunities with NFPA committees and special interest groups like the NFPA Future Leaders Network and Roadmap Committee.

NFPA is committed to serving our member companies through a menu of services that fits a wide-range of needs and interests, yet also offers individual engagement opportunities.

In 2021, NFPA pivoted to bring members together both in-person and virtually at many of our events, such as the Annual Conference and Industry and Economic Outlook Conference. The virtual setting has enabled member companies to encourage others within their organizations to participate in the many events and committees here at NFPA. We expect to continue to offer members hybrid networking events in 2022.

>> Visit [NFPAHub.com/Events/](https://www.nfpa.com/Events/) to take advantage of NFPA networking and learning opportunities.



NFPA members also get the opportunity to share and grow their expertise with other like-minded professionals.

Continuing to Move Fluid Power Standards Forward

A total of 16 **standards development** subcommittees and working groups met virtually throughout the month of October. Over 100 fluid power engineers from Italy, Sweden, France, Germany, Turkey, Poland, Switzerland, United Kingdom, Japan, Sweden, China, Portugal, and the United States came together in meetings focused on terms and symbols, product testing, hydraulic installations and systems, cylinders, sealing devices, treatment of air and pneumatic component reliability.

TC 131 is responsible for 237 published standards, with 33 currently under development. Work continues to ballot, publish, reaffirm, update/revise or withdraw fluid power standards.

The virtual setting has enabled a number of experts in the U.S. technical advisory groups to join international experts at the standards development table.

If you would like to join one of the working groups here in the U.S., attend a meeting, and/or learn more about the development of fluid power ISO standards, contact Denise Husenica at (414) 778-3354 or email dhusenica@nfpa.com.

>> Visit NFPA.com to learn more about these and other committee opportunities.



"I use the majority of the learned topics a lot and I believe my leadership skills overall improved. I even hear from co-workers and team members that they notice a positive impact. I believe the cohort will have a future relationship that otherwise wouldn't be possible."

*—Christian Eitel, Vice President of Engineering – BH North America, Bucher Hydraulics
2020-21 Executive Leadership Program Participant*



Growing Leadership Capabilities within Member Companies

Twenty-one future industry leaders graduated from the inaugural cohort of the **NFPA Executive Leadership Program**, presented in collaboration with the Kellogg School of Management at Northwestern University. The final session took place in conjunction with the 2021 Industry & Economic Outlook Conference.

Registration for the second program cohort is now open, and session titles and dates will be available in the coming months.

The program will consist of a series of 13 total education sessions over the course of 24 months and is designed to provide a fluid power industry-specific experience that accelerates leadership and fosters long-term connections. Session content will focus on both the hard and soft skills needed to create success for participants' organizations and the fluid power industry as a whole.

NFPA Future Leaders Network participants as well as other emerging leaders, directors, officers, and senior executives at NFPA member companies will benefit from taking part.

>> Learn more about the NFPA Executive Leadership program on NFPA.com.

Understand the Fluid Power Marketplace

NFPA provides its members with timely and accurate industry statistics and business intelligence that supports improved decision-making.

Providing More Value Through the Stats Toolkit

NFPA's Stats Toolkit was recently updated to be able to include preliminary data, making what users see one month more recent in the data presented. That combined with an intuitive interface, easy setup process and ability to save custom reports helps users benchmark company performance, identify leading indicators and create custom forecasts.

Toolkit applications include:

- **Market Trends** – analyze and compare data series to identify trends and benchmark performance.
- **Market Share** – identify company/product market share and industry segmentation.
- **Correlation Analysis** – use lead/lag relationships to discover leading indicators and recognize trend relationship.
- **U.S. Forecasting** – create domestic shipment and order projections using a customer market weight allocation model.
- **Global Forecasting** – create global shipment and order projections using a country/region weight allocation model.

>> *Learn more about and register for the Stats Toolkit on NFPAHub.com/Stats.*

Planning Your Next Move

The **Customer Market File** helps members take measure of the fluid power supply chain with key customer market data, leading economic indicators, and producer pricing statistics, all within a single Excel file. This popular file now includes new built-in trend indicators in a dashboard-like format for easier and quicker use. Members can now more easily track changes, identify trends and develop projections. The report is a useful resource for your own internal needs as well as with NFPA's Stats Toolkit to increase your company's data analysis capabilities.

Watch for more improvements like this in coming months as we work to update the various data items available on the Market Information site to bring more value to members.

Getting Timely Business Intelligence

With past survey result reports now available on the NFPA Market Information website, NFPA's **Business Intelligence** survey series has steadily grown to help provide members with timely information not otherwise covered in existing programs. Contact Pete Alles at palles@nfpa.com for more information.



Market Reports and Data Programs

Participation-based programs: Participation in these programs is needed to receive these reports.



The Confidential Shipments Statistics (CSS) Program presents data on monthly orders and shipments and helps users understand trends and anticipate

change in the industry. Data is collected from participating manufacturers, compiled by a third party to maintain confidentiality, and results are then only sent to CSS participants.



The State of the Fluid Power Industry Survey is a quick and easy electronic survey designed to identify monthly industry expectations based on the opinions of

participants using multiple choice questions concerning the current and future state of the industry. There is a version for manufacturers and another for distributors. Participants receive results from both surveys.



The Customer Market Survey provides analysis of fluid power customer market and sales channel segmentation. This survey is conducted among NFPA member

companies every year. The survey's fluid power sales data is collected through an independent market research firm to maintain confidentiality. Only survey participants have access to the annual results.

Non-participation-based programs: Reports are available to all NFPA members.



Customer Market File is a monthly file containing data and trend graphs for several key U.S. customer markets, popular economic indicators, and

producer pricing. The data can be used for your company's internal analysis needs and is easily transferred into analytical tools such as NFPA's Stats Toolkit.



Global Market Reports and Forecasts are a collection of reports covering our global marketplace, from high-level macro data and leading indicators to very

detailed analysis and forecasts of popular customer markets, including specific by-country analyses and forecasts. The report is done by Oxford Economics.



NFPA Forecast: U.S. Customer Markets is a quarterly report by ITR Economics and includes an outlook, trend graph, and commentary on the current year and two

years ahead for fluid power, hydraulics, pneumatics, and 29 customer markets, plus articles and insights into other economic events, topics, overviews, indicators, and questions.



The Annual Survey of Fluid Power Manufacturers includes fluid power market and product-level shipment dollar data for the U.S. fluid power industry, making

it an indispensable tool for determining market size, share and segmentation.



International Trade Data is collected by the U.S. Census Bureau, Foreign Trade Division and is summarized with a particular focus on fluid power products. This report also

includes country-by-country breakouts. The report is semiannual.



The U.S. Fluid Power Regional Demand Estimates Report profiles the geographic distribution of fluid power products to end-use industries by state, including fluid

power sales dollars, sales percentage, and number of establishments.

Reach More Customers



Making Fluid Power More Visible at Trade Shows

Part of NFPA's mission is to provide opportunities and resources for its members to promote the unique strengths and inherent advantages offered by modern fluid power technology. To this end, a **new education program strategy targeting trade shows** in key customer markets is set to add to our existing menu of fluid power promotional programs and help further push fluid power content to targeted customer audiences. To date, fluid power education programs have been placed in the 2021 World Ag Expo and 2021 Utility Expo on-demand offerings, and submissions have been created for additional trade shows in 2022. Watch for updates as this program continues to develop and take shape.

Fluid power's top trade show, **IFPE 2023** is slated for March 14 -18, 2023 in Las Vegas, Nevada. Planning is underway and space is already being allocated to exhibitors who have applied for space. The show will again serve as a platform for highlighting fluid power in front of potential customers through exhibits on the show floor as well as through forward-thinking education programs on up-and-coming technologies and more. To learn more about the show or to reserve your space, please visit IFPE.com

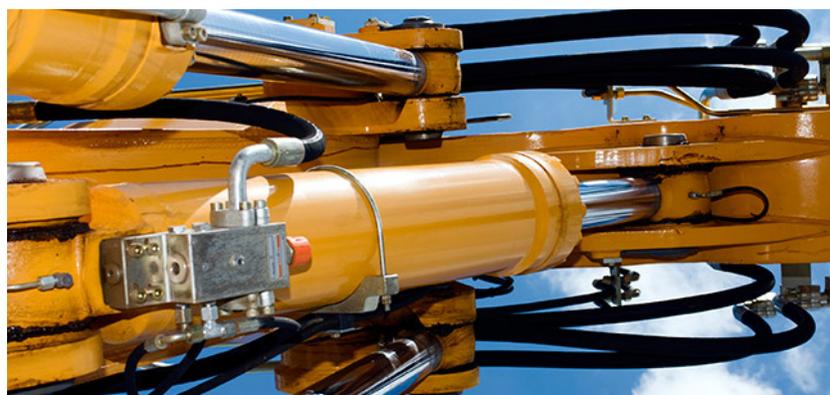
NFPA provides opportunities and resources for its members to promote the unique strengths and inherent advantages offered by modern fluid power technology.

Providing the Latest Information About Fluid Power Technology

Now more than 14,000 downloads strong, **Fluid Power Forum** is a fluid power industry-focused podcast that highlights the people, technologies, and unique applications that are moving the industry forward. New episodes are released every other Monday and are available on all of your favorite podcast platforms. *Leave us a review to let us know how we're doing, and reach out to Maddie Parise at mparise@nfpa.com if you'd like to be on the podcast.*

In August 2021, NFPA published the latest update to the **NFPA Technology Roadmap**, the document that provides an industry consensus on the pre-competitive research objectives that are needed for fluid power to stay competitive. Reflecting the changing marketplace, the Roadmap identifies both new customer needs and new fluid power capability improvements in order to meet those needs. *Copies of the new Roadmap can be downloaded at NFPA.com, and NFPA representatives are available to present on Roadmap topics at member company events and conferences.*

The **U.S. Fluid Power Industry Brief** (formally known as the Annual Report on the U.S. Fluid Power Industry) is a comprehensive compilation of the statistics and facts fluid power professionals need to know about our industry, such as size and growth trends, downstream impact of fluid power companies and our industry's swift response to the COVID-19 pandemic. This brief is an excellent way to educate peers, customers and students on the immense value of our industry and the crucial role fluid power plays in the U.S. economy. *Copies can be downloaded at NFPA.com.*



NFPA helps increase the number of technical college and university students educated in fluid power and connects them to careers in the fluid power industry.

Getting Industry Donors Involved

The **Pascal Society** is the annual giving society of the NFPA Education and Technology Foundation—a tax-exempt, charitable organization dedicated to meeting the workforce development needs of the U.S. fluid power industry. So far this year, Pascal Donors have taken part in various opportunities in order to connect with students through NFPA programs that their donations support. Donors have visited classrooms (in-person and virtually) to talk with students about fluid power careers through NFPA’s Speaker’s Bureau program, they have attended Industry Connection events at MSOE, Purdue and Iowa State University, and they have volunteered to mentor university teams in the Fluid Power Vehicle Challenge program. Even more will judge the Vehicle Challenge Midway Reviews and Final Competition in April 2022.



NFPA
Education and
Technology
Foundation

24 members from **14**
companies serving as Fluid Power
Vehicle Challenge mentors

Impact the Future of the Industry



Supporting Internship Programs

NFPA has launched an **Internship Support Program** to help members find qualified candidates who are interested in fluid power and help students get directly connected to fluid power internships, co-ops and full-time jobs.

Through this program, NFPA is offering up to \$5,000 to help support NFPA member company fluid power internship/co-op programs.

NFPA staff will collect applications and resumes from students interested in fluid power and provide members who apply to the program with information on quality candidates for their open positions. If a member hires one of the students, they will receive \$5,000 from NFPA to help cover costs.

To be eligible, a company must:

- Be an NFPA member
- Have a quality, fluid power internship or co-op program up and running at the company.

So far, six member companies have applied, and student applications are starting to be collected.



“We’re only as good as our people, and the fact the NFPA is focusing on making sure that talent pipeline is built and available for us is super important, and that’s one of the biggest benefits.”

–Dan Ricklefs, Global Marketing Director, Danfoss



Connecting Local Schools and Industry

The **NFPA Fast Track to Fluid Power** is as a workforce development pathway that partners local technical colleges, industry professionals and middle/high school teachers and students and provides training that leads to careers in fluid power. The pathway covers multiple education levels in the community:

- First is a community-wide Fluid Power Action Challenge event. The Action Challenge serves as an introduction to fluid power and is a competition that challenges middle school students to solve an engineering problem using fluid power.
- Second is equipping local high school classrooms with fluid power training equipment.
- Third is the technical school with a validated fluid power curriculum.

The local network of industry partners connecting with teachers and students is also extremely important. Fast Track would not be successful without industry mentors getting students interested and eventually recruiting them when they graduate.

Right now, we have two Fast Track communities. One is headquartered at Waukesha County Technical College in Wisconsin and the other is Triton College in Illinois. Local NFPA members inspire students to make their way down the Fast Track path into an exciting fluid power career. Work has started on launching more Fast Track communities around the country where students and industry would both greatly benefit.

Enhancing Fluid Power Education at Universities

The sixth annual **NFPA Fluid Power Vehicle Challenge** is underway. A welcome addition to this year’s program was a Networking Mixer intended to bring students and industry together to discuss career opportunities and project plans. Over 90 people attended that event. With a record number of participating teams, two final competition events will be held this cycle. The first will be hosted by Danfoss Power Solutions in Ames, Iowa on April 20-22, and the other will take place the following week, hosted by Norgren in Littleton, Colorado on April 27-29, 2022.

This year has also seen growth in **Fluid Power Club** participation. The program is designed to help university students learn about fluid power technology and get connected to NFPA members to learn about career opportunities in fluid power. So far, 10 clubs at universities across the country are participating in the program.

The **NFPA University Power Partner Program** is a recognition program designed to showcase universities that actively participate in all NFPA fluid power educational programs. As of today, there are three schools recognized by the program: Iowa State University, Milwaukee School of Engineering and Purdue University. Their industry connections events were held in fall of 2021 and connected dozens of students and industry members.



Improve your business and the industry. Getting more out of your NFPA membership is simple.

Get Involved

Grow your network at an NFPA event

- >> Visit [NFPAHub.com/Events](https://www.nfpa.com/Events) to learn about upcoming events.

Build and share your expertise on an NFPA committee or as a Future Leader

- >> Contact Joe Zwier at jzwier@nfpa.com to find the right opportunity for you.

Improve your business with NFPA's market information resources

- >> Visit [NFPAHub.com/Stats](https://www.nfpa.com/Stats) to access reports and data.

Keep up with industry trends

- >> Visit [NFPA.com](https://www.nfpa.com) to check out and share the Fluid Power Forum podcast, Technology Roadmap, the Fluid Power Industry Brief, and more.



Support the future of the industry by donating money, equipment, time or expertise

- >> Visit [NFPA.com](https://www.nfpa.com) or contact workforce@nfpa.com to explore donation and engagement opportunities.

Check out the supplemental resources for more

- >> Visit [NFPAHub.com/Midterm-2021-22](https://www.nfpa.com/Midterm-2021-22) or scan the QR code for additional resources.



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POWER of **Association**