

Five forces — precision machining, regional market

**FORCES ASSESSED**  
**5 of 5**  
12 indicators — all five covered

**STRONGEST FORCE**  
**Buyer power**  
mean 4.5 across 2 indicators

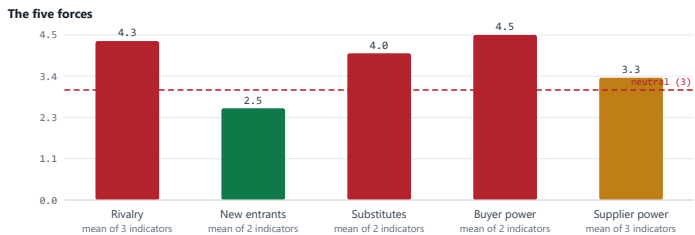
**INDUSTRY ATTRACTIVENESS**  
**Tough**  
mean of the five force means 3.73

**ON LOW CONFIDENCE**  
**1**  
evidence homework before the next review

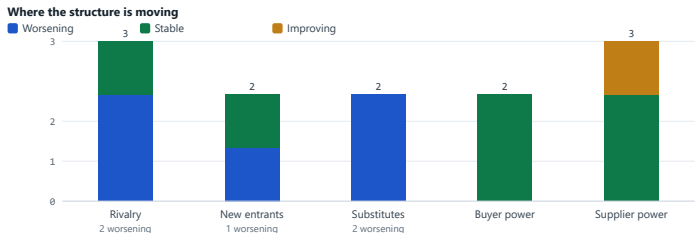
**WORSENING**  
**5**  
indicators moving against the industry

**HIGH PRESSURE, NO RESPONSE**  
**0**  
every high-pressure indicator has a response

12 of 12 record(s) included. All records. Amounts in USD.



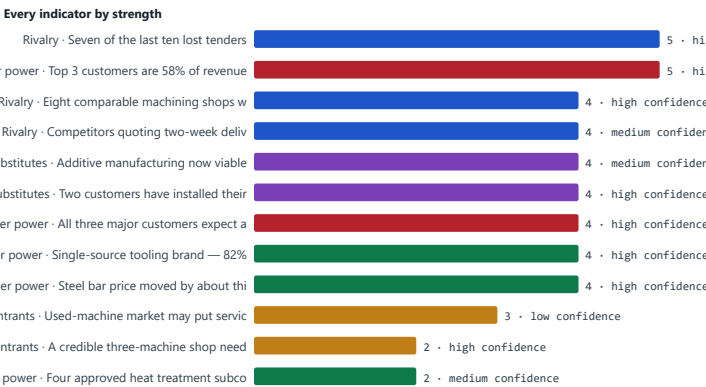
Each bar is the plain average of the 1–5 ratings filed under that force, so it is only as good as the indicators beneath it. Three is neutral: bars above it are where the industry takes profit out of you, bars below it are where the structure works in your favour. Each bar is the plain average of the 1–5 ratings filed under that force, so it is only as good as the indicators beneath it. Three is neutral: bars above it are where the industry takes profit out of you, bars below it are where the structure works in your favour.



A moderate force with every indicator worsening will hurt you sooner than a high force that is easing. This chart counts indicators, not weight — read it alongside the force means. A moderate force with every indicator worsening will hurt you sooner than a high force that is easing. This chart counts indicators, not weight — read it alongside the force means.

Force by force

| FORCE                   | INDICATORS | MEAN STRENGTH | PRESSURE CLASS | WORSENING | LOW CONFIDENCE | TOP INDICATOR                                                        |
|-------------------------|------------|---------------|----------------|-----------|----------------|----------------------------------------------------------------------|
| Competitive rivalry     | 3          | 4.3           | High pressure  | 2         | 0              | Seven of the last ten lost tenders were decided on price alone (5)   |
| Threat of new entrants  | 2          | 2.5           | Low            | 1         | 1              | Used-machine market may put serviceable capacity within reach of (3) |
| Threat of substitutes   | 2          | 4.0           | High pressure  | 2         | 0              | Additive manufacturing now viable for the low-volume prototype p (4) |
| Buyer power             | 2          | 4.5           | High pressure  | 0         | 0              | Top 3 customers are 58% of revenue (5)                               |
| Supplier power          | 3          | 3.3           | Moderate       | 0         | 0              | Single-source tooling brand — 82% of tooling spend with one supp (4) |
| Industry attractiveness | 12         | 3.73          | Tough          | 5         | 1              | Mean of the five force means                                         |



The individual facts behind the force means, strongest pressure first. The twenty highest are drawn. A force mean is worth arguing with when one indicator is carrying it on its own. The individual facts behind the force means, strongest pressure first. The twenty highest are drawn. A force mean is worth arguing with when one indicator is carrying it on its own.



An analysis built mostly on assumptions produces exactly the same tidy chart as one built on ledgers and contracts. The difference only shows here. An analysis built mostly on assumptions produces exactly the same tidy chart as one built on ledgers and contracts. The difference only shows here.

The analysis

| FORCE                  | INDICATOR                                                              | STRENGTH | CONFIDENCE | TREND     | WHAT IT IMPLIES                                                                              | RESPONSE                                                                                     | OWNER              |
|------------------------|------------------------------------------------------------------------|----------|------------|-----------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------|
| Competitive rivalry    | Seven of the last ten lost tenders were decided on price alone         | 5        | High       | Worsening | Where the drawing is unambiguous and the volume is decent, buyers treat the shops as inte... | Move the mix toward work that cannot be tendered on price alone — first-article support, ... | Sales lead         |
| Competitive rivalry    | Eight comparable machining shops within 100 km                         | 4        | High       | Stable    | Any buyer of standard three-axis work has seven alternatives to us within an easy drive, ... | Stop bidding for plain capacity work. Compete where the shop list is shorter: multi-axis,... | Managing director  |
| Competitive rivalry    | Competitors quoting two-week delivery on work that took six weeks last | 4        | Medium     | Worsening | Shortening quoted lead times across the region is the visible sign of spare capacity. Whe... | Protect our own lead time as the differentiator: ring-fence one machine for short-notice ... | Operations manager |
| Threat of new entrants | Used-machine market may put serviceable capacity within reach of a sta | 3        | Low        | Worsening | If good second-hand machines are genuinely available at a fraction of new, the capital ba... | Before the next planning round, get three completed auction results and one dealer valuat... | Engineering lead   |
| Threat of new entrants | A credible three-machine shop needs substantial capital before it can  | 2        | High       | Stable    | Machines, tooling, metrology, foundations and a year of working capital sit between an am... | Keep at least part of the mix on work that needs five-axis capability and inspection equi... | Managing director  |
| Threat of substitutes  | Additive manufacturing now viable for the low-volume prototype parts w | 4        | Medium     | Worsening | Printed parts do not replace production machining, but they take the one-off and sub-ten-... | Withdraw from sub-ten-off prototype work deliberately rather than by attrition. Price pro... | Sales lead         |
| Threat of substitutes  | Two customers have installed their own machining capacity              | 4        | High       | Worsening | In-sourcing is the substitute that matters most in this industry: the customer does not s... | Take schedule risk off the customer: held stock on repeat lines, a call-off agreement, an... | Managing director  |
| Buyer power            | Top 3 customers are 58% of revenue                                     | 5        | High       | Stable    | Losing any one of the three would remove roughly a fifth of the loading, and they know th... | Two new accounts at eight per cent of revenue or more within twelve months; no single cus... | Managing director  |
| Buyer power            | All three major customers expect an annual price reduction of two to t | 4        | High       | Stable    | The reduction is written into two of the three supply agreements and assumed in the third... | Fund the price-down from documented cost-out projects and concede it only on the parts wh... | Finance manager    |
| Supplier power         | Single-source tooling brand — 82% of tooling spend with one supplier   | 4        | High       | Stable    | Holders, adaptors and programmed feeds are all standardised on one brand, so a price rise... | Qualify a second insert supplier on the two highest-consumption grades this quarter, and ... | Purchasing         |
| Supplier power         | Steel bar price moved by about thirty per cent within eighteen months  | 4        | High       | Stable    | Material is a large enough share of cost on turned parts that a swing of this size wipes ... | Material clause in every quotation valid beyond sixty days, and contract stock held on th... | Purchasing         |
| Supplier power         | Four approved heat treatment subcontractors within the region, three u | 2        | Medium     | Improving | Where there is a real choice of subcontractor, the supplier has no leverage: lead times a... | Keep all four approvals live even where volume does not require it — the option is what h... | Quality manager    |

Indicator register

| ANALYSIS                              | FORCE   | INDICATOR                                                                   | STRENGTH | CONFIDENCE | SOURCE                                                                   | TREND     | OWNER              | ASSESSED   | PRESSURE      | WEIGHT                  |
|---------------------------------------|---------|-----------------------------------------------------------------------------|----------|------------|--------------------------------------------------------------------------|-----------|--------------------|------------|---------------|-------------------------|
| Precision machining — regional market | Rivalry | Eight comparable machining shops within 100 km                              | 4        | High       | Trade directory cross-checked against names seen on tender lists         | Stable    | Managing director  | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Rivalry | Seven of the last ten lost tenders were decided on price alone              | 5        | High       | Lost-order log, last twelve months, with buyer feedback recorded on each | Worsening | Sales lead         | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Rivalry | Competitors quoting two-week delivery on work that took six weeks last year | 4        | Medium     | Quoted lead times seen in three shared tenders plus customer comments    | Worsening | Operations manager | 2026-07-26 | High pressure | Partial – some evidence |

| Analysis                              | Force          | Indicator                                                                               | Strength | Confidence | Source                                                                                                     | Trend     | Owner             | Assessed   | Pressure      | Weight                  |
|---------------------------------------|----------------|-----------------------------------------------------------------------------------------|----------|------------|------------------------------------------------------------------------------------------------------------|-----------|-------------------|------------|---------------|-------------------------|
| Precision machining — regional market | New entrants   | A credible three-machine shop needs substantial capital before it can quote our work    | 2        | High       | Current list prices for equivalent machines, plus our own installation costs from the last purchase        | Stable    | Managing director | 2026-07-26 | Low           | Full – hard data        |
| Precision machining — regional market | New entrants   | Used-machine market may put serviceable capacity within reach of a start-up             | 3        | Low        | Two auction listings seen online; no completed sale prices confirmed                                       | Worsening | Engineering lead  | 2026-06-30 | Moderate      | Indicative – assumption |
| Precision machining — regional market | Substitutes    | Additive manufacturing now viable for the low-volume prototype parts we used to machine | 4        | Medium     | Two customers moved prototype work to in-house printers this year; revenue traced through the sales ledger | Worsening | Sales lead        | 2026-07-26 | High pressure | Partial – some evidence |
| Precision machining — regional market | Substitutes    | Two customers have installed their own machining capacity                               | 4        | High       | Site visits; machines seen installed at both, within the last eighteen months                              | Worsening | Managing director | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Buyer power    | Top 3 customers are 58% of revenue                                                      | 5        | High       | Sales ledger, invoiced revenue over the last four quarters                                                 | Stable    | Managing director | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Buyer power    | All three major customers expect an annual price reduction of two to three per cent     | 4        | High       | Signed supply agreements and the last two annual price letters                                             | Stable    | Finance manager   | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Supplier power | Single-source tooling brand — 82% of tooling spend with one supplier                    | 4        | High       | Purchase ledger analysis by supplier, last full year                                                       | Stable    | Purchasing        | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Supplier power | Steel bar price moved by about thirty per cent within eighteen months                   | 4        | High       | Purchase records for the three main bar grades since the start of last year                                | Stable    | Purchasing        | 2026-07-26 | High pressure | Full – hard data        |
| Precision machining — regional market | Supplier power | Four approved heat treatment subcontractors within the region, three used this year     | 2        | Medium     | Approved supplier list and purchase history for the last                                                   | Improving | Quality manager   | 2026-07-26 | Low           | Partial – some evidence |

| ANALYSIS | FORCE | INDICATOR | STRENGTH | CONFIDENCE | SOURCE        | TREND | OWNER | ASSESSED | PRESSURE | WEIGHT |
|----------|-------|-----------|----------|------------|---------------|-------|-------|----------|----------|--------|
|          |       |           |          |            | twelve months |       |       |          |          |        |

Notes

Sample analysis of a regional subcontract machining market. Every indicator, rating and response is illustrative — replace them with your own evidence before this informs a decision. The used-machine line is deliberately left at low confidence to show what the homework list looks like.

This is a structured judgement about an industry at one point in time, not a measurement and not a forecast. The tool averages the ratings you entered; it has no knowledge of your market, your competitors or your accounts, and it cannot tell a hard number from an impression. A five forces analysis describes where profit is hard to hold — it does not say whether your business will hold it. A tough industry with a defensible niche still beats an attractive one with no position in it, and an attractive industry attracts entrants, which is how it stops being attractive.