

Central Michigan Manufacturers Association Quarterly Newsletter

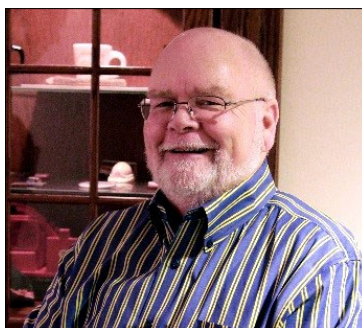
Feb 2017

From the President

-James Shoemaker, Jr.

Hello from Florida!! Karen and I sure do miss our manufacturing friends, but we are happy to leave the Michigan weather to all of you fine folks.

One day, we met another couple and got to talking about manufacturing. They both were retired and had worked in the insurance industry during their entire careers. Well, it was obvious that they, as well as most people, had the wrong impression of manufacturing and clearly did not have the facts to support their impressions. As we talked over a couple of beers I spoke to them about the “myths” that surround our industry. I thought I would share these with all of you.



Myth #1 – A job in manufacturing is no longer a ticket to the middle class.

Fact: On average a job in manufacturing pays 20% more than a full-time service sector job.

Myth #2 – You can outsource manufacturing as long as the design work stays in Michigan.

Fact: The best innovation takes place when design teams are integrated with production teams.

Myth #3 – Domestic manufacturing cannot compete with China.

Fact: US manufacturing workers are almost 6 times as productive as Chinese workers.

Myth #4 – Manufacturing jobs are repetitive and low-skilled.

Fact: Today's manufacturing workers operate complex machines, use math, and understand how to maximize efficiency.

I keep a card in my wallet with these and other manufacturing facts. I encourage all of you to become more vocal in advocating careers in manufacturing using facts. These myths are preventing many of our youth from seeking careers in industry. Get out and spread the word!

James W. Shoemaker, Jr.

UPCOMING EVENTS:

**CMMA Annual
Membership Renewal
Dues**
Mt. Pleasant
April 1

Best Practices Tour
Remus
Bandit Industries
June (TBD)

**Annual Scholarship
Golf Outing**
Shepherd
Maple Creek
July 13

From the Executive Director

Harry Leaver

Let's hear it for our Associate Members!

While our membership is dominated by manufacturing businesses, we should not overlook the importance of our associate members.

Who are these associate members? They are: accounting firms, raw material providers, banks and credit unions, schools, colleges and universities, energy providers, machine and equipment providers,



recyclers, cities and counties, chambers of commerce, state agencies, training specialists, economic development agencies, parts and services providers, insurance providers, and, security services providers. And in the future there may be other groups added.

Some of our members wear two hats. They are both manufacturers and associate members. Examples of this include Alro Steel, Fair Salvage, and Grand Traverse Container.

All of these members are integral to our business success. Whether they are providing you raw materials, maintaining your inventory of fasteners, filling your gas and welding supplies, or managing your financial needs, they all contribute to your success.

Our regional economy is an "Ecosystem". It takes deliberate and efficient interaction of all of us to achieve the optimal results. As you look at your business' success or lack of, think about how associate members can contribute and make a positive impact.

When the CMMA was launched, a Tag Line was created that should resonate with all of us.

"Business is easier when we work together!"

Wage Survey

On February 20th, a wage survey was sent out to each of your companies. The last survey done was in 2015. The participation level was very low. Why don't members complete the survey?

Too much work? The amount of time required to complete the survey is a maximum of a few hours. The return on your investment of time is significant.

No perceived value? Interestingly, one of the main things that attract new members is their interest in being able to receive the kind of information the survey contains. So we know it has tremendous value.

Fear that they are giving away competitive information? All responses are treated with complete confidentiality. Everything is aggregated. There is no way anyone looking at the survey results can connect them to any participating company.

Your inputs are important. We ask you to take the time and complete the survey. The more inputs we receive, the more accurate the final report will be. The due date for completing the survey is not until the end of April. We encourage you to not wait until the last minute to do this. Set a goal to have it done by the end of March.

Regards,

Harry Leaver

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Associate Member Block Party—February 22nd



In January, we invited all of our Associate Members to participate in the first ever “Block Party” that totally focused on them. We also reached out to all of our Manufacturing Members encouraging them to attend and take the opportunity to get to know our Associate Members.

We’re very pleased to see such a wonderful turnout for this event. 26 Associate Members had table displays and more than 160 people attended. The evening concentrated on “Networking” with the exception of 12 minutes (where you were forced to listen to me). The food and refreshments were excellent and everyone had a great time.

I made a point of stopping by every Associate Member table at least once during the night. All of them were very pleased with the event. They were appreciative that the CMMA provided a venue where they could showcase what they offer. Several asked if we can do this again in the future.

I also talked to many of the manufacturers in attendance. They were all very happy that they came. In fact, many stated they wished they would have brought along more of their management team, as well.

We’re already excited and looking forward to hosting the event again next year. We’ve gathered your feedback so that we can make next year’s event even better. We hope to expand so that more of our manufacturers can join us and to take advantage of this wonderful event.

If you attended or participated in this one, thank you for helping to make it a great success. If you could not attend for some reason, make a point of being part of it the next time.

This is your organization. Get involved so you can get the most out of being a member.

Harry Leaver,

Executive Director

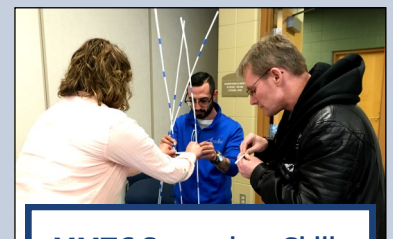
Other Recent CMMA Events



MIOSHA Training
Safety SIG



Cyber Security Training
SBDC



MMTC Supervisor Skills
Human Resources SIG

Special Interest Groups (SIGs)

Human Resources SIG

- Meets every other month to discuss programming opportunities and share best practice information
- Wage survey was sent out last month; participation by member companies is encouraged
- Supervisor Skills Training just recently finished
- Working with Mid Michigan Community College on other potential training programs
- Lori Fassett, from Mid Michigan Community College, has volunteered to serve as co-chair
- Looking at collaboration opportunities with Valley Society for Human Resource Management (VSHRM), with whom the MidMichigan Human Resources Association just merged
- Contact Jeff Clark to learn more or join the group 989-496-0740

Safety SIG

- Supervisor Roles and Responsibilities in Safety and Health training was very successful. 45 participants from 12 different companies.
- The SIG itself has increased in participants. We started out with 5 members from 5 different companies. We are now 11 members strong from 10 different companies. Always room for more participation.
- This is our 3rd year in Alliance with MIOSHA. We will be scheduling at least one more training session this year.
 - We could use help from CMMA companies as to what safety training they would like us to provide.
 - I did not receive any feedback from the Questionnaire that was handed out at the last training event.
 - It would be very helpful for our SIG if companies helped provide direction as to what services they would like the Safety SIG to provide.
- In the process of setting up Safety Audits for member companies.
- Eldon Sprague retired from Morbark. As part of his retirement strategy, he also has stepped down as the chair of the Safety SIG and turned the reins over to Rocky Dowell. Thanks for everything you did, Eldon, to get this SIG rolling and growing.
- Contact Rocky to learn more or join the group at 989-488-8600



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Special Interest Groups (SIGs)

Quality SIG

- This SIG started strongly and then the group lost focus and interest.
- Recently, Brian Sheets of Avalon & Tahoe committed to re-launch the Quality SIG
- Despite his efforts to get members to re-engage, only a few manufacturers have shown any interest.
- We strongly believe this is an important SIG.
- Please give serious consideration to helping Brian get this SIG moving again.
- Contact Brian directly at 989-463-2112 or Harry Leaver at 989-798-7966 if you have any interest.

Education SIG

- Meets monthly with representatives from manufacturing, higher education, RESDs, and economic development agencies.
- Rotating industry tours/open houses:
 - Avalon/Tahoe hosted a career night in January.
 - J. Ranck Electric will hold a career event on March 15.
 - The G-I Tech, Mt. Pleasant Campus, career fair is on May 10th.
- Junior Achievement: Industry participation continues with this program, with Aircraft Precision and Merrill Institute providing programs at Alma Middle School.
- CTE/Co-Op Job Placement: The Gratiot/Isabella Technical Center has kicked off an online Work-Based Learning (Co-op) request survey for area businesses.
- MMCC Pre-Apprenticeship Program: Working with MMCC personnel to refine curriculum for a post high school/dual enrollment program that would serve as an entry point for a regional apprenticeship program. Implementation is targeted for fall of 2017.
- Educator Industry Tour: RESD Superintendents have expressed interest in promoting and expanding the summer educator business tour, building on the success of the program the last two summers.
- Early Childhood Development: Marni Taylor, of the Gratiot-Isabella RESD, is leading a project group to investigate how to engage with the regional STEM (Science, Technology, Engineering, and Math) out of school activity program, as well as other ways to address problems with youth development
- Contact Bill Henderson at 989-875-4186 or Dawn Thomas at 989-386-7725 to learn more or join the group.



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**CMMA
SIGS**

**GET INVOLVED!
JOIN A SIG!**

MEMBER SPOTLIGHT:

AVALON & TAHOE



Manufacturing 101 = Fun in the Sun for Avalon & Tahoe Pontoon Boats!!!!

Playbuoy Pontoon was founded in Mason, Michigan in 1972 by Cecil Darnel and moved into the old Republic Truck facility in Alma, MI in 1984. Playbuoy was sold November 1, 2000 to two Saginaw businessmen, along with their families and four key executives of Playbuoy. James Wager continued as President and CEO until his retirement in 2004, at which time Jim Wolf took the helm and rebranded the company from Playbuoy to Avalon. Prior to joining Playbuoy, Wolf had spent over 20 years running manufacturing facilities as well as working as a supply chain consultant for Accenture's electronics and high tech practice based out of Los Angeles. Wolf recalls those early years – "When we first purchased the company we knew there was a huge opportunity to transform the company into a world class manufacturer, providing world class products and driving world class results". Wolf and his team have done just that by focusing on product innovation, employee training and development, product quality, customer satisfaction, and vertical integration.

Like most manufacturers, Avalon & Tahoe suffered through the downturn in the economy, but the company has returned stronger than ever. In 2009, the company cut its staff to 70 and sold less than a thousand boats. Wolf feels that 2017 will be another record year of sales and profits with sales of 3800+ high quality boats built by 250+ dedicated employees. The company sells through a network of 220 dealers located throughout the US and Canada with a few more dealers overseas.

Avalon & Tahoe's product line consists of 110 standard floorplan offerings ranging from 14 to 27 feet in length. The company also does a lot of customization depending on the consumer's unique needs and desires. To keep it all straight, the company puts a great deal of focus on its information systems, BOM's, job travelers and engineering drawings.

Over the last several years, Avalon & Tahoe has concentrated on vertically integrating its operations. The company's three buildings together have 120,000 square feet of manufacturing space on a 25-acre campus in Alma, where it fabricates the bulk of the components for its boats.

Vertical integration is a key factor in Avalon & Tahoe's never-ending pursuit of improved quality. Wolf says the company has undergone significant changes to its product line over the last 10 years, and bringing capabilities like furniture and foam fabrication in house has helped push the level of quality beyond the competition.

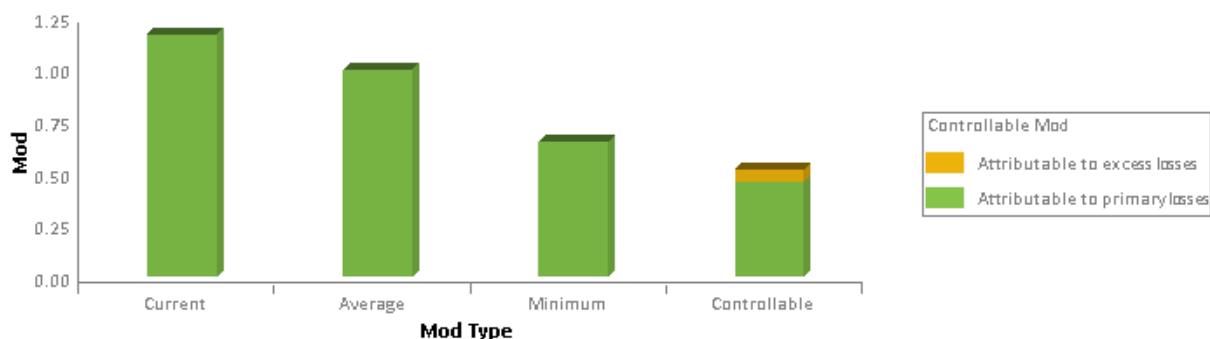
"Right now, we're perceived to be a very high-end, quality boat with a lot of appeal," Wolf says. "The competition is pretty tough, but we feel we're offering consumers innovative designs and giving them the best bang for their purchasing dollar. We are selling a lifestyle and our customers purchase our products to spend time with their families on the water. We are selling fun in the sun!!! We've seen a lot of growth over the last several years and expect that to continue for many years to come."

To learn more about Avalon & Tahoe Pontoon Boats, please visit their websites: www.avalonpontoons.com & www.tahoeontoons.com

From Our Premier Sponsors

General Agency

Drive Your Mod, Don't Let Your Mod Drive You!



Mod Type	Mod Value	Description
Current	1.17	Your actual mod.
Average	1.00	The average mod is always 1.00.
Minimum	0.65	The lowest mod you could achieve if you had zero losses in the experience rating period
Controllable	0.52	The mod points you could have saved if you had zero losses in the experience rating period.

Compared to your average competitor, your company is at a 0.17 disadvantage.

- Your company's total losses were \$51,947. The industry average, as measured by payroll, for a company of your size was \$34,343. Your losses were 151 % of expected.
- Your company's primary losses, which are a measure of loss frequency, were \$23,176. The industry average for a company of your size is \$15,719. Your primary losses were 147 % of expected.
- Your company's excess losses, which are a measure of loss severity, were \$28,771. The industry average for a company of your size is \$18,624. Your excess losses were 155 % of expected.

---Take a look at the diagram above which shows an example of a Mod Analysis we have done in the past.

If you were be able to do a full mod analysis and project what you will be spending on workers compensation over the course of the next 3 years, how beneficial would that be? How about comparing where your premium is at and how it compares with others in your industry? The best part about this is an owner can determine where their mod is at, where it is going, and what their savings would be if they had a minimum mod. One of the biggest complaints about purchasing insurance is not being able to control it, is it not? If you have not had a conversation like this with your insurance advisor then give us a call at The General Agency Company, CMMA's endorsed insurance agency for all insurance related services. Reach us at 989-817-4271 or by email at nweisenburger@ga-ins.com.

From Our Premier Sponsors

Mid Michigan Community College

MMCC Leverages Grant to Train Local Employees



Local businesses need individuals with the talent and skills required to effectively compete and grow. Finding new employees who possess the required skills can be a real challenge.

To help employers get the skilled workers they need, a group of workforce and economic development agencies partnered together for a Skilled Trades Training Fund (STTF) grant from the Michigan Workforce Development Agency.

This grant provides funds to companies who demonstrate a need for a particular talent. Short-term training is offered on-site or off to meet their specific needs for in-demand skills.

Mid Michigan Community College (MMCC) was able to partner with numerous companies in Clare, Gladwin, Isabella, Gratiot, and Arenac Counties to support their training needs. With the help of each county's Michigan Works! Agency, manufacturing associations and other local economic and workforce development corporations, the region had great success in leveraging State training funds.

"These training dollars will make a big impact for local manufacturers," said Scott Govitz, Executive Director of MMCC's Workforce and Economic Development division. "This collaborative effort will provide vital training all across mid-Michigan."

Over the past several months, MMCC and its partners reached out to over thirty local companies, many of which had previously utilized the training resources at the college. Twelve companies in six counties worked with the partnership to submit applications to support a variety of training needs.

Ten of the twelve companies that applied received funding, which will be used to train nearly 400 individuals in 36 training courses. Grants ranged from \$1,500 to \$240,000 per company and over \$425,000 is being utilized by MMCC and partnering agencies to assist in training local employees.

"The variety of the trainings is very broad," noted Govitz. "That's what makes customized training so valuable – each company gets the skills and instruction they specifically need."

Grant-funded trainings began last month and will continue over the next several months. Depending on the needs of the company, employees will learn more about blueprint reading, statistical process control, quality control, welding processes, and much more.

Future STTF grant plans include providing certificates to employees, evaluating the trainings, and planning future training topics as needed by local employers.

For more information about the STTF grant or MMCC's Workforce and Economic Development, contact Scott Govitz at sgovitz@midmich.edu or at 989-386-6614.

About the grant

http://www.michigan.gov/documents/wda/STTF_FY17Dashboard_544347_7.pdf

To see a full list of 2017 STTF recipients, go to: http://www.michigan.gov/wda/0,5303,7-304-64365_64538-312972--,00.html

From Our Premier Sponsors

Consumers Energy

Economic Prosperity in Central Michigan

Consumers Energy has served as Central Michigan's primary power supplier for 130 years. Today, we're more committed than ever to helping the region grow, prosper and succeed. That's why we're spending millions of dollars with contractors and suppliers of goods and services in the region through Pure Michigan Business Connect.

Since June 2015 we have spent more than \$12.5 million with businesses in Clare, Gladwin, Gratiot, and Isabella counties. This investment creates real jobs in Central Michigan.

Through Pure Michigan Business Connect, we're fueling Michigan's growth by investing \$5 billion in local businesses across the state over the next five years. We're also giving local leaders the tools they need to maximize community assets.

We provide scholarships to city officials and staff to make it possible for more communities to benefit. [Watch our video](#) and learn more at www.ConsumersEnergy.com/pmbc.



Work-Based Learning Opportunities

Work-Based Learning through Clare-Gladwin CTE

Whether it's through paid or non-paid work experience, mentoring or job shadowing, local employers have much to offer today's CTE students – the workforce of tomorrow. And CTE students have much to offer employers – today **and** tomorrow.

Work-based learning benefits students, businesses, and the community. Students extend their hands-on experiences beyond the classroom into the actual workforce. Employers get a first-hand chance to train potential future employees their way. And communities gain a stronger economy and workforce in the long-term, with homegrown talent staying home.

Want to learn more about how your company can benefit from today's students while helping shape the local workforce of tomorrow? It's easy. Contact Candace Opalewski at [989-386-8672](tel:989-386-8672) or copalewski@cgresd.net with this message: "I want to learn more about Work-Based Learning." We'll be glad to take it from there and help make it happen. www.cteitsworking.com

Gratiot-Isabella Tech Center

Attention, Employers:

Looking for good employees? Consider partnering with the GI-TEC Center to provide students with work-based learning (co-op) experience.

Benefits:

- **Opportunity to hire an enthusiastic young employee** with a previously demonstrated level of ability and understanding of the work to be performed.
- **Concurrent instruction** at GI-TEC so student/employee's skills continually improve.
- **Assistance from GI-TEC with compliance issues** related to employment of minors.
- **Advantage of observing the student/employee's work ethic and capabilities** first hand through the CTE co-op program **before** committing to a full-time hiring situation.

Interested?

Follow this link to a brief survey: <http://www.giresd.net/Page/528>

Or contact the GI-TEC Instructor/Coordinator or the Work-Based Learning Facilitator (Karen Petoskey) at [989-775-2210](tel:989-775-2210).