The Rebirth of Manufacturing

Manufacturing, an industry long known as the most vital to the overall economic strength of North America, is faltering. Without the attention it so desperately deserves, it is in grave danger of continual decline. While financial experts claim the economic situation is entering the recovery stage, industries such as manufacturing are still struggling to gain traction. Manufacturers need the right initiatives combined with vast support from local and state governments, industry organizations, and educational institutions in order to maintain a safe level of sustainability.

In an effort to develop an industry support network and help stimulate the “Rebirth of Manufacturing,” the Association for Manufacturing Excellence (AME), along with other organizations, is reaching out to policy-makers nationwide, encouraging them to join or develop efforts focusing on local and state job creation. It is imperative that policy-makers recognize the importance of an industry that has been the backbone of North America since its birth. To date, AME has received 400 signatures from state and federal policy-makers, industry trade associations, and operations executives representing manufacturers across North America supporting AME’s efforts.

Since Ohio is home to large manufacturing companies such as Eaton and Procter & Gamble, as well as thousands of small businesses, Governor Ted Strickland understands the need to support business and job growth. During AME’s 2009 Conference, Governor Strickland met with AME representatives during a local company tour, where he was able to observe the commitment Ohio companies have toward manufacturing’s health.

“I fully support [AME’s] efforts to assist companies committed to organizational excellence and leadership in growing the collaboration of public and private organizations to launch the Rebirth of Manufacturing Jobs,” said Governor Strickland. “The State of Ohio welcomes, encourages, and actively shares the

unwavering commitment to performance excellence that is required to ensure future economic prosperity."

Congressman Robert Wittman, member of the U.S. House of Representatives from Virginia's 1st District, has helped implement a number of successful policies that helped the Commonwealth earn the nation's "most business friendly state" title in 2007 and 2009 by CNBC. According to the Congressman, all of Virginia's taxes are lower than the national average, which makes it an ideal location to start a business.

But even the "most business friendly state" has its struggles, demonstrating the urgent need for universal support of job creation. "In December of 2008, we had an unemployment rate of 5.1 percent, which has increased by 1.2 percent over the last year," said Congressman Wittman. "Like other states, we too are feeling the pinch of lower revenue streams and the demand for increased unemployment and aid services."

As the representative of the district in which several major manufacturing facilities are located, Congressman Wittman is aware of the significant role this industry plays in our nation's economy. In fact, the Virginia Senate recently passed legislation that would make it the first East Coast state to produce energy offshore, resulting in a tangible solution to stimulate manufacturing and energy job growth. According to Congressman Wittman, the legislation "would allocate 80 percent of future offshore royalties and revenues to transportation, and the remaining 20 percent to the Virginia Coastal Energy Research Consortium (VCERC), which researches and develops renewable energy solutions."

The VCERC is only one consortium working to improve aspects of the United States' economic troubles; others throughout the country are dedicated to developing manufacturing excellence and sustainability.

In 2009, AME leaders recognized the need for an overarching effort to help drive the "Rebirth of Manufacturing," and thus, the AME Consortia was born. Through this initiative, each AME Conference location will launch its own consortium, bringing industry companies and professionals together to benefit from sharing best practices, learning new ideas and techniques, and networking. Launching the effort, the AME Northern Kentucky/Cincinnati Consortium was created at the 2009 Conference, as 15 companies signed up on the spot to be part. All organization members can participate in and benefit from consortium efforts; it is more than an operations manager sharing with another operations manager, but rather a variety of individuals, from engineering and quality managers, to plant supervisors, presidents and CEOs, all of whom participate in and reap the benefits of the established consortia.

"The cornerstone of AME is the member-to-member and company-to-company access freely given to other AME members," said Keith Syberg, immediate past chairman of AME. "Being a part of a consortium means you have access to other companies and people in your own area. You can see them in minutes and have monthly events that engage you with other manufacturing leaders."

Ongoing projects and regular events are what consortium companies rely on for continuous improvement, as it goes much further than solely sharing best practices. These organizations serve as facility tour sites for one another, allowing for firsthand, interactive experiences offering tangible practices and solutions that can immediately be implemented in the visiting organization's business structure. A consortium can also benefit from combining monetary assets. "As a group, we can jointly pool our money to bring in a top trainer for the day," said Syberg. "That's something that one particular organization wouldn't necessarily be able to work into their budget."

Launched in October 2009, the AME Northern Kentucky/Cincinnati Consortium is the first building block of the AME Consortia. This year's AME Conference will be held November 15-19 in Baltimore, where the organization plans to begin working with the Baltimore-based Maryland World Class Consortium. Additionally, planning has begun on the establishment of an AME Consortium centered on the manufacturing base of Tijuana, Mexico and Southern California, and numerous consortia have been established throughout Canada for the past two decades.

Formed following the recession of 1981 to 1983, the first Canadian consortium helped increase manufacturers' global competitiveness. Since the first demonstrated much success, other companies quickly signed on to participate in other consortia and Canada now boasts 17 consortia from Newfoundland to British Columbia.

With over 165 Canadian companies dedicated to excellence through consortia, members have vast exposure to benefits, such as the exchange of ideas in a safe environment, learning new practices and philosophies, obtaining fresh ideas from outside their own organizations and access to a plethora of resources. In addition, these consortia formed linkages with AME to gain even more knowledge sharing and tangible action items from U.S., UK and Australian companies.

According to Dave Hogg, past AME Board member and the founder of the High Performance Manufacturing (HPM) Consortium over 18 years ago, the single most beneficial event was the original Weekly HPM Fax Update, currently the HPM Weekly Update. "Through this vehicle, with its nuts and bolts content, best practices and explanations, employees in all companies were able to exploit the lessons that had been learned," said Hogg. "It was the glue that held the consortium together and it opened the eyes of so many others."

Also formed outside of the AME Conference, the Virginia Business Excellence Consortium (VBEC) and the Jacksonville Lean Consortium in Florida have demonstrated how consortia in various geographic regions can help one another. Toward the end of 2009, VBEC members – who are also Northrop Grumman Shipbuilding employees – traveled to Jacksonville to meet with Lean representatives from four Northern Florida manufacturing plants and tour their facilities. Learning from their successful cultures, VBEC members came away from the event with new ideas and lessons around mechanics processes, and lean and green best practices. The VBEC members hope to host a similar tour for Jacksonville Lean Consortium

members in the future, and return the educational experience.

But education does not begin with facility tours, industry events or through policy-makers. According to Congressman Wittman, “Strong economies begin in the classroom.” Educational institutions play an essential part in preparing students for not only future jobs, but for competing in the global marketplace as well. Schools must improve their efforts to provide science and technology education to students as young as grade school and into collegiate studies. A strong technical education is the foundation for expanding manufacturing and its job market.

As industry leaders are demonstrating a more optimistic outlook on our economy, now is the time for policy-makers, manufacturers, organizations and academic institutions to initiate changes that will make a difference for the industry’s future. Combined with domestic entrepreneurs and the continual creation of small businesses, the manufacturing industry – as well as the economy – can witness considerable growth and sustainability. AME members strongly believe that a collective commitment to the next generation of manufacturing will breathe new life into the economy, sustain it for years to come and create new jobs.

The Association for Manufacturing Excellence (AME) is the premier not-for-profit organization dedicated to the journey of continuous improvement and enterprise excellence. AME’s membership is composed of a trusted network of individuals who are committed to leveraging the practitioner-to-practitioner and company-to-company shared-learning experience. Through engaging workshops, seminars, plant tours and industry-leading conferences, AME members are continually discovering and implementing new continuous improvement strategies and best practices. AME offers its members a multitude of valuable resources to help them stay abreast of current industry developments, and improve the skills, competitiveness, and overall success of their organizations. For more information, visit www.ame.org *[1] or email* info@ame.org *[2].*

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