

## MEET THE PROS

The American Brush Manufacturers Association is excited to share the discussion topics which were a part of Meet the Pros roundtable discussions during the 102nd Annual Convention held March 20-23, 2019. People enjoyed learning from a group with shared experiences and shared issues.

What follows are the discussion notes and findings as compiled during the sessions.

### **Unique strategies for Employee Retention and Hiring Practices. Moderator: Enrique Mejia of PMM.**

#### **Talent Management**

- Lack of available talent: significant hurdle in 2019.
- “Labor/talent is the greatest barrier to growth”.
- Growing Labor Shortage.
- “Manufacturers are facing a hard truth: Manufacturing is perceived as mundane and rudimentary by those not in the industry”.

#### **Strategies**

- Winning the talent war.
- Improve hiring and retention: increasing compensation, implementing retention strategies and using internal training programs.
- Provide the “why”:  
*“The millennial workforce needs a greater purpose. Not all manufacturing is hyper technical, but if an organization provides the ‘why’ behind the product, millennials will find a greater interest and purpose in the business.”*
- “The work millennials want to do should be meaningful.”
- Projecting a positive “brand” for your company.

#### **Some of PMM’s Experiences**

- Direct recommendations from professors from local prestigious colleges.
- College Collaboration:



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- Visits/Training to our company
- Projects Funding

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- Invest in Culture and life-balance support to the employees outside PMM.
  - Offering a variety of activities and experiences
  - Philharmonic orchestra concerts
  - Chef training sessions/lunches
  - Free Uber rides for late shifts
  - Uber company accounts
- The “international” experience
- Millennial company cars
- Graduate program studies funding

### **Useful Links:**

1. <https://www.hayspost.com/2019/02/20/survey- manufacturers-expect-growth-in-19-need-more- employees/>
2. <http://www.pewresearch.org/fact- tank/2018/04/11/millennials-largest-generation-us-labor-force/>
3. <https://www.industryweek.com/talent/millennials- and-manufacturing-eight-tips-attract-and-train- 21st-century-workforce>
4. <https://www.psfinc.com/articles/manufacturers- need-to-millennial-up/>
5. <https://www2.deloitte.com/content/dam/Deloitte/us/ Documents/manufacturing/us-public-perception- manufacturing-study.pdf>
6. <https://www.industryweek.com/talent/millennials- and-manufacturing-eight-tips-attract-and-train- 21st-century-workforce>

### **Unique strategies for Employee Retention and Hiring Practices**

#### **Notes from the meeting**

- Finding technicians.
- Lack of qualified talent, lot of unskilled people. The new employees want to become the president right away.
- Manufacturing jobs are perceived as not very good jobs (the benefits are not good) and they are also perceived as uncomfortable.
- Manufacturing is not seen as glamorous (or sexy).
- Everyone in a plant is dressed the same way.
- People has the idea that manufacturing jobs are hard. They will need to rotate shifts, work in weekends, work 24/7.
- 70% of the employees leave because of shifts.
- Young people is not interested in working, they do not want the jobs.
- It is a very difficult time to find people.
- Many candidates will not pass a drug test.
- Illegal immigrants want to work, but they cannot be hired.
- Millennials will not work in the same company for 40 years. They just want to gain experience and leave. Millennials work to have fun.

**Possible Solutions:**

- To provide education
- To rotate between different roles, is less boring.
- To perform interviews to understand why people leaves.
- To work only 3 or 4 days a week on longer shifts. Then, you have more free time to spend with a family, for long weekends or for doctors' appointments.
- To provide little things that people appreciate (e.g. free haircuts, ultrasoft toilet paper, hydration stations, etc.)
- To start a facebook page so the employees can follow it.
- To schedule open-house sessions with teenagers and show them the process, machinery, videos so they get interested in working in the industry.
- To show the different applications and the importance of the job they do.
- To increase vacation time since the first year. To be more flexible.
- Contact local schools for people recommendations.

**New Methods for Improving Shop Floor Safety and Security.  
Moderator: Mark Scagliarini of Pioneer Packaging Inc.**

## **SAFETY AND SECURITY**

You and your employees deserve a safe and secure place to work. Improve your safety and your productivity will improve, quality will go up and you will save money.

### **SAFETY**

- 1) Incorporate a strong, employee engaged 5 S program. Part of Lean Mfg. it will drive improvements and save you money.
- 2) Create a monthly contest that involves the entire company, manufacturing and office alike. Audits are done by Mfg. personnel for the office and office personnel for the Mfg. area. Keep it simple, a moving trophy, a \$5.00 gift card to each person in that department or office. Have fun with it and watch the pride that develops!
- 3) A clean organized space has repeatedly proven to increase productivity and reduce safety incidents.
- 4) Accident Free environments mean less expensive insurance costs. When those Insurance agents do come in seeing a clean / organized facility it makes them want to do business with you.

### **SECURITY**

- 1) Be sure to insist that all doors remained locked at all times.
- 2) Have a strict sign in sign out policy with all visitors escorted at all times.
- 3) The use of Security Cameras is a fantastic tool to evaluate your safety programs as well as protect your employees and you. Have your safety committee observe a few recordings to see what is happening on the shop floor. We recently had to approach a warehouse worker for going far too fast on a hand truck in a congested area. Another using a hand jack as a skate board!  
The cameras are also key in documenting employee confrontations as well as potential person to person conflict, physical or verbal. Recently there was a camera used in a breakroom where a visitor entered, looked around, threw water on the floor and then laid down. Yes waiting for somebody to come in to find him. Didn't need an attorney to defend this one!

**There's an App for That!**





**Moderator: Carlos Petzold of BorghiUSA and Bodam Int'l.**



**“THERE’S AN APP FOR THAT!”**








**ACCOUNTING/FINANCE**




- 
XE Currency
–
Realtime Live Currency Exchange
- 
Bank Apps
–
Bank of America, M&T Bank, Wells Fargo, etc.
- 
Zelle
–
Send/Receive Money Safe & Easy Directly from
- 
Your Bank Acct.
–
Send & Receive Money to All your friends

**COMMUNICATION**






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- 
 Camera Translator – Translate Photo, Document, Text into any Language
- 
 WhatsApp – Free Messaging and Calling app by using Internet Connection
- 
 Skype – Talk, Chat, & Collaborate to stay connected with people
- 
 WeChat – Voice/Video, Text, Photo, Location Sharing Messaging App
- 
 Google Translate AI – Quick and Effective Text, Speech, & Camera Translations

## PRODUCTION & MANUFACTURING







- 
 Measure Measure/Level – Augmented Reality (AR) Technology to turn device into Tape
- 
 Decibel X – Noise Meter for use of Pre-calibrated Measurements and Sound Pressure Level
- 
 Electrical Calculations LITE – Over 100 Electrical, Fuses, Pinout, and Resistor Convergences

## TRAVEL






- 
 FlightStats – RealTime Flight status, Alert, Information and Airport tracking app
- 
 Hopper – Monitor Flight Prices and when they are at the Cheapest/Lowest Fares
- 
 Booking.com – Search for Hotels, Motels, & Vacation Homes for Best Accommodations
- 
 Waze – Live GPS Navigation Informing on Traffic, Construction, Police, Crashes, & More
- 
 Rome2Rio – All Travel Options/Accommodations Like Flight, Train, Bus, Ferry, etc.

From One Destination to The Other




**ORGANIZATION/TIME MANGEMENT MEET THE PROS**

- 
RoboForm –
#1 ranked Password Manager. Logging and Securely Archiving All Your Passwords
- 
NordVPN –
Enjoy Safe, Secure, & Private Internet Access with Most Advanced VPN
- 
Adobe Scan –
PDF Scanner for Receipts, Documents, Business Cards etc. Instantly
- 
Trello –
Organize/Plan Projects, Vacation, Company Events and much more
- 
Parking Panda –
Easily & Quickly Search, Reserve, and Redeem Parking in Major Cities in Advance
- 
SpotHero –
Access to Thousands of Garages, Lots, & Valets to Reserve A Low Costly Spot

**MISCELLANEOUS**

- 
PeakVisor –
3D Maps, Elevations, Trails, Compass, Guides for Outdoor Activities/Hikes
- 
Slopes –
Track Speed, Distance, Vertical, Lift/Trail Time on any Ski/Snowboarding slopes
- 
Jump –
Rent Electric Bikes in Cities to Move Faster and Easier. Part of Uber Technologies
- 
Headspace –
Health & Mindful Meditation. Remove Stress and Bring Wellness, and Balance
- 
Duolingo –
Over 30 Languages to Learn and Improve with Easy/Fun Interactive Games/Exercises

**FUN**

- 
OpenTable –
Book, Update, Cancel reservations over 45,000 restaurants around the world
- 
Fooducate –
Nutrition and Ingredient Analysis Tracker for Hundreds of Thousands of Foods
- 
Vivino –
Scan, Learn, Review, Rate & Track World’s Largest Wine Library

## **Employee Personality Testing and Screening. Moderator: Jim Benjamin, Precision Brush**

Precision Brush has changed the focus from targeted position fulfillment to full time searching.

We have ads running constantly which describe the company, values and positions available. When there is interest the potential employee gets a welcome email with a link to take an assessment to determine their natural traits. We have realized that just because someone has not had shop experience they may have the traits that will allow them to be successful and happy. If the assessment comes back with those traits we then send them a second test with eight general topics: measuring, mechanical, common sense, electrical, hydraulic, pneumatic, machining and math.

Depending on how well they do on the assessment we then consider them for different positions or open the conversation about training. The key for us is that we don't ever waste time talking to anyone until we have the two parts completed. This is a huge time saver and quite quick and efficient for us. Even if we are not hiring we are constantly looking for better people and if an all-star comes along we are always open to bringing them in.

We also make a very big push to share our company values with them from the start. They are in the initial ad and also repeated many times in the first interview. We hand out a card with those values and what they mean, it also gives examples of what the values behavior looks like and don't look like. The core values have taken a long time to develop and to get buy in from employees they need to be involved in the development process but it has been worth it for us. We have had a lot of success using this method but there is also much room for improvement.

**Some of the ideas that came out of the session are below. There were some great discussions about each of the items below:**

Using Temporary placement services

Administering Reading and Math tests

Leaving it up to HR

Interviewing candidates

Using web based services like Indeed or Zip recruiter

Developing relationships with local Technical schools, giving them equipment in exchange for recruiting opportunities

Testing for a person's time span (how far out can they plan, the longer the more responsibility they are able to handle.)

Hard skills and agility testing

Working with local churches and pastors to find hard working families



Call companies that are closing and asking for their best people.

And the number one most popular way of getting employees was..... Crossing your fingers and hoping the right person comes along at the right time.

## **Thriving as a Small Business Against Large Competitors. Moderator: RJ Lindstrom of Zephyr Mfg.**

### **Introduction:**

- Overall trend right now is fewer and larger - this applies to every step of the supply chain
- With size comes economy of scale - but it leaves an opening for the small guy
- Large companies are not able (or willing) to fill the needs of certain customers due to their size
- Discuss what aspects of a “small” business can give it a competitive advantage

### **Topics:**

- Responsiveness
  - Quicker decision making
  - Focus on good communication
  - No large “systems” to get in the way
    - Phone tree when you call in
    - automated AP or AR system that is difficult to navigate
    - “That’s not my department”
- Finding your niche
  - Add value without getting down and dirty on pricing
  - Can develop products the big guys won’t
  - Adapt your sales strategies to fit your target market
  - Adapt your pricing strategy to fit the current market
- “Family Culture” versus “Corporate Culture”
  - Can treat your employees like part of the family (or more so than the big guys)
  - More ownership with your employees due to your size
  - Not everything is about the almighty dollar
  - Long-term thinking versus quarterly earnings targets
  - Flexibility - in all things inside and outside the company
  - Customers and vendors have access to the top of the organization
- Market Knowledge
  - The person making decisions is much closer to the customers and vendors
  - Leverage a better understanding of the market to make better decisions faster
  - ABMA is a great example - knowing vendors and customers with a common goal

## **Establishing and Utilizing an Outside Board of Directors for your Closely Held Business.**

**Moderator: Jeff Malish of The Malish Corporation.**

Establishing and Utilizing an Outside Board of Directors

### WHY?

- If you want to grow your company, it will ultimately take you out of your comfort zone or outgrow your skillset.
- No one knows everything. The sooner you can admit that to yourself, the sooner you can hire people smarter than you to help!
- A strong board will challenge you and force you to do things differently. They bring experience and knowledge to help with issues that may be impeding your company's growth.
- Enhance your company's credibility, as well as your own. You'll be seen as a CEO who is eager for input and willing to consider the ideas of others.
- Provide access to resources and contacts, including potential strategic partners, customers and sources of financing.

### BOARD OF DIRECTORS VS. BOARD OF ADVISORS

- This topic should be discussed with your legal counsel to determine what is right for you.
- A board of advisors is just that...“advisors”. There is no legal or fiduciary responsibility.
- A board of directors has legal and fiduciary responsibility.
  - o If you are the majority shareholder, although the board of directors has the ability to make decisions, up to and including firing you, the shareholders have the right to elect board members. You still have the ultimate control.

### SIZE OF BOARD

- Determine how many board members you want. 5-6 is usually a good number. Too many and it gets cumbersome.
- Experts advise having 75%-80% outsiders on the board. This will depend on how many shareholders you have and which shareholders want to sit on the board. If you have 3 or 4 shareholders, I suggest at least 4 outside board members. You need the balance of outside input.

### SELECTING BOARD MEMBERS

- Do not have your paid advisors on your board (accountants, attorneys, etc.). You are already paying them for their advice in their area of expertise.
- Choose people with solid track records.
  - o They should have experience in similar sized companies or preferably a bit larger than yours. People who have only worked for extremely large corporations have a hard time relating to smaller businesses.

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- Make sure they have useful connections in the business world.
- Recruit from other industries. This will give you more diverse thinking and different experiences.
- Select diverse areas of expertise. Below are brief bios of my non-shareholder board members:
  - Entrepreneur who owns a manufacturing company about twice as large as mine.
  - CFO of a company about twice as large as mine.
  - VP of Sales / Marketing of a non-competing supplier to my industry.
  - Attorney specializing in international business law (not my corporate attorney).
  - International General Manager of a large multinational company – he managed manufacturing operations in other countries.
- Select board members that compliment your weaknesses.
- Make sure they agree with your business philosophy and culture, however, you don't want "yes men". You want people who will challenge you.

### HOW TO RECRUIT CANDIDATES

- This is where your paid advisors come in to play. Your attorney and accountant have vast networks. As for their help.
- Utilize relationships at clubs or your local chamber of commerce.
- You may also hire an executive search firm to assist.
- SCORE – Service Corp of Retired Executives ([www.score.org](http://www.score.org)) may be able to assist.
- Local candidates are preferred as you will not have travel expenses.

### HOW TO SCREEN A BOARD CANDIDATE

- Hold as many interviews as necessary to get the right people.
- Explore previous or current board experience. You want an active board, not directors in it for the money or prestige.
- Mention reimbursement only to top choices. If the candidate asks about compensation early on in the interview, they might not be a good choice.
- Try to make sure they will get along with the rest of the board / shareholders.

### COMPENSATION

- Compensation varies widely for board directors or advisors. Expect to pay between \$2000 -\$10,000 per year for an outside director. You will also cover any travel related expenses if they are out of the area.
- Also consider getting professional liability coverage, with a policy that protects your board of directors and officers (D&O Insurance).

### CONDUCTING BOARD MEETINGS

- It is recommended to have 3 or 4 meetings per year. I have mine quarterly, about 2-3 weeks after the close of the quarter.
- Meeting duration can vary but anything longer than 4 hours becomes unproductive. Mine are from 12:30 pm – 4:30 pm. I bring in lunch before so I ask everyone to get there

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by 12:00 pm. Even if someone is running late, they usually still make it by 12:30 and I can start the meeting on time.

- Set the agenda well in advance of the meeting and include time durations for each agenda item.
- Run an efficient meeting and do not run over the allotted time unless absolutely necessary.
- Select agenda items that are relevant to you.
- Just reporting what happened last quarter is of no benefit to you.
- I provide historical data a week before the meeting (financials, sales reports, etc.).
- My first agenda item is always a brief financial review.
- I usually have 2-3 other items on the agenda in which I need assistance. Some examples are listed below:
  - o Leadership development – developing my key staff and planning for growth.
  - o Financing – if we need financing, it needs to be approved by the board.
  - o Executive compensation / bonus – I review my key staff's compensation with the board.
  - o Growth goals / objectives.

### BOARD RESPONSIBILITIES

- Board responsibilities can vary depending on the company structure. They usually contain some of the items below:
  - o Hiring / firing / change in compensation or duties of the CEO and/or executive staff.
  - o Purchase or sale of assets over a certain dollar amount.
  - o Engagement, terms of engagement and dismissal of auditors
  - o Borrowings over a certain dollar amount.
- I recommend consulting with your legal counsel to determine what should and should not require board approval.

### UTILIZING YOUR BOARD

- Be honest with your board. Don't hide information, no matter how bad it might be. They can only help you if they have accurate information.
- Listen to your board. They will challenge you to move out of your comfort zone but it is in the best interest of your company.
- If they are strictly an Advisory Board, still treat them as a Fiduciary Board. They are helping you and deserve the proper respect.
- If you select a good board and utilize them properly, they will help you grow your business and become more profitable.