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On the Cover: MMA President & CEO John Walsh lays out his vision for MMA, including how to get there and overcoming the hurdles presented by COVID-19. Learn how John's vision for MMA includes an even more focused commitment to manufacturing and our members beginning on page 12.







On the Cover

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First Foremos

MMA is committed to advancing the interests of our members and promoting manufacturing in Michigan. Check out this month's cover story, beginning on page 12, for more on my vision for where we go from here.

John J. Walsh President & CEO walsh@mimfg.org

MMA is transforming the much-anticipated MFG Operations Conference into a virtual experience. Join us online on 8/26/20 for this first-of-its-kind MMA event and learn how to overcome the operational constraints — hidden or obvious — to your company's success.

As we continue to combat the effects of the COVID-19 pandemic, MMA has provided valuable resources to help manufacturers now and going forward. See page 20 to learn more about the tools available and access the latest MFG Tools for Safe & Productive Operations, COVID-19 Financial Relief Tool Kit, official guidance and more at mimfg.org/covid-19.



Larry Janicki Service Corporation President janicki@mimfg.org

Members save big using MMA partner companies UPS® and YRC®. From packages to pallets, these carriers can provide reliable solutions while saving you up to 36% — learn more at mimfg.org.



Mike Johnston Vice President of **Government Affairs** johnston@mimfg.org

Decisions are made in Lansing every day that impact your business, your employees and your community. Join Senate Majority Leader Mike Shirkey, officials from the Whitmer Administration and industry colleagues for MFG Legislative Day on Tuesday, 9/15/20!



Delaney McKinley Vice President of Membership, Marketing & Events mckinley@mimfg.org

If there has ever been a year to recognize the best of manufacturing, it's 2020. Nominate your favorite people, businesses and products for the MFG Excellence Awards at **mimfg.org**.

Like, Share and Follow:











Make Your MMA



Ensure a Safe & Productive Restart

MMA continues to work closely with the Administration and legislative leaders as restrictions are lifted and manufacturers get back to work. For help in making your facility safe and productive, see page 20 for resources and best practices, as well as critical products and services offered by fellow MMA members.

Mark Your Calendar: MFG Legislative Day is September 15

Legislative and regulatory issues impact every manufacturer. Attend MFG Legislative Day for exclusive meetings with your elected officials and an inside look at the policymaking process.

Your invitation is in the mail — save the date and plan to join us on 9/15/20 in downtown Lansing for this exclusive member-focused opportunity. See page 19 to learn more.



Nominate MFG's Best

Recognize your business, your team and your industry by nominating deserving leaders, one-of-a-kind companies and amazing products for the MFG Excellence Awards. See page 11 for details and nominate online at mimfg.org before 8/21/20.

nominate at mimfg.org

Plan for the Future Today with CAPTRUST

Attract talent by offering long-term security. MMA's Freedom401k™ program, administered by CAPTRUST Financial Advisors, is one of the most comprehensive 401(k) plans available and has offered successful retirement plan solutions for over 20 years. Members can receive a free 401(k) benchmarking report to see where your current plan stands. Learn more online at mimfg.org.

See Great Savings with Metl ife



MetLife announced a fourth consecutive year of 0% increases on all lines of coverage — huge news for members facing cost constraints! Along with their 25% premium credit across all dental plans and the MMA's own Premium Relief Program, members will experience huge savings in 2020 through MetLife. Contact MMA's Larry Janicki, at 517-487-8556 or janicki@mimfg.org, to learn more.

Manage Safety Compliance

Simplify your in-house safety responsibility with memberdiscounted MSDSonline chemical management solutions. Your facility safety standards are too important to be left to chance. Learn more at mimfg.org.

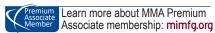


Go Virtual at the MFG **Operations Conference**

Is your business tired of fighting against the same operational issue? Are you reimagining your operational strategy? Optimize MMA's first-ever virtual experience to meet your needs!

Register at mimfg.org for the all-day, virtual MFG Operations Conference on Wednesday, 8/26/20, to learn high-level strategies from trusted thought leaders to help you overcome the potential pitfalls threatening to send you off course.





Keynote Bart Pickelman Director MIOSHA

Q: How does your background help you work with manufacturers in your current role?

Pickelman: I was born and raised in Saginaw where manufacturing was the lifeblood of the community providing jobs and a good standard of living for many and giving me a true understanding of the value of this industry sector. Over my three decades of work as a health and safety professional, I have toured and inspected hundreds of manufacturers which has provided me exposure to a vast array of different types of manufacturing and allowed me the opportunity to learn how to protect employees in various work environments.

Q: As the state and businesses reopen, there are more regulations and protocols being put in place. How will these expanded regulations be enforced?

Pickelman: MIOSHA intends to provide the guard rails to help ensure the appropriate precautions are implemented to protect workers and mitigate the spread of COVID-19. The approach allows maximum flexibility for employers to work with their employees to determine the best measures to use in their specific workplaces.

MIOSHA will enforce the requirements in the Governor's executive orders related to workplace safety along with applicable guidelines from the Centers for Disease Control and Prevention (CDC) and the Occupational Safety and Health Administration (OSHA). The first step is for employers to determine the risk category of their employees using the OSHA guidance and then develop a written COVID-19 preparedness plan detailing the precautions being put in place such as health screening, social distancing, cleaning protocols, engineering controls, personal protective equipment (PPE) and the requisite training for employees.

- Began his MIOSHA career as a compliance officer and also served as Ergonomic Specialist, Safety and Health Manager and MIOSHA Deputy Director before being appointed Director in 2016.
- Oversees all aspects of the MIOSHA program, which includes occupational safety and health compliance in general industry and the outreach activities of the Consultation Education and Training Division.
- A Certified Industrial Hygienist (CIH) with over 30 years of experience in the private and public sectors.

Phow is your department helping manufacturers stay informed of changing, expanded or new regulatory requirements?

Pickelman: MIOSHA's motto is to "educate before we regulate" and we are very fortunate in Michigan to have a very robust Consultation Education and Training (CET) division within the agency and great support from the Department of Labor and Economic Opportunity communications staff. The CET division has developed PowerPoint presentations for employers and employees covering general expectations and other presentations for specific industry sectors as they are permitted to reopen under the executive orders. In addition, a template for a COVID-19 preparedness plan for employers with low and medium risk employees has been created. These presentations, the COVID-19 plan template and other helpful handouts, posters, and fact sheets can be found online at Michigan.gov/ COVIDWorkplaceSafety. Finally, a MIOSHA COVID-19 hotline has been launched to answer questions and provide guidance to both employers and employees. The new hotline is 855-SAFE-C19 or 855-723-3219.

Where do you see Michigan and manufacturing heading as the state continues efforts to revitalize Michigan's economic engine?

Pickelman: Michigan has a very long and proud history of manufacturing and I believe this pandemic will once again prove the importance of this sector. Manufacturing will reopen, resurge, in some instances reinvent and retool in order to greatly contribute to the economic vitality in this great state.



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Mike Colvin

Principal Fishbeck

Member since August 1994 • Learn more at fishbeck.com

Manufacturers strive to stay in compliance with regulations at the federal, state and local level. They have to be. But the process of getting there and staying there isn't always easy. For many business owners, *compliance* is a word that carries an adversarial feeling — an "us against them" fear that government is out to get them and that they could be one slip-up away from a hefty fine or even a closure.

Compliance doesn't have to be scary.

"The fact is that most regulatory agencies aren't typically looking to shut any business down — that isn't their goal," said Mike Colvin, a principal with Fishbeck. "In my experience, they are willing to work with any business who is trying to do things the right way and most problems that pop up are ones that could have been avoided."

Fishbeck is a full-service engineering and environmental compliance firm with locations all across the state. Their team is well-respected and known for high responsiveness and decades of proven success for manufacturing clients of all sizes.

"When manufacturing succeeds, everything else seems to rise up and succeed," Colvin said. "Too often, manufacturers feel like they are all by themselves. It's so easy to get bogged down in hundreds and thousands of constantly changing regulations. Staying on top of it can be a full-time job for a business that just can't afford to hire a full-time environmental, health and safety manager. They don't always realize there are resources to help."

The proper environmental consultant should show a



commitment to their client beyond an occasional phone call or quarterly visit.

"Your time is increasingly valuable, but it's also important that you understand the reasoning behind various regulations as much as the compliance requirements," Colvin explained. "You can be assigned a dedicated professional to assist or train your in-house team on common concerns including plant expansion, federal or state reporting and issues like chemical storage, tracking, and waste or permit inspections."

Committed to the personal and professional growth and success of their clients, the Fishbeck team is full of problem solvers who would rather give you the tools to eventually succeed on your own than force you to depend on others.

"It can feel like a thin line between being confident in compliance and worrying whether you'll be able to stay afloat," offered Colvin. "By applying the proper strategies, asking the correct questions and having access to trusted resources, you'll have confidence in the health and safety protocols you are implementing and maybe even breathe easier at inspection time."

team of experts across multiple disciplines are

collaborating to develop unique solutions.

For those businesses that want to handle it in-house, an experienced team can provide the training necessary to help your team excel while offering a built-in backup — just in case.

"Especially now, with additional safety protocols in place, you should want to be recognized as a manufacturer that does business the right way," reminded Colvin. "If I could give every small business owner out there some advice it would be this — proper compliance can be an achievement of every business and you don't have to go it alone."

Leading Challenges on Environmental Regulations

By Dave Greco, III . MMA

Environmental regulatory challenges continue to burden employers as significant new issues rise up to threaten Michigan's ability to retain its existing manufacturing jobs, exacerbating an already difficult business climate due to the continued uncertainties of COVID-19.

Without the constant and vigilant intervention of the MMA, seemingly mundane regulatory initiatives within the Michigan's Department of Environment, Great Lakes, and Energy (EGLE) that are in fact costly and unworkable threats to industrial operations, could slip through unchecked.

Impact of Air Pollutants from Out-of-State Sources

MMA is working to block increasingly ineffective regulations that pose little or no benefit to Michigan's air quality so long as the state remains significantly impacted by out-of-state emission sources. In spite of Michigan manufacturing's own best efforts, new cost burdens could be imposed through Federal Clean Air Act regulations both statewide and in the state's ten ozone nonattainment areas. By 2021, a bump up in Michigan's nonattainment designation could further increase costs and potentially limit growth.

In 2019, MMA led a regional delegation of manufacturing organizations to discuss the impact of international emissions and viable regulatory solutions with the U.S. Environmental Protection Agency (EPA) Region V administration. On 6/2/20, MMA joined EPA Administrator Andrew Wheeler, Region V Administrator Kurt Thiede and U.S. Congressman Fred Upton (MI-06) to announce remarkable improvements in national air quality. MMA remains vigilant in protecting manufacturers' economic competitiveness.

Pursuing a Rational and Science-Based Approach to PFAS

As attention on PFAS and related compounds remains high, the Whitmer Administration seeks to establish some of the nation's most strict drinking water standards. Moving hastily, the State has failed to account for the costs, disregarded a robust peer review process driven by the MMA and stretched the bounds of settled science.

The unbalanced regulatory costs imposed on manufacturing will be substantial. Most concerning is the State's acknowledgement that it cannot fully account for the cost but will continue to move forward anyway.

Stay Informed

Regulations constantly shift and uninformed manufacturers are at risk of increased costs and unintended compliance violations. Get the latest updates by joining an MMA Policy Committee or subscribe to MMA's weekly MFG Voice e-newsletter. See mimfg.org to learn more.

MMA has been the leading business advocate on the proposed PFAS rules since their 2019 introduction and has worked to ensure our recommendations and independent, technical review are fully considered and addressed by the state's Joint Committee on Administrative Rules (JCAR), the legislative body responsible for oversight of administrative rules.

On 6/3/20, JCAR underscored the importance of MMA's role in a letter to EGLE where the Committee requested further clarification and answers in line with MMA's noted concerns. The letter stated that "public comments such as those from the [MMA] included an independent, peer review from scientific experts that had numerous scientific and technical questions that appear to not be addressed by the Science Advisory Workgroup or EGLE as part of its final package."

Draft Chloride & Sulfate Water Quality Criteria Implementation Plan

The Association remains concerned about the workability of EGLE's Draft Chloride & Sulfate Water Quality Criteria Implementation Plan, and is working to ensure a transparent and fair process for vetting the proposal. MMA is engaged with officials to urge the consideration of questions raised by manufacturers before advancing too far into implementing new criteria.

Michigan manufacturers must continue to work productively with state regulators to ensure credible regulations to protect the state's environment and maintain economic competitiveness. Only by staying vigilant and actively working to influence the development of impactful and costly rules can manufacturers be assured that a balanced approach to both economic competitiveness and environmental stewardship is possible.



Dave Greco, III is MMA's Director of Regulatory & Environmental Affairs. He may be reached at 517-487-8543 or greco@mimfg.org.

Federal Program Helps Michigan Manufacturers Beat Import Competition

By Scott Jacobs • Great Lakes Trade Adjustment Assistance Center

International competition is a persistent challenge for small manufacturers. Despite soft markets and the trade war, U.S. manufacturing imports totaled almost \$2.2 trillion in 2019, their second highest level ever. And as the economy picks up speed, foreign competition does so too.

Fortunately, help is available for companies hurt by imports. Trade Adjustment Assistance for Firms (TAAF) is a little-known federal program specifically designed to help small manufacturers recover and rebuild business lost to imports. For companies in Michigan, Ohio, and Indiana, the program is managed by the Great Lakes Trade Adjustment Assistance Center (GLTAAC).

GLTAAC partners with affected firms to identify, plan, and implement business improvement projects to strengthen their overall competitiveness. Projects are implemented using outside service providers, which ensures the best fit for GLTAAC clients. And the TAAF program provides up to \$75,000 in matching funds to help pay for the projects.

Who Qualifies?

To qualify for the TAAF program, a company must be losing both sales and employment due, in part, to imports. There is no cost to apply, and GLTAAC handles all of the paperwork. A quick phone call is usually all it takes to determine if a company can qualify.

How GLTAAC Helps

GLTAAC has worked with hundreds of importinjured manufacturers in Michigan to connect them with the help they need. Here's how the process works:

- Each client works with a GLTAAC Project
 Manager to create a customized action plan, which
 identifies high-impact projects needed at the
 firm. This plan acts as a roadmap for recovery.
- Then TAAF provides up to \$75,000 in co-funding assistance to implement the projects in the plan. Most clients complete four to six projects through the program, typically in three to five years.

Projects the TAAF Program Co-Funds

The TAAF program is extremely flexible. Here are just a few examples of other projects our clients have recently undertaken.

 Marketing and Sales Support: Lead development; sales team training; market research to support



diversification; re-branding; e-marketing; product testing

- Operations: Lean and Six Sigma implementations; ISO / AS / IATF certification prep; process re-engineering; automation implementation
- Systems: Selection, implementation, training for ERP, CRM, MES, etc.; HR and Purchasing improvements
- Training: CAD; CAM; machine skills; safety; computer skills; leadership development; supervisor training
- Other: financial management; job costing; bank relationship development; succession planning

Learn More

- Learn more about the TAAF program and whether your firm qualifies for assistance by visiting www.gltaac.org.
- The TAAF program is funded and administered by the Economic Development Administration of the U.S. Department of Commerce (eda.gov).
- GLTAAC is part of the Economic Growth Institute at the University of Michigan (economicgrowth.umich.edu).



Scott Jacobs is Director for the Great Lakes Trade Adjustment Assistance Center. He may be reached at 734-998-6227 or shphill@umich.edu.

Recognize Industry Excellence in 2020 MFG Excellence Award Nominations Open

In the face of unforeseen and unimaginable obstacles, manufacturing has managed to shine in 2020. Give our industry the recognition it deserves by nominating an outstanding company or individual for the 2020 MFG Excellence Awards. The Awards will be presented this fall.

Award Nomination Process

Teams of independent judges determine Award recipients based on the content and quality of the completed nomination forms. Anyone, except MMA staff, may nominate an individual or company within Michigan's manufacturing industry. **Self-nominations are encouraged**. The submission of additional information about the nominee and the company, such as letters of recommendation/commendation, testimonials, press articles and company brochures, is highly encouraged. You may submit multiple nominations for each category. Nominate online at **mimfg.org** from 6/15/20 to 8/21/20.

Award Categories

• John G. Thodis Michigan Manufacturer of the Year Honors the important, positive and tangible contributions individual manufacturers make to their employees, customers and communities. Large tier is open to an individual or company. Small-tier is awarded to an individual.

. MFG Woman of the Year

Honors the roles women play in manufacturing, her significant achievements in the industry and positive impact within her company and community. Awarded to an individual woman at any level of manufacturing.

. MFG Emerging Leader

Awarded to an individual with less than 10 years in the industry for exceptional contributions to the industry and the potential for future accomplishments within Michigan manufacturing.

• MFG Talent Champion

Recognizes an individual who works to bring focus to the critical need of attracting Michigan's next generation workforce to manufacturing's variety of career options.

MFG Innovation Excellence

Showcases a company that not only has brought an innovative concept to market but has developed and maintained a culture focused on engaging the workforce to bring new ideas to life.



MFG Community Impact

Recognizes a manufacturing company that has shown exemplary leadership in serving its community or state, and is an example of the involved and giving nature of manufacturers.

. MFG Lifetime Achievement

Honors an individual who has excelled in the industry and inspires their peers, emerging leaders, lawmakers and educators to strive to make significant contributions to their company, industry and community.

"Coolest Thing Made in Michigan"

From household staples to life-improving machinery, Michigan manufacturers have produced some amazing things — but only one can win the annual "Coolest Thing Made in Michigan" People's Choice Award. Nominate today at coolestthing.mimfg.org!

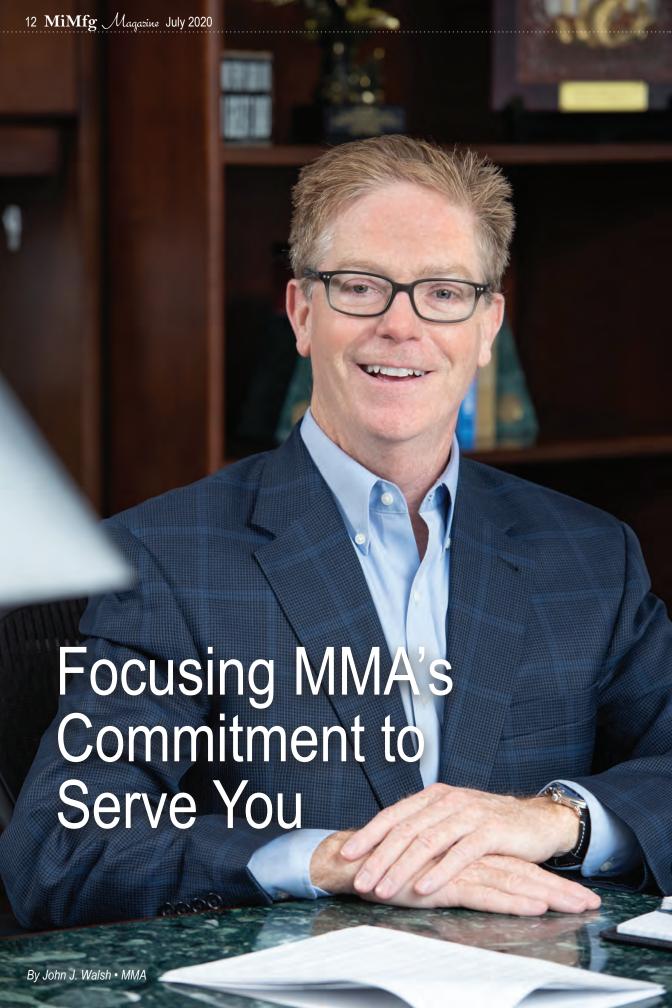
How Does It Work?

Once nominations have been collected, online voting will commence. The first round people's choice vote will determine the Top 10 coolest Michigan-made products. During the second round, voting will determine which of these 10 finalists will be deemed the "Coolest Thing" in 2020.

The winning product (and its manufacturer) will be announced this fall. Submit your nomination for "Coolest" product for a chance to win this coveted Award at coolestthing.mimfg.org.

Meet Past Winners

Need inspiration for your nomination? Meet previous MFG Excellence Awards winners by checking out spotlights and videos at mimfg.org. Past Award winners are industry leaders, policymakers, educators and manufacturing supporters who lead and contribute to the industry.



reetings to all of our MMA members! It is an absolute honor to address you as the new
President & CEO Having served Michigan both as

President & CEO. Having served Michigan both as a member of the House of Representatives and as the State Budget Director, I worked with dozens of associations but few had the consistent reputation for impeccable service and dedication as the MMA. When working with [former President & CEO] Chuck Hadden and the Association's Government Affairs team, it was evident to me that the MMA was fully invested in advancing the interests of its members and promoting manufacturing.

And manufacturing is also something deeply important to me as a lifelong resident of Michigan and having worked with manufacturers throughout my career. The industry is forever linked to our state's history and remains a crucial part of our future success. This is why, when given the opportunity to succeed Chuck as MMA's President & CEO, I said "Yes."

This is a huge responsibility! With a dedicated mission focused solely on securing a prosperous future for Michigan manufacturers, the MMA is the state's only association solely invested in this unique and impactful industry. Manufacturing is responsible for nearly one-fifth of the state GDP and we cannot underestimate the important role MMA can and should play in supporting manufacturing innovation, investment and job creation.

With a clear vision and a strong and motivated team, I am convinced that our best days as an association are ahead.

Across our nearly 120-year history, MMA has remained a critical force in the manufacturing industry. While honoring that history and recognizing changes within the industry, I outlined my strategy for moving the Association forward during my interviews with the search committee and in subsequent conversations with the MMA Board of Directors. This is not about changing for the sake of change or disrupting our best work, but rather a desire to position the organization for success in all fundamental areas of operation, including aggressive strategies for membership growth, a powerful advocacy team and competitive insurance and service products.

My plan going forward is focused entirely on our members and requires time, resources and your support. My goal is to ensure that MMA's foundation remains firmly rooted in member service and effective advocacy while planning for additional investments and support services to make our brand more valuable to members.

To that end, MMA has implemented an internal staff reorganization that will ensure a unified and strong value proposition to manufacturers, policymakers and stakeholders across the state. This realignment will solidify our status as the go-to advocate and voice for manufacturing at the State Capitol, and ensure a

greater awareness of manufacturing and the MMA brand across Michigan while elevating our service offerings to meet the changing needs of industry.

This was my plan in early March and it remains my plan today, but I cannot pretend that the world is the same as it was just four months ago.

The Impact of COVID-19 and MMA's Response

COVID-19 has certainly presented challenges beyond what could have ever been expected. We've seen economic disruption, a new talent and workforce crisis, concerns about cash shortages and questions about how to locate resources essential to an effective restart of local businesses. It has been the most difficult moment Michigan has faced since the recession of 2009 — but it doesn't have to become our darkest hour.

by the MMA Board at the culmination of a rigorous search process. He has hit the ground running and effectively reintroduced the MMA as Michigan's premiere voice for manufacturing during the COVID-19 pandemic. MMA membership has been indispensable for my manufacturing business, and as a board member I am excited about John's plans to build upon and expand that success.

 Bill Henderson, President of Aircraft Precision Products and Chairman of the MMA Board of Directors

I have been so inspired by the response of MMA members and of all manufacturers during these last few months. In the face of unforeseen and unimaginable obstacles, hundreds of manufacturers stepped up and offered to help. Even as COVID-19 has resulted in stay at home orders and social distancing, I believe it's also helped bring manufacturers together.

Looking at MMA's trajectory going forward, our response to COVID-19 will be a moment we can look back on with pride. Stakeholders have taken note of our efforts to provide immediate, clear and relevant information to our membership. We've connected with stakeholders like never before. We've been able to highlight our resources and the value we can bring to the industry and to the state of Michigan. I'm more certain now than ever that manufacturers are ready for any challenge in the next decade. If we can face it like we've

faced COVID-19, we'll be ready and MMA will be there, by your side, as the go-to source for all things manufacturing.

MMA: Looking Forward

I want to first thank Bill Henderson, Chair of the MMA Board of Directors, the Board itself as well as the MMA Search Committee for providing me with this opportunity. I will continue to rely on your input, influence and ideas. Together, I see great things ahead for this Association.

Membership, Marketing & Events

Associations can't function without every member of the team moving in the same direction and with similar goals. In June, I announced the promotion of Delaney McKinley to the role of Vice President of Membership, Marketing & Events. While she will continue to provide insight and experience to the Association's advocacy efforts, this move will bring focus to three essential MMA departments.

The reorganization brings membership and marketing functions together with the communications and events team to present a more unified vision to members, prospects and external stakeholders. This team is tasked to re-envision and amplify MMA's powerful brand to create outstanding experiences for members and prospects to grow the Association's diverse membership.

- There is strength in numbers, and we are laser-focused on growing the Association's diverse membership to ensure that MMA's strength and influence are second to none. We are committed to creating outstanding experiences for members and prospects through timely and relevant member communications, innovative and engaging educational opportunities and meaningful connections with your peers and partners.
 - Delaney McKinley, MMA Vice President of Membership, Marketing & Events

This will include investment in our staff to ensure we have the resources necessary to connect with members and build an awareness of and commitment to MMA with manufacturers in every region of Michigan. We will improve and increase how we engage with members and the questions that we ask to better understand your needs and areas where our focus needs improvement.

- efforts is rooted in the economic power of our members in their communities. Manufacturers are often the greatest economic drivers in their local communities and make significant capital investments and provide high paying jobs. We will continue to leverage our members' economic and geopolitical footprint to affect positive policy changes for all Michigan manufacturers.
 - Mike Johnston, MMA Vice President of Government Affairs

You will see changes in 2020 and beyond — this won't be done overnight but it also can't be delayed. This year has proven that unexpected obstacles can always appear and we need to move forward in a way that ensures your membership is as effective and rewarding as it can be.

Government Affairs

My familiarity with the MMA began while serving in Michigan Legislature. Too many groups are given a seat at the table and never do anything with it. MMA isn't one of those groups — we have always taken the opportunity to influence decisions that affect manufacturers.

Mike Johnston, MMA Vice President of Government Affairs, and his team will continue to drive that powerful arm of advocacy which has made the Association so effective. With Delaney's promotion mentioned earlier, I'm excited to welcome David Worthams to the role of Director of Human Resource Policy. Along with Dave Greco, MMA Director of Regulatory and Environmental Affairs, and assisted by Brianna Mills, MMA Director of Political and Strategic Partnerships, I see a formidable team of lobbyists who can move the needle on Michigan policies to better reflect the needs of our members — large and small alike.

I will continue to echo the importance of communication in all my conversations and I encourage every member company to connect with our Government Affairs team. I assure you that every manufacturer brings a unique perspective and, the more we can understand the challenges you face, the better prepared we will be to push for solutions at the Capitol.

Member Services & Insurance Programs

Members join and derive value in their membership for many different reasons. Some join to support the industry, some to be directly involved in advocacy or to deal with specific regulatory issues, some for networking opportunities, and for others it is about cost-savings. The services we provide — like cyber threat protection, shipping services, parts cleaning and decontamination, discounts on office supplies and car rentals — and the insurance programs we offer — health, life, disability, dental, vision, 401(k) programs and workers' compensation — create incredible value-add propositions for our members... and we want to do more!

MMA's response to the COVID-19 crisis led to the creation of MFG Tools for Safe & Productive Operations, an interactive resource providing concise practical guidance that connects manufacturers with a variety of services and products to help expedite their restart efforts. This resource has also connected MMA with new providers including HoMedics and Safely6ft.com. I am confident that MMA's portfolio of value-added services will grow as the Association looks for additional ways to offer competitive member value under the continued leadership of Larry Janicki, President of the MMA Service Corporation (MMASC).

Moving forward, we will be asking members what they need and non-members what would entice them to join. Let us know if you have an idea for MMA to consider, one that might offer a valuable solution or cost-savings tool for all members.

Building Awareness & Brand Identity

With a 24/7 news cycle and the public advocacy stage noisier than ever, MMA must strengthen our brand and set ourselves apart to demonstrate our service commitment, value proposition and influence.

MMA has already dramatically increased our communications with members and the public. The rapid pace at which government guidance, relief and restrictions have been issued related to COVID-19 has provided a unique opportunity to elevate MMA's value to members, prospects and other external stakeholders. We have been able to attract new interest and in 2020 have surpassed the media outreach of past years in less than six months. We are committed to accelerating these efforts to ensure that Michigan is talking about us and our members every day.

The value of serving all manufacturers rather than a small subset ensures a stronger MMA. John's goal of strengthening our portfolio of services will allow us to positively represent more manufacturers and meet the needs of more employers who may not know where to go for insurance and other services. This gives us the clout needed to continue to advocate for the best interests of all manufacturers.

- Larry Janicki, MMASC President

This publication, *MiMfg Magazine*, will continue to provide you with information and strategies to solve your most difficult challenges, COVID-19 or not. Moving forward, it will shine a much brighter spotlight on manufacturers themselves — your stories and your strategies.

MMA's Focused Future

The last few months have taken a toll on everyone. Businesses have struggled and those pains won't disappear overnight, but during this time I've seen the best of manufacturing and am confident that MMA, our members and manufacturing in Michigan can achieve great things.

In order to stay the course, continued engagement with you, our members, is more essential than ever. You can expect better, more valuable communication from us and we ask that you continue to share your successes and your concerns with us. We have to work together in order for MMA to serve you better.

Since 1902, MMA has been the voice for industry because, like you, we don't stay still and we don't go backward. I'm so excited about what the future of this Association looks like.

Thank you for allowing us to be your voice; I look forward to serving you.

John J. Walsh, MMA President & CEO walsh@mimfg.org • 517-487-8550

Your Support is Critical

Contributing to the MMA-PAC is an investment in Michigan's future and one of the most affordable and effective ways to support pro-manufacturing legislators and candidates.

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"Our ability to support pro-manufacturing candidates is imperative as antimanufacturing voices are working strategically against our industry."

 Patrick Curry, MMA-PAC Chair and President of Fullerton Tool



MMA-PAC can accept personal contributions or contributions from sole-proprietorships, partnerships or limited liability companies (LLCs). State Law prohibits acceptance of corporate checks



High-Leverage Leader Skills

By Ken Woodside, Ph.D. and Murray Sittsamer • The Luminous Group

Andrew Grove, of Intel fame, once observed that "Bad companies are destroyed by crisis, Good companies survive them, Great companies are improved by them." Have you considered that accompanied by the right leadership behaviors, COVID-19 could improve your company?

Effective leadership is complicated and is comprised of many factors. For an organization to thrive and innovate post-COVID-19 it must have an engaged and energized workforce. That only happens in a culture based on trust. Building trust requires interpersonal leadership skills that leverage what we know about brain science. Our return to work with COVID-19 is potentially a time for great influence. All eyes, and ears, are on what leaders do and say.

Trust and Brain Science

To help develop those critical trust-building skills, first understand how humans are wired and what we need in order to feel trust. Here are selected facts about the human brain which provide clues to how leaders can leverage positive change:

- The brain is wired for relationships, *because inclusion in groups improves* survival. Exclusion is sensed as a threat.
- Work performance requires the brain to use the Prefrontal Cortex (PFC) — its executive function located behind the forehead.
- When the brain senses danger or threat it alerts the Amygdala —part of the Limbic System which sends a signal to override the PFC and alerts other parts of the brain to trigger a fight, flight or freeze response.
- When a person is not stressed by fear and feels safe, the brain responds by producing oxytocin.
 Oxytocin helps reduce stress and promotes bonding with others.
- Inclusion, being a valued and trusted team member, feels good and causes the brain to release dopamine, the "feel-good" neurotransmitter. This energizes the PFC, which in turn improves productivity and memory.

Trust Leverages Engagement

The brain is primarily designed for survival, not for 21st century business. In order to build trust, leaders must go beyond old-school leadership thinking.



Our words and actions must send a message that every worker is trusted, valued and included in our efforts to create the new work normal. Trust is the foundation of all great companies.

When employees sense danger or change the Amygdala takes control and overrides logical thinking functions. A leader who is not trusted is actually perceived as a threat by his or her team and co-workers, triggering a fight, flight or freeze reaction; noticeable as reduced work performance.

On the other hand, when employees feel a high level of trust, their fears are reduced. Automatically, the brain responds by signaling the pituitary gland to release oxytocin. In a workplace setting, oxytocin helps employees further reduce stress and promotes bonding with leaders and peers.

Try it Yourself

If your communication — or lack of communication — triggers a threat, you'll lose engagement and your capacity to leverage improvements. But when you see your messaging skills in a new light, you'll likely find that application of a little basic brain science will help you engage and energize your workforce so that working together, you can become one of those "Great companies."



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The Luminous Group is an MMA Premium Associate Member and has been an MMA member company since December 2017. Visit online: www.luminousgroup.com.

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Your MMA Government Affairs Team at Work for Michigan Manufacturing

Personal Protective Equipment as Industrial Processing

Mike Johnston • 517-487-8554 • johnston@mimfg.org

As cash flow and cost burdens continue to impact Michigan's economic growth, MMA is advocating for any new PPE required by government order to be exempt from the sales and use tax withholding requirements as part of the industrial processing exemption. MMA is working with Treasury on the issue and, as of 6/15/20, is anticipating a Draft Revenue Administrative Bulletin (RAB).

MMA Leads Coalition in Support of Line 5 Tunnel

Dave Greco • 517-487-8543 • greco@mimfg.org

The construction of the Great Lakes Tunnel is an essential infrastructure project to secure Michigan's economy and energy future. MMA spoke out as the lead organization for *Great Lakes. Michigan Jobs.*, a coalition of statewide labor, business and industry groups, in support of this much-needed initiative.

"More than 623,700 workers power Michigan's manufacturing industry, and many of those jobs are directly tied to Line 5 and the Great Lakes Tunnel," said John Walsh, MMA President & CEO. "Safely building the Tunnel, burying Line 5 deep below the lakebed will protect the Great Lakes, and it'll protect thousands of the state's highest-paying, most competitive jobs."

The Coalition continues to educate the public about Michigan's and manufacturing's need for the Tunnel in press coverage and opinion pieces during the summer as regulators and agencies are reviewing permit applications and while state officials work on next steps to kickstart Michigan's economy following the COVID-19 pandemic, making the Great Lakes Tunnel project even more critical.

MMA Meets with State Treasurer to Urge Relief for Manufacturers

Mike Johnston • 517-487-8554 • johnston@mimfg.org

MMA recently met with State Treasurer Rachael Eubanks and House Tax Policy Committee Chair Lynn Afendoulis (R-Grand Rapids) to advocate for solutions to current manufacturing tax challenges related to the COVID-19 pandemic, including cash flow relief, tax payment deferrals, abatements, exemptions, tax credits and deductions, tax incentives, grants and loans.

Court Disputes Workplace Safety Penalty Provision

David Worthams • 517-487-8511 • worthams@mimfg.org

The Court of Claims ruled that Governor Gretchen Whitmer cannot attach stiff penalties outlined in the Michigan Occupational Safety and Health Act to violations of new workplace safety requirements under her recent Executive Orders 2020-97 and 2020-114. While employers are still required to implement robust safeguards to prevent virus transmission, the ruling means that violations are subject to a misdemeanor penalty, rather than \$70,000 fines and 3-year felony convictions. MMA anticipates more to follow and a possible appeal by the Governor's Office.

Summer Property Tax Deferral

Mike Johnston • 517-487-8554 • johnston@mimfg.org

Manufacturers are working every day to return Michigan's economy to the heights it reached prior to the COVID-19 pandemic. To optimize their resources, many manufacturers are looking for breathing room while managing new cash flow and workforce challenges. House Bill 5761 and House Bill 5810, which passed the House on 6/18/20, would establish a deferral of payment to 2/28/21 to help property owners. The bills also ensure backfill of local revenue.

Impostor Unemployment Claims

David Worthams • 517-487-8511 • worthams@mimfg.org

The Michigan Unemployment Insurance Agency (UIA) and Michigan State Police are warning individuals and companies to be on the lookout for fraudulent unemployment claims being filed by identity thieves. The US Secret Service has also issued an alert on the problem nationally after identifying an international criminal ring exploiting the COVID-19 pandemic to file impostor claims for unemployment. In addition to identity validation requirements passed into law in 2017 by MMA-driven legislation, the UIA is employing additional fraud protections to verify identity and authenticate claim eligibility. If you or one of your employees discovers an impostor claim, report it at Michigan.gov/UIA.

Legislative and regulatory issues impact every manufacturer.



Get "hands-on" lobbying experience, develop vital relationships and take part in MMA's efforts to develop a pro-manufacturing economy.

September 15, 2020 • Lansing



Save the date and watch for details at mimfg.org

MFG Resources for COVID-19 Updates and Restart Practices

MMA continues delivering effective solutions for Michigan manufacturers and working with state officials to address manufacturing's most pressing concerns, including increased production, bringing workforce back, cash flow and compliance with rapidly changing regulations.

Check out the variety of resources designed to help you stay competitive in a COVID-19 world.

Tools for Safe & Productive Operations

While manufacturers lead Michigan's statewide return to a robust economy, they continue to face many complex and changing facets of operating in the shadow of a global pandemic. To provide employers with a single source for workplace safety requirements, best practices and direct access to partners who can support their efforts to scale up operations, MMA has developed *MFG Tools for Safe & Productive Operations 3.0*— available at mimfg.org/covid-19.

Now in its third iteration, this interactive digital resource is updated with new state and federal regulations and includes more than 40 member companies with products and services to address your company's challenges. Use the MFG Tools to help with decontamination, employee screening, financial relief, information technology, loss control, personal protective equipment, process improvement, social distancing, training, and more.



PPE Supplier List

When the Michigan State Police Emergency Management and Homeland Security Division coordinated with MMA on developing an arsenal of critically needed PPE, nearly 300 companies offered an assessment of their products and manufacturing capacity, which would assist not only first responders,

Sample pages from MFG Tools for Safe & Productive Operations 3.0. Access the interactive tool kit at mimfg.org/covid-19.



health care professionals and those in personal fights with COVID-19 but also all manufacturers struggling to locate the PPE required to get their businesses up and running and their team back to work. Access MMA's PPE Supplier List and learn how to get your company added at mimfg.org/covid-19.



Financial Relief Tool Kit

With workforce disruption, revenue reductions, supply chain problems and economic upheaval related to the COVID-19 crisis, locating financial assistance is more crucial than ever.

Check out MMA's online COVID-19 Financial Relief Tool Kit, at mimfg.org/covid19financialrelief, for detailed information on federal and state programs for which your company may qualify. From the roughly \$2 trillion in financial aid provided by the CARES Act to grant and loan options at the state level, assistance is available for businesses of all sizes.

COVID-19 Resource Page

Locate the latest executive orders, official guidance, member-provided resources, webinars and more on MMA's COVID-19 Resources Page at mimfg.org/covid-19.

Stay Connected with MMA

Reach out to MMA for the help your company needs during this difficult time. Like many of you, we are working every day to locate and build upon the solutions Michigan's manufacturing industry needs to be competitive.

Contact Delaney McKinley, MMA Vice President of Membership, Marketing & Events, at 517-487-8530 or mckinley@mimfg.org, to find solutions to your current challenges.

Some of the member companies featured in the MFG Tools for Safe & Productive Operations 3.0 include:



And more!

Member Spotlight

Jeremiah Thompson

Factory Manager for Michigan and Indiana Facilities

Nestlé Waters North America

Member since October 2002 • Employs 250 Michigan workers • Learn more at icemountainwater.com

Water remains our world's most important natural resource. Yet, our world is changing and our needs have evolved. We're more aware of nutrition, physical fitness and wellness; in 2016 sales of bottled water surpassed carbonated soft drinks for the first time ever (according to a Beverage Marketing Corporation report released in 2017). We're also more "on the go" than ever before. Reliable access to water is essential and it still has to taste great.

That's the centerpiece of Nestlé Waters' mission — delivering quality bottled water that is both refreshing and healthy.

"Under trusted brands like Ice Mountain, Pure Life and Poland Spring, we make water available across every type — natural spring water, purified water, distilled water, mineral water and sparkling water," said Jeremiah Thompson, Factory Manager for Nestlé Waters' Michigan and Indiana facilities. "There's a lot of complexity to what we do and I think we have a responsibility to provide great daily options for people when and where they need it."

While demand for Nestlé brands continues to trend upward, people aren't just demanding water, they're demanding water with a taste they recognize.

"Our brands are available nationwide and abroad, yet, we have noticed that people have particular preferences based on where they grew up. They crave something familiar," explained Thompson. "For example, Michigan consumers tend to be drawn to the taste of Ice Mountain while someone in the northeast might favor the flavor and taste of Poland Spring. There's a real science to getting it right region-by-region."

Nestle's Stanwood facility, now encompassing more than 850,000 square feet, provides Michigan with a high-quality, state-of-the-art production system for bottled water ranging from 8-ounce bottles to 2.5-gallon jugs.

"People are choosing healthy hydration. It can be bottled, filtered or straight from the tap, but water is making a comeback," said Thompson. "We want to make sure there's a quality option available to everyone; no matter where they go."

Thompson and his team don't use the word "quality" lightly either. From the source to the customer, they perform thousands of quality checks to ensure the highest standard possible. Their passion and care is also on display through the people who do the work every day.

"We're always looking out for one another — we can't succeed without everyone being on board," said Thompson. "I think for any manufacturer it's that way, and our employees believe in providing the highest quality, most delicious and most reliable product to consumers. This commitment becomes a way of thinking that gets into the whole company culture."

Over the next five to 10 years, that culture will continue to thrive as Thompson's team has plans for further investment into projects to highlight the need for greater recycling efforts, reductions to overall plastic usage, packaging innovation, more community involvement and strengthening their voice in efforts to protect Michigan's water, land and other natural resources.

"When you get to know Nestle's values, you quickly discover how much we care," Thompson stated. "At the end of the day, whether you make a product people drink or not, it needs to be about the people. Be upfront and honest with them. Open your doors to the community and build up those relationships so that they get to know you. Trust is everything in manufacturing."





What's Happening in Michigan Manufacturing

Hemlock Area STEM Center Holds Virtual Groundbreaking

The new Hemlock Area STEM Center held a virtual groundbreaking for what will become the future home for robotics and other STEM-related programs for Merrill, Swan Valley, St. Charles, Freeland and Hemlock school districts. Public health measures related to the continuing pandemic ruled out an actual groundbreaking.

The new facility was funded through a commitment of more than \$100,000 from Hemlock Semiconductor Operations (HSC), an MMA member company, and will provide opportunities for area K-12 students to have a new, hightech location for Science, Technology, Engineering and Math (STEM) learning, FIRST Robotics teams and extracurricular programs. The new center is scheduled to open in late summer or early fall.

"Starting construction on the new Hemlock Area STEM Center moves us closer to having the space, materials and programs that will fuel continued learning for area students in and beyond school," said Don Killingbeck, Hemlock Superintendent. "This is a partnership that will allow students to find their passions, heighten their skills and develop the talents they'll need for careers with employers such as HSC."

Along with the \$100,000 funding for the center, HSC also is matching up to \$25,000 in additional funds to encourage other businesses and residents to support the full outfitting of the center's tools and safety features.



"The STEM Center will provide a centralized location for FIRST Robotics teams where area students can build their robots and develop their skills through learning and teamwork," said Andy Ault, HSC Vice President of Manufacturing. "Our HSC team looks forward to seeing teams collaborate in this space and watching as students develop the skills that will enable them to be the next-generation leaders at HSC and in the Great Lakes Bay region."

DTE Energy Launches "Caring in the Crisis"

MMA member DTE Energy launched "Caring in the Crisis," an awareness effort aiming to help Detroit-area residents and businesses locate help during the COVID-19 pandemic.

The effort includes a series of public service announcements and digital messages to help residents explore payment assistance and

Got Good News?

Send your company's photos, press releases and good news to MMA's Brett Gerrish at gerrish@mimfg.org.

financial help options and included a 5/22/20 "Day of Caring" radio event across WJLB, WDMK and WDMK HD2.

"Throughout this crisis, we have had one core message to our communities, and that's 'we're here to help you," said Angie Pizzuti, vice president and chief customer officer, DTE Energy. "There are many people who have never had problems making ends meet, and now are experiencing income loss and don't know where to turn. We want to connect with them right away to deliver the help that DTE and the state have made available to them."

DTE formed partnerships with local faith-based leaders, elected officials and human service agencies to create messaging for the campaign and DTE's actions have included a personalized service protection plan, emergency financial relief, personal protective equipment distribution, business guidance and more.

The DTE Energy Foundation has already donated over 2 million respiratory masks to first responders and medical professionals. In the first month of the crisis, the Foundation supported one million meals, basic needs for 100,000 families and helped 400 small businesses with grants. More information on all DTE initiatives can be found at dteenergy.com/covid19.

Toyota Donates \$2.5M to Address Crucial Needs

The Toyota USA Foundation awarded \$2.5 million in grants to a variety of nonprofits across the nation to address everything from food to e-learning tools, adding to the now-over \$8 million in funding and in-kind donations made by Toyota, whose Saline-based Toyota Technical Center has been an MMA member since 2017.

"We pivoted our foundation's focus from STEM education to support the surge in demand for food assistance across the country," said Mike Goss, Toyota USA Foundation president. "As we head into summer, and looking beyond, we also recognized the need to support a variety of e-learning programs with resources to expand access, engage youth

and parents, and assist teachers."

Learn more about the Toyota USA Foundation grants and Toyota's COVID-19 response at toyota.com/toyota-covid-19-response.

Spartan Motors is Now "The Shyft Group"

Spartan Motors, a global leader in specialty vehicle manufacturing, assembly, and upfit, officially rebranded itself as The Shyft Group in June.

The name represents speed, efficiency, agility and a high-intensity approach and The Shyft Group will serve as the overarching corporate parent company to the organization's go-to-market brands, Utilimaster, Royal Truck Body, Strobes-R-Us, Spartan RV Chassis and Builtmore Contract Manufacturing.

"For 45 years, the Company has gone to market as Spartan. This new chapter has been well contemplated, it's aligned with our long-term growth strategy,



and it's one we're incredibly proud of," said Daryl Adams, President and CEO of The Shyft Group, an MMA member since 1991. "The Shyft Group represents the pivot in market-focus and the corresponding forward momentum we've garnered in the work truck, specialty service, and delivery vehicle markets. As our new name signals, The Shyft Group is nimble, aggressive, and here to win. I am incredibly proud of our heritage and excited for the possibilities for the new brand."

For more information, visit **TheShyftGroup.com/launch**.



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The Best Time to Look into Captive Insurance is Now

By Eric I. Lark • Kerr Russell

Every small and middle-market manufacturer fights an unending battle to control expenses. Manufacturers buying insurance in the traditional marketplace are often frustrated as insurance premiums, over which they have little or no control, fluctuate (mostly upward), sometimes wildly. For manufacturers that prioritize safety and risk control, a captive insurance solution could help stabilize and reduce their insurance costs, create a culture of safety and ultimately provide a competitive advantage.

What is a Captive and How Can it Help Manufacturers?

A "captive" is defined simply as an insurance company that is owned and controlled by its insureds. To the extent the insurance is profitable the benefit inures to such owner-insureds. Captives come in many forms and the best structure depends upon many factors. Generally, for larger manufacturers with significant premiums and many affiliated entities, a "pure" or "single-parent" captive might be most beneficial. For many small and middle-market manufacturers, a "group captive" will be most feasible. Now is a great time to explore this solution as group captives are flourishing.

Group captives generally allow companies that may not individually be large enough (from an insurance dollar standpoint) to form a single-parent captive, to come together and participate in a group captive program. If these companies have positive losses, they should be able to lower and stabilize their overall insurance costs.

Another benefit for companies participating in group captives is that such companies typically become much better from a safety, risk control, and claims handling standpoint. Group captive members are working with their own dollars rather than insurance company dollars and are accountable to the other group captive members, with whom they are sharing risk. Group captive participants are also able to share risk-control and operational best practices.

Who are Group Captives Best Suited For?

Group captives are ideally suited for companies that operate in industries (like manufacturing) with inherently difficult risk profiles, leading to volatile, high pricing in the traditional insurance market.



The best candidates are companies that are best-inclass from a safety standpoint but are nevertheless still priced with the industry.

Why is Now a Good Time to Look at a Group Captive?

The Great Recession helped fuel the current popularity of group captives as surviving businesses started to scrutinize their expenses, including insurance expenses. The strengthened economy over the past five to seven years also contributed greatly to the current success of group captives. As companies thrived the demand for traditional business lines of insurance went up, as did the demand for newer insurance lines such as cyber liability. Medical expenses and health care costs remain high, and the reinsurance markets have been volatile and impacted by natural disasters (fire, hurricanes) and other global events, most recently the COVID-19 pandemic. Over-regulation in certain jurisdictions and industries has caused rates to increase or insurers to exit the market altogether. General liability rates are increasing while auto liability rates are substantially increasing.

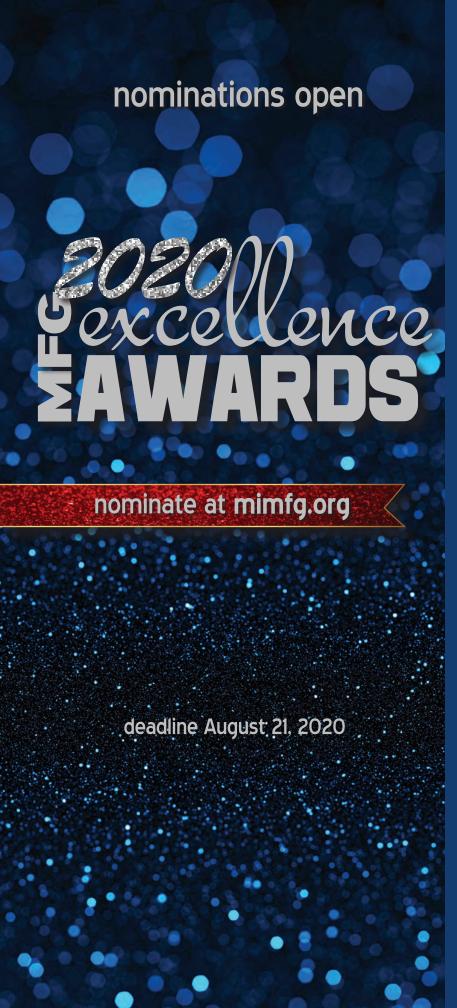
What are the Next Steps?

If you think a group captive or other captive structure might benefit your manufacturing company, you should contact a knowledgeable attorney and insurance professional to address feasibility and implementation.



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Kerr Russell is an MMA Premium Associate Member and has been an MMA member company since April 2017. Visit online: www.kerr-russell.com





Upcoming Events

7ri 21

Statewide August

NOMINATIONS CLOSE: MFG Excellence Awards

In the face of unimaginable obstacles, manufacturing has managed to shine in 2020. Give our industry the recognition it deserves by nominating an outstanding company or individual for the 2020 MFG Excellence Awards — nominate today at **mimfg.org**.

Wed Z6

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<u>Tue</u> 15

Lansing September

MFG Legislative Day

Get "hands-on" lobbying experience while learning about the legislative process and MMA's efforts to develop a pro-manufacturing economy during MFG Legislative Day.



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Balancing cost concerns with employee needs is challenging

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