



Spartanburg Community College Rolls Out Its Aggressive Customized Apprenticeship Training Campaign

Spartanburg Community College (“SCC”) - Spartanburg, South Carolina, has established an aggressive workforce development system for manufacturers. So far, eleven companies in the greater Spartanburg area have signed up to be a part of this bold initiative, designed to help companies be more competitive in this global market.

Emphasizing the “rapid transfer of expertise,” the workforce development process begins with a comprehensive analysis of the target job classification. This includes documentation of the best practices for each task, safety requirements, reference documents, tools utilized, and more. Once the data is collected, it is reviewed for final approval by the company’s Subject Matter Experts (“SMEs”). Upon approval, the complete structured human resource development program is generated, placed in binders and ready for use.

Entry-level skills and abilities identified during the analysis are used by SCC to design relevant coursework and/or select online content for trainees. This builds a strong foundation for the structured on-the-job training which, when combined, leads to “job mastery” and an apprenticeship certificate registered with the state of South Carolina.

SCC has partnered with **Proactive Technologies, Inc. (“PTI”)** of Denver, Colorado and Wilmington, NC for ongoing technical support. “PTI brings a new and exciting capability to Spartanburg Community College’s workforce development inventory that employers recognize as key to building worker capacity - cutting internal costs of training, and significantly reducing the time to train and deploy high-skilled workers,” said Dr. David Just, Dean of Con-

tinuing Education for SCC. He added, “I have worked with PTI for over 12 years on projects like this in different states. The reaction from the client-employer has been the same – initial skepticism that a system could be so powerful, then pleasant surprise at the establishment of even one workforce development program, followed often by a decision to expand the project to include more job classifications in the plant.”

In just two years, SCC has partnered with 11 prominent employers in the upstate South Carolina region. Partner companies were given the opportunity to experience the process for themselves. Partners include: **Timken, Tyco Electronics, Alcoa Home Building Products, Invista, Waldrop Heating and Air Conditioning, National Starch, Goodyear Tire and**



Rubber Company, Schwan’s Bakery, Core-Molding Technologies, Barnet Polymers and LSP, Funded in part with grants provided by the **Upstate Workforce Investment Board (“WIB”), Advance SC** and in some cases **Duke Energy, Waldrop Heating and Air Conditioning** determined SCC’s workforce development approach could significantly help them manage their recent growth and raise “worker capacity” by making sure every employee receives complete and consistent training and certification to the high quality standards Waldrop imposes on itself.

Waldrop started by selecting the job classification “HVAC Service Technician.” As soon as the job was analyzed and data reviewed, binders were assembled to support every stage of the human resource development process. Waldrop’s resident SMEs became certified trainers after completing PTI’s training and certification

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Facts Don't Lie, But Statistics Might Not Tell the Entire Story.

By Julie Sobkowitz

In traditional terms, labor productivity is measured by the changes in the amount of goods or services produced relative to the labor hours used in producing that output. Many other factors have an effect on productivity, such as quality (amount of rework), technological change, efficiency of production and the worker's skill levels. The number of factors that influence the calculation of productivity rates continue to evolve as the nature of the economy, the nature of our workforce, and the data that is chosen to express the relationship all change.

The recent conversion to the new North American Industry Classification system (NAICS) from the Standard Industrial Classification system (SIC) represents an effort to analyze industry labor productivity in this changing world more accurately, but no system for industry productivity measures can be fool proof. NAICS replaced the SIC because it better identifies emerging service industries, but in the transition some of the accuracy in differentiating manufacturing sectors has been limited. In addition, industries that were once identified with manufacturing are now more accurately defined in other industries because of the expansion of the coding system with the implementation of NAICS.

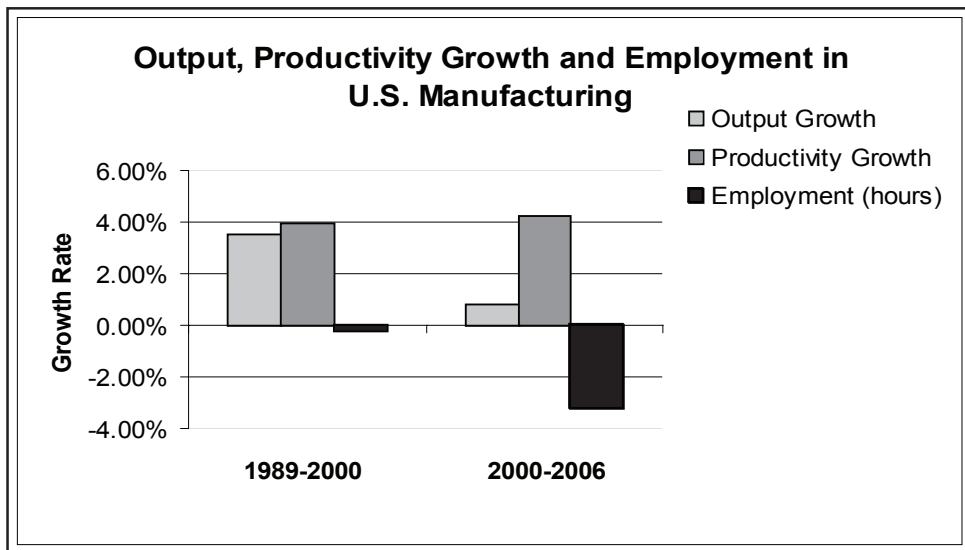
According to one article in the November 2004 issue of *Monthly Labor Review*, "because of the structural changes in industry classification that accompanied the conversion to NAICS, measures of NAICS industry employment, hours, output, compensation and productivity are not always comparable to their SIC counterparts." The move has skewed employment numbers and the way in which production is measured, leading to the need for new interpretations of labor statistics. Unfortunately, few users of the information are aware of the changes which have yet to stabilize.

The new coding system is partially accountable for the declining numbers in manufacturing, yet it has been nearly three years since the changeover and numbers are still showing a more fragile manufacturing sector in which output, and the capacity for output are declining. According to the economic Policy In-

stitute, existing U.S. trade deficits are a major contributor to the decrease in national output, pointing to the imbalance between domestic output and demand. American demand for manufactured goods has not decreased, but as jobs go overseas more and more of those goods are made elsewhere. So, although productivity appears to be up (The Bureau of Labor Statistics shows a 2.2 percent growth in productivity in the fourth quarter of 2006), output continues to decline as the manufacturing sector shrinks in the U.S.

According to Robert Scott of the Economic Policy Input, "Between 1989 and 2000, manufacturing output and productivity growth averaged, respectively, 3.5% and 3.9% per year. As a result, the two largely offset one another and manufacturing employment was relatively stable. Since 2000, productivity growth nudged slightly upward relative to the previous decade, increasing 4.2% per year. Output growth, however it is created, has averaged only 0.8% per year since 2000. Employment fell 3.2% per year as a result."

Scott summarized by asserting, in short, that it is slow growth in manufacturing output - not an acceleration in productivity - that makes 2000-06 different from the previous decade and explains the steep fall in manufacturing employment. However, one could also say that the decrease in employment, represents in many cases the movement of production offshore, leading to



Source: EPI analysis of Bureau of Labor Statistics

reduced capacity and therefore manufacturing output. The same data can be interpreted in different ways.

Why is this differentiation important? If one is to measure productivity in order to better implement a business model, these statistics would imply that cutting costs is the best solution to improve productivity. But this solution only looks good for the short-run, as the business loses long-term capacity as employment levels are adjusted downward.

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“Facts” (cont. from page 2)

With more manufacturing workers unemployed, jobs that usually pay substantially more than service sector jobs, discretionary spending drops as consumer demand adjusts downward over time. So, what seems to be a statistically acceptable situation, sustained levels of seemingly “high productivity” might only be explaining one component of a short-term event - the shifting of labor inputs to lower short-term costs. One has to interpret this event to know whether the long-term results will be as positive as the statistics portray. ■

WORLD NEWS

London New Leader in Finance - London recently passed New York as the financial leader in the world with a 4.3% rise in financial services jobs since 2002 compared to a 1% loss for Wall Street. Additionally, bank deposits, stocks, bonds and loans grew by 8.4%, compared to 6.5% in the U.S. Reasons cited by economists include the “business-friendly” environment, the time zone difference, which suits Europe and Asia better, and the ease of immigration for business executives.

China About to Pass Germany in Annual GDP - China is expected to become the third largest economy in the world this year, passing Germany and trailing only Japan and the United States. China’s economy has been surging since 2000 reaching \$2.8 trillion dollars US in 2006, a mere \$.1 trillion US behind Germany. Japan reported \$4.4 trillion US and the U.S. \$13.2 trillion US in the same year. Economists have noted that the world economy is becoming increasingly less dependent on the U.S.

Counterfeiting and Piracy Costs Add Up - Pierre Mawat, senior manager for Accenture, estimates the cost at \$200 billion US to the U.S. economy and \$500-650 billion US for the world economy. U.S. Customs and Border Protection continues to seize large amounts of smuggled goods - everything from Fendi and Gucci handbags, pharmaceuticals, DVDs and apparel. Smuggled goods even includes counterfeit UL labels. The majority of counterfeit products originate in Southeast Asia, 81% from China alone.

Coca Cola #1 World Brand - In an *Interbrand* annual report, comparing major world brands, ranked Coca Cola number one in the world with an estimated world brand value of \$65,324 million US in 2007. Microsoft followed with \$58,709 million US, and GE, Nokia and Toyota rounding out the top five.

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PRODUCT UPDATE

PROTECH ©

by Proactive Technologies, Inc.

PROTECH is an automated, managed human resource development system ideally suited for local workforce development programs to respond to and support the training requirements of local business and industry. It is also a standalone turnkey package for any employer.

Through its modular and menu-driven approach, PROTECH supports the creation of training materials, certification instruments, written exams/answer sets, performance appraisal forms, job descriptions and more. PROTECH modules include:

- 1. Basic Module.**
Provides a job and task analysis database for entry and retrieval.
- 2. On-the-Job Training Module.**
Provides structured on-the-job training outlines, plans, and checklists.
- 3. Qualification/Certification Module.**
Establishes qualification and certification programs that are effective and auditable to legal and contractual requirements.
- 4. Technical Writing Module**
Provides job-performance aids and a document and revision control database.
- 5. Human Resource Evaluation Module.**
Includes performance appraisal instruments and randomly generated pre-hire and post-hire examinations and answer sets.
- 6. Records Module.**
Supplies status information and reports. Tracks trainee/employee development, providing documentation of job mastery.

Additional features offered in PROTECH are:

- A knowledge, skills and abilities library with definitions
- A question/answer library with global control
- A job information “cut and paste” function (move/copy) for job expansion and consolidation
- Job Profile Analysis Report
- Job Profile Comparison Report
- Employee/Trainee Cross-Functionality Reports
- More

Designed for the “Rapid Transfer of Expertise,” PROTECH can help any employer cut the internal costs of training, dramatically improve worker capacity and decrease the time necessary to do so.

Call your Proactive Technologies Representative today at 303-291-0311.



PROACTIVE TECHNOLOGIES, INC

Human Resource Management for Tomorrow...Today!

SC Manufacturing Plant Managers Learn About Creating Apprenticeship Programs

By Stacey McGlothlen Lett

On Thursday, April 26th, 2007, attendees at the **South Carolina Manufacturer's Alliance Plant Manager's Division Annual Meeting** opened their educational sessions with a presentation entitled "Grant Writing and Apprenticeships" given by **Dr. David Just, Vice President of Continuing Education at Spartanburg Community College** and **Dean Prigelmeier, President of Proactive Technologies, Inc.**

More than 60 manufacturing plant managers from South Carolina and several other states were present for the hour-long session at the Marriott Resort in Myrtle Beach, SC. The two-day conference was designed to brief managers on the latest developments in the South Carolina legislature regarding business and to offer leaders information on new tools for business management.

Dr. Just opened the session with an introduction on how to begin building a world-class workforce development system for manufacturing. He spoke of the need for apprenticeship programs, how companies can partner with local educational institutions, the economic benefit of such partnerships, and grant opportunities for manufacturers seeking to begin a new workforce development strategy.



Dr. Dave Just of Spartanburg Community College

"South Carolina manufacturers need to actively and proactively develop its workers or risk losing the competitive edge U.S. workers can provide," explained Dr. Just. "We have to emphasize the need to deliberately include structured on-the-job training, with a closely-aligned core skill development program, to ensure workers can, and do, master the essential work the employers require."

Mr. Prigelmeier then took the podium and illustrated how to

build a workforce development system within plant operations, using the PROTECH © approach and software. While detailing the training-productivity relationship and the economic interests of the employer in accelerating the "transfer of expertise," he explained the power of implementing a "managed human resource development" system, with a focus on higher, sustained "worker capacity." Mr. Prigelmeier discussed how the PROTECH software automatically develops all the report applications needed for the entire human resource development process, how to implement them, and how such a program integrates with a company's quality program being contemplated or currently in place, such as ISO or TS.



Dean Prigelmeier of Proactive Technologies, Inc.

"Being able to develop and manage worker capacity through structured OJT, and documenting the experience through the conveyance of certificates of job mastery, should be a fundamental component of the strategic partnership between a company and the local community college," said Prigelmeier, adding, "In this competitive world, workforce development systems must be as deliberate as all other business innovations."

Dr. Just and Mr. Prigelmeier ended the session with a synopsis of apprenticeship programs that are currently underway and being built in South Carolina by the partnership between Spartanburg Community College and Proactive Technologies, Inc. Manufacturers involved in this process include small medium and large operations - those already established and some emerging. These projects are funded entirely or in part by Duke Energy and Advance South Carolina. ■

■ EDUCATIONAL INSTITUTION AND WORKFORCE DEVELOPMENT ORGANIZATIONS ■

Contact **Proactive Technologies Inc.** today for information on how you can join with PTI on an "Accelerated Workforce Development Partnership" in your area.

Is Outsourcing the Only Solution?

By Julie Sobkowicz

In a recent article in *strategy+business* magazine, the supply chain is defined simply as “the production and distribution network that encompasses the sourcing, manufacturing, transportation, commercialization, distribution, consumption, and disposal of goods, from the ore mine to the trash can.” The role of business strategists is to develop ways of making efficient each step of the production and consumption processes.

There have been many initiatives in manufacturing integrating quality control measures such as the Six Sigma Total Quality Management (TQM) initiative, which ensures that the least amount of waste is produced in each step of production. Toyota Production System’s (TPS) Lean Manufacturing is another way in which businesses cut back on production costs in order to increase profitability while keeping consumer costs competitive. TPS uses the “pull” method to ensure over production is kept to a minimum.

Another way in which business strategists decrease cost is through overseas production. “Outsourcing” entered the language of business (along with “globalization”) in the 1980s and has since become one of the most prevalent and far-reaching practices of lean manufacturing. Outsourcing often provides the opportunity to send part or all of production to areas of the world where business can benefit from lower labor costs. It first became popular to send production and/or assembly to Mexico but even given great distances, many companies have found it more economical to outsource to China. To American manufacturers, workers and consumers, this practice has become well known where the pool of workers seems endless and wages average about one-quarter to one-half of those in the United States, in some cases less.

Indeed, Proactive Technologies, Inc. (PTI) has offered an alternative to outsourcing as well. Instead of focusing strictly on the lower costs of labor, which still includes the traditional costs of worker recruitment, selection, training and management, the PTI approach zeros in on creating better recruitment and selection instruments, a structured on-the-job training and certification program, and a complete talent management system. The results include the lower internal costs of workforce development and the accelerated transfer of expertise to full job mastery, all leading to higher worker value and return-on-investment for the employer.

For most big manufacturing companies, outsourcing to China has proven its profitability. However, some companies are realizing it is not always the best option. According to the research of Jeremy Smith in *World Trade Magazine*, China is not always the answer, and “reverse migrations” are more common as com-

panies rely on supply chains that remain close at hand.

In Smith’s article he explains that Solectron of Milpitas, CA, tried outsourcing to China but soon thereafter, brought their production back to Guadalajara, Mexico because there, the company can get a faster response time for ever-changing high-tech products. Vice President Dave Cooper points out that, “factors like lead times, missed sales, service levels, proximity to customers, country risks, currency risks, inventory costs, and quality costs” all need to be taken into account when weighing the costs of outsourcing. The labor cost vs. the market response is crucial to determining if the low wages in China benefit each company as predicted.

It seems that Solectron, a company in the high-tech sector, is highly dependant upon responding to market demands and keeping production close to home. Any change in their product can be up and running within 24 hours notice. When they were in China it might take up to a month for changes to take effect. In just one month, an item can go from the “hottest off the shelf” to outdated and stagnant. According to Smith, “demand is a perishable commodity measured in months,” a view that is particularly true in today’s fast-paced world. ■

Presenting the Wide Array of Consulting Services from **PROACTIVE TECHNOLOGIES, INC.**

In addition to the most powerful methodology and software system of managed human resource development in the world, PROTECH © Proactive Technologies, Inc. has a wide array of proven consulting and support services to help any organization maximize resources and minimize costs, including:

- ✦ Training Program Development and Implementation
- ✦ Certificate Program Development and Implementation
- ✦ Process Documentation
- ✦ Pay-for-Skill Program Development and Implementation
- ✦ Process Improvement
- ✦ Job Consolidation/Redesign Services
- ✦ ISO/TS Quality Program Support
- ✦ Apprenticeship Program Design and Implementation
(perfect for STW, WTW and other workforce development programs)
- ✦ And More!!!

Proactive Technologies’ staff thoroughly analyzes every job classification to ensure that the training program, certification program, or any solution, matches the job. Clients are left with support documentation to demonstrate “content validity.”

Proactive Technologies’ staff is experienced with ISO and other contemporary quality assurance and control programs. Improve “worker capacity” and job mastery now by calling Proactive Technologies, Inc. at 303-291-0311, or fax a request to 303-291-0358.

STATE SHOWCASE

Ohio Update

Dana Corporation of Caldwell and McConnelsville, Ohio, partners with The Ohio State University – Alber Center, Ohio University and Proactive Technologies, Inc. since 2001, have recently changed their name as the result of an acquisition by German automotive giant Mahle. Dana’s new name is “Mahle Engine Components USA.”

All hourly jobs at the two plants, 7 at McConnelsville and 40 at Caldwell, have been integrated into a “rapid expertise transfer” system. The project has been funded with assistance in part by Ohio Targeted Industries Grants and a support by the Caterpillar Corporation.

To date, 23 employees at the McConnelsville plant and 5 at the Caldwell plant have been issued “Certificates of Job Mastery” from The Ohio State University - Marion signifying that the employee has demonstrated mastery performance of all the task requirements for their job classification as well as the prerequisite knowledge, skills and abilities. The project is currently expanding the number of resident structured on-the-job training instructors to assist in the implementation of the program to the 291 combined total of workers at the two plants.

Mahle has been ISO and TS recertified twice since the project began.

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Triumph Thermal Systems, Inc. (“TTS”) of Forest, OH, formally Parker - Hannifin UAP before their 2005 acquisition, has continued implementation of its workforce development system with help from The Ohio State University – Alber Enterprise Center and The Ohio State University – Lima. Proactive Technologies, Inc. (“PTI”) has continued in its role as technical consultants and structured on-the-job training management. TTS is an FAA repair station that works on heat exchangers for military and commercial aircraft and is ISO certified.

When the project started in 2000, the company’s main concern was that 40% of its existing workforce was scheduled to retire in the coming two years. That meant in some cases the only people who could operate some of the unique equipment would be leaving and taking that expertise with them.

PTI aggressively analyzed every job classification for each task’s best practice, as well as required skills, abilities, safety information, required document compliance and other information. With the help of Proactive Technologies’ PROTECH system of managed human resource development, the entire infrastructure for the workforce development system was established. Those scheduled to retire were trained to become

trainers of their replacements, using the system and materials developed by PTI.

Funded in part by Ohio Targeted Industries Grants, to date over 100 people have participated in the program. Over 30 employees have received their “Certificates of Job Mastery,” some receiving more than one as a result of deliberate cross-training. The job-data sets utilized in the creation of the workforce development materials have gone through periodic revalidation and revision to assist in the Company’s lean manufacturing and process improvement activities.

The Company boasts of its revenue improvements, especially over the last two years. This in spite of continued attrition as employees have continued to retire and new-hire replacements brought in to help in business expansion. While the Company underwent its transition after being purchased by TTS, this convergence could have been problematic. Ken Jackson, Human Resources Director for Triumph said recently, “We could not have done it without the help given by OSU and PTI. Training played an important role in our transformation.”

* * * * *

Training of managers at Kalmbach Feeds and Kalmbach Swine Farm Operations is underway in Upper Sandusky, Ohio. Recently, designated trainers attended a PROTECH “Train-the-Trainer” session to prepare for the implementation of a rigidly structured program designed to accelerate the time necessary to train new Feed Plant Supervisors and Swine Farm Managers.

Twelve people are currently in training, and more are expected to be added as the operations continue to expand. More will follow in upcoming issues of the Proactive Technologies Report.

* * * * *

For more information on these and other projects, contact Frank Gibson at the Ohio State University – Alber Enterprise Center.

Customized Workforce Training for Ohio County Business and Industry
The Alber Enterprise Center has teamed with Proactive Technologies, Inc. since 1994 to provide PROTECH®. This is a state-of-the-art workforce development program and support system. Perfect for process improvement, team concepts, apprenticeship programs, vendor training and qualifications programs, and ISO and QS quality assurance processes. Programs are tailored entirely to the client’s needs and can be designed to lead to an Ohio State University - Alber Center “Certificate of Job Mastery.”
OHIO STATE UNIVERSITY
For these and other training resources contact Frank Gibson, Program Manager
740-725-6325
www.marion.ohio-state.edu/alber

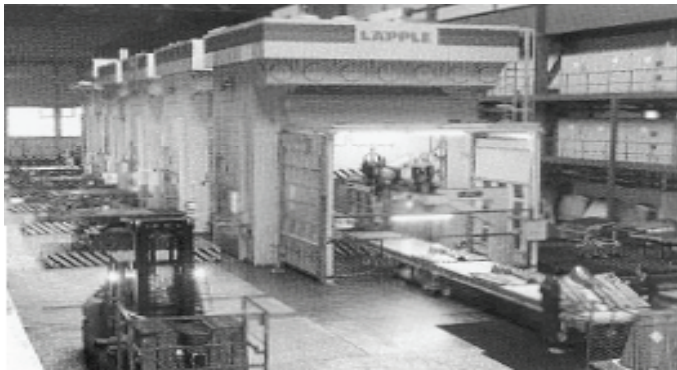
“SCC” (cont. from page 1)

program.

SCC defined the classroom and online component of the apprenticeship program utilizing the job/task analysis data. Trainees were recruited into the system and put on a fast-track to apprenticeship certification.

Bill Caldwell, Vice President of Operations, who championed the program at Waldrop said “We see training as a vital ingredient of our business model. If we expect to grow our company and take advantage of this booming market, we need to ensure that we are producing high quality technicians in a significantly shorter time-frame.” Waldrop went on to expand their project to include additional job classifications, which began implementation in December, 2006.

Another partner company, LSP, INC., located in Union SC, is a joint venture between Spartanburg Steel and Laepple, a German-based supplier to major automobile manufacturers such as BMW, Audi and Mercedes. LSP began building its new plant in early 2006 and plans to hire approximately 80 workers for its sheet metal fabrication facility which started operation in



March of 2007. That number will rise to 400 by 2010.

LSP asked SCC and the upstate WIB to assist in the recruitment of qualified candidates. Apprenticeship programs are initially being established for five job classifications: Press Operator, Maintenance, Assembly, Production Inspector and Tool & Die Repair. Analysts from PTI were sent to Heilbronn, Germany to analyze the five job classifications at the Laepple facility and to develop the training programs for implementation at the LSP plant in Union.

Pre-apprenticeship training began in February, 2007 following candidate selection. PTI will assist LSP in the implementation of the on-the-job training portion of the apprenticeship program.

First released in 1986, PTI utilizes a unique method and software system that has continually evolved to meet the changing work environment. The system reduces the time necessary to completely analyze the job classification to as little as a week. Data is processed into immediately usable, content valid (legally defensible) job descriptions, on-the-job training outlines, plans and checklists, procedure manuals, and much more.

The software, “PROTECH” keeps track of each person’s development even if they change jobs within the company or the job itself changes. PROTECH helps companies comply with ISO/TS quality program requirements, as well as other modernization programs such as lean manufacturing and continuous improvement. For more information on this project, contact Dr. David Just, Dean of Continuing Education, Spartanburg Community College: (Phone) 864.592.4805 or Dean Prigelmeier, President of Proactive Technologies, Inc.: (Phone) 303.291.0311 ■



■ **WORKFORCE DEVELOPMENT** ■
TECHNOLOGY

Spartanburg Community College Continuing Education Division has partnered with Proactive Technologies, Inc. to provide the PROTECH© system. Designed for the rapid transfer of expertise, the approach is perfect for process improvement, team concepts, apprenticeship program development and management, vendor training and skill certification programs.

PROTECH© is built for compliance with quality assurance programs such as IPO and QS/TS. Programs are tailored entirely to the client’s needs and are designed to lead workers to complete a Spartanburg Community College “Certificate of Job Mastery.”

“News” (cont. from page 3)

To be considered, the brand had to have derived 1/3 of its earnings from outside the country (which eliminated companies like Visa and Wal-Mart). Each brand was rated on three criteria: 1) Total Sales; and 2) How much of the earnings were a result of the brand; and 3) Future earnings discounted for NPV.

Subprime Loans Spread to Commerzbank, IKB - German banks Commerzbank and IKB warned of lower earnings as a result of the U.S. subprime mortgage loan market troubles. IKB reported the problems could be more severe with them as the effect from HSBC to hedge funds and banks in Europe is felt. HSBC, one of the first U.S. big financial firms to spot problems, estimated “loan-impairment costs” for its U.S. mortgage service has more than doubled to \$760 million US in the first half of 2007 compared to the first half of 2006, which is not as high as the \$1.8 billion US the bank recorded in the last half of 2006

Nike Settles Discrimination Suit - In a class action suit filed by 400 black employees in 2003, Nike agreed to settle the matter for \$7.6 million US The suit claimed that managers used racial slurs to refer to black workers and customers. The suit covers black workers who worked at the stores since 1999. Nike is also required to review its human resources and theft-loss practices as well as create equal opportunity objectives.

The Supply Chain Dark Side: Product Returns - According to *Industry Week*, product returns cost U.S. manufacturers and retailers an estimated \$100 billion US each year in lost sales, transportation, handling, processing and disposal. This can reduce a manufacturer’s profitability by an average 3.8%. The most important factor in reducing this loss is, naturally, finding where in the supply chain the defective good is being generated and eliminate it. By the numbers, 64.3 % of the initial value is reclaimed from returned products; there is a 9.0% overall reverse logistics cost as percentage

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WELCOME!

Proactive Technologies, Inc. would like to welcome the following organizations to its long list of workforce development partners:

Tri-County Technical College, Pendleton, SC and its employer partner **Inergy Automotive Systems**, an automotive component manufacturer and supplier to **BMW, Audi** and others;

Piedmont Technical College, Greenwood, SC and its employer partners **Covidien** (formally Tyco Healthcare) and **Solutia, Inc.**, both manufacturers in the Greenwood area;

Greenville Technical College, Greenville, SC and its employer partner **Magna Cosma Body Systems** of Piedmont, SC, also an automobile supplier to major automobile manufacturers throughout the world.

We look forward to working with you all!



Dean Prigelmeier, President
Proactive Technologies, Inc.



PROACTIVE TECHNOLOGIES, INC.

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“News” (cont. from page 7)

of sales and 5.7% new products are returned for repairs within initial warranty period.

Debt raise Suggested at Treasury - According to the U.S. Treasury Department, the government will reach the statutory limit at \$8,965 trillion US around October of this year. Treasury Secretary Henry Paulson asked Henry Reid, Senate Majority Leader, to raise the limit to avoid “... unnecessary uncertainty for the financial market and result in costs to the government.”

Chip Industry Numbers - According to Gartner, Inc., the top-ten high-tech manufacturers consumed nearly one-third of all semiconductor chips manufactured in 2006, approximately \$84 billion US of the market. This represents a 9% increase from the previous year. Most of the original equipment manufacturers (OEMs) are multinational, the top three being Hewlett-Packard, Nokia and Dell.

Skilled Positions Going Unfilled - In a recent Manpower Inc. survey, 41% of 4,804 Mexican employers asked are reporting difficulty finding technically skilled workers. Manufacturers from 26 countries said they would have hired workers in the previous six-month period if they would have found qualified candidates; 25% stated that this trend has forced them to offer higher starting salaries for professionals. Nearly 45% of U.S. manufacturers said that they would have hired more permanent professional staff during the same period if they found candidates with the right skills.

Patent Ruling Changes Court Cases - Earlier this year, the U.S. Supreme Court in *KSR v. Teleflex* ruled that lower courts could declare an invention “obvious” and consequently, ineligible for a patent. The majority opinion of the Supreme Court stated, that “if a person of ordinary skill in the relevant subject would be able to fit the teaching of multiple patents together like pieces of a puzzle,” then the patent is obvious.

POSTAGE