



Proactive Technologies News

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Every Work Task Is A Micro Unit; Everything About the Task Should Be Trained At Same Time For Maximum Efficiency and Effectiveness

by Dean Prigelmeier, President of Proactive Technologies, Inc.



In an article appearing in EHS Today entitled, "[Microlearning's Big Impact on Safety Training](#)," a case was made that providing safety training in "short bursts may help workers retain critical safety knowledge and procedures." The assumption is that the content is relevant, well organized ("structured") for delivery and delivered for comprehension.

Learning general safety concepts and techniques in an online or lecture format provides the basic knowledge and understanding of general safety. Unfortunately, in a lot of the cases with this type of microlearning, to which tasks of each worker's job this information needs to be applied, and specifically how, is usually left up to the individual to sort out. This leaves an opportunity for the learner to recall some of the information incorrectly or decide the information does not apply to the task at hand. The greater the time-gap between learning this information and applying it to an applicable task, the greater the chance that the information will be forgotten or not remembered correctly.

This isn't a criticism of micro-learning as applied to safety learning, it is about micro-learning of knowledge that is intended to improve performance but is not incorporated directly into all applicable tasks of a job that a worker is responsible to perform. **Training on a task procedure**, as opposed to transferring knowledge about an aspect of a task, requires all relevant task information, a demonstration of the best practice and repetitive practice that reinforces the knowledge while incorporating it into consistent task performance. This is what every employer likes to believe happens anyway, but rarely seeks confirmation to ensure it.

The worker is inundated with training all day, every day. It comes randomly (e.g. here is how to setup this machine, here is how to fill out this report, here is how you order tools, here is how to operate this machine for this part, etc.). Typically there is no structure to this, and every person asked to be an ad hoc or reluctant trainer has a different style, different level of competence and social skills. Every trainee is different; introverted, extroverted, quick learner, slow learner, self-starter, non-starter. Add to this the random, unstructured, disjointed training process and it can be a recipe for failure...everyone's!

The task and everything about the task, including engineering specifications (or where to find them), quality specifications, safe performance requirements, proper tools and reference documents, are all necessary for quick mastery and accurate

Proactive Technologies, Inc. - capturing worker expertise to build and support job specific, task-based worker development programs (with metric-based solutions) since 1986. Experience the power of the [accelerated transfer of expertise](#)™ !

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Proactive Technologies' Publications Archive

To download a .pdf version of this

issue, find the link at the bottom of this month's post on our website's [News and Publications](#) page or click [Proactive Technologies Report June, 2018 Issue](#). While at our website, check out past newsletters, articles and more.

Helping employers to unlock worker value since 1986!



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In This Issue

[Proactive Technologies' Workforce Development News](#)

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[Education and Workforce Development News](#)

[Training and Organizational Development News](#)

[Quality News](#)

[Cyber Security and IT News](#)

[Human Resource Management News](#)

[Environmental, Health & Safety News](#)

Free - Live Online Presentation Schedule

If interested in attending one of the presentations below, click on the title, then select a date/time and press "Send." An online presentation invitation and link will be sent to you. On the date and time of the event, just click on link in email invitation and it will connect you to the presentation. **No special equipment required.**

[Click here](#) for descriptions of all of the available presentations. Click on a specific title for that specific description and schedule or to schedule a date and time that works for you.

APPLIES TO ANY ORGANIZATION (Recorded - Available Any Time):

performance. De-emphasis or omission of one of the critical criteria will undermine mastery achievement. [Read More](#)

Knowledge Gap v. Skills Gap, Core Skill Gap v. Task Skill Gap; Important to Know Which You Are Trying To Close

by Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.



One common ongoing theme that all of us in workforce development and related disciplines are familiar with is that our educational and workforce development institutions are not, despite the tremendous resources at their disposal, adequately addressing the issue of the "Skill Gap." A lot has been written about the concern over the billions of dollars spent by employers and education to address the skill gap each year, but after 30 years we still are consumed with concern. Many employers have either learned to discount education as a viable partner in workforce development or have lost their confidence in these institutions all together and moved on. How hard would it be to bring them back?

Some have suggested that educational institutions seem preoccupied with controlling the definition of the challenge so the solutions they prescribe can be pulled from their shelf. They have a powerful lobbying presence in Washington D.C. and state capitals to guide their proposals to steer grant money targeted for workforce development to their institutions. In some cases it is what sustains the schools...but for how long without significant outcomes?

As early as the 1980's, surveys of employers showed a growing "schism of trust" in existing institutions helping meet the skills gap challenge. Today, educational institutions and workforce development groups seem more inclined to defend the

institution and its programs. They are less interested in understanding the clear dichotomy between the core skills needed to master an employer's tasks, and the employer's de facto role in providing task-based training to ensure core skills are not lost, but are put to a good use that reinforces their utility.

Most "customized training coordinators" at community colleges and career centers would tell you their understanding of customized training can range anywhere from providing classes onsite or offsite to recommending a credit or non-credit course. That is what constitutes "customized training." Their educational training did not prepare them to seek out such an invasive role in an employer's internal training. As they try to justify their engagement to that degree, they often provide evidence that they have little to offer that is specific to an employer's needs.

BUT THAT IS THE WAY IT SHOULD BE! [Read More](#)

Some companies have calculated that the "occupational half-life" of an employee has declined, on average, from 7-14 years to 3-5 years.
Michigan Industrial Technology Institute, 1987

"Nearly \$30 billion is spent on employee training each year in the United States...and most of that money goes to waste."
Fran Tarkenton, Management Consultant
Training Magazine, November 1988

"Employers spent an estimated \$30 billion last year on training, but some observers feel much of that outlay was wasted. If businesses want to get a bigger bang for their buck in the 90s, they have to make changes."
Noel Tichy, University of Michigan
Human Resource Executive, October 1988

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[PTIpromo - A Preview of an](#)

[Upcoming Presentation](#)

(13 minutes)

FOR FORMER EMPLOYER CLIENTS:
[PTI1001 - MA, OH, PA and SC Former Client Employers - Restart Your Organization's PROTECH® Training Infrastructure](#)

(45 minutes)

FOR ANY EMPLOYER:

[PTI1002 - Building an Effective Worker Training/Apprenticeship System - Registered or Not](#)

(45 minutes)

[PTI1004 - If You Can't Find Skilled Workers, Develop Your Own](#)

(45 minutes)

[PTI1007 - Structured On-the-Job Training Supports ISO/AS/TS Process Training Requirement Compliance](#)

(45 minutes)

[PTI1008 - Preparing your Workers for Growth: Using Lulls Before Growth to Increase Your Worker's Capacity](#)

(45 minutes)

FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS

[PTI1003 - Adding Employer-Specific Structured OJT to Your Training Support Strategy\(45 minutes\)](#)

[PTI1005 - Adding Structured On-the-Job Training to Your Apprenticeships](#)

(45 minutes)

[PTI1006 - Building a Regional Workforce Development Infrastructure: Employer-Specific for Maximum Effectiveness and Lowest Investment](#)

(45 minutes)

If you would like more information or would like to discuss these presentations or anything else, click [here](#) and fill in the "Contact Us" with your request including information specifying an alternative date/time you prefer and how many will be attending. An invitation and link will be sent to you.

UPCOMING EVENTS

Onsite and group presentations are being scheduled for the following states, **and a representative will be in your area**, in the month of:

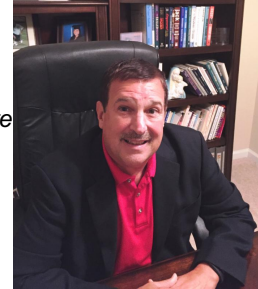
June, 2018

Colorado (Eastern Slope)

Indiana

Tips for Workforce Developers - Partnerships That Matter...and Last

by Dr. Dave Just, formally Dean of Corporate & Continuing Education at Community Colleges in MA, OH, PA and SC. Currently President of K&D Consulting



Having partnered with **Proactive Technologies, Inc.** on workforce

development projects for the past 20 years, it gave me a chance to innovate and learn what works, what efforts are most appreciated by the employer, trainee and employee, and which projects utilized resources most efficiently and effectively. There are numerous resources available from many sources that can impact a trainee with varying effectiveness, but the secret is selecting those that are appropriate for the project outcome the employer expects.

As Dean of Corporate and Continuing Education at community and technical colleges in Massachusetts, Ohio, Pennsylvania and South Carolina, at the start of each assignment I had to first learn what resources our school had available for the sectors we were targeting, and how current and relevant the courses, materials and instructors were for the specific skills employers were seeking. To be honest, in some areas our products and services were weaker than expected, so the determination needed to be made whether we had the resources and will to upgrade what we had or develop what we needed. We also had to consider if it would be more economical to strategically partner with outside providers who always had the current technical expertise and already created solutions we could incorporate into our offerings.

Too often there was internal resistance and a lack of understanding of how important being relevant was to workforce development. Many institutions grew complacent to change or were discouraged by shrinking budgets or misaligned priorities from innovation. Always feeling a sense of urgency to overcome the ubiquitous "skills gap" that cast a shadow on all education and workforce development efforts, there are some important steps that I developed for myself to help me better assess each employer's need and provide solutions client employers appreciated. This is the reason most employers we worked with kept us engaged year after year. We earned, and maintained, their respect and gave them confidence in our solutions, which ensured our continued role in their business model. This provided a continued revenue stream for the school to continue, improve and expand those efforts.

1) Listen carefully to the employer's description of the need - not every employer has a clear grasp of their need, but if you listen to their frustration in the context of your experience gained from concerns of other employers facing similar symptoms, you can help the employer discover the root cause. Then a solution that makes sense can be developed; [Read More](#)

"Unemployment is at an 18 Year Low." So Where is the Party?

By Dean Prigelmeier, President of Proactive Technologies, Inc.

For the May, 2018 unemployment report, the U.S. government announced it had reached an "18 year low of 3.8 percent." Yet, millions of Americans who are still looking for a job, or for one job that sustains them and their family, are holding off popping the champagne...or even buying it. Why hasn't the mood of American workers been more celebratory?

Politicians thinking about running, again, on the "strong economy" [this Fall may be in for a surprise](#). In a recent Monmouth University poll, "only 12 percent of Americans said they benefited a great deal from recent economic growth, while 53 percent said that they've been helped 'not much' or 'not at all.'"

Kansas (Kansas City, Topeka and I70 Corridor)

Kentucky (North and Eastern)

Missouri (Kansas City, St. Louis)

North Carolina (Asheville and Western Area, Charlotte, I77 Corridor)

Ohio

Pennsylvania (Pittsburgh and Western Area)

South Carolina (UpState, Columbia and Charleston Area)

Tennessee (Eastern)

West Virginia (North-Central, South Central)

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Classes alone will not close the "skills gap," but structured on-the-job training can...every time!

Under-capacity of workers is an enormous source of untapped value and unrealized return on worker investment. In addition, standardizing expert task performance - between workers and shifts - can add to worker ROI through lower scrap and rework.

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Despite the low unemployment numbers, the percentage of working-age Americans who are employed today is actually lower than in 2008, with 1.3 percent fewer jobs waiting for college graduates compared to last year.

Wages grew at a 2.6 percent rate - hardly able to erase the years of wage stagnation. The reported [inflation rate for 2017 was 2.1 percent](#). Gas prices have risen on average \$.50 since last year, and many economists estimate the additional cost of fuel will wipe out any gains from the tax cut earlier this year.

The cost of necessities has continued to go up. Housing, healthcare costs - insurance, out-of-pocket costs, prescription drugs - still eroding consumer discretionary spending. At the same time government considers cutting support for Medicaid, food support and housing subsidies for the poorest among us. In many states, citizens have to pay a toll to travel on taxpayer-built highways to/from work. When they arrive at the job, they then have to pay \$20 a day to park!

It is no wonder that, in the poll, only 32 percent of the country say this country is headed in the right direction; 52 percent say its on the wrong track.

The United States is a consumer-driven economy, and business leaders are rightfully concerned when more and more of the demand for their supply is on life support. So even if the reported unemployment rate was believable, many still wonder "why the hoopla?" Yes, things are better now than following 2008, but for many it doesn't feel like pre-2008 levels, nor has it made up for what was lost in the years after 2008. Are the nearly [330 million Americans](#) expected to accept this as the "new normal?" Who benefits when the media repeats the reported low unemployment rate, as if everyone's worries are over, to an increasingly cynical audience? What good is the monthly [University of Michigan consumer sentiment survey](#) if inaccurate or overly optimistic news stories sway the results?

Many are wondering who calculates unemployment and how is unemployment determined? According to the United States Department of Labor - [Bureau of Labor Statistics website](#): [Read More](#)

Successful organizations rely on high-performing organizational systems that are continually adapting and improving.

If you have been operating without a structured on-the-job training worker development system, have you considered the associated costs? Would you like to change that?

Wouldn't it be worth a few minutes of your time to find out how you can drive every worker - incumbent and new-hires - to full job mastery with a small investment and huge return?

Proactive Technologies, Inc. **always offers a low-to-no risk pilot program approach:**

- Select 1 job classification (minimum) for a pilot project;
- Proactive Technologies will perform an onsite job/task analysis of the classification(s) (incorporating your process documents and specifications), set up a structured on-the-job training system, and provide 12 months of implementation technical support to



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- Decreased internal costs of training;
- **Higher return on worker investment!**

You would be surprised how small of an investment is needed to unlock enormous returns.

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There's nothing to lose by [contacting us](#) to learn more.

www.proactivetechnologiesinc.com

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make sure your project is running to your expectations;

- **AS WITH ANY PROJECT**, retainers are scheduled over 12 months. If not satisfied with the results, you can cancel the project at any time, for any reason;

- **AND AS WITH ANY PROJECT**, within the first 90 days of the project, if you are satisfied with the results and want to expand the project to include other job classifications, the discounts offered would apply! We demonstrate our confidence that our approach to worker development is sound, effective and transformative.



We work with you to design a project to fit your budget, then offer discounts on the project based on size and scope up to 30% - all expenses are included! **WE RESEARCH AVAILABLE GRANT FUNDS AND HELP YOU APPLY. GRANTS MAY COVER MOST OR ALL OF YOUR INVESTMENT!!**

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Industry News

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DOMESTIC ECONOMIC DATA Gross Domestic Product

US Department of Commerce - Bureau of Economic Analysis



Real gross domestic product (GDP) increased at an annual rate of 2.3 percent in the first quarter of 2018, according to the "advance" estimate released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 2.9 percent. [Read Report](#)

Personal Incomes and Outlays

US Bureau of Labor Statistics

Personal income increased \$49.5 billion (0.3 percent) in April according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased \$60.9 billion (0.4 percent) and personal consumption expenditures (PCE) increased \$79.8 billion (0.6 percent). [Read Report](#)



Advanced Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in April decreased \$4.2 billion or 1.7 percent to \$248.5 billion. April 2018: -1.7% change; March 2018 (r): +2.7% change. [Read Report](#)



Boeing Buys Plane Parts Supplier KLX in \$4.25 Billion Deal

IndustryWeek - Bloomberg

Boeing Co. is acquiring KLX Inc. for \$4.25 billion in an all-cash transaction that includes \$1 billion of net debt, as the world's largest planemaker bolsters a fast-growing new division that offers maintenance, spare parts and other services to airlines.



The aircraft maker will pay \$63 per share for the purchase that includes KLX's Aerospace Solutions Group and the deal is conditional upon the

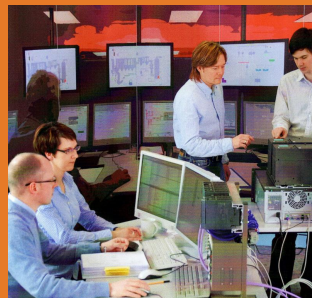


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separation of KLX's Energy Services Group, Boeing said in a statement. The sale, also subject to approvals from regulators and KLX shareholders, is expected to close by the third quarter.

[Read Article](#)

Does Manufacturing Backlog Mean Too Much of a Good Thing?

Thomas Industry Net - Anna Wells

The financial analysis website Seeking Alpha called it the biggest ISM manufacturing disappointment in a year, but it's not because the manufacturing industry is shrinking.



On the heels of the April Manufacturing ISM Report on Business, a highly cited survey that benchmarks manufacturing industry growth, it's clear that the booming industrial sector is facing some roadblocks. Bloomberg says the most significant challenge lies with the surge in demand from a growing sector, causing bottlenecks that place a strain on businesses - perhaps slowing the economy overall. [Read Article](#)

Plant Managers Growing Frustrated Over Trump Tariffs

New Equipment Digest - Shobhana Chandra

Very concerning. Two products eliminated. Commodity prices rising. Business planning "is at a standstill."



That's what a few American manufacturers said they're facing as the Trump administration weighs tariffs on imported metals and Chinese products, creating uncertainty for companies that by most other accounts are going gangbusters. The threats of a trade war are worsening the headaches for factories already struggling to find the workers, supplies and delivery trucks to keep up with robust demand, according to a report Tuesday by the Institute for Supply Management. [Read Article](#)

Boeing, Airbus, GE Among Biggest Losers from US Iran Shift

IndustryWeek - Agence France-Presse

Boeing was to sell more than 110 aircraft valued at \$19 billion to Iran, which the company said would support tens of thousands of jobs.



US President Donald Trump's decision to withdraw from the Iran nuclear pact threatens new business for several big companies, including Boeing, Airbus and General Electric. The two aerospace giants were among the companies to receive US Treasury licenses to begin conducting business in Iran under strict oversight after sanctions were lifted in the 2015 accord.

[Read Article](#)

Transformative Technology is Here But a Bit Confusing

Material Handling & Logistics - Staff

"The appetite for new transformative technological approaches is hearty, yet confusion within the market continues to impact velocity," said Stuart Carlaw, Chief Research Officer ABI Research.



The future was on full display recently at Hannover Messe. "The impact of technology and pursuit of digitization was evident in full," said Stuart Carlaw, Chief Research Officer ABI Research introducing a report that group issued summarizing the trends at Hannover Messe. "The appetite for new transformative technological approaches was hearty, yet confusion within the market continues to impact velocity." [Read Article](#)

Curves Ahead for Changes in Auto Emissions Standards

IndustryWeek - Brett Smith

On April 2, the U.S. Environmental Protection Agency (EPA) published a mid-term notice evaluating automotive greenhouse gas emissions standards for model years 2022 to 2025, indicating intent to place it on the Federal Register.



This long-awaited document has broad and critical implications for all automotive industry stakeholders, and, in many ways, it is another chapter in the long and challenging story of the U.S. approach to regulating fuel economy and emissions. According to the notice: [Read Article](#)



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MEMORABLE QUOTES

"Learning without thought is labor lost; thought without learning is perilous."

Confucius
Chinese Philosopher
551 - 479 B.C.

"To improve performance, you need to improve the system rather than focus on the individual"

W. Edwards Deming
American engineer, statistician, professor, author, lecturer, and management consultant.
1900-1993

"In economics, the majority is always wrong."

John Kenneth Galbraith
U.S. Economist, Diplomat
1908 - 2006
Author of "The Great Crash, 1929," (1955)

Recent Proactive Technologies News Article Quicklinks

May

[The Accelerated the Transfer of Expertise™](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[Challenges Presented by the Widening Skill Gap](#)

by Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.

[Full Job Mastery means Maximum Worker Capacity - A Verifiable Model for Measuring and Improving Worker Value While Transferring Valuable Expertise](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

April

[We Have Enough Evidence: Without](#)

Think There's a Talent Shortage Now? Just Wait

CFO.com - David McCann

Businesses generally spend little time worrying about what might happen 10 or more years ahead. But if "what might happen" is a talent shortage so massive as to cause a wholesale, global reinvention of work norms and redistribution of labor, perhaps companies could muster up a smidgeon of concern.

By 2030 - no more than a couple of economic cycles away, in all likelihood - the worldwide talent shortage will reach about 85 million people with needed skills, according to a new report. The estimated financial impact: as much as \$8.5 trillion of unrealized annual revenue. That lost economic opportunity would be equivalent to the combined gross domestic products of Germany and Japan. [Read Article](#)

CFO

Seismic Shifts in the U.S. Economy: Impact on the Manufacturing Supply Chain

IndustryWeek - Thomas W. Derry

For manufacturers, the past several months have produced seismic shifts in the global economic landscape. Four major macroeconomic factors are at work: the relative value of the dollar, the new U.S. tax law, NAFTA renegotiations, and proposals for a more punitive regime of U.S. tariffs for a range of imports, including steel and aluminum products.



In today's global environment, each of these events has ripple effects for manufacturers due to the complexities of supplier relationships. Indeed, 86% of corporate spending is now directed to external suppliers, a major increase over the past 20 years, and each event has unexpected implications. [Read Article](#)

US Capital-Equipment Orders Rise in Sign of Resilient Demand

Material Handling & Logistics - Bloomberg

Orders placed with U.S. factories for business equipment rebounded in April even as the prior month's figure was revised downward, indicating resilient demand at the start of the second quarter, Commerce Department figures showed on May 25.



Non-military capital goods orders excluding aircraft rose 1% m/m (est. 0.7% gain) after falling 0.9% the prior month (revised from 0.4% drop). Shipments of those goods, used to calculate gross domestic product, rose 0.8% (est. 0.4% increase) after a revised 0.7% decrease (prev. 0.8% drop). [Read Article](#)

Companies in US See 2018 Spending Surge as Tariffs Boost Costs

IndustryWeek - Bloomberg

U.S. companies lifted their outlook for investment this year while noting that tariffs will raise prices and cause supply disruptions, according to a private survey.



The Institute for Supply Management's semi-annual forecast showed factory purchasing managers see capital spending jumping 10.1% in 2018, well above the 2.7% projection made in the last report released in December.

Service providers project investment will climb 6.8%, up from 3.8%. Employment plans ticked up for manufacturers and were unchanged in services from the prior survey. [Read Article](#)

Why Robots Won't Inherit the Plant

IndustryWeek - Prasad Akella

Agility and judgment are among the chief advantages that humans possess in the factory. Machines don't come close. In 1993, I saw the future.



It was in Japan. At the foot of Mt. Fuji, to be exact. I was on a two-year assignment as a National Science Foundation fellow in Tsukuba, Japan, and I'd arranged a tour of Fanuc's "lights-out" plant: the one where robots make more robots.

I left that tour convinced I'd glimpsed the future of manufacturing: that

Employer-Based Structured OJT, Worker Development Falls Way Short

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Blockchain Employee Records? What is the Balance Between Business Controls and Employee Privacy?

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

Classes Alone Will Not Close the "Skills Gap," But Structured On-the-Job Training Can...Every Time!

by Dean Prigelmeier, President of Proactive Technologies, Inc.

March

Explaining Your Process Training to Auditors, Prospects and Clients

by Dean Prigelmeier, President of Proactive Technologies, Inc.

STEM Programs are Good, But No Substitute for Employer-Delivered Structured On-The-Job Training

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

Five Most Important Ways Structured On-the-Job Training Can Reclaim Wealth For an Employer

by Dean Prigelmeier, President of Proactive Technologies, Inc.

February

Eight Scenarios That Would Make You Wish You Had a Structured OJT System

by Dean Prigelmeier, President of Proactive Technologies, Inc.

A Pay-for-Value Worker Development Program - Fair to Management and Workers, and Effective Too!

by Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.

Who is Responsible for Decisions Regarding Training?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

January

Maximizing Worker Capacity Maximizes Shareholder Value...If Done Right

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Training Issue or Attitude Issue? Understanding the Difference

Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.

Grow Your Own Multi-Craft Maintenance Technicians - Using a Systems Approach to Training

by Dr. Dave Just, former Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA,

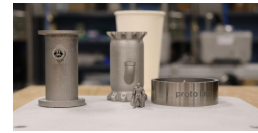
humanity was on the way to plant labor. I thanked my lucky stars I'd chosen to go into robotics. A year later, I parlayed my passion into a role leading the industry/university team at General Motors that developed the world's first cobots: robots that work closely with humans, combining the best of both, now predicted by Barclays investment bank to be a \$12 billion market by 2025.

25 years later, Fanuc's lights-out plant is still going strong. But ... in just about every other plant, humans remain dominant. The robot revolution has yet to arrive. [Read Article](#)

People, Not 3D Printers, the Most Valuable Assets at On-Demand Manufacturer

New Equipment Digest - John Hitch

A recent tour of Protolabs' 3D printing facility showed that as cool as the equipment was, the operators were the real reason for the company's success.



When I found out one of IndustryWeek's scheduled plant tours in Raleigh for our recent conference was going to be at an on-demand 3D printing manufacturer, Protolabs, I knew what I had to do: Demand I be the tour guide. I thought of all the reasons I needed to go, from seeing all the high-tech machines to seeing cool processes such as stereolithography (SLA) up close to a recent chat with Protolabs CEO Vicki Holt. Unfortunately, I didn't get to storm into my boss's office like a cop show detective would to present my evidence, as evidently, I'm the technology writer and was the going to go anyway.

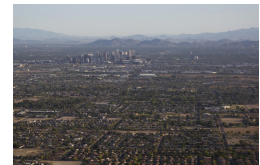
Once I got to the rural one-floor facility, I received another pleasant surprise. The most impressive part about the place was not the millions of dollars of 3D-printing hardware, but the people who operated them. [Read Article](#)

Financial News

10 Years After Housing Crisis: A Realtor, A Renter, Starting Over, Staying Put

NPR - Ari Shapiro

Ten years ago, the Phoenix metro area (seen here from South Mountain) felt the housing collapse worse than almost anywhere else in the United States. Ten years ago, a slow-moving disaster shook the entire country: a financial meltdown that did not leave a single state untouched.



The main catalyst was a housing bubble.

Throughout the early 2000s, housing prices in some parts of the country rose, and rose, and rose. Homes with prices that for decades had steadily grown with inflation were suddenly worth 50 percent or 100 percent more. The rapidly rising prices fueled extraordinary behavior. Home sales nearly doubled from 2000 to 2005. In some metro areas, prices were rising so fast that an investor could buy a house, sit on it for a couple months, and sell it for a profit. [Read Article and Head Podcast](#)

Goldman Sachs to Open a Bitcoin Trading Operation

New York Times - Nathaniel Popper

SAN FRANCISCO - Most big banks have tried to stay far away from the scandal-tainted virtual currency Bitcoin.



But Goldman Sachs, perhaps the most storied name in finance, is bucking the risks and moving ahead with plans to set up what appears to be the first Bitcoin trading operation at a Wall Street bank.

In a step that is likely to lend legitimacy to virtual currencies - and create new concerns for Goldman - the bank is about to begin using its own money to trade with clients in a variety of contracts linked to the price of Bitcoin. [Read Article](#)

Free Cash Flow: What Is It, Really?

CFO.com - David M. Katz

In the minds of shareholders, free cash flow has been replacing earnings as the gold standard of financial performance metrics. Less easily manipulated than net income, it has become a go-to measurement of a company's health.



[Finding the Balance Between Wages, Entry-Level Skills and Opportunities for Advancement](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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- document a trainee-to worker's increasing value to the employer - the key to retention - rather than leaving it to chance;
- properly aligns workforce development resources and maximizes the impact and results;
- allows you to engage an employer's facility, equipment and staff in the training process;

CFOs and other corporate managers are increasingly choosing to mention free cash flow in their financials and define the term there. But because free cash flow is a metric outside the realm of Generally Accepted Accounting Principles, there's no standard definition of the term.

"You get a hundred analysts in a room, and they're going to disagree on how to define free cash flow, and if you get 100 CFOs, they'll [differ] in their companies' definitions," says Charles Mulford, co-author of a new report by the Georgia Tech Financial Analysis Lab that attempts to set up a working definition of the term. [Read Article](#)

Ex-Autonomy CFO Convicted of Massive Fraud

CFO.com - Matthew Heller

The former CFO of Autonomy has been convicted of a massive accounting fraud for misrepresenting the British software company's financial condition and growth prospects before it was acquired by Hewlett-Packard in 2011.



A San Francisco jury on Monday found Sushovan Hussain, 54, guilty of one count of conspiracy, 14 counts of wire fraud and one count of securities fraud, agreeing with federal prosecutors that he, in effect, duped HP into purchasing Autonomy for about \$11.7 billion. "From 2009 to 2011, Sushovan Hussain misused his special skills in accounting to falsely inflate Autonomy's revenues," Alex Tse, acting U.S. Attorney for the Northern District of California, said in a news release.

"The defendant then touted Autonomy's false and misleading financial statements to senior executives at Hewlett-Packard Company, and eventually defrauded HP of over \$11.7 billion," he added. [Read Article](#)

How to Make Economic Development More Inclusive

KelloggInsight - Based on insights from Janice C. Eberly and Don Graves

Two finance experts discuss the need to tailor strategies to specific underserved communities.



In the United States, access to economic opportunity remains a work in progress. Many policymakers, lenders, and community leaders are keen to bolster the opportunities available to those who live in areas with high unemployment or poverty. So what can be done to encourage more inclusive economic development? [Read Article](#)

McKinsey Accused of Running 'Criminal Enterprise'

CFO.Com - Matthew Heller

The founder of corporate restructuring firm AlixPartners has accused rival McKinsey & Co. of making at least \$101 million in bankruptcy consulting fees by concealing potentially disqualifying conflicts of interest from the courts.



In a complaint filed on Wednesday, Jay Alix said McKinsey had conducted a "criminal enterprise" to secure lucrative consulting appointments, making it liable for violations of the federal Racketeering Influenced and Corrupt Organizations Act.

If McKinsey had truthfully disclosed its conflicts, "it would not have been able to effectively compete against [AlixPartners] in the bankruptcy restructuring market," the suit said, citing the "serious conflicts of interests in the high-profile bankruptcy proceedings in which McKinsey has sought employment."

"Through its racketeering scheme, McKinsey has unlawfully profited by at least \$101 million to date, in the form of bankruptcy consulting fees," Alix alleged. [Read Article](#)

When All Else Fails, Tax Incentives Probably Will, Too

The New York Times - Eduardo Porter

On its face, Wisconsin's development policy looks somewhat unhinged. The \$3 billion it offered to attract Foxconn's \$10 billion flat-screen-television plant to Racine, near the state's southeastern tip, is an outrageous price tag.



New Jersey's offer of \$5 billion to lure Amazon to Newark - which comes out at \$100,000 for each employee the online retailer would bring to town -

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is also pretty extravagant. Chicago's \$2 billion in incentives seems sensible only by comparison. [Read Article](#)

How is Corporate America Spending \$30 Billion in Tax Cuts?

IndustryWeek - Bloomberg

The corporate tax cut put some \$30 billion into the pockets of America's largest companies in the first quarter. How's it being spent?



Not necessarily the way President Donald Trump and Republicans said it would. They sold the cut as a means for companies to spur investment in America and create jobs.

But S&P 500 companies aren't following through, at least not yet. Relative to cash flow, they are spending about what they always spent on such things as job-producing capital expenditures and shareholder goodies in the form of dividends and stock buybacks. [Read Article](#)

Making the Most of the New Tax Rules

IndustryWeek - Kreg Brown, Mike Fitzgerald

The outlook for manufacturers so far in 2018 has been improved by a number of provisions from the new Tax Cuts and Jobs Act, which could mean greater investment in everything from automation to data capabilities.



It remains to be seen the degree to which tax reform efforts can attain the stated goal of creating factory jobs in America. Of particular interest will be the extent to which manufacturers use the tax incentives for capital investment in order to automate operations and, actually, undercut hiring on the factory floor

But as manufacturers have had some time to analyze the complexities of the new tax rules, some of the benefits-and a couple of drawbacks-have become apparent. [Read Article](#)

How Baby Boomers Broke America

Time Magazine - Steven Brill, author of Tailspin

Lately, most Americans, regardless of their political leanings, have been asking themselves some version of the same question: How did we get here? How did the world's greatest democracy and economy become a land of crumbling roads, galloping income inequality, bitter polarization and dysfunctional government?



As I tried to find the answer over the past two years, I discovered a recurring irony. About five decades ago, the core values that make America great began to bring America down. The First Amendment became a tool for the wealthy to put a thumb on the scales of democracy. America's rightly celebrated dedication to due process was used as an instrument to block government from enforcing job-safety rules, holding corporate criminals accountable and otherwise protecting the unprotected. Election reforms meant to enhance democracy wound up undercutting democracy. Ingenious financial and legal engineering turned our economy from an engine of long-term growth and shared prosperity into a casino with only a few big winners. [Read Article](#)

Fed Relying on Biased Data That Makes 'B-minus' Economy Look Like an 'A+' : James Bianco

CNBC.com - Stephanie Landsman

A veteran market researcher is out with a warning - saying the Federal Reserve is relying too heavily on economic surveys skewed by social media to mold their policies.



According to Bianco Research President James Bianco, most economists mistakenly believe that leading indicators are signaling an "A+" economy that can withstand rising interest rates.

"It's more like a B- economy," he told CNBC's "Trading Nation" on Friday. "It's not this screaming home run that everybody thinks it is based on the survey data." [Read Article](#)

International News

Mexico, Latin America, South America and the

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* Cuts the employer's internal costs of training;

* Lowers the costs associated with turnover;

Caribbean

How Puerto Rico's Debt Created A Perfect Storm Before The Storm

NPR - Laura Sullivan

When Hurricane Maria devastated Puerto Rico in September 2017, the island lacked the financial resources to make a fast recovery on its own.



Before Hurricane Maria hit last September, Puerto Rico was battered by the forces of another storm - a financial storm. The island's own government borrowed billions of dollars to pay its bills, a practice that Puerto Rico's current governor, Ricardo Rosselló, now calls "a big Ponzi scheme."

But it didn't fall into financial ruin all on its own: Wall Street kept pushing the Puerto Rican government's loans even as the island teetered on default, with a zeal that bank insiders are now describing with words like "unethical" and "immoral." [Read Article and Hear Podcast](#)

Many Venezuelan Workers Are Leaving The Job, And The Country

NPR Weekend Edition - John Otis

Caracas resident Barbara Rojas used to have a coveted position at Venezuela's state-run oil company, the kind of job that not so long ago people would hang on to until retirement due to the generous pay and benefits.



But in February, Rojas quit her job as an office administrator. She was disgusted that hyperinflation and the collapse of Venezuela's currency had rendered her wages nearly worthless. Rojas points out that nearly half of the 149 people in her office have walked off the job.

"I could no longer support myself," said Rojas, 22, who plans to join a mass migration of Venezuelans by moving to Chile. Hundreds of thousands of Venezuelans have fled to other South American countries and beyond in recent years. [Read Article and Hear Podcast](#)

Canada, Europe and Great Britain Spanish Prime Minister Mariano Rajoy Loses No-Confidence Vote

DeutscheWelle

The Spanish parliament has voted in favor of a no-confidence motion against Prime Minister Mariano Rajoy over a funding scandal. His likely successor is the man who eventually brought him down.



Spanish law makers on Friday voted to oust Prime Minister Mariano Rajoy, paving the way for the leader of the center-left Socialists, Pedro Sanchez, to take his job.

The no-confidence vote came as Rajoy's conservative People's Party (PP) is enmeshed in a funding scandal that last week saw 29 people linked to the party, including elected officials, receive heavy sentences while the party itself was fined for operating hidden accounts. [Read Article](#)

Italy's Popular Populists

DeutscheWelle

Despite Italy's political turmoil, most people in the country want the election-winning populists to form a government and get to work. They're eager to see the political establishment pack up and leave.



Trionfale market in Rome's Prati district is not a tourist attraction. This is where locals go to stock up on top quality produce - cheese and meat, including fresh buffalo mozzarella, artichokes and zucchini flowers. The market offers everything a true Italian food enthusiast could want. But times are changing, with more and more young Italians buying groceries in budget supermarkets and eating fast food. Italy's working people are struggling. [Read Article](#)

Germany and Austria Step Up Joint Border Checks

DeutscheWelle

German and Austrian authorities have boosted security measures at their joint border. They say the move aims to counter criminality and illegal migration.



* Drives new-hires and incumbent workers to "full job mastery;"

* Increases worker capacity, work quality, productivity and compliance (ISO/AS/TS training and records requirement, engineering specifications and safety mandates);

* Creates framework for cross-training, retraining and worker certification;

* Establishes the framework for employer specific/job-specific apprenticeships and internships - registered or not;

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THE DEADLINE for ISO 9001:2015 RECERTIFICATION IS APPROACHING

Germany and Austria on Friday began tightening security at their joint border still further with measures including three-member police patrols and increased scrutiny of freight trains.

The increased controls, which are to be reviewed after three months, will involve both German and Austrian federal police and police from the German state of Bavaria, which borders directly on Austria and has experienced large influxes of migrants via its southern neighbor in recent year. [Read Article](#)

Asia, India Australia The Story Barely Reported by Indian Media

BBC - Justin Rowlett, South Asia correspondent

It is a potential scandal that claims to strike at a key pillar of Indian democracy - the freedom of the press - yet it is barely being reported in the Indian media.



There's a simple reason for that: this alleged scandal involves many of the most powerful media institutions in the country.

A sting operation by a news organisation called Cobrapost claims to have revealed a deeply engrained bias towards the ruling Bharatiya Janata Party (BJP) within many of India's leading media groups, as well as a willingness among some of the country's most senior media executives and journalists to take money in return for pushing a political agenda. [Read Article](#)

ANZ, Deutsche Bank and Citigroup Face 'Criminal Cartel' Charges

BBC World News

Financial institutions ANZ, Deutsche Bank and Citigroup will be prosecuted on criminal cartel charges, Australia's consumer watchdog says.



The allegations concern arrangements for the sale of A\$2.5bn (£1.4bn; \$1.9bn) worth of ANZ shares in 2015. The three banks said they would fight the charges. ANZ said it would also defend allegations against an employee.

Australia's scandal-plagued financial sector is at the centre of a national inquiry into misconduct. [Read Article](#)

China and Southeast Asia Sieren's China: Tension Over the South China Sea

DeutscheWelle - Frank Sieren

China is deploying long-distance bombers, while the US is sending out destroyers on patrol.

Though the tension in the South China Sea is mounting, DW's Frank Sieren is doubtful it will turn into a military conflict.



Beijing spoke of a "provocation" that was a "serious violation of Chinese sovereignty" after two US warships - the destroyer USS Higgins and the guided missile cruiser USS Antietam - passed by the Paracel Islands on May 27, escalating the territorial dispute over the South China Sea. [Read Article](#)

North Korea: Russian Foreign Minister Sergey Lavrov Meets Kim Jong Un

DeutscheWelle

Lavrov invited North Korean leader Kim Jong Un to Russia as Moscow seeks to reassert its influence in the region. The visit comes as Pyongyang engages in hectic diplomacy with Washington, Seoul and Beijing.



The visit comes amid a flurry of diplomatic efforts by Pyongyang, Seoul and Washington to restore a meeting between US President Donald Trump and North Korean Leader Kim Jong Un, originally scheduled for June 12 in Singapore but later canceled by Trump. What happened. [Read Article](#)

Africa, Middle East, Eastern Europe and Russia South Africans' Anger Over Land Set to Explode

BBC - Andrew Harding, Southern Africa correspondent

South African opposition protest in 2016 with someone holding up a sign reading "Nkanini our land". Image copyrightAFP



Will you make it?

Re-certification audit planning for the new standard must be performed at least 90 days prior to expiration, in other words by **September 14, 2018**, and the last audit day cannot exceed the deadline or a full, initial audit must be performed.

Along with AS9100D and TS16949, a major new requirement for the "capture of institutional knowledge" and "identifying training gaps and closing them", as well as managing both for change are covered by **Proactive Technologies' PROTECH© system of managed human resource development.**

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In a country grappling with so many different challenges, land reform in South Africa has recently emerged as a dominant and potentially explosive issue - the focus of furious political contestation and increasingly inflammatory rhetoric.

"Africa is for black people. Period. We need our land back and we're going to take it by force," said a woman amongst an angry crowd trying to occupy a field on the north-eastern edge of Johannesburg. [Read Article](#)

Insecurity, fraud undermine upcoming Afghan elections

DeutscheWelle - Staff

Elections in Afghanistan are vital for the war-torn country to continue the democratic process that started after the fall of the Taliban regime in 2001, but most people in the country show little interest in elections.



Afghanistan's parliamentary and district council elections are scheduled for October 20 of this year, but attacks by militant Islamists have already raised concerns whether the elections will be held on time.

Taliban and "Islamic State" (IS) continue to target voter registration centers in different parts of the strife-torn country. An IS-claimed attack at a voters' office in Kabul last month killed 57 people, including women and children, underlining the fact that the participation in the election process comes with a huge risk for the Afghan people.

But a lack of security is not the only reason behind people's reluctance to participate enthusiastically in the election process; the voting procedure, marred with fraud and irregularities, has left many people pessimistic about the entire system. [Read Article](#)

International Trade News

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Department of Commerce - Bureau of the Census

Notice of Correction: A processing error was identified in the seasonally adjusted historical sales data that were originally released with the Monthly Wholesale Annual Revision Report on May 25, 2018. Corrected tables were uploaded to our website on June 1, 2018 at approximately 10:30 a.m. Below is a summary of the errors that describes the industry levels and data items that were affected: [Read Corrected Report](#)



Manufacturing and Trade Inventories and Sales

US Census Bureau

U.S. total business end-of-month inventories for March 2018 were \$1,929.6 billion, virtually unchanged (+/- 0.1 percent)* from last month. U.S. total business sales were \$1,438.3 billion, up 0.5 percent (+/- 0.2 percent) from last month. March 2018: 0.0* % change in Inventories; February 2018 (r): +0.6 % change in Inventories. [Read Report](#)



U.S. International Trade in Goods and Services

US Department of Commerce - Bureau of Economic Analysis

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced today that the goods and services deficit was 57.6 billion dollars US in February, up 0.9 billion dollars US from 56.7 billion dollars US in January, revised. February exports were 204.4 billion dollars US, 3.5 billion dollars US more than January exports. February imports were 262.0 billion dollars US, 4.4 billion dollars US more than January imports. [Read Report](#)



'Up Is Down' in Crazy World of Trade as China-US Clash at WTO

IndustryWeek - Bloomberg View

A U.S. envoy to the World Trade Organization condemned China's trade policy and said Beijing's exhortations against protectionism have "entered the realm of Alice in Wonderland."

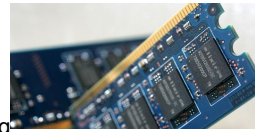


"It is amazing to watch a country that is the world's most protectionist, mercantilist economy position itself as the self-proclaimed defender of free trade and the global trading system," Deputy U.S. Trade Representative

Chip Industry's Biggest Risk Isn't a US Trade Spat

IndustryWeek - Bloomberg View

President Xi Jinping has committed China to technology independence, which includes learning how to manufacture the world's most advanced semiconductors at its own factories.



A tit for tat between Beijing and Washington wouldn't be good for the Chipmaker to the Stars, its founder and outgoing chairman told the Financial Times. "China does a lot of assembling of the final product, so the U.S.-China trade dispute may impact us also," Morris Chang said. [Read Article](#)

Free-Trade Economists Begin To See the Light on Trade and Globalization

Coalition For a Prosperous America - Jeff Ferry

For decades, economists have taught David Ricardo's Law of Comparative Advantage as if it is an absolute law. But the tide is turning, as some highly respected economists are now moving away from the doctrinaire position that all free trade is always good everywhere, and they begin to acknowledge that free trade and large trade deficits have inflicted substantial harm on the US economy.



From the mid-1970s on, growing trade has also meant the growing loss of good-paying jobs to competitor nations. Around the year 2000, the process accelerated. Globalization entered a new phase, which Harvard economist Dani Rodrik has labeled "hyperglobalization." Three significant effects launched hyperglobalization: in 1993 the US signed onto NAFTA, in 1999 the European Union launched the euro, and in 2001 China joined the WTO. The NAFTA agreement effectively erased the border between the affluent US and low-wage Mexico. Creation of the euro tied together 19 economies with a single currency, effectively forcing 18 other economies to compete with Germany without the tool of an independent exchange rate. The admission of China to the WTO gave that nation a guarantee of long-term low tariffs that opened the US to Chinese imports and opened China to foreign investment by multinationals eager to produce in China.

The tsunami of imports into the US has led to some dire economic consequences: [Read Article](#)

Trade Uncertainty May be Sapping Business Investment, Says Atlanta Fed's Bostic

Atlanta-Vibe.com

* Uncertainty over President Donald Trump's trade policies is the "most obvious risk" facing the U.S. economy and may be prompting businesses to hold back on investment, Atlanta Fed President Raphael Bostic said.



* Bostic said conversations have raised the possibility that delayed investment because of trade risks may undercut the hoped-for effect of the recent corporate tax cuts.

* Recent surveys among business reported price pressures rising, and some firms saying they are now able to maintain profit margins by raising prices. [Read Article](#)

US Dashes Hopes for Quick NAFTA Deal Amid 'Gaping' Differences

IndustryWeek - Bloomberg

President Donald Trump's chief NAFTA negotiator said the U.S., Canada and Mexico are "now here near close to a deal" to update the region's 24-year-old free-trade pact as U.S. law makers warn that time is almost up to reach an agreement that can pass the current Congress.



Areas of difference include a U.S. proposal to open Canada's dairy market and establish seasonal barriers for Mexican agricultural exports; efforts to get Mexico and Canada to raise the threshold at which duties are applied to goods imported from the U.S.; and the rules for regional content in cars built and traded within North America.

"There are gaping differences on intellectual property, agricultural market access, de minimis levels, energy, labor, rules of origin, geographical indications, and much more," U.S. Trade Representative Robert Lighthizer

said Thursday in a statement e-mailed by his press office. "We of course will continue to engage in negotiations, and I look forward to working with my counterparts to secure the best possible deal for American farmers, ranchers, workers, and businesses." [Read Article](#)

Donald Trump's EU tariffs 'Foolish' and 'Damaging'

DeutscheWelle

It's probably fair to assume that Kristen Silverberg, President George W. Bush's ambassador to the European Union, and Anthony Gardner, who served in the same capacity under President Barack Obama, disagree on many of the issues that traditionally tend to divide Republicans and Democrats in the United States. But what they share is the conviction that the Trump administration's decision to impose tariffs on steel and aluminum on EU is deeply misguided.



"I think it's very foolish," said Gardner, the US ambassador to the EU from 2014 to 2017. "Guns should be pointed at enemies, not at allies."

"I think it is very damaging and unfortunate," said Silverberg, who held the post from 2008 to 2009. [Read Article](#)

Trade Trend Estimates Latin America and the Caribbean - 2018 Edition

InterAmerican Development Bank - Author Giordano, Paolo; Michalczewsky, Kathia; Ramos Martinez, Alejandro; Editor Giordano, Paolo

This report presents estimates of Latin American and Caribbean international trade flows in 2017 and an update through the first quarter of 2018. It was prepared by the Integration and Trade Sector (INT) of the Inter-American Development Bank (IDB) in collaboration with its Institute for the Integration of Latin America and the Caribbean (INTAL). [Read Report](#)



Aid for Trade in Asia and the Pacific

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)



The role of Aid for Trade (AfT) in promoting the growth and tradability of services stays important, given that it is a major catalyst for inclusive economic and structural transformation. This report highlights emerging trends in AfT in the context of evolving trade performance in Asia and the Pacific. In particular, the impact of AfT on trade in services, thereby helping increase economic and job opportunities for women, and the rise of e-commerce. The report ends by considering policy implications of the experiences of geographically challenged and smaller economies of the region along the dimensions of trade costs, AfT, trade in services, and the role of the digital economy. [Read the Full Paper](#)

Education and Workforce Development News

Keeping Up With Industry

Community College Daily News - Matthew Dembicki

DALLAS - Colleges often struggle to determine what industry and business need of their workforce so they can develop the right programs to teach those skills.



But it's difficult when business and industry is itself trying to determine what their customers want, said Cindy Oretga, senior vice president and chief sustainability officer at MGM Resorts International.

"You're chasing someone who is chasing someone else," Oretga said during a session at the American Association of Community Colleges annual convention.

But understanding how business and industry tries to keep up with those consumer demands can offer insights to colleges, she said. [Read Article](#)

Close Isn't Complete

Community College Daily - Staff

Nearly one in five students at community colleges and four-year universities who don't graduate have completed three-quarters or more of credits required for a degree, according to a new study. One in 10 who don't persist have completed 90 percent or more of needed credits.



The analysis by Civitas Learning - which examined 30 community colleges and 23 four-year institutions that are clients - found that nearly 22 percent of non-persisting students at the two-year institutions it studied were at or above the 75 percent credit threshold. More than 15 percent were at or above the 90 percent threshold. [Read Article](#)

Mike Rowe on when to Pursue Trades, Passion and Opportunity

New Equipment Digest - John Hitch

For the host of several shows that add a positive luster to rugged industrial work, America's \$1 trillion in student loans and 6 million open jobs doesn't add up. He explains how it happened and how to fix it. [Read Interview](#)



Vocational Training for More Robust And Agile Operations

New Equipment Digest - Jesse Z. Melton

You can teach and train people to use specific technologies later in life, but if they don't understand the basics and know how to apply them, then that person is of limited value in the workplace.



It's impossible to escape from the continuous marketing about agile business philosophies. Whether it's a highly structured program with flow charts for every situation, something exotic imported from faraway lands or a plan based on simply jettisoning everything and making it up as you go, the overall idea is the same. An agile business is, among other things, one that attempts to operate with minimal waste (continuous reductions of inefficiencies) and, perhaps most importantly, can respond to problems and leverage opportunities more quickly.

With such obvious advantages to be had by adopting an agile business philosophy it's curious that companies across the board ignore the most agile resource in the workplace: the employees. [Read Article](#)

Does STEM Really Matter?

New Equipment Digest - Fran Stewart

It's unclear whether mastery of specific technical skills creates new products and markets, or if entrepreneurial talents-are what really generate growth. Engineers are the world's problem-solvers, but will creating more of them fix what ails some regions? Policymakers must think so.



The pursuit of science, technology, engineering and math (STEM) degrees is no longer simply one of personal interest or professional ambition; it is now also considered an economic imperative and public priority for regions. Changes in the curricula (and even names) of local schools, as well as state and federal education spending, reflect a clear policy assumption: Local economies benefit when scientists make discoveries, engineers solve problems, and computer experts program solutions. The places that can attract or develop these professionals are seen as potential winners in today's technology-driven economy.

The certainty of this conventional wisdom drives countless interventions targeted at growing local STEM "pipelines." Yet, an important question remains: Does a greater supply of STEM-degreed workers actually generate economic gains for regional economies? [Read Article](#)

Without Soft Skills, Technical Education Is Stuck in the Past

New Equipment Digest - Charles A. Horth

In the old days an engineer needed to understand what was asked-and deliver. Today, that same engineer is connected to a fluid network of many people with complex and varying demands.



Not that long ago, the big barrier to technological innovation on the manufacturing floor was part of what many of us called "the system." The RAM. Or the CPU. Or the storage. Remember? Consultants and corporate

leadership for more memory. We needed more speed. We needed more data and disk space.

Not so today. We have incredible speeds, oceans of memory, and far more data than we know what to do with. A near-infinite availability of interconnected technologies, devices, hardware and software. The machines aren't really the problem. [Read Article](#)

Training and Organizational Development News

Lincoln Electric CEO: The Skills Gap Is Not a Short-Term Problem

NED Industry Insider - Laura Putre

Lincoln Electric has been around forever (since 1895), has name recognition with not only welders but anyone who's ever been within spitting distance of a welding machine, and hasn't had a layoff since (gulp) the late 1940s. It's a solid place to work. Yet Lincoln, like other manufacturers large and small, still struggles every day with finding the skilled workers it needs to staff its 63 facilities, 40% of which are in the United States.



Chris Mapes, Lincoln Electric's CEO, told the crowd at his keynote address Wednesday at the IndustryWeek Manufacturing & Technology Conference that manufacturers need to look at the skills gap as "a long-term strategic challenge," just as it regards productivity. [Read Article](#)

Toyota President: Worker Investment is Key to Continuous Improvement

IndustryWeek - Dave Blanchard

Sean Suggs, recently promoted to president of Toyota Motor Manufacturing, Mississippi, speaks often about his plant's future being in its people, and he's certainly wasted no time making good on that prediction. Late last month, Suggs announced that Toyota is investing \$170 million in new equipment in the plant, a move that will bring an additional 400 workers to the area. The plant, which opened in 2011 and produces the popular Corolla automobile, already employs 1,500.



"Our people are the engine of our company," Suggs told an audience at the IW Manufacturing & Technology Conference & Expo, held in Raleigh, N.C. "But there is a talent gap in our country, and we have to come up with a solution to the skills deficit." [Read Article](#)

A Roadmap to Expand Apprenticeships

Community College Daily - Staff

A blue-ribbon task force that examined the barriers and potential of apprenticeships in workforce development is recommending a pilot program to test "industry-recognized" apprenticeships in fields that don't have well-established registered apprenticeships.



"This would test the process for reviewing certifiers and would help the federal government better understand how to support industry groups working to develop standards and materials" for industry-recognized apprenticeship programs, according to the Task Force on Apprenticeship Expansion, which on May 10 submitted its report with recommendations to the White House. [Read Article](#)

Quality News

Lockheed's F-35 Deliveries Resumes After DoD Agreement

American Machinist - Staff

The Pentagon and the OEM reportedly settle terms for repairing corrosion on airframes



Lockheed Martin Corp. is once again delivering new F-35 fighter jets, having arrived at an agreement with the U.S. Dept. of Defense over the maintenance costs on currently operating F-35s, a dispute that led the Pentagon on March 29 to stop accepting new aircraft. The defect is described as airframe corrosion, which was first discovered in 2017.

No specific details of the agreement have been released by the Pentagon or Lockheed. Citing its own sources, Reuters news service reported the repairs will cost \$119 million, and will be completed for all the affected

aircraft within two years. [Read Article](#)

Chain of Command: A Continuous Improvement Dilemma

IndustryWeek - Larry Fast

Ask the Expert: Lean Leadership's Larry Fast discusses the roles and responsibilities of the plant-level continuous improvement manager and the corporate CI team.



Question: Currently our plant's continuous improvement manager reports to the plant manager (me), with a dotted line reporting structure to the corporate CI team. The corporate CI team is angling to turn that around, have the CI resource report to them and making me the dotted line. I don't like it. What do you think?

Answer: Good for you! You shouldn't like it because it is wrong-headed thinking from the corporate office. I think about it like this: The plant manager is accountable for everything that happens or fails to happen at that location 24/7/365. [Read Interview](#)

Cyber Security and IT News

Study Details Alarming Risks to Knowledge Assets

CFO.com - David McCann

IT security professionals continue to be hard-pressed to stay ahead of malicious hackers, but at least they're growing more aware of the risks to their companies' knowledge assets.



A large majority of them acknowledge it's likely that high-value assets of their companies have been breached. Eighty-two percent of security practitioners said so in the second annual study on the topic by law firm Kilpatrick Townsend and the Ponemon Institute, conducted last December. That was up from 74% in the first study a year earlier.

Further, the proportion of respondents saying it's likely that company knowledge assets are in the hands of a competitor rose to 65% from 60%. [Read Article](#)

Cloud Security In Question

CFO.com - David M. Katz

Insurers dread what they like to call "aggregation risk." The threat arises when a large number of companies face the same catastrophic peril concurrently, multiplying the potential losses in an insurer's portfolio. The issue gained prominence in the wake of the 9/11 attacks, when many companies in the same location lost people, saw property destroyed, and suffered lengthy business interruptions from a single event.



Flash forward nearly 17 years and the problem is cropping up again, but in a different form. This time, the aggregation refers to the vast accumulations of cyber risks faced by companies seeking efficiency and safety by automating some or all of their operations in the cloud. What could happen to such companies if one or more of the large providers that have cornered the cloud-computing market gets hit with a devastating cyber attack or suffers a system failure? [Read Article](#)

Cyber Attackers Growing More Aggressive. Are You Prepared?

IndustryWeek - Jill Jusko

Any manufacturer, no matter what size, may be the target of an attack or a vehicle used to get to another target, says cybersecurity expert Roel Schouwenberg.

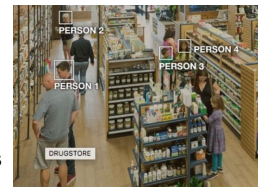


One year ago it was the WannaCry ransomware attack. Less than a year ago, the NotPetya cyber attack cost organizations like Merck & Co., FedEx, the port of Rotterdam and a whole host of others billions of dollars in total. Today geopolitical tensions are increasing and with them, the threat of more, and more-devastating, cyber attacks. [Read Article](#)

Amazon Should Stop Selling Facial Recognition Software to Police, ACLU and Other Rights Groups Say

USA TODAY - Elizabeth Weise

SAN FRANCISCO - Two years ago, Amazon built a facial and image recognition product that allows customers to cheaply and quickly search a database of images and look for matches. One of the groups it targeted as



potential users of this service w as law enforcement.

At least two signed on: the Washington County Sheriff's Office outside of Portland, Ore., and the Orlando Police Department in Florida.

Now the ACLU and civil rights groups are demanding that Amazon stop selling the software tool, called Rekognition, to police and other government entities because they fear it could be used to unfairly target protesters, immigrants and any person just going about their daily business. [Read Article](#)

Alexa's Snafu Should Be a Turning Point for Tech

New Equipment Digest - Bloomberg View

The Amazon personal assistant offers new levels of convenience at home and work, but is the cost privacy?



Alexa is listening to us after all. A married Seattle couple found out that their Amazon Echo had sent their friend a recording of a private conversation they were having about hardwood floors. "My husband and I would joke and say, 'I'd bet these devices are listening to what we're saying,'" said the woman who would come to learn that she had been betrayed by her live-in robot assistant. An acquaintance who received the recording of their conversation called her with a warning: "Unplug your Alexa devices right now. You're being hacked." [Read Article](#)

Human Resource Management News

How to Hold On To Your Workforce

IndustryWeek - Staff

"As a manager you really do have a hand in almost every aspect of how your employees perceive their job—from how meaningful the work is to how stressed out they are to how supported and appreciated they feel," James Manktelow explains.



The general consensus is that employees don't leave the company, they leave their boss. [Read Article](#)

EEO-1 Reporting Deadline Extended to June 1

Material Handling & Logistics - David Sparkman

The Equal Employment Opportunity Commission (EEOC) has extended the deadline for employers to file Form EEO-1 from March 31 to June 1, 2018.



This extension may be related to a backlog for processing requests for spinoffs and mergers/acquisitions, say attorneys for the law firm of Ogletree Deakins. They point out that these requests must be manually processed by the EEOC before affected companies can finalize their 2017 EEO-1 reports, and the processing of many of these requests has been delayed. [Read Article](#)

More Employers Avoid Legal Minefield By Not Asking About Pay History

NPR All Things Considered - Yuki Noguchi

Asking questions about prior salary can be used by employers to discriminate against women and minorities who earn less, critics say.



How much did you make in your previous job?

This dreaded interview question can sound like a trap. Your answer could be used to set your salary below someone else who is doing the same job.

And, critics say, the question can be used by employers to discriminate against women and minorities who earn less. Employers are allowed to ask this salary question in most parts of the country. But, hoping to narrow racial and gender pay gaps, seven states and several cities and counties have banned employers from asking about prior pay.

Making matters more complex, courts have issued varying interpretations of what's legal. [Read Article and Hear Podcast](#)

California High Court Rewrites Independent Contractor Criteria

Material Handling & Logistics - David Sparkman

On April 30 the California Supreme Court delivered a decision that overturns nearly 30 years of legal precedence for deciding who can or cannot be considered an independent contractor by establishing a rigid three-part test that is expected to wreak havoc on businesses that currently use contractors.



Attorney Ashton Riley has gone so far as to term the decision a "contractor apocalypse."

The court tossed out a more flexible standard that had been in place since 1989, replacing it with what is called the "ABC Test" in other states like Massachusetts, Connecticut, Illinois and New Jersey-although the standard is interpreted differently in each state. [Read Article](#)

Labor Department Pay Violation Program Becomes More Problematic

Material Handling & Logistics - David Sparkman

The Department of Labor recently introduced a voluntary pilot program to help employers who may have violated federal wage and hour laws. It now turns out that employers might want to think twice before they decide to take part in it.



The six-month pilot project is called the Payroll Audit Independent Determination (PAID) program and is intended to allow employers to self-audit and self-report accidental violations of the Fair Labor Standards Act (FLSA), and to avoid additional litigation, fines and awards if they make 100% restitution of the wages their employees are due. Complications have arisen since the program was unveiled. [Read Article](#)

Boeing's Bastion in South Carolina Breached by Union in Rare Win

IndustryWeek - Bloomberg

Boeing Co. technicians voted to form the first collective bargaining unit at the planemaker's factory in South Carolina, scoring a rare victory for organized labor in a state traditionally hostile to unions.



The "micro-unit" will represent more than 170 flight-line workers, a small subset of the 7,000 mechanics who build Boeing 787 Dreamliners in North Charleston. But the result gives the International Association of Machinists and Aerospace Workers a foothold in a so-called right-to-work state. Boeing said it would challenge the election, contending it was in violation of U.S. labor law. [Read Article](#)

Supreme Court Says Employers Can Bar Worker Class Actions

IndustryWeek - Bloomberg

A divided U.S. Supreme Court ruled that employers can force workers to use individual arbitration instead of class-action law suits to press legal claims. The decision potentially limits the rights of tens of millions of employees.



The justices, voting 5-4 along ideological lines, said for the first time Monday that a 1925 federal law lets employers enforce arbitration agreements signed by workers, even if they bar group claims. The majority rejected contentions that a separate law guarantees workers the right to join forces in pressing claims. [Read Article](#)

Are Refugee Employees Good Talent Source for Manufacturers?

IndustryWeek - Staff

Employers that hire refugees see positive outcomes for their businesses, according to a recent report by the Fiscal Policy Institute and the Tent Partnership for Refugees.



When employers hire refugees they see lower turnover rates among refugees, and widen their pool of potential employees. In addition, many see overall improvements in the company, with their managers becoming more versatile as they adjust to working with a more diverse workforce. Among the report's findings: [Read Article](#)

6 Top Worker Safety Concerns from the NSC

EHSToday - Staff

Certain populations of workers and those in certain situations are at a higher risk of being injured or dying at the workplace. [See Slideshow](#)



Workforce Drug Positivity at Highest Rate in a Decade

IndustryWeek - Staff

Driven by increases in cocaine, methamphetamine and marijuana, drug use by the American workforce remains at its highest rate in more than a decade, according to a new analysis released on May 8 by Quest Diagnostics.



Nationally, the positivity rate for the combined U.S. workforce held steady at 4.2% in 2017, the same as in 2016, but a dramatic increase over the 3.5% positivity rate from 2012, which represented a thirty-year low. [Read Article](#)

Having trouble finding, selecting, training and keeping the skilled workers you need? Are your employee turnover costs a concern?

- Classes alone will not train workers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Wishing and hoping won't develop the skilled workers you need...

The cost of one worker malperformance or one worker's under-capacity or under-performance - due to lack of proper training - **can more than justify the investment to train all your workers properly!**

AND, structured on-the-job training takes place where, and while, the work is performed. You need no additional staff and structured on-the-job training **does not interrupt your work schedule** like unstructured, haphazard and ad hoc training does.

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