

Proactive Technologies, Inc. capturing worker expertise to build and support job specific, task-based worker development programs (with metric-based solutions) since

Experience the power of the <u>accelerated transfer of expertise</u> ™

Develop all the expert workers you need in a fraction of the time, with a fraction of the investment!

Increased w orker capacity, w ork quality and quantity, and w orker compliance (ISO9001:2015, AS9100D, TS16949, engineering and quality specifications, and safety requirements).



Issue: May, 2019

Proactive Technologies News

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Have a Safe and Memorable Memorial Day!



The Connection Between Worker Capacity, Organizational Capacity and Output

by Dean Prigelmeier, President of Proactive Technologies, Inc.

The term "capacity" has many meanings. The business dictionary defines capacity for different applications, but generally defines it as "specific ability of an entity (person or organization) or resource, measured in quantity and level of quality, over an extended period." What is often missed is that each application measured for capacity is made up of important contributors that, too, have capacity.

For example, the capacity of a company can be stated as the output measured quarterly or annually, but attempts to improve it without considering the make-up of the people, the equipment, the leadership, the strategy and resources would be difficult. The output would be affected by: 1) the availability of resources; 2) the level of staffing; 3) the quality of the staffing; 4) the output attainable by the equipment in use; 4) the allocation of all resources; and many more factors. The level of improvement for overall company capacity possible is reliant on the level of control of the inputs in use.

Thinking of a company as being made up of building blocks helps to visual this relationship. Fundamental to it all is the worker, and worker capacity. Worker capacity fits the definition above, but seldom do companies have a definition and control of a worker's capacity. More often than not, companies view a workers contribution as placeholder for a position defined in terms of hours worked, dollars spent or an expected output based on the history of predecessors.

But w orker capacity is much more than that. It relates to the range of tasks the w orker is expected to masterfully perform, on equipment and using tools provided, meeting all standards and specifications, and in a safe and risk-adverse manner. It is affected by internal factors such as the company's strategy, policies, management technique, w orking environment, company culture and perception of fair compensation. It can be affected, as w ell, by the w orker's external influences such as w ell-being, w ell-being of family members, health, finances and any number of unexpected disruptors.

Fundamental to all of these factors are two specific factors: Read More

Are Advances in Technology Distracting, Rather Than Assisting, HR From the Fundamentals of Worker Selection and Development?



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

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 web site's News and Publications page or click Proactive Technologies Report May 2019 Issue. While at our web site, check out past newsletters, articles and more.

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industry, from around the world.

In This Issue

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<u>Human Resource Management</u> <u>News</u>

Environmental, Health & Safety News

<u>Free</u> - 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 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

Billions of investment dollars are driving the advancements in technology into every corner of our lives, including the selection and development of workers. Predictably, the emphasis often seems more on the technology and the money it can make for investors than the practicality for the enduser or those it effects.

It is not just the refrigerators that talk to your grocery store, or watches that talk to the phone in your pocket. Wall Street, with an accumulating mountain of cash, can drive any idea to fabricate a "trend" that often dissipates as quickly as it emerges, sometimes leaving disruption in the wake but yields a return for investors. For investors it is the means to an end. To many, it may negatively affect their life and their future.

In the 1990's, investors started to look at the National Security Agency's and Central Intelligence Agency's "key-w ord search" capabilities used to scan millions of documents from around the w orld for specific w ords and phrases to expand their intelligence gathering reach. They saw applications of this technology in the civilian w orld, including scanning the mounds of resumes and employment applications employers had to filter in order to find a few new-hires. On the surface, this seemed to be a godsend.

Soon employers and employment candidates saw what the developers of this technology did not. The technology first had to count on employers having accurately designed job descriptions in consistent formats, using standardized terms, words and phrases to describe pre-hire know ledge, experience, skills and abilities of interest. The fact was reality couldn't have been farther from this, with job descriptions written 50 years prior, written precisely for someone the employer wanted to hire (not so reflective of the actual job requirements), or cut & pasted from a handy library resource.

Next, this technology had to rely the applicant knowing the right words and phrases to describe their own pre-hire knowledge, experience, skills and abilities of interest to the employer for the algorithm to recognize a closeness or match. In truth, most candidates even knew less about the difference between a skill and ability, knowledge and a trait, having "experience with" versus being "acquainted with," or being "fluent" in a topic or having a passing knowledge. Read More

The Key To Effective Maintenance Training: The Right Blend of Structured On-The-Job Training and Related Technical Instruction

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



I spent a lot of my career as Dean of Corporate and Continuing Education at community and technical colleges, in several states. Where we could, we tried hard to provide the best core skills development delivery for technical job classifications the employers in our community requested. We often did this working off the limited, and often suspect, job information the employer could provide to us.

Often we were up against budgetary constraints that limited our efforts to customize programs and keep the programs up to date when the instructor was willing to maintain the relevance of the program. If that wasn't enough, school leadership often showed ambivalence toward adult and career education due in part to the fact that its demand was driven by gyrations in the economy. Furthermore, the institution was built upon, more familiar with and understood better credit courses for the more stable subjects such as math, science, literature, history and the social sciences.

We tried a lot of innovative programs for employers in the community w ithin the constraints mentioned, but if I w as to be honest we rarely kept up. What we thought we knew of the targeted job classifications and their requirements, and upon which our programs were built and measured, seemed to become increasingly misaligned within just a few years. Not only was advancing technology putting pressure on the content of our learning materials and program design - a constant push toward obsolescence - the employers were continually rethinking the design of their job classifications to meet their business goals and budgets. We were finding less and less similarity in job classifications between employers, by job title and job content

Inevitably, and not from lack of effort or desire, it was difficult to keep technical curriculum current to within 5-10 years. The "Maintenance" job classification was a perfect example and could be incredibly different from company to company. Read More

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): PTIpromo - A Preview of an Upcoming Presentation (13 minutes)

FOR FORMER EMPLOYER CLIENTS: PTI1001 - 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 NotÂ (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.

Enterprise Expansion/Contraction and Worker Development Standardization

by Dean Prigelmeier, President of Proactive Technologies, Inc.

One challenge faced when expanding, contracting or acquiring an enterprise is adjusting the scale of the workforce development strategy(ies) that already exist(s) to the increase/decrease in the number of workers while maintaining a consistent ratio of output, quality yield, safe performance and process compliance. Contrary to an accountant's perspective on staffing level adjustment, there should be serious consideration given to the range and depth of each worker's acquired skills; an "inventory" of each employee prior to the official act of expanding or contracting. We take a physical inventory of product, equipment, parts, etc. to assess value, so why would we treat a human asset any different?

Obviously an expansion strategy is different than a contraction strategy, but when it comes to determining the value of a worker it is similar for both strategies. How an organization addresses the development, measurement and maintenance of that value may differ widely. Let's look at both scenarios.

For companies expanding, if a sound structured on-the-job training infrastructure is in place it is simply a matter of scaling. More work means more employees that have to be trained before adding value to the operation. Sometimes expansion includes a segw ay from straight-line scaling, such as new products and services requiring new equipment, which in turns requires new /improved core skills before structured, task-based on-the-job training can be implemented to build upon incumbent worker skill sets. A solid structured on-the-job training infrastructure can easily adapt to new work, new tasks, new technologies and new trainees.

For companies contracting, one would think this would just be scaling but in a negative direction. It usually ends up more complicated than that when work for three different areas are consolidated on top of the work performed by the workers in the fourth area. If left alone this will produce an obvious bottleneck to say the least. With consolidation of the jobs, and therefore the consolidation of the tasks required of workers in each, intuitively it would stand that recipients of these tasks should be trained on the best practice of these new processes and necessary compliance. Otherwise contraction of an enterprise will continue as overall capacity dwindles and decreasing output results.

In a third scenario, when a company acquires another site or other sites, the acquiring enterprise usually brings in an expert who can unify HR and HRD strategies and already knows how to analyze what is needed. Read More

Proactive Technologies'

Spring "Turn-Key Project"
Discount Offer expired
April 30th, 2019

However, the value of the PROTECH™ system of managed human resource development remains! And scale-discounts and opportunities for reimbursment are still available!

<u>Learn more</u> and get ready to maximize worker performance and return on worker investment...while minimizing your investment to do so!

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:

May, 2019

Colorado (Eastern Slope)

Indiana

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)

Nevada (Reno, Las Vegas)

New Mexico (Albuquerque, Santa Fe)

Ohio

Pennsylvania (Pittsburgh and Western Area)

South Carolina (UpState, Columbia and Charleston Area)

Tennessee (Eastern)

West Virginia (North-Central, South Central)

<u>Contact Us</u> to express your interest in an onsite or group presentation.



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.

Experience the power of the PROTECH™ system of managed human resource development!

What keeps you up at night? Is one of them what will happen to worker and organizational capacity if staffing levels change (increase or decrease)? Or if changes in market conditions, technology, processes, organizational structure and product lines change the work to be performed?

Do you feel prepared?

THE SOLUTION IS REALLY PRETTY SIMPLE

- Capture current expert worker expertise and manage it for change:
- Use it to accelerate the transfer of expertise to next worker;
- Measure and improve processes and worker performance;
 Monitor progress and report.

You probably have all the pieces of a strong worker training program in place. What you may be lacking is a proven method and support to set your system up and provide implementation technical support so you can focus on business.

Why not take a few minutes to find out more about Proactive Technologies' PROTECHTM system of managed human resource development for the accelerated transfer of expertiseTM?

<u>Low investment - high return!</u> Increased worker capacity, work quality/quantity, and compliance... all while decreasing your internal costs of training!





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Industry News

DOMESTIC ECONOMIC DATA

Gross Domestic Product, 4th quarter and annual 2018 (third estimate); Corporate Profits, 4th quarter and annual 2018



Personal Income, Outlavs

US Department of Commerce - Bureau of Economic Analysis



Personal income increased 0.1 percent in March after increasing 0.2 percent in February. Wages and salaries, the largest component of personal income, increased 0.4 percent in March after increasing 0.3 percent in February. Read Report

Manufacturers' Shipments, Inventories, and Orders US Census Bureau

New orders for manufactured goods in February decreased \$2.6 billion or 0.5 percent to \$497.5 billion. February 2019: - 0.5° % change; January 2019 (r): 0.0° % change. Read Report



Advanced Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in March increased \$6.8 billion or 2.7 percent to \$258.5 billion. March 2019: +2.7° % change; February 2019 (r): -1.1° % change. Read Report



Job Openings and Labor Turnover

US Bureau of Labor Statistics

The number of job openings fell to 7.1 million on the last business day of February, the U.S. Bureau of Labor Statistics reported today. Over the month, hires and

separations were little changed at 5.7 million and 5.6 million, respectively. Within separations, the quits rate was unchanged at 2.3 percent and the layoffs and discharges rate was little changed at 1.2 percent. This release includes estimates of the number and rate of job openings, hires, and separations for the nonfarm sector by industry and by four geographic regions. Read Report

"Opportunity Zones" May Not Benefit Poor, Rural Areas

A new policy designed to attract investment to low income communities



- **Accelerated Transfer of** Expertise™;
- Increased worker capacity, productivity, work quantity, work quality and compliance (specifications, ISO/AS/TS programs and safety mandates);
- 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.

If budgets are tight, **Proactive Technologies can** be an extension to your training department,

with our technical implementation support included with every project!

There's nothing to lose by contacting us to learn more.

www.proactivetechnologiesinc.com

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OHIO STATE UNIVERSITY EXTENSION

ALBER ENTERPRISE CENTER



Ioh-Relevant Technical

may not benefit rural areas and the most impoverished communities.

Between the lines: The majority of what are being called "opportunity zones," which are economically distressed census tracts nominated by governors to receive special investment tax breaks, lie within large metro areas. While most have low median income projections, quite a few are in relatively prosperous areas of major cities like D.C. and San Francisco, according to data collected by Develop LLC.

By the numbers: Only 3% of opportunity zones have a projected median household income of \$75K or more, but certain well-known metro areas have a much larger concentration of these communities. Read Article

Start-Up Airline Places \$6B Order with Airbus

American Machinist Staff | Mar 25, 2019

Airbus S.E. continues to record new orders for its A350 wide-body aircraft series, following the decision last month

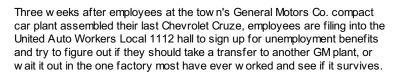
to phase out the earlier, larger A380 series. The latest order is an estimated \$6-billion contract for 17 aircraft from a Taiw anese start-up carrier, STARLUX Airlines. The order includes 12 A350-1000s and five A350-900s.

The A350 XWB is a widebody aircraft, available in configurations for 300 to over 400 passengers, and available for long-distance service on routes up to 9,700 nm (17,960 km.) Airbus also emphasizes the fuel efficiency of the A350 XWB, based on its updated aerodynamics, carbon-fiber fuselage and wing structures, and the twin Rolls-Royce Trent XWB engines. Read

GM Brushed Off Union Concessions Before Idling Ohio Car Plant

IndustryWeek - Bloomberg

The union hall in Lordstown, Ohio, is a hive of confusion, anxiety and anger. Mostly anger.



Union workers are livid that they agreed to make \$118 million a year in annual concessions to save the plant in mid-2017, only to have GM effectively threaten to close it down a year and a half later. Unless GM reverses its course, Lordstown will fall victim to the harsh reality that few er consumers are buying small cars and that Chief Executive Officer Mary Barra is hyper-focused on doing business only where GM can earn big returns. Read Article

Smart, the Tiny Daimler That Refuses to Die, **Heads Next to China**

IndustryWeek - Bloomberg

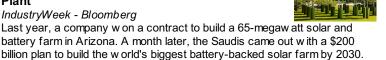
Since its introduction two decades ago, the diminutive Smart has sat aw kw ardly alongside the imposing, autobahn-eating cars that have made Daimler AG the king of the road.

New Smart models with quirky designs came and went, as did managers trying their luck at yet another turnaround; strategies changed as often as the funky color palette. One constant through the years: The losses kept piling up.

Now Daimler is changing tack, again. The German company is teaming up with Zhejiang Geely Holding Group, its largest shareholder, forming a joint venture to transform Smart into an all-electric brand based in China, the w orld's largest auto market. Daimler will build a factory in the country and start w orldw ide sales in 2022, sw itching from importing the car now made at a factory on the Franco-German border. Read Article

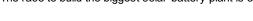
Sunshine State To Become Home of Largest Solar **Plant**

IndustryWeek - Bloomberg



Then a firm proposed a nearly 500-megaw att solar-storage site in Texas's

The race to build the biggest solar-battery plant is officially on.



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And the latest to join the competition is renew able energy giant NextEra Energy Inc., w hich said Thursday that it'll build a project in Florida that will claim the title of the largest solar-powered battery in the w orld. The 409-megaw att battery will be added to an existing 74.5-megaw att solar plant on the w est coast of the state near Tampa, a company statement shows.

Read Article

\$3.2B Jet Engine Order for CFM International

American Machinist - Staff

Jet-engine builder CFM International has a \$3.2-billion contract to supply Viva Air and CFM International 100 turbofan engines of two different styles, to pow er 50 new A320 aircraft, beginning in 2020. The aircraft were ordered by Viva Air in 2017 in a step to modernize its VivaColombia and Viva Air Peru fleets.

The engine order includes 70 LEAP-1A engines to power 35 A320neo aircraft, and 30 CFM56-5B engines to power 15 A320ceo aircraft. It also covers aftermarket support contract for the LEAP-1A engines.

The A320 is a series of tw in-engine, narrow-body aircraft with a range of 3,100-12,000 km (1,700 to 6,500 nmi.) It's offered in two models, the A320neo ("new engine option") and the A320ceo ("current engine option".) Deliveries of the A320ceo aircraft to Viva Air began in 2018, and the first A320neo is schedule for delivery in 2020. Read Article

Trade Issues, Cybersecurity, Weather - Top Supply Chain Risks

Material Handling & Logistics - Staff

The world's top three risks were uncertainties concerning trade flows, cybersecurity incidents, and climate change paired with extreme weather conditions, according to the DHL Resilience360 report which was released on March 25. The report examined last year's major supply chain challenges and identifies trends that will shape the risk landscape in 2019.

"Modern supply chains are vulnerable," adds Shehrina Kamal, Director Risk Intelligence, Resilience360. "Transportation delays, theft, natural disasters, inclement weather, cyber-attacks and unexpected quality issues can disrupt cargo flows, creating short term costs and delivery challenges."

Uncertainty in trade increased due to disputes between the U.S. and other countries, in particular, China, including new unilateral import tariffs. The still-open question of the UK's withdraw al from the EU is also contributing to uncertainty, as companies fear border congestions and delays at ports in the event of a disorderly departure. Read Article

U.S. Department of Labor Announces New Pilot Program For Discretionary Suspensions and Debarments to Ensure Accountability

U.S. Department of Labor

WASHINGTON, DC - Today, the U.S. Department of Labor announced a new pilot program for discretionary suspensions and debarments to ensure accountability and protect the federal government from doing business with those w ho engage in inappropriate or illegal conduct.

Discretionary suspensions and debarments make individuals or organizations ineligible for federal contracting and transactions with the federal government typically for up to 12 months for a suspension and up to three years for a debarment.

The pilot program's goal is to reduce the processing time on discretionary suspension and debarment actions from months to days through increased efficiency and sharing of information based on indictments or convictions. The pilot program involves the Department's Office of Inspector General (OIG) including additional information in its referrals to the Office of the Assistant Secretary for Administration and Management (OASAM) that will allow decisions to be made faster than ever before. Read Release

Supply Chains Move To a Post-Global World

New Equipment Digest -Marcin Fic

Some have officially dubbed our era as "slow balization" - a new period where we'll witness the long-term effects of globalization running out of steam.



Since the early '90s, low shipping costs, free trade, and labor arbitrage have driven worldwide economies and established an international web of interdependence, often referred to as globalization. Economic growth on a global scale allowed for major players, such as China, to quickly advance

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MEMORABLE QUOTES

"Quality comes not from inspection, but from improvement of the production process."

W. Edwards Deming

American engineer, statistician, professor, author, lecturer, and management consultant 1900-1993

"It is by teaching that we teach ourselves, by relating that we observe, by affirming that we examine, by showing that we look, by writing that we think, by pumping that we draw water into the well."

Henri-Frederic Amiel

Swiss philosopher, poet. 1821-1881

"Good government is one of the most important factors in economic growth and social wellbeing."

Joe Lonsdale

American entrepreneur, investor, and philanthropist 1982 -

Recent Proactive Technologies News Article Quicklinks

<u>April</u>

More Education Won't Fix Flat or Declining Wages, But Appropriate Compensation and Stable Job Markets Can Make College Worth It by Dean Prigelmeier, President of Proactive Technologies, Inc. the country's manufacturing capabilities. But trends such as regional manufacturing and 3D printing are starting to change supply chains around the w orld.

These major changes are driven by higher global wages, increased shipping costs and shifting consumer expectations shaping this new landscape. This year serves as the inflection point for an era where global trade will continue to shift to a more regional approach. Read Article

Are Plastic Bag Bans Garbage?

NPR Planet Money - Greg Rosalsky

It was only about 40 years ago that plastic bags became standard at U.S. grocery stores. This also made them standard in sewers, landfills, rivers, and the Great Pacific



Garbage Patch. They clog drains and cause floods, litter landscapes, and kill wildlife. The national movement to get rid of them is gaining steam - with over 240 cities and counties passing laws that ban or tax them since 2007. Last week, New York became the second U.S. state to ban them. But, these bans may be hurting the environment more than helping it.

University of Sydney economist Rebecca Taylor started studying bag regulations because it seemed like every time she moved for a new job-from Washington, D.C., to California, to Australia - bag restrictions were implemented shortly after. "Yeah, these policies might be following me," she jokes. Taylor recently published a study of bag regulations in California. It's a classic tale of unintended consequences. Read Article

Survey: 71% of Americans Fear Self-Driving Cars

Fear remains high in w ake of high-profile crashes, fatalities A w oman in a self-driving car.DENVER (March 20, 2019) -



A stark majority of Americans remain afraid of self-driving cars, even a full year after a number of high-profile incidents involving these technologies. That's the takeaw ay from AAA's annual automated vehicle survey, w hich found that 71 percent of people are afraid to ride in fully self-driving vehicles - up from 63 percent prior to these incidents.

Per AAA's research, much of this fear stems from consumers' limited hands-on experience with self-driving vehicles, especially as it compares to the exposure generated when these technologies fail. Read Article

Nontraditional Economic Incentives That Benefit Companies, Communities and the Workforce

Area Development - Site Selection Group

Economic incentives are becoming more creative as state and local jurisdictions are trying to differentiate themselves



in the battle for site selection projects while simultaneously improving their communities and helping their workforce. This article examines how state and local jurisdictions are using creative, nontraditional economic incentives to attract companies while also helping their community and workforce along the way. Read Article

Suppliers Hit Hardest in GM Closures

IndustryWeek - Paul Ericksen

A lesson here: Don't become too dependent on any one customer.



A recent article in IndustryWeek, "Laid-off GM w orkers and their supporters gather for a vigil-and vow to fight," focused on the 1,400 GM employees in Ohio losing their jobs under the company's announced cutbacks. While layoffs are always difficult, I applaud General Motors for being proactive rather than reactive in addressing current-and w hat they perceive will be future-changes in the automobile market. I realize my opinion may seem a bit heartless. Read Article

Tata Steel Workers No Longer Convinced About Thyssenkrupp Merger

IndustryWeek - Bloomberg

Tata Steel's European workers worry the combination may favor the German firm's operations.

Tata Steel Ltd.'s European workers said they're unsure the company's planned joint venture with Thyssenkrupp AG should go ahead as the combination may favor the German firm's operations.

Thyssenkrupp offered concessions to regulators earlier this month to win antitrust approval for a European steel joint venture, including selling plants in Belgium, Spain and the U.K. The two companies are trying to ease

Your Resident Expert May Not Be an **Expert Trainer, But Easily Could Be** by Stacey Lett, Regional Manager -Eastern U.S. - Proactive Technologies,

Put Yourself in a Trainee's Shoes by Stacey Lett. Regional Manager -Eastern U.S. - Proactive Technologies,

Worker Capacity; Malperformance Cause-Effect

by Dean Prigelmeier, President of Proactive Technologies, Inc.

March

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

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Employers Say They Struggle With a "Skills Shortage," Yet They Cut the Training Budget. What Gives? by Stacey Lett, Regional Manager -Eastern U.S., Proactive Technologies,

Some Community Colleges Moving Back Toward 70's Approach to Vocational Programs; Why Did it

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

Can't Find The Right Workers? Why Not Train Workers To Your Own To **Specification?**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

February

Is it Possible to Close the "Skills Gap" if Focused on the Symptom, Not The Cause?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Internships of Value - For Employer and Intern

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

Workforce Development Partnerships That Last; My **Experience**

By Randy Toscano, Jr., MSHRM, CEO of Legacy Partners 2

Do U.S. Productivity Measures **Measure Productivity?** by Dean Prigelmeier, President of

Proactive Technologies, Inc.

January

Yet Another Reason Structured On-**The-Job Training Should Be Part of** Any Company's Business Model -New ISO 30414 Standards for Human **Capital Metrics**

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Tata's European Works Council, which includes U.K. and Dutch labor unions, said those proposals raise concerns the joint venture is not one of

operations would have too much control over market supply and prices.

concerns flagged by European regulators that their combined steel

equals. Read Article

Chevron To Expand In Permian Basin, Acquiring Anadarko Petroleum For \$33 Billion

NPR - Camila Domonoske

A Chevron customer pumps gas into his car in 2009 in Greenbrae, Calif. Chevron is acquiring Anadarko Petroleum for \$33 billion in cash and stock.

Multinational oil giant Chevron will buy the American oil and gas production and exploration company Anadarko Petroleum in a \$33 billion cash-andstock deal that strengthens Chevron's position in the booming Permian Basin.

The deal has been approved by both companies' boards and is expected to be finalized later this year. Anadarko's stock surged on the news. Chevron stock dipped, but analyst Jason Gammel of Jefferies predicts the market's negative reaction will be short-lived.

The deal "will unlock significant value for shareholders, generating anticipated annual run-rate synergies of approximately \$2 billion," Chevron CEO Michael Wirth said in a statement. Read Article

Getting the Most Out of Your Economic Development Partners

AreaDevelopment - Courtney Dunbar, Economic Development Leader, Industrial Site Consulting Team, Olsson

In order for economic developers to help with your location decision, they need to know as much as possible about your company's requirements.

When you're considering new locations for an industrial project, details matter - and the details are growing in volume. Over the past 20 years, the number of site selection criteria used by industrial companies has grow n from approximately 20 questions to as many as 70 different siting criteria. Clearly, industrial requirements have grown as industries like logistics, data centers, and advanced manufacturing have become more complex and sophisticated. The game is no longer one-size-fits-all.

From a details perspective, helping economic development agencies respond to your site selection requirements requires a careful balancing act. Economic developers need to know as much as possible about your requirements to provide a thoughtful response. Yet, many site selection executives hesitate to provide the full picture because of competitive concerns. Read Article

Unions Told to Stop Making Non-Members Pay for Lobbvina

Material Handling & Logistics - David Sparkman NLRB and its General Counsel also seek to enforce a Supreme Court ruling unions try get around.

Unions face another blow to their political power due to a recent decision by the National Labor Relations Board (NLRB) ending the union practice of siphoning off non-member dues to fund lobbying efforts

In a separate action, the NLRB counsel issued a memorandum that explains in detail how unions should handle any dues they charge employees who have chosen not to be union members.

The board lobbying costs decision impacts private sector employees who have chosen not to join a union. It is similar to a ruling late last year by the U.S. Supreme Court holding that it was illegal to require government employees to pay for the political activities of public sector unions. Read **Article**

Boeing's 737 Production Cut Echoes Throughout Aerospace Industry

Material Handling & Logistics - Bloomberg Boeing Co.'s plan to cut its 737 jetliner production by 19% this year is expected to have negative spillover effects across the aerospace industry, from parts suppliers to engine makers and even airlines.

The planemaker said on April 5 that it would cut output to 42 airplanes a month by mid-April, as the company fights global criticism about the safety 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.

Proactive Technologies Discount
Program Ends, But..."Low-Risk" Pilot
Approach Option Remains in Effect
by Proactive Technologies, Inc. Staff

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, SC.
Currently President of K&D Consulting

Replicating Your Best Performers by Dean Prigelmeier, President of Proactive Technologies, Inc.

December

Is It Possible To Improve Worker
Performance Without Documented
Task Mastery?

by Dean Prigelmeier, President of Proactive Technologies, Inc.

"Realistic Job Previews" Can Be a
Useful Tool for Measuring a
Prospective Employee's
Transferable Task-based Skills
by Stacey Lett, Regional Manager Eastern U.S. - Proactive Technologies,
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Program Ends, But..."Low-Risk" Pilot
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by Proactive Technologies, Inc. Staff

Confusion Over What Constitutes
"Training" is Stumbling Block to
Effective Worker Development
Strategies

by Dean Prigelmeier, President of Proactive Technologies, Inc.

November

A Training Approach That Should Make the Bean Counters Happy by Dean Prigelmeier, President of Proactive Technologies, Inc

Increasing Worker Capacity - An
Alternative to Cutting Workers for
Short-term Cost Savings
by Stacey Lett, Regional Manager Eastern U.S. - Proactive Technologies,
Inc.

10 Reasons Structured On-The-Job Training is a Vital and Necessary System for Any Organization by Dean Prigelmeier, President of Proactive Technologies, Inc.

A Simple, Low-investment Solution to Closing Skill Gaps; New-Hires and Incumbents

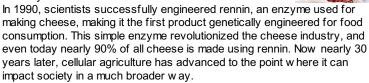
by Dean Prigelmeier, President of Proactive Technologies, Inc.

of its 737 Max jets after two tragic crashes that ultimately led to a grounding of the aircraft.

"The move to cut production to 42/month is surprising and will most certainly have an impact on the supply chain, considering many suppliers had been prepping for the rate to climb to 57/month in June 2019," SunTrust Robinson Humphrey analyst Michael Ciarmoli w rote in a note to clients. Read Article

Does Lab-grown Food Have the Power to Transform an Industry?

IndustryWeek - Andrew Thomson



Cellular agriculture is the production of agricultural products like food and materials from cell cultures rather than w hole plants or animals. Many modern companies are w orking on completely cell-based products such as meat, dairy products, leather, and silk, with proponents claiming that adoption of cellular agriculture will low er the ecological impact of food production. But before being hailed as a cure-all, an examination of the projected regulatory measures, potential public perception, and environmental impact is needed. Read Article

A Guardian of Global Capitalism Warns Capitalism Has A Problem

NPR Planet Money - Greg Rosalsky

It's springtime again in Washington, D.C., when flowers bloom, birds chirp, and thousands of wonks from all over



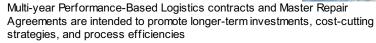
the world descend on the Spring Meetings of the International Monetary Fund and World Bank, Planet Money included. Since World War II, the IMF and World Bank have served as guardians of global capitalism. The IMF, in particular, has a long history of bailing out countries in financial crises and using its power to push a free-market agenda. That's why we were surprised to hear IMF officials suggest capitalism is running amok.

We heard it at the wonkiest part of this wonkfest, the IMF's "analytical corner." Throughout the week, IMF economists presented research on a small stage with a giant projector screen and big block letters that spelled "IMF" behind them. It looked sort of like a TED Talk, but the speakers weren't wearing those cheesy Backstreet Boy headset microphones.

Wenjie Chen, an economist in the IMF's Research Department, presented the findings of an impressive study that can be found in Chapter 2 of the IMF's World Economic Outlook. Chen gave us the sense that something fundamental in the economy has changed and that capitalism may be going haywire. The reason: companies are getting too powerful. Read Article

Lockheed Extends Long-Term Contracts to F-35 Suppliers

American Machinist - Staff



Lockheed Martin reported has shifted several F-35 suppliers to multi-year "performance based logistics" contracts, which is meant to allow the companies to make longer-term investments, implement cost-cutting strategies, and enhance their process efficiencies. For example, Lockheed noted that a PBL contract placed with BAE Systems in 2017 for the electronic warfare subsystem has resulted in a 25% improvement in that subsystem's availability.

"As the F-35 fleet expands, we are partnering with our customers and taking aggressive actions to enhance F-35 readiness and reduce sustainment costs," stated Greg Ulmer, Lockheed Martin vice president and general manager of the F-35 program. Read Article

First Japan-Built Airliner in 50 Years Takes on Boeing, Airbus

IndustryWeek - Bloomberg



Mitsubishi Heavy Industries Ltd.'s new airliner is testing the skies just as rivals are moving to sell off their manufacturing operations for jets with up to 160 seats.

October

When Wages Rise for Skilled Labor, Can Your Firm Maximize Worker Value and Minimize Investment? by Dean Prigelmeier, President of Proactive Technologies, Inc.

Retiring Workers and the Tragic Loss of Intellectual Property and Value

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

Apprenticeships: Be Careful Not To Minimize Integrity While Spiking The Numbers

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

When is Illustrating Technical
Materials Useful to the Trainee?
by Dean Prigelmeier, President of
Proactive Technologies, Inc.

September

The US Workforce Competitive
Advantage Has Declined For Decades
- Not for Lack of Resources, Effort or
Base Talent, But For Strategy
by Dean Prigelmeier, President of
Proactive Technologies, Inc.

The Skills Gap Solution; Employers
Still Reluctant to Commit to Role
Only They Can Fill
by Staff

Assessing Employees With Past Drug Addictions for Work Tricky by Stacey Lett, Regional Manager -Eastern U.S. - Proactive Technologies, Inc.

Estimating the Costs Associated With Skipping Employer-Based Structured On-The-Job Training by Dean Prigelmeier, President of Proactive Technologies, Inc.

August

Labor Costs Expected to Increase, So Will Challenges to Developing Workers

by Dean Prigelmeier, President of Proactive Technologies, Inc.

More Employers Finding Ways To Strategically Ensure Fair Pay

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

Pre-Employment Physical Ability
Tests Can be a Legal Liability If Not
Done Right

by Jim Poole, President of Lifetime Learning, LLC

Keeping Employers Engaged in Regional Workforce Development Projects

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Visit the Proactive

A new, long-delayed 88-passenger jet from Japan may finally be the right plane at the right time.

More cities in Asia and Europe are seeking to link up with each other and the global air travel network. The Mitsubishi Regional Jet, the first airliner built in Japan since the 1960s, began certification flights last month in Moses Lake, Washington, to satisfy that demand.

Mitsubishi Heavy Industries Ltd.'s new airliner is testing the skies just as rivals are moving to sell off their manufacturing operations for jets Read Article

Dana Producing New Axle System in China

Industry Week - Forging Staff

Dana Inc. has started producing its Spicer AdvanTEK Ultra axle at its new manufacturing plant in Chongqing, China, to support regional production of a disconnecting all-w heel-drive system for light vehicles. The axle is designed for passenger cars, vans, crossovers, and SUVs. The axle is produced with the Spicer SmartConnect disconnecting all-w heel-drive (AWD) system.

"Chinese light-vehicle buyers have fully embraced the most advanced technologies in the world for delivering exceptional drivability and fuel efficiency," stated Bob Pyle, president of Dana Light Vehicle Driveline Technologies. "The Spicer® AdvanTEK Ultra axle system demonstrates how Dana's ongoing investments in engineering produce benefits for vehicle manufacturers and buyers alike." Read Article

Wisconsin Governor Calls for New Foxconn Deal

CFO.com - William Sprouse

Wisconsin Governor Tony Evers called for the state to renegotiate its contract with Foxconn Technology Group for \$4 billion in investment incentives, saying the company was not likely to create the jobs it promised.

"Clearly the deal that was struck is no longer in play and so we will be working with individuals at Foxconn and of course with (the Wisconsin Economic Development Corp.) to figure out how a new set of parameters should be negotiated," Evers said to a group of reporters in his office.

Evers said it was too early to say what specific changes to the agreement his administration would seek. Foxconn announced it was building a 20-million-square-foot campus and would employ 13,000 people in Wisconsin, drawing praise from President Donald Trump.

Evers' comments came after Foxconn Chairman Terry Gou, who is worth an estimated \$8 billion, announced he was stepping down from the company to run for president of Taiwan. Read Article

Drug Distributor And Former Execs Face First Criminal Charges In Opioid Crisis

NPR.org - Richard Gonzales

A major pharmaceutical distribution company and two of its former executives are facing criminal charges for their roles in advancing the nation's opioid crisis and profiting from it.

Rochester Drug Co-Operative, one of the nation's 10 largest pharmaceutical distributors in the U.S., was charged with conspiracy to distribute controlled narcotics - oxycodone and fentanyl - for nonmedical reasons and conspiracy to defraud the United States. Former CEO Laurence Doud III and former chief of compliance William Pietruszewski also were charged.

RDC and Pietruszewski also were charged with willfully failing to file suspicious order reports to the Drug Enforcement Administration.

Betw een May 2012 and November 2016, the company received and filled more than 1.5 million orders for controlled substances from its pharmacy customers. How ever, it reported only four suspicious orders to the DEA. According to the complaint, the company failed to report at least 2,000 suspicious orders. Read Article

FAA Certifies Google's Wing Drone Delivery Company To Operate As An Airline

NPR - Bill Chappell

The Federal Aviation Administration has certified Alphabet's Wing Aviation to operate as an airline, in a first for U.S. drone delivery companies. Wing, which began as a Google X project, has been testing its autonomous drones in southwest Virginia and elsewhere.



Technologies website "News and Publications" page for Past Newsletters and Archived Articles



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"Air Carrier Certification means that we can begin a commercial service delivering goods from local businesses to homes in the United States," Wing said in a statement posted to the Medium website.

The company has touted many advantages of using unmanned drones to deliver packages, from reducing carbon emissions and road congestion to increasing connections between communities and local businesses. Read Article

A Look at Global Risks to Supply Chain

Material Handling & Logistics - Staff

As changes in the global landscape occur, supply chains will have to adapt.



"We're seeing key shifts to global supply chains this year, driven by quite dramatic changes in the geopolitical landscape," explained. Jim Yarbrough, Global Intelligence Program Manager at BSI. "The concern is that as supply chains change - with Chinese companies moving operations to Africa, for example, or the US sourcing goods from other Southeast Asian nations - major implications will also evolve.

"Increased exposure to labor exploitation, terrorism, corruption and natural disasters must be a consideration for companies making changes to their supply chain, and best practices must be maintained in order to prevent threats to business continuity or corporate social responsibility, " Yarbrough added in a statement discussion the release of the group's Supply Chain Risk Insights Report. Read Article

Durable Goods Bookings Advance By Most in 7 Months



IndustryWeek - Bloomberg

The improvement in equipment orders signals manufacturers are seeing stable demand, which should contribute to a still-solid pace of economic growth in the first quarter.

Orders placed with U.S. factories for business equipment rose by the most in eight months in March as a broader measure also saw surprising strength, signs corporate investment is regaining its footing despite trade war uncertainty.

A proxy for business investment -- non-military capital goods orders excluding aircraft -- rose 1.3% after the prior month w as revised to a gain from a loss, according to Commerce Department figures Thursday that topped all estimates in Bloomberg's survey. The broader measure of bookings for all durable goods, or items meant to last at least three years, rose 2.7%, the most in seven months and more than projected. Read Article

Ford Faces US Criminal Investigation of Emissions Testing



 ${\it Industry Week-Bloomberg}$

Ford confessed in February to having taken a flaw ed approach to using road-load specifications to simulate how aerodynamic drag and tire friction can affect the fuel economy of its vehicles outside testing labs.

The U.S. Justice Department opened a criminal investigation into Ford Motor Co.'s emissions certification process, intensifying an issue the automaker disclosed two months ago.

Ford is fully cooperating with all government agencies, the automaker said on April 26 in a regulatory filing that disclosed the probe for the first time. The Justice Department notified the company of its investigation earlier this month, Kim Pittel, group vice president of sustainability, environment and safety engineering, said in a statement. Read Article

Farm Equipment Purchases Plummet as Trade War Hits Rural America



IndustryWeek - Bloomberg

The reluctance of farmers and other business owners to invest in equipment flashed a cautionary signal in an overall strong economic report.

Purchases of farm equipment plunged by an annualized \$900 million in the first quarter of the year, the sharpest drop in three years, as U.S. producers struggle with falling commodity prices and the fallout of President Donald Trump's trade wars.

The Commerce Department cited the drop in agricultural machinery

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"Supporting "Pay-For-Value" Systems"

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purchases as a contributor to the paltry 0.2% quarterly rise in overall business spending on equipment, also the weakest performance since 2016. The softness in the category came despite promises by Trump and Republican leaders that tax breaks for equipment purchases in the party's signature tax law would boost investment by farmers and manufacturers. Read Article

Fears of Big Pharma - Why Big Pharma Distrust is Fueling the Anti-vaxxer Movement and Playing a Role in the Measles Outbreak



USA Today - Jayne O'Donnell

Outbreaks across the U.S. have forced officials to declare emergencies. Why are we starting to see the rise of these outbreaks? It dates back to the anti-vax movement. Just the FAQs, USA TODAY

The founder of a Washington state advocacy group says her dual distrust shouldn't come as any surprise. She notes drugmakers have a "pretty poor record overall" on safety and transparency. Not to mention the opioid crisis, though Pajer often does.

Pajer is not alone. As distrust of the pharmaceutical industry grows, so has the anti-vaccination movement. That is a critical issue as the number of measles cases in the USA surges.

Vaccine supporters - w hich include federal, state and local officials, the public health community and most doctors - say it w asn't drugmakers' idea to require protection from largely eradicated deadly diseases. It's the government's doing. Read Article

Financial News

Which President Created the Most Jobs? 12 Presidents' Jobs Creation by Number and Percent

The Balance - Kimberly Amadeo

Which president created the most jobs? You must look at percentage as well as the total number of jobs generated to compare presidents over time. It's much easier to create lots of jobs today since the economy is bigger. For example, there were 157 million people working in December 2018. That's more than double the 47.6 million employed in 1929, the earliest year counted by the Bureau of Labor Statistics.

With that in mind, Bill Clinton created the most number of jobs during his two terms. He added 18.6 million, a 15.6 percent increase.

Franklin Roosevelt created the most percentage-wise with a 21.5 percent increase. During his term, he had to recover from the depths of the Great Depression. But, it's not fair to use that because he was in office for more than two terms. For a two-term president, the percentage winner was Ronald Reagan with a 16.5 percent increase. Read Article

Why 196,000 Jobs Were Added in March

The Balance -Kimberly Amadeo

The U.S. economy gained 196,000 jobs in March 2019, according to the U.S. Bureau of Labor Statistics. There were strong jobs gains across the board.

The economy needs 150,000 new jobs each month to keep expanding. Strong growth means the Federal Reserve should continue raising rates at its future 2019 Federal Open Market Committee meetings.

Where the Job Growth Came From

Health care added 61,200 jobs. On average, this sector adds over 30,000 jobs a month. It remained a strong performer even during the recession. But Trump's changes to health care could dampen employers' confidence. Read Article

How Special Interests Use Copycat Bills to Peddle Laws in Your Statehouses

USA Today - Patrick Shannahan

Daw n Penich-Thacker of Save Our Schools Arizona said the public should know when law makers are advancing legislation written by outsiders. Her group has fought a school voucher program written by the American Legislative Exchange Council, which creates model legislation for conservative politicians to introduce around the country.

Penich-Thacker says law makers should be required to disclose when legislation they introduce comes from someone else.

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- * Increases worker capacity, work quality, productivity and compliance (ISO/AS/TS training and records requirement, engineering specifications and safety mandates);
- * Creates framework for crosstraining, retraining and worker certification;
- * Establishes the framework for employer specific/job-specific apprenticeships and internships registered or not;
- * Builds career development tracks and succession plans for hourly (and salary) workers;
- * Ensures the increased and maintained "Return on Worker investment" through any type of

In Wisconsin, Democratic state Rep. Chris Taylor is taking a different approach. She wants groups like the American Legislative Exchange Council (ALEC) to register as lobbyists so citizens will know when they play a role in developing legislation.

"Our constituents deserve to know about ALEC's activities, and those of any other organization that are advocating for these policies," Taylor wrote in a memo to law makers urging them to sign onto her legislation. Read Article

When Computers Collude

NPR Planet Money - Greg Rosalsky

If you shop online, there's a good chance the price you pay for stuff is determined by a computer algorithm. As of 2015, over one third of the 1,600 best-selling items sold on

Amazon came from sellers who used algorithms to set their price. Algorithms are spreading like crazy, but are they giving companies too much power over consumers?

Emilio Calvano, an economist at the University of Bologna in Italy, has been studying the economic effects of algorithms. In 2016, he hopped on a scooter with his colleague Giacomo Calzolari and scooted across the historic city to their university's computer science department. There they conversed with experts on artificial intelligence and took a stack of materials to study. Read Article

Are You Ready for Growth?

IndustryWeek - Michael Collins
Tread carefully before you start, with these six questions.



Lots of manufacturing companies want to grow but don't know how or where. If they had infinite resources, they could stumble around and probably find new customers and markets eventually. But they don't, so they should carefully decide where to go before they start.

To grow requires making decisions on investment strategies. For instance, you can modify current products, develop new products, change pricing, increase the sales staff, change sales channels, increase the advertising budget, or find an acquisition. But all of these strategies will require an investment, so it is best to assess where you are now, before spending the money. Read Article

Amazon Prepares to Strategically Disrupt Healthcare Market

ThomasNet - Staff Writer

Amazon has recently taken a series of significant steps to strategically position itself to disrupt the U.S. health sector.



The retail giant has a number of advantages that will accelerate its entry into the complex health market and potentially cause existing members of the sector to re-evaluate their core offerings.

U.S. healthcare is ripe for disruption. Drug prices and other costs remain high despite being a priority in Washington; intermediaries including pharmacy benefit managers, drug w holesalers, and distributors are driving up costs; and the industry is notorious for its w aste and inefficiency. Most notably, healthcare has failed to keep pace with changing customer expectations, being neither responsive nor customer-focused.

In a detailed examination of Amazon's health strategy, authors at CBInsights commented that "customer experience has been an afterthought in almost every part of healthcare, and is reflected in the poor NPS scores [Net Promoter Scores, w hich relate to customer satisfaction] across the board." Read Article

Governments Must Act to Ease Middle-Class Squeeze

CFO.com - William Sprouse

Governments need to do more to support their middleclasses as they struggle to maintain their quality of life amid stagnating incomes and rising costs, said The Organisation for Economic Co-operation and Development (OECD).

OECD's report, "Under Pressure: The Squeezed Middle Class," says the middle class has shrunk in most countries and it is more difficult for younger generations to make it into the cohort, which they define as earning between 75% and 200% of the median national income.

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

Let's start with what we already know:

- Classes alone will not train w orkers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Putting 2 people together and hoping for the best is not a training strategy...
- Wishing and hoping w on't develop the skilled w orkers 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, unstructured, uncontrolled, undocumented task training is going on all day, every day. But if you cannot explain the process, you surely cannot measure and improve it.

"While almost 70% of baby boomers were part of middle-income households in their twenties, only 60% of millennials are today," the group said in a statement.

"Today the middle class looks increasingly like a boat in rocky w aters," OECD secretary-general Angel Gurría said. "Governments must listen to people's concerns and protect and promote middle class living standards. This will help drive inclusive and sustainable growth and create a more cohesive and stable social fabric." Read Article

Litigation Funder Strikes Back at Chamber of Commerce

CFO.com - Ralph Sutton

Editor's note: The author is CEO of litigation funder Validity
Finance. The opinions expressed here are his own and do not necessarily
reflect those of CFO. The article is a response to the U.S. Chamber of
Commerce's calls for regulation of and transparency around the
controversial litigation finance industry. Click here for a balanced discussion
on the relative merits of potential ethical issues presented by litigation
finance.

In an ideal world, America's civil justice system would provide for resolution of legal claims in a fair, efficient manner in a neutral forum accessible to everyone. Unfortunately, we do not live in that world.

Litigating commercial disputes takes too long, costs too much, and excludes parties that lack the resources to litigate. That's bad for American companies, and bad for the rule of law.

Consider that on average a civil case takes two years from the time of filing until it reaches trial. Even a straightforward commercial case can cost from tens of thousands to millions of dollars to litigate, and the price keeps rising. In recent years litigation costs have risen approximately 4% to 8% annually. The length, complexity, and cost of litigation gives parties with deep pockets an almost insuperable procedural advantage that has little to do with the merits of the case. Read Article

U.K. Watchdog Calls for Audit Market Makeover

CFO.com - Matthew Heller

The U.K.'s competition w atchdog has found "deep-seated problems" in the country's audit market but stopped short of recommending the full, structural makeover of the Big Four accounting firms advocated by law makers.

Pw C, KMPG, Deloitte, and EY sign off on the accounts of 97% of the U.K.'s 350 largest listed companies. They have been under scrutiny since the collapse of government contractor Carillion, which had been audited by KPMG for 19 years.

A parliamentary committee has called for a "full structural breakup" of the Big Four, saying that it would be more effective than other options in "tackling conflicts of interest" and providing the "professional skepticism" needed to deliver high-quality audits.

But in a report released on Thursday, the Competition and Markets Authority recommended only "an operational split between the audit and non-audit practices of the biggest firms in the U.K." Read Article

Amazon Profit Doubles to Record \$3.6B in Q1

CFO.com - Matthew Heller

The company "has entered a new era with comparatively sluggish sales growth, but a consistently profitable business."



Amazon reported its low est growth rate in quarterly revenue since 2015 but profit more than doubled to an all-time record for a quarter, fueled in part by its high-margin cloud computing and advertising businesses.

For the first quarter, Amazon's revenue rose 16.9% to \$59.7 billion, enough to match analysts' estimates but well below the 30% growth the company once experienced. It was the smallest revenue gain since the same period of 2015.

But net income increased from \$1.63 billion to \$3.56 billion, delivering earnings of \$7.09 per share. Analysts had predicted earnings of \$4.72 per share.

Amazon's operating profit of \$4.4 billion, moreover, represented a 7.4% margin, up from last year's 3.8% margin. Read Article

Proactive Technologies's approach to 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.

You probably have most of the pieces are already in place; they just need structure around them to make the training experience work for everyone through the accelerated transfer of expertise TM.

As part of every project, Proactive Technologies provides the support to set-up, implement, manage, document and revise the worker development system so you can stay focused on business.

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Facebook Sets Aside \$3B for Possible FTC Fine

CFO.com - Matthew Heller

Facebook reported better-than-expected quarterly revenue but its profit took a hit from a \$3 billion charge to cover a possible settlement of a Federal Trade Commission investigation of its privacy practices.

The social media giant said on Wednesday that the FTC inquiry - w hich began in March 2018 following reports that political consulting firm Cambridge Analytica had improperly access the data of 87 million Facebook users - remains unresolved and "there can be no assurance as to the timing or the terms of any final outcome."

But in the first quarter, Facebook recorded the \$3 billion charge as a reasonable estimate of the probable loss. "We estimate that the range of loss in this matter is \$3.0 billion to \$5.0 billion," it said in a new s release. Read Article

U.S. Housing Starts Fall to Near 2-Year Low

CFO.com - Matthew Heller

"Waiting for construction activity to pick up after a sharp drop in mortgage rates is like w aiting for Godot."



U.S. housing starts slipped to their low est level in nearly two years in March, continuing a slow down fueled by labor shortages and rising materials prices.

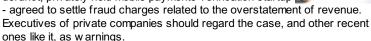
The Commerce Department reported that housing starts fell 0.3% to a seasonally adjusted annual rate of 1.139 million units last month. It was the second straight monthly decline and the low est level since May 2017.

The February data were also revised downward to a pace of 1.142 million units from the previously reported 1.162 million-unit rate. Economists polled by Reuters had forecast housing starts increasing to a pace of 1.230 million units in March.

Building permits fell 1.7% to a rate of 1.27 million, suggesting a sharp rebound in homebuilding is unlikely. Economists expected a 1.3 million rate on permits. Read Article

Private Companies: Beware of SEC Scrutiny

CFO.com - Nicolas Morgan and Brian Kaewert
Earlier this month, the SEC and the former CEO of Jumio - a
defunct, privately held mobile payments verification startup



According to the SEC, the ex-CEO, Daniel Mattes, personally prepared false financial statements that overstated the company's revenue by more than 10 times, while hiding the truth from its board of directors and counsel. He allegedly did so in order to sell his own private shares of the company to other investors at inflated prices.

Mattes agreed to pay disgorgement of more than \$14.5 million plus interest, as well as a civil penalty for a total settlement of more than \$16.7 million, without admitting or denying the allegations against him.

Some may be surprised to hear that the SEC stepped in with an enforcement action in response to a strictly private transaction. But the dealings of private companies and their executives have become an area of increased focus for the commission, and the trend shows little sign of slowing down. Read Article

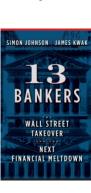
BOOK REVIEWS FOR OUR TIME 13 Bankers

by Jonathan Gruber

13 Bankers describes the rise of concentrated financial pow er and the threat it poses to our economic w ellbeing. Over the past three decades, a handful of banks became spectacularly large and profitable and used their pow er and prestige to reshape the political landscape. By the late 1990s, the conventional w isdom in Washington w as that w hat w as good for Wall Street w as good for America. This ideology of finance produced the excessive risk-taking of the past decade,

creating an enormous bubble and ultimately leading to a devastating financial crisis and recession.

More remarkable, the responses of both the Bush and Obama



administrations to the crisis-bailing out the megabanks on generous terms, without securing any meaningful reform-demonstrate the lasting political pow er of Wall Street. The largest banks have become more powerful and more emphatically "too big to fail," with no incentive to change their behavior in the future. This only sets the stage for another financial crisis, another government bailout, and another increase in our national debt. Read Description and Introduction

Jump-Starting America - How Breakthrough Science Can Revive Economic Growth and the American Dream

Public Affairs Books - by Jonathan Gruber and Simon Johnson

The untold story of how America once created the most successful economy the world has ever seen and how we can do it again.

The American economy glitters on the outside, but the reality is quite different. Job opportunities and economic



grow th are increasingly concentrated in a few crow ded coastal enclaves. Corporations and investors are disproportionately developing technologies that benefit the w ealthiest Americans in the most prosperous areas-and destroying middle class jobs elsew here. To turn this tide, w e must look to a brilliant and all-but-forgotten American success story and embark on a plan that will create the industries of the future-and the jobs that go with them.

Beginning in 1940, massive public investment generated breakthroughs in science and technology that first helped w in WWII and then created the most successful economy the w orld has ever seen. Private enterprise then built on these breakthroughs to create new industries-such as radar, jet engines, digital computers, mobile telecommunications, life-saving medicines, and the internet- that became the catalyst for broader economic grow th that generated millions of good jobs. We lifted almost all boats, not just the yachts. Read Description

International News

Mexico, Latin America, South America and the Caribbean

Fight Over Money For Puerto Rico Brings Disaster Aid Bill To A Standstill

NPR - Kelsey Snell

There are few things Democrats and Republicans in Congress usually agree on, but one of them is rushing federal money to victims of natural disasters.



That sentiment crumbled this w eek w hen the Senate failed to advance two separate disaster funding bills. Both included bipartisan funding to help relieve damage across the country from flooding, wildfires, tornadoes and hurricanes. But a fight over assistance for Puerto Rico has derailed getting a deal on the entire package.

The political fight intensified last w eek after President Trump told Senate Republicans in a closed-door lunch at the Capitol that he w ould not support sending any additional money to Puerto Rico, according to several people familiar w ith the conversation. Democrats, w ho had already been pushing for additional federal resources for Puerto Rico, responded by insisting that any disaster spending bill must help victims no matter w here they reside.

"It is the responsibility of the federal government to stand with all American communities in crisis, and we must do so now," said Vermont Sen. Patrick Leahy, the top Democrat on the Appropriations Committee. "The needs are pressing. The people are waiting." Read Article

Colombia's President Target of Planned 'Terrorist Act'

DeutscheWelle

Colombia's government says it has evidence armed groups were plotting an attack against President Ivan Duque. The attorney general said the alleged scheme involved "a high-precision weapon."

Colombian authorities are investigating an alleged militant plan to target President Ivan Duque during a scheduled meeting with indigenous communities on Tuesday.

"We have reliable information that ... some armed organized groups, which have infiltrated this social and indigenous movement, would like to carry out

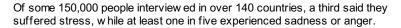
a terrorist act that could affect the safety of the president himself," Attorney General Nestor Martinez said.

Members of the indigenous community have been protesting for weeks in the country's southwest, calling on the government to uphold their land and sovereignty rights. Read Article

World is Angry and Stressed, Gallup Report Says -Latin America Countries Most Happy

BBC

People around the world are becoming more angry, stressed and worried, according to a new global survey.



The annual Gallup Global Emotions Report asked people about their positive and negative experiences. The most negative country w as Chad, follow ed by Niger. The most positive country w as Paraguay, the report said. The US w as the 39th most positive country, the UK w as 46th and India ranked 93rd. Read Article

Canada, Europe and Great Britain

EU Extends U.K.'s Brexit Deadline Until Oct. 31

NPR - Richard Gonzales

The European Union has agreed to delay the United Kingdom's departure from the EU, know n as Brexit, until Oct. 31.



The deal, announced early Thursday in Brussels, averts a potential crisis as British leaders had failed to agree on their own plan for pulling out of the multi-state trade arrangement by Friday.

British Prime Minister Theresa May again called on Parliament to approve her Brexit deal.

"I know that there is a huge frustration from many people that I had to request this extension," May said in a news conference. "The U.K. should have left the EU by now and I sincerely regret the fact that I have not been able to persuade parliament to approve the deal." Read Article

Ex-VW Boss Winterkorn Charged With Fraud

IndustryWeek - Agence France-Presse
Former Volksw agen chief Martin Winterkorn on April 15
became the target of German charges over the group's
"dieselgate" emissions cheating scandal, bringing the affair back into
headlines as VW battles to turn eyes to its future.

Prosecutors in Brunswick, near VW's Wolfsburg HQ in northern Germany, said they had charged Winterkorn and four other managers. Among the accusations against the former chief executive were "a particularly serious case of fraud", "infraction of the law against unfair competition" and "breach of trust".

Winterkorn w as CEO during a period when VW fitted 11 million dieselpow ered vehicles worldwide with so-called "defeat devices" -- software that made them appear less polluting in the lab than in real driving conditions. Read Article

10-Year, \$14.3B USAF Contract for Boeing

American Machinist - Staff

The U.S. Dept. of Defense announced \$14.3-billion contract award to Boeing Defense, Space & Security for modification, modernization, engineering and testing of weapons systems for the B-1 and B-52 bombers. DoD noted the contract will cover costs for an upcoming modernization and sustainment program, "to increase lethality, enhance survivability, improve supportability, and increase responsiveness" for the heavy bombers.

The Boeing B-1 is a supersonic heavy bomber and one of three strategic bomber types used by the U.S. Air Force. The aircraft has been in service since 1986, and 66 are currently in operation. Read Article

Yellow Vest Protesters Fueled By Anger Over Notre Dame Funds March In Paris

NPR - Samantha Raphelson

Yellow vest protests grew violent on Saturday as firefighters battled several fires amid clouds of tear gas in eastern Paris.



Protesters set ablaze a car, motorbikes and barricades near the Place de la République as they took to the streets of Paris and other French cities for the 23rd Saturday in a row, The Associated Press reported. This time they say they are outraged the government could raise more than a billion dollars to help restore the burned Notre Dame cathedral while their demands to fight wealth inequality remain overlooked.

By late afternoon, police were firing tear gas and water cannons to disperse a tense crowd of several thousand people around France's finance ministry. Firefighters acted fast to put out several small fires in the area. NPR's Eleanor Beardsley reports from the scene that emergency personnel carried out the wounded on stretchers. Read Article

Philippines' Duterte Talks Trash (Literally) To Canada, Threatening War Over Garbage

NPR - Bill Chappell

Philippine President Rodrigo Duterte wants Canada to come get tons of trash that was wrongly sent to his country - and he's threatening extreme steps if Canada doesn't clean up the situation. "We'll declare war against them," Duterte said Tuesday.

The president was referring to a large shipment of municipal trash that has sat in Manila since its arrival in 2013 and 2014. The more than 100 shipping containers had been declared to hold recyclable plastic. But when the doors were opened, customs officials found "household trash, plastic bottles and bags, new spapers, and used adult diapers," according to Filipino news outlet ABS-CBN.

"I w ill not allow that kind of s***," Duterte said at a news conference Tuesday, adding that Canada has attempted to provide educational grant money to the Philippines - on the condition that it also accept the garbage.

Duterte said he wants the trash gone within a week, even if he has to return it by force. Read Article

Asia, India and Australia

New Era Name 'Reiwa' Defines Japan As Emperor Akihito Prepares To Abdicate

NPR - Francesca Paris

Japan has revealed the name of its next imperial era to be "Reiw a," set to begin May 1 as Crown Prince Naruhito is expected to take the throne.



Yoshihide Suga, Japan's chief cabinet secretary, announced the name at a press conference Monday morning local time, unveiling a board with the two kanji characters written on it. While there was some deliberation over the exact meaning, the two characters that make up the new name, or the "gengo," translate roughly to "good fortune" and "peace" or "harmony," according to The Japan Times.

We hope [the era name] will be widely accepted by the people and deeply rooted as part of their daily lives," Suga told reporters.

The announcement comes as the current "Heisei" era draws to a close after three decades, with Emperor Akihito set to step down on April 30 in the first abdication of the throne in over 200 years. Read Article

Why Russia, Iran Seek Deeper Ties With North Korea

DeutscheWelle

Moscow and Tehran are both cozying up to North Korea as the White House's make-or-break policy flounders. While their motivations are different, they're both trying to seize a strategic international chance.

Earlier this w eek, Russian President Vladimir Putin hosted North Korean leader Kim Jong Un, w elcoming him w ith a lavish reception in the eastern city of Vladivostok. The picture w as at odds w ith the clumsy February summit in Vietnam betw een Kim and US President Donald Trump, w ho w alked out during the crucial negotiations. In Vladivostok, Kim called Trump's approach "a unilateral attitude in bad faith" and instead described ties w ith Moscow as "strategic and traditional relations."

Russia isn't the only country to make significant overtures to North Korea at a time when Trump's make-or-break approach to foreign policy appears to be floundering. Read Article

China and Southeast Asia

Thousands in Hong Kong Protest Against China **Extradition Plan**

DeutscheWelle

In the biggest demonstration since 2014, thousands took to the streets against proposed extradition rules that would allow people to be sent to mainland China for trial. Protesters fear for the city's core freedoms.

Thousands of people walked peacefully for more than three hours through the shopping and business districts of Causew ay Bay and Wanchai on Sunday, some with placards addressing the Chinese leader: "President Xi Jinping, no legalized kidnapping of Hong Kong people to China."

Police put the number of those attending at 22,000, and organizers said there were 130,000. This would make it the largest rally since the 2014 Umbrella Movement pro-democracy protests.

Former legislator Leung Kw ok-hung said the proposed law would remove Hong Kong's "freedom from fear." Read Article

Xi Jinping Vows Transparency Over Belt and Road

China's President Xi Jinping has sought to ease concerns about its Belt and Road project at a summit in Beijing.



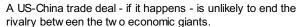
Speaking at the forum, Mr Xi vow ed to ensure transparency and the "fiscal sustainability" of all projects.

The initiative is seen by some as a bid for geopolitical influence and has been criticised for indebting recipient countries.

Mr Xi also sought to address key US trade concerns ahead of talks between the two countries next week. Read Article

Why the US-China Rivalry Will Not End With a **Trade Deal**

BBC - Ana Nicolaci da Costa





Both sides have fought a trade war over the past year with damaging consequences for the global economy.

But many say their dispute goes well beyond trade - it represents a powerstruggle between two very different world views.

Deal or no deal, that rivalry is only expected to broaden and become more difficult to resolve. Read Article

Africa, Middle East, Eastern Europe and Russia

Afghan Vice President Survives 2nd Assassination Attempt In Less Than A Year

NPR - Francesca Paris

Afghan Vice President Abdul Rashid Dostum was not harmed in ambushes by Taliban insurgents over the w eekend, Afghan officials said Sunday.



At least one of his guards died during two attacks on General Dostum's convoy Saturday afternoon local time, according to news wires, as the convoy was traveling from the northern province of Balkh to neighboring Zaw zjan province.

Munir Ahmad Farhad, spokesman for the provincial governor of Balkh, told The Associated Press that two other guards were wounded. Zabihullah Mujahid, a Taliban spokesman, claimed responsibility for the attack on Tw itter.

Afghanistan's army said in a statement that four Taliban were killed and seven others wounded, AP reports. Read Article

Erdogan and Putin seek to deepen their military ties

DeutscheWelle

Turkish President Recep Tayyip on Monday arrived in Russia for his third visit this year, highlighting the increasingly close cooperation between the two countries and Turkey's willingness to defy the United States.



Erdogan's visit comes on the heels of warnings from US Vice President Mike Pence against purchasing Russia's S-400 air defense missile systems. Pence said Turkey was risking its NATO membership and its participation in the F-35 fighter program by failing to heed Washington's demand to cancel the contract with Russia. Read Article

In Need Of Blankets, Pain Killers, Pill Refills: Life After Cyclone Idai

NPR - Tendai Marima

Cyclone Idai was a major disaster. When it struck southeastern Africa on March 14, the storm destroyed more than 18,000 homes. The U.N. estimates that over 130,000 people are still in temporary shelters. The death toll is now 598 and expected to rise as officials reach remote areas to assess the damage. And in the wake of the storm, over 2,000 cases of cholera have been reported so far.

Behind those large numbers are many stories that bring the tragedy to a human level.

Some 148 people live on Rathmore Estate, a vast plantation in Zimbabw e that produces, timber and macadamia nuts for export. Only in the past week have medical charities and community village health workers begun to provide care for the farmworkers and their family members. Read Article

Sudan's Military Says It Has Taken Control And Arrested President Omar Al-Bashir

NPR - James Doubek, Laurel Wamsley A military council has taken control of Sudan and arrested its longtime president, Omar al-Bashir, the country's military said Thursday. The move comes after opposition protesters recently gained new momentum in demanding al-Bashir leave office.

Sudan's defense minister, Aw ad Mohamed Ahmed Ibn Auf, said the "regime" had been removed and its head arrested, as he announced the coup in a televised statement.

The minister said a transitional military council will rule the country for two years before any democratic elections will take place. Read Article

World's First Malaria Vaccine Launches In Sub-Saharan Africa

NPR All Things Considered - Michaeleen Doucleff Today health officials are making history. They're rolling out the first approved vaccine aimed at stopping a human parasite. It's for malaria - and the hopes are that one day the vaccine could save the lives of tens of thousands of children each

"This [rollout] is a massive success of the research community," says Dr. Pedro Alonso, who directs the Global Malaria Programme at the World Health Organization.

This vaccine - called RTS,S - is one of the few immunizations designed and launched specifically to help young children in Africa, says Deborah Atherly at PATH, a nonprofit that helped develop the immunization. Read Article and **Hear Podcast**

International Trade News

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Census Bureau

year.

February 2019 sales of merchant wholesalers were \$495.9 billion, up 0.3 percent (+/- 0.4 percent)* from last month. Endof-month inventories were \$668.9 billion, up 0.2 percent (+/-0.2 percent)* from last month. February 2019: +0.2* % change in Inventories; January 2019 (r): +1.2 % change in Inventories. Read Report

Manufacturing and Trade Inventories and Sales US Census Bureau

U.S. total business end-of-month inventories for February 2019 were \$2,017.4 billion, up 0.3 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,446.8 billion, up 0.1 percent (+/- 0.1 percent)* from last month.

February 2019: +0.3 % change in Inventories; January 2019 (r): +0.9 % 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 w as \$49.4 billion in February, down \$1.8 billion from \$51.1 billion in January, revised. February exports were \$209.7 billion, \$2.3 billion more than January exports. February imports were \$259.1 billion, \$0.6 billion more than January imports. Read Report

U.S. International Transactions, 4th quarter and Year 2018



US Department of Commerce - Bureau of Economic Analysis

The U.S. current-account deficit increased to \$134.4 billion (preliminary) in the fourth quarter of 2018 from \$126.6 billion (revised) in the third quarter of 2018. As a percentage of U.S. GDP, the deficit increased to 2.6 percent from 2.5 percent. The previously published current-account deficit for the third quarter w as \$124.8 billion. Read Report

German Confidence Jump Brings Relief to Europe's Largest Economy



IndustryWeek - Bloomberg

Confidence among German companies unexpectedly improved in March, providing a glimmer of hope for the European economy.

If o's closely-w atched index rose to 99.6, beating forecasts for a reading of 98.5, and a gauge of executives' expectations also rose. The improvement helps to dispel some of the gloom after a survey on Friday show ed German manufacturing in its deepest slump in more than six years.

The yield on German 10-year bonds briefly climbed back above zero after the report. The euro w as up 0.2% at 10:21 a.m. Frankfurt time, trading at \$1.1319. Read Article

US and China Got Into a Trade War and Mexico Won



IndustryWeek - Bloomberg

U.S. imports of goods from Mexico surged 10% to almost \$350 billion last year, the fastest grow th in seven years.

The Trump Administration's trade w ar w ith China has turned out to be a w indfall for another country the president frequently berates: Mexico. Consider Fuling Global Inc., a Chinese maker of plastic utensils that developed a lucrative business making paper cups and straws for U.S. restaurants. But President Trump upended all that w ith tariffs on \$250 billion w orth of Chinese imports, including paper products. So the company found an alternative, opening a \$4 million factory in Monterrey, Mexico, that w ill soon begin shipping millions of paper straws across the border. "We had to look for other w ays to do business," said Fuling CFO Gilbert Lee. The move means the Wenling, China-based company w ill avoid the tariffs and make up for pricier Mexican labor w ith low er shipping costs. "Mexico is a very logical and advantageous location for us." Read Article

US January Trade Gap Narrows as Imports From China Plummet



IndustryWeek - Bloomberg

The merchandise-trade gap with China shrank to \$33.2 billion as imports from the nation dropped 12.3%.

The U.S. trade deficit pulled back in January from the widest level in a decade as imports from China plunged, suggesting American companies had been rushing shipments the prior month to beat an expected tariff boost.

The deficit in goods and services narrow ed to \$51.1 billion, the Commerce Department said Wednesday, smaller than the median estimate of economists. Imports fell 2.6% while exports rose 0.9%. The merchandise-trade gap with China -- the target of President Donald Trump's trade war -- shrank to \$33.2 billion as imports from the nation dropped 12.3%. Read Article

Kudlow Says US Ready to Extend China Talks by Weeks or Months



IndustryWeek - Bloomberg

The Trump administration is prepared to keep negotiating with China for weeks or even months to reach a trade deal that will ensure the world's second-largest economy improves market access and intellectual-property

policies for U.S. companies, a senior American official said.
"This is not time-dependent. This is policy- and enforcement-dependent,"
White House economic adviser Larry Kudlow said in a speech in
Washington on Thursday. "If it takes a few more weeks, or if it takes
months, so be it. We have to get a great deal, as the president says, that
works for the United States. That's our principal interest." Read Article

Economy to Lose \$726 Million Per Day if Border Closes

New Equipment Digest - Material Handling & Logistics
If the border with Mexico is closed to U.S. businesses the cost could be
\$726 million daily, according to the The National Association of
Manufacturers (NAM).

NAM Chief Economist Chad Moutray noted the following economic statistics: *More than 21,000 manufacturing companies in America export to Mexico. *In 2018, the U.S. exported \$265 billion of goods across the Mexico border. *The jobs of nearly 1 million American manufacturing workers are related directly to exports to Mexico, and those jobs would be immediately at risk should the border close.

*More than 3.3 million American jobs in other sectors of the U.S. economy that have been created as a result of these export-related jobs would also be at risk. Read Article

Detroit Could Be Next Victim of a Tech Cold War

Area Development - Bloomberg, Andrew Browne
U.S. moves to restrict technology exports to China will
thoroughly disrupt the auto industry and almost certainly
fail. Autonomous cars will be built in China and rolled out



fail. Autonomous cars will be built in China and rolled out to the rest of the world.

These are testing times for Detroit's big automakers as they puzzle over where to place their bets. Pickup trucks or driverless cars? Internal combustion engines or electric motors? Hardware or software?

Now, an even larger question looms, just as a mobility revolution reshapes the industry: America or China?

Tensions over technology, if not an outright cold war, are threatening to become a permanent feature of the U.S.-China relationship. In an extreme case, as White House hardliners press to limit advanced technology exports to China, some U.S. companies operating on the mainland could be forced to retreat to their home market. Hank Paulson, the former U.S. Treasury Secretary, recently warned of an economic "Iron Curtain" falling between the two countries. Read Article

U.S. Warns Of New Tariffs On Europe Over Airbus Subsidies

NPR - Scott Horsley



A new Airbus A320neo aircraft is presented by the Spanish airline Vueling at Barcelona's airport on Sept. 27, 2018. The Trump administration is preparing to slap tariffs on imports from Europe, citing subsidies of Airbus jets.

The Trump administration is preparing to slap tariffs on billions of dollars' worth of imports from Europe, in retaliation for what it calls unfair subsidies of Airbus jets. The proposed tariffs would cover not only aircraft but also wine, cheese, woolen suits and other signature European products.

President Trump touted the proposed tariffs on Twitter, arguing the European Union has "taken advantage of the U.S. on trade for many years."

The proposed levies represent the latest salvo in a long-running dispute betw een Airbus and its U.S. rival Boeing. Both sides have accused the other of benefiting from unfair government subsidies. The World Trade Organization has ruled in separate cases against both Airbus and Boeing. Read Article

EU Accuses BMW, Daimler and VW of Breaking Antitrust Rules

IndustryWeek - Agence France-Presse

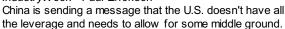
If there is sufficient evidence of an infringement the EU can adopt a decision prohibiting the conduct and imposing a fine of up to 10% of a company's annual worldwide sales.

The European Union warned German car giants BMW, Daimler, and Volkswagen on April 5 that a preliminary inquiry has concluded they colluded to avoid competing on emission control technology.

Already reeling in the wake of the devastating "dieselgate" emissions cheating scandal that broke in 2015, the German carmakers will have to respond to the EU's findings, which could result in stiff penalties if the European Commission decides to pursue a cartel case against them. Read Article

The Real Cost of Tariffs

IndustryWeek - Paul Ericksen





China traditionally has sought to keep a balance between Boeing and Airbus, but Boeing's order prospects have been complicated by the trade clash, says the March 25 article, Airbus Secures \$35 Billion China Deal in New Blow to Boeing.

Rob Stallard at Vertical Research Partners, quoted in the article, saw China's move "as part of broader trade discussion. For the Chinese to put tariffs on Boeing aircraft would be nuclear, but you can send messages in other ways. This tells the Americans that you have to play nice if you want us to reciprocate."

In northwest Washington state where I live, we've known for some time that Boeing sees China as the next great market for commercial aircraft. The company has spent considerable effort and resources on developing a strong working relationship with the Chinese government. In light of this, the loss of this order to Airbus is not only a financial blow but also signifies that the partnership Boeing has sought to build is now on rocky ground. Read Article

Ford and Nissan Feed Rental-Car Fleets as Consumer Demand Sags



IndustryWeek - Bloomberg

Automakers appear to be using fleet deliveries to make up for show room demand starting to sputter as U.S. economic growth slows.

Stronger-than-expected new-car sales last month belied a dirty little secret: Automakers have been selling more vehicles to rental fleets in recent months to prop up volume.

Deliveries to rental-car companies and other non-retail buyers accounted for more than a third of total sales last month for Ford Motor Co. and Nissan Motor Co., according to data from researcher Cox Automotive. Deliveries to rental companies alone in March and in the first quarter were the highest in two years.

Rental-car sales tend to have low er profit margins and can erode used-vehicle prices once those models hit the resale market. Read Article

Mexico Beefs Up Labor Bill Amid Speaker Pelosi's NAFTA Threat



IndustryWeek - Bloomberg

After Democrats in the U.S. threatened to hold up a renegotiated NAFTA, Mexico's ruling party beefed up a labor bill to meet requirements laid out in the trade deal and plans to vote it through this month.

The bill now satisfies "diverse obligations" required by the United States-Mexico-Canada Agreement, or USMCA, as the new NAFTA deal is known, said Mario Delgado, the majority leader for Mexico's low er house. The low er house could vote on it in a week's time, he told reporters Thursday.

Mexico is racing to amend laws to comply with new USMCA rules that explicitly require that workers vote for their unions and labor contracts, both of which rarely happen in Mexico, where employees often lack basic representation. The original draft of the bill by leftist President Andres Manuel Lopez Obrador's party didn't go far enough, according to U.S. labor leaders and Democrats in Congress. Read Article

EU-US Trade War Escalates Over Disputed Aviation Subsidies



IndustryWeek - Bloomberg

Two sets of planned punitive measures are the latest twists in a 14-yearold dispute that the U.S. and EU have fought at the World Trade Organization.

The European Union is preparing retaliatory tariffs against the U.S. over subsidies to Boeing Co., significantly escalating transatlantic trade tensions

hours after Washington vowed to hit the EU with duties over its support for Airbus SE.

The two sets of planned punitive measures are the latest twists in a 14-year-old dispute that the U.S. and EU have fought at the World Trade Organization, with each side accusing the other of illegally subsidizing their main aircraft makers. President Donald Trump's administration on Monday said it would impose tariffs on \$11 billion in imports from the EU because of the European aid. Read Article

Manufacturers Across EU Issue Warning Against a No-Deal Brexit



IndustryWeek - Bloomberg

U.K. manufacturers and their counterparts across the European Union said they're "w oefully" unprepared for a no-deal Brexit and called on the bloc to avoid Britain leaving w ithout an agreement.

"Neither the EU nor the U.K. are ready, and as a consequence European industry is also not adequately prepared, for this cliff-edge scenario," manufacturing lobby groups MakeUK and Ceemet said Wednesday in a letter to governments and EU Chief Brexit Negotiator Michel Barnier. In a separate statement, they said a lack of "coherent preparation" by governments left manufacturers "w oefully unprepared" for a no-deal outcome. Read Article

EU Publishes US Tariff-Retaliation Plan



IndustryWeek - Bloomberg
The \$12 billion plan includes goods from video-game consoles to bicycle pedals to ketchup.

The European Union published its preliminary list of U.S. goods being targeted in a \$12 billion plan for retaliatory tariffs over subsidies to Boeing Co., with a focus on farm products from areas that help form President Donald Trump's political base.

The European Commission began a public consultation over the American products ranging from ketchup and nuts to video-game consoles and bicycle pedals. The World Trade Organization will ultimately decide the level of damages the EU can seek, with a verdict possible toward the end of this year or in early 2020.

The EU retaliation plan follows a U.S. threat to seek \$11 billion in damages through duties on European goods ranging from helicopters to cheeses to counter state aid to Airbus SE. Both moves stem from parallel, 14-year-old, disputes at the WTO over market-distorting support for aircraft makers.

Read Article

Tariff Takedown Has [IndustryWeek] Readers Ready to Rumble



IndustryWeek - Paul Ericksen

My column last w eek-The Real Cost of Tariffs- questioned w hether a strictly positional negotiating stance on tariffs w ould deliver w hat the U.S. is interested in. It generated a lot of strong negative feedback:

This article makes zero sense. The tariffs were never about one company or their short-term profits; it was about finally leveling the international playing field. It wasn't just China that the tariffs were directed at but China is the one that resisted the most. As Trump famously said when tariffs were first implemented, "You don't like tariffs? Great, I'll accept zero tariffs by both parties and the USA will still be the winner." He just wants U.S. businesses to have a fair chance at both foreign and domestic markets. Read Article

Independent Report Finds Trump's New NAFTA Would Hit Auto Sector



IndustryWeek - Bloomberg

An independent government report on President Donald Trump's new North American trade deal estimates it will lead to higher car prices for U.S. consumers and a decline in auto sales even as it has a modest positive impact on the broader economy, undercutting one of the White House's key sales pitches for the agreement.

In its assessment of the new U.S.-Mexico-Canada Agreement, the International Trade Commission on Thursday found it would have a modest beneficial impact on the American economy, adding 0.35%, or \$68 billion, to U.S. gross domestic product in the sixth year after it took effect.

In a separate analysis, administration trade officials said the USMCA would

lead to surges in new auto investment and 73,000 jobs.

The report, how ever, offered a much more skeptical view of tough new auto production rules, saying that while they would add 28,000 jobs in the auto sector they would actually lead to a fall in vehicle assembly jobs due to higher production costs that would be a drag on U.S. manufacturing more broadly. Read Article

Private Companies Grow Anxious Over Global Demand

CFO.com - David McCann

Top executives at private companies are dramatically more concerned than they were a year ago about a potential lack of demand for their products and services.

Almost half (45%) of the 300 CEOs and 300 CFOs

surveyed by Pricew aterhouseCoopers during the first quarter cited the issue as a top threat to business growth. That was 28 percentage points higher than the proportion of executives who held that view in the opening quarter of 2018.

Panelists in Pw C's quarterly survey of private-company executives reported a softening revenue forecast. On average they expected revenue grow th of 6.6% over the following 12 months, down from 7.6% in the fourth-quarter 2018 survey.

Particular concern was registered by companies with international sales. Read Article

AFL-CIO President Opposes USMCA in Current Form

IndustryWeek - Agence France-Presse

The head of the largest US labor union said on April 23 that he opposes ratification of the new North American free trade pact, because he doubts Mexico will enforce labor reforms required by the deal.

Richard Trumka, president of the 12.5-million-member AFL-CIO, said Congress is unlikely to approve the US-Mexico-Canada Agreement until Mexico makes greater progress.

"If they get the labor law's changed in accordance with the agreement, then they have to show us that they have the infrastructure and the resources to be able to do that," Trumka said during a discussion hosted by the Economic Club of Washington. Read Article

Upcoming Seminars Teach Industrial Businesses How to Export

ThomasNet - Mikaela Tierney

More than 95% of global consumers are located outside the United States, according to research conducted by the International Trade Administration. To reach these new consumers, it's time to look beyond your local sales prospects and expand your industrial business' reach to an international scale by exporting your manufactured goods.

Not sure how to get started with exporting? For businesses in the New England region, the U.S. Department of Commerce will be hosting an engaging series of educational seminars and sessions focused on industrial exporting opportunities, especially for small and medium businesses.

As the only free statewide exporting event in the country, Connecticut Export Week 2019 is structured to support small and medium businesses in taking their initial steps in going global. Read Article

Education and Workforce Development News

Failure is a Choice We Make

Community College Daily News - John J. "Ski" Sygielsk Colleges do not fail because of competition, environmental changes or even declining or changing student



demographics. Colleges fail when leadership ignores warning signs and becomes paralyzed by tradition or ignorance.

Colleges are businesses hidden in the mystique of academics. As a community of thinkers, innovators and educators, we should rightfully be proud of the role we play in contributing to an educated, open-minded and civil society. That being said, we also have a commitment to the communities we serve to provide jobs and prepare our neighbors for the workforce.

Beneath curricula and academia, colleges need to be viable and sustainable on a long-term basis. That requires that we create and follow strategic plans and budgets and, more urgently, adapt to the changing demands of an evolving globalized society of students who are, in fact, our customers. Lessons from Sears and Toys R Us Read Article

Community Colleges And Tech Companies Are Co-Branding Credentials To Solve The Skills Gap

Community College Daily News - Forbes-Allison Dulin Salisbury

Grant Sabatier became a personal-finance celebrity writing about his experience going from broke to millionaire in just five years. There's no denying his hustle-he's started three successful companies-as well as his frugality.

But w hat got him out of his parents' house and into a job slips just below the radar: a Google Ads certification. Before the certification he'd sent out 200 resumes and received zero call-backs. And yes, Grant already had a bachelor's degree.

There's an important lesson there for higher education and it's not just anecdote. Employers increasingly use applicant tracking systems that often screen for very specific skills. Read Article

Honda Opens Training Center in Ohio to Upskill Workers

IndustrvWeek - Staff

The two-week, hands-on, program supports workforce training for Honda's Marysville, East Liberty and

Honda of America Mfg., Inc. is opening a 40,000 square-foot training center to provide new production associates with the skills needed to successfully transition into current manufacturing roles.

The two-week, hands-on, program supports workforce training for Honda's Marysville Auto Plant, East Liberty Auto Plant and the Anna Engine Plant. The \$1.9 million investment, which converted an existing building into learning space, will allow up to 100 new production associates the opportunity to train each week. Read Article

Lowe's And 60 Companies Create Program to Fill Skilled Trades Gap

Material Handling & Logistics - Staff

More than 60 organizations announced on April 25 Generation T ("Gen T"), a movement intended to help fill the skilled trade gap that analysts predict will leave 3 million jobs open by 2028. Led by home improvement retailer Low e's Companies Inc. the movement creates a path to grow talented tradespeople.

Through support from industry leaders, Gen T aims to shift the societal perception of the trades by demonstrating the economic mobility possible, exposing children to trade education early and encouraging students to explore career options beyond four-year degree programs.

Gen T also connects prospective skilled trade professionals to apprenticeships and jobs through the WeAreGenerationT.com. Read Article

Tackling the Skills Gap with a Technical School Partnership

IndustryWeek - Carla Otto

Faced with a wave of retirements, electric-motor maker Nidec tries "reverse internships."

Nidec Corporation, a global manufacturer of electric motors, has a robust workforce of 140,000 employees worldwide. We have made it our mission to be a technological change leader, introducing new robotic designs and applications and helping manufacturers adapt to the Internet of Things (IoT). As we plan and prepare for future successes, however, we are facing serious workforce challenges. Our highly trained and skilled workers are retiring, and there are not enough properly trained replacements for them.

And, Nidec, of course, is hardly alone. With Baby Boomers retiring at a rate of 10,000 per day-taking their technical and institutional know ledge w ith them-manufacturing is grappling w ith a skilled w orker shortage. The limited supply of STEM-educated students prepared to fill these jobs only makes the situation w orse.

Nidec contributes to and partners with many four-year institutions, such as





Missouri University of Science and Technology and Southern Illinois University Edwardsville. However, we know it is critical that we also help provide opportunities for vocational and technical training to address skill gaps in our workforce. Graduates of these specialized training programs have the hands-on experience and expertise that is very much in demand. Read Article

House Dems Query Acosta About IRAPs

Community College Daily News -Matthew Dembicki
House Democrats continue to question w hether industryrecognized apprenticeship programs (IRAPs) can offer the

same quality, wages, career opportunities and worker protections as federally registered apprenticeships.

During a House Education and Labor Committee hearing Wednesday that featured U.S. Labor Secretary Alexander Acosta outlining his department's priorities, Democrats criticized the Trump administration's efforts to use IRAPs to expand apprenticeships.

Committee Chair Rep. Bobby Scott (D-Virginia) said the plan "seeks to expand untested workforce training programs at the expense of proven, high-quality apprenticeships." He added that IRAPs are "not accountable to quality standards that protect the interests of workers and taxpayers." Read Article

Training and Organizational Development News

Get Off the Sidelines and Help Educators Build the Next Generation of Manufacturing Talent

IndustryWeek - Larry Fast



In recent years much has been written about the negative perceptions of working in manufacturing and the need to change those perceptions. Initiatives have been undertaken regarding the need for education from middle school through high school. These are intended to expose students at a young age to the possibilities of a manufacturing career, to present a more current understanding of what it's like to work in manufacturing and to increase the number of students who might now consider going into manufacturing. It's fair to say that few outside of manufacturing are informed about the manufacturing renaissance spreading across the country with engaged workforces that work collaboratively with their management and the companies' continuous improvement strategies.

Secondary schools and technical colleges are playing a key role in the revival of manufacturing as a career, especially for blue-collar families. I am personally aw are of three technical schools and a handful of high schools that have taken up the banner and aren't just talking about manufacturing as a career, they're doing something about it. They are providing the opportunity for students interested in manufacturing to learn basic skills in middle school and high school classes. In the case of the high schools, efforts have been underway over the last few years to align high school course work so that students earn high school credits that will transfer to an area tech school. This can amount to as much as a full semester of credits. It's often referred to as "early college." Read Article

Want Higher Engagement? It's Not Just About Hiring Better Managers



IndustryWeek - Dan Markovitz

What if we set up policies and processes so it's easy for people to grow in their jobs?

A recent article by Sam Walker in the Wall Street Journal argues that better managers are the key to delivering better results.

Walker cites research by Gallup showing that the quality of middle managers determines 70% of the variance between high-performing and low-performing companies. Because managers can instill (or at least heighten) a sense of purpose and meaning in employees' work, they drive the critical measure of employee engagement, which Gallup defines as a belief among employees that they're doing meaningful work in a climate that supports personal growth. And that in turn leads to lower turnover, higher productivity and better profits. Read Article

New Consortium for Human-Centric Manufacturing Addresses Japan's Workforce Issues

IndustryWeek - Staff

As the manufacturing climate in Japan shifts from low-cost mass production centered on high-cost machinery to multi-product variable-quantity production that delivers products as needed, workforce models

will change.

One of the keys to realizing this new system will be the development of production personnel who can respond flexibly to diverse tasks. In addition to a flexible workforce, the country is facing a smaller workforce due to falling birthrates and an aging population. To address these factors, measures are needed to utilize personnel in diverse ways and secure necessary human resources at production sites. Read Article

Help Wanted: New Training Partnerships Give GE Aviation

Access To Skilled Welders

Area Development - GE Reports -Tomas Kellner

At the Greene County Career Center in southw estern Ohio's Xenia Township, 650 high school students spend half their day in the classroom, learning traditional subjects like math, English and social studies. The other half of the day, though, is what gets them most excited.

"The afternoon is when it gets interesting," says Cameryn Akers, a 17-year-old senior who studies at the career center. That's when he gets to practice his welding techniques, sparks flying from the electrode tip of the tool, as he develops skills that will make him instantly employable. "I like building things and making something out of nothing," he says. Read Article

The Burden of Leadership

IndustryWeek - Mark Whitten

Even on bad days, we have a responsibility to our people to be fair and consistent



Over the past 20 years of leading people and teams, I've had the privilege to work with, and for, great leaders. I have also worked for some not-sogreat leaders. Both experiences were extremely valuable to my personal development. The great ones taught me the importance of servant leadership, humility, and the cornerstone of all leadership: dignity and respect for others. Equally, the not-so-great leaders reinforced that message through their negative actions with people, believing that the human side of leadership was unimportant, and that people were simply another commodity and could be replaced.

My personal leadership development started with my father, who was a leader for most of his career. At work he was highly respected, a man of integrity and character, and it was obvious. But one of my biggest leadership lessons-what I eventually named the burden of leadership-I learned from interacting with him at home. Read Article

Let's Get Real about the Skills Gap and Start Solving It

IndustryWeek - Michael Collins

A 2018 survey published by the Manufacturing Institute says that 3.5 million manufacturing jobs will need to be filled in the next decade and 2 million of those jobs will go unfilled. Now there are people who say this skills gap is a lie. But the fact is that as skilled people retired, manufacturing companies, particularly the multi-national corporations, did not invest in the advanced training programs to replace the retiring workers.

We are 500,000 w orkers short today. A recent article in Industry Week said that "during the first quarter of 2019 more than 25% of manufacturers had to turn down new business opportunities due to lack of w orkers."

Yes, the skills gap is real and a two-pronged problem. First, manufacturing does not have the advanced training programs needed to produce the high skilled w orkers they need. Second, young people, their parents and counselors do not see manufacturing as a good career. Read Article

Quality News

Yes, There Is a Supplier Lean Metric - and It's Very Useful

IndustryWeek - Paul Ericksen

The feedback from my March 1 article about OEMs needing to increase their aw areness of total supplier value-add above and beyond piece price was along the lines of: "Yeah, right. A nice vision that will never happen."

Well, I disagree. Call me a cynic, but I believe the biggest consideration in a person's decision-making process is self-interest. Another w ay of putting this is that w hen making a decision, people tend to ask "Which of the possible alternatives will result in the most personal benefit?"

Similarly, I think that most corporations think along the same lines, asking themselves "Which alternative will most positively impact company financials." And that's why I have hope that OEM supply chain practices can be influenced. Read Article

Leadership's Personal Side

IndustryWeek - Laura Putre

Succeeding in lean requires serious attention to developing people.



Getting buy-in from employees is important from the start of any continuous improvement initiative. Otherwise, expect to fail-90% of lean initiatives do, said David Rea of Catalyst Connection, a Pittsburgh economic development firm that supports small and medium-sized manufacturers.

Rea led the deep-dive leadership session "Leading with Lean" at the IndustryWeek Manufacturing & Technology Show in early April. Successful companies devote much of their resources to developing their people, said Rea. They give leadership training not just to the people at the very top, but at the managerial and front-line-supervisor levels, working with them on their coaching, communication and problem-solving skills. Read Article

Meetings Aren't Meant to Make People Crazy

IndustryWeek - Liane Davey

Encourage productive conflict, and get things resolved.

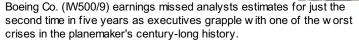


The following is excerpted from the new book The Good Fight: Use Productive Conflict to Get Your Team and Organization Back on Track. So much of the interaction you have with colleagues is in meetings, yet so many meetings have become horribly ineffective. Instead of creating a forum for productive conflict to be surfaced and resolved, meetings are often just hour-long displays of the power and politics on your team. The actual work of discussing options and coming to a solution is relegated to side conversations and the dreaded meeting-after-the-meeting.

Changing how you manage your meetings is key for turning productive conflict into a healthy habit. Read Article

Boeing Suspends Outlook as 737 Max Uncertainty Clouds Future

IndustryWeek - Bloomberg



The manufacturer abandoned its 2019 financial forecast as it deals with the aftermath of two deadly crashes of its 737 Max aircraft, according to a company statement Wednesday. Boeing also revealed it hadn't repurchased shares since mid-March after spending \$2.3 billion on its stock in the quarter. The second fatal accident within five months occurred March 10 in Ethiopia, spurring regulators globally to ground the single-aisle models.

Boeing's first-quarter results were weighed down by a \$1 billion cost as it slowed production of the 737 to conserve cash until the Max is cleared to resume commercial flights. The company also booked charges to revise training for pilots and update the Max's software, which has been linked to both disasters. Read Article

Boeing's Speed Problem

IndustryWeek - Paul Ericksen

"Work quicker" will only make production issues worse.



Last w eek's New York Times expose on claims of shoddy production in Boeing's North Charleston factory put the aerospace manufacturer in the news again. Specifically, too many of the planes were found to have debris-including metal slivers-dangerously close to wiring beneath cockpits. A worker interviewed for the article says that when he brought up concerns about this to management, nothing was done other than to move him to another part of the plant. Qatar, a major customer, had in fact notified Boeing that they wouldn't accept shipments of 787 Dreamliner planes from this facility.

The same problem has also been seen in Boeing's Everett, Washington, plant. Again, the U.S. Department of Defense has stopped accepting KC-46 Tanker planes until Boeing shows it has solved the debris problem, which included tools, bolts and trash. Read Article

Cyber Secuurity and IT News

Amazon Receives Challenge From Face Recognition Researcher Over Biased Al

USA Today - Matt O'Brien, Associated Press
Facial recognition technology was already seeping into
everyday life - from your photos on Facebook to police scans of mugshots
- when Joy Buolamw ini noticed a serious glitch: Some of the softw are
couldn't detect dark-skinned faces like hers.

That revelation sparked the Massachusetts Institute of Technology researcher to launch a project that's having an outsize influence on the debate over how artificial intelligence should be deployed in the real world. Her tests on software created by brand-name tech firms such as Amazon uncovered much higher error rates in classifying the gender of darkerskinned women than for lighter-skinned men.

Along the way, Buolamw ini has spurred Microsoft and IBM to improve their systems and irked Amazon, which publicly attacked her research methods. On Wednesday, a group of AI scholars, including a winner of computer science's top prize, launched a spirited defense of her work and called on Amazon to stop selling its facial recognition software to police. Read Article

Recruitment Al Bots Are Reading Your Social Media Posts

ThomasNet - Staff Writer

With the average time to fill a position in manufacturing now at 100 days and the shortage of skilled workers expected to grow to 2.4 million unfilled jobs over the next decade, human resources (HR) and recruiters are facing a new reality.

In sectors with high-volume hiring, manually sorting and shortlisting millions of job applications per annum is an impossible task, and often means that organizations miss out on finding the best available candidates. Enter artificial intelligence (AI). In recent years, tech companies have developed sophisticated robots that can scour hundreds of online resources - including personal websites, chat rooms, and social media platforms - to pull dozens of data points on potential candidates.

DeepSense, for example, will analyze a candidate's online presence to create a report on "role fit" (learning ability, stability, attitude, autonomy, teamwork and so on), then assign scores for personality using common HR measurement tools, including the DISC assessment and the Big Five (OCEAN) personality analysis. These scores are then measured against the characteristics exhibited by the recruiting organization's past data on successful candidates in order to come up with best-fit recommendations - much like the recommendation engines powering Netflix and Amazon. Read Article

The Know-Your-Enemies Approach to Cybersecurity

IndustryWeek - Brian Wrozek

In an environment where attack surfaces are expanding thanks to newly connected OT devices, staying one step ahead of the bad guys is critical.

Manufacturing companies have long been popular targets for cybercriminals. Until recently, the reason for this w as two-fold. First, manufacturers are home to a treasure trove of intellectual property (IP) and intelligence on new products, processes and technologies. If malicious actors can get their hands on this valuable information, they can use it to undercut the market by manufacturing knock-off products at low er prices, or they can simply sell IP and other intelligence to the highest bidder. Either way, cybercriminals yield a high return for a minimal amount of w ork-and, since cybercrime is a business just like any other, high return on investment is the guiding principle w hen selecting targets.

The second reason is that manufacturing companies typically have a robust supply chain. In the eyes of an attacker, if they can penetrate a manufacturer, they can also get their hands on data from that company's suppliers and partners. Likew ise, a supplier or partner with substandard defenses can be an easy way to infiltrate a manufacturer. In this scenario, we see the principle of "high return for minimal effort" play out again, as one attack can result in compromises of multiple companies. This is why third-party risk management is so important. Read Article

Human Resource Management News

ICE Arrests 280 at Texas Firm, Biggest Immigration Bust in a Decade

USA Today - John Bacon

More than 280 employees of a north Texas telecommunication repair company were arrested by federal immigration officials in the largest work site operation in more than a decade, Immigration and Customs Enforcement said.

ICEs Homeland Security Investigations unit executed criminal search warrants Wednesday at CVETechnology Group and four related businesses. CVE is based in Allen, about 25 miles north of Dallas.

"The investigation is ongoing, but we can disclose that this is the largest ICE work site operation at one site in the last 10 years," said Katrina Berger, HSI Dallas special agent in charge. Read Article

How to Keep Your High Performers Happy

IndustryWeek - Kellogg Insight

Everyone wants to fill their company with top performers. But superstars are in high demand, so you need a clear strategy to recruit and retain them.



At the same time, don't ignore the drag that problem employees can have on a firm. By some measures, the liability that comes with bad employees is more pronounced than the boost you get from superstars.

Here, faculty at Northwestern University's Kellogg School of Management offer advice on how to nurture superstars and rid your company of "toxic" workers. Read Article

Sincerely Stefanie: The Opioid Dilemma

IndustryWeek - Stefanie Valentic, EHS Today
Although three-quarters of U.S. employers have
experienced some effects from the opioid crisis, most are
not prepared. It's time to step up.



Every morning I turn on my computer and begin to catch up on w hat happened w hile I w as asleep. It's inevitable that one of the first things I see is about opioids.

Whether it's a story about the effects of the crisis or a post about a friend or relative that succumbed to addiction, there is w ay to avoid reading something about substance abuse.

When I came across the latest survey released by the National Safety Council (NSC), I was perplexed as to why employers still are not taking steps to address opioids in the workplace. Read Article

DOL Proposes New Joint Employer Rule

Material Handling & Logistics - David Sparkman Seen limiting the number of businesses considered joint employers in wage disputes.



In a significant move, the Department of Labor (DOL) has proposed a new rule governing the definition of joint employer status under federal wage and hour law, reversing course from Obama-era changes that had been announced in early 2016.

"This proposal will reduce uncertainty over joint employer status and clarify for workers who is responsible for their employment protections," said Labor Secretary Alexander Acosta, when announcing it. "The proposed changes are designed to reduce uncertainty over joint employer status and clarify for workers who is responsible for their employment protections, promote greater uniformity among court decisions, reduce litigation and encourage innovation in the economy." Read Article

Staying Ahead of New Cannabis Laws

IndustryWeek - Joshua S. Bauchner, Anthony D'Artiglio Medical marijuana may relieve migraines, but it's causing headaches for HR departments



With a majority of U.S. states enacting medical marijuana laws, cannabis in the w orkplace has become a hot-button issue for human resources departments seeking to craft appropriate w orkplace regulations for law ful cannabis users. These issues become particularly tricky for employers to navigate because cannabis remains illegal under federal law, and each state has different laws addressing the treatment of medical marijuana users in the w orkplace.

Recently, states with medical marijuana programs have trended towards providing protection under disability laws to employees who are registered as patients in that state's medical marijuana program. Employers with overly draconian cannabis and drug testing policies may face significant legal risk from employees who are penalized for their medical marijuana use. Read Article

Office Gossip Can Be Sexual Harassment

Material Handling & Logistics - David Sparkman
Court decision puts management on the spot to stop hurtful
rumors or face the consequences.



Sexual harassment takes many forms, and a federal appeals court recently ruled that office gossip can be a form of harassment when left unchecked by management, causing real damage to a female victim.

Soon after a woman employee was promoted to be assistant operations manager at a company's warehouse, men working at the facility began spreading a rumor that she obtained her promotion by having sex with her male supervisor.

At one point, another manager in the facility, in earshot of other employees, told the manager who had promoted the woman that he was surprised the promoting manager's wife wasn't divorcing him for having sex with the woman. The man who promoted her wasn't much help, either. At an all-hands meeting to discuss the rumor, he slammed the door in her face and wouldn't let her enter the room. Read Article

Federal Contractor to Pay \$1,650,452 in Back Wages and Benefits After U.S. Department of Labor Investigation

U.S. Department of Labor

MEMPHIS, TN - McKesson Specialty Distribution LLC - a California-based distributor for a federally funded children's vaccine program - will pay \$1,650,452 in back wages and fringe benefits to 515 employees after discovering and self-reporting violations of the McNamara-O'Hara Service Contract Act (SCA) and the Contract Work Hours and Safety Standards Act (CWHSSA) to the U.S. Department of Labor's Wage and Hour Division (WHD).

McKesson Specialty Distribution LLC contacted WHD to report the infraction at the distributor's Aurora, Colorado; and its LaVergne and Memphis, Tennessee, facilities. WHD subsequently confirmed that the employer failed to pay the required prevailing w age rates to employees performing w ork on a federal service contract w ith the Centers for Disease Control (CDC). Paying incorrect prevailing w age rates further resulted in McKesson failing to pay correct overtime rates w hen employees w orked more than 40 hours in a w orkw eek. The employer also failed to pay the applicable fringe benefits required for employees w orking on this contract. Read Article

2019 State of the Workforce Report Offers Mixed Bag

IndustryWeek - Staff

To get where you want to go, you need to know where you are. That's true of most things and certainly applies to securing the workforce of the future.

A new national report w as released recently 16 to help employers get data on pay, promotion, and hierarchy insights.

The inaugural report, 2019 State of the Workforce Report: Pay, Promotions and Retention, by the ADP Research Institute, provides, data-driven organizational benchmarks derived from the aggregated and anonymized HR and payroll data of U.S. workers. The results are further examined by age, gender, firm size, and tenure. The report, based on payroll from more than 13 million employees, was designed to help employers gain a better understanding of the hierarchical structure of organizations, pay levels, how pay and promotions are connected and how employers retain workers throughout their organizations. Read Article

Environmental, Health & Safety News

ASSP Expects ISO 45001 Handbook Publication By End of 2019

EHS Today - Staff

The American Society of Society Professionals (ASSP) has announced the ISO 45001 handbook will be completed by the end of 2019.

The publication of the handbook will provide guidance on the consensus standard which was released last year.



"It's important for us to improve the usability of this groundbreaking standard," said Barbara Libow itzky, head of the Austrian delegation to ISO TC-283 and member of the implementation handbook working group. "More companies around the world need a better understanding of ISO 45001 in order to best integrate it to improve workplace safety and their overall business performance." Read Article

Want to Reduce Risk? Then Don't Get Too Caught Up in Procedure

EHS Today - Alfonsius Ariawan

Focus on risk reduction outcomes, rather than just completing tasks, to ensure real results.

Many companies believe that as long as employees follow established procedures, the organization will achieve safe operations and, therefore, business success. Unfortunately, it's not that simple. Rarely does this way of thinking result in sustainable safety or business performance across an organization.

Instead, companies should focus on risk reduction outcomes, rather than simply completing tasks, to ensure real results. While completing tasks may satisfy required compliance measures, there is no guarantee this will bring the expected benefit to the organization. Effectiveness ought to be assessed by the extent of the resulting risk reduction, not simply by how well standards and procedures are followed. Read Article

Are You Missing Dangers Right Before Your Eyes? EHS Today - Mike Bartels

One split second is all it takes for a life to be changed forever or taken away by a workplace accident. Each year, close to 9,000 people are killed on the job across the U.S. and Europe; no doubt all these workplaces had safety protocols in place, but clearly more could have been done to prevent this loss.

The first step in preventing an accident is identifying its potential to occurand this is easier said than done. Sadly, it's often only once an incident has happened that we realize something needs fixing. But what if you could see the potential for risk in a new way, or find answers to a problem for which a cause has been hard to pinpoint? Read Article

Court Severely Limits Association Health Plans

EHS Today - David Sparkman

Says Trump Administration went too far in departing from Obamacare law.

Announced with great fanfare in 2017, the Trump Administration's rules change allowing small employers and the self-employed to provide their employees with health insurance through Association Health Plans (AHPs) has been struck down by a federal district court judge.

In October 2017, President Trump signed an executive order directing the Department of Labor (DOL) to develop rules governing the formation and management of AHPs. Adopted in final form last year, the rules allowed small businesses and self-employed professionals and partnerships to join together and, if they were bound by geography or type of industry, to create health plans to function much like those used by single large employers. Read Article

If you find you cannot identify, explain or document your firm's worker development process, then you probably noticed it is difficult to accommodate change or measure and improve worker performance

Spend a few minutes to learn more about a worker training approach:

- designed for manufacturing;
- · proven for any industry;
- customized to <u>your</u> job classifications, <u>your</u> tasks and specifications, and <u>your</u> business operation's needs...

Does your organization struggle with high turnover rates leading to

lower organizational capacity, work quality and quantity and compliance? Is your organization faced with these increasing costs while seeing a decreasing training budget?



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

Check the "Upcoming Events" section of this newsletter for when a Proactive Technologies Representative will be in your area next and schedule an onsite briefing!

Proactive Technologies, Inc. <u>always offers a low-to-no risk pilot program approach</u>. We work with the client to design a project to fit their budget and meet their business needs.

Plan to attend one of our scheduled live online presentations (see schedule on left) OR tell us a date and time that fits your schedule, which we can follow-up with an onsite presentation. Or skip the online presentation and schedule an onsite briefing.



The PROTECH™ approach:

- Is designed to your job classification, your operation and incorporates your firm's specifications, process, standards and policies;
- Ends your worries and costs over finding qualified candidates and closing the "skills gap;"
- Drives every worker to full job mastery while they simply learn their job;
- Cuts your employee turnover costs;
- Captures worker expertise before it leaves and use it to quickly and thoroughly train replacements;
- Provides metrics and reports for process monitoring and improvement.

European-style apprenticeships without the exorbitant cost... whether registered or not.

We research available training grant funds for each project and help the client apply. Grants may offset most or all of the investment to set-up and implement the structured training system!!

Low investment, no risk, high returns - everything to gain!

Isn't an hour of your time worth it to see if this approach to worker training is the one you always wished you had?

Contact a Proactive Technologies, Inc. representative today!

