



The *Proactive Technologies Report* newsletter is a Free Service of Proactive Technologies Inc. Important Stories You Might Have Missed Share With a Colleague

Have a Happy and Safe Thanksgiving Holiday!



Reluctant to Reshore Due to Apparent Shortage of Skilled Labor? Don't Be

by Dean Prigelmeier, President of Proactive Technologies, Inc.



These are uncertain times for some manufactures with supply chains that transcend borders to countries subject to punitive tariffs, and/or social, political and economic unrest. Knowing where to invest time and precious resources isn't as clear as it was a couple of decades ago, yet that is the situation many are in.

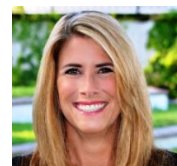
We all remember how quickly companies relocated part (in some cases all) of their operations, and/or prodded their suppliers to do the same, to lower wage, lower regulation and lower property cost environments - regardless of the transport costs, and risks of regional instability and supply chain disruption. As those economies developed and the associated operational costs increased, those perceived savings continued to erode. And as regional instability rose, many employers started to plan their next move.

One over-hyped and inaccurate factor in the U.S. is the shortage of skilled labor, which some workers see as a veiled attempt to justify importing labor who will take the job for significantly less. There are plenty of skilled labor available who were displaced during the Crash of 2008, [or recently displaced by the trade wars](#), and who had to change career course to feed their families. Many of these workers are still waiting, and could be quickly and easily "re-tooled" for today's manufacturing jobs with a focused structured on-the-job training program. Some are kept from seeking out these opportunities by wages and benefits for the job they once had now offered at 50% - hardly enough to attract skilled candidates back - not to mention for retaining a "skilled worker."

Some see this as a sort of hypocrisy; the publicized, frantic search for "skilled" and "talented" workers, while offering these skilled workers less for the job they once held with that employer or a similar employer in the industry. So, for now, many of those workers that are that skilled and talented abandoned the career of their choice for the career that pays the bills. [Read More](#)

Have You Captured The Expertise of Your Critical Hourly and Salary Positions?

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



Starting in the late 1980's, employers became increasingly concerned with succession planning; ensuring salary workers were being groomed to

Proactive Technologies, Inc.™ - capturing worker expertise to build and support job specific, task-based worker development programs (with metric-based solutions) since 1986.

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

Increased worker capacity, work quality and quantity, and worker compliance (ISO9001:2015, AS9100D, TS16949, engineering and quality specifications, and safety requirements).

Proactive Technologies' Publications Archive

To download a .pdf version of this issue, find the link at the bottom of this month's post on our website's [News and Publications](#) page or click [Proactive Technologies Report - November 2019 Issue](#). While at our website, check out past newsletters, articles and more.

Helping employers to unlock worker value since 1986!



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Free - Live Online Presentation Schedule

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

replace critical senior employees in the event of retirement or voluntary/involuntary separation. It was realized that the potential disruption - direct and the ripple effects - caused by an unplanned void in the leadership chain might be perceived as a threat to shareholder value. Shareholders, too, wanted assurances that maximizing a firm's performance was not tied to one or two invaluable people.

Compounding the concern was the realization that the workforce was aging at all levels, and that retirements were a certainty. Prior to the Crash of 2008, employer's concern over this was amplified by anecdotal reports from other employers already experiencing the impact. A movement toward a remedy began to take shape, and not just for high ranking salary positions, but technically critical salary positions and even hourly positions that with a loss of one or a few technical experts might disrupt operations and impair a firm's viability.

For decades prior to the Crash of 2008, Proactive Technologies, Inc. worked with a lot of employers by job/task analyzing their critical job classifications - initially hourly positions but a growing salary class of positions as well. This approach "captured the expertise" of the aging workers to use it to develop the tools which would allow the company to train nearly anyone with a sufficient core skill base, replicating experts as needed.

Then the Crash of 2008 happened and employers found themselves unexpectedly and unwillingly accelerating the loss of technical experts at all levels. For employers late to the game, there was no longer time to capture expertise; it had already left the building.

In a [Plant Services 2019 Workforce Survey](#) report, almost 50% of employers surveyed answered that knowledge capture/transfer was one of their "organization's biggest workforce challenge" - a number rapidly growing. [Read More](#)

The US DOL Wants States To Expand Apprenticeships. Will, and Can, Community Colleges Support Truly Employer-Focused Apprenticeships?

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



In an article entitled, "[A New Breed of Apprenticeships](#)," several community colleges were celebrated for their vision in expanding apprenticeship programs to non-traditional areas, in this case healthcare.

In reviewing the article's "Five Key Elements" of an employer-based apprenticeship, I wonder if the understanding exists of what is most important to the employer. Something that isn't "front-and-center" as an element is the need to ensure that the apprenticeship program, at a minimum, results in a worker who has mastered all of the tasks for the apprenticeship employer host's job classification. Without that assurance, the employer will be underwhelmed, if not disappointed, and may disband the program leaving current apprentices without a program to finish and those who targeted the program without the special status they were expecting.

The article's author rightly pointed out that apprenticeships have been around for around 4,000 years. They were built around the job classification in the beginning because that is all that there was. There were no community college for core and industry-general skill development; just a subject matter expert transferring expertise to a fresh recruit. It was effective because training was one-on-one in relatively low-traffic work environments. Expertise, tribal knowledge, work wisdom and known safety rules were all transferred while transferring each task's best practice, so there was no doubt how these components fit together.

This approach became more difficult to manage as enterprises grew in size, scope and complexity. For profit-motivated employers, a 10 or 15 year apprenticeship was unthinkable. Labor unions tried to focus training more into an 8 or 9 year apprenticeship, but it was still hard to administrate and non-union shops showed no interest at all.

[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 Not](#)

(45 minutes)

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

(45 minutes)

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

(45 minutes)

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

(45 minutes)

FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS

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

(45 minutes)

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

(45 minutes)

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

(45 minutes)

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

UPCOMING EVENTS

Onsite and group presentations are being scheduled for the

In general, employers drifted father and farther from the concept of expert-to-novice expertise transfer, opting instead for the very informal, unstructured and occasional one-on-one prevalent in most firms. Never mind the obvious contradiction with other contemporary management strategies such as LEAN, Total Quality Management and Continuous Improvement applied to capital investments. Most employers seemed to settle on the "hope for the best" strategy when it came to human assets, hoping further that the local educational institutions would come up with a solution while they raced forward to be competitive - dragging this anchor behind them. [Read More](#)

Proactive Technologies Announces Significant Turnkey Project Discount Program - October 15th - December 20th, 2019!

"No-Risk" Discount Pilot Program - Witness Approach for One of Your Specific Job Classifications Before You Decide to Expand by Proactive Technologies, Inc. Staff

Due to the success of our last discount offers, and many requests from companies that could not act before the end of the last discount offer early this year, Proactive Technologies Inc. is once again offering a **generous discount offer of up to 40%** to employers from **October 15th to December 20th, 2019!**

This [accelerated transfer of expertise™](#) approach is a tremendous offer without the discount but with it, it can help any employer to:

- quickly and completely train the skilled workers they need;
- realize an increase in worker capacity, work quantity/quality and compliance with quality programs such as ISO9001:2015, TS16949, AS9100D, NADCAP, etc., as well as engineering specifications and safety;
- reduce the internal costs of training!

New-hires and incumbent workers are driven to full job mastery and higher levels of return on worker investment (ROWI).

The task-based, structured on-the-job training infrastructure is perfect for apprenticeships; instead of marking the calendar for "time-in-job," job-relevant tasks are mastered and documented.

As if anyone needs one more reason (i.e. in addition to live online presentations, onsite presentations) to decide whether to move forward with structured on-the-job training to boost their training strategy: [Read More](#)

Proactive Technologies' Fall Discount Offer Is Underway! October 15th - December 20th, 2019!

Discounts up to 40%!

We help the client find grants to offset the investment to set-up and implement each program. We provide the technical support to allow your firm to focus on business.

Imagine yourself under pressure to master the tasks of your new job, with no one available to show you how and very limited access to a resident expert.

It is a shame, but it happens... a lot!

The solution is the
**PROTECH™ system of *managed*
human resource development!**

following states, **and a representative will be in your area**, in the month of:

November, 2019

Colorado (**Eastern Slope**)

Kansas (**Kansas City, Topeka and I70 Corridor**)

Kentucky (**North and Eastern**)

Indiana

Missouri (**Kansas City, St. Louis**)

Minnesota

Nevada (**Reno, Las Vegas**)

New Mexico (**Albuquerque, Santa Fe**)

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

North Dakota

Ohio

Pennsylvania (**Pittsburgh and Western Area**)

South Carolina (**UpState, Columbia and Charleston Area**)

Tennessee (**Eastern**)

Utah

West Virginia (**North-Central, South Central**)

Contact Us to express your interest in an onsite or group presentation.



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

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

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

Proactive Technologies offers pilot program approaches, scale-discounts and opportunities for reimbursement to make your decision simple and successful!

- Capture worker expertise for accelerated transfer;
- Increase worker capacity, work quality, work quantity and worker process training compliance (ISO/AS/TS and OSHA);
- Lower turnover rates;
- Lower your firm's internal costs of training!

Higher return on each worker investment!

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

Contact a Proactive Technologies representative to set up a 10 minute phone call that might convince you to learn more about the accelerated transfer of expertise™.

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

1. Capture current expert worker expertise and manage it for change;
2. Use it to accelerate the transfer of expertise to next worker;
3. Measure and improve processes and worker performance;
4. 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' **PROTECH™ system of managed human resource development for the accelerated transfer of expertise™?**



Low investment - high return! 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, Third Quarter 2019 (Advance Estimate)

US Department of Commerce - Bureau of Economic Analysis
Real gross domestic product (GDP) increased at an annual rate of 1.9 percent in the third quarter of 2019, according to the "advance" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.0 percent. [Read Report](#)



Personal Income, Outlays, September 2019

US Department of Commerce - Bureau of Economic Analysis

Personal income increased 0.3 percent in September after increasing 0.5 percent in August. Wages and salaries, the largest component of personal income, showed no change in September after increasing 0.6 percent in August. [Read Report](#)



Advanced Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in September decreased \$2.8 billion or 1.1 percent to \$248.2 billion. September 2019: -1.1% change; August 2019 (r): +0.3% change. [Read Report](#)





- **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



- Job-Relevant Technical

Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured goods in August decreased \$0.4 billion or 0.1 percent to \$499.8 billion. August 2019: -0.1° % change; July 2019 (r): +1.4° % change. [Read Report](#)



Job Openings and Labor Turnover

US Bureau of Labor Statistics

The number of job openings was little changed at 7.2 million on the last business day of July, the U.S. Bureau of Labor Statistics reported today. Over the month, hires edged up to 6.0 million and separations increased to 5.8 million. Within separations, the quits rate and the layoffs and discharges rate were little changed at 2.4 percent and 1.2 percent, respectively. 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](#)



Civilian Labor Participation Rate

Federal Reserve Economic Data

Data and graph of civilian labor participation rate from 1950 to today. [Read Report](#)



Job Creation - Employment Situation Summary

US Bureau of Labor Statistics

Total nonfarm payroll employment rose by 130,000 in August, and the unemployment rate was unchanged at 3.7 percent, the U.S. Bureau of Labor Statistics reported today. Employment in federal government rose, largely reflecting the hiring of temporary workers for the 2020 Census. Notable job gains also occurred in health care and financial activities, while mining lost jobs. [Read Report](#)



Job Openings in US Decline to Lowest Since March 2018

IndustryWeek - Bloomberg

The Labor Department's Job Openings and Labor Turnover Survey showed that open positions fell by more than 100,000.



U.S. job openings unexpectedly declined in August to the lowest level since March 2018, underscoring the slowdown in hiring across American employers even as the labor market remains generally tight.

The number of positions waiting to be filled fell by 123,000 to 7.05 million, according to the Labor Department's Job Openings and Labor Turnover Survey, or JOLTS, released Wednesday. The quits rate dropped to 2.3%, in line with readings over the past year and signaling workers remain confident about job opportunities.

Key Insights: [Read Article](#)

October Job Creation Comes in at 128,000, Easily Topping Estimates Even With GM Auto Strike

CNBC - Jeff Cox

KEY POINTS

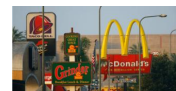


- Nonfarm payrolls rose by 128,000 in October, exceeding the estimate of 75,000 from economists surveyed by Dow Jones.
- There were big revisions of past numbers as well. August's initial 168,000 payrolls addition was revised up to 219,000, while September's jumped from 136,000 to 180,000.
- The unemployment rate ticked slightly higher to 3.6% from 3.5%, still near the lowest in 50 years.
- The pace of average hourly earnings picked up a bit, rising 0.1% to a year-over-year 3% gain. [Read Article](#)

US Economic Growth Slowest This Year

BBC

US economic growth slowed in the third quarter, but beat some economists' expectations of a bigger contraction. [BBC](#)



The Commerce Department data put GDP growth at 1.9% during the three months, ahead of the 1.6% predicted.

Consumer spending held up better than expected, offsetting a fall in

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business investment and low or public spending.

But the growth was still the slowest for 2019, and comes hours before the Federal Reserve is due to make its latest interest rate announcement. [Read Article](#)

Continental to Cut Up to 20,000 Jobs, Shut Factories in Sweeping Overhaul

IndustryWeek - Bloomberg

The second-biggest auto parts maker currently employs about 244,000 people in 60 countries.



Continental AG mapped out a sweeping restructuring plan stretching over the next decade and affecting as many as 20,000 jobs worldwide, marking the German manufacturer's latest effort to restore profits while navigating sluggish vehicle production in key markets and an industry shift to electric cars.

The world's second-biggest auto-parts maker will invest about 1.1 billion euros (\$1.2 billion) during the period through 2029 to achieve an annual reduction of gross costs of 500 million euros starting in 2023, according to a statement Wednesday. The company employs about 244,000 people in 60 countries. [Read Article](#)

Suppliers Suffering in GM Strike; Robots Rev Up

IndustryWeek - Paul Ericksen

Let's find middle ground, and soon.



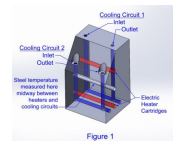
Over the last couple of weeks, IndustryWeek featured articles related to the strike by the United Auto Worker at General Motors plants in the United States and Canada. In my working days, I had significant exposure to unions and always found it relatively easy to find common ground in working with them. And I've found that there is always common ground if both sides want to find it. Unfortunately, all too often, that isn't how it turns out. Sometimes companies and at other times unions stake out and hold to extreme positions--sort of like is happening in Washington, DC these days--hoping to coerce the other side into reaching an agreement that is in the interest of only one party. This is called positional--as opposed to collaborative--negotiations.

Let's hope that's not what's happening with GM and the UAW. [Read Article](#)

Measuring the Magic of Turbulent-Flow Mold Cooling

New Equipment Digest - Phil Burger

But what is it about turbulence that makes it so important? What can be measured and demonstrated to have some tangible value to molders?



Engineers have long understood the benefits of turbulent flow as it applies to heat transfer, and for decades molding experts have talked about the importance of achieving turbulent flow in mold cooling circuits. But what is it about turbulence that makes it so important? What can be measured and demonstrated to have some tangible value to molders? As manufacturers of cooling-related products in this industry, we have a natural curiosity about these questions. Several months ago we began a quest to find some answers.

We elected to do our research with a test mold equipped with electric cartridge heaters. We chose this method because it is much easier and less costly to vary an electric heat source to simulate injection molding than to use an actual press shooting hundreds of pounds of resin. As any experienced molder knows, it can take hours for the mold temperature to stabilize after a process change. Our test mold setup provided a convenient and accurate way to control the variables and replicate the thermal responses of the big hunk of steel in a molding press that we call a mold. Thus, it is a much more user-friendly research tool. [Read Article](#)

Tesla Labor Practices and Musk Tweet Broke the Law, Judge Rules

IndustryWeek - Bloomberg

The electric automaker and its famous CEO illegally threatened and retaliated against employees, the California judge ruled.



Tesla Inc. committed a series of violations of the National Labor Relations Act in 2017 and last year, a judge ruled Friday.

The electric-car maker illegally threatened and retaliated against employees, according to Amita Baman Tracy, an administrative law judge in California.

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MEMORABLE QUOTES

"Does experience help? No! Not if we are doing the wrong things."

[W. Edwards Deming](#)

American engineer, statistician, professor, author, lecturer, and

A tweet that Elon Musk sent in May 2018, which suggested employees who chose to join a union would give up company-paid stock options, was among the incidents the judge ruled were in violation of the law. [Read Article](#)

Bayou Steel Group Goes Bust

IndustryWeek - Bloomberg

The firm is shutting down a 400-man plant near New Orleans and its operations in Tennessee, effecting 72 more workers.



Bayou Steel Group filed for bankruptcy Monday, threatening hundreds of jobs after the company ran low on cash and defaulted on its debt.

The steelmaker idled most of its operations and sought Chapter 11 protection in Delaware, it said in a statement. Close to 400 workers may be impacted by the shutdown of Bayou's plant near New Orleans, Natalie Robotom, a local government official, said.

The company sought protection from creditors after a "severe lack in liquidity" led to a default on its senior secured debt, according to the statement. Bayou, which produces steel products like reinforcing bars and beams, will offload its remaining inventory and sell its assets during bankruptcy. [Read Article](#)

Data Scientists Are in Short Supply, But Does Manufacturing Really Need Them?

IndustryWeek - Amaresh Tripathy

Thanks to the Industrial Internet of Things (IIoT), manufacturers now have more data on their production processes and supply chains than ever before. This surplus of information has created increased demand for data scientists who can turn that data into actionable insights and work with artificial intelligence (AI). Studies by Indeed's Hiring Lab show that since 2013, data scientist job openings across all industries have grown 256%, with a 31% increase in year-over-year postings as recent as December 2018. [Read Article](#)



Pratt & Whitney Wins \$5.7B F135 Engine Contract

American Machinist

DoD award for more than 300 turbofan engines, plus long-lead components, parts, and materials.



Pratt & Whitney has drawn a \$5.7-billion award from the U.S. Dept. of Defense funding more than 300 new F135 engines to power forthcoming production (Lots 12 and 13) of the F-35 Lightning II Joint Strike Fighter aircraft. As noted by P&W, this is the largest F135 production contract to date, and includes program management, engineering support, production support, and tooling as well. [Read Article](#)

Unilever to Halve Use of New Plastic as Upward Waste Grows

IndustryWeek - Bloomberg

The food and cosmetics conglomerate has pledged to accomplish the feat by 2025.



Unilever pledged to halve its use of newly made plastic by 2025 as the consumer-goods industry wrestles with growing criticism of the environmental impact of throwaway packaging.

The maker of Dove soap and Ben & Jerry's ice cream said it will reduce its overall use of plastic by 100,000 tons yearly and step up recycling to achieve the goal. [Read Article](#)

Challenges and Opportunities in the Aerospace Industry

Thomas Insights- Shalane Layugan

The aerospace and defense industry is a major source of innovation and technological advancements. It plays a critical role in national defense, enables safe and efficient air travel, increases communication and the dissemination of knowledge, and contributes to increased consumerism and the globalization of supply chains.



Since the Wright Brothers' first powered flight in 1903, the aerospace industry has had an enviable record of achievement. From transforming modern transportations to landing a man on the Moon - it's no surprise the American aerospace industry's positive track record and strength makes it one of the largest contributors of employment in manufacturing. So what are some of the challenges this group faces?

"The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have little."

[Franklin D. Roosevelt](#)

American statesman and political leader who served as the 32nd president of the United States from 1933 until his death.

1882 - 1945

"Education is what remains after you have forgotten everything you learned in school"

[Albert Einstein](#)

German-born physicist and founder of the theory of relativity,

1879 - 1955

Recent Proactive Technologies News Article Quicklinks

October

[Labor Costs Expected to Increase, So Will Challenges to Worker Development](#)

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.

[Developing the Maintenance and Other Technically Skilled Workers That You Need: To Specification, With Minimal Investment](#)

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

[Pre-Employment Physical Ability Tests Can be a Legal Liability if Not Done Right](#)

by Jim Poole, President of Lifetime Learning, LLC.

[Explaining Your Process Training to Auditors, Prospects and Clients by Proactive Technologies, Inc. Staff](#)

September

[How Much Would "Full Worker Capacity" Through Full Job Mastery Be Worth to Your Firm?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[Task-Specific Performance Reviews - An Accurate Metric for a Structured On-Job-Training Outcome](#)

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

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

1. Managing The Supply Chain

Last year, the aerospace and defense industry (A&D) experienced growth in every manufacturing sub-sector, from commercial aerospace to cyber. Deloitte estimates that, over the next decade, annual global production for aircraft is predicted to increase by 25%.

Aligned with the sourcing activity on Thomasnet.com, sustained growth is expected in the aerospace fasteners market. As the major manufacturers such as Boeing and Airbus expand their manufacturing output, the demand for fasteners will increase greatly, with a heavy emphasis on fasteners made of titanium. [Read Article](#)

HP to Cut as Much as 16% of Workforce Amid Print Unit Woes

IndustryWeek - Bloomberg

HP Inc. (NYSE:HPQ) will slash as much as 16% of its workforce as part of a broad restructuring meant to cut costs and boost sales growth amid the company's first change in top leadership in four years.



The personal computer giant said it will cut 7,000 to 9,000 positions through firings and voluntary early retirement. The job reductions will help save about \$1 billion by the end of fiscal 2022, the Palo Alto, Calif.-based company said on Oct. 3 in a statement. HP had 55,000 employees as of a year ago, the last time it disclosed the figure. [Read Article](#)

U.S. Steel Makes \$700 Million Joint Venture Deal

Thomas Insights - Jeff Reinke

United States Steel Corporation (U.S. Steel) recently entered into a joint venture partnership with Big River Steel via the purchase of a 49.9% ownership stake in the company. U.S. Steel will reportedly pay upwards of \$700 million in cash, with the option to acquire the remaining shares within the next 48 months at an agreed-upon price that is based on Big River's achievement of specific metrics.



Big River, including its fully-funded and under-construction Phase II-A expansion, is valued at approximately \$2.325 billion. The company operates a LEED-certified flex mill in northeast Arkansas that is described as the most advanced flat-rolled mill in North America. [Read Article](#)

The Abandonment of Small Cities in the Rust Belt

IndustryWeek - Michael Collins

The loss of manufacturing jobs gutted these smaller metropolitan and rural areas. What will it take to revive them?



During the 20th century, America built thousands of manufacturing plants in small cities in the Midwest. There were food processing plants, auto manufacturers, textile fabric mills, cut and sew apparel mills, paper mills, foundries, hand tool manufacturers, major appliance manufacturers, machine shops, and many others, according to the Bureau of Labor Statistics data from that era. When these plants were built, whole communities formed around them providing good paying jobs for millions of people without college degrees, as well as jobs for all of their supplier companies and the merchants in the communities. [Read Article](#)

How Do E-Commerce Giants Like Amazon Offer Fast, Free Shipping?

Thomas Insights - Staff Writer

When you order a \$3.00 comb through your Amazon Prime account and it's packaged, shipped, and delivered free of charge to your doorstep 17 hours later, do you stop to consider the costs incurred to provide you with that service? Because Amazon certainly does.



Shipping is a variable cost, which means the more products people buy, the more retailers have to spend mailing them out. In 2018 Amazon spent almost \$28 billion on shipping and fulfillment - but Amazon Prime members spend just \$119 annually for unlimited free shipping and returns and guaranteed two-day delivery. A significant percentage of these members will be non-profitable customers; the ones who place dozens of orders a year and then return the vast majority of the products they ordered.

Taking these factors into account, rising shipping costs of 7% annually and the higher salaries predicted for delivery drivers due to low unemployment, how does Amazon sustain its Prime memberships without the costs to consumers skyrocketing or Amazon's profits shrinking? [Read Article](#)

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

US Retail Sales Unexpectedly Drop in Sign Consumer Shaky

Material Handling & Logistics - Bloomberg

The surprise drop may indicate cracks are forming in the consumer spending that's propped up economic growth in recent months.



U.S. retail sales unexpectedly posted the first decline in seven months, suggesting consumers are starting to become shaky as the main pillar of economic growth and potentially bolstering the case for a third straight Federal Reserve interest-rate cut. Treasuries rose and U.S. stock futures fell.

The value of overall sales fell 0.3% in September from the prior month after an upwardly revised 0.6% increase in August, Commerce Department figures showed on Oct. 16. The median estimate in a Bloomberg survey called for a 0.3% advance. [Read Article](#)

What Do Buyers Look for When Sourcing Electronic Components?

Thomas Insights - Mikaela Tierney, National Sourcing Trends



Electronic components are a major area industrial sourcing on the Thomasnet.com platform. So far this year, buyers have already conducted 42,600 supplier evaluations across 5,260 related categories.

Yesterday in the keynote address at the Electronic Components Industry Association (ECIA) Executive Conference, Tony Uphoff, president and CEO at Thomas, spoke to attendees about the latest electronic components sourcing trends the Thomas team is seeing across the sourcing platform. [Read Article](#)

Foxconn Finally Admits its Empty Wisconsin 'Innovation Centers' Aren't Being Developed

IndustryWeek - The Verge-Nick Statt



Electronics manufacturer Foxconn's promised Wisconsin "innovation centers," which are to employ hundreds of people in the state if they ever get built, are officially on hold after spending months empty and unused, as the company focuses on meeting revised deadlines on the LCD factory it promised would now open by next year. The news, reported earlier today by Wisconsin Public Radio, is another inexplicable twist in the nearly two-year train wreck that is Foxconn's US manufacturing plans.

The company originally promised five so-called innovation centers throughout the state would that employ as many as 100 to 200 people each in high-skilled jobs, with the Milwaukee center promising as many as 500. Those jobs were to complement the more than 13,000 jobs Foxconn said its initial Wisconsin electronics manufacturing factory would bring to the US, in exchange for billions in tax breaks and incentives that Governor Scott Walker granted the company back in 2017. [Read Article](#)

Caterpillar Changes Tack, Cuts Production to Meet Falling Demand

IndustryWeek - Bloomberg



Breaking their usual pattern of building inventory during declining markets, Caterpillar will instead downsize production for the short term future.

Caterpillar Inc. shares rebounded as investors welcomed the move by the company to cut production, helping it navigate the global economic downturn.

"We are taking steps to reduce production to match dealer demand," Chief Executive Officer Jim Umpleby said Wednesday, adding that the company is staying nimble and ready to ramp up, should appetite for its machinery improves. [Read Article](#)

Amazon Profit Dives on One-Day Shipping Costs

CFO.com - Matthew Heller



"There's a lot of cost in the short run" from expanding the free one-day delivery program, CFO Brian Olsavsky says.

Amazon posted its first decline in profit in more than two years as its heavy investment in free one-day shipping for Prime members cut into margins.

For the third quarter, net income fell 26% to \$2.1 billion, or \$4.23 per share, missing analysts' estimates of \$4.62 per share. It was the first time Amazon earnings have shrunk year-over-year since June 2017.

The company spent more \$800 million in each of the past two quarters to

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[Some Community Colleges Moving Back Toward 70's Approach to](#)

expand the free one-day delivery program to more products and regions, and said it is expecting to spend another \$1.5 billion on the initiative during the fourth quarter. [Read Article](#)

10 Manufacturing Companies That Have Reached the Century Mark

IndustryWeek - Jill Jusko

These are no fly-by-night manufacturers. Each one has been around for at least 100 years, and several are many years beyond that milestone.



We are back with another set of U.S. manufacturing companies that have been around for a lifetime -- or at least 100 years. IndustryWeek has been pursuing this series of salutes to century-young manufacturers since we published our first gallery on the topic in 2013.

With the continued strength of U.S. manufacturing -- and your help -- we expect to continue adding new members. It's no small achievement to earn a century badge, and we applaud the staying power of these manufacturers. [See Slide Show](#)

Financial News

Should the Chairman and CEO Roles Be Held Separately?

CFO.com - Jonathan Foster

The question of whether the roles of chairman and chief executive officer should be held by separate individuals has long been a source of conversations, and sometimes conflicts, in boardrooms and among shareholders.



Only last May, Facebook CEO and co-founder Mark Zuckerberg faced the prospect of losing his role as the tech giant's chairman. The proposal to oust him was brought to Facebook's annual shareholder meeting, where proponents, citing the company's privacy scandals and other struggles, demanded that the company appoint an independent chairman.

Zuckerberg survived the attempted coup. However, the failed effort prompted renewed questions as to whether Facebook and other companies would benefit from having their chairman and CEO roles separated. [Read Article](#)

The Seven-Year Auto Loan: America's Middle Class Can't Afford Their Cars

MSN Money - The Wall Street Journal - Ben Eisen and Adrienne Roberts

Walk into an auto dealership these days and you might walk out with a seven-year car loan.



The dealership in St. Joseph, Mo., where Deven Jones bought a new car three years ago. © Barrett Emke for The Wall Street Journal The dealership in St. Joseph, Mo., where Deven Jones bought a new car three years ago.

That means monthly payments that last well past when the brake pads give out and potentially beyond when the car gets traded in for a new one. About a third of auto loans for new vehicles taken in the first half of 2019 had terms of longer than six years, according to credit-reporting firm Experian PLC. A decade ago, that number was less than 10%.

Car loans that are increasingly stretched out are a pronounced sign that some American middle class buyers can't afford a middle-class lifestyle. Incomes have risen at a sluggish pace in the past decade, but car prices have grown rapidly. [Read Article](#)

Interest Rates: To Manipulate, or Not -- That is the Question

IndustryWeek - Paul Ericksen

What interest rate policy is best for worldwide supply chains?



There seems to be a lot of discussion these days about the Federal Reserve's role in managing interest rates. From a free trade perspective, interest rates should take care of themselves, going up or down based on market dynamics. But, as this column has repeatedly stated, world trade today is impacted by countries whose trade practices are anything but free-trade-based. It is a point of fact that most world powers set the interest rate their citizens-and other countries-have to pay to borrow money from them.

But for the most part they do so in response to downward economic

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December

[Is It Possible To Improve Worker Performance Without Documented Task Mastery?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

pressure and not to boost an already healthy economy. Countries like China excessively manipulate their interest rates in an attempt to gain an unfair competitive advantage. The question, then, is "how active should our federal government be in managing its interest rates?" [Read Article](#)

Has Non-GAAP Reporting Become an Accounting Chasm?

CFO.com - Drew Bernstein, Marcum Bernstein & Pinchuk

Non-GAAP financials can be described as the "numbers management talks about once the auditor leaves the room." Often described as "adjusted," "core," or "cash" earnings, these figures purport to give investors a cleaner view of a company's true operations before the subtraction of a whole host of pesky expenses required by generally accepted accounting principles (GAAP).



Non-GAAP financials are not audited and are most often disclosed through earnings press releases and investor presentations, rather than in the company's annual report filed with the Securities and Exchange Commission.

Once upon a time, non-GAAP financials were used to isolate the impact of significant one-time events like a major restructuring or sizable acquisition. In recent years, they have become increasingly prevalent and prominent, used by both the shiniest new-economy IPO companies and the old-economy stalwarts.

An in-depth study by Audit Analytics revealed that 97% of companies in the S&P 500 used non-GAAP financials in 2017, up from 59% in 1996, while the average number of different non-GAAP metrics used per filing rose from 2.35 to 7.45 over two decades. [Read Article](#)

Performance-Based Pay Comes Under Fire

CFO.com - David McCann

The Council of Institutional Investors this month overhauled its policy on executive compensation, urging public companies to dial back the complexity of their pay plans and set longer periods for measuring performance for incentive awards.



While acknowledging that boards of directors need to tailor pay packages to company-specific circumstances, the new policy suggests that companies explore adopting simpler plans composed of salary and time-vesting restricted shares that vest over five years or more. Historically, a majority of time-vesting restricted stock awards have vested over three years.

The policy also recommends that companies consider barring the CEO and CFO from selling stock awarded to them until after they depart, in order to ensure that management prioritizes the company's long-term success. Perhaps most controversially, the policy suggests that boards and investors step up their scrutiny of performance-vesting shares, which vest upon the achievement of corporate performance milestones. "Steadily rising average pay, even when market performance is mediocre, suggests that pay for performance can be a mirage," says CII executive director Ken Bertsch. [Read Article](#)

2019's Big Tax Hit, and How to Survive It

IndustryWeek - Kurt Pivko

Changes in revenue recognition and the disconnect they've created are especially tricky this year.



A combination of recent changes in accounting and tax rules has created some potentially nasty traps that many companies risk falling into by the end of 2019.

The problems revolve around the tricky area of revenue recognition and the disconnect that these changes have created between accounting standards and tax rules. Many companies don't realize the importance of recent book revenue recognition changes when it comes to taxes and aren't planning early enough to be prepared for the impact. [Read Article](#)

GE Freezes Pension Benefits to Cut Deficit by \$8 Billion

IndustryWeek - Bloomberg

The freeze, aimed at stabilizing GE's deficit, will impact more than 20,000 employees.



General Electric Co. took a bold step to cut the debt hampering its turnaround, freezing pension benefits for more than 20,000 U.S.

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by Dean Prigelmeier, President of

employees.

The company also plans to pre-fund \$4 billion to \$5 billion of its estimated requirements for 2021 and 2022, according to a statement Monday. The moves will help trim the pension shortfall by as much as \$8 billion and reduce GE's industrial net debt by \$4 billion to \$6 billion. [Read Article](#)

Fed Finalizes Post-crisis Rule Easing for Domestic and Foreign Banks

MSN Money - Pete Schroeder

The U.S. Federal Reserve on Thursday unveiled a final package of rules easing capital and liquidity requirements for domestic U.S. and foreign banks that were originally introduced after the 2007-09 global financial crisis.

The changes, which should reduce the compliance burden and free up funds for U.S. Bancorp, Capital One and PNC Financial among others mark another win for the industry after the Fed also relaxed rules on derivatives trades and banks' annual health checks.

Thursday's package stems from bipartisan legislation passed by Congress in May 2018 that rewrote parts of the 2010 Dodd-Frank financial reform law. [Read Article](#)

OECD Takes Aim at Multinational Tax Shelters

CFO.com - Matthew Heller

The Organisation for Economic Cooperation and Development has proposed a radical corporate taxation overhaul to make it harder for multinationals operating across borders to shelter profits.



The proposal unveiled Wednesday gives OECD member countries the right to tax a proportion of multinationals' global profits wherever those profits might have been shifted around the world and irrespective of whether a company has a "physical presence" in the taxing country.

Taxes in a given country would be assessed according to a formula based on set percentages of profitability that remain to be negotiated. [Read Article](#)

Fed OKs Rollbacks of Post-Crisis Banking Rules

CFO.com - Matthew Heller

The Federal Reserve has voted to loosen liquidity and capital requirements for large U.S. banks that were imposed as part of the post-crisis Dodd-Frank financial reforms.



The Fed on Thursday adopted what The Wall Street Journal called "some of the most significant rollbacks of bank rules since President Trump took office" on a 4-1 vote, saying it was seeking to "tailor its regulations for domestic and foreign banks to more closely match their risk profiles."

The new rules would divide banks with \$100 billion or more in total assets into four categories based on, among other things, asset size, nonbank assets, and off-balance-sheet exposure. The higher the risk category, the greater the compliance requirements. [Read Article](#)

IMF Warns of \$19 Trillion Corporate Debt Risk

CFO.com - Matthew Heller

Accommodative monetary stimulus has encouraged financial risk-taking, leading to "worrisome" levels of debt with poor credit quality, the Fund says.



Nearly 40% of total corporate debt in major economies, or \$19 trillion, could be at risk from another global recession, exceeding levels seen during the 2008-2009 crisis, the International Monetary Fund warned Wednesday.

In the latest half-yearly update of its Global Financial Stability Report, the IMF identified rising corporate debt burdens and increasing holdings of riskier and more illiquid assets by institutional investors as key vulnerabilities. [Read Article](#)

Note to Economists: Manufacturing's Downturn Is More Critical than You Think

IndustryWeek - Stephen Gold

Government data captures only about a third of manufacturing's impact on the economy.



In September, the Institute for Supply Management index of manufacturing

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- properly aligns workforce development resources and maximizes the impact and results;
- allows you to engage an employer's facility, equipment and staff in the training process;

activity fell to 47.8, its lowest level since 1970. This is all the more troubling because, based on the Federal Reserve's measurement of manufacturing output, manufacturing production was down in the first two quarters of the year, signaling a sectoral-wide recession in the first half of the year.

Most economists, of course, don't worry too much about manufacturing, since government data suggests the sector only accounts for about one-tenth of the U.S. economy. [Read Article](#)

Bridging the Gaps in GAAP

CFO.com - Tony Wayne

Here are eight critical considerations for combating the creativity crisis in accounting.



In the Fall of 2011, my son was navigating a treacherous gap in a wall he was scaling during one of his 200 or so missions in Afghanistan's Helmand Valley (see photo, right). Eight years later, he took the photo below while walking across the Brooklyn Bridge just this past Saturday - a bridge that not all that long ago he wasn't sure he would ever get a chance to traverse.

He's covered a lot of ground since 2011, both literally and figuratively. It's been a journey that at times has felt absolutely ripe with uncertainty, risk, and fear of the worst outcome imaginable. [Read Article](#)

FedEx Marches to Its Own Beat on Pension De-risking

CFO.com - David McCann

Many big companies are looking to de-risk their pension plans by offering lump-sum payouts or cutting deals with insurance companies.



Some, however, are taking a different route. FedEx, for example, recently announced plans to contribute \$1 billion to its U.S. pension plans before the end of its fiscal year ending May 29, 2020. That's \$300 million more than its expected minimum required contribution. It's not a brand-new strategy: the company has annually been contributing at least \$1 billion to the plans in recent years.

The move will hold down FedEx's payments to the Pension Benefit Guaranty Corp., which charges plan sponsors an annual fee on their unfunded liabilities. This year the fee is 4.3% - significantly higher than the 3.1% coupon the company pays on its U.S. bonds. [Read Article](#)

Will US Corporations Really Serve All Stakeholders?

IndustryWeek - Michael Collins

I can think of six ways they can do better by the American people.



On August 19, 181 CEOs signed a commitment letter to lead their companies not just for the benefit of their investors, but "for the benefit of all stakeholders: customers, employees, suppliers, communities, and shareholders."

Alex Gorsky, the CEO of Johnson & Johnson, stated that this approach "better reflects the way corporations can and should operate today. It affirms the essential role corporations can play in improving our society when CEOs are truly committed. [Read Article](#)

Health-care System Causing Rampant Burnout Among Doctors, Nurses

MSN - The Washington Post-William Wan

Imagine a health-care system in which doctors and nurses are so exhausted and beaten down that many of them work like zombies - error-prone, apathetic toward patients and at times trying to blunt their own pain with alcohol or even suicide attempts.

That is what America's broken health care system is doing to its health workers, according to a 312-page report released Tuesday by the National Academy of Medicine, one of the country's most prestigious medical institutions.

The report found that as many as half of the country's doctors and nurses experience substantial symptoms of burnout, resulting in increased risks to patients, malpractice claims, worker absenteeism and turnover, as well as billions of dollars in losses to the medical industry each year. [Read Article](#)

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Chinese Companies Trading on U.S. Stock Markets May Be Worse Than Enron Scandal

Coalition for a Prosperous America - Michael Stumo
It makes little sense for American investors to risk their money on shadowy companies, as this op-ed points out.



Enron stock was valued at \$83.13 per share back in December 2000. Its market capitalization exceeded \$60 billion. By November 2001, its per-share value had fallen to \$1. Under CEO Jeffrey Skilling, Enron used accounting loopholes, special purpose entities, and poor financial practices to hide billions of dollars in debt - all to pump up its stock price. The company pressured accounting firm Arthur Andersen to ignore such issues.

Its eventual bankruptcy filing in December 2001 was - at the time - the largest ever.

In 2002, the Sarbanes-Oxley Act was passed to prevent another Enron scandal. The law created a Public Company Accounting Oversight Board (PCAOB) that oversees accounting firms that provide audit services. It also strengthened corporate financial disclosures and established standards for auditor independence. Even with such measures, a new problem is emerging.

At least 156 Chinese companies - including 11 state-owned firms - are trading right now on America's three largest stock exchanges.

Their market value, at \$1.2 trillion, is 20 times that of Enron. [Read Op-Ed](#)

Investors Want a Clear Story on CECL. Are CFOs Ready to Tell It?

CFO.com - Gregory Norwood and Troy Vollertsen, Deloitte & Touche

Communicating credit risk model changes to investors may be the most challenging aspect of the new Current Expected Credit Loss accounting standard.



Financial and non-financial institutions alike are nearing adoption of the Financial Accounting Standards Board's new Current Expected Credit Loss (CECL) standard, which will take effect at the beginning of the next fiscal year for most public companies.

Considered to be one of the most impactful accounting changes for U.S. financial institutions in decades, the new guidance - which applies to any company that extends credit - requires companies to measure expected losses over the estimated life of a loan using reasonable and supportable economic forecasts. That's a substantial departure from current allowance for loan and lease losses (ALLL) practices. [Read Article](#)

Annual Waste in U.S. Healthcare System Nears \$1 Trillion

CFO.com - David McCann

The waste equates to approximately a quarter of all healthcare spending, according to a study in the Journal of the American Medical Association.



It's not exactly a secret that there's waste in the U.S. healthcare system. But just how much?

How about roughly a quarter of all healthcare spending? So concludes a new study published in the Journal of the American Medical Association. The total estimated amount of waste amounts to between \$760 billion and \$935 billion annually.

The biggest culprit is unnecessary administrative complexity, which costs \$266 billion, according to the study. "This is waste that comes when government agencies, payers, and others create inefficient or misguided rules," the study says. "For example, payers may fail to standardize forms, thereby consuming limited physician time in needlessly complex billing procedures." [Read Article](#)

UNDP Invites Comments on Standards for Private Equity SDG [Sustainable Development Goals] Investment

United Nations - SDG Knowledge Hub

The UN Development Programme (UNDP) has released a proposed set of standards to guide private fund managers towards investments that advance the SDGs. The standards are open for comment and consultation through 4 December 2019. The proposed standards, titled 'SDG Impact



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- * Lowers the costs associated with turnover;
- * Drives new-hires and incumbent workers to "full job mastery;"
- * Increases worker capacity, work quality, productivity and compliance (ISO/AS/TS training and records requirement,

Practice Standards for Private Equity Funds,' aim to help the private sector move from interest in the SDGs to adopting best practices on SDG investments. [Read Release](#)

International News

Mexico, Latin America, South America and the Caribbean

Q&A: Global Business and the Rise of Mexico

Devex

BARCELONA - Despite seeing little to no growth in 2019, Mexico has made huge leaps in its economic development in the past decades, becoming an upper middle-income country. Now, faced with heightened migration flows, ongoing talks between the United States and Mexican administrations, and re-negotiation of the North American Free Trade Agreement, there could be a risk that progress in the growth and development race is derailed.



"There are different challenges for every economy, society, and political system," said Dr. Raúl Montalvo, site director of EGADE Business School, Tecnológico de Monterrey, which offers graduate and executive education programs in Mexico City, Monterrey, Guadalajara, and online. "One of the important things for us to understand is how we would like to picture ourselves, as countries, as markets and as societies." [Read Article](#)

Chile Cancels Climate and Apec Summits Amid Mass Protests

BBC

Chile has pulled out of hosting two major international summits, including a UN climate change conference, as anti-government protests continue.



President Sebastián Piñera said the decision had caused him "pain" but his government needed "to prioritise re-establishing public order".

The COP25 climate summit was scheduled for 2 to 13 December, while the Apec trade forum was next month.

The UN said it was now looking at alternative venues. [Read Article](#)

Canada, Europe and Great Britain

Canada's Prime Minister Justin Trudeau Wins Reelection But Liberals Lose Majority

NPR - Scott Neuman

Canadian Prime Minister Justin Trudeau's Liberal Party defeated the Conservatives but still fell short of an outright majority.



Canada's Liberals appear to have won the most seats in Parliament - a result likely to hand Justin Trudeau a second term as prime minister despite a series of scandals that have rocked his government.

With all but two of the 338 seats called as of 3:25 a.m. ET, Trudeau's Liberal Party had secured 157 seats - a loss of 20 seats - compared to 121 for its main rival, the Conservatives. The regional Bloc Québécois won 32. The New Democrats, who stand to the left of the Liberals and are seen as likely coalition partners for Trudeau, won 24 seats.

Without a majority, the Liberals, who came into the race with a majority of 177 seats, will have to form a minority government, seeking support from one or more smaller rivals to govern. [Read Article](#)

Britain Braces For New Vote In December That Could Ease The Path To Brexit

NPR - Richard Gonzales

Still in turmoil over if, when or how to leave the European Union, Britain will go back to the polls on Dec. 12 to elect a new Parliament that may, or may not, be able to settle on a Brexit plan.



Prime Minister Boris Johnson won support for a snap election Tuesday when the House of Commons voted 438-20 to dissolve Parliament and launch a six-week election campaign that will compete with Christmas for the attention of a divided and Brexit-exhausted electorate.

The vote came after the opposition Labour Party agreed to the plan for a vote in elections moved up from 2022. [Read Article](#)

- Wishing and hoping won't develop the skilled workers you need...

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

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well as the companies running the platforms. Prasanto K Roy looks at the potential impact of such a move.

The country's information technology ministry will publish, by January 2020, a new set of rules for intermediaries: platforms that allow people to send, or share, messages. It is a sweeping term, which also includes e-commerce and many other types of apps and websites. [Read Article](#)

Africa, Middle East, Eastern Europe and Russia

Nobel Peace Prize Goes To Ethiopia's Prime Minister Abiy Ahmed

NPR - Scott Neuman

The Nobel Peace Prize has been awarded to Ethiopian Prime Minister Abiy Ahmed "for his efforts to achieve peace and international cooperation" in resolving the border conflict with neighboring Eritrea, the Norwegian Nobel Committee in Oslo said Friday.



Berit Reiss-Andersen, the chairwoman of the five-member committee that made the award, credited Abiy with a peace initiative aimed at ending two decades of conflict between the two east-African neighbors that began over border disputes in 1998 only a few years after Eritrea gained independence. [Read Article](#)

EU Launches Negotiations to Deepen Trade Relations with Eastern and Southern Africa Countries

European Commission

Today, in Mauritius, the EU started negotiations with five Eastern and Southern Africa partners (so-called ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe) to deepen the existing Economic Partnership Agreement. Given the positive results generated by the current agreement, now in its 8th year of implementation, the five countries have declared their readiness to move beyond trade in goods, towards a more comprehensive agreement. The EU has welcomed this step, especially in the context of the Africa-Europe Alliance for Sustainable Investment and Jobs.



Since the initial agreement started to apply in 2012, exports of goods from the five ESA countries to the EU have increased by almost a quarter, reaching nearly €2.8 billion in 2018. European businesses are also increasingly investing in the region. The new agreement should cover other important trade related areas and trade related rules, such as services, investment, technical barriers to trade, intellectual property rights as well as trade and sustainable development. [Read Release](#)

Natural Disasters Seem to Becoming A Regular Occurrence. Again, and Again, People Are Needing Help.

From hurricanes prior to and including Dorian that recently passed through the Caribbean, devastating Abaco and the Bahamas on its way toward the U.S. Eastern coast, to the California wildfires. People need our help.

If you want, and are able, to contribute but do not know which organizations to contact, here are a few links to established and reputable organizations with a record of lending a helping hand:

[International Red Cross](#)



[American Red Cross](#)



[Jose' Andres' World Central Kitchen](#)



International Trade News

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Census Bureau

August 2019 sales of merchant wholesalers were \$499.1 billion, virtually unchanged (+/- 0.4 percent)* from last month. End-of-month inventories were \$680.7 billion, up 0.2 percent



(+/- 0.2 percent)* from last month. August 2019: +0.2* % change in Inventories; July 2019 (r): +0.2* % change in Inventories. [Read Report](#)

Manufacturing and Trade Inventories and Sales

US Census Bureau

U.S. total business end-of-month inventories for August 2019 were \$2,042.1 billion, virtually unchanged (+/- 0.1 percent)* from last month. U.S. total business sales were \$1,463.9 billion, up 0.2 percent (+/-0.1 percent) from last month. August 2019: 0.0* % change in Inventories; July 2019 (r): +0.3 % change in Inventories. [Read Article](#)



U.S. International Trade in Goods and Services, August 2019

US Department of Commerce - Bureau of Economic Analysis



The U.S. monthly international trade deficit increased in August 2019 according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from \$54.0 billion in July (revised) to \$54.9 billion in August, as imports increased more than exports. The previously published July deficit was \$54.0 billion. The goods deficit increased \$0.8 billion in August to \$74.4 billion. The services surplus decreased less than \$0.1 billion in August to \$19.5 billion. [Read Report](#)

International Transactions, 2nd quarter 2019

US Department of Commerce - Bureau of Economic Analysis



The U.S. current account deficit, which reflects the combined balances on trade in goods and services and income flows between U.S. residents and residents of other countries, narrowed by \$8.0 billion, or 5.9 percent, to \$128.2 billion in the second quarter of 2019, according to statistics from the U.S. Bureau of Economic Analysis (BEA). The revised first quarter deficit was \$136.2 billion. [Read Report](#)

New Foreign Direct Investment in the United States, 2018

US Department of Commerce - Bureau of Economic Analysis



Expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled \$296.4 billion in 2018, up 8.7 percent from \$272.8 billion in 2017. [Read Report](#)

China Imports Zero Scrap Steel for the First Time This Century

Material Handling & Logistics - Bloomberg



China's imports of steel scrap sank to zero last month for the first time this century, a milestone for the nation that's tipped to turn into a significant exporter in the next decade.

The world's top steel producer bought no scrap at all from overseas in August, according to customs data released on Sept. 23, capping years of dwindling volumes, after President Xi Jinping imposed sweeping curbs on all imports of solid waste to help protect the environment.

Purchases have fallen this year despite high iron ore prices and a tight domestic scrap market -- factors that would normally spur more imports. [Read Article](#)

Airbus CEO Warns of 'Lose-Lose Game' in Trade War Over Jetliners

IndustryWeek - Bloomberg



The aerospace corporation CEO said aviation supply chains are 'very integrated.' An Airbus factory in Mobile, Alabama uses imported components to build A320 jets.

An escalating battle over aircraft subsidies between the U.S. and the European Union threatens to damage both sides, said Airbus SE Chief Executive Officer Guillaume Faury.

"A trade war on aviation would be a lose-lose game because the supply chains are very integrated," Faury told reporters Thursday at a briefing in Montreal. "We buy a lot in the U.S., we sell in the U.S. and we are a U.S. player as well."

Airbus is at the center of the feud, with the World Trade Organization poised to authorize the U.S. to impose tariffs on almost \$8 billion of European goods due to illegal state aid provided to the planemaker. [Read Article](#)

Ford Gives Up Independent Control over Indian Operations

IndustryWeek - Bloomberg

After struggling to make an impact in the emerging market, Ford agreed to move its assets into a joint venture with Mahindra, an Indian automaker.



Ford Motor Co. agreed to move most of its assets in India into a joint venture with a local partner after struggling for more than two decades to win over buyers in the world's fourth-largest auto market.

The deal effectively ends Ford's independent operations in a country it wanted to become one of its top three markets by 2020. The U.S. carmaker will take an \$800 million to \$900 million impairment charge related to the value of its India assets in the third quarter, it said Tuesday, after struggling to compete with cheap, fuel-efficient vehicles built by the local units of Suzuki Motor Corp. and Hyundai Motor Co. [Read Article](#)

Aluminum Markets Flash a Warning for the Economy

IndustryWeek - Bloomberg

The trade war has impacted world aluminum demand in a sign of market instability.



When aluminum demand last contracted during the financial crisis and unwanted metal started flooding into warehouses, it took more than a decade to work through the glut. Now, the market is bracing for another sharp increase in inventories as demand growth grinds to a halt.

Aluminum has tumbled to a two-and-a-half-year low as slowing global growth and the U.S.-China trade war hurt demand for the metal used in airplanes, automobiles and beer cans. While stockpiles tracked by the London Metal Exchange fell to their lowest since 2007 last week, traders say inventories are building in the physical market as weaker order books leave consumers with more metal than they need. [Read Article](#)

Companies Motivated to Reshore Says New Study

Material Handling & Logistics

Rising foreign wages, tariffs on parts and finished products, and reconsidering total cost of ownership are factors motivating companies to reshore.



The once overwhelming cost advantage of producing goods overseas are not what they once were according to the Reshoring Institute's latest survey of global manufacturers.

A growing number of businesses are rethinking their global manufacturing strategies. Due to rising foreign wages, rising tariffs on steel, aluminum, and electric components, and reconsiderations of the total cost of ownership, The Reshoring Institute predicts that companies will increasingly be motivated to participate in reshoring efforts in the coming years. [Read Article](#)

China's Role as Global Drug Hub Raises Alarms in Washington

IndustryWeek - Bloomberg

A Defense Health Agency official told a U.S.-China advisory panel this year that the risks from China's stranglehold on the pharmaceutical business "cannot be overstated."



A California congresswoman plans to hold a hearing in about a month to explore the national-security risks posed by China's dominance of the U.S. pharmaceutical supply chain, escalating concerns raised by the Pentagon.

Democratic Representative Anna Eshoo is warning fellow lawmakers that if the trade war between Washington and Beijing were to intensify, China could throw the U.S. into chaos by cutting off the vast supply of important drug components made in the Asian nation. [Read Article](#)

Is Your Business on Alert for Counterfeit Product Risks? Here's What You Need to Know

Thomas Insights - Kristin Manganello

The global marketplace is a lush jungle with countless products being sold on a daily basis to consumers and businesses across the world. But within this abundant jungle of goods, it's easy for counterfeit products to camouflage, hiding right in plain sight.



Growth of Counterfeit Goods

In fact, the presence of counterfeit and pirated products in the marketplace have been steadily increasing over the last few years according to a recent report from the European Union Intellectual Property Office and the Organization for Economic Cooperation and Development (OECD), a global intergovernmental organization dedicated to promoting "policies that will improve the economic and social well-being of people around the world." In 2016, fake goods accounted for 3.3% of the global marketplace or about \$509 billion, the study reports. This is a significant increase from 2013 when counterfeit products accounted for 2.5% of global trade or about \$461 billion.

The U.S. was particularly affected by counterfeit products - 24% of the fake goods seized by global customs agencies in 2016 were imitations of American trademarks and patents. [Read Article](#)

Two Gadget Makers Look to Move Manufacturing Out of China, Citing Trade War

IndustryWeek - Bloomberg

Tile Inc. and Fitbit Inc. are simultaneously looking for alternatives to China as a source for their manufacturing operations.



Two American consumer electronics companies said this week that they're looking to shift manufacturing away from China and into other countries, citing pressures from import tariffs on their products amid the trade war.

Tile Inc. said it's considering plans to make its Bluetooth-enabled location trackers in other countries, after the company was hit with tariffs last month. Fitbit Inc. said on Wednesday that it would stop Chinese manufacturing of its health trackers and smartwatches by January. [Read Article](#)

Tariff Relief, Texas Style

IndustryWeek - Paul Ericksen

Waivers helped Apple keep production in U.S. They could do the same for other companies.



I believe in giving credit where credit is due, whether it is to individuals, companies or governmental policies. In June, Apple Will Move Production of Mac Pro to China Amid Trade War described how Apple had announced it would be closing down its Mac Pro assembly facility in Austin, Texas, and start assembling those units in China. Most Mac Pros are sold in the United States.

Thankfully, in September, Apple reversed that decision after it received a tariff waiver from the U.S. government on 10 key components imported from China. This is great news-especially for the employees working in Austin-and I'd hope there are many more similar announcements from other companies coming down the pike. It's too bad that it took some level of coercion by the federal government to get Apple to do the right thing. [Read Article](#)

Retail Imports to See Surge Ahead of December Tariffs

Material Handling & Logistics - Staff

"This is the last chance to bring merchandise into the country before virtually everything the United States imports from China comes under tariffs," said Jonathan Gold of NRF.



Imports at the nation's major retail container ports are expected to hit their highest level of the year again next month just before more tariffs take effect in December, according to a recent report from the National Retail Federation and Hackett Associates.

"This is the last chance to bring merchandise into the country before virtually everything the United States imports from China comes under tariffs," NRF vice president for Supply Chain and Customs Policy Jonathan Gold said. [Read Article](#)

What is Happening to the WTO?

Tralac

Freedom of trade and equal market access were central to the plans for reconstructing the post World War II international order. International peace had to be secured through, amongst other things, arrangements to prevent the conditions that caused the Economic Depression of the 1930s. These ideals were written up in the 1948 Havana Charter for the International Trade Organisation (ITO), which was planned at about the same time that the Bretton Woods Agreement was concluded.



How ever, the ITO did not materialize.[2] Only the chapter on tariffs and trade was implemented; giving rise to the GATT (The General Agreement on Tariffs and Trade). The GATT was not an international organisation in the true sense of the word but did provide a platform for several rounds of negotiations to lower tariffs on goods and to implement the rules on non-discrimination in international trade. It was only during the Uruguay Round of the 1980s that it was decided to establish the WTO as an international organisation. It came into existence on 1 January 1995. [Read Article](#)

'We Did What We're Supposed to Do,' but with Tariffs, They're Reeling

IndustryWeek - Laura Putre

Wolverine Advanced Materials laid off 17% of its U.S. workforce since March 2018, and then made 19% additional cuts in September 2019.



With tighter profit margins and fewer employees to cut, smaller manufacturing operations tend to feel the vibrations of an unstable market first. If the experience of Wolverine Advanced Materials is any indication, the steel and aluminum tariffs and uncertainty around NAFTA have already put some auto suppliers on shaky ground-and a third blow from proposed Section 232 auto and automotive parts tariffs could be a coffin nail for some smaller operations. [Read Article](#)

Determining the Country of Origin Is Key During the U.S.-China Trade War

Material Handling & Logistics - Yuanyou "Sunny" Yang

Avoid supply chain disruptions by learning the different ways countries deal with imported products.



Both the United States and China have used tariff increases heavily during the trade war between the two countries, which has led to the disruption of the supply chain. Many businesses have moved out of the U.S. and China to third-party countries, such as Vietnam, to manufacture their products there in an attempt to avoid the tariffs on both sides. But what does it take for a product to be considered as "made in Vietnam" as opposed to "made in China" or "made in the USA"? For example, if the raw materials are imported from China but the product is put together in Vietnam, is the product "made in Vietnam"? [Read Article](#)

Education and Workforce Development News

A Call to Bring Back 'Gainful Employment'

Community College Daily News - Matthew Dembicki

A civil and human rights organization is calling for strong "gainful employment" regulations to protect college students, in particular African-Americans and Latinos, from unscrupulous for-profit schools.



The Leadership Conference Education Fund released a policy brief on Thursday that called on the U.S. Education Department to revisit the so-called gainful employment (GE) rule, which was promulgated during the Obama administration mainly to ensure that for-profit institutions were not burdening students with college loans that they could not repay.

U.S. Education Secretary Betsy DeVos nixed the rule this year, but a House bill to reauthorize the Higher Education Act (HEA) introduced by Democrats this week would require the department to establish a GE measure. [Read Article](#)

Can an Apprenticeship Network Fill US Skills Gap?

IndustryWeek - Adrienne M. Selko

Research by Dr. Johann Fortwengel, of King's College, found that it's costly and complex for firms to run their own apprentice programs and suggests an apprenticeship network approach.



For as long as I have been interviewing companies about using apprenticeships to help close the skill gap, the discussion invariably includes the question of adapting the successful German model to the U.S. workforce.

This very topic was the subject of a recent conference, The International Skills Conference, hosted by the German American Chambers of Commerce, and held in Atlanta on Sept. 25. The conference brought together champions in apprenticeship programs, modeled after the German system, with businesses, regional and state leaders who are interested in solutions for small and middle-sized employers in order to fill the 2.4 million jobs in advanced manufacturing that will be needed by 2030. [Read Article](#)

Development and The Future Of Workforce

AreaDevelopment - Forbes, Nancy Lee Sánchez-Contributor



Community colleges serve many purposes. For some people, community colleges are thought of as a stepping stone on a path to a four-year college degree. This is especially compelling for individuals who may not have the time, money, or academic scores to initially matriculate into a four-year university. Others may view community colleges as a viable alternative to earn important professional credentials or an associate's degree. Seniors often look at community colleges for academic enrichment programs, well after they've completed their work lives. So in many respects, community colleges are defined differently by those who enroll in them. From remedial studies, to professional certifications, to a path to a bachelor's degree, to post-career enrichment, community colleges serve a range of needs. [Read Article](#)

Problem, Meet Solution

Community College Daily News - Madeline Patton

It was one of those moments you like to see at a conference.



On the first day of the 2019 Advanced Technological Education Principal (ATE) Investigators' Conference, a renowned researcher called out community colleges for generally not connecting well with employers. The next day, a recently announced major college-industry partnership was featured at the meeting, providing the most recent example of ATE programs working in collaboration with industry.

In his plenary speech on Thursday, Paul Osterman, a human resources and management professor at the Massachusetts Institute of Technology (MIT), shared his research that only 20 percent of manufacturers use community colleges for employee training.

"Too many community colleges have too weak a relationship with employers," he said. [Read Article](#)

A New Breed of Apprenticeships

Community College Daily News - Jim Paterson

For more than 4,000 years we've recognized the unique value of apprenticeships, and they are gaining steam today, particularly in new fields like healthcare, where workforce demand, bipartisan support and some new thinking at community colleges are fueling their fast-paced growth.



"We're running as fast as we can," says Christine Gillespie, director of continuing education and workforce development at Bergen Community College (New Jersey), which took the lead in obtaining a recent \$12 million federal grant that will help 14 community colleges in the state develop healthcare apprenticeships with nearby worker-starved employers. [Read Article](#)

Training and Organizational Development News

Strategic Change Doesn't Always Start at the Top

IndustryWeek - Paul Ericksen

True change agents can overcome executive resistance.



The IndustryWeek Sept. 12 column In Change, Top Management Procrastinates the Most, discussed a topic near and dear to my heart. Specifically, that executives at large corporations are reluctant to pursue significant change. And that they set tactical organizational metrics that stifle significant change.

I must admit a bias here as I have operated as a change agent my entire career. In other words, I've experienced the executive resistance the column talks about. And to some point, I have been successful in gaining executives' support for change. [Read Article](#)

Resilience, Not Recovery

IndustryWeek - Nicholas Bahr

More than glorified crisis management, successful business continuity anticipates changing conditions and ways to adapt to those changes and thrive.



Benjamin Franklin once said, "By failing to prepare, you are preparing to fail." This is particularly true in business, where events that threaten a

company's operations and shareholder value can occur at any time.

Traditionally, companies have simply relied on emergency and crisis response plans, but forward-looking companies prepared for potential significant events by developing a business continuity management (BCM) system, which though wise, was often done with the goal of simply recovering from a natural disaster or other catastrophe should it occur. In other words, just a slightly modified crisis management plan. [Read Article](#)

Workers of the Future Won't Train Themselves

IndustryWeek - Paul Ericksen

Small- and medium-sized suppliers need real investment from OEMs and government.



Two articles - September 25's *Throwing Money at a Talent Problem Won't Solve It* and October 15's *America's 'Green Economy' Is Now Worth \$1.4 Trillion*-recently caught my attention.

The first discusses how "leadership has fallen behind" in training and adapting to a changing workforce, a topic that is very much relevant to small- and medium-sized manufacturers (SMEs).

Larger original equipment manufacturers-at least progressive ones-tend to be better at recognizing the importance of and investing in new technologies. They also have more resources to provide the necessary training for their employees in working with these new technologies. And, it must be said, such training makes employees more competitive in the job market should they be displaced from their current employment.

SMEs, on the other hand, are hard-pressed to invest in new technologies. Why? New technology is usually expensive and SMEs are less likely to have the financial wherewithal to purchase it. As a result, they do not have a business case to justify the training their employees for advanced technology jobs. [Read Article](#)

Quality News

US Prosecutor Calls FAA's 737MAX Inspectors Unqualified

American Machinist

Federal investigation upholds a whistleblower's claims that the air-safety agency was too lenient of Boeing in certifying the new aircraft for service, in 2017.



Federal investigators are due to report that some Federal Aviation Administration inspectors overseeing The Boeing Co.'s training standards for the 737 MAX and other commercial jet programs were unqualified for that assignment, and that FAA misled government officials examining the relationship between FAA and Boeing in the wake of the two fatal crashes that have idled the 737 MAX program.

The conclusions of the investigation have been reported to the Trump Administration and Congressional officials, according to broadcast reports. [Read Article](#)

Boeing Must Fix Its Moral Compass, and Its Culture

IndustryWeek - Eric J. McNulty, Leonard J. Marcus

Now is the time for the beleaguered manufacturer to forge a path of recovery and renewal



Six months after the 737 Max 8 crisis enveloped Boeing, it continues to unfold. The company hoped to have the aircraft flying by the end of summer. Nevertheless, fresh revelations are surfacing. Reports are released and recommendations made. Investigations continue. Most recently, attention has turned to the tenure and training of the pilots involved in the Lion Air and Ethiopian Air crashes.

Through it all, the 737 Max remains grounded, a costly burden for Boeing and the companies that purchased the aircraft. Questions persist about the future of this storied company. We are among those who have criticized CEO Dennis Mullenberg and other senior managers for their handling of these incidents. [Read Article](#)

8 Types of Waste in Lean Manufacturing

Thomas Insights - Staff Writer

One of the core principles of lean manufacturing is the removal of waste within an operation. In a general sense, waste can be described as something that doesn't add value. In the context



of manufacturing, waste is more accurately defined as any expense or effort spent that does contribute to converting raw materials into a completed product.

In industrial applications, waste can take many forms. While waste is commonly associated with labor, time, and material inefficiencies, poor planning, underutilized employee skillsets, and ineffective procedures can also generate waste in an industrial environment. There are typically eight types of waste found in lean manufacturing processes. [Read Article](#)

Continuous Improvement Leadership Lessons from Noah's Ark

IndustryWeek - Larry Fast



This column is based on material I used years ago for a roundtable discussion. Unfortunately, the author of the Noah's Ark quotes is unknown.

However, that author put some very clever thinking into their idea. I was struck by how relevant these quotes are when applied to leadership in a continuous improvement culture. Perhaps you can lead your own roundtable discussion with your team. [Read Article](#)

Value Is Always Fundamentally Determined by the End User

Material Handling & Logistics - John R. Brandt



Precision delivery is a differentiating component of value.

Not so long ago, major corporations around the world conducted one of the greatest marketing scams ever perpetrated upon unsuspecting customers. Using fancy phrases such as Total Quality Management (TQM) and ISO 9000-certified, these companies advertised that the value of their products was their "high quality"-meaning, of course, that the products actually worked as intended.

This begs the question: Shouldn't they have worked all along?

Customers thought so, too, and wised up in a hurry (the new international quality standard, incidentally, approved by customers worldwide in a unanimous vote, is ISO 20,000WHOCARES?). Their collective response to quality claims in advertising was, in effect, (A) "Thank you for not selling us crap that doesn't work," and (B) in the words of a famous song, "Is that all there is?" [Read Article](#)

We REALLY Need to Stop Talking About Lean

IndustryWeek - Dan Markovitz



People might be more receptive if we just talked about good business practices.

Lean advocates-and I consider myself one-might do better if they stop talking about lean. Let's face it: When executives and workers hear "lean," not a lot of good happens. They think it's yet another short-term management fad. Or a cost-cutting program that will lead to layoffs. Or some Japanese thing that only works for car manufacturers.

But when you look at many of the tools and concepts from the lean playbook, they're really just good management that any leader would want to embrace. [Read Article](#)

The Quality Imperative: Why Product Quality is Key in Manufacturing

Thomas Insights - Staff Writer



A mass product recall is every manufacturer's worst nightmare. It's also a negative experience for the customer. No one wants to take home a smartphone that explodes when it's switched on, a heater that catches fire when it's plugged in, or a hazardous children's toy that doesn't pass health and safety regulations.

To minimize situations like these, manufacturers use two approaches to review and maintain product quality: [Read Article](#)

Cyber Security and IT News

Huawei Billionaire Dangles 5G Secrets to Create a US Foe

IndustryWeek - Bloomberg



Huawei Technologies Co. founder Ren Zhengfei is ready to license his fifth-generation networking technology only to one other company -- and he wants that potential arch-rival to be American.

The army officer-billionaire reiterated an offer Thursday to license out Huawei's full portfolio of 5G wireless technology -- which would include chip designs, hardware and source code -- to a single, exclusive licensee. That should be a U.S. company because Europe is home to close competitors like Nokia Oyj and Ericsson AB and doesn't need help to compete, he added. [Read Article](#)

Facebook's New Wristband Will Read Your Mind

Thomas Insights - David Mantey

On September 23, 2019, Facebook announced plans to acquire CTRL-labs, a New York startup that is developing a neural interface platform that you wear like a bracelet. The deal is reportedly worth between \$500 million and \$1 billion.

The technology uses a wristband that translates brain signals into actions.

The wearable concept sounds a little less cumbersome than other products teased to the market. Elon Musk's Neuralink is also in the neural interface game; however, its solution requires a robot to sew the interface into your brain. Neuralink's initial play seems to be medical, whereas the low-hanging fruit for the Facebook deal is likely virtual and augmented reality gaming.

[Read Article](#)

Can We Trust Smartwatches to Track Heart Health?

Thomas Insights - Staff Writer

The Apple Watch Series 4 (and new models) includes built-in technology that allows users to take an electrocardiogram, also known as an ECG or EKG, by utilizing the connected ECG app.



An ECG uses electrical sensors to record the strength and timing of the heart's electrical signals and identify irregular rhythms that could be a sign of atrial fibrillation (AFib). AFib is a potentially serious condition leading to heart failure, strokes, and blood clotting.

Apple Watch wearers can take an ECG at any time and are alerted via the watch's optical sensor with an "irregular rhythm notification" whenever an irregular pulse pattern is detected. The ECG will give one of the following results (accompanied by the relevant medical explanation and advice):

[Read Article](#)

Could Privacy and Security Scandals Scuttle the IoT's Many Benefits?

IndustryWeek - W. David Stephenson

There's a major potential barrier to technology adoption if companies and people start to lose faith in that tech and fear it.



I yield to no one in my optimism about the Internet of Things' potential to improve every aspect of business and our personal lives. However, I'm beginning to join those who worry that the growing number of IoT device companies' questionable data practices may end up forcing businesses and consumers alike to turn our backs on some amazing corporate and personal advances because we finally decide the benefits aren't worth the risks.

The heart of the IoT is collecting, analyzing, and acting on real-time data documenting how assembly lines, products in the field, and even our own bodies are working (or not...), so the issue of data privacy is at its heart.

[Read Article](#)

Twitter Says Personal Info Shared with Advertisers

CFO.com - William Sprouse

Twitter, on Tuesday, disclosed it had allowed some users' personal information, including email addresses and phone numbers, to be "inadvertently" used for advertising purposes through its "Tailored Access" program.



The company said no personal data was shared with its third-party partners, and the issue that allowed the misuse of personal information to occur had been addressed as of Sept. 17. The social media platform did not know how many users were affected.

"We're very sorry this happened and are taking steps to make sure we don't make a mistake like this again," Twitter said in a statement.

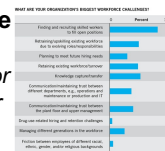
The Tailored Audiences program was rolled out in late 2013 and let advertisers target customers based on the advertiser's lists of emails or phone numbers. [Read Article](#)

Plant Services 2019 Workforce Survey: What Have You Done For Me Lately?

Plant Services - Christine LaFave Grace, Managing Editor

Amid labor crunch, readers say employers can do a better job promoting career development.

What do your plant's workers want?



It's a simple question (has your organization asked it?) but the answers are complex-and what's valued most varies somewhat based on the age of the person being asked. Plant Services' 2019 Workforce Survey asked workers in manufacturing and industrial production organizations across the country what would encourage them to stay with their current employer and what could prompt them to leave. It asked about their confidence in their job prospects and about what they believe their organization could be doing better to attract and retain talent.

Some of the differences in responses by generation were stark. But still common themes emerged: Namely, that in a strong job market for skilled manufacturing talent, workers are keenly interested in career development opportunities and are looking for more than money to stay engaged in their organization. [Read Article](#)

Let's Not Forget the Value of Experienced Workers

IndustryWeek - Staff

While it's impossible to escape advice on how to attract and retain young workers, which is necessary, often the value of older, experienced workers is overlooked.



Companies that actively leverage their older, experienced workforce will be best positioned for the future of work, according to Mercer's recently published report, "Next Stage: Are You Age Ready?".

"With labor force size, participation rate and productivity so closely tied to business and economic growth, the experienced workforce is a source of talent and competitive advantage that employers need to embrace now," said Pat Milligan, global leader of Mercer's Multinational Client Group, in a statement. [Read Article](#)

EEOC: No EEO-1, Component 2 in 2020

Material Handling & Logistics - David Sparkman

If everything goes as planned by the Equal Employment Opportunity Commission (EEOC), by next year employers will not be required to file the long, complicated EEO-1, Component 2 form. EEOC tried to withdraw the Component 2 form for 2019, but a federal judge forced it to require its submission by employers.



The agency said it's not seeking to implement the form next year because the cost estimate the Obama-era commission relied on in 2016 when it sought approval for collecting the data significantly understated the actual cost of compliance for employers. [Read Article](#)

Why Can't Manufacturing Sell Itself to Millennials?

IndustryWeek - Abigail Miller

A look at companies going beyond the 'we're no longer dirty, dark and dangerous' lip service



When high school teacher Jacob Krautkremer signed up for a four-day summer internship at Wyoming Machine Inc. in 2017, he was hopeful.

An industrial technology teacher at Roseville Area High School in Minnesota, Krautkremer said he wanted to learn more about the manufacturing process and possibly create connections between his students and businesses.

Krautkremer wasn't alone in his desire for the internship to bridge the gap between his students and the manufacturing industry. [Read Article](#)

U.S. Department of Labor Proposes New Electronic Disclosure Rule

US Department of Labor

WASHINGTON, DC - Consistent with President Donald J. Trump's Executive Order 13847, Strengthening Retirement Security in America, the U.S. Department of Labor today announced a proposed rule to allow online retirement plan disclosures to reduce printing and mail expenses for job creators and make disclosures more readily accessible and useful for America's workers.



Reflecting modern internet technology, the proposal offers a safe harbor for employers who want to make retirement plan disclosures accessible on a website, rather than sending volumes of paper documents through the mail. Plan participants would be notified that information is available online, including instructions for how to access the disclosures and their right to receive paper copies of disclosures. The proposal includes additional protections for retirement savers, such as standards for the website where disclosures will be posted and system checks for invalid electronic addresses. [Read Release](#)

Environmental, Health & Safety News

Embracing New Loading Dock Technology to Improve Safety

EHS Today - Chad Dillavou

Despite major technological advances reshaping the inside of industrial settings and warehouse facilities throughout the U.S., the loading dock has remained seemingly unchanged. However, gradual improvements in ergonomics and technology have elevated the loading dock from a relatively low-tech area to a safer, easier workplace for employees.



When accidents occur at the loading dock - and they do, all too frequently - it leads to damaged products and equipment along with costly workplace injuries. These can lead to losses of \$135 million in direct costs and another \$650 million in indirect costs.

An estimated two-thirds of loading dock accidents can be prevented with equipment and technology which already exists. However, there is no single piece of equipment that can resolve every safety challenge at the loading dock. [Read Article](#)

OSHA Okays New Respiratory Fit Testing Protocols

EHS Today - David Sparkman

Changes said to save employers millions of dollars.



The Occupational Safety and Health Administration (OSHA) on Sept. 25 issued a final rule approving two additional quantitative fit testing protocols for inclusion in its Respiratory Protection Standard.

Effective on Sept. 26, the day after they were issued, these new protocols represent an addition to Appendix A of the Respiratory Protection Standard. They are: [Read Article](#)

When Does OSHA Pay Attorneys' Fees?

EHS Today - David Sparkman

Employers can get reimbursed if they are in the right and the agency is wrong.



It's no secret that violations of the Occupational Safety and Health Administration (OSHA) regulations can cost an employer big time. In addition to everyday compliance costs, disruption of operations caused by inspections and paying for legal representation, potential penalties can add up quickly if accused of violating agency regulations.

As of 2019, other-than-serious violations max out at \$13,260, serious violations can cost \$13,260, repeat violations \$132,598, willful violations \$132,598, and failure to abate also can cost an employer up to \$13,260 per day. [Read Article](#)

NSC 2019: Workplace Violence and Mass Shootings

EHS Today - Stefanie Valentic

"Our best possible course of action is to have a workplace devoid of negative emotions," says Jack Jackson, SafeStart senior consultant.



With the prevalence of active and mass shootings in the United States, employers should have an emergency response plan to protect workers. However, some companies wait to have a plan because leadership doesn't see the possibility of it happening, said Jack Jackson, SafeStart senior consultant, at the 2019 National Safety Congress and Expo in San Diego.

"We have to talk about it now, rather than later," Jackson told attendees. "We don't need to sit complacent in our surroundings and in our own little world because we don't think it could happen." [Read Article](#)

If it's difficult to identify, explain or document your firm's worker development process, maybe you don't have one.

Perhaps your firm finds it difficult to accommodate change or measure and improve worker performance. Or, scrap and rework are unreasonably high for workers that were thought trained.

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

- designed for manufacturing;
- proven for any industry;
- customized to your job classifications, your tasks and specifications, and your 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. [always offers a low-to-no risk pilot program approach](#). 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!



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