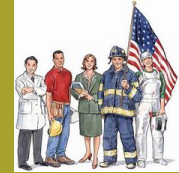




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The Connection Between Worker Capacity, Organizational Capacity and Output

by Dean Prigelmeier, President of Proactive Technologies, Inc.



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

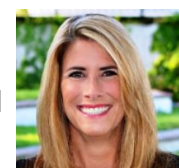
For example, the capacity of a company can be stated as the output measured quarterly or annually, but attempts to improve it without considering the make-up of the people, the equipment, the leadership, the strategy and resources would be difficult. The output would be affected by: 1) the availability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

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

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

Are Advances in Technology Distracting Keeping HR From the Fundamentals of Worker Selection and Development?

by Stacey Lett, Director of Operations, Eastern U.S.,



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Proactive Technologies, Inc.

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

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

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

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

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

Nevertheless, this technology, with all of its [short-comings](#), stormed the market. Many who lost their jobs in 2008 had not written a resume or filled in a job application for 20 or 30 years, let alone were aware of how key-word search worked and the need to be precise in describing a life of work in terms used by employers which were evolving and who probably changed their own management line-up and company strategy. No one really knows how many highly skilled and perfect matches have seen their careers derailed by this technology, robbing the worker of the job they wanted and the employer of the worker they needed. [Read More](#)

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

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



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

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

We tried a lot of innovative programs for employers in the community

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[PTI1005 - Adding Structured On-the-Job Training to Your Apprenticeships](#)
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[PTI1006 - Building a Regional Workforce Development Infrastructure: Employer-Specific for Maximum Effectiveness and Lowest Investment](#)
(45 minutes)

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UPCOMING EVENTS
Onsite and group presentations

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

Inevitably, and not from lack of effort or desire, it was difficult to keep technical curriculum current to within 5-10 years. The "Maintenance" job classification was a perfect example and could be incredibly different from company to company. In the early days, Maintenance was thought of as multi-craft; a maintenance person was responsible for maintaining all aspects of the operation. Some companies tried to hold onto that concept of Multi-Craft Maintenance but, as Multi-Craft Maintenance Technicians were becoming harder to find and therefore required higher pay, more and more companies began to deviate from multi-craft to specialty and single-craft positions that cover only limited areas such as facilities, electrical or mechanical. Some Maintenance positions did not include HVAC, some were primarily focused on servicing machines but not repair. Some employers subcontracted out facility maintenance and instead had their Maintenance employees perform preventative maintenance tasks on everything from manual machines to PLC driven multi-axis machines, to robots and robotic manufacturing machines - leaving the servicing to the warranty and/or contracted OEM experts. Trying to find the right balance between an effective Maintenance program that gives every employer what they wanted but does not train for skills that one might never have a chance to use and master and most likely would forget, proved increasingly difficult to say the least.

This dilemma for program and instructional design, I believe, is worse today.

[Read More](#)

Enterprise Expansion/Contraction and Worker Development Standardization

by Dean Prigelmeier, President of Proactive Technologies, Inc

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

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

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

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

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

September, 2020

UPDATE: Proactive Technologies, Inc. has resumed on-site presentations of the PROTECH™ system of *managed* human resource development™ for the accelerated transfer of expertise™ in areas of low Covid activity and at sites who have Covid protocols in place. [Contact us](#) if you are interested in scheduling and onsite briefing.

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In a third scenario, when a company acquires another site or other sites, the acquiring enterprise usually brings in an expert who can unify HR and HRD strategies and already knows how to analyze what is needed. An effective expert will make sure inventories are taken at each site to formulate a strategy on how to consolidate differing systems and policies into one unified system - hopefully flexible enough to accommodate the uniqueness of each site. The process flow follows a logical track:

1. **Inventory of human resources enterprise software (if existent):** Decisions usually have to be made as to which system will become the standard, what data has been kept and should be kept, how to convert the data to the standard format, training of each site's staff on the new system, etc. [Read More](#)

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State training grant funds may be available to cover most, if not all, of the initial investment to set-up and implement the structured on-the-job training infrastructure!

With the Covid-19 pandemic disruptions, employers need a structured on-the-job training infrastructure now more than ever! Quickly recertify incumbent workers, train new-hire workers, and ensure both are driven and maintained at "full job mastery."

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Industry News

DOMESTIC ECONOMIC DATA

Gross Domestic Product, 2nd Quarter 2020 (Second Estimate); Corporate Profits, 2nd Quarter 2020 (Preliminary Estimate)



US Department of Commerce - Bureau of Economic Analysis

Real gross domestic product (GDP) decreased at an annual rate of 31.7 percent in the second quarter of 2020, according to the "second" estimate released by the Bureau of Economic Analysis. The change was 1.2 percentage points higher than the "advance" estimate released in July. In the first quarter of 2020, real GDP decreased 5.0 percent. Profits decreased 11.1 percent at a quarterly rate in the second quarter after decreasing 12.0 percent in the first quarter. Corporate profits decreased 20.1 percent in the second quarter from one year ago. [Read Report](#)

Personal Income, Outlays - July, 2020

US Department of Commerce - Bureau of Economic Analysis



Personal income increased 0.4 percent while consumer spending increased 1.9 percent in July. [Read Report](#)

Advanced Report on Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

New orders for manufactured durable goods in July increased \$23.2 billion or 11.2 percent to \$230.7 billion. July 2020: +11.2% change; June 2020 (r): +7.7% change.. [Read Report](#)



Manufacturers' Shipments, Inventories, and Orders

US Census Bureau

U.S. total business end-of-month inventories for June 2020 were \$1,912.1 billion, down 1.1 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,394.0 billion, up 8.4 percent (+/-0.3 percent) from last month. June 2020: -1.1% change in Inventories; May 2020 (r): -2.3% change in Inventories. [Read Report](#)



Manufacturers' Shipments, Inventories, and Orders (Revised)

US Census Bureau

New orders for manufactured goods in July increased \$27.8 billion or 6.4 percent to \$466.1 billion. July 2020: +6.4% change; June 2020 (r): +6.4% change. [Read Report](#)

Consumer Price Index

US Bureau of Labor Statistics

In July, the Consumer Price Index for All Urban Consumers rose 0.6 percent on a seasonally adjusted basis; rising 1.0 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.6 percent in July (SA); up 1.6 percent over the year. [Read Report](#)



Producer Price Index

US Bureau of Labor Statistics

The Producer Price Index for final demand increased 0.6 percent in July, as prices for final demand services rose 0.5 percent and the index for final demand goods advanced 0.8 percent. The final demand index decreased 0.4 percent for the 12 months ended in July. [Read Report](#)



Job Openings and Labor Turnover

US Bureau of Labor Statistics

Due to the effects of the COVID-19 pandemic, job openings declined to 5.0 million and hires fell to a series low of 3.5 million in April. Total separations decreased to 9.9 million, the second highest level in series history. [Read Report](#)



Civilian Labor Participation Rate

Federal Reserve Economic Data

For a 20 year chart of the U.S. Civilian Labor



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SAR Automation and Training

Participation Rate. [Read Report](#)

Unemployment Rate for States

US Bureau of Labor Statistics
Unemployment Rates for States, Seasonally Adjusted. [Read Report](#)



Job Creation - Employment Situation Summary

US Bureau of Labor Statistics
Total nonfarm payroll employment rose by 2.5 million in May, and the unemployment rate declined to 13.3 percent, the U.S. Bureau of Labor Statistics reported today. These improvements in the labor market reflected a limited resumption of economic activity that had been curtailed in March and April due to the coronavirus (COVID-19) pandemic and efforts to contain it. In May, employment rose sharply in leisure and hospitality, construction, education and health services, and retail trade. By contrast, employment in government continued to decline sharply. [Read Report](#)



U.S. Private Sector Job Quality Index

Cornell Law School
Almost 56% of US production and non-supervisory jobs (about 59.5 million jobs) offer weekly incomes below the \$802 weighted average weekly income for all such jobs. Together, those low-quality jobs offer a weighted average of \$539 in weekly income, or just over \$28,000 per year.



There is a subset of these workers, in jobs often offering substantially less income than the above average, who are particularly vulnerable to cessation of economic activity due to the spreading pandemic. Many occupy front-line, customer-facing jobs that offer both low hourly wages and a limited number of hours of work per week.

In addition, there are several higher quality job sectors - such as air transportation - that are seeing shutdowns due to industry-specific, as opposed to generalized consumer, inactivity.

The JQI Team has prepared an advisory list of the sectors that we believe are likely to face the most severe levels of short-term job loss, divided into low and high quality job categories, respectively, as defined by the JQI methodology. [Read Report](#)

Looking for Good News in US Manufacturing? Major Expansion Plans Add Some Sizzle

IndustryWeek - Jill Jusko
COVID-19 may own the spotlight today, but manufacturing's tomorrow is getting some big-dollar investments.



I've been surprised, I admit it. The last six months or so have not been great for manufacturing. As it has with nearly every other industry, the novel coronavirus has taken a big chomp out of manufacturing business-as-usual and not released its grip significantly. Lack of work continues to lead to layoffs or terminations. Supply chain disruptions continue to interrupt production for many even if the demand is there. Keeping a workplace safe has become a complicated exercise.

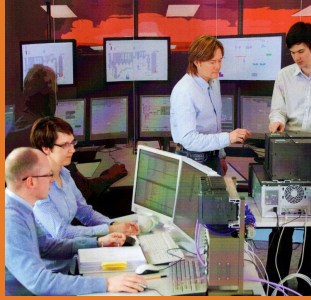
And yet. Despite COVID-19, a steady trickle of significant manufacturing expansion plans in the United States has been announced in recent months. And by significant, I mean really big. To steal some beautiful alliteration from a colleague: In the context of calamity, I'd expect contraction, but here we are with a good bit of the opposite- significant expansion. That's what surprises me.

Here are a few details on the expansions I'm talking about: [Read Article](#)

US Manufacturing Gets Stronger for the Third Straight Month

Assembly Magazine
TEMPE, AZ - The Institute for Supply Management said Monday that its manufacturing index rose to 54.2 in July, up from 52.6 in June and slightly better than the 54.0 economists surveyed by FactSet expected. Figures above 50 reflect expansion, while results below that level represent contraction. July's reading shows the industrial sector expanded for the third straight month after April's sharp shutdown-induced contraction.

Despite the improvement, an ISM index in the mid-50s doesn't necessarily signal a return to normal conditions in the industrial sector, says Ian Shepherdson, chief economist at Pantheon Macroeconomics. It simply says production is rising-in this case from a very depressed base.



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It is worth noting that the employment component of the latest ISM report remains weak. Survey respondents expressed uncertainty across industries, with one executive in the transportation-equipment industry reporting plans to lay off at least 30 percent of workers because overall business remains down almost 70 percent. A furniture company also warned layoffs are coming, and others pointed to uncertainty coming from customers affected by the virus. [Read Article](#)

Manufacturers Adjust to Changing Conditions

Quality Magazine - Michelle Bangert

Today's manufacturing environment requires a willingness to adapt. When I last spoke to Drew Greenblatt, in March, the world looked a little different.

Drew Greenblatt, president of Marlin Steel Wire Products LLC (Baltimore, MD), says that his business has weathered the pandemic well. "We've had a good year so far," Greenblatt says. "We're focusing a lot on medical and pharmaceutical, which is a good place for us to be focused on. Those markets are growing."

Since the pandemic began, the company has begun making hand sanitizing stands, ventilator baskets and test tube stands. While the company also works in automotive and aerospace, they are currently focusing on the markets that are thriving.

Since they were deemed an essential provider-no one is going to shut down a company manufacturing items for the CDC, Greenblatt says-the company never shut down. To ensure the staff remain healthy, the company follows CDC guidelines, with everyone wearing masks and also getting a temperature check when they enter the facility. [Read Article](#)

How German Superstar Aldi is Trying to Disrupt American Grocery

Area Development - Modern Retail, Natasha Frost

In the race for third place, Albertson's had better watch its back.



In the past months, the German grocer Aldi has passed the 2000-store mark, last week announcing its intention to open 70 more stores at undisclosed locations, bringing it into 37 U.S. states. By 2022, according to a company statement, Aldi hopes to be the United States' third largest grocery retailer, after Walmart and Kroger.

Five months into a recession, with unemployment at 11%, low prices have seldom been more relevant to customers - playing perfectly into Aldi's hands, as the undisputed value leader among U.S. grocery retailers. "If we take a look at what the world looks like today, certainly people want more value - a combination of quality and price - which Aldi happens to do really well," said food marketing expert Phil Lempert, the editor of SupermarketGuru.com. [Read Article](#)

COVID-19: The Great Accelerator of Onshoring (Part 1)

Area Development - Colliers, Bret Swango

This is the first piece within a five-part series on the accelerating trend of onshoring manufacturing due to COVID-19. Below we explore the inherent challenges within the global supply chain sector while examining the actions of some of the world's largest supply chains, COVID-19's impact, as well as the costs and benefits of manufacturing in China. Future topics will include the case for manufacturing in Mexico and in the U.S., the role of automation in the changing landscape of manufacturing and a process for addressing the challenges organizations face when selecting where to locate manufacturing operations. Each piece will provide insights into recent trends, challenges and strategies for organizations reevaluating their global footprint.



According to a Thomas Industrial Survey, more than 60% of over 1,000 manufacturers and suppliers surveyed said they are likely to bring operations back to North American soil. [Read Article](#)

GM Stagers, Ford Gains in Second Quarter of Plagued Financial Year

IndustryWeek - Ryan Secard

Earnings at General Motors Co. and Ford Motor Co. for the second quarter of 2020 showed improvements over the virus-stricken first quarter. General Motors reported a net loss of \$0.8 billion, and Ford reported earnings of \$1.1 billion after a net loss of \$2 billion during the first



"One thing is certain... nothing is certain!"

The rate of change affecting work, the worker, management and the educational institutions that service all three has been accelerating - made worse by the unexpected Covid-19 pandemic. The economy, the consumer, supply chains and operational strategies have all been disrupted in the short-term, casting doubt on the long-term.

Rapid adaptation is the key to survivability, sustainability and growth. Sometimes an experienced outside advisor can help facilitate needed improvements to take the worry out of change and the fear out of growth.



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financial quarter. Fellow Detroit-based automaker Fiat-Chrysler Automobiles NV is releasing its own quarterly results July 31.

The results are a bit of a reversal from last quarter, when General Motors was the only major U.S. automaker to avoid losing net income: the parent brand of Chevrolet and GMC marked a net income of \$276 million in the first quarter of 2020, while Ford reported a net loss of \$2 billion. [Read Article](#)

Bath Iron Works, IAM Local S6 Reach Agreement to End Strike

IndustryWeek - Ryan Secard

The agreement ends a strike of more than 4,300 shipbuilders that has been going since June 22.



Late August 7, the International Association of Machinists and Aerospace Workers Local S6 negotiating committee reached a tentative agreement with General Dynamic's Bath Iron Works. While still subject to ratification by union members, the tentative agreement will allow the union's members return to work building ships following a lengthy strike over wage disagreements and changes to the pension and subcontractor rules.

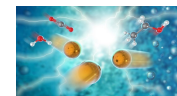
According to General Dynamics, roughly 4,300 union members participated in the strike at its Bath, Maine shipyard, which began June 22.

According to General Dynamics, the proposed agreement covers the use of subcontractors, work rules for accelerating Bath Iron Works' schedule performance, 3% wage increases in each year and continuation of existing benefits. In a piece on the IAM's website, the IAM S6 said the agreement keeps existing subcontracting language, healthcare premiums, and senior preferences. [Read Article](#)

New Electrocatalyst Turns Carbon Dioxide Into Liquid Fuel

SciTechDaily - Argonne National Laboratory

New electrocatalyst efficiently converts carbon dioxide into ethanol.



Catalysts speed up chemical reactions and form the backbone of many industrial processes. For example, they are essential in transforming heavy oil into gasoline or jet fuel. Today, catalysts are involved in over 80 percent of all manufactured products.

A research team, led by the U.S. Department of Energy's (DOE) Argonne National Laboratory in collaboration with Northern Illinois University, has discovered a new electrocatalyst that converts carbon dioxide (CO₂) and water into ethanol with very high energy efficiency, high selectivity for the desired final product and low cost. Ethanol is a particularly desirable commodity because it is an ingredient in nearly all U.S. gasoline and is widely used as an intermediate product in the chemical, pharmaceutical and cosmetics industries. [Read Article](#)

VW Expanding Chattanooga Factory to Build, Design Electric Vehicles

IndustryWeek - Staff

The Tennessee factory will include a new expansion for testing and designing electric vehicle batteries.



On August 12, Volkswagen of America announced it would expand its Chattanooga, Tennessee factory into a North American electric vehicle assembly and R&D center.

The German automaker plans to add a high-voltage laboratory to the facility to develop and test power sources for electrical vehicles to be assembled in the United States. The batteries themselves will be built by VW partner SKI in Georgia.

Volkswagen says the lab should be operational by spring 2021 and will feature specialized equipment for testing how batteries perform under adverse conditions, including climate chambers, pressure testers, and a "custom multi-axis shaker table," or MAST, to test how batteries handle intense vibration. The MAST destined for use in the Chattanooga factory must be custom-built, said Volkswagen, because few MASTs are designed for use with electrical batteries, often the heaviest component of the electric vehicle. [Read Article](#)

Schwan's Company Plans Facility Expansion in Salina, Kansas
Area Development News Desk

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MEMORABLE QUOTES

"Without data, you're just another person with an opinion."

[W. Edwards Deming](#)

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

"Be the hardest-working person you know. If you are not, someone else will be."

[Ian Brennan](#)

an Brennan is an American music producer, author and lecturer on violence prevention.
1966 -

"The easiest way to be at the top of your field, is to choose a small field."

[Simone Giertz](#)

Swedish inventor, maker, robotics enthusiast, TV host, and professional YouTuber
1990 -

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AUGUST

[Learning, Unfortunately, The Hard](#)

Schwan's Company, a leading food producer in the United States and subsidiary of South Korean food maker CJ CheilJedang, plans to build a new 400,000-square-foot expansion at its pizza-manufacturing facility in Salina, Kansas. The project will result in up to 225 new, full-time jobs by 2023.

As a part of the newest expansion, the company is adding state-of-the-art production lines and equipment, capable of making more than 100 million pizzas per year. The facility will also include investments in technology and protocols designed to minimize risks during pandemic situations such as COVID-19. [Read Article](#)

California and Automakers Finalize Emission Rules after Federal Challenge

IndustryWeek - Staff

BMW, Ford, Honda, VW, and Volvo agreed to stricter-than-federal emissions regulations.



California's regulatory board in charge of air quality announced August 17 that BMW AG, Ford Motor Co., Honda Motor Co., Volkswagen AG, and Volvo Cars had all signed onto agreements binding them to state regulatory standards. According to CARB, California's Air Resource Board, the agreement also applies to Rolls Royce and Audi cars.

General Motors, Fiat Chrysler Automobiles NV, and Toyota Motor Corp. did not sign on to the agreements. The three companies have sided with the EPA in a lawsuit on whether or not the federal government can revoke California's authority to set its own emission restrictions. [Read Article](#)

Steel Production Recovery Moving Slowly

IndustryWeek - Staff

Current rates of U.S. steel production are more than 20% lower than they were a year ago.



The steel industry is currently charting a long and slow return to normal from the impact of the novel coronavirus on its operations. According to the American Iron and Steel Institute, domestic raw steel production for the week of August 8, 2020 was 1.3 million net tons at a capacity utilization rate of 60.4%. That's 26.5% worse than the same period a year ago, when production was 1.8 million net tons at a capacity utilization rate of 79.1%.

The figures were estimated based on production data from half of domestic producers and analysis of monthly production data, which the AISI says is useful for analyzing production trends-and those trends show an industry stalled by the economic impact of the virus. [Read Article](#)

Window, Door Giant Pella Corp. Adds Ohio Factory, 428 Jobs

Assembly Magazine

TROY, OH-Pella Corp., one of the largest manufacturers of residential windows and doors in the United States, is adding a new assembly plant here.



Occupying an existing facility, the 324,000-square-foot factory will make the company's vinyl windows and doors. The factory is expected to be fully operational by 2025 and create 428 jobs.

Pella is ranked as one of the five largest residential window and door manufacturers in the U.S., with estimated annual revenues of more than \$1 billion. Founded in 1925, Pella makes wood, fiberglass and vinyl windows, along with doors and door and window technology. The company has more than 7,000 employees, 16 production locations, and more than 200 showrooms across the U.S. [Read Article](#)

Carbonic Cleaning for Adhesive Bonding

Assembly Magazine - Ahsan Anwar and Paul Botelho

Carbonic cleaning safely and consistently removes contaminants from materials to prepare them for adhesive bonding. Epoxies form strong bonds that can take thousands of newtons to break apart. However, the strength of the epoxy is directly related to the surface area and cleanliness of the substrates.



More surface area allows an epoxy to form more bonds between materials, which is why sanding is a common pretreatment before adhesion. Roughening the surface increases the bonding area without increasing the size of the material.

Surface cleanliness is important, too. Contaminants form weak bonds with

Way

by Dean Prigelmeier, President of Proactive Technologies, Inc.

Things Learned About Human Development at Home During the Pandemic

by Stacey Lett, Director of Operations, Eastern U.S., Proactive Technologies, Inc.

Workforce Development Realism: Properly Weighing Structured On-The-Job Training and Related Technical Instruction

by Frank Gibson, Workforce Development Advisor, retired from The Ohio State University - Alber Enterprise Center

Celebrating 20 Years With Long-Time Aerospace Industry Client Triumph Thermal Systems LLC and Retirement of its Lead Advocate

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JULY

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JUNE

Recent Supply Chain Disruptions: Reshoring Work to a Disrupted

Workforce the Next Challenge, but Surmountable

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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by Stacey Lett, Director of East Coast Operations - Proactive Technologies, Inc.

What Makes Proactive Technologies' Accelerated Transfer of Expertise™ So Effective

by Proactive Technologies, Inc. Staff

Some Thoughts on a Struggling Workforce

of the material, which reduces the surface area that an epoxy can bond with. With less area for bonding, the force required to break bonded materials apart will decrease dramatically. [Read Article](#)

Global Client Survey Shows Positive Upturn in Manufacturing in the Wake of COVID-19

Quality Magazine

InfinityQS® International, Inc., shared green shoots of recovery are emerging within the manufacturing industry, as evident in new findings from the company's 2020 Global Client Survey. The results show a positive upturn in the industry, with nearly 74% of respondents reporting that they are optimistic toward the future. These manufacturers are adapting and rebounding in the wake of the pandemic, adopting new technologies and processes for managing production and controlling quality, including 75% who noted more of their workers are now working remotely.

To enable this remote work and build greater flexibility and resiliency into their processes, these manufacturers are rapidly adopting technologies, such as cloud computing. Additional results from InfinityQS indicate that an acceleration in digital transformation initiatives is occurring, where the number of proofs of concept for InfinityQS' cloud-native quality intelligence platform Enact® has steadily quadrupled in the last three months. [Read Article](#)

Financial News

Now What? Better Cost-Based Pricing, or Value-Based Pricing?

IndustryWeek - Stephan Liozu

The best path during steady times is not the answer during this time.

Over the past 40 years, we've read many things about value-based pricing and the benefits it can bring to the bottom line. Pricing scholars, consultants, and experts highly recommend value-based pricing as a pricing approach and praise it over cost-based pricing and competition-based pricing. The same people write about the dangers of formula-based pricing and, specifically, the evil that cost-plus pricing strategies can do to a firm's profitability. In the context of this COVID crisis, it is important to encourage manufacturing companies to get started with pricing and improve their capabilities. There are ways to get started without breaking the bank. The question is: do they improve their current cost-plus pricing practices, or do they embark now on the journey to pricing based on customer value. My answer is simple. Do both but focus a lot more now on capturing low-hanging fruits.

From Basic to Advanced Cost-based Pricing [Read Article](#)

Under Armour CFO Warned of Possible SEC Action

CFO.com - Matthew Heller

The sneaker company says David Bergman received a Wells Notice indicating he is facing an enforcement action over its accounting practices.



After a three-year investigation, the U.S. Securities and Exchange Commission has indicated Under Armour CFO David Bergman could be facing an enforcement action over the sneaker company's accounting practices.

Under Armour disclosed Monday that the company, Bergman, and founder and Executive Chairman Kevin Plank had received Wells Notices indicating SEC staff intend to recommend an enforcement action alleging they illegally manipulated company sales.

The notices relate to Under Armour's disclosures for the third quarter of 2015 through the fourth quarter of 2016 "regarding the use of 'pull-forward' sales in connection with revenue during those quarters," the company said in a regulatory filing. [Read Article](#)

Useful Stats: State business R&D investment (1999-2017)

Area Development - SSTI, Connor LaVelle

While business investments towards research and development have varied among states, the overall trend throughout the country has been a positive one. Business R&D funding has weathered two recessions over the past 20 years, with many states seeing investments grow beyond their pre-recession levels. While the scope of COVID-19's economic impact continues to grow, business R&D investment has shown a strong history of recovering from, and building beyond, national financial downturns.

by Dean Prigelmeier, President of Proactive Technologies, Inc.

May

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[Workforce Development Partnerships with Substance: My Experience](#)

by Randy Toscano, Jr., MSHRM, Executive Director of Human Resources, Paris Regional Medical Center

While SSTI is currently reviewed business R&D investments, it is revisited here to examine longer-term trends and to help build an idea of how business R&D spending was affected by both the 2001 and 2008 recessions. Despite these economic downturns, states across the country prior to the pandemic had begun to see their business R&D investments grow beyond their pre-recession levels. Although the economic impacts of COVID-19 continue to grow, an understanding of how states' business R&D funding reacted to previous financial downturns may prove helpful moving forward. The data, gathered from the National Science Foundation's National Center for Science and Engineering Statistics, covers the years 1999 through 2017, where available. [Read Article](#)

Fed's Main Street Lending Inches Up as Balance Sheet Holds Above \$7 Trillion



Reuters

Federal Reserve Board building on Constitution Avenue is pictured in Washington, U.S., March 19, 2019. REUTERS/Leah Millis (Reuters) - The U.S. Federal Reserve facilitated another \$2 million in emergency loans this week to U.S. businesses struggling to survive the coronavirus-fueled recession, while its overall asset portfolio showed modest growth for a second week to hold above \$7 trillion.

Data released Thursday by the Fed showed the loan balance under its Main Street Lending Program rose to \$14 million on Wednesday from \$12 million a week before, when the central bank acquired the first loan originated under a facility that has taken months to roll out.

The program, designed to assist small and medium-sized companies hurt by the coronavirus crisis, has had a sluggish start, and the Fed has faced criticism from U.S. lawmakers for the weak uptake so far. The Fed recently adjusted the terms to allow nonprofit organizations to qualify. [Read Article](#)

The COVID Economy in 6 charts: Rebounding From Recession Could Prove Tougher in Months Ahead



USA Today - George Petras, and Paul Davidson

After suffering the steepest and fastest recession in history amid the COVID-19 pandemic, the U.S. economy began to recover in May and June at a more robust pace than most analysts expected.

Economists largely credit trillions of dollars in federal aid that kept consumers spending, including \$1,200 stimulus checks, generous unemployment benefits, and forgivable federal loans to small businesses that retained or rehired employees.

But clawing back the rest of the lost ground is likely to be a tougher slog. The federal programs are expiring unless Congress quickly votes to extend them in some form. Some companies, particularly in travel and retail, are laying off workers permanently. And amid spikes in coronavirus cases across much of the country, many states are at least partly shutting down businesses that had reopened. [Read Article](#)

Hedge Fund Collects \$3 Billion in Bet on Wildfire Insurance Claims



Insurance Journal - Michael McDonald and Mark Chediak

Baupost Group, the hedge fund run by Seth Klarman, received more than \$3 billion in July from its bet on insurance claims against PG&E Corp. connected to a series of deadly California wildfires, according to people with knowledge of the matter.

The payout yielded Baupost's biggest profit generator last month and represented a sizable markup from what the firm had anticipated, it told investors Thursday. The fund bought \$6.8 billion of subrogation claims against PG&E, court documents show. [Read Article](#)

The Hidden Tax Obligations in Financial Restructuring

CFO.com - Jette Campbell, Carl Marks Advisors

Since a restructuring always creates a taxable event, stakeholders must carefully consider where the tax liability goes and how it may impact them.



It is an unfortunate reality that as the economic repercussions of the COVID-19 pandemic continue to be felt, companies - even those that were performing quite strongly at the start of 2020 - will face significant headwinds, if they haven't already. Many may need to consider some sort of restructuring of their balance sheet and debt obligations to create a sustainable business model that positions them for success in 2021 and

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

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[Algorithms for Hiring, Credit..What Next? Perhaps Caution Should be Exercised](#)

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

beyond.

Those companies that determine that restructuring is the best path forward need to understand, however, that it will not magically make all of their bills and tax obligations disappear. In fact, any time there is a foreclosure of assets, an exchange of assets for debt, or a reduction of debt, a taxable event is created. Failure to consider the tax implications of restructuring can create complex situations for a business, and bring serious risks to and unintended negative impacts on cash flow and liquidity. [Read Article](#)

U.S. Banks Tighten Lending

CFO.com - Vincent Ryan

Business loan standards are tightening because of the uncertain economic outlook, worsening of industry-specific problems, and reduced tolerance for risk.



It's raining in the U.S. economy, and the bankers want their umbrellas back. Or, at least, they aren't giving out any new ones.

When the economy clouds over and bankers' risk models start to look not so good, they do what they have to do for their own business's survival: tighten the terms of lending.

Therefore, it was of little surprise yesterday that the Federal Reserve's senior loan officer survey, taken in July, showed that banks are tightening standards for commercial and industrial (C&I) loans, along with many other lending products. The tightening of C&I loans standards is happening in deals with large, middle-market, and small businesses. [Read Article](#)

Capital One Fined \$80 Million Over 2019 Hack

CFO.com - William Sprouse

The Federal Reserve is also requiring the bank to improve controls.



Capital One has agreed to pay \$80 million to settle charges stemming from the 2019 hacking incident that exposed data of more than 100 million customers, one of the largest attacks targeting financial data ever.

In a consent order, the Office of the Comptroller of the Currency said it assessed the civil penalty based on the bank's failure to establish effective risk management prior to migrating information technology operations to the cloud, and due to the bank's failure to correct deficiencies in a timely manner.

"While the OCC encourages responsible innovation in all banks it supervises, sound risk management and internal controls are critical to ensuring bank operations remain safe and sound and adequately protect their customers," the OCC said. [Read Article](#)

Loans For 1st-Time Homebuyers See Record Delinquencies

NPR - Chris Arnold

FHA mortgages require only a small down payment and are a path to homeownership for many lower-income, minority, and first-time homebuyers. But many are clearly in financial trouble.



The Mortgage Bankers Association says nearly 16% of Federal Housing Administration-insured loans are delinquent - the highest level in records going back to 1979.

But unlike the Great Recession after the housing crash a decade ago, this time the rising delinquencies do not mean a wave of foreclosures is about break across the country. [Read Article](#)

U.S. Busts Terror Groups' Crypto Campaigns

CFO.com - Matthew Heller

The U.S. government has announced it seized about \$2 million in cryptocurrency from terrorist groups, using sophisticated blockchain analysis techniques to pierce the anonymity of bitcoin and Ether transactions.



Federal authorities also covertly operated a website to receive bitcoin donations as part of an investigation that resulted in the largest ever seizure of cryptocurrency assets related to terrorism financing.

Investigators infiltrated the financing operations of Al Qaeda and Hamas's paramilitary arm, the Al Qassam Brigades, obtaining court orders to forfeit about 300 cryptocurrency wallets held by banklike institutions. [Read](#)

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by Jim Poole, President of Lifetime Learning, LLC.

[Article](#)

Coronavirus Contractors Double-dip Government Funds, Receiving Relief Money and Contracts



USA Today - Nick Penzenstadler, Josh Salman, and Dak Le

The coronavirus brought a \$10.5 million windfall for Noble Sales Co. in orders from the federal government for plastic bags, cleaning supplies, hand sanitizer and gloves. Citing the economic strain of the pandemic, the company also was approved for a federal Paycheck Protection Program check worth at least \$2 million.

It's the kind of double-dipping federal auditors fear could be rampant, a collision between the overnight need for supplies and a separate hastily created program aimed at keeping small businesses afloat.

A USA TODAY analysis of \$522 billion PPP spending data matched with \$19.5 billion in federal coronavirus response shows that at least 700 vendors that scored lucrative federal coronavirus contracts also received emergency aid. Together those vendors received hundreds of millions of dollars in contracts - and at least \$618 million in PPP loans through the Small Business Administration. [Read Article](#)

Larceny in Action, OEM Style

IndustryWeek - Paul Ericksen

Just when you thought supplier payment terms couldn't get any worse ...

Some things never seem to change. One of those is that payment plan changes rolled out by OEMs end up being to their benefit and to the detriment of their suppliers. For instance, OEMs frequently increase the time between when they receive supplier product to the time that they pay for them it. For instance, it is not unusual for OEMs to pay Net 90 or Net 120 days. Although I haven't tried it, I'm pretty sure that when buying groceries such a proposal wouldn't work. It is also not uncommon once an OEM adopts such a strategy to increase payment lag time every couple of years. What a deal.

I once wrote a column where I called such a practice larceny since it in effect both reduces the price OEMs paid for their goods-due to inflation which always exists, at least at some level-and increases supplier costs, since they have to finance their finished goods "inventory" over a longer period. [Read Article](#)

CEO Compensation is 320 Times Typical Worker

IndustryWeek - Staff

Average CEO compensation at the top 350 U.S. firms grew 14% to \$21.3 million on average, according to an analysis from the Economic Policy Institute (EPI), a think tank based in Washington, D.C.



From 1978 to 2019, CEO compensation grew by 1,167%; the compensation of a typical worker, meanwhile, rose 13.7%.

"While wage growth for the majority of Americans has remained relatively stagnant for decades, CEO compensation continues to balloon," said authors of the report EPI Distinguished Fellow Lawrence Mishel and Research Assistant Jori Kandra. "This has fueled the spectacular income growth of the top 0.1% and 1.0% and the growth of income inequality overall." [Read Article](#)

Justice Department Charges Five for Alleged \$20M Cryptocurrency Mining Fraud

CFO.com - Benzinga

The crypto club founders allegedly spent their victims' money on luxury cars, jewelry, and homes.



The U.S. Department of Justice on Tuesday said it has unsealed an indictment charging five individuals for international fraud, money laundering, and defrauding individuals through a purported cryptocurrency company.

The five individuals - Pablo Renato Rodriguez, Gutemberg Dos Santos, Scott Hughes, Cecilia Millan, and Jackie Aguilar - ran a company called AirBit Club since the beginning of 2015, which claimed to mine and trade in cryptocurrency, the Justice Department said in a statement.

The alleged fraudsters, charged with running a multimillion-dollar fraud and money-laundering ring, spent their victims' money on luxury cars, jewelry, and homes, according to Homeland Security Investigations special agent-in-charge Peter Fitzhugh.

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by Dean Prigelmeier, President of

Prosecutors say that they traveled throughout the world and hosted expositions and presentations - inducing victims to purchase memberships in AirBit Club's scheme. [Read Article](#)

International News

Mexico, Latin America, South America and the Caribbean

How is COVID-19 Impacting the Caribbean Labor Market



InterAmerican Development Bank

The labor market has been in constant transition in the past couple years, adapting to new technologies and responding to the quickly changing demands of consumers. COVID-19 has only been a spark to speed this transition along. What can the Caribbean countries do to adapt their workforce to the current situation and the future we are facing? In this podcast, we share our views on the labor market in the region and how it is impacted by the pandemic. [Listen to Podcast](#)

Mexico's Criminal Brazenness Matters

Brookings Institute - Vanda Felbab-Brown, Senior Fellow - Foreign Policy, Center for 21st Century Security and Intelligence

BROOKINGS

Mexico's out-of-control criminal market remains not only terribly violent; the violence is once again becoming extraordinarily brazen. The ostentatiousness of Mexico's criminal groups not only exposes its collapsed law enforcement capacity; it exacerbates impunity. The Andrés Manuel López Obrador administration finally needs to recognize how frail rule of law is in Mexico and to start taking meaningful action.

On July 17, the same day the Mexican President visited Jalisco, the country's most notorious and aggressive criminal group - Cartel Jalisco Nueva Generación (CJNG, which originated in the state) - put on an extraordinary show. It allegedly released a video over twenty armored vehicles and tens of uniformed gunmen with assault weapons celebrating the group's leader, Nemesio "El Mencho" Oseguera - one of the world's most wanted drug lords. The scene was like something out of a war zone - more flamboyant even than would be staged in most war zones. Neither the Taliban in Afghanistan nor al Shabaab in Somalia today would dare mass forces in such open fashion, since they would be subjected to air power destruction. Perhaps only the Islamic State in Iraq and Syria at the height of its power would mount such a display and be able to get away with it. Even as Mexico's Minister of Defense confirmed the video was the work of CJNG elite team, de facto admitting to a stunning intelligence lapse, the López Obrador administration downplayed the video and the President reiterated his approach of not confronting Mexico's criminal groups with the full force of law enforcement, a strategy dubbed "hugs, not bullets." [Read Article](#)

From Lockdown to Reopening: Strategic Considerations for the Resumption of Activities in Latin America and the Caribbean within the framework of Covid-19

InterAmerican Development Bank - Pagés, Carmen; Aclan, Carolina; Alfonso, Mariana; Arroio, Raimundo; Irigoyen, José; Mejía, Isabel; Mendieta, Claudia; Moreno, Samuel; Munte, Arturo; Peñaherrera, Sebastián; Pombo, Cristina; Regalia, Ferdinando; Savedoff, William D.; Stein, Ernesto H.; Tejerina, Luis

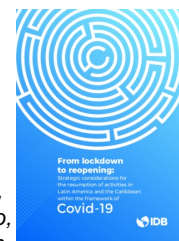
This document raises a series of considerations to consider when resuming activities once the confinement stage ends, motivated by the need to reduce the spread of COVID-19. It also reviews a series of official proposals for the opening of expert groups and other institutions and summarizes some lessons from the initial experiences of the countries that are taking this route.

This document is part of a 3-monograph IDB series on public policies in the context of COVID-19. The other documents may be downloaded using the following links: [Read Article](#)

Access to Financial Information: A Pillar of Tax Transparency and the Fight Against Fraud

InterAmerican Development Bank

Financial information can be a great tool for Latin America and the Caribbean to improve taxation after the pandemic, when most countries will have little room to raise taxes. In this blog, we



June

[The US is Ranked 12th in Talent, Topped By Those Pesky Socialist Countries. What's Gone Wrong?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[Thinking Past the Assessment - Unfinished Goals and Unrealized Expectations](#)

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

[Is the "Gainful Employment" Requirement For Education Realistic?](#)

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

[Is an Apprenticeship Without Structured On-The-Job Training an Apprenticeship?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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transparency and combat tax fraud. [Read Article](#)

How COVID-19 Is Impacting Foreign Trade, Investment, and Integration in Latin America and the Caribbean



Global sales of services, in particular travel and hotel occupancy in the tourism sector, contracted in the first half of 2020. Learn about this and other news in the 8th edition of this Newsletter, related to the impact of coronavirus on regional trade. It is prepared by the IDB's Integration and Trade Sector and its Institute for the Integration of Latin America and the Caribbean (INTAL): [Read Report](#)

As Tropical Storm Laura Batters Caribbean, at Least 13 Dead in Haiti, Dominican Republic

Miami Herald - Jacqueline Charles, Jake Kickaid, Syra Ortiz-Blanes and Nora Gamez Torres



At least nine people died in Haiti and two were missing on Sunday, when heavy rainfall from Tropical Storm Laura buried large swaths of the country under murky floodwaters and threatened to overpower the country's only hydroelectric dam.

Four people died in Haiti's neighbor, the Dominican Republic.

Laura was headed for a possible hit later in the week on the Louisiana coast as a hurricane, along with Tropical Storm Marco. [Read Article](#)

Canada, Europe and Great Britain

Belarus: Opposition Calls for Fresh Strikes in State-owned Companies

DeutscheWelle

President Alexander Lukashenko instructed the governor of the Grodno region to completely close the factories taking part. He also threatened to fire those participating in the strikes.



Following mass weekend protests in Belarus, the opposition called for strikes in state-owned companies against President Alexander Lukashenko at the start of the working week

"We continue to demand the resignation of Lukashenko. Every minute that he is still in power, the economy is seeing great losses," the opposition Coordinating Council said in a statement.

Lukashenko also instructed the governor of the Grodno region in the west of the country, where the opposition following is particularly strong, to completely close the factories that were set to strike. [Read Article](#)

France joins Greece's Naval Exercises Amid Turkey Row

DeutscheWelle

Greece is launching military exercises jointly with France, Italy and Cyprus in the eastern Mediterranean on Wednesday, the Greek Defense Ministry has said. Turkey's president warned Greece of taking the "path to ruin."



Greece is launching military exercises with France, Italy, and Cyprus in the eastern Mediterranean on Wednesday, amid an escalating conflict with Turkey over natural gas reserves. [Read Article](#)

China and Southeast Asia

US Companies in China Face Greater Scrutiny as Relations Erode

IndustryWeek - Lou Longo

With travel bans, lacking a local presence can increase the risk of violations.



Officials recently showed up at the Chinese plant of a U.S. company to perform a spot inspection of its fire preparedness. They fined the plant after finding a minor issue with its extinguishers and warned the manager they'd be back. It was the first time it had happened in the company's 15 years in China.

This type of bureaucratic attention to U.S. firms in China is on the rise, and it highlights the convergence of two major risks for companies with operations or suppliers there.

The first stems from rapidly worsening bilateral tensions as the United

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States heads into a period of political volatility that's going to last at least until the November election and probably beyond. [Read Article](#)

Commerce Department Adds 24 Chinese Companies to the Entity List for Helping Build Military Islands in the South China Sea

U.S. Commerce Department

WASHINGTON - The Bureau of Industry and Security (BIS) in the Department of Commerce (Commerce) added 24 Chinese companies to the Entity List for their role in helping the Chinese military construct and militarize the internationally condemned artificial islands in the South China Sea. Despite protests from the United States and other countries, the government of the People's Republic of China (PRC) has been rapidly building the artificial islands since 2013, enabling the Communist Chinese Party's (CCP) militarization of disputed outposts in the South China Sea to undermine the sovereign rights of U.S. partners in the region.

"The United States, China's neighbors, and the international community have rebuked the CCP's sovereignty claims to the South China Sea and have condemned the building of artificial islands for the Chinese military," said Commerce Secretary Wilbur Ross. "The entities designated today have played a significant role in China's provocative construction of these artificial islands and must be held accountable." [Read Release](#)

China's Dangerous Taiwan Temptation

Brookings Institute - Robert Kagan Stephen & Barbara Friedman Senior Fellow - Foreign Policy, Project on International Order and Strategy

BROOKINGS

Editor's Note: That Chinese President Xi Jinping has now decided to end the Hong Kong charade once and for all has ominous implications for Taiwan, writes Robert Kagan. Is the United States prepared to go beyond statements and sanctions? This piece was originally published in the Washington Post.

When the Japanese invaded Manchuria in 1931, and the United States and the League of Nations began peppering them with public notes and statements calling on them to desist, humorist Will Rogers observed that, "every time they get another note they take another town." "We had better quit writing notes," he suggested, or soon they "will have all China." Six years later, the Japanese did try to take all of China, and more. A major reason was that Japanese leaders believed, and the Manchurian crisis offered the first clear evidence, that the United States was ultimately not prepared to back up its denunciations with force.

Today, we hurl condemnations and warnings at China for extinguishing freedom in Hong Kong, brutally oppressing the Uighur Muslim minority and making aggressive military moves along the Indian border, in the South China Sea and the East China Sea. We ban Chinese companies, engage in tariff wars and excoriate the Chinese for their role in spreading the novel coronavirus. Our political parties compete to outdo each other in anti-Chinese rhetoric and policy proposals. [Read Article](#)

Japan's GDP Falls by Record 27.8% in Q2

CFO.com - Matthew Heller

Japan's economy entered a recession even before the coronavirus pandemic and could be facing a long road to recovery.

Japan's economy suffered its worst quarter on record as the country reeled from the hit to consumer spending caused by the coronavirus pandemic.

The Japanese government said Monday that the world's third-largest economy contracted by 7.8% in the second quarter, translating to an annualized rate of decline of 27.8%. [Read Article](#)

Asia, India and Australia In Annual Meeting, a New Direction for US-Australia Alliance

Brookings Institute - David M. Rubenstein Fellow - Foreign Policy, Center for East Asia Policy Studies, Ashley Townshend, Director of Foreign Policy and Defence - United States Studies Centre, University of Sydney

The Trump campaign has long enjoyed delivering an unusual musical message during the president's rallies, frequently blaring the Rolling Stones' classic "You Can't Always Get What You Want." Last week, the



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music was followed from Down Under, with Australian Foreign Minister Marise Payne quietly but forcefully reminding U.S. Secretary of State Mike Pompeo that the same message is true in alliance politics.

In the press conference following this year's Australia-U.S. Ministerial (AUSMIN), Secretary Pompeo's description of the annual meeting was deliberately hard-edged. He featured little more than a litany of shared grievances toward Beijing, expressed in characteristically Manichean terms. In the remarks that followed, Minister Payne provided a notable contrast, offering a wide-ranging assessment of the ministerial's achievements and Indo-Pacific focus.

The contrast reflects more than differing meeting priorities. Payne and Pompeo advanced starkly different visions of the alliance. The distinction is unmistakable: Whereas the Trump administration envisions a confrontational China-centric agenda, Canberra is working to bend the alliance toward a wider Indo-Pacific focus. Australia is ready and willing to share a larger piece of the Indo-Pacific security burden, but it will do so on its own terms. [Read Article](#)

India's Main Opposition Party Faces Leadership Crisis

DeutscheWelle

The Congress party has managed to stave off internal division, keeping Sonia Gandhi as interim president of India's main opposition party. But political analysts warn the party is "no match" for PM Modi's leadership.



The Indian National Congress on Monday rejected a request from its leader, Sonia Gandhi, that she be allowed to resign.

In her opening remarks at the seven-hour online meeting, Gandhi offered to quit her post and asked the Congress Working Committee (CWC), the party's top decision-making body, to begin the process of "transition" to relieve her from her duties. [Read Article](#)

Thai Protesters Call for End of Monarchy on King's Birthday

DeutscheWelle

The king's passivity during the COVID-19 pandemic has made him the target of unprecedented criticism at home and abroad. As Thailand struggles to cope with the crisis, he is gallivanting miles away in Germany.



Thailand celebrated the 68th birthday of King Maha Vajiralongkorn on Tuesday with official religious ceremonies and public displays of loyalty throughout the country. The king himself, however, was absent from his own festivities.

As anti-government protests gain momentum and the impacts of the COVID-19 pandemic grip the country, the monarch and his entourage have sought refuge in a luxurious hotel in the Bavarian Alps. The Thai king is known to reside in Germany for long periods of time. [Read Article](#)

Africa, Middle East, Eastern Europe and Russia

Beirut Death Toll Rises After Enormous Explosion

NPR - Bill CHappell

Beirut is reeling and Lebanon is in grief after a powerful explosion tore through the capital's port area on Tuesday. The enormous blast, which officials said was driven by thousands of tons of ammonium nitrate, killed at least 137 people and injured thousands more. Emergency crews are still working to find all the victims.



"No words can describe the horror of the disaster that has hit Beirut last night, turning it to a disaster-stricken city," Lebanese President Michel Aoun said Wednesday.

Video recordings captured Tuesday's explosion, which followed a smaller blast and fire in a warehouse at the port. The explosion created an immense shock wave that shattered windows and was felt for miles around. [Read Article and Hear Podcast](#)

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- * Establishes the framework for employer specific/job-specific apprenticeships and internships - registered or not;
- * Builds career development tracks and succession plans for hourly (and salary) workers;
- * Ensures the increased and maintained "Return on Worker investment" through any type of change...

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Renaissance Dam

BROOKINGS

Brookings Institute - John Mukum Mbaku, Nonresident Senior Fellow - Global Economy and Development, Africa Growth Initiative
Recently, the tensions among Egypt, Sudan, and Ethiopia over the Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile have escalated, particularly after Ethiopia announced that it had started filling the GERD's reservoir, an action contrary to Egypt's mandate that the dam not be filled without a legally binding agreement over the equitable allocation of the Nile's waters. Egypt has also escalated its call to the international community to get involved. Already, the United States has threatened to withhold development aid to Ethiopia if the conflict is not resolved and an agreement reached.

The dispute over the GERD is part of a long-standing feud between Egypt and Sudan-the downstream states-on the one hand, and Ethiopia and the upstream riparians on the other over access to the Nile's waters, which are considered a lifeline for millions of people living in Egypt and Sudan. Despite the intense disagreements, though, Ethiopia continues to move forward with the dam, arguing that the hydroelectric project will significantly improve livelihoods in the region more broadly. [Read Article](#)

Mauritius Oil Spill: Wrecked MV Wakashio Breaks Up

BBC

The MV Wakashio ran aground on a coral reef on 25 July with 4,000 tonnes of the fuel, causing an ecological emergency.



Most of the fuel had already been pumped out, officials said, but on Saturday the ship's condition worsened.

Mauritius is home to world-renowned coral reefs, and popular with tourists. [Read Article](#)

Lukashenko's Claim of Landslide Victory Sparks Widespread Protests

The Guardian - Yan Auseyushkin in Minsk and Andrew Roth in Moscow
Clashes broke out in cities across Belarus on Sunday evening as riot police used rubber bullets, flash grenades, teargas and water cannon to quash protests against the results of the contested presidential election.

Alexander Lukashenko, who has ruled for 26 years, claimed he had won a landslide victory in an election marred by accusations of vote-rigging. The election commission announced on Monday that Lukashenko took 80.23% of the votes while his main opposition challenger Sviatlana Tsikhanouskaya, who has held some of the country's largest political rallies since the days of the Soviet Union, had only 9.9%. [Read Article](#)

East Africa Facing Massive Swarms of Locusts

Harvard Gazette - Juan Siliezar, Staff Writer

A plague of locusts has descended on East Africa, devouring crops, trees, and pasture as they move. The first generation, which emerged at the end of last year, numbered in the hundreds of billions. Left unchecked, locusts multiply by a factor of 20 per generation, according to the UN Food and Agriculture Organization (FAO), meaning that the second generation that took flight in March and April numbered in the trillions.



Now in July, a third generation is set to take off, paving the way for potentially calamitous food shortages in Kenya, Ethiopia, and Somalia. Swarms can cover many square miles (sometimes areas as big as cities), move up to 100 miles a day, and eat their weight daily. Recently swarms have also emerged in India and Pakistan. Dino Martins is an entomologist, evolutionary biologist, and executive director of the Mpala Research Centre in northern Kenya, which is working to sequence the locust genome. Martins '11 is a former doctoral researcher in the Naomi Pierce Lab in Harvard's Department of Organismic and Evolutionary Biology. The Gazette spoke to him about the current situation in East Africa, focusing on his native Kenya, where he currently lives. [Read Article](#)

An Oil Spill in Russia's Arctic Exposes Risks for Moscow's Far North Plans

The Washington Post - Isabelle Khurshudyan, Andrew Freedman

Thawing permafrost in the rapidly warming region leaves Moscow's ambitious Arctic expansion proposals literally on shaky ground. A fuel storage tank ruptured at a Norilsk Nickel power station in the Russian Arctic, spilling 21,000 tons of diesel into a fragile ecosystem of rivers and



**Having trouble finding,
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- Putting 2 people together and hoping for the best is not a training strategy...
- 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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wetlands.

The smell of diesel was so overpowering that it made Vasily Ryabinin dizzy. That meant he was getting close.

As an inspector from Russia's environmental agency, Ryabinin went on his own to the Daldykan River in the Siberian city of Norilsk to see firsthand the aftermath of a major fuel leak at a metals plant.

He was also getting a glimpse of something else: possible warning signs for Russia's plans to aggressively expand its industrial and military footholds across the country's resource-rich Arctic - one of the world's fastest-warming regions. This surge in climate change in interior Russia - more than three times the global average - is throwing new risks in the way of President Vladimir Putin's Far North agenda, among his top domestic initiatives. A key danger is piling more infrastructure atop rapidly thawing permafrost, land that remains frozen year after year. [Read Article](#)

President of Mali Resigns After Soldiers Mutiny
NPR - Bill Chappell



Malian President Ibrahim Boubacar Keita went on state television to announce his resignation after soldiers carried out a mutiny Tuesday. Soldiers reportedly detained Keita after surrounding his residence. Demonstrators had taken to the streets, tired of corruption and of a government that seemed unable to tamp down an Islamist insurgency in the West African country.

In the morning, soldiers took over a huge army base outside the capital, Bamako. By afternoon, local news reported the soldiers had arrested Keita. [Read Article](#)

International Trade News

INTERNATIONAL TRADE DATA

Monthly Wholesale Trade

US Census Bureau

June 2020 sales of merchant wholesalers were \$457.3 billion, up 8.8 percent (+/- 0.9 percent) from last month. End-of-month inventories were \$633.3 billion, down 1.4 percent (+/- 0.2 percent) from last month. June 2020: -1.4 % change in Inventories; May 2020 (r): -1.2 % change in Inventories. [Read Report](#)



Manufacturing and Trade Inventories and Sales

US Census Bureau

Sales

The combined value of distributive trade sales and manufacturers' shipments for June, adjusted for seasonal and trading day differences but not for price changes, was estimated at \$1,394.0 billion, up 8.4 percent (±0.3 percent) from May 2020, but was down 4.3 percent (±0.4 percent) from June 2019.

Inventories

Manufacturers' and trade inventories for June, adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$1,912.1 billion, down 1.1 percent (±0.1 percent) from May 2020 and were down 5.8 percent (±0.4 percent) from June 2019.

Inventories/Sales Ratio

The total business inventories/sales ratio based on seasonally adjusted data at the end of June was 1.37. The June 2019 ratio was 1.39. [Read Report](#)



U.S. International Trade in Goods and Services, June, 2020

US Department of Commerce - Bureau of Economic Analysis



The U.S. monthly international trade deficit decreased in June 2020 according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit decreased from \$54.8 billion in May (revised) to \$50.7 billion in June, as exports increased more than imports. The previously published May deficit was \$54.6 billion. The goods deficit decreased \$4.0 billion in June to \$72.2 billion. The services surplus increased \$0.1 billion in June to \$21.5 billion. [Read Report](#)

International Transactions, First Quarter 2020 and Annual Update

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

development system to you can stay focused on business.

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residents of other countries, accounted for \$0.1 billion, or 0.1 percent, to \$104.2 billion in the first quarter of 2020, according to statistics from the U.S. Bureau of Economic Analysis (BEA). The revised fourth quarter deficit was \$104.3 billion.

The first quarter deficit was 1.9 percent of current dollar gross domestic product, up less than 0.1 percentage point from the fourth quarter. The \$0.1 billion narrowing of the current account deficit in the first quarter mainly reflected a reduced deficit on goods that was largely offset by a reduced surplus on primary income and an expanded deficit on secondary income. [Read Report](#)

U.S. International Investment Position, First Quarter 2020, Year 2019 and Annual Update

US Department of Commerce - Bureau of Economic Analysis



The U.S. net international investment position, the difference between U.S. residents' foreign financial assets and liabilities, was -\$10.99 trillion at the end of the fourth quarter of 2019, according to statistics released by the U.S. Bureau of Economic Analysis (BEA). Assets totaled \$29.32 trillion and liabilities were \$40.31 trillion.

At the end of the third quarter, the net investment position was -\$10.98 trillion. [Read Report](#)

U.S. Data - OECD

Organisation for Economic Co-operation and Development

United States (red), OECD - Average (black) Tax revenue Indicator: 24.3 Total % of GDP 2018 United States % of GDP: Total % of GDP 1999-2018 United States (red), OECD - Average (black) Total % of GDP 2018 United States (red), OECD - Average (black) Tax wedge Indicator: 29.8 Total % of labour cost 2019 United States % of labour cost: [See Data Charts](#)



New Foreign Direct Investment in the United States, 2019

US Department of Commerce - Bureau of Economic Analysis

New Foreign Direct Investment in the United States, 2019. New Investment by Foreign Direct Investors: \$194.7 billion (preliminary) Expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled \$194.7 billion in 2019, down 37.7 percent from \$312.5 billion in 2018. [Read Report](#)



Trade in Services Tables Now Available

US Department of Commerce - Bureau of Economic Analysis

The remaining trade in services tables related to the June 30 release of the U.S. international services have been posted to BEA's interactive data application. The following tables are now posted:

1. Table 2.2 - U.S. Trade in Services, by Type of Service and by Country or Affiliation
2. Table 2.3 - U.S. Trade in Services, by Country or Affiliation and by Type of Service
3. Table 3.2 - U.S. Trade in ICT and Potentially PCT-Enabled Services, by Type of Service and by Affiliation
4. Table 3.3 - U.S. Trade in ICT and Potentially PCT-Enabled Services, by Country or Affiliation. [See Tables](#)



International Trade in Services 2020 - Quarter 1

United Nations Conference on Trade and Development

With the COVID-19 pandemic in Q1-2020, global services trade dropped heavily, by -7.6% year-on-year, measured in current US\$. In seasonally adjusted terms, the quarter-on-quarter decline is estimated at -7.3%. As expected, the hardest hit service sector was travel that slumped by -24.4% year-on-year. Transport dropped by -8.6%. Other services, many of which can be traded remotely, resisted the crisis better and fell by -2% year-on-year. [Read Report](#)



UPDATE: US Reimposes Aluminum Tariffs on Canada

IndustryWeek - Staff

Trading partner said it intends "swift retaliation."



On August 7, Canada announced that it would impose surtaxes against

aluminum imports from the United States, as well as certain aluminum-containing products, in response to the U.S. imposition of tariffs on some Canadian aluminum. The countermeasures, which the government said will represent "a proportionate amount of Canadian aluminum products affected by the U.S. tariffs," will take effect by September 16. They will remain, the government said, until the U.S. eliminates its tariffs against Canadian aluminum. The Canadian government provided a list from which products subject to countermeasures will be drawn. Those selected will be subject to a 10% surtax.

U.S. President Donald Trump said Thursday he would reimpose 10% tariffs on some aluminum from Canada, effective August 16. The tariffs apply to non-alloyed unwrought aluminum from Canada, imports of which increased by 87% during June 2019 through May 2020 compared to the prior 12-month period, according to a White House proclamation.

[Read Article](#)

The "Made in America" Brand is Under Attack

Coalition for a Prosperous America - Greg Owens | Co-Founder & CEO Sherrill Manufacturing/Liberty Tabletop | Co-Chair CPA Buy American Committee



In the face of strong consumer sentiment to buy American, many brands, stores and online platforms are reacting by trying to hijack the brand.

One of the impacts of the COVID-19 pandemic has been a sharp increase in American consumer demand for products that have the Made in USA label on them. As seen below in a Google Trends chart web searches containing the key phrase "made in USA" surged in March of 2020. In addition to this social media was flooded with calls for patriotic citizens to spend their economic stimulus dollars on American made products and not to send the money to China by spending them on imported products. The question "where is it made" was frequently seen in the comments section of online retailer's posts on Facebook. Stores, online platforms such as Amazon and brands have taken notice of this trend and as a result, have reacted.

Some have actually made the decision to re-shore production of their products. A recent example of this is Craftsman that just announced that they will build a factory in the United States to manufacture some of their hand tools. Unfortunately the reaction from others has been less constructive and in many cases in violation of the law. Plain and simple they are trying to deceive customers by making it seem as if their products are American made when they are not. They are using sly online advertising techniques to lure in consumers with false made in America messaging only to lead them to a site with a product that is imported. In the case of our company, our trademarked brand was even used by a major online platform to lure people looking for USA made flatware to a page using our brand information but displaying their own products that were all made in China. We contacted them and they agreed to remove the page and the campaign. [Read Article](#)

How is COVID-19 Affecting US Trade?

Brookings Institute - David Dollar and Anna Newby



As the world's economies contract, how is the coronavirus recession affecting U.S. trade? In a new episode of the Dollar & Sense podcast, Anna Newby and David Dollar discuss which American industries have been hit hardest, how the recession will alter the U.S. trade deficit and the phase one trade deal with China, and the likelihood that U.S. companies begin reshoring their manufacturing and value chains. [Read Transcript and Hear Podcast](#)

Biden's New "Made in America" Trade Views Come to Light

Coalition for a Prosperous America - Kenneth Rapoza, Industry Analyst, CPA



Joe Biden's trade team has the right ideas on China. Here are some standouts we note in his Made in All of America trade policy.

We are pleased to see that Joe Biden has come to grips with the fact that China is a problem for U.S. manufacturing and the U.S. labor force in general. This is what we gathered from his latest proposals on trade and manufacturing in his recently released Plan to Ensure the Future is Made in All of America.

From the plan, we get his view that "manufacturing was the Arsenal of Democracy in World War II, and must be part of the Arsenal of American Prosperity today, helping fuel an economic recovery for working families" post-pandemic. [Read Article](#)

Commerce Dept. Adds Huawei Affiliates to Entity List

IndustryWeek - Staff

The temporary general license for use of Huawei devices expired on Friday.



The Commerce Department took further steps in its long-running feud with Huawei Technologies on August 17 when it announced it would tighten restrictions on the Chinese telecommunications firm. Commerce Secretary Wilbur Ross said the new restrictions were necessary in order to prevent the company and its foreign affiliates from circumventing policies preventing the company from acquiring U.S.-made semiconductors.

The latest restriction adds 38 new Huawei affiliates in 21 countries to the Department's Entity List, which restricts those companies from doing business with countries in the U.S. pending additional certification. According to the Commerce Department, the companies "present a significant risk of acting on Huawei's behalf contrary to the national security or foreign policy interests of the United States" or allow Huawei to avoid its own Entity List restrictions. [Read Article](#)

EU and China Discuss Trade and Economic Relations



European Commission

The European Union and China held today their 8th High-Level Trade and Economic Dialogue (HED). Executive Vice-President Valdis Dombrovskis, accompanied by Commissioner for Trade Phil Hogan, held the meeting via videoconference with Chinese Vice-Premier Liu He accompanied by several Vice-Ministers. The HED focused on the joint response to coronavirus and global economic governance issues, bilateral trade and investment concerns, and cooperation in the area of financial services and taxation, as a follow up to discussions in the EU-China Summit on 22 June. [Read Article](#)

The African Continental Free Trade Area

The World Bank - African Continental Free Trade Area



The African Continental Free Trade Area (AfCFTA) agreement will create the largest free trade area in the world measured by the number of countries participating. The pact connects 1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at US\$3.4 trillion. It has the potential to lift 30 million people out of extreme poverty, but achieving its full potential will depend on putting in place significant policy reforms and trade facilitation measures. [Read Article](#)

A Heightened Focus on Reshoring

Area Development - Brian Gallagher, Vice President, Corporate Development, Graycor Southern



As costs and risks of lengthy supply chains become even more apparent in the wake of the COVID-19 pandemic, more U.S. companies may consider reshoring their operations to the Americas.

The COVID-19 pandemic exposed the risks inherent in the global supply chain, particularly the worldwide reliance on China for medical supplies. The supply chain turbulence experienced during the pandemic undoubtedly will impact future business decisions, extending beyond medicine to other industries, including electronics, aerospace, automobiles, defense, consumer products, and technology.

Incentivizing Reshoring

Manufacturing companies accelerated moving production to low-cost manufacturing countries (known as offshoring) in the early 1990s. In the rush to globalize, key manufacturing sectors were abandoned in the United States. But now that the vulnerabilities of doing so have been exposed, there is talk of "de-globalization," or reshoring. [Read Article](#)

Expanded US Sanctions Against Huawei May Impact its Production of Smartphones, 5G Base Station Chips

Assembly Magazine



WASHINGTON-The U.S. Department of Commerce announced last week that suppliers are prohibited from providing semiconductor products and components manufactured with U.S. equipment and software to Huawei and its subsidiaries. Global market intelligence firm TrendForce says the impact of these sanctions on the company's smartphone and 5G base station manufacturing are not yet fully known.

TrendForce maintains its forecast that Huawei will produce 190 million smartphones in 2020, based on its existing inventory and the assumption

that some components can still be supplied to the company before September 15. However, should Huawei be completely prohibited from obtaining components containing U.S. technology after September 15, the forecast of Huawei smartphone production for 2021 would be downsized to about 30-50 million units. [Read Article](#)

Export Credit Insurance

US Export-Import Bank - Sharyn Koenig, Managing Director of EXIM's Eastern and Western Regions,



Overview

EXIM's Multi-Buyer Credit Insurance is a policy that protects an exporter's accounts receivable and has significant benefits. The protection of a policy equips businesses with the confidence necessary to enter new markets, increase sales in existing ones, and chart a path forward with margins they can depend on. With this security in hand, companies can increase their global competitiveness by offering open account credit terms needed to compete and win sales. In addition, EXIM support empowers exporters to overcome cash flow obstacles by borrowing against their insured receivables. [Learn More](#)

U.S. and European Firms Face \$1 Trillion in Costs to Relocate Their Chinese Supply Chains, BofA Says

Area Development-CNBC - Elliot Smith

KEY POINTS

Even before the pandemic, BofA's survey of global analysts found that companies were shifting away from globalization and towards a more localized approach when it came to their supply chains.

The report revealed that the pandemic had caused 80% of global sectors to face supply chain disruptions, forcing over 75% to widen the scope of their existing re-shoring plans.

Foreign firms looking to move their manufacturing processes outside of China in the wake of coronavirus could face \$1 trillion in costs over five years, according to new Bank of America research. [Read Article](#)

Education and Workforce Development News

Learning Losses Due to COVID-19 Could Add Up to \$10 Trillion

BROOKINGS

Brookings Institute - Joao Pedro Azevedo, Lead

Economist, Global Education Practice - World Bank;

Amer Hasan, Senior Economist, South Asia Region - World Bank; Koen

Geven, Economist, Education Global Practice - World Bank; Diana

Goldemberg, Economist, Education Global Practice - World Bank;

Syedeh Aroob Iqbal, Consultant, Europe and Central Asia Region - World Bank

COVID-19-related school closures are forcing countries even further off track from achieving their learning goals. The students currently in school stand to lose \$10 trillion in labor earnings over their work life. To get a sense of the magnitude, this sum is one-tenth of global GDP, or half of the annual economic output of the United States, or twice the global annual public expenditure on primary and secondary education.

Temporary closures in more than 180 countries have kept nearly 1.6 billion students out of school, further complicating global efforts to reduce learning poverty. While most countries have made heroic efforts at putting in place remote and remedial learning strategies, learning losses are accumulating rapidly. A recent survey from UNICEF-UNESCO-World Bank on national education responses to COVID-19 school closures shows that while the response across countries and regions varies, it has been difficult to reach even half of all students (Figure 1). Despite vigorous initiatives in Bangladesh, for example, take-up of remote learning is only in the single digits. [Read Article](#)

Low-income Households Falling Further Behind on Student Debt Due to COVID-19

BROOKINGS

Brookings Institute - Jason Jabbari, Data Analyst III -

Social Policy Institute at Washington University in St. Louis; Olga

Kondratjeva, Postdoctoral Research Associate - Social Policy Institute at

Washington University in St. Louis; Mathieu Despard, Faculty Director -

Social Policy Institute at Washington University in St. Louis; Michal

Grinstein-Weiss, Nonresident Senior Fellow - Global Economy and Development

On January 20, 2020, the United States reported its first confirmed case of COVID-19. By March 13, New York City had declared a state of emergency.

To better understand the influence of COVID-19 on American household

finances, the Social Policy Institute at Washington University in St. Louis conducted a nationally representative survey with approximately 5,500 respondents in all 50 states from April 27 to May 12, 2020. Here, we explore the influence that the COVID-19 pandemic has had on student debt, demonstrating the inequities that have let low-income households fall further behind and what this means for these households' financial outlook.

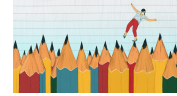
Specifically, we demonstrate (a) how adverse financial circumstances are related to households falling behind on student debt payments; (b) how higher-income households might use relief payments to keep from falling behind on debt payments; and (c) how falling behind on debt payments is related to lower levels of financial well-being (FWB).

Within our sample, roughly one-fourth of households (24 percent) had student loans with an average balance of \$30,118 (median amount = \$14,750). Of 1,264 households with student loans, roughly one-fourth (23 percent) reported being behind on their student loan payments, and over half of these households (58 percent) reported that they were behind on their student loan payments as a result of COVID-19. [Read Article](#)

Most Teachers Concerned About In-Person School; 2 In 3 Want To Start The Year Online

NPR Morning Edition - Anya Kamenetz, Laura Isensee

As the school year starts in many districts across the country, a new national poll of teachers from NPR/Ipsos finds overwhelming trepidation about returning to the physical classroom.



Eighty-two percent of K-12 teachers say they are concerned about returning to in-person teaching this fall, and two-thirds prefer to teach primarily remotely. On the latter point, teachers are aligned with parents and the general public: Another recent NPR/Ipsos poll found two-thirds of respondents thought schools in their area should be primarily remote, including 62% of parents of children under 18. [Read Article](#)

At Height of the 1918 Pandemic, NYC and Chicago Schools Stayed Open. Here's Why

History.Com - Sarah Pruitt

Amid fierce controversy, public health officials in both cities decided children would be better off in classrooms.



In the fall of 1918, as the deadly second wave of the influenza pandemic known as the "Spanish flu" swept across the nation, schools in cities around the United States closed in order to limit contagion.

But in the nation's two largest urban centers, New York and Chicago, public schools remained open—even during October 1918, the flu's deadliest month, when some 195,000 Americans died. Health officials in both cities placed their bets on newly robust school hygiene and medical inspection programs, which reformers of the Progressive Era had put in place over the decades before the flu hit.

Public Schools as Critical Safe Havens

In the late 19th century, public school enrollment in the United States exploded, with total enrollment increasing by 44 percent in the 1870s alone. Enrollment continued to grow over the next few decades, largely driven by the increase in the nation's total population. By 1918, more American children were attending public schools than ever before. [Read Article](#)

Training and Organizational Development News

Bad Managers Are Causing Unnecessary Stress, Says New Survey

IndustryWeek - Staff

In a SHRM report, 84% of employees say that poorly trained managers are creating problems.



The Society for Human Resource Management (SHRM) asked U.S. workers how ill-or well-equipped-their supervisor was to manage people. They also asked about the most important skills managers should develop, and how a better manager could improve their own performance as an individual contributor.

"There is no relationship in the workplace more powerful than the one between people managers and employees," said SHRM CEO Johnny C.

Taylor, Jr. in a statement. "As working Americans challenge organizations to manage and lead differently, those that don't will find themselves left behind."

Here are some key findings from the survey: [Read Article](#)

We Are at a Leadership Reset Point

IndustryWeek - Vince DiBianca, Mark de L. Thompson
Successfully shaping a shared future relies on applying three integrated next-level leadership tools



Most everyone feels that we live in an upside-down, unpredictable world that's spinning rapidly out of control. In the face of intense threats to our health, environment and economies, there is divisiveness, inequality, and injustice. Public trust-both in the leaders of our guiding institutions and in our social, geopolitical and economic ecosystems-is seriously faltering. Emotions range from anger and passion to cynicism and resignation.

To say leading in this reality is challenging would be an understatement. And yet, it may be the most consequential opportunity you ever get to make a positive difference on a large scale. [Read Article](#)

A Leadership Skill That's Rarely Taught, But Sorely Needed

IndustryWeek

Too many people at the top don't respond mindfully to ideas and feedback, and it damages their culture.



How you and leaders at every level respond to ideas and feedback will either build momentum or crush your culture before it gets started. We call this behavior Respond with Regard. Responding with regard means you receive ideas and react in ways that respect the other person, build momentum, improve your employees' strategic thinking, and generate more useful ideas.

In our experience, this skill is one of the most underappreciated and rarely taught in most leadership and management training. Unfortunately, that lack of training results in three common leadership failures. [Read Article](#)

The Unnecessary Crisis in the American Workforce

IndustryWeek - Ken Rusk

Somehow the notion that a four-year college is for everyone has entered the national zeitgeist, but it's just not true.



For several decades, the supply of skilled blue-collar workers has been shrinking, while demand rises. According to the U.S. Department of Labor, as of July 2017, a record 6.8 million jobs that require skilled laborers were left unfilled. Many of them are manufacturing jobs. The National Association of Manufacturers reports that a skills gap has caused about a half-million manufacturing jobs to remain open, and consulting company Deloitte predicts that by the end of this decade, as many as 2.4 million manufacturing jobs may go unfilled, putting \$454 billion in production at risk.

While these numbers were reported before the coronavirus hit and unemployment has jumped to record levels in virtually all industries, scientists and economists agree that our economy will recover. When it does, for a successful reboot, we're going to need skilled blue-collar and manufacturing workers more than ever. [Read Article](#)

Access Proactive Technologies' Recent Proactive Technologies News Article



Quicklinks (this newsletter's left panel) on information on structured worker development, achieving worker full job mastery, quality and safety policy compliance support and many other contemporary worker development and management topics.

Quality News

FAA Proposes Fining Boeing \$1.25 Million for Pressuring Inspectors

IndustryWeek - Staff

The fines are for allegedly pressuring FAA-designated inspectors at the company's South Carolina plant.



On August 5, the Federal Aviation Administration proposed fining Boeing

Co. \$1.25 million in civil penalties for pressuring workers in charge of safety oversight work. According to a letter from the FAA, managers of the Chicago-based aviation company "exerted undue pressure or interfered with the work of FAA designees at the company's plant in South Carolina."

The fines come in an uneasy new period for both the FAA and Boeing, as the Boeing 737 MAX debacle saw the close relationship between the two groups undergo intense scrutiny. On June 17, FAA chief Steve Dicks admitted to the Senate's Committee on Commerce, Science, and Transportation that his agency had "made mistakes" in its oversight of the largest domestic aviation company. "The manufacturer made mistakes and the FAA made mistakes in its oversight," Dickson said at the time. The penalties proposed by the FAA come in two parts. [Read Article](#)

Hidden Waviness: When Measuring Roughness Cannot Solve Quality Challenges

Quality Magazine - Mike Zecchino, Mark Malburg, and Donald K. Cohen Ph.D.



Roughness and waviness are dictated by each particular application.

Specifications for surface texture frequently focus on surface "roughness"-the finer structures in the texture-often to the exclusion of the "waviness"-the larger structure of the texture. Unfortunately, problems related to sealing, vibration, noise, wear, etc., are regularly caused by issues hidden in the waviness domain, which cannot be captured by common roughness specifications.

Roughness vs. Waviness

The distinction between roughness and waviness helps us understand the makeup of a surface's texture and how that texture will affect the surface's performance.

We define roughness and waviness by specifying ranges of "spatial wavelengths" within the texture. Spatial wavelengths are lateral spacings along the surface, rather than heights; shorter spatial wavelengths are typically described as roughness, while longer wavelengths may be considered waviness (with very long wavelengths being considered "form"). [Read Article](#)

In-Process Gaging: Past, Present, and Future

Quality Magazine - Mike Kessler and Jeremy P. Banks
In the near future, most operations will be measured in-process and compensated automatically



Manufacturers typically use two different techniques to assess part conformance and process control: either in-process gaging or final inspection. In-process gaging is measuring the part while it is still in the process of being manufactured and using that data to, sometimes, adjust the process, other times for part conformance. Final inspection, on the other hand, requires measuring a finished part after all of the manufacturing processes have been completed. The part is taken to an inspection station, or quality control lab, and measured on a variety of equipment, from calipers to coordinate measuring machines. The accuracy, repeatability and speed of inspection has improved over the years, but final inspection still has a few drawbacks.

One problem with only measuring finished parts is that the determination of conformance of the parts between the machine and the lab is unknown. Some manufacturers continue to add cost to the parts not knowing if the already performed operations were within specification. [Read Article](#)

Nadcap Nondestructive Testing Special Process Audits: A Perspective

Quality Magazine - Linda Beene and Mark Aubele

Numerous members of the aerospace industry are involved and provide input.

In aerospace as in many other industries, nondestructive testing (NDT) is the final quality assessment, the final check of a part before it enters into service. Without a quality process and excellent technicians working diligently with a lot of integrity, the parts may just not be of the highest quality and fit for the job.

Enter here one way to ensure a quality inspection process is obtained and maintained: the Nadcap industry-managed NDT audit for aerospace. The Nadcap NDT audit is different than any other NDT audit; to begin with, because it is much more in-depth and looks at every part of the process including qualification/certification, process controls, calibration of

equipment, system performance and actual testing of hardware. But that is a bit of a simplification, as to get to an audit many things have happened.

[Read Article](#)

The Mechanical Properties of Plastics

Quality Magazine - Kayla Thackeray

Mechanical properties describe the material's reaction to an applied force, such as tension, compression, and impact.



Products and packaging undergo continual revision and improvement, with most companies constantly striving to use less material, simplify their manufacturing processes, and make their products more user friendly. An increasing number of organizations are also prioritizing environmental concerns, with plans in place to make their products and product lines recyclable. Since there are many types of recyclable plastics now available, it seems like using them as replacements for non-recyclable materials should be simple. Substituting one material for another, however, is often more complex than it seems.

Changing the material that a product is made out of may require a completely new manufacturing process or lead to the product not performing as expected. In one notable case, it took a toothpaste tube manufacturer five years to find the right design to replace their non-recyclable predecessor. High-density polyethylene (HDPE) is a great choice for a recyclable plastic, but is also rigid enough that using it for a toothpaste tube makes the tube difficult to squeeze. In order to solve this problem, the product designers needed to fully understand the properties of the different grades of HDPE in order to find the right combination that could effectively substitute for the non-recyclable material. [Read Article](#)

Cyber Security and IT News

Apple iPhone Slowdown Settlement

The Computer Warriors

Settlement

Back in 2017, it came out that Apple intentionally slowed down older iPhone models. The practice led to a class-action lawsuit. The result was a \$500 million settlement. If your iPhone was slowed down, you could be eligible for a \$25 settlement.

Am I Eligible?

To check your eligibility, check out the official settlement website. Eligible parties include: You may be entitled to settlement benefits if you are (1) a United States owner of an iPhone 6, 6 Plus, 6s, 6s Plus, 7, 7 Plus, and/or SE device (2) that ran iOS 10.2.1 or later or, in the case of iPhone 7 and 7 Plus devices, that ran iOS 11.2 or later before December 21, 2017, and (3) you experienced diminished performance on your device(s). [Read Blog and Access Links](#)



Time to Tame the Ripple Effect

IndustryWeek - Peter Fretty

Researcher collaboration deliver needed security signatures - the industry's first comprehensive detection logic for critical vulnerabilities.



Security is a necessary evil constantly presenting manufacturers with new challenges. And, since JSOF discovered and disclosed the 19 zero day vulnerabilities known as Ripple20, security organizations have been diligently looking for ways to adequately protect connected environments. After all, vulnerabilities of this nature could create costly holes enabling unsavory characters access to data not only within IT networks, but also operational technology and remote access tools common within the pandemic-induced new normal.

The recently announced research collaboration between McAfee Advanced Threat Research (ATR) and JSOF is a prime example. Through this research collaboration, McAfee ATR has produced signatures and the industry's first comprehensive detection logic, designed for network administrators and security personnel looking to further understand these vulnerabilities and defend against exploitation. [Read Article](#)

COVID-19 Spotlights Wedge Between Digital Haves and Have Nots

IndustryWeek - Peter Fretty

Updated State of Digital Transformation report sheds light on difference between digital leaders and laggards.



The pandemic has understandably created an interesting environment for

manufacturers. An environment where business as usual has given way to the new normal with remote capabilities and a host of other digital technologies quickly climbing the ladder of significance.

According to TEKSystem's updated State of Digital Transformation companies across the board have made organizational and cultural shifts. For instance, at least throughout the remainder of 2020, eight out of 10 organizations expect fifty percent or more of their workforce to be remote. As such, technologies including instant messaging (94%), video conferencing (74%) and file-sharing (56%) have each seen noticeable bumps in usage.

[Read Article](#)

43 Essential Microsoft Outlook Keyboard Shortcuts That You Can Use to Work More Efficiently

MSN Business Insider - Dave Johnson

Outlook keyboard shortcuts to make your workflow more efficient. There are dozens of Microsoft Outlook keyboard shortcuts you can use to work faster and more efficiently on the email platform.



Keyboard shortcuts let you perform common tasks without taking your hands off the keyboard. Here are the 43 most useful and productive keyboard shortcuts for Outlook. [Read Article](#)

Is it Internet of Things or Internet of Threats?

IndustryWeek - Peter Fretty

New vulnerability puts significant number of IoT devices at risk.



Researchers found a significant security flaw in a series of IoT connectivity chips could leave billions of industrial, commercial and medical devices open to attackers. The flaw affects Cinterion EHS8 M2M modules built to create secure communication channels for industrial IoT machines that operate in factories, the energy sector and medical roles.

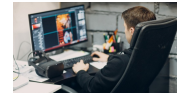
"This vulnerability highlights the risk of using legacy IoT communications devices that weren't designed to be secure from the ground up. Modern security architectures incorporate properties such as compartmentalization, which are hardware-enforced boundaries that prevent a flaw in one software component from giving adversaries access to other parts of the system - such as where certificates are stored," says Phil Neray, vice president of IoT and industrial cybersecurity for CyberX, a Microsoft company tells IndustryWeek. [Read Article](#)

Human Resource Management News

Workforce Will Look a Lot Different After COVID Fallout, Say CEOs

IndustryWeek - Staff

Both the makeup and structure of the workforce has dramatically changed as companies figure out how to operate in a world affected by COVID-19. While some changes are temporary, others look to be permanent.



In a new survey conducted by the Conference Board of 1,300 CEOs and C-Suite executives, the consensus is that companies will be using more contract and gig workers and fewer permanent staff.

Additionally, more flexible hours will part of a company's strategy to adapt to new working arrangements. Remote working will continue and, in many cases, become permanent. [Read Article](#)

U.S. Department of Labor and U.S. Department of Homeland Security Enter Into a Memorandum of Agreement

U.S. Department of Labor

WASHINGTON, DC - The U.S. Department of Labor today announced it has entered into a Memorandum of Agreement (MOA) with the U.S. Department of Homeland Security, acting through the U.S. Citizenship and Immigration Services (USCIS). Under this MOA, the Departments will provide access and share information about immigrant and nonimmigrant petition records and data contained within the Office of Foreign Labor Certification's labor certification and labor condition application databases.



Most critically, the MOA establishes processes by which USCIS will refer suspected employer violations within the H-1B program to the Department of Labor that USCIS identifies in the course of adjudicating petitions - a

source of information never previously accessed by the Department for enforcement purposes - and conducting administrative and targeted site visits. The enhanced collaboration and sources of information will be used by Department of Labor in support of Secretary-certified investigations.

The Secretary's power to personally initiate investigations of potential violations is a unique authority under the Immigration and Nationality Act that allows for more robust examinations of employers' use of H-1B workers than are ordinarily undertaken. [Read Article](#)

83% of Execs Agree Multigenerational Workforce Key to Growth

IndustryWeek - Staff

New global AARP study finds companies purposefully design mixed-aged teams to leverage the advantages of both age groups.



In many companies, there are a number of generations working side-by-side.

AARP wondered how everyone was getting along, so they surveyed 6,000 employers in 36 countries from fall 2019 until the spring of 2020. And it turns out things are not only going well, but executives realize the importance of this harmony. The new survey, released on August 5, found that 83% of global business leaders recognize that multigenerational workforces are key to the growth and long-term success of their companies. [Read Article](#)

Successfully Returning to the Workplace Post-COVID

Area Development - Phillip M. Perry, Staff Editor

Before employers bring personnel back into the workplace, they need to ensure their safety and accommodate those with special needs, while adhering to employment laws.

With the easing of restrictions surrounding the Covid-19 outbreak, organizations are starting to bring employees back into the workplace. A successful re-entry program will ensure the safety of company personnel and the public, obviate charges of discrimination and invasion of privacy, and avoid actions that inadvertently violate federal, state, and local employment laws. Employers should set a positive tone to motivate their personnel in a difficult environment.

Unexpected Benefits

For the Kentucky Cabinet for Economic Development, working from home has brought an unexpected benefit: more efficient work procedures. "Our staff, partners, and clients have adapted well to working remotely," says Jack Mazurak, the Cabinet's communications director. "The pace of progress has even increased in some cases, especially for projects that might have otherwise seen multiple in-person site and community visits." Video conferences, telephone and e-mail correspondence - common forms of online business interactions - have in many cases proven more efficient than time-consuming personal meetings for the 85 percent of the Cabinet's workforce that has worked remotely. [Read Article](#)

Environmental, Health & Safety News

At Least 97,000 Children Tested Positive for Coronavirus in Last 2 Weeks of July

NPR Morning Edition - Cory Turner

At least 97,000 children tested positive for the coronavirus in the last two weeks of July.



At least 97,000 children tested positive for the coronavirus during the last two weeks of July, according to a new review of state-level data by the American Academy of Pediatrics and Children's Hospital Association. The increase represents a 40% surge in the nation's cumulative total of child cases.

"I think it's showing that, yes, kids can get infected and can spread the infection," said Dr. Sean O'Leary, a pediatric infectious disease specialist at Children's Hospital Colorado and vice chair of the Committee on Infectious Diseases for the American Academy of Pediatrics. [Read Article](#)

5 Signs You're Building a Culture of Safety -- for a Pandemic and Beyond

IndustryWeek - Chuck Pettinger

Positive short-term actions and changes in safety processes, can, over time, make a difference.



"Workplace safety" has become a buzz-phrase in 2020, as the pandemic has made safety concerns related to the spread of COVID-19 a top priority for most business leaders.

Advocating for all aspects of workplace safety - from maintaining public health to changing practices and processes to predicting injuries, near-misses, property damage, and other leadership issues - is what I do for a living. My title is process change leader, and for more than two decades, I've worked with global organizations in manufacturing, oil and gas, and other industries to help build a culture of safety at their place of business. Safety is all about people, and building a culture of safety is about instilling behaviors that become the norm. [Read Article](#)

Refocusing Attention on Safety: A Call to Action

EHS Today - Alfonsius Ariawan

The attention demanded by the pandemic has accelerated other safety risks that have always been present.



In May, an explosion at a chemical plant in Porto Marghera, near Venice, Italy, sent clouds of black smoke and flames into the immediate area, injuring two workers and prompting authorities to order residents to shelter in place. Earlier in the month, styrene leaked from a storage tank in Visakhapatnam, India, when workers were restarting operations after shutting down for COVID-19, causing 11 deaths and forcing hundreds in the surrounding area to be hospitalized. The following month saw a fire erupt at a plant in the U.K., and though it resulted in no injuries to workers, the facility had to shut down for five days.

These are just a few examples of safety incidents that have occurred around the world in the past few months. [Read Article](#)

COVID-19 Update: August 21

IndustryWeek - Ryan Secard

The Viral Impact on Digital Transformation; 85% of Employers Want Safety Notifications; Building a Testing Trailer

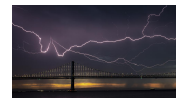
More than twenty weeks since unemployment benefit claims shot to more than 6.6 million, the coronavirus pandemic continues to roil the jobs market. The latest numbers available from the Bureau of Labor Statistics indicate that 1,106,000 people filed for initial unemployment benefits for the week of August 15, an increase of 135,000 claimants compared to adjusted figures for the week before. Two weeks ago, when 963,000 people applied for unemployment benefits, it was the first time since March the figure had dipped below 1 million.

Despite that, manufacturing has managed to hold on to a fledgling growth pattern. Surveys released by two regional federal reserve banks show manufacturing continuing to recover in August, albeit at a slower rate than in June and July. [Read Article](#)

California Sees 10,849 Lightning Strikes In 72 Hours As Wildfires Rage

Forbes - Rachel Sandler

California saw 10,849 lightning strikes in the last 72 hours, Gov. Gavin Newsom said Wednesday, sparking wildfires across the state that add to the state's cadre of extreme weather-related problems this week.



KEY FACTS

Meteorologists say the rare lightning storm was caused by a combination of excessive moisture from a tropical storm off the California coast and extreme heat, causing atmospheric instability.

Lightning strikes have sparked 376 known fires across the state, 23 of which are major blazes, prompting evacuation orders in parts of Northern and Central California. [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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