# America At Work

Anna Wells, Executive Editor, IMPO

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Few companies can boast a history that prominently includes technology like the incandescent light bulb and America's first central power station, or names like Thomas Edison for that matter. But if you're GE, you're probably used to the legacy and the associated expectation of leadership that comes with being a high profile company. You bring a lot to the table after a century plus of manufacturing, after all.

Fast forward to 2012, when the 1920s version of a small tech start-up has burgeoned into a mammoth, multinational conglomerate with business units in Energy, Technology Infrastructure, GE Capital, and Home & Business Solutions. In 2011, Fortune ranked GE as the 6th largest firm in the U.S. — a long way forward after 130 years in business.

Yet after all the innovation, growth, expansion, and development over time, there is a special place in GE's heart, it seems, for the refrigerator. As the innovator behind the first refrigerator to see widespread use throughout the U.S. (the "Monitor-Top," introduced in 1927), GE has taken basic spoilage prevention to a new level. Dubbed by ABC News as "a fridge for waterholics," the new GE Profile French Door bottom freezer refrigerator includes top-of-the-line features like an "advanced" filtration system — which claims to remove 98 percent of five trace pharmaceuticals from water and ice — hands-free autofill, and a hot water dispenser. To boot, this refrigerator is produced at a leading-edge, Lean, technologically advanced facility. And guess what: it's not in China.

You see, the real story behind this refrigerator is not just about technology. More importantly, it's about jobs and a promise Jeffrey Immelt, chairman and CEO of GE, made regarding the company's effort to focus on what's working in America.

### Appliance Park

The French Door Refrigerator Plant is one of several manufacturing facilities in the sprawling "Appliance Park" in Louisville, KY — a compound with the kind of square footage that warrants stoplights in its employee parking lots and, no kidding, it's own ZIP code. Appliance Park, a fixture in Louisville since 1953, is nestled in the middle of the Bluegrass region, a midpoint between GE's Southern appliance factories including ones in Bloomington, IN, LaFayette, GA, Decatur, AL, and Selmer, TN.

When Immelt announced the company's U.S. job creation initiative in 2009, he

committed to an investment on behalf of GE's appliance business of $1 billion in U.S. manufacturing, as well as subsequent job creation of 1,300 by 2014. Part of this would be fulfilled by transforming two plants in GE’s Appliance Park, one for production of the GE GeoSpring Hybrid Water Heater, and the other for the French Door Refrigerators. For Appliance Park, this was “a huge undertaking,” says Chip Blankenship, President & CEO of GE Appliances — especially when it meant tearing out an old factory first.

“We were performing demolition and construction activities in parallel for a quite a while,” he says. “Nothing you see here today was here three months ago, except for the floor, the walls, and the ceiling – and even they don’t look the same.”

According to Blankenship, the French Door Refrigerator Plant in Appliance Park was subject to a complete transformation:

8,500 tons of steel were ripped out and recycled from the building.

Over 200 contractors were working side by side in the building at one time. “The vast majority of these people were from our community,” says Blankenship.

Purchases included 300 major equipment stations, 500 new tools for them, 42,000 gallons of paint, and 10,000 gallons of floor coating.

In addition, “We airlifted an 80 foot long, 80 ton case fabrication machine on The Antonov — the largest cargo plane in the world. We had it up and running in less than a week,” he says.

At the grand opening of the facility on March 20th in Louisville, Blankenship touted these benefits to an audience of GE employees donning “America at Work” logos and brandishing miniature American flags. Joined by dignitaries such as Steve Beshear, Governor of the Commonwealth of Kentucky, Blankenship proudly told the audience that the milestone was “proof that when businesses, unions, and employees work together, we can deliver innovative solutions to the marketplace and demonstrate that U.S.-based manufacturing can be competitive.”

**An Investment in America**

It wasn’t just appliance production that was on the receiving end of GE’s investment. Most recently, GE announced that it had filled most of the 1,100 positions targeted for the continued development of its Advanced Manufacturing and Software Technology Center in Van Buren Township, MI. The 200,000 square foot facility is GE’s largest single-site IT operation and it is primarily used for technology development relating to efficiency in GE wind turbines, jet engines, and appliances.

GE also recently commissioned, with the help of consulting firm Tripp Umbach, a study highlighting the economic impact the company has had on the Erie region of Pennsylvania — as well as the state as a whole. According to the report, GE Transportation’s operations have a total economic impact of more than $2.7 billion

on Erie County and of $4.6 billion on all of Pennsylvania. GE Transportation has hired approximately 1,000 production workers in Erie since late 2010. The average wages among comparable manufacturing companies in the Erie region have been reported
as about half of GE's wages
in Erie.

Similar reports have been developed about the suggested impact of GE's presence on Kentucky — quantifying GE's contribution to the state, directly and indirectly, at around $1.6 billion.

Still, this economic development has not been without controversy. The jobs initiative was announced after public outcry over some of GE's rapid outsourcing of production overseas — most notably to China. In fact, a recent exchange between Alliance for American Manufacturing (AAM) Executive Director Scott Paul and the company quibbled over the point of whether GE, in its recent American job development publicity campaign, was placing enough emphasis on its own track record for outsourcing. "I'm happy GE is investing in Louisville," Scott said, "but it should acknowledge its layoffs, as well." GE responded by touting the fact that it now has more than 200 U.S. manufacturing facilities, compared to 83 in 1995 and 150 in 2000.

Despite which side of the fence you're on, it's also important to consider not just why GE is doing this — who could blame anyone for a good faith PR campaign built around American jobs — but how it's been able to develop the kind of factories that it anticipates will remain cost competitive compared to the low labor rates overseas. Part of this, at least in the case of Appliance Park, has to do with the Lean methodology that's been interwoven into the factory and its production SOP. The company says it has saved $25 million in investment dollars by using Lean philosophies and practices, reduced line size by 50 percent, and reduced wiring by 50 percent. Design for manufacturability also influenced the new plant, and GE's engineering team was able to eliminate 100 parts on an average model coming out of the refrigerator plant. Ultimately, says Immelt, "These products that we design have to be made in GE factories. We have to be… dedicated to the quality, the productivity, the craftsmanship, and the pride that go into each one of these products. Our dedication to making great products has to be balanced with investing in facilities, like this one, that can stay competitive throughout the ages."

Adds President & CEO of GE Home & Business, Charlene Begley, "(Immelt) has been a driving force behind this billion dollar investment. In March, he published in The Harvard Business Review a story about how, with human innovation, we can reestablish the appliance business. And in this business, through creating in-house innovation capabilities, combined with Lean manufacturing and new labor models, we can compete and win against anyone in the world."

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