

Competitive Edge

Anna Wells, Executive Editor, IMPO

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How manufacturers are fighting back against the global pressures that are taking much-needed American jobs



Manufacturing in America isn't as simple as just setting up shop and producing a product. Nowadays, a globally networking economy means competition has taken on more nuance: labor rates are eroded by low cost countries, which results in lower cost imported goods and an ever-sloping playing field. In addition, manufacturers must face newer, more aggressive problems like intellectual property theft — a dog that bites twice as it both steals the profits from the innovators themselves, and ultimately takes away their incentive to focus on new product development, resulting in organizational stagnation. And if that weren't enough, the manufacturing labor force is facing a skill gap that could place additional burdens on those making investments in new technology — meaning the right equipment is simply expensive furniture if there is no skilled staff to operate and maintain it.

It's critical that America's competitive edge be viewed as a Rubik's Cube of sorts. Luckily, ideas spearheaded by government, associations, businesses – and even concerned citizens at a grassroots level – are taking steps to target each and every area that needs addressing, before more time, money, and value seep into the tide and across the ocean.

Fight Unfair Competition

In late February, a coalition of more than 100 U.S. companies and associations

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announced the formation of The National Association for Jobs and Innovation (NAJI), a non-partisan organization designed to increase awareness around intellectual property (IP) and information technology (IT) theft and how it's used by companies around the world to compete unfairly — resulting in lost jobs, lost revenue, and stunted innovation.

NAJI represents the apparel, manufacturing, and technology industries and is comprised of organizations like AIMS 360, Marlin Steel, Microsoft, and the National Association of Manufacturers (NAM).

According to BSA data cited by NAJI, more than \$63 billion worth of software was stolen last year globally. To boot, a global piracy reduction by ten percent in four years would result in more than \$37 billion in added U.S. GDP, \$6.2 billion in U.S. tax revenue, and 25,000 new U.S. jobs. "Microsoft has long recognized that pirated IT undermines innovation and puts law-abiding businesses at a disadvantage when competing with companies that take the shortcut of stealing intellectual property," says Microsoft spokesman Mark Lamb.

And when it comes to IP theft outside of strictly IT, manufacturers find themselves playing the regular role of the victim: "This crime hits especially hard at American manufacturing. Most manufacturers are small to mid-size shops that can't weather the wholesale rip-off of their intellectual property. Additionally, this type of theft undercuts the very technological advantage that businesses like mine have over competitors that steal technology," says Drew Greenblatt, president and owner of Marlin Steel Wire Products in Maryland. "I'm proud to be a member of NAJI, working to help solve this critical problem and to rightfully protect American job creation and competitiveness."

Specifically, NAJI's efforts will focus on awareness campaigns around "the economic crisis and critical legal and policy issues generated by IT theft," explains Andrew Popper, professor of law at American University. "Something is very wrong when our legal system tolerates, without consequences, outright theft of IT by manufacturers. The resulting uneven playing field dilutes incentives for creativity and innovation, and puts companies who follow the rule of law at a distinct disadvantage."

AMERICA Works

Additionally, improving American manufacturing's ability to compete has come in the form of other efforts. Three U.S. Senators, represented by both Republicans and Democrats, introduced an important workforce training bill in March of this year — the AMERICA Works Act. The legislation was developed to help address the severe skill gap facing U.S. manufacturers, in helping support manufacturers' strategies to grow a qualified workforce by using industry-recognized certifications, representing industry's standards for education, training, and employment. Industry leaders across the manufacturing economy have endorsed a set of "stackable" credentials verifying the basic skills necessary for individuals to succeed in virtually all entry-level jobs in manufacturing. The bill prioritizes these certifications within existing federal training systems, using existing funding.

The bill received praise from the Manufacturing Institute – an affiliate of NAM – whose president, Jennifer McNelly, said her organization was “very excited to support this important piece of legislation.”

Added McNelly, “As the manufacturing environment rapidly advances, the skills and competencies of the workforce must keep pace. Industry-certified certifications, such as those in the NAM-endorsed Manufacturing Skills Certification System, help individuals access the skills and competencies they need for manufacturing jobs today. Certifications also help employers know that an individual’s capacities are up to industry standards, making it easier for them to hire and promote their workforce.”

Going Grassroots

At a grassroots level, organizations like The Made in America Movement push consumers to buy American-made products. Recently, a site launched that took that strategy to the industrial consumer — providing a B2B forum highlighting American-made goods. American Made MRO (www.AmericanMadeMRO.com [2]) is an online direct buying site which supports American-made products and their manufacturers.

American Made MRO was created by Bob Purvis of Purvis Industries and Don Chargin, formerly of King Bearing Inc., and most recently Royal Supply. The two are industry veterans in industrial distribution and have supported American-made, tier one, quality suppliers throughout their careers. Purvis and Chargin have worked together for eight years and have a passion for maintaining the independent distribution channel. They continue with this today and their most recent venture supports their philosophy of best in class, value added, tier one quality suppliers.

Other support comes through incentivizing innovation: Grow America™ is devoted to growing companies, creating jobs, and stimulating the economy by helping to ignite the dreams and fuel the ambitions of real entrepreneurs with real ideas. According to its website, it is one part educational learning and insights and one part hands-on tools and training. Innovation is partly driven through competitions where entrepreneurs can battle it out for funding. “Whether your business is at the raw idea stage or is an existing business looking to grow into an industry titan, Grow America is working to offer you a customized educational pathway that can help you think critically about your business and help you apply what you learn to grow effectively.

“The Grow America Experience is not just for tech start-ups. We are passionate about technology innovation but equally passionate about any entrepreneur, in any category, any market, ready to take on the challenges of entrepreneurship but who may lack the insights and resources to succeed,” says the Grow American website.

Competitions each have eligibility requirements (in April, the focus was women-owned businesses, for example), and each entry will present a product idea and face voting from a selected panel of entrepreneurs, as well as from the public. Winners receive cash and prizes designed to help take the idea to fruition. For more

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information, visit www.growam.com [3].

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