

# Road To Redemption

Mike Schmidt, Associate Editor, Manufacturing Business Technology

**It's heartening to see the Motor City and the state of Michigan benefit from the auto industry's comeback and be part of the manufacturing rebound that has taken shape in the U.S. during the past couple of years.**

I must admit I'm a bit of a sucker for redemption tales.

The formula is pretty predictable, but I find myself drawn to storylines that feature the following:

- A spectacular fall from grace or position of dominance
- A cringe-inducing rough patch or rock bottom period
- A moment of clarity, change in perspective, or alteration of strategy
- The inevitable road to redemption or return to prominence

I've discovered the majority of the aforementioned variables in the ongoing saga of the U.S. auto industry. It has been three years since its near-collapse almost wiped out the "Detroit Three" and decimated the Michigan economy in the process. The fall was shocking and momentous, and the depths to which automakers sunk ~~is~~ still amazes me to this day.

In May of 2011, the city of Detroit's unemployment rate stood at an astounding 20 percent following years of layoffs by the "Detroit Three" and other manufacturers. But once upon a time, the situation was even more dire. In July of 2007, more than 36,000 Michigan workers were laid off in that one month alone. Furthermore, from 2007 to 2010, the number of workers at the "Detroit Three" in the city alone dropped by more than 30,000. So it came as no surprise that, at the time, media pundits wondered aloud whether the industry would ever recover.

Well, it appears things are on the mend. According to a recent *Associated Press* article, year-over-year auto sales rose 11.5 percent from February 2011-February 2012 and automakers have announced plans to add another 13,000 jobs this year. Furthermore, if sales hit 15 million by 2015, as some experts predict, the three Detroit automakers could hire another 20,000 people, predicts Sean McAlinden, chief economist for the Center for Automotive Research in Ann Arbor, Mich.

At this point, it's too early to tell if auto industry executives have experienced the proverbial moment of clarity that will allow for a sustained return to prominence. Will they understand the need to keep costs down? Will they be able to work closely with the auto unions to ensure long-lasting growth and prosperity for both sides? That remains to be seen. However, at the very least, it appears like they are putting their past mistakes behind them and moving forward (albeit slowly).

## Road To Redemption

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

And so I've found myself rooting for the revival of the auto industry, mostly because the Detroit-area economy relies so heavily on its success. While I recognize the automakers are partially to blame for their past struggles and both Ford and GM accepted significant government bailout funds, automakers did have to deal with many of the same challenges as other U.S. companies in the months and years following the economic collapse of 2007 (cost control, supply chain issues, labor issues, etc). And whether you agree with bailout or not, it's heartening to see the Motor City and the state of Michigan benefit from the auto industry's comeback and be part of the manufacturing rebound that has taken shape in the U.S. during the past couple of years.

*Do you feel the same way as I do about the U.S. auto industry's recovery? Feel free to comment below.*

**Source URL (retrieved on 12/18/2014 - 2:29am):**

<http://www.impomag.com/blogs/2012/04/road-redemption>