

How the US Manufacturing Industry Deals with Recession

Saint Louis, MO, November 17, 2009 -- A PSA by Business Industrial Network (BIN) about methods for US Manufacturing Industry to adjust for the knowledge vacuum caused by retiring baby boomers with training, while dealing with tight budgets during a recession. The press release article is by BIN president, Don Fitchett.

This article is in response to our survey of 200 companies who requested training quotes, but did not follow through with actual training for their employees in the last two years. Out of 50 who have responded so far, an amazing 40% indicated training budgets were cut, due to the current US economic decline.

Ironically, the training solutions required to train the new workforce entering the market so they can adequately replace retiring baby boomers is also an applicable solution to aid manufacturing companies in surviving the recession. For the biggest part of manufacturing history, training was wrongly viewed as an overhead cost, but in recent years the manufacturing industry has come to recognize the great cost savings realized by increased training.

But what we are starting to see, brought on by the recession, is employee training being set as a low priority again, making it one of the first budgets to get cut. US Manufacturing industry runs the risk of falling into the old paradox manufacturers experienced in the past; "You can't get training because budgets are cut, you can't increase budget because downtime cost has increases due to lack of training". Very similar and parallel to the paradox "You can't get a good job because of lack of training and experience, and you can't get good training and experience because of lack of a good job".

So what I want to offer below is some good advice and solutions for both the US manufacturing industry and individuals trying to secure their job and/or make more job opportunities available. First advice is to follow President Elect Obama's lead, that education (training) is a key to increasing and securing our future. The following rules we took so long to learn, haven't changed. People are still our most important asset, and you have to spend money to make money. How, when you do not have that much money available? Below are some solutions...

Training Solutions: Manufacturers

1. Make your training investments count, resulting in the greatest return on your investment (ROI).
 - a. **On-Site:** Real-world hands-on knowledge transfer by an instructor to small groups on-site, customized to your facility equipment results in the greatest ROI.

- b. **Seminars:** Second best option is real-world knowledge transfer by an instructor to student, generic in nature at a public workshop/seminar with limit of 5-10 attendees per instructor.
 - c. **On-line Training:** Relatively new to the trade professions, is a mix between On-site training, and Seminars (A&B above). If done correctly with live webcast by seasoned instructors with constant Q&A sessions, real-world applications and simulation software. Some of these on-line training programs are a mix of A, B & D resulting in the most cost effective solution and a great compromise.
 - d. **Formal Schooling:** Tech or trade school knowledge (Mostly text book, generic in nature, theory, etc. with little hands-on, and real-world application) transferred by an instructor to a class of 10-20 students.
 - e. **Simulation Software:** Real world simulation allowing students to learn by tutorials, trial and error, without risk to man or machine. Mostly a self learning through experimentation type training, but can be instructor guided also.
 - f. **Book or PowerPoint alone:** ("PowerPoint" as it is used here, refers to that type of presentation/software that only displays information, and asks questions on it. A PowerPoint to supplement solutions A-D above is fine.) The least effective of all solutions because they do not address all three learning types (Visual, auditory and kinetic). Also they are typically theory based, limited in knowledge transfer with little real-world application association.
2. If your budget won't allow for everyone to receive On-site Instructor led training directly, check with your local Private Industry Commission or employment office about receiving federal reimbursement under the [Workforce Investment Act of 1998](#) which is typically managed and authorized by each state. Re-imbursement is often 60%-100%.
3. If your budget won't allow for everyone to receive On-site Instructor led training directly, send one or two to a workshop/seminar as part of a train the trainers program. They will then be expected to return to the facility, and transfer the new knowledge learned to other employees. The transfer will most likely be less than direct transfer from a seasoned instructor trained to train employees, but much of the knowledge will be transferred.
4. If your budget won't allow any employees to travel off site for in person instructor led training, consider a good on-line training course. "Good" defined as outlined in training solution 1C above. Either On-line training and Formal schooling (tech./trade school) can be better than one another. Sometimes they are exactly the same, delivered from the same school as two different options. The important thing in deciding to pursue a local trade school solution or an on-line solution, is

the student's schedule, local trade school topic availability, and offerings, but more importantly, which one has the best real-world knowledge transfer.

5. If your training budget is under \$1000, consider the only worth while training solution left, simulation training software. If you have bright individuals who can "figure anything out", self study and experimentation learning through simulation training software should show a great ROI because you are not investing that much anyway. :-)
6. When shopping for solution providers in today's US Manufacturing market, look for training attributes that increase the ROI. Like real-world, hands-on, only what you need to know, customized for your equipment, extra learning material for continued education, and the best way to perform tasks. (Reliably and Safely).
7. Want to have the best employees and be able to keep them while lowering operating costs? Create a diverse training program for your employees. Seek instructor led training for your employees, and encourage on-line learning opportunities. (where employees train on their own time without incurring travel cost) and make training simulation software available to them.

Training Solutions: Individuals

1. Make your training investments count, resulting in the greatest return on your investment (ROI). Training delivery methods A-F above, have the same priorities for individuals, with the On-site training most likely not being an option for logical reason. (Exception might be if you are currently employed and convince your employer to purchase on-site training.)
2. Additionally, besides following the advice above for manufacturing companies, If possible, check the certificate you will receive for seminar beforehand, check that it is a professional certificate with CEUs indicated on it. This will help with future employment opportunities as opposed to a black and white photo copied certificate.
3. Check training material delivered at seminars. Do they give you a manual? Does the manual have instructor notes and/or additional information? Or is just a bunch of pictures of the PowerPoint's? To get the most for your money, you want extra learning material, so you can continue your studies on your own after you leave the seminar.
4. If you are currently unemployed, or your current employer is currently on it's way out of business, you might be strapped for money to pay for training. Ask the company delivering the training if they have a payment plan which will allow you to spread the training cost over several months. (BIN does)
5. Check with your local employment office asking if there is any government reimbursement or funding available for the type of training you seek.

6. If travel time or expenses are out of the question, look for On-Line training that meets the standards outlined above under the company advice section 1C (Webcast, instructor available for Q&A, etc.). With on-line training, you don't need time off from work, or you can continue to search for work, while you train.
7. Consider less expensive training solutions, if that is all you can afford, like training simulation software.
8. Want to be the best in your field? Have a better chance of keeping or getting your job? Create a diversified training plan for yourself. Get real-world instructor led training at seminars, followed by more extensive online courses and keep fresh in your skills with training simulation software.

Training Solutions: Electrical Contractors and Engineering Firms

I would only add to the above that Electrical Contractors and Engineering firms who service the manufacturing industry also need to adapt the "Training for Recession" plan. In my examples of PLC training (a big way to reduce manufacturing downtime and increase the bottom line), many Electrical Contractors and Engineering Firms do not provide manufactures with machine support service. So these type companies can supplement the decline in installation sales by offering to come into manufacturing facilities and get their machines back up and running when they break down. The Electrical Contractors and Engineering firms need only insure they have enough personnel trained in PLC troubleshooting.

In summary, if you are involved in the US Manufacturing Industry, you have no doubt heard the phrase; "Thinking out of the box". Apply this mentality when seeking training for yourself and/or your company. Payments can be broken into monthly installments to better fit within your budget. Look for government assistance with training costs. During this recession, and with big companies having trouble, job security is at its lowest. Companies should address their employee's concerns in this area, by providing them more training. Individuals should address this concern by seeking more training.

Seek the greatest return on your training investment. Hands-on, real-world training has a greater knowledge transfer per hour of training than text book learning. Real-world training simulation software delivers more training per dollar than presentation only software. (Be careful when shopping for training software as many claim to be "interactive", where the interactivity is only asking you questions. True interactive training software simulates real-world activities while being interactive. :->) Smart business men know during a recession one needs to invest more in advertising, not less. The same strategy should apply towards the US manufacturing industry's training budget. To get your people to work smarter towards lowering operating costs, and increasing competitiveness, training budgets should be increased, not cut. Help build and secure the future of the US Manufacturing industry, help your company, help your selves; Increase your training initiatives.

About [Business Industrial Network](#)

Business Industrial Network's (BIN95.com) core business is delivering world class on-site engineering and maintenance training. With over 150 facilities for local training, Business Industrial Network delivers off-site maintenance training in major cities across the United States. Working closely with their partners, Business Industrial Network offers a comprehensive suite of maintenance, management, mechanical and electrical training solutions.

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