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SAMA 2017
2nd Quarter Edition



You Can't Fake Safety

"We want to make safety as natural as breathing"

Ian Burden, President, Alamo Group (TX) Inc.

Our safety campaign started with an honest appraisal of an unsuccessful campaign; why were we continuing to have accidents? The answer was painfully obvious, and a result of the leadership team and their leader (me), giving safety lip service. You can't fake safety, and it is obvious when you try.

Safety is not a game, it's not a mandate or a policy and it doesn't change overnight. Safety is a culture that must be passionately championed from the top down and driven from the bottom up.

Alamo Group (TX) manufactures heavy equipment used in roadside maintenance; we operate from a 230,000 sq. ft. facility with 142 employees. We cut, bend, machine, weld, paint and assemble heavy equipment every day. We work around forklifts and delivery trucks, just like thousands of other factories. We assemble large heavy frames onto tractors, and for 10 years we have done it safely.

Our 'true' safety journey started in 2005 following nine Lost Time Accidents resulting in 494 days lost and we actually became worse before seeing an improvement in 2007 and zero LTA in 2008. A safety program demonstrates a sense of value and respect beside the obvious health benefits for employees. In addition, we have experienced quantitative results including 105% earnings increase, 32% revenue growth and 174% increase in earnings per employee, debunking the myth "you can't afford to be safe".



SAMA Beats the Manufacturing Drum for “South Texas”

CHAIRMAN'S REPORT—Duffy Shea, President, Alamo Iron Works

Traditionally, SAMA has been laser focused on building “The Brand” of SAMA across the greater 8 county San Antonio area and touting the impact of Manufacturing, all manufacturing, on the local economy. Our message is clear and our results impactful: \$30 billion in economic impact (2011). Our efforts with the Alamo Academies, Workforce Solutions Alamo, ATEAMS and local initiatives like SA Works, SA Economic Development Foundation, give credence to SAMA's impact and the renewed status of manufacturing.

But today, SAMA is also reaching out to not only the San Antonio area movers and shakers but our impact is felt across a broader area. Recent events such as our South Central Texas Manufacturing Trade Show & Conference and meetings with the Texas Association of Manufacturers and the National Association of Manufacturers have cast San Antonio, and by association, South Texas into a broader light. Drew Greenblatt, President and CEO of Marlin Steel from Baltimore, was the guest speaker at the Trade Show & Conference representing 12,000 small and medium NAM manufacturers. Mr. Greenblatt brought a

National perspective to our area and was impressed at the strength and diversity of the “South Texas manufacturing community”, and how active and “tip of the sword” SAMA is by leading the change for “all things manufacturing.” “SAMA gets it. What a dynamic organization. You are serving your members well and are at a national level of impact and advocacy.”

It is this Chairman's desire to see SAMA not only focused on the eight (8) county area of San Antonio as a beacon of “of all things manufacturing” but to lead a true South Texas charge by building a more dynamic association involved with sister cities North and South. There is power and influence with scale. As our membership, grows we will continue to influence results in our world of manufacturing. That means only one thing: “What is good for manufacturing, is good for San Antonio and South Texas.”

You Can't Fake Safety

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On April 14, 2017, Alamo Group (TX) celebrated our 10 year anniversary with over 3.2 million hours of zero Lost Time Accidents. A reflection on the key attributes include:

- Passionately believe in success, be honest and sustain. Walk the floor daily, praise and support any employee who raises issues, give them freedom and confidence to stop production if risk is identified and then take immediate action to remove the hazard.
- Housekeeping, lighting, congestion, trip hazards – get it cleaned up NOW, add lights and sustain; set the example, wear your PPE and always pick up trash. Allow paid time for employees to daily clean their work area and weekly 30 minutes to 5S.
- Set frequent Kaizen events with safety improvements being the principal driver; efficiency gains will follow. We conduct a minimum of six, week long events each year with cross functional teams of 8-12.
- Celebrate major milestones memorably – Our five year milestone included a Scottish Highland band with bagpipes marching unannounced through the factory and our ten year, a New Orleans jazz band. Over the top, yes; but everyone still remembers it and why.
- Involve families in celebrations, recognize success and encourage good health with paid gym membership and annual physicals. Introduce mandatory start of work calisthenics and stretching exercises; initially unpopular but results and general employee wellbeing will overcome resistance.



- Investigate all accidents and near misses immediately; publish outcome, provide solution and involve all employees in process and resolution.
- Communication – sounds simple but it's surprising how poorly and convoluted our message gets. Communicate personally, frequently and passionately. Communicate why safety is paramount, how we are going to improve and what we are doing.
- Use the training, education and peer support offered by SAMA; visit other facilities and welcome critique of your own factory. There should be no secrets or patents on safety.

You can't fake safety; believe in success and don't compromise.

Reshoring Coming Back to the USA

Rey Chavez, President/CEO, SAMA

Is there a reshoring of manufacturing back to the USA? According to Drew Greenblatt, President & Owner of Marlin Steel Wire Products, and Chair of Small & Medium Size Manufacturers, National Association of Manufacturers (NAM), absolutely! As our keynote speaker at our recent South Central Texas Manufacturing Trade Show & Conference, he highlighted President Trump's commitment to "bringing manufacturing back to the USA."

Drew also reviewed his, and NAM's, participation in President Trump's manufacturing business leader discussions on what is needed to bring back manufacturing. During the discussions, manufacturing leaders emphasized the need to address the following to bring back manufacturing and create jobs:

1. USA Energy – capitalize on domestic energy
2. Infrastructure – invest in it
3. Tax reform – be pro-growth
4. Repatriation – bring back cash parked overseas; allows companies to build factories and hire workers
5. Trade – level the playing field
6. Regulations – manufacturers need regulatory reform
7. Health Care Reform – stop costly health care tax from impacting manufacturers



Mr. Greenblatt said the Trump administration is committed to making America more competitive. There is no better place to create jobs – American manufacturing means American jobs.

SAMA 2017 Mayoral Debate Draws Full House

Current Manufacturing Issues Yield Opposing Viewpoints

Bob Buckley, Vice President of Manufacturing, San Antonio Lighthouse

The San Antonio Manufacturers Association once again hosted their traditional Mayoral candidate debate at the San Antonio Country Club this past April. The debate, which was held before a packed house, featured the three most contending candidates including incumbent Mayor Ivy Taylor, Chairman Manuel Medina and Councilman Ron Nierenberg. Facilitated by SAMA's own Bob Buckley, the debate centered upon three of the most pressing areas of concern of our manufacturing community, and as defined through extensive committee discussion amongst SAMA's broad membership.

For each of the three questions the candidates had both a three-minute response segment, as well as a one minute follow-up period; this insured them ample time to deliver their message to a most attentive audience. The first question inquired upon the candidates, their position to the rising compensation movement, in particular the \$15 per hour minimum wage and, in particular, the impact it might have if levied upon San Antonio's manufacturers. This particular issue drew conflicting responses and respective justification from all three candidates.

The other discussion points, as presented and debated amongst the candidates, were centered upon the negative impact of new compliance and permitting regulations, and the increasing number of programs now active with the objective of addressing San Antonio's need for higher skilled labor through workforce development. The tabled concern for the latter was the impending shortage of limited resources, in particular from the manufacturing community, to adequately engage these initiatives.

The forum and debate were most informative, and SAMA would like to extend a special thanks to the candidates, event sponsors, and all on hand for making this such a great event.



SAMA Hits a Double with the 2017 Trade Show & Conference

Rey Chavez, President/CEO, SAMA

This year's South Central Texas Manufacturing Trade Show & Conference was a double when you add it to last year's successful event. Over 975 attendees attended and 145 exhibitors showed off what they make or provide to manufacturers. This success was due to changing the format from a local event to a "regional" one and making it about manufacturers.



SAMA brought in manufacturers from around the state and gave them a venue to showcase what they make. This change, based on the vision of our presenting sponsor, Bill Cox, Cox Manufacturing Company, Inc., and the leadership of Dollie Bodin, The Trade Group and Javier Garcia, JAG Professional Services, co-chairs of the trade show committee, to make the event about manufacturing. Many exhibitors and attendees rated the event as excellent! Connections and deals were made with many turning into profitable contracts. By adding a conference component for businesses to hear what it takes to be successful, it was icing on the cake - this is what it is all about!

One final note, for this premier event to be successful, we need you to be actively involved. We need more manufacturers and suppliers to exhibit and buyers to attend. If you think you are too busy to attend, let me pass on what my friend Dollie likes to say, "this is your B2B product and capabilities showcase. If you don't come, your competitors will." To all of you who exhibited, or attended, thank you! Take advantage of reserving your booth for next year's trade show by August 1st and receive a \$75 discount! Call our office at (210) 979-7530 for details. I look forward to next year's tradeshow & conference and I know it will be a triple!



Internships (Experiential Learning Opportunities)

Priming the Pipeline for the Future

Otis Scott Jr., Assistant Director - UCC, UTSA - Career Services

With the overall unemployment rates staying historically low (4.7%)¹ as indicated by the US Bureau of Labor Statistics, March 10, 2017 news release, coupled with Baby Boomers retiring at historically high levels (ten thousand a day)² and the need to innovate to stay competitive, internships are an attractive solution for companies and college students. It's a true win/win situation. You, the employer, have the opportunity to try a prospective employee in the "real world" work environment and the student has the opportunity to see if the occupation is the right fit for him or her. This is called the "Try before you buy method", for both the employer and student. If it does not work out, then no one loses anything. If it does, the student gets to start their professional career with an entry level job, you gain a valuable employee and enhance the company's future growth and success.

But how do you find these prospective interns and what should you be aware of as you venture into establishing an internship program? It's easy and the Department of Labor provides guidelines to make sure you are doing it right. You're wondering, what if I need personalized assistance with establishing the internship program. Most colleges and universities have a Career Center that can assist you with establishing the program. The San Antonio College and University Career Center Association (SACUCCA) is a great place to start. Now that you have established the parameters for the program, you need to find the individuals to fill the positions. The Texas Workforce Commission in collaboration with the Texas Higher Education Coordinating Board and the TEA, created an online internship portal, where employers in the Alamo Region can post opportunities for students to apply for internship opportunities – www.TXInternshipChallenge.com, as well as most colleges and universities. If you want to make sure that your human capital pipelines continue to provide the best talent, there is no better way than through a viable internship program.



1. <https://www.bls.gov/news.release/pdf/empsit.pdf>

2. https://www.washingtonpost.com/news/fact-checker/wp/2014/07/24/do-10000-baby-boomers-retire-every-day/?utm_term=.c60d01da153a