



The Voice of over 1,600 Manufacturers in the 12-County Alamo Region

1st Quarter Issue 2012

In this Issue....

Companies unprepared to change quickly are likely to fall behind...

Manufacturers facing critical skilled workforce issues...

Chairman's Report: 2011 marked by strengthened SAMA advocacy role...

More than robots: FIRST is creating our future workforce...

Internships and the story of success...

Companies unprepared to change quickly are likely to fall behind



“To remain competitive, it is essential to be both competent and quick at making changes to processes that facilitate significant and sustainable improvements.”

Doug Carlberg
Founder and CEO
M2 Global

M2 Global attributes growth and profitability to commitment to continuous innovation

“The big eat the small” used to be a common saying in the business world. But in today’s environment, the fast eat the slow. With the pace of commerce increasing, companies unprepared to make changes quickly are likely to fall behind. Examples abound of yesterday’s market leaders becoming today’s followers.

To remain competitive, it is essential to be both competent and quick at making effective changes to processes that facilitate significant and sustainable improvements.

M2 Global Technology Ltd., a San Antonio-based company, has built a reputation as a premier manufacturer and service provider in an unusual way: by taking chances. The winner of

numerous awards, including selection as U.S. Small Business Administration Subcontractor of the Year for their region in 2011, M2 Global builds on its successes but does not rest on its laurels.

When not challenged by external circumstances (such as a devastating factory fire and a major upset in their primary customer’s demand level in 2005), the company challenges itself, investigating and leveraging virtually every effective process improvement tool and technique available.

As an active member of SAMA since 1999, M2 Global offers an impressive example of the benefits of SAMA membership. Headed by founder, president, and CEO, Doug Carlberg,

continued page 3

Manufacturers facing critical skilled workforce issues

Many cannot find qualified applicants to fill production vacancies

The national news media writes about a seemingly contradictory position: The manufacturing industry is unable to fill needed vacancies at a time of high unemployment, they say.

The reality is that many manufacturers cannot find qualified applicants to fill critical vacancies. The key word is “qualified” applicants.

Today’s manufacturers require a skilled workforce to support their production requirements. Yet few of today’s workers possess the skills necessary to assemble, operate and maintain modern manufacturing equipment.

Manufacturers face a multi-faceted problem. First, public education has de-emphasized skilled trade programs, creating a generation of workers without the skills necessary to operate or maintain electromechanical devices. Second, rapid advances in manufacturing automation have exceeded the skills of many current workers. Third, many of today’s workers are nearing retirement age.

All of this creates a “perfect storm” for manufacturers. But SAMA isn’t waiting for a life raft and has initiated several efforts to address these issues. Contact SAMA to learn how you can help.



“Current workforce skills shortages point to a ‘perfect storm’ for manufacturers unless action is taken.”

John Dewey
Vice President, Operations
ITM

SAMA TRADE SHOW

May 9, 2012

Register Now



www.sama-tx.org

210-979-7530

Official Publication of the
San Antonio Manufacturers Association (SAMA)



Chairman's Report



“2011 was a year of strong industry advocacy and cooperation toward SAMA’s goals.”

Ryan Chism
Vice President
The Chism Company

2011 marked by strengthened SAMA advocacy role

Alliances with numerous groups add impact to critical initiatives

As I transition into the role of Past Chairman and welcome our new Chairman, Mike McIver of PSI, it is a great time to review SAMA's achievements. We began this year with the goal of growing SAMA's role as the regional advocate for manufacturing.

While we continue to have important work ahead, I am pleased to say that with the help of SAMA's board and committee leaders, we succeeded in creating awareness and growing our network for manufacturing advocacy.

This has involved the dedicated work of Rey Chavez (*SAMA's President*) and John Dewey (*2007 Chairman*) forging stronger working relationships with other organizations to increase SAMA's exposure and broadcast both the needs of manufacturing and its significant contribution to our regional economy.

I am also appreciative of the leadership and support of SAMA's Board as well as the cooperation of key organizations such as The Greater SA Chamber of Commerce, the SA Economic Development Foundation, the City's Office of Economic Development, the Hispanic Chamber of Commerce, the Bexar County Office of Economic Development, the Texas Association of Manufacturers and the National Association of Manufacturers.

Additionally, SAMA's leadership framed a set of national legislative priorities this year to guide our dialogue with elected officials and direct our efforts within the local community. These priorities include:

- Developing a skilled workforce capable of meeting current and future Manufacturing Industry demands.
- Positively addressing regulations and mandates that undermine employer flexibility and discourage hiring of new employees.
- Establishing a stable legislative climate

that encourages capital investment.

- Implementing a comprehensive national plan for growth of the U.S. manufacturing industry.

In response to local workforce development initiatives, I want to thank Dan Antis of Toyota; Don Kenton, SAMA's Education Committee Chair; Danny McQuay, Immediate Past Chairman; and Gene Bowman, Alamo Area Academies Director, for their efforts to establish Toyota of Texas as an industry partner of the Advanced Technology and Manufacturing Academy (ATMA). Toyota's generosity and partnership greatly expands ATMA's capability to provide meaningful and challenging internships to the next generation of skilled manufacturing technicians.

It has been my great pleasure to serve as Chairman. I want to thank our membership for their participation that has made 2011 a dynamic and rewarding year.

SAMA 2012 ANNUAL SPONSORS

GOLD LEVEL

SCOBEY MOVING & STORAGE

VISIONARY LEVEL

PADGETT, STRATEMANN & COMPANY, L.L.P.

TEXAS MANUFACTURING ASSISTANCE CENTER

VIP STAFFING

MANUFACTURERS LEVEL

BLUE LINE CORPORATION

THE CHISM COMPANY

COX MANUFACTURING COMPANY

INNOVATION, TECHNOLOGY, MACHINERY (ITM)

MONTERREY IRON & METAL

ASSOCIATES LEVEL

FROST BANK

HAIRSTON, JOHNSON & ASSOCIATES, PLLC

HAWKINS PERSONNEL GROUP

SWBC INSURANCE SERVICES

WEAVER, LLP

2011 Highlights

During 2011, SAMA provided the following benefits to member and the industry at large:

21 manufacturers completed SAMA's Lean Manufacturing Certification training program

31 members attended SAMA's first "Introduction to Lean Office" workshop

100 members attended SAMA's Employment Law Seminar training program

54 members attended SAMA's Environmental Seminar training program

30 members participated in SAMA's safety program for manufacturers

59 members attended SAMA's "MPower" marketing workshops and presentations

198 members attended SAMA's free Plant Operations Special Interest Groups (SIGs)

15 members attended SAMA's Lean Human Resources for Small Business program

96 companies exhibited at SAMA's annual Trade Show with more than 700 attendees

Over 1,200 people attended SAMA's monthly luncheons to network and gain knowledge on topics ranging from Texas legislative updates to regional economic assessments

50 members attended SAMA's annual Tour of Manufacturers showcasing four regional firms

47 manufacturing executives attended SAMA's annual "CEO Event" with Susan Combs, Texas Comptroller, as the guest speaker

SAMA provided position papers regarding manufacturing's federal and state legislative priorities in support of regional agendas

In conjunction with the National Association of Manufacturers (NAM) Manufacturing Institute, SAMA implemented a web-based training program "Business Growth for the Manufacturing Industry"

In addition SAMA sponsored a number of social and community networking activities:

Raising more than 62,500 lbs. of food for the San Antonio Food Bank

Hosting the annual SAMA bowling tournament with 160 members attending

Hosting the Annual Spring and Fall Golf Tournaments with 189 members attending

Approximately 400 people attended the SAMA quarterly mixers highlighting area manufacturing firms

174 members and spouses attended SAMA's Annual Membership Banquet.

SAMA has helped develop manufacturing-related educational programs with key regional and national organizations:

Alamo Colleges' Alamo Area Academies has 58 students currently enrolled and graduated 30 students from the Advanced Technology and Manufacturing Academy (ATMA)

ATMA Academy placed 24 student interns with local manufacturers for hands-on training

Coordination and development of a national program for manufacturing skills certification



More than robots: *FIRST* is creating our future workforce

The Alamo Region for *FIRST* (*For Inspiration and Recognition of Science and Technology*) will host the world's largest regional robotics competition March 1-3, 2012 at the Henry B. Gonzalez Convention Center in San Antonio, TX.

Dean Kamen, inventor of the Segway, recognized that the U.S. was fast losing its edge in science and technology, and founded *FIRST* to inspire young people ages 6 to 18 to be science and technology leaders. *FIRST* provides students the challenge of completing a very intensive project within firm budget and deadline limitations. Students work in teams alongside knowledgeable mentors and learn

engineering concepts, project management, business planning, manufacturing best practices, and many other valuable career and life skills that help position them for success as future leaders.

FIRST provides an educational experience that exposes students to Science, Technology, Engineering and Math. Studies have shown that *FIRST* participants are much more likely to attend college and pursue careers in science or engineering, volunteer in their communities, secure internships, mentor other students, and become outstanding citizens.

There are more than 100 *FIRST* teams in Central and South Texas

that need mentors, financial support, and volunteers to run competitions this spring. *For more information Patrick Felty, FIRST Regional Director, pfelty@usfirst.org.*

"FIRST gives kids the opportunity to gain experience that will directly affect their future and our future as well."

Dean Kamen
FIRST Founder
Inventor of Segway



FACTS ABOUT MANUFACTURING IN OUR AREA

Manufacturing generates \$14.1 billion annually to San Antonio economy

Employs over 53,000 people in the region

Wages are 13% higher than San Antonio average

Manufacturers pay for training, higher education, and advancement through certifications

Stable employment and excellent benefit packages

Clean, safe work environments

Demand for skilled workforce is projected to increase

"San Antonio is home to some of the nation's top, cutting edge manufacturing operations. The San Antonio Manufacturers Association and The Chamber are working together daily to help grow this industry and to ensure a qualified, capable workforce for the future."

Richard Perez
President and CEO
The Greater San Antonio Chamber of Commerce

M2 Global *continued from page 1*



M2 Global is a worldwide supplier of radio frequency microwave passive components and value-added services for the defense, telecommunications and aerospace industries. With its staff of more than 60 resourceful employees, M2 Global exemplifies a lean culture that encourages and rewards innovation and "pushing the envelope" on lean.

The company does not limit lean thinking to the factory floor. M2's intent is to introduce world-class initiatives for business processes that support the entire product life

cycle, from new business capture to aftermarket product service and support. Their operational strategy is to apply lean manufacturing principles across the entire enterprise, leveraging commercial best practices to produce and service high-reliability electronic products.

M2's current operations initiatives include:

- **Design-To-Cost** involves setting a design target cost or market price that customers are willing to pay.

- In **Design-For-Manufacturing**, products are designed with the intent of ease of manufacture.

- **Lean Supply Chain** involves focusing on optimizing supply-chain operations so that product is delivered to the end customer with minimum waste.

- **Quick-Change Automation** focuses on the reduction of material, skilled resources, and

time needed for equipment setup.

- **Process and Knowledge Management** is the practice of collecting lessons learned and applying them to new products and processes.

- In **Lean Six Sigma** Lean principles are incorporated with Six Sigma, a method for identifying and removing the causes of defects and minimizing variability in manufacturing and business processes.

Where did M2 Global acquire these tools? According to Carlberg, one great source is the company's SAMA membership. "The seminars, workshops, and networking contacts have enabled us to learn and apply lean best practices throughout the organization. SAMA membership has returned benefits tenfold to M2 Global."

San Antonio Manufacturers Association

*The Voice of Over 1,600
Manufacturers in the
12-County Alamo Region*

ADVOCACY

**Manufacturing's Voice to
Local Government
& Regulatory Agencies**

**Assuring the Next Generation
of Skilled Trades**

**Monitoring Water
& Energy**

BEST PRACTICES

Cultivating Leadership

**Manufacturing Skills
Development**

Team Building

Manufacturing Plant Tours

Special Interest Groups (SIGs)

Seminars and Training

Lean Practices

**Business-to-Business Forums
& Networking**

www.sama-tx.org
210-979-7530

Internships and the story of success: Experience at an early age often leads to mastery and great career achievements

Malcolm Gladwell's bestseller, "Outliers," explores the "story of success" of exceptional achievers. He reveals recurring themes that catapulted these rare individuals to a level of success unique among their peers. Gladwell highlights that such success occurs when talent intersects opportunity and when that opportunity provides the "10,000 hours of experience" required to develop "mastery" in a given field.

This finding was observed in athletes who gained extended game time at an early age, musicians who gained early professional exposure, and technology leaders who accessed technology at a young age.

Among Gladwell's examples is Steve Jobs who held a summer job at Hewlett-Packard, where he often engaged engineers and gleaned important experience. Gladwell also noted that the Beatles, as mere teenagers, left their homes in England for an extended booking in Hamburg, Germany, where they honed their skills as nightly performers. Bill Gates, as a teenager, gained access

to a direct computer terminal link when most college students were still handing in punch cards and waiting for results. These early experiences were crucial in their opportunity to gain experience needed to become masters.

The evidence shows that extensive experience – the earlier the better – brings mastery and the keys to success. Conversely, if experience is limited and/or delayed, success will be stunted. This leads to a critical question for those of us who are employers: What priority do we place on providing today's youth with internship opportunities that give them early exposure to a career field?

This is why SAMA and our sister organization, A-TEAM (Alliance for Technology Education in Advanced Manufacturing), are strong advocates of providing internships and co-ops for students. As employers, as parents, and as a voice in the community, each of us has a role and an opportunity to make a difference in the lives of our students and in the future of our society. Giving

students an opportunity offers them a priceless chance to gain real career-building experience and contributes to their success and the collective strength of our nation.

Internships are needed for the summer 2012 Alamo Colleges' Advanced Technology & Manufacturing Academy program (ATMA). Please contact Gene Bowman, Executive Director, ATMA, 210-485-0826 or obowman@alamo.edu.



Student interns at the Alamo Area Academies' Advance Technology & Manufacturing Academy

"Each of us has an opportunity to make a difference in the lives of our students and in society."

Bill Cox
CEO
Cox Manufacturing
A-TEAM Board of Directors

Sponsors

