CI Newsletter

The Council of Industry of Southeastern New York

December 2009 **The Manufacturers Association of the Hudson Valley** Volume 13 Issue 11

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The Council of Industry would like to wish all our members and friends Happy Holidays and best wishes for a healthy and prosperous New Year!

Senior Policy Analyst Speaks at Council Luncheon Honoring Certificate Recipients

Certificate in Manufacturing Leadership Recipients from left to right: *Kim Griese,* **Alcoa Fastening Systems;** *Rebecca Pantaleone,* **Blaser Swisslube Inc.**; *Shelly Nassivera;* **Blaser Swisslube Inc.;** *Cindy Ryan,* **Alcoa Fastening Systems;** *J.R. Williams*, **Dyno Nobel**

The Council of Industry welcomed E.J. McMahon, Director of the Empire Center for New York State Policy, as the keynote speaker for their 99th Annual Luncheon and Expo on Friday, November 13th. Mr. McMahon has spent more than 25 years as a senior policy maker and analyst of New York government and his recent work includes studies focused on state budget reform and the state and local fiscal impact of the financial market meltdown. This event also honored the most recent graduates of the Council's highly successful Certificate in Manufacturing Leadership Program. The luncheon was held at the Powelton Club in Newburgh, NY with over 130 Hudson Valley manufacturers and their associates in attendance.

McMahon, a Manhattan Institute senior fellow for tax and budgetary studies and director of the Institute's Empire Center for New York State Policy, spoke on the current budget crisis in New York. He started by dissecting the economic collapse and its causes such as over reliance on high income taxpayers and the financial sector coupled with unsustainable spending in the state's budget. In fact the state continued its spending increases even after the financial collapse. While stimulus money makes up for some of the difference this year, it is not something a budget should rely on when figuring future growth and spending. Mc Mahon also pointed out the record number of New Yorker leaving the state, 1.5 million residents that are not being replaced by incoming population in the last decade. This means less personal income tax revenue to contribute to the state's budget.

McMahon offered several possible steps that could help New York State get back on track. A first step already widely being discussed is a freeze on public sector salaries for at least three years. This coupled with structural reforms on state employee benefit plans, costly labor laws and regulations and other mandate relief provisions would be a start to reducing superfluous spending. He also set out ways to curb spending in other areas such as Medicaid and school aid and privatization opportunities such as the NYS Bridge Authority, certain SUNY Hospitals and Campuses, golf courses and ski areas. Finally McMahon proposed a tax oriented tax policy and emphasized that there is hope. The recent elections show that tax payers are tired of the excess and mismanagement.

The Council held their Member/ Associate Member Expo prior to the luncheon. This year there were eighteen expo tables, featuring everything from insurance, financial advisors, and consultants to employment services, colleges and energy specialists all there to demonstrate their products and services to local manufacturers.

As part of the luncheon the Council of Industry honored the recipients of the Certificate in Manufacturing Leadership. This year the Certificate was presented to five individuals that have each completed over 40 hours of required course work and specialized training in supervisor level leadership classes through Dutchess Community College.

The Council of Industry would like to thank the following companies, whose generosity made this event possible: our major sponsor **The Reis Group/ Applied Underwriters** and our supporting sponsors **T.D. Bank** and **Pepco Energy Services,** and **Jabil**.

Training and Education

The 2010 Training Catalogs Are Available!

Now is the time to sign up for great training courses through the Council of Industry. Our 2010 Training catalog is now complete and choc full of courses. We have everything from supervisory training to executive training, lean and six sigma training to regulatory refresher training. Because of the relationships the Council of Industry has with our local colleges and the grant award the State University of New York to subsidize training for Hudson Valley Manufacturers, we can offer these wonderful courses for reasonable prices. Please take the time to look over our course offerings this year, either in our printed catalog or online at our website www.councilofindustry.org.

This year we will once again be offering our very successful Certificate in Manufacturing Leadership program in conjunction with Dutchess Community College. Participants complete over 40 hours of supervisory leadership training including such courses as Fundamentals of Leadership, Making a Profit and Environmental Safety & Health Management for Supervisors. Individuals can register for the entire program and earn a Certificate in Manufacturing Leadership or attend one or two courses that address issues they have an interest in. There is an Early Bird Special for those companies that register for the program and pay before December 31st. Contact Ana Maria Murabito, anamaria@councilofindustry.org, or (845) 565-1355 for more information.

As part of our training curriculum, the Council of Industry is proud to announce we will once again offer the Executive Strategic Management Program at SUNY New Paltz School of Business. This series of six seminars, including topics such as Marketing Strategies, Human Resources & Strategic Talent Management and Strategic Global Engagement, is intended for senior level staff. The classes are held evenings and include a working dinner.

The Council of Industry will offer classes in Lean Manufacturing, Lean Six Sigma Yellow Belt Training and Lean tools and concepts again this year. These popular classes are a great way to help improve the efficiency of your company and reduce waste. A new addition to our training stable for 2010 will be the course Facility Manager "Green" Training & Implementation, a two day course that aims to help companies take advantage of the benefits of energy efficiency, renewable energy sources and sustainable business practices. Another new addition is our Project Management course which meets on five consecutive Thursdays, and will cover the project life cycle, project initiation, planning, execution and termination. We will also offer Regulatory Refresher Training on DOT Hazardous Materials and RCRA Hazardous Waste again in the Fall of 2010.

For more information about any of these programs or courses you can go to our website www.councilofindustry.org where you will find training listed by category, alphabetically and chronologically. It is even possible to register for the course directly from our website using paypal or a credit card or for our members the bill me option. If you would like a hard copy of our 2010 Training Catalog, contact Ana Maria Murabito at anamaria@councilofindustry.org or call the Council office at (845) 565-1355.

Register now for the Council of Industry's Certificate in Manufacturing Leadership Program and pay before Dec. 31st to save money on great training! Visit our website www.councilofindustry.org for dates and more information.

Council News

Central Hudson's Energy Reduction Programs

When: Tuesday, Dec. 8, 8:30—10:30 am
Where: Central Hudson Auditorium, Poughkeepsie
Cost: None for Members

Central Hudson's Energy Reduction Program, Savings Central, is now open to mid – sized businesses with an electrical demand up to 350 kW. This seminar will provide more information about the program and how it can save your business money such as:

- Free on-site energy assessments for businesses,
- Rebates up to 70 percent of the equipment cost of installed energy efficiency measures. OR
- Businesses may also opt for a lighting-only energy efficiency upgrade and initiate the process by contacting directly one of Central Hudson's Trade Allies specializing in lighting installations and retrofits. The rebate levels are the same for customers using this method.

To register of for more information call or e-mail Alison Butler at (845) 565-1355, abutler@councilofindustry.org. Once you register for the seminar we will check and notify you if your company qualifies for the Energy Reduction Program.

HR Sub-council: Drug Testing

When: Friday, Jan. 15, 8:30—10:00 am
Where: To be announced
Cost: None for Members

Devora Lindeman, ESQ, Senior Counsel, Greenwald Doherty LLP, will cover the ins and outs of drug testing.

To register or for more information e-mail abutler@councilofindustry.org or call the Council office (845) 565-1355.

Save the Date! February 9th is Manufacturing Day in Albany

Each year, the Manufacturer's Alliance comes together in an annual event known as Manufacturing Day in Albany. This event happens in the early part of the state legislative session, and allows for our collective membership to come together and advocate for issues that are important to the prosperity of the manufacturing sector. Join us for this exciting event, which includes guest legislative and expert speakers on various policy issues, distribution and discussion of our annual policy agenda, networking opportunities, and breakout lobby visits with key elected officials.

There is an old saying there is strength in numbers. The Manufacturers Alliance was created on this philosophy. To fill a need for statewide advocacy for manufacturers, MACNY, the Manufacturers Association partnered with the Council of Industry (COI) in 2006 to form the Manufacturers Alliance of New York. Since then four other manufacturing associations have joined. Collectively, the Alliance represents 45 counties and over 1,000 manufacturers and businesses from across the State.

Manufacturers have survived throughout the years based on their resiliency and ability to adapt to their environment. New York State manufacturing has become stronger and more efficient as a result of it. As New York State manufacturers continue to do their part in adapting to remain competitive, government entities must do their share as well. The way New York State treats in manufacturers in years to come will hold significant influence on the future status of the state's manufacturing sector, and the economic vitality of our state as a whole. In our united front through the Manufacturers Alliance, we continue our work with New York State elected officials, both on the State and Federal level, to support policies that will allow manufacturers the opportunity to sustain and grow their business.

Manufacturing Day is set for February 9th, 2010. Register to attend by visiting the Manufacturers Alliance website - www.themanufacturersalliance.org.

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Personnel Matters

Under the proposal, employees would be entitled to paid sick time off due to a contagious illness or to care for a child with a contagious illness. It seeks to contain the spread of H1N1 and other influenza strains by ensuring sick employees can stay home from work without financial sacrifice from loss of work.

Paid Sick Leave Remaining in Focus, Congress Weighs Alternative Measures

From JacksonLewis.com

Employers may be required to provide seven days of paid sick time per year under a bill introduced in Congress. The measure, titled the Pandemic Protection for Workers, Families, and Businesses Act (H.R. 4092/S. 2790), was introduced by Representative Rosa DeLauro (D-Conn.) in the House and Senator Christopher Dodd (D-Conn.) in the Senate on the heels of another, less expansive, emergency paid sick leave bill proposed earlier. If passed, the Pandemic Protection Act would be a temporary law that expires two years from enactment. Some believe Congress would make it permanent once it has gone into effect.

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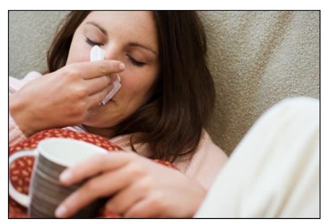

The Pandemic Protection Act would require most employers with 15 or more employees to provide full-time employees with seven days of paid sick time to be used for the following reasons:

- The employee or his or her child is experiencing symptoms of a contagious illness, such as the 2009 H1N1 virus or other influenza-like illness, including time off for medical and preventive care;

- A health authority or health care provider has determined that the employee's presence at work or the child's presence in the community would expose others to a contagious illness; or

The employee's worksite or the child's school, child care or early childhood program has been closed due to a contagious influenza-like illness.

Part-time employees would be entitled to a pro-rata share of paid sick days. Employees must have worked for their employer for 30 days before they are covered under the bill.

Although employees would be allowed to determine when to use paid sick days, the bill gives the Secretary of Labor the opportunity to issue regulations that would permit employers to require employees who request paid sick leave to provide medical certifications.

The proposal makes clear that state and local paid sick leave laws providing a greater amount of paid leave remain in force. Employers would be bound by existing employment benefit programs and collective bargaining or other agreements with more paid sick time.

If the Act becomes law, employers' existing paid time off (PTO) policies may need to be modified. According to the bill, employers who already provide seven days of paid sick leave that "may be used for the same purposes and under the same conditions as the purposes and conditions [covered in the legislation] shall not be required to provide additional paid sick time...." It is unclear what effect the legislation would have on PTO plans that allot a certain amount of time off without specifying the permitted purposes of use. The proposal also leaves unanswered the question whether an employee who has exhausted his or her PTO allotment would be entitled to paid leave for the reasons in the bill.

Employers would have to post notices of employees' rights and would be prohibited from interfering with the exercise of such rights under the bill, such as by counting the paid sick time under a no-fault attendance policy or other absence-control policy.

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More Personnel Matters

New York Employers Must Provide New Hires Prescribed State Labor Department Wage Notification Form - Many Questions Still Unanswered

From JacksonLewis.com

Effective October 26, 2009, New York employers are required to notify all new hires in writing of their hourly rate, overtime rate (if applicable) and payday and receive a written acknowledgment of such notification. The enactment indicated that the Department of Labor would provide guidelines to assist employer compliance.

Shortly before the effective date, the Department issued a **mandatory** form and explanatory notice to be used by temporary agencies. On October 28, 2009, the Department posted on its website a **mandatory** form that must be used by all other New York State employers in order to comply with the requirement, as well as an explanatory notice. (The notice is not required to be posted in the workplace and is purely informational.)

The Department of Labor is taking the position that neither a countersigned offer letter containing the required information nor a new hire document prepared by the employer and acknowledged by the employee is sufficient, even if such document contains all required information.

Unfortunately, as drafted, the general form is intended for non-exempt hourly employees who work at one rate of pay. The Department of Labor advised that it has received numerous inquiries from employers and law firms asking how to adapt the form to all other employees, such as exempt employees, employees who receive two base pay rates and a blended overtime rate, commissioned employees, employees who receive bonuses or shift differentials and employees paid overtime under the fluctuating workweek method.

In response to questions from Jackson Lewis, a DOL representative advised that the Department intends to post additional forms in the "near future," including forms for use with commissioned employees and exempt employees. Until such forms are issued, the Department advised that employers should use the model form and modify or cross out all information that does not apply and insert appropriate language.

For example, with exempt employees: (i) "rate of pay" can be crossed out and "annual salary" inserted; and (ii) the reference to "overtime rate" should be crossed out. In the same vein, for commissioned employees who also receive a base rate, after inserting the standard overtime rate, the employer should write in "subject to increase based on earned commissions."

Jackson Lewis attorneys are available to discuss your compliance with the new New York State DOL wage notification requirements, as modifications to the prescribed form in many instances may require detailed analysis to ensure an employee's pay is properly stated. As further information is provided, Jackson Lewis will offer additional updates.

The Department of Labor is taking the position that neither a countersigned offer letter containing the required information nor a new hire document prepared by the employer and acknowledged by the employee is sufficient, even if such document contains all required information.

Consumer Price Index - Oct. 2009

				Point	%	% Increase
Wage Earners & Clerical	**Oct '08**	**Oct.**	**Sept.**	**Increase**	**Month**	**Year**
1967=100	632.03	630.14	629.46	0.68	0.1	-0.3
1982-84= 100	212.18	211.55	211.32	0.23	0.1	-0.3
All Urban Consumers						
1967=100	648.76	647.57	646.95	.62	0.1	-0.2
1982-84=100	216.57	216.18	215.97	.21	0.1	-0.2
Hudson Valley Unemployment Rate for Oct. 2009 = 7.4						

Legislative Matters

The Latest Buzz Words: Deficit Reduction Plan (DRP)

By Karyn Burns, Director of Government Affairs, Council of Industry

The State leaders in Albany have recently laid out their various versions of a deficit reduction plan to help stabilize New York State's current fiscal crisis. On October 15th, Governor Paterson introduced his plan, outlining a two year, $5.0 billion savings plan (with $3.0B in current year savings). Specifics include:

Across-the-board Spending Reductions (2009-10 Savings: $1.8 billion; 2010-11 Savings: $2.0 billion) The largest component of the proposed DRP is $1.8 billion in current-year, across-the-board spending reductions. These include the $500 million in across-the-board administrative agency spending reductions Governor Paterson announced on October 6, as well as $1.3 billion in additional across-the-board current fiscal year reductions to local assistance spending. Specific 2009-10 programmatic impacts as part of this $1.3 billion across-the-board local assistance reduction include the following: a $480 million State fiscal year cut to school districts ($686 million on a 2009-10 school-year basis); a $287 million cut to Medicaid; a $184 million cut to other health and mental hygiene programs; a $28 million cut to social service programs; a $67 million cut to Aid and Incentives to Municipalities; a $125 million cut to transportation programs; a $62 million cut to higher education programs; as well as other reductions.

The largest component of the proposed DRP is $1.8 billion in current-year, across-the-board spending reductions. These include the $500 million in across-the-board administrative agency spending reductions, as well as $1.3 billion in additional across-the-board current fiscal year reductions to local assistance spending.

Additional Administrative Savings (2009-10 Savings: $295 million; 2010-11 Savings: $0 million). The plan includes $295 million in further administrative actions, such as more aggressive Medicaid Fraud targets ($150 million), further debt management to lower State interest costs ($100 million), and an upward reestimate of the amount of revenue that will be collected from the increased 18-A utility assessment enacted in the 2009-10 budget ($45 million).

Tax Penalty Forgiveness Program (2009-10 Savings: $250 million; 2010-11 Savings: $100 million) Reduces penalties on outstanding tax liabilities in exchange for prompt settlement of outstanding claims. The Tax Department would partially forgive accrued penalty and interest on long-outstanding State tax liabilities in order to encourage individuals to resolve unpaid claims. For assessments between 3 years and 6 years overdue, penalties would be reduced by 50 percent. For assessments overdue more than 6 years, penalties would be reduced by 80 percent.

Battery Park City Authority/Dormitory Authority Transfers (2009-10 Savings: $326 million; 2010-11 Savings: $0 million) The State would receive $300 million in excess revenues from the Battery Park City Authority (BPCA) and $26 million from the Dormitory Authority from a transfer to the General Fund.

VLT Franchise Payment (2009-10 Savings: $200 million; 2010-11 Impact: -$145 million) Assumes payment of $200M in the current fiscal year for Aqueduct VLT franchise. The previous financial plan assumed that this payment will be made in 2010-11.

Regional Greenhouse Gas Initiative (RGGI)/ EPF Transfers (2009-10 Savings: $100 million; 2010-11 Savings: $0 million) This proposal would transfer $90 million in RGGI proceeds and $10 million from the Environmental Protection Fund (EPF) to the General Fund. It is currently expected that RGGI proceeds through the end of 2009-10 will total $220 million.

Long-term Structural Reforms In addition to the savings actions necessary to address the immediate issue of closing the State's mid-year deficit, the DRP would also include several long-term structural reforms to help lower taxpayer costs.

Additionally, the DRP includes Governor Paterson's proposed cap on State spending to help address New York's long-term structural deficit. This initiative would limit State operating funds spending increases to the average inflation rate over the previous three years.

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Compensation Matters

2009 Wage & Benefit Survey Results Discussed

By Bureau of Economic Research, School of Management, Marist College

Thirty –two companies reported into the 2009 Wage and Benefit Survey conducted by Marist College's Bureau of Economic Research and School of Management and sponsored by the Council of Industry. Data was reported on sixty-five jobs and is detailed in the survey documents which will be sent to the participating companies in the next few weeks. Highlights of information collected include the following points:

- 2008 wage increases among participating companies ranged from 2.5% for the manufacturing and production groups up to 4% for the management group. Overall increases were in line with the reported national average of 3.9%.
- 2009 wage increase dropped to a range of 1.2% for production and manufacturing employees and to 1.6% for managerial, professional and administrative / clerical employees.
- 40% of participating companies reported a wage freeze in 2009 which was in line with the 37% reported national figure of companies imposing a wage freeze.
- For 2010 the number of companies anticipating a wage freeze drops to 13%, again in line with national averages, but planned increases are at the approximately 2% which is below the 2.7% national forecast rate of increase.

Turnover among this survey group ran at 14.5% in 2008 which was below the national average rate of 18.7% for all industries and below the 16.5% for manufacturing industries.

When examining benefits offered, companies reporting into this survey as a group have a higher rate of health care coverage for employees than the national average (94% vs. 61%) and a higher rate of pension coverage (97% vs. 56%).

This survey represents a resumption of the collaboration between the Council of Industry of Southeastern New York and Marist College's Bureau of Economic Research (BER) and the School of Management in compiling an area wage and benefit survey. The last survey completed by the BER was the 2005 Wage and Benefit Survey.

In the spring of 2009, Council Members met with Marist faculty members to discuss resuming the survey locally. At that meeting a decision was made to divide the previous survey into two separate surveys: a wage and benefits survey which would be conducted in the fall of the year; and, an employment practices survey which would be conducted in the spring. In advance of each, a review and possible revisions to the survey documents would be made to insure the survey was addressing the data needs of participants. Then following the issuance of each survey, participating companies would be polled to ascertain what changes or modifications should be considered for the next year's survey. By tailoring the data collected and refining the questions asked, it is hoped to both increase the quality of the data being reported, and, to increase over time the level of participation.

To the thirty-two companies that participated in this survey we extend our thanks and hope to hear your comments on changes which should be considered to improve the usefulness of future reports.

This survey also marks a first, in that it is the first time in this series that the data was input, analyzed and reported on by a team of students from Marist College's School of Management. In total, seven students participated in this project, all majoring in business with an emphasis in Human Resource Management. There work was conducted under the supervision of a faculty member in the HR area and by the Director of the BER to insure both accuracy and quality.

By tailoring the data collected and refining the questions asked, it is hoped to both increase the quality of the data being reported, and, to increase over time the level of participation.

EHS Matters

Facts on Aligning the Hazard Communication Standard to the GHS

From www.osha.gov

OSHA is proposing to modify the current Hazard Communication Standard (HCS) to align with the provisions of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The HCS requires that chemical manufacturers and importers evaluate the chemicals they produce or import and provide hazard information to downstream employers and workers by putting labels on containers and preparing safety data sheets. Under the current HCS all employers must have a hazard communication program for exposed workers, including container labels, safety data sheets, and training.

The primary benefit of the GHS is to increase the quality and consistency of information provided to workers, employers and chemical users by adopting a standardized approach to hazard classification, labels and safety data. The GHS provides a single set of harmonized criteria for classifying chemicals according to their health and physical hazards and specifies hazard communication elements for labeling and safety data sheets. Under the GHS, labels would include signal words, pictograms, and hazard and precautionary statements and safety data sheets would have standardized format. This system was agreed on at an international level by governments, industry, and labor, and adopted by the UN in 2002 with a goal of 2008 for implementation.

Over 40 million workers will be affected by the proposed HCS, in over 5 Million workplaces. The costs associated with compliance with the proposed revisions to the HCS would generally be incurred by the affected industries as one-time transition costs over the phase-in period of three years.

OSHA's proposal to adopt the GHS will not change the framework and scope of the current HCS but will help ensure improved quality and more consistency in the classification and labeling of all chemicals. This will enhance worker comprehension, resulting in appropriate handling and use of chemicals. The harmonized format of the safety data sheets will enable workers to access the information more efficiently. In addition, currently multiple labels and safety data sheets must often be developed for the same product when shipped to different countries. This creates a major compliance burden for chemical manufacturers and those involved in international trade, increasing the cost of providing hazard information. The adoption of GHS will minimize this burden.

Major proposed changes to the HCS:

- **Hazard classification**: Provides specific criteria for classification of health and physical hazards, as well as classification of mixtures.
- **Labels**: Chemical manufacturers and importers will be required to provide a label that includes a harmonized signal word, pictogram, and hazard statement for each hazard class and category. Precautionary statements must also be provided.
- **Safety Data Sheets**: Will now have a specified 16-section format.

Information and training: The GHS does not address training. However, the proposed HCS will require that workers are trained within two years of the publication of the final rule to facilitate recognition and understanding of the new labels and safety data sheets.

Over 40 million workers will be affected by the proposed HCS, in over 5 Million workplaces.The costs associated with compliance with the proposed revisions to the HCS would generally be incurred by the affected industries as one-time transition costs over the phase-in period of three years. The cost includes reclassification of all chemicals, additional training of workers on the new label elements and SDS format, and familiarization of the modified HCS standard. Aside from the transition costs, the ongoing annual compliance costs associated with the proposed revisions to the HCS generally are expected to be the same or lower than under the existing standard.

Annualized compliance costs of the proposed standard: Approximately $97 million per year

oOSHA estimates that the cost of classifying chemical hazards in accordance with the GHS criteria and revising safety data sheets and labels to meet new format and content requirements would be $11 million a year on an annualized basis for an estimated 90,000 establishments.

oOSHA estimates that training for workers to become familiar with new warning symbols and the revised safety data sheet format under GHS would cost $44 million a year on an annualized basis for all affected workplaces.

Although not a requirement in the proposed rule, OSHA estimated annualized costs of $42 million a year for management to become familiar with the new GHS system and to engage in other management-related activities as may be necessary for industry's adoption of GHS.

OSHA estimates that the revised standard will prevent 43 fatalities and 585 injuries and illnesses annually. The annualized monetized benefits associated with these reductions in safety and health risks are an estimated $266 million a year. OSHA estimates additional annualized benefits of $585 million a year from cost reductions and productivity improvements attributable to the proposed revisions. In total, OSHA estimates that the proposed revisions will provide net annualized savings of $754 million a year.

CI Calendar—What's Ahead

Dec. 8	Central Hudson Energy Reduction Program– 8:30 –10:30 am at Central Hudson, Poughkeepsie, NY. No cost for members. Contact Alison Butler abutler@councilofindustry.org to register and find out if your company qualifies for the program.
Dec. 18	**EHS/ OSHA Alliance Steering Committee meeting**—9:00—10:30 am at Council of Industry Office.
Dec. 31	**Last day to receive discount for** Certificate in Manufacturing Leadership Course. Contact Ana Maria Murabito at anamaria@councilofindustry.org for details.
Jan. 15	Deadline to place an ad in the **Council of Industry Member Directory.** Contact Alison Butler for more details—abutler@councilofindustry.org
Jan. 15	Human Resources Sub-council Meeting—Drug Testing– Location—TBA. Cost: none for members. Contact Alison Butler abutler@councilofindustry.org to register.
Jan. 20, 27	Certificate in Manufacturing Leadership: Fundamentals of Leadership – 9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: $400 single participant, $350 for 2 or more from the same company, $700 for a single non-member.
Jan. 28	Executive Strategic Management Series: Strategic Decision Making— 5:00 pm –9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: $125 for a single participant, $100 for 2 or more from the same company.
Feb. 4	Executive Strategic Management Series: Marketing Strategies— 5:00 pm – 9:00 pm at SUNY New Paltz, School of Business, Van den Berg Hall. Cost: $125 for a single participant, $100 for 2 or more from the same company.
Feb. 9	Manufacturing Day in Albany
Feb. 10	Certificate in Manufacturing Leadership: Making a Profit –9:00 am—4:30 pm at Dutchess Community College, Bowne Hall, Poughkeepsie, NY. Cost: $200 single participant, $175 for 2 or more from the same company, $375 for a single non-member.

You can find more information on the courses and events listed in our calendar by going to our website—www.councilofindustry.org or if you are reading our electronic version just press Ctrl + click the course title.

Manufacturing Matters

Developing and Using Performance Dashboards

From *Information Management*

Performance dashboards are a commonly used management tool to gauge performance and progress toward business goals. Dashboards can be designed and developed to address a wide range of objectives, from monitoring the viability of a global organization's business strategy, to keeping a check on a department's ability to achieve service-level targets.

Dashboards, however, can be difficult to design and implement, and often fail to achieve their objectives. Common problems include misalignment of dashboards with business goals, unrealistic or poorly defined objectives and organizational issues affecting design and implementation.

A dashboard should enable an iterative approach and be an "evolving" document that changes over time in response to new business conditions.

Analysis of Dashboard Initiatives

An analysis of dashboards used in 30 companies across industries and countries done by *Compass* in 2007yeilded the following information.

Key Success Factors: Observations

- Ease and speed of implementation were identified as key success factors; respondents indicated that a dashboard should be easily designed with a minimum of effort. Beginning with the basics and a logical structure that quickly delivers results was seen as more effective than developing complex metrics trees.
- Another key was defining metrics in relevant business terms that are meaningful to stakeholders; that deliver a mix of operational, financial and project-specific information; and that enable a repeatable review process.
- Respondents also cited the dashboard's use as a facilitative management tool as essential. Rather than merely providing a report card on performance, the dashboard should generate actions toward specific goals.
- Finally, the study participants emphasized that a dashboard should enable an iterative approach and be an "evolving" document that changes over time in response to new business conditions. This characteristic was also identified as one of the most difficult to achieve.

Tactical Dashboards Predominate

There were four different levels of performance dashboards: CEO/board level, comprised of about six high-level metrics; Corporate vice president/director level, between 12 and 20 metrics; IT strategic level, similar to above, but focused on IT; range of metrics, between 12 and 50; and IT operational dashboards, commonly about 20 metrics each.

Of the dashboard initiatives examined, two-thirds were implemented for tactical or monitoring purposes within departments or for specific projects and operational areas. At the intermediate strategic level, dashboard initiatives were used to facilitate communication between IT departments and business units, to increase transparency of operations, to demonstrate innovation and to monitor external service providers.

Tools Used in Dashboard Development

The analysis of dashboards focused on the tools used in creating the initiatives. The basic criteria most commonly applied to tool selection were utility (a tool that gets the job done) and the ability to create a framework that communicates basic findings at minimal expense. Given the focus on timeliness, most participants sought a tool that could deliver results in a reasonable time frame so that the project would not lose momentum and so that team members would stay focused and enthusiastic.

Although more than 50 software products are available, Microsoft Excel was the most commonly used tool to develop performance dashboards, accounting for close to three-quarters of the projects analyzed.

Three Keys to Developing an Effective Dashboard

Based on the review of dashboard engagements and stakeholder interviews, Compass defined a set of three guidelines to establish priorities when designing and implementing an effective dashboard initiative.

Proper metrics. An initial focus on business objectives enables definition of appropriate metrics - those that are meaningful to stakeholders and to the business. Effective metrics measure results in terms of defining action and improvement, rather than merely monitoring performance. A focus on defining proper metrics at the outset also avoids the problem of allowing available data or tools - rather than business objectives - to drive the process, rendering the initiative irrelevant to performance issues.

Executive support. Dashboard initiatives need a champion - a relatively senior executive who understands business challenges and wields sufficient authority to make things happen. Senior executives must stay involved to keep the initiative on the front burner. In many cases, initiatives start with great fanfare but then focus shifts to other priorities and teams lose interest. Without ongoing high-level sponsorship, dashboards risk fading into obscurity and irrelevance.

Simplicity. Dashboards should be easy to implement and use, actionable and provide a mix of operational, financial and project-specific information. Dashboard initiatives often fail because of unrealistic expectations, lack of support and lack of relevance. Patience, planning and perspective are essential.

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Also, Tier V pension reform, which would produce savings of nearly $50 billion over the next thirty years for State and local governments, is a key component of Governor Paterson's agreements with CSEA and PEF to avoid State employee layoffs. As such, pension reform will be a key component of the DRP.

The Council of Industry recognizes that this is no easy task for the governor or legislature, and the Governor's proposal is certainly a good starting point…IF it is treated that way. For over 100 years, the Council of Industry has been representing the region's manufacturing and business needs on the state and federal level in creating and revising policy to allow for a better business climate. The Governor's proposal is what we feel the beginning of a long arduous road to recovery for our state. As any of our businesses are forced to do everyday: set priorities, look to the long term goals, and make cuts where most needed and critical as part of the plan for a better future. One of the most obvious components missing in the Governor's proposal includes cutting payroll. Businesses everyday are forced to make job cuts, decrease operations, practice lean standards. Payroll cuts and changes in employee benefit packages are all components missing from the recommendations that if addressed would help significantly in reducing costs.

The largest objection from our membership to the Governor's plan is the proposal to sweep revenues collected from the 18a assessment into the General Fund. The inclusion of the assessment in the first place as part of the budget was an indirect tax on businesses and taxpayers. The Council of Industry strongly feels that the 18a should NOT be considered a part of the mid year solution and rather the government should repeal the legislation (there are two existing bills calling for this, Hawley/Ranzenhofer), then making more cuts in payroll and overhead costs.

While referring to additional repeals, another significant portion of the energy cost disparity is due to the costs imposed to fund statewide energy efficiency and environmental initiatives. The Energy Efficiency Portfolio Standard, the Renewable Portfolio Standard, the Systems Benefit Charge, are all concrete examples of past enacted electricity initiatives that, coupled with the already included general sweep on funds generated from RGGI and the Public Service Law 18-a assessment, will be costing upwards of $1.5 billion annual to New York State taxpayers. The Council of Industry urges the Government to cut back on these programs and not to rely on revenue generated from them, particularly during such difficult fiscal times. This is simply another example of asking the state taxpayers to cover the costs for programs that while important, are certainly not a priority over balancing the budget and reducing the deficit.

As we stated before, there is no simple solution to this long term and historical issue plaguing New York State. We look forward to working with the Governor and the legislature in achieving a cohesive long term plan to weeding out of New York State's fiscal crisis.

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Congress Considering Alternative Paid Sick Leave Legislation
Earlier, amid concern over H1N1 and influenza-related illnesses, the Emergency Influenza Containment Act (EICA) was proposed in Congress. EICA provides up to five days of paid leave and would cover only employees "directed" or "advised" by their employer to leave work or not come in because of a contagious illness. Furthermore, it would allow an employer to cut short an employee's paid sick leave allotment by notifying the employee of its belief that he or she can return to work.

Another paid sick leave bill pending in Congress is the Healthy Families Act (H.R. 2460/S. 1152). It would require employers to provide up to seven paid sick days each year for an employee's own or a family member's physical or mental illness, injury, medical condition, or preventive care, as well as paid sick time for absences related to domestic violence, sexual assault, or stalking. Employees would be entitled to accrue one hour of paid sick time for every 30 hours worked, up to a total of 56 hours.

Regardless of the outcome of these paid sick leave measures, employers should develop and implement contingency plans to address widespread absences due to pandemic illness in the workplace

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