

CI NEWSLETTER

The Council of Industry of Southeastern New York

March 2009

The Manufacturers Association of the Hudson Valley

Volume 13 Issue 3

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Welcome New Members:

Optimum Applied Systems Inc.-

Energy management systems, boiler controller. Contact: Ed Winiarski, Poughkeepsie, NY.

Vantage Manufacturing & Assembly LLC- Contract Manufacturing and Engineering. Contact: Ed Winiarski, Poughkeepsie, NY.

Making the Case for Manufacturing

More than 65 executives from manufacturing firms across the state attended Manufacturing Day events in Albany on February 3rd. The day included speeches by Assembly Minority Leader James Tedisco, Senate Minority Leader Dean Skelos, a panel discussion relating to issues that affect manufacturers and meetings with individual legislators.

What was to be a highlight of the event became an example of the frustration we all feel in dealing with our state government. More than 50 legislators had indicated they would attend a cocktail reception at the Fort Orange Club, however, only a few legislative aides were able to attend. Legislators were called into unplanned Senate and Assembly sessions that evening to pass the "deficit reduction plan," a plan that none had seen prior to the session and had only been agreed to that afternoon by Governor Patterson, Senate Majority Leader Smith and Assembly Minority Leader Silver.

Manufacturing Day was organized by the Manufacturing Alliance for New York State. To fill the need for statewide advocacy for manufacturers, the Council of Industry, partnered with the Manufacturers Association of Central New York (MACNY) in 2006 to form the Manufacturing Alliance of New York State. Since then the Chief Executives Network for manufacturing in the capitol Region,(CEN), the Long Island Forum for Technology (LIFT), the Manufacturers Association for the Southern Tier (MAST) and the Industrial Management Association of Westchester, (IMA) have all joined the Alliance. The Alliance unites knowledge, purchasing power and voices to help New York's manufacturers prosper and grow. Alliance members share services, including advocacy, human resource consulting and purchasing solutions.



Assembly Minority Leader James Tedisco and MACNY President Randy Wolken at Manufacturing Day.

While disappointed that the reception was a victim of the state government's chronic dysfunction, we were very pleased with the hearing we got from individual legislators. In meeting with reps from across the state and both sides of the aisle manufacturing execs were able to communicate the important role manufacturing plays in the New York economy, a role that includes almost 600,000 jobs with an average wage of more than \$50,000 per year. We were also able to communicate the devastating effect high energy, insurance, regulatory and tax costs have on manufacturers that, by and large, compete with firms from all over the nation and the world.

Manufacturing Day 2009, though in many ways frustrating, was a success. Manufacturers across the state realize they are not alone in their struggle. The state legislature is beginning to get the message that the path to prosperity in our state will be made by our manufacturers. The Manufacturing Alliance for New York State, and the Council of Industry as a founding member of that alliance, will continue its advocacy efforts in the coming months as new legislation at the federal level as well as at the state level makes its way through the process.

Training and Education

"The Council of Industry's Executive Strategic Management program is a great opportunity for local executives and managers to come together and engage in both open discussion and case study examples related to facets of our businesses that challenge us regularly," explained Scott Hutchins, Business Unit Director, at Council member Jabil.

Executive Strategic Management

The Council of Industry's new series of courses on Executive Strategic Management has been well attended and well received. The classes began back in January and have covered topics ranging from corporate and business level Marketing strategies, to human resource and talent management. While much of what is gained from this series is taught by the top notch instructors from the SUNY New Paltz School of Business, there is also an exchange of ideas and information between the upper management attendees from manufacturers across the Hudson Valley. "The Council of Industry's Executive Strategic Management program is a great opportunity for local executives and managers to come together and engage in both open discussion and case study examples related to facets of our businesses that challenge us regularly," explained Scott Hutchins, Business Unit Director, at Council member Jabil.

The goal of this training is to help the executives and upper level management members to increase their competitiveness in the ever more complicated global business climate they face today. This series focuses on making smart choices, informed decisions and developing insights that will improve your company, your manufacturing process and your employees.



Council members discuss business strategies during an Executive Strategic Management class.

There is still time to take advantage of this excellent opportunity to expand your knowledge base and register for one or all three of the remaining classes.

Global Business on March 3rd, is taught by Davina Vora and will cover reasons for firm internationalization, including environmental factors. There will also be a discussion of entry mode and strategic orientations and global mindsets. This course includes a written assignment on your firm and its current role or its potential role operating internationally, including opportunities and challenges and your global strategy.

Capital, Accounting and Finance Strategies on March 10th, taught by Rief Kanan focus on financial strategies including access to capital, maximizing ROI, effective budgeting and more. There is also an introduction to operating budgets and a review of key elements of financial analysis such as the DuPont model, other capital decision bases and liquidity.

Authentic Leadership and Wrap-up on March 24th, taught by Gretchen Vogelgesang will cover the Authentic Leadership Development Theory. You will learn how to create transparency in leader-follower interactions. The Full Range Leadership Model will be covered as well as how to measure your impact as a leader. Participants will create their own leader development plan for themselves and for followers.

Each class is from 4:30 pm to 8:30 pm at the SUNY New Paltz School of Business and includes a "working dinner". The cost to attend is \$125 for a single participant or \$100 each for two or more people from the same company. To register or get more information, contact Ana Maria Murabito at anamaria@councilofindustry.org or call the Council office at (845) 565-1355. You can also get info and register online at http://www.councilofindustry.org/programs/category_courses.html.

Council News

Metrics Are Easy! Analytics? Now We're Talkin'

The Council of Industry and the Mid Hudson Valley Society for Human Resource Management have teamed up to offer this presentation on HR Metrics and Analytics.

If you want to attend a "metrics" seminar with only one slide of numbers and charts – yet allows you to return to work with a fresh perspective and energized about measuring, this session is for you! Learn about a strategic approach to measuring the effectiveness of your recruiting and retention initiatives:

- The three questions that will always yield correct metrics
- That answers to questions about metrics (analytics) are what we should share
- Why most metrics are really just activity measurements but can still be useful
- How metrics can defend or increase your recruiting budget
- How recruiting can be a profit center – or at least cost neutral

Presented by: **Geoffrey M. Dublski, MS, CDR, CIR - Principal & Managing Director, Sumner Grace & Associates**

Geoff has over 15 years business experience, twelve directly related to HR functions – in both the public and private sector. He had been an executive compensation consultant with Towers Perrin in New York City and was an operational executive with one of the largest national staffing firms. He has supported Fortune 100 Companies, including GE, Scientific-Atlanta, Ingersoll-Rand, Monsanto/Searle and Motorola. He holds a Bachelor of Business Administration and Master of Science degrees from the University of Massachusetts.

Date: March 18, 2009

Schedule

8:15 – 8:45 a.m. Registration, Continental Breakfast

8:45 – 9:00 a.m. Announcements, Introductions

9:00 – 10:15 a.m. Program

Location: Ramada Inn, Route 300, Newburgh NY

Cost: \$15 Chapter member or Council of Industry member,

Arc Flash Safety - Are You Prepared?

The Environment, Health and Safety Sub-council will meet on Friday, March 20th to discuss Arc Flash Safety.

An arc flash is a short circuit where an enormous amount of concentrated radiant energy explodes outward from electrical equipment. The explosion creates pressure waves that can damage a person's hearing, a high-intensity flash that can damage their eyesight and a superheated ball of gas that can severely burn a worker's body and melt metal. Every year, more than 2,000 workers are treated in burn centers with severe arc flash injuries. The flash is immediate, but the results can cause severe injuries that last months, years—even a lifetime. In some cases, they may cause death. Treatment costs can exceed \$1,000,000 per case. Additionally, arc flash and overall electrical safety is on OSHA's radar and OSHA has begun citing companies for arc flash violations. As a result of an arc flash incident, one company was fined \$193,500 for failing to protect employees from electrical hazards.

Jeffery Sotek, from **HRP Associates**, will present information on how to prevent and prepare for this occupational hazard. He will cover the OSHA regulations regarding arc flashes, arc flash hazards and NFPA 70E.

Date: Friday, March 20th

Time: 8:30 am–10:00 am

Place: Council of Industry Office, The Desmond Campus, Newburgh, NY

Cost: None for members



Every year, more than 2,000 workers are treated in burn centers with severe arc flash injuries. The flash is immediate, but the results can cause severe injuries that last months, years—even a lifetime.

Personnel Matters

COBRA Premium Subsidy: The American Recovery And Reinvestment Act of 2009

From Ulster Insurance Services Inc.

On February 17, 2009, President Obama signed into law H.R. 1, the American Recovery and Reinvestment Act of 2009 (ARRA). Among many other provisions designed to encourage economic recovery, Title III of ARRA expands the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) Continuation Coverage to provide a 65 percent federal subsidy toward an eligible worker's COBRA premium for up to 9 months. The provisions in ARRA providing this subsidy are effective as of the date of the President's signing. A brief summary of the newly enacted COBRA subsidy follows.



What Is The COBRA Subsidy?

Eligible workers will receive a 65 percent subsidy toward their COBRA continuation premium for up to 9 months. The Treasury Department will administer the subsidy, providing employers or health plans, if they administer COBRA benefits, with a credit against payroll taxes for the cost of the subsidy. The subsidy would terminate the date the individual becomes eligible for any new employer-sponsored health care coverage or Medicare coverage.

For What Coverage Is The Subsidy Available?

The federal subsidy is available for COBRA continuation coverage and for state programs providing comparable continuation coverage. The subsidy is not available for coverage under a health flexible spending arrangement.

Who Is Eligible For The COBRA Subsidy?

Individuals who have been involuntarily terminated from employment between September 1, 2008 and December 31, 2009 and who have annual incomes of less than \$125,000 (single) or \$250,000 (joint filers) for the taxable year in which the subsidy is received (i.e., either 2009 or 2010) are eligible for the COBRA premium assistance, along with their families. If the premium subsidy is provided to an individual whose income exceeds \$145,000 (single) or \$290,000 (joint), then the amount of the premium subsidy for all months during the taxable year must be repaid. For taxpayers with income between 125,000 and \$145,000 (or \$250,000 and \$290,000 for joint filers), the amount of the premium subsidy for the taxable year that must be repaid is reduced proportionately.

Do Any Special Enrollment Rights Exist?

Qualified individuals who initially decline COBRA coverage prior to the enactment of ARRA

would be given an additional 60 days after they receive notice of the special election period to elect to receive the subsidy. The election period begins on the date of the enactment of ARRA. The special election opportunity is also available to a qualified beneficiary who elected COBRA coverage but who is no longer enrolled on the date of enactment, for example, because the beneficiary was unable to continue paying the premium.

Federal COBRA law provides that a group health plan must allow an eligible individual to choose to continue with the coverage in which the individual is enrolled as of the qualifying event. However, ARRA allows group health plans to provide a special enrollment right to allow eligible individuals to elect different coverage under the plan in electing COBRA continuation coverage. Further, even though the premium subsidy is only for 9 months, the different coverage elected must generally be permitted to be continued for the applicable required period (generally 18 months or 36 months, absent a COBRA terminating event).

What Are The Notice Requirements?

COBRA notices must include information on the availability of the premium assistance and must be provided to all individuals who terminated employment during the applicable time period, not just to individuals who were involuntarily terminated. The Department of Labor has 30 days after the enactment of ARRA to issue model notices.

How Is The Subsidy Administered?

The subsidy is generally administered as a reimbursement. The entity to which premiums are payable will be reimbursed by the amount of the premium for COBRA coverage that is not paid by an eligible individual on account of their 65 percent premium reduction. An entity is not eligible for subsidy reimbursement, however, until it has received the reduced premium payment from the eligible individual. The entity to whom the federal reimbursement is payable is either (1) the multiemployer group health plan, (2) the employer maintaining the group health plan subject to federal COBRA, or (3) the insurer providing coverage under an insured plan.

The entity that is eligible for reimbursement may elect to offset its payroll taxes for purposes of reimbursement. To the extent that such entity has liability for income tax withholding from wages or FICA taxes with respect to its employees, the entity is reimbursed by treating the amount that is reimbursable to the entity as a credit against its liability for

these payroll taxes. That is, the credit for the reimbursement is treated as a payment of payroll taxes. Any reimbursement for an amount in excess of the payroll taxes owed is treated in the same manner as a tax refund. Entities wishing to claim reimbursements will be required to file certain reports, including an attestation of the involuntary termination of employment of each covered employee for which reimbursement of premiums is claimed.

What Is The Effective Date Of The COBRA Subsidy?

These provisions are effective for periods of coverage beginning after the date of the enactment of ARRA. For group health plans using calendar months as the period of coverage, the subsidy applies beginning **March 1, 2009**. Additionally, eligible individuals who pay 100 percent of the premium required for COBRA for any month during the first 60-day coverage period after enactment will be reimbursed.

Is The Subsidy Retroactive?

Although the subsidy is available to employees who were terminated starting September 1, 2008, the subsidy itself is not retroactive. It will apply only to periods of coverage beginning on or after March 1, 2009.

What Compliance Actions Should Be Taken Now?

At a minimum, the following compliance actions should be undertaken as soon as possible:

- Review records to identify employees who were involuntarily terminated from employment since September 1, 2008;
- Update COBRA materials to comply with the new requirements;
- Determine whether to permit individuals to elect a different health plan option when electing COBRA coverage;
- Review severance policies to revisit the issue of any employer COBRA premium contributions;
- Notify the appropriate individuals of their new rights and responsibilities under ARRA;
- Develop processes and procedures for the administration of the COBRA subsidy; and
- Keep informed about the status of the soon to be released model forms and regulations.

Where Can I Get More Information?

For a copy of the new law, ARRA, see: <http://thomas.loc.gov/cgi-in/bdquery/z?d111:h.r.00001>:

For general information regarding COBRA, see: <http://www.dol.gov/dol/topic/health-plans/cobra.htm>

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More Personnel Matters

Expect 2009 to Be a Year of Profound Change for Employers

by Kevin M. Doherty, Esq., Greenwald Doherty LLP



Right out of the gate, President Obama's administration has already enacted two new laws [including the recent stimulus bill – the American Recovery and Reinvestment Act of 2009 ("ARRA")], and a number of new executive orders which

affect many employers. This is just the beginning – a number of other bills impacting employers are seemingly right around the corner. Here is what has happened and what you should be prepared for.

Ledbetter Act

President Obama recently signed the Lilly Ledbetter Fair Pay Act. This Act significantly expands an employer's exposure to employees' fair pay claims. Previously, claims of discriminatory pay disparities could be dismissed by a court if employees did not file them within the relatively short, statutory limitations period (either 180 or 300 days from when the purported discriminatory pay decision was made, depending on the state).

The Ledbetter Act expands equal pay claims based on sex, race, religion, age and disability. The Act virtually eliminates any limitation or cut-off period for bringing a claim. As long as an employee files a claim within 180 or 300 days of when he/she was receiving either wages or pension benefits based on the employee's prior wages, the employee's claim that the employer's pay practices were discriminatory will be accepted as timely filed by a court.

ARRA

ARRA includes a number of temporary changes to COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1986), the law that extends continuation of health coverage to employees and their dependents after termination of employees'

employment. (For more information please see the article on page 4.)

And there is More . . .

This is just the beginning – it's going to be a bumpy ride for some time to come. Already three executive orders have been signed that increase the exposure to unionization for any employer accepting federal contracts.

Also, looming on the horizon is the much-discussed Employee Free Choice Act ("EFCA"). EFCA promises both to make it much easier for unions to organize all previously non-union employers and to dramatically increase the costs of unionization to employers.

As if the above were not enough, examples of other likely proposed legislation include: elimination of the current damages cap on discrimination cases; a requirement that employers with at least 15 employees provide 7 days paid sick leave to employees working 30 hours per week; invalidation of mandatory arbitration agreements as a condition of employment; a stiffening of the standards and penalties for misclassifying workers as independent contractors; and a requirement that even small employers provide 8 weeks of FMLA-like leave.

Make sure your company is adapting to this new pro-employee landscape, and stay tuned for even more changes ahead.

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Consumer Price Index - Jan. 2009

				Point	%	% Increase
Wage Earners & Clerical	Jan. '08	Jan.	Dec.	Increase	Month	Year
1967=100	615.83	612.72	610.08	2.64	0.4	-0.5
1982-84= 100	206.74	205.70	204.81	0.89	0.4	-0.5
All Urban Consumers						
1967=100	632.30	632.49	629.75	2.74	0.4	0.0
1982-84=100	211.08	211.14	210.23	0.91	0.4	0.0
Hudson Valley Unemployment Rate for December 2008 = 6.0 %						

Legislative Matters

Analysis of MTA Payroll Tax to Affect 5 Counties in the Hudson Valley

From Vanacore, DeBenedictus, DiGiovanni & Weddell LLP

In his state of the state address, Governor Paterson described New York's economic condition as "perilous" and one which calls for "shared sacrifice" from all New Yorkers. Clearly, the Governor and state Legislature are facing unprecedented challenges-and answering those challenges will not be easy. Nevertheless, I am particularly troubled when proposals go far beyond what is reasonable and equitable, like the proposed "payroll tax" submitted by the Ravitch Commission.

The Ravitch Commission was assembled to recommend ways to fund Metropolitan Transportation Authority (MTA) capital projects and operating needs over the next ten years. The Commission Report recommended adding a payroll tax for **individuals, businesses, not-for-profits and governments** within the twelve counties in the MTA district. **If enacted, the recommended payroll tax will equal one-third of one percent on your total payroll.** I'll let you do the math.

A payroll tax is not only a regressive tax, but one that will stifle our economy rather than encourage private sector growth. While the payroll tax alone will not put anyone out of business or force anyone to move, it adds to the aggregate tax in New York that make this state the costliest state to live in and the costliest state in which to do business.

It is important to note that this proposed payroll tax is in addition to the five other taxes/fees we already pay to the MTA. These include a portion of the sales tax, the petroleum business tax, mortgage recording tax, a phone bill surcharge and a charge to counties for the maintenance of parking lots at Metro North stations.

Suffice to say that while our community clearly benefits from the MTA's presence in our region, **our region's business owners, individuals, non profits and governments should not shoulder an unfair portion of the burden** in helping the MTA balance its budget.

Senator Saland identified raw numbers in his recent op/ed column in the *Poughkeepsie Journal*, which in part, stated "Not only is a payroll tax a ludicrous idea for a State which desperately needs to attract jobs, but it's unfair and unreasonable to impose the same tax rate on businesses in the Metro North region as is proposed for those located in New York City. It should be considered that Dutchess County, at its peak, has an average morning ridership of 4,126 as compared to NYC transit ridership at 5,042,263 and NYC MTA bus ridership at 2,356,301. Total wages for 2007 in Dutchess County have been reported at \$5,206,830,230. The math is simple and the result is devastating."

Highlights of the Business Tax and Benefits Provisions of the American Recovery and Reinvestment Act of 2009

By Sean Hansen, Stanley Marks & Company LLP

The Act includes extensions of tax provisions aimed at encouraging business investment through capital expenditures. Businesses can elect to receive 50% first year "bonus" depreciation for 2009 qualifying "original use" capital expenditures. Businesses can also elect to "write off" up to \$250,000 of the costs of 2009 qualifying expenditures in the year of acquisition in lieu of depreciation recovery over time.

The Net Operating Loss Carryback provision for qualifying Small Businesses has been expanded to allow businesses to elect up to a five-year maximum NOL carryback period for 2008 NOLs. This may allow businesses to benefit immediately from unused current losses by absorbing them against prior period income. In addition, there is an extension of the Renewable Energy Credits and an expansion of the Work Opportunity Credit.

Another provision changes the "required annual payment" for 2009 Estimated Tax Requirements for qualifying Individuals with Small Businesses to be the lesser of 90% of the tax shown on the current or prior year tax returns.

While the above provisions represent important tax planning opportunities for businesses that we hope will positively stimulate the economy, it is important to understand that this tax legislation is a far cry from the significant tax benefits sought by small and medium businesses. Despite good comments in good speeches, less than 1% of the nearly \$800 billion in this package will be providing tax benefits to small and medium businesses, according to estimates by the Senate Finance Committee.

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Member Profile

Member Profile: UNILOCK

Year founded: 1972

Location: Brewster, NY

Products: Paving stones, landscape retaining walls, and a variety of items for residential and commercial applications.

Website: www.unilock.com

As the snow slowly melts away here in the Hudson Valley and residents can once again reclaim their outdoor living areas, Unilock will be a part of that. For over 35 years, Unilock has been best known for the manufacture of a wide variety of paving stones for driveways, patios and landscape retaining walls.

Unilock was the first company to introduce concrete pavers to North America in the early 70's and they have pioneered numerous other firsts since then. Started in 1972 by Ed Bryant, a Canadian who was inspired by the use of paving stones in Europe, their first plant was located in Ontario, Canada. Since then Unilock has expanded to fifteen manufacturing facilities across the US and Canada. The Unilock plant in Brewster, N.Y. was built in 1990 and manufactures almost everything found on the Unilock website.

The eco-friendly nature of paving stones has led to Unilock products being used in many "green" projects around the country. Unilock's permeable paver system allow rain water to go back into the ground; traditional asphalt surfaces don't have this capability and therefore require costly retention ponds. This helps to maintain the water table, curb erosion and reduce the storm sewer capacity needed. The water is naturally filtered through the aggregate preventing the contamination of pollutants and salts into nearby streams, rivers and lakes. The use of permeable pavers is a recommended best management practice by the U.S. Environmental Protection Agency and a recommended practice under Low Impact Development and Leadership in Energy and Environment Design (LEED) guidelines. Unilock began producing permeable pavers in 1987. Since then many commercial building pro-



jects have used Unilock's eco friendly pavers for parking lots as well as landscaping. One example of this is in Chicago where parking lot L of U.S. Cellular Field was replaced with Unilock's permeable pavers and Chicago's Buckingham Fountain was also renovated using Unilock's Eco-Priora® Coral Gem pavers.

The process that creates these beautiful stones is simple, really; water, sand, stone chips and pigment are combined and then pressed beneath ten tons of vibrating pressure. The tumbled line is further processed through a tumbler to give it a "weathered look." Unilock was the first company to introduce tumbled pavers to North America as well in 1994 with their Brussels Block®. They were also the first to introduce brushed textured pavers, granite like cobble stones, granite textured pavers and a paver that prevents the adhesion of chewing gum and resists stains..



A walkway and retaining wall built with Unilock's Roman Pisa stones.

Recently, Unilock introduced Unilock Elements. Elements are pre-built pieces that add to your outdoor living space.

They range from outdoor fire places and grills to water features. To see the amazing designs created with these products visit Unilock's website www.unilock.com.

From the beginning, Unilock has brought innovation to North America's landscape. It is this innovation that has helped Unilock keep up with the changing customer tastes, trends and desires. Unilock has exclusive affiliations with European groups such as Metten Stein and Design, Eurobeton, Unigroup USA, and Risistone which help Unilock stay abreast of the latest trends and manufacturing technologies.

Unilock is a family run company and will continue to be. It is their strong commitment to integrity and family values that has paid off with a high employee retention rate. These employees help to make Unilock as strong and successful as the products they produce.

From the beginning, Unilock has brought innovation to North America's landscape. It is this innovation that has helped Unilock keep up with the changing customer tastes, trends and desires.

EHS Matters

State Worker's Comp Board Creates Claimant Information Packet

Source: WorkCompCentral

The New York State Workers' Compensation Board (SWCB) announced this week it has created a new "claimant information packet" that employers are required to submit at the time of a workers' illness or injury.

Under board rule 300.37, the new package is comprised of a series of instructions and forms that have been revised as part of the "rocket docket" required by former Gov. Eliot Spitzer's 2007 workers' compensation reforms.

The rocket docket is aimed at reducing the average time for resolving disputed claims to 90 days.

SWCB said the packet must include information on:

- Filing a claim
- Providing notice
- Hiring representation
- Obtaining health care
- Using a carrier's designated pharmacies and diagnostic testing networks

The board said it incorporated those items in a document to be combined with Form C-3, the Employee's Claim, and Form C-3.3, the Limited Release of Health Information.

The board has added the packet to the Employers and Workers sections of its website for downloading and printing. The packet can be downloaded in English or Spanish.

The regulatory notice and links to both English and Spanish packets are at http://www.wcb.state.ny.us/content/main/SubjectNos/sn046_290.jsp.

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Budget Matters

In a NAM Press Release (2/27) entitled "America Needs Investment, More And Better Jobs," CEO John Engler and NAM "issued the following statement in reaction to OMB's release of the Executive Budget for Fiscal Year 2010: At a time when our country is mired in a severe recession, suffering from rising job losses and a financial system in turmoil, the high taxes and anti-investment provisions proposed in the Administration's budget plan will stifle our economy's ability to recover, grow and create jobs." The NAM "acknowledges and appreciates the President's budget recommendation to promote innovation and job creation by making the Research and Development Tax Credit permanent and providing important tax relief to struggling companies of all sizes." But "the benefits of these pro-growth tax provisions are dwarfed by major, job-destroying tax increases on thousands of manufacturers of all sizes across all industry sectors." The "manufacturing economy and our 12 million-plus workers and their families have much to lose if the budget plan as released today is enacted into law."

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CI Calendar—What's Ahead

Mar. 3	<u>Executive Strategic Management Seminar: Global Business</u> - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Mar. 4	<u>Certificate in Manufacturing Leadership: Positive Motivation and Discipline</u> - 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$185 single participant, \$160 two or more from the same company.
Mar. 5	<u>Advanced Technology & Innovation: Introduction to Innovation</u> - 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$125 single participant, \$110 two or more from the same company.
Mar. 10	<u>Executive Strategic Management Seminar: Capital, Accounting and Finance Strategies</u> - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Mar. 18	<u>Certificate in Manufacturing Leadership: Environmental Safety & Health Management Issues for Supervisors</u> 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$185 single participant, \$160 two or more from the same company.
Mar. 18	<u>Human Resources Sub-council: Joint meeting with MHVSHRM on HR Metrics and Analytics</u> -8:15am – 11:00 am Location: The Ramada Inn, Newburgh, NY. Cost \$15 for members.
Mar. 19	<u>Advanced Technology & Innovation: The Innovator's Dilemma</u> - 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$125 single participant, \$110 two or more from the same company.
Mar. 20	<u>Environment Health & Safety Sub-council: Arc Flash Safety</u> 8:30am – 10:00 am Location: The Council of Industry Office, Newburgh, NY. Cost- none for members.
Mar. 24	<u>Executive Strategic Management Seminar: Authentic Leadership and Wrap-up</u> - 4:30 pm – 8:30 pm Location: SUNY New Paltz, New Paltz, NY. Cost: \$125 single member, \$100 two members from same company.
Mar. 31	<u>Lean Manufacturing: Lean Six Sigma</u> - 8:30 am—4:30 pm Location: Orange Community College, Newburgh, NY. Cost: \$125 for a single participant, \$110 for two or more from the same company.
Apr. 1	<u>Certificate In Manufacturing Leadership: Effective Business Communication</u> - 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$185 single participant, \$160 two or more from the same company
Apr. 9	<u>Advanced Technology & Innovation: Theory and Practice of Open Innovation</u> - 9:00am – 4:30pm Location: Dutchess Community College, Poughkeepsie, NY. Cost \$125 single participant, \$110 two or more from the same company.
Apr. 14,15, 16	<u>Lean Manufacturing: Lean Six Sigma Yellow Belt Training</u> – 8:30 am— 4:30 pm Location: Orange Community College, Newburgh, NY. Cost: \$400 for a single participant, \$375 for two or more from the same company.

If you are reading our online pdf version of the Council of Industry Newsletter, you can click on any of the course titles to go straight to the course description on the Council of Industry website.



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Manufacturing Matters

Leading In A Down Economy - Crisis Or Opportunity

By Roger Ingbreetsen – Certified Executive Coach

As a leader in your organization, do you have to deal strictly on your own with the **crisis** of a **down economy**? Many have described “leadership,” especially at the top, as a lonely profession. This statement more often holds true during tough economic times; but does it have to be? Yes, most often the buck does stop with you the leader when it comes **down** to the big **or** final decisions; however, using your best organizational talent can “turn your **crisis** into their opportunity.” What keeps you up at night can keep them up at night and this can be a good thing.

One of the important roles of a leader is to ensure you have in place the best talent available to carry out the mission and vision of the organization. Other attributes of a good leader is their ability to communicate and delegate effectively. This combination of solid talent, good communication and effective delegation can almost be a silver bullet to get your organization, division, department **or** team through a **down economy** and come out in even better shape when things turn around. Taking positive action during less than rosy economic times provides a foundation **for** coming out on top of competition when the **economy** rebounds.

Leading in a tough **economy** boils **down** to a formula that includes four basic areas: people – both yours and theirs, solid business acumen, an evolving business model – matching the business to the environment, and as always, execution – doing the right things, in the right way, at the right time. The key to realizing the positive effects of this formula is to cut the fat, hire and keep the best talent, and continually communicate and effectively delegate to that talent.

You can't communicate and delegate if you hunker **down** in your office with spreadsheets and try to figure out your next move on your own. Get out of your bunker and gather up your top talent (the deeper in the organization you can go the better off the results) and conduct several dialogue sessions. Today's dicey **economy** makes it even more essential **for** leaders to be visible and accessible, and to talk relentlessly about reality and the possibilities. People respond to an honest expression of hope and optimism, supported by a plan – especially if they help to create the plan.

Where possible, your talent pool needs to hear from you, directly, about what needs to be done and **for** you to directly hear their input and feedback. You need to build trust and that can best be accomplished in person, by making eye contact. Together, come up with a plan to first address all people issues. Remember, the real business is all about people – your talent...the competitors talent... and your customers! Additionally, during stressful economic conditions the “people issues” need to be quickly addressed before people are ready to effectively fix other issues.

You need to encourage your top performers to help look **for** the answers needed to survive and thrive. What better way to bind your talent pool than to facilitate their personal stake in improving their work and the work of their colleagues? This approach demonstrates your vote of confidence in the ability of your team to face the challenges successfully and be resilient.

Don't state the obvious “we need to do more with less,” your top talent knows that. Your job as leader is to inspire them to look **for** creative solutions. Your collective challenge is to figure out what you need to stop doing, change how things are done and what the organization must continue to do. Bottom line... how does the team play to win. Caution: It takes emotional fortitude to hire and develop great talent and then allow that talent to be ultimately committed to ensuring the business strategy is carried out.

There is no telling how long **or** how painful this economic downturn will be. Large-scale shakeout is taking place in virtually every business and government sector. Don't look **for** the good old days to return, because it's never back to normal. Normal does not exist. And yes, **leading** a company during a slowing **economy** has plenty of challenges. But, with the help of your talent pool, you must keep looking **for** opportunities. Opportunities **for** success are still there; but, harder to see given the current economic climate. You and your talent pool simply need to become more rigorous in the pursuit of information and solutions, scanning the world even more carefully **for** more possibilities. Interestingly economic downturns most often

provide leaders the **opportunity** to look harder at their organizations and re-connect with their employees and their market. Leaders at all levels are facing a “true classic test of their leadership capabilities.”

Final thoughts:

- If you are in a leadership role – Lead People – Excite them! If you can't, give the job to someone who can.
- Replace “transactional managers” with “Transformational Leaders!”
- If you see things that are not going right, get emotional and change the

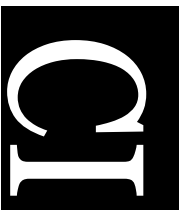
game.

- Escape perceived reality, make your reality real and informed.
- By all means, don't run a mundane shop, division **or** company, run something exciting! Exciting organizations attract great people.
- Even in a **down economy** growth is what it's all about!
- Your organization must be easy to do business with?
- Your organization must provide more added value than the competition?
- Your organization must develop its talent and play off their strengths?
- What 10 to 12 key items do you have on your PC that you can check on daily, in real time, to see how your business is doing? (Sales, service, quality, expenses, R&D, industry trends, people events, new project milestones, largest/best customers)
- It's too late to check results at the end of the month **or** end of the quarter!

Finally: Leaders must lead all the time! The present economic conditions simply magnify the importance of focusing on the above points, which good leaders follow in good times and bad. You must take seriously words such as: Leadership, Integrity, Talent, Core competence, Partners, Innovation, Cooperation, Win-win, Relationship, Network, Global, Trust, Culture, Ambiguity, Chaos, Digital, Integrated processes, Us, Customer, Reality.

Taking positive action during less than rosy economic times provides a foundation for coming out on top of competition when the economy rebounds.

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