



What really matters

We've reached a point where the idea that "manufacturing does matter" is in danger of becoming cliché. Consequently, identifying the importance of manufacturing is no longer the issue. Instead, it's the unprecedented and, in many cases, criminally intentional erosion of our manufacturing base. Yes, intentional.

We need to take a hard look at what's happening and confront some extremely

disturbing facts: First, manufacturing, the primary engine of our economic growth, stability, and standard of living, is being starved and may ultimately fail. Second, factories and plants are closing at an alarming rate, hemorrhaging workers and their families into the ranks of the unemployed — a situation that tears at the very bonds holding these families together. Third, small towns and communities — the

delicate infrastructure of the country — are disappearing. Closed plants are torn down and replaced by Wal-Marts, Sam's Clubs, and Target department stores.

To adequately grasp the situation, we need to focus beyond the macro economics of unemployment figures, capacity utilization, inventory levels, and currency values. But the truth is, we may not like what we see. In reality, ethical business sense and strategic thinking have been replaced by financial expediency. Investing in R&D, capital equipment, and new technology is now regarded largely as non-value added, and as such, it's considered superfluous and a distraction.

It's my impression that what matters to a number of manufacturing companies is getting by with the least effort at the lowest

possible cost. They believe you don't have to make things, if you can buy them, and you shouldn't buy except from the lowest bidder. And if it's cheaper to make or buy overseas, then by all means go there, seize the moment, and make the quick buck. As far as they are concerned, companies shouldn't worry about long supply lines, a lack of service or support, or poor quality. Sure, there will be recalls, warranty issues and defects, but that's how it is. Engineers, designers, and technicians who add value to a product or process now take a back seat to corporate executives who think first of their bonuses, which are tied to quarterly results, and to purchasing managers who outsource on Internet auctions to the lowest bidder.

If I had to bet on what manufacturers will be leading in the future, I'd put my money on small- to medium-sized businesses, perhaps family-owned, run by entrepreneurial managements that are totally committed to employees, the quality and value of products and services, and, above all, to fair and ethical business practices. For manufacturers like these, the U.S. will be fertile ground potent with opportunity.

So what about those large, slow-moving companies, often tainted by corruption and driven solely by merger and acquisition? They have lost sight of the basics of manufacturing better products, adding value, and investing in new technology to remain competitive. These companies will be bought and sold another time or two and slowly fade away. This is a future they have crafted for themselves. A future they shamelessly stole from their workers. And the American manufacturing worker deserves far better than this.

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