

THE ILLINOIS MANUFACTURER

THIRD QUARTER 2020



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ABBVIE JOINS THE FIGHT AGAINST COVID-19

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ILLINOIS
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The Illinois Manufacturers' Association is the only statewide association dedicated to boldly moving Illinois' makers forward. The IMA is the oldest and largest state manufacturing trade association in the United States, representing nearly 4,000 companies and facilities.

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Share Your Company
News with the IMA . . .

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ABBVIE:
SWITCHING GEARS
TO SAVE LIVES

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DO YOU TRUST POLITICIANS WITH MORE OF YOUR MONEY?

MARK DENZLER, PRESIDENT & CEO



More than a year ago, when I first met with Governor JB Pritzker, we had a long and wide-ranging conversation on many topics including manufacturing and my leadership style at the Illinois Manufacturers' Association. As I told the Governor, and I say often, we need a "Manufacturing Majority" in Congress, Governor's mansions, and statehouses across the nation including Illinois. The IMA will stand with elected leaders of all stripes if they help advance the promise of American manufacturing.

But we will stand and fight against policies that will devastate our state's industrial sector and our economy. The IMA stood up and successfully sued the Governor and Workers' Compensation Commission when they tried to foist a \$4.4 billion workers' compensation rule on Illinois employers and we're now engaged in the largest ballot issue ever in Illinois – the graduated income tax. As I watched fireworks the night before Independence Day, news broke that the Governor dumped \$51.5 million into an effort to raise taxes on Illinois residents and businesses.

Manufacturing employs more than 600,000 people in Illinois while contributing the single largest share of our state's economy. Every manufacturing job supports another 1.6 jobs and every dollar invested in manufacturing generates another \$1.89 in economic activity. As a former chairman of the IMA used to say frequently, "manufacturing creates wealth in this country."

Today, the state's manufacturing sector along with other wealth creators are under attack by the Governor and his allies in the legislature and organized labor who are seeking a massive income tax hike that will also hit family farms, hospitals and health care providers, and small business owners across Illinois. This is not a tax on millionaires and billionaires – it's a tax designed to take money from successful businesses to try and fund an insatiable appetite for spending under the Capitol dome.

Even Chicago Mayor Lori Lightfoot, in a moment of clarity, noted "we cannot keep taxing the hell out of people who make substantial income. That's not right. That's not fair. It's not gonna work."

We're now in the midst of a global pandemic that has seen record unemployment, precipitous drops in the stock market, and rapid declines of tax revenue in Illinois and around the nation. Nearly every other state has utilized a rainy day fund (Illinois does not have one), furloughed employees, and reduced spending. Not in Illinois where the Governor and lawmakers actually approved hundreds of millions of dollars in higher spending while borrowing \$5 billion from the Treasury to throw us further in debt.

It's truly incredible to me that during the worst economic crisis in generations, the Governor and lawmakers who have already saddled employers with higher minimum wages and more regulations now want to hike taxes, all so that they can keep spending.

The question is quite simple: Do you trust Illinois politicians with more of your hard-earned money?

The same officials who have racked up a \$7 billion debt and refused to take serious steps toward reforming our pension system suffocating under a \$137 billion shortfall. Nearly every Democrat voted in favor of amending the Constitution to raise taxes and many wanted to enshrine the right to unionize but didn't lift a finger to remove the compounding pension COLA.

During his campaign, Governor Pritzker pledged property tax relief but it's failed to materialize and property tax bills continue to rise. An individual earning \$75,000 will pay \$51 less in income taxes while seeing their property taxes rise by three times that amount. Proponents claim that this will only tax the rich, but Democrat Treasurer Michael Frerichs just noted that "one thing a progressive tax would do is make clear you have graduated rates when you are taxing retirement income."

The graduated tax is a bad idea that will open the door to more unadulterated spending and further job loss and outmigration of Illinoisans. Democrats are already talking about taxing retirement income before voters have even had a say at the ballot box. No plan to reform pensions or reign in spending.

Seems like a very easy answer. Vote NO on the graduated income tax and demand responsibility. ♦

P.S. The IMA is helping fund an effort to battle the graduated income tax. Please contact me if you would like to make a special contribution to our effort.

THE IMA DURING COVID-19



Drafted the essential infrastructure language in Governor Pritzker's Executive Orders that **allowed manufacturing to continue operating** throughout the shutdown



Chaired the City of Chicago's B2B Team that developed industry guidelines; **Co-Chaired the Governor's Essential Equipment Task Force** to secure PPE for critical workers



Published **100+ COVID updates** to keep members informed of quickly-changing policies and requirements



Responded directly to **more than 1,000** individual member COVID-related inquiries



Hosted **36 webinars** with industry experts on critical topics like PPP, safety, and re-opening guidelines

THE IMA HEALTH PLAN IS RENEWING AND EXPANDING!

MARK FRECH



The IMA is pleased to announce the upcoming renewal and expansion of the IMA Health Plan! For the second consecutive year, the IMA is proud to work together with Blue Cross and Blue Shield of Illinois (BCBSIL) to bring Illinois manufacturers a statewide solution for affordable, flexible, and customizable group medical coverage.

In addition, beginning with October 1, 2020 coverage effective dates, the IMA will offer participating member companies a newly expanded and comprehensive portfolio of ancillary products and services with MetLife!

Since its initial launch in 2019, over 600 IMA Health Plan proposals have been requested by Illinois manufacturers and their broker consultants. Additionally, more than 65 percent of those proposals were priced competitively relative to comparable plans in the open market.¹

Several key highlights of the IMA Health Plan are as follows:

- No medical underwriting
- Statewide and nationwide availability
- Comprehensive provider networks
- Flexible plan designs and prescription drug coverage
- Integrated COBRA administration
- *NEW: Dental, vision, life and disability benefits

The IMA Health Plan allows manufacturers and their employees to choose the right benefit plans to meet their needs and budget. Quotes for the IMA Health Plan can only be obtained through a licensed Illinois insurance agent or broker consultant, and IMA member companies may join the IMA Health Plan at any time throughout the plan year, which runs annually from October 1 to September 30.

Any Illinois manufacturer that meets the following criteria is eligible to participate in the IMA Health Plan:

1. Operate within the manufacturing sector (SIC code assignment of 2000 – 3999)
2. Employ between two and 50² employees (on average) in the prior calendar year
3. Be headquartered in Illinois
4. Be an IMA member in good standing

The IMA Health Plan also delivers to participating member companies an industry-leading benefits administration technology solution called SIMON®. Powered by Vimly Benefit Solutions³, SIMON empowers participating member companies to automate their benefits enrollment process with several clicks of a button. The SIMON platform provides participating member companies with access to all of their IMA Health Plan benefit invoices and member administration in one consolidated location.

If your group health coverage renews in the coming months, you owe it to your employees and your bottom line to include the IMA Health Plan in your evaluation process. It could provide you and your employees with a cost effective and comprehensive alternative to your current program.

For more information about the IMA Health Plan, please visit www.imahealthplan.com. ♦

Mark Frech

¹ Premium savings projections are based on the comparison of identical plans available in the ACA small group marketplace with matching coverage effective dates.

² Dental, Vision, Life and Disability benefits are available to companies with up to 100 employees.

³ Vimly Benefit Solutions, Inc., an independent company, solely responsible for its products and services, administers the SIMON online benefits portal for Blue Cross and Blue Shield of Illinois.



IMA HEALTH PLAN

OFFERED BY BLUE CROSS AND BLUE SHIELD OF ILLINOIS

Affordable Health Coverage Designed
by Manufacturers for Manufacturers.



**BlueCross BlueShield
of Illinois**

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
an Independent Licensee of the Blue Cross and Blue Shield Association

RESUMING HEALTHCARE IN THE AGE OF CORONAVIRUS

BLUE CROSS AND BLUE SHIELD OF ILLINOIS



We know that COVID-19 will have many longstanding impacts on the way we do business in Illinois. Whether its physical modifications to the workspace, remote working as a permanent solution, or changes to the workforce, we can all agree that COVID-19 has caused all businesses to make new and different decisions for the health and well-being of employees, as well as considering the long-term affordability and quality of health care.

Essential manufacturing never shut down in Illinois – and non-essential manufacturing was allowed back in Stage 2 of the state’s reopening plan.

Many Illinoisans have begun cautiously returning to “normal” during this pandemic as Illinois has entered Stage 4 of Restore Illinois, including returning to restaurants and health clubs. But how many of us are racing to get back to our doctor’s office?

Health Care Hiatus

With treatment for COVID-19 taking precedence, many people have been putting off important medical care.

The CDC reports that emergency department visits declined 42 percent March 29 through April 25, 2020, compared with March 31 through April 27, 2019. The agency warned that, “a decline in visits for serious conditions might result in complications or death.”

In a recent Wall Street Journal article, more than half — 56 percent — of clinicians reported worsening health conditions among patients linked to a lack of appropriate health care (according to a survey in late June of 735 clinicians by the Larry A. Green Center and Primary Care Collaborative, advocacy groups focused on that type of practice, and 3rd Conversation, which connects patients and care providers).

Blue Cross and Blue Shield of Illinois (BCBSIL) data shows that diagnostic tests – colonoscopies, for example, during March through May – were down 71 percent from the same period last year. This reduction in utilization of needed health care services may lead to long term health impacts including delayed cancer diagnoses or the progression of chronic conditions. Mammograms decreased 70 percent from the

same period last year and even immunizations were down 55 percent for those more than two years old during the same time frame.

The good news? Those numbers are starting to rebound. When we looked at colonoscopies from March through June, utilization was down 57 percent from the 2019 numbers, mammograms were down 48 percent and the rate of non-infant immunizations rebounded slightly – at a 35 percent decrease from the same time period the year before. It is encouraging news and a sign that utilization is picking back up. But more needs to be done.

Blue Cross and Blue Shield of Illinois is looking for your help to embrace and spread the message: **“Don’t Hesitate about Your Health - needed health care can’t outwait Coronavirus.”**

Notice the word “needed” – as ever, our focus is on providing access to appropriate, medically-necessary care for our group customers and members. By returning for wellness visits, receiving necessary immunizations and diagnostic screenings, and actively managing chronic conditions, your employees may avoid long-term negative implications on their health and productivity.

Tips and Information When Visiting a Medical Provider

The Kaiser Family Foundation Tracking Poll for June found that about half of the adults surveyed who say they or a family member postponed care say that feeling unsafe about visiting a medical facility during the outbreak was the reason for their decision.

As we carefully move toward the next phase in this pandemic – it makes sense that people would wonder about how to safely resume care. First and foremost, for emergencies, BCBSIL members should call 911. For non-emergent care, the Mayo Clinic offers additional tips for patients:

- Before you make an appointment, call your provider or check your provider’s website to find out what’s be-

ing done to keep people safe during the COVID-19 pandemic

- At the visit, take precautions such as wearing a mask, social distancing, and avoid touching frequently used surfaces

Receiving Care Without Physical Contact

Depending upon a member's circumstances, telehealth may be another option. COVID-19 presented the unique opportunity for rapid expansion of telehealth services. Blue Cross and Blue Shield of Illinois launched an expanded telehealth program to offer a safe option for access to care in response to the emerging crisis and we continue to evolve the program, including devoting resources to ensure the care delivered is appropriate.

Because health isn't just physical – telehealth coverage was especially being sought by members who wanted to access virtual care from providers of behavioral health (BH) services. Employers have always focused on the productivity of their employees and have

provided benefits (including behavioral health) that can help their people be present and productive while on the job. Employers should consider telehealth to be another tool in the "benefits tool belt" to help their people get the care they need so they can contribute to business success.

Forecasting the Future

Much is unknown about how COVID-19 will impact health care costs for Illinois employers moving into Phase 4, or whether Illinois will soon see a resurgence of COVID-19 cases. Many employers and workers are probably wondering: "What happens when schools are back in session? Are we close to getting a vaccine? What will be the recommendations on who should receive it? And what about cost?"

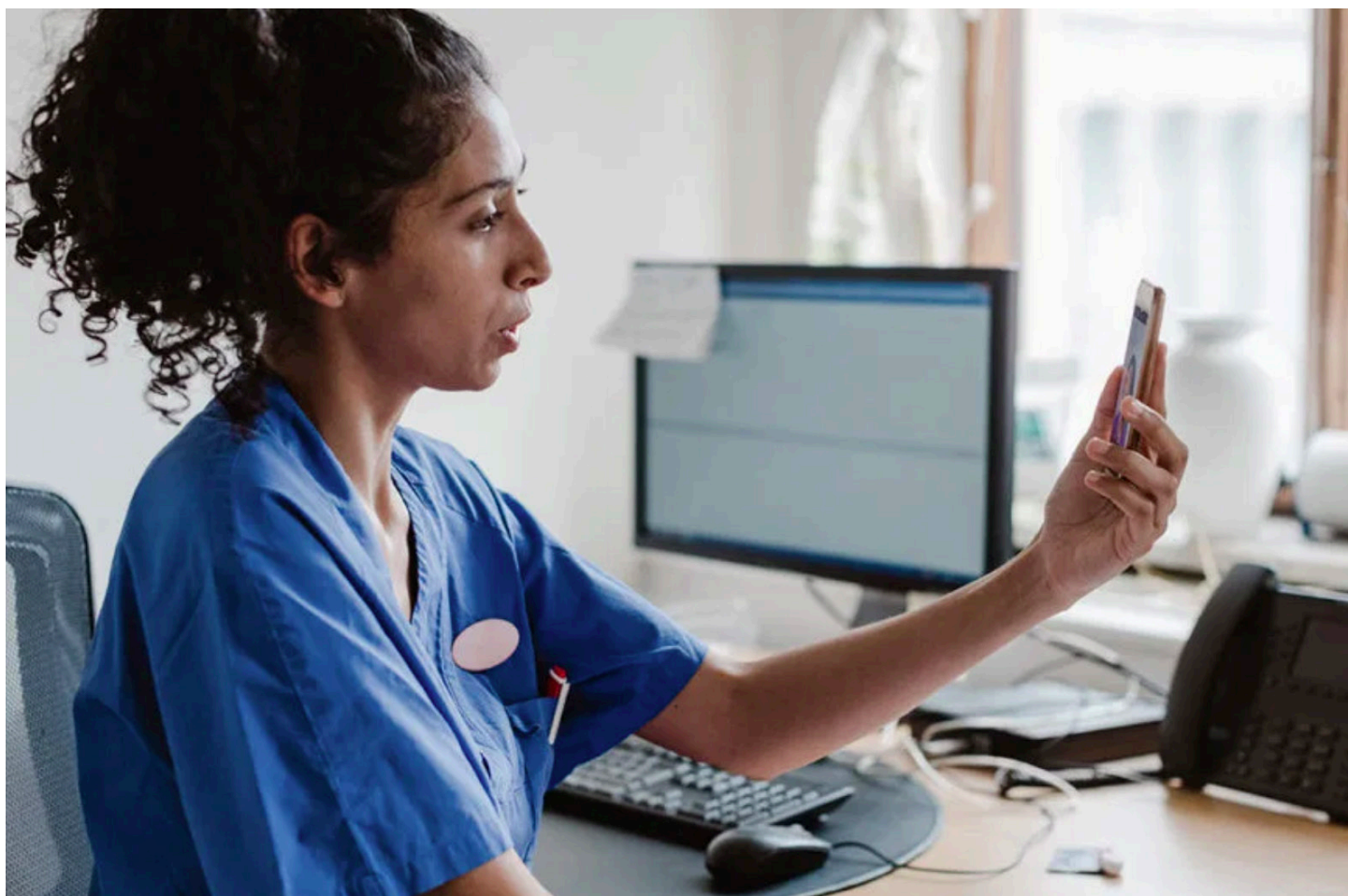
Even in these times where much is unknown, BCBSIL is focused on doing our best to predict current and future costs so we can share this information with our customers. Client analytics specialists and actuaries help monitor moving

parts and assumptions that help our customers take as much uncertainty as possible out of the equation.

Manufacturers in Illinois have faced many challenges over the years and have continued to rise to the occasion and deliver on behalf of Illinoisans. Many manufacturing groups have drilled down into the needs of their employees and made investments in positive employee wellness programs.

Answer the Call to Action

This is the perfect opportunity for us to work together to encourage changes that can have a significant impact on the health and wellness of our communities. Your leadership is needed in helping to encourage your employees and your loved ones not to delay necessary doctors' visits due to fear of COVID-19. If people are cautiously preparing to return to hair salons, malls and movies – shouldn't accessing needed health care also be high on the to-do list? ♦



WHAT NOW?

JIM NELSON



Over the past several weeks, Illinois' P-20 education system leaders have been meeting to try and cobble together a plan for the school year that begins in August. While this annual exercise would normally occur with simple minor changes year over year, this time superintendents, administrators and even faculty are wringing their hands in anticipation of what the COVID-19 "New Normal" will mean for learning environments from preschool to post-doctorate university research.

The IMA Education Foundation keeps abreast of these discussions since the secondary and post-secondary systems produce the bulk of the talent pool manufacturers need for a knowledgeable and skilled workforce. In addition to the traditional 3R's, the more focused skill development courses needed for manufacturing and other technical education offerings require laboratory time to put technical theory to work in applied exercises. If schools are not able to open with reasonable limits on the number of students that can use lab facilities, real problems arise in producing a work-ready talent pool.

The General Assembly in May passed appropriations for the five state agencies that oversee education in Illinois for the fiscal year that began on July 1. I suppose it could be considered lucky that appropriations for Fiscal Year 2021 were essentially flat in comparison to 2020, but left on the table was the promise agreed to by Governor JB Pritzker and the General Assembly to increase funding by \$350 million each year for ten years to close the current state funding inadequacy. If there is any good news in the new budget it's that where individual schools receiving an overall funding cut, the reductions were minimal.

How that plays out with COVID Normalcy is going to be interesting to watch. School districts and colleges are looking a five potential scenarios for operating this Fall (and as is the habit of government they even come with names):

Click to Brick: Under this scenario, which at this point seems the most likely, schools will begin classes on time via remote learning, and will transition back to traditional classrooms when either 1) there is no further increase in COVID-19 cases and / or 2) a reliable vaccine is approved and comes to market. Under this scenario, a single teacher would have a class that would remain together throughout the school year.

Brick to Click: The opposite of Click to Brick, this scenario means that school buildings would open as normal and students would at least begin the year in the classroom. However, the school district would work closely with state and local public health officials to monitor any outbreaks, and be prepared to instantly revert to remote learning. Again, students would remain with their teachers.

Toggle Scheduling: This scheme would support social distancing requirements by dividing up classes into smaller groups and schedule the groups to attend classes intermittently. The example most often used takes a class of 30 students and schedules 15 of them to attend classes in person on Monday and Wednesday, while the remaining 15 students attend on Tuesdays and Thursdays (Friday would be some sort of makeup day or tutoring day). On days when students are not scheduled to be in the classroom, they would attend class either using a remote learning system or join the classroom virtually. If the remote learning platform was implemented, a second teacher would be needed to teach requiring careful planning and alignment between the two environments.

Compacted Semesters: Some educators are encouraging an additional consideration be made to shorten and compact the Fall and Spring semesters. Under this scheme, the Fall semester would begin a few weeks earlier in August and run up to the Thanksgiving Holidays when the semester would end. Students would be away from school until the end of February or early March following the end of the traditional high activity months for flu and other coronaviruses. The Spring semester would then run until late May to mid-June. Depending on the start and end dates chosen, the traditional 16-week semester would potentially be compacted into a 12 or 14-week semester.

Gap Year: Under this proposal, schools would remain closed for the entire 2020-2021 school year. Admittedly, nobody likes this idea and very few are advocating canceling the school year, however it is an option that is available and could be used if current re-opening plans fail and caseloads skyrocket.

So how does this impact manufacturers? Under most of the scenarios described above, the impact will likely be minimal. However, there are considerations facing employers that if schools are unable to fully open and vocational education opportunities are limited, students moving into the workforce will be less prepared requiring employers to increase job training and bear added expenses themselves.

At a time when the world economy faces enormous challenges to return to some semblance of normalcy, having an education system facing the challenges of preparing the workforce but keeping students safe is something not faced since the Flu Pandemic of 1918. Education needs input from business leaders to help navigate this minefield. After all, what happens in our schools today has decades of impact to the health of the state and its economy. ♦

EDUCATIONAL EQUITY AND MANUFACTURING IN THE COVID-19 ERA

QUALITY FLOAT WORKS, INC.

When our industry is presented with challenges – as manufacturers, we find ways to innovate, evolve and overcome. The COVID-19 pandemic is no different, providing us with an amazing opportunity to change our story and truly reform our practices to ensure inclusion and equity in our workforce.

Serving as Chair of the IMA Education Foundation, as well as Chair of the Illinois State Board of Education (ISBE) Gender Equity Advisory Board, I've been afforded an incredible opportunity to work with leaders from industry and education in finding solutions to help bridge the skills gap and better prepare our next generation to join the workforce. We've been making great progress – building resources to broaden STEM programs, broadening relationships with our community colleges across the state, connecting employers to apprenticeship programs, and giving students access to 'hands on' learning opportunities while introducing them to opportunities afforded by pursuing a career in the manufacturing industry.

I, and many of my colleagues, were excited about the future of manufacturing.

And then, COVID-19 emerged.

While we scrambled to make the necessary adjustments to our manufacturing floors in an effort to meet the requirements to operate under the 'new normal,' the same adjustments were being made by our educational institutions – and we quickly discovered it is not a level playing field. When Governor Pritzker's Stay at Home Executive Order took effect and our schools transitioned to distance learning or 'e-learning', a spotlight shined on the incredible inequities students face depending on in which community they live.

How can we prepare our next generation of workers for the future when we can't reach them?

While some students and families were set up well to participate in distance learning, many others were not due to

inequities in place long before the pandemic took hold of our nation, including unequal access to technology. Students who learn best by 'hands-on' opportunities are at a much greater disadvantage when forced into distance learning. Underserved populations enrolled in Career and Technical Education (CTE) programs lost out on important work study and apprenticeship programs. Distance learning currently does not allow for equitable outcomes for all students, and when facing a pandemic that ultimately mandates distance learning... that, in and of itself is the most problematic challenge.

**...WE, AS MANUFACTURERS,
MUST PAUSE AND ASK
OURSELVES – ARE WE
ACTIVELY TAKING STEPS
TO ENSURE EQUITY FOR THE
NEXT GENERATION OF OUR
WORKFORCE; IS OUR
EDUCATION SYSTEM
PRODUCING CANDIDATES
WHO HELP US REACH OUR
INTERNAL EQUITY GOALS?**

At the end of the day, the barriers in place have not changed – they were merely exacerbated by COVID-19. We were severely unprepared to implement distance learning programs for our full student body where inequities were already in place; this leaves our industry at a disadvantage in growing our next generation workforce.

So, where do we go from here?

To ensure greater equity in our education system—leading to greater equity, diversity and inclusion in our workforce,

we must ensure better access to resources for those most in need.

Access to technology is critical. How can we engage with students and connect them with apprenticeship programs or CTE programs when distance learning is not an option? How are we improving equity when many students in our education system don't have access to internet or Wi-Fi in their homes?

We're entering into a new industrial revolution – Industry 4.0 – when technology and automation are ingrained into our production practices. As we continue to lose more and more of our workforce each year as baby-boomers retire, we must invest in the next generation to ensure we're building a strong, prepared workforce for our collective future.

We've walked past these inequities for years. COVID-19 shined a spotlight on the needs of students, educators and employers in different communities and it is imperative we facilitate better outcomes. An innovative action plan is critical to developing a strong workforce for the next generation. As an industry, working in collaboration with the private sector and local school districts is the most practical and beneficial vehicle to help achieve these goals; we must broaden participation of the underrepresented for our industry.

As a new school year kicks off under the guidelines defined by the 'new normal', we, as manufacturers, must pause and ask ourselves – are we actively taking steps to ensure equity for the next generation of our workforce; is our education system producing candidates who can help us reach our internal equity goals?

COVID-19 has taken so much, but it's also created an incredible opportunity to implement a new approach to addressing inequities in our education system and our workforce. We have an invaluable opportunity to bring about real change. Let's not squander this moment. ♦

About the Author: Sandra Westlund-Deenihan is the CEO/Design Engineer for Quality Float Works, Inc. and Chair of the IMA Education Foundation.

She is also Chair of the Illinois State Board of Education Gender Equity and Advisory Board, and is on the Board of Directors for the National Alliance Partnership for Equity.

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SETTING AND MEETING SUSTAINABILITY GOALS WITH REDUCTION TARGETS

CONSTELLATION

Climate change is often associated with marked variations in weather such as more frequent and intense storms and the ensuing impact of potential flooding. These weather events can have an impact on both businesses' building structure as well as operations. In response to these concerns, government entities and institutional investors are collectively applying pressure on public companies to address climate change.

As increased scrutiny is placed on emissions and supply chain management, many companies have established aspirational goals to improve environmental, social and governance (ESG) metrics in a short time frame but have done so with limited details on how to execute those objectives. Competitive energy suppliers, like Constellation, are positioned to deliver value and expertise in this area by helping customers understand the critical areas to target for improvement and how to establish key attainable milestones.

"Energy managers are looking for their competitive energy suppliers to engage customers not as 'electricity consumers' but as allies on a sustainable mission," says Raj Bazaj, Constellation's executive director of Solution Sales.

To comply with national and state-wide clean energy regulations, and to be recognized as leaders in sustainability, more businesses are proactively measuring and reporting their greenhouse gas emissions and setting targets to reduce them.

Understanding Your Business' CO2 Footprint

Businesses have the opportunity to influence the sources of their emissions. They might include:

- Scope 1 emissions from onsite generation and fleet fuel consumption
- Scope 2 emissions from power plants providing purchased electricity
- Scope 3 emissions from indirect sources, such as company travel and supply chain management

Because sources of emissions are boundless, many organizations struggle to grasp their true energy footprint. As a result, businesses are turning to new technologies to uncover areas of opportunity within their facilities and operations.

There are many ways energy managers can manage their utility data. The Pear.ai platform, which is an energy intelligence platform, makes it easy for everyone to manage and understand their energy footprint. In-house data collection, combined with machine learning and reporting, give meaning to your data and identify opportunities for efficiency, demand reduction and potential cost savings – which can be a first step towards creating a sustainability plan.

In addition to the Pear.ai platform, Logical Buildings is a smart building technology offer through a strategic alliance with Constellation. Using internet of things (IOT) devices, Logical Buildings helps energy managers understand specific points in their operations that impact energy usage and costs. By using these technologies, energy managers can better understand how and where their operations use energy, which can help formulate their plan to meet sustainability goals, including the creation of energy reduction targets.

Creating Reduction Targets

After establishing a baseline and finding areas of opportunity, whether that's implementing renewable energy purchases to decrease fossil fuel use or making the switch to energy-efficient LED lighting to reduce energy consumption, businesses can create attainable greenhouse gas (GHG) reduction targets with the help of a retail supplier like Constellation.

GHG reductions targets are emission reduction levels that entities set out to achieve by a specified time, according to the Center for Climate and Energy Solutions. Targets can drive a business' commitment to achieve its sustainability goals.

Common reduction targets might include:

1. Absolute reduction goals (e.g., to use 100 percent renewable energy by a certain future date)

This can refer to a goal of baseline emissions being reduced by a certain percentage by a certain end year. Businesses may focus on market-based (i.e., energy efficiency and clean attribute purchases) or location-based accounting (i.e., energy efficiency or onsite renewables).

2. Science-based targets

An example of a science-based target is a 2-degree Celsius target. This is based on the internationally agreed upon threshold of 2-degree Celsius temperatures, representing the measure beyond which significant climatic changes would occur and be disruptive to earth's systems that are currently relied on to meet basic societal needs. Corporate goals are vetted against the required reductions for their sector under this methodology and are encouraged to be achieved by 2050.

Customers can look to technologies like Measurabl, invested in by Constellation Technology Ventures, the venture investing arm within Exelon Corporation, to keep track of their data and monitor the progression of their actions to reduce carbon emissions from start to finish. Measurabl is a cloud-based software that collects data, creates investment-grade sustainability reports and identifies improvement opportunities. Learn more by visiting www.constellation.com/CTV.

Businesses that implement aggressive sustainability goals can reduce emissions and energy costs. As a bonus, businesses will demonstrate their concern for environmental health, attract the growing number of eco-conscious consumers and ensure that institutional investors continue to support their businesses.

Contact, Rich Cialabrini, (847) 738-2510 or Richard.cialabrini@exeloncorp.com, to learn more about sustainability strategies and helpful technologies to support your business' goals. ♦

Constellation – Providing tools to create a customized energy strategy for your company

TIPS TO KEEP YOUR WORK SECURE AT HOME

COMCAST

Businesses of all sizes are continually shifting their work strategies in response to the COVID-19 pandemic. For manufacturing companies, one of the biggest adjustments has been managing the shift from in-person, hands-on work environments to more remote workforces.

As manufacturers navigate teleworking arrangements (some for the first time since their business opened), opportunities for cybercriminals are on the rise. Remote employees working on their home networks likely do not have the same security measures that their offices do, and as they spend more time online they are more susceptible to engineered cyberattack tactics. Meanwhile, IT staffs don't have the same visibility into employee activities and network threats.

The result? Phishing attempts are on the rise. Capitalizing on the anxiety that the pandemic has wrought, cybercriminals are sending sophisticated fake emails that appear to be credible. Some emails claim to be from internal company stakeholders regarding important updates about workplace changes or coronavirus response efforts. Other emails purport to come from external organizations, like the World Health Organization, and will contain "helpful" links to news about COVID-19.

Unfortunately, no business is immune from cyberattacks. On average, two-thirds of small businesses alone have experienced some form of breach attempt. Luckily, good cybersecurity practices can help prevent attacks or damage.

Create a Comprehensive Strategy

The strongest cybersecurity defenses are built based on an understanding of the threat landscape and cybercriminals' goals. After all, knowing your enemies will give you a better chance of defeating them. These are essential components of a comprehensive cybersecurity strategy that can grow along with a business:

- Implement advanced tools. Thanks to increasingly sophisticated and diverse cyberattacks, businesses need a multi-layered approach to cybersecurity. Assess your network's strengths and weaknesses, then im-



plement a combination of tools that works best for your needs. These tools could include an antivirus program, firewall and network security solutions that proactively protect all devices connected to your network.

- Invest in expertise. It can be difficult to understand the full scope of the cybersecurity landscape without expert help. For small to medium sized businesses, investing in a managed security services provider (MSSP) is best practice, but even businesses with in-house cybersecurity teams can benefit from collaborating with an outside provider.

- Secure mobile devices. Business is done on-the-go these days, and mobile devices as well as cloud-based platforms are becoming more popular. Be sure to include these platforms in your security strategies, or you run the risk of leaving an opening to cyber attackers.

Provide Educational Resources for Your Team

An organization could be using state-of-the-art cybersecurity software to protect its data, but without employee education to complement them, those tools could be null and void. Educating employees on the signs and dangers of cyber threats is key during this time of increased remote work, and is often most effective when it is an ongoing effort. Consider a mixed approach of online courses, awareness campaigns, in-person sessions (when possible) and email reminders.

Topics to cover should encompass the following:

- Identify and avoid suspicious emails.

This will help users avoid phishing attempts with URLs or attachments programmed to download malware into a network.

- Set and enforce strong password policies. Teach users to come up with strong passwords or passphrases, enforce policies to change passwords frequently and prohibit password sharing.

- Set browsers to warn users when visiting a site that has been flagged as containing malware.

- Block downloads from suspicious or unsanctioned sources.

- Prohibit users from sharing company-owned laptops and mobile devices.

- Teach users not to access sensitive company data through public Wi-Fi networks.

Implement Company-wide "Common Sense" Policies

Take team education a step further with "common sense" cybersecurity policies. These are designed to help enforce the training that your employees have been given, as well as avoid relapses into bad habits that lead to breaches.

These policies should be multidimensional and can vary from business to business. Password update policies are always a good place to begin, but also remember to address who gets access to what systems as well as which devices can be used to access systems. Employees should only have permission to the systems needed for their jobs. And, if your business plans to allow them to use personal devices for work, it is your responsibility to monitor, protect, encrypt and – in worst case scenarios – wipe these devices. ♦

COMBATING NEGATIVE PUBLICITY: PITFALLS & BEST PRACTICES

SMITHAMUNDSEN LLC



The manufacturing industry is not immune to damaging publicity. The old saying, “if it bleeds, it reads,” speaks to the notion that to captivate an audience you must report on something scandalous. The kind of headlines that draw in readers to the salacious, the criminal, or that celebrates the underdog. This is the same front-page news that can demolish the reputation of a business built on generations of integrity, blood, sweat, and balance sheets.

Harmful publicity is most often fueled by employee grievances or consumer complaints. With the prevalence of online consumer reviews and merciless labor organizations, companies and their executives are vulnerable to attack

for good reason, bad reason or no reason at all.

An accident on the job, for instance, may result in a new wave of safety complaints or prompt an OSHA investigation. Aggressive personal injury attorneys will do what they can to highlight your failed policies and negligent supervisors. If litigation ensues, they are likely to scrutinize your workforce to maximize their recovery. If the press gets wind of it, you may have to defend the company’s actions in the unforgiving court of public opinion.

Similarly, executive-level decisions can be misinterpreted and lead to assumptions, angst and a breakdown in morale. An ordinary employee has the extraordinary ability to affect a compa-

ny’s bottom line. That employee may even sway his or her colleagues to unite and rise against unfavorable working conditions or benefits. They often turn to social media to proclaim their displeasure or solicit others to stand in solidarity. A story is more compelling when there are a pattern of complaints and a group of scorned employees willing to go on record.

On the consumer side, news of contamination in a food processing plant will cause shoppers to think twice before choosing that brand at the grocery store. In the same way a public recall of a component on the supply chain might be devastating to the brand of the customer-facing producer. Finger pointing and breach of warranty claims go hand-

in-hand when the business harmed needs to save face and recoup financial losses.

Managing the expectations of your consumers, and of your workforce, is an important place to start. Executives who identify the problem and work diligently to arrive at viable solutions will gain a head start toward preserving the status quo.

But you cannot stop there. Leadership must dive into the heads of its consumers, or its personnel, to gain perspective on how the matter has impacted them psychologically. Armed with that insight, a true leader will develop uniform and clear assurances before those 'affected' muster up the nerve to besmirch you from the mountain tops. Even worse, those who feel wronged might instigate a federal investigation or enlist an employee-rights advocacy group to vilify your business and its operators. In other words, address the wound before it becomes infected.

Media coverage will no doubt accelerate the harm; it is never too late to challenge the storyline with a well-crafted statement from the company president or its outside counsel. Manufacturers should be prepared to act swiftly and trust their network of advisors to preserve the reputation it took them decades to build.

To illustrate, a company who suffers the loss of an employee to COVID-19 may have to refute unsupported allegations that the victim was infected on the job and counter fears that other factory workers were exposed. That may lead to the assumption that the company is unwilling to invest in personal protective equipment, or it was otherwise lax in its sanitization procedures – all of which may be patently false. Any related news coverage may likewise impact the company's image with its customers.

The best way to combat this unexpected publicity is to tackle the problem head-on. Make it clear that the safety and health of your employees at work is a top priority. Instead of unhinging each blade of the rumor mill, explain that fear leads to assumptions, and those assumptions interfere with your ability to message the rigorous safety measures the organization has employed to keep its workforce and their families safe.

Explain that these are unprecedented times. That you are doing your best to research and comply with the guidelines put out by local, state and federal agen-

cies considered experts in the field. Be specific and stand firmly behind the authorities you have relied upon, and the steps you have taken to rectify the problem. Alert those concerned that you are routinely monitoring the situation and staying abreast of any changes in the law or recommended best practices. Do not speak generically of your plan; rather, draft a comprehensive, safety protocol with a cover letter to your workforce summarizing the key measures undertaken. Consider providing to the probing reporter a copy of the protocol to demonstrate his source spared some of the key details. It will also reinforce that your organization had a plan in place before the story broke.

Ultimately, everyone wants to be 'heard,' which means repeating the concern and explaining the steps the business has taken to reconcile the perceived problem. Debating each false accusation lets the accuser control the narrative. Clear up any material misunderstanding but focus your response (or press release) on the efforts it has (or will) undertake to correct the problem. Use this opportunity to educate the misinformed and instill confidence in the detractors that you have the situation under control.

What "Situations" Cause the Most Embarrassment

- Federal Investigations (OSHA, SEC, FDA, CDC, EEOC, IRS)
- Local Government Audits, Health Inspections and Recalls
- Harassment and Discrimination Claims
- Class Action Lawsuits and other Litigation
- Foodborne Illness and/or Adulterated Food Products
- Employee/Partner Misconduct including Fraud and Embezzlement
- Data Security Breaches including Loss or Release of Confidential Information
- Other Public Scandals involving Key Personnel

When is it Time to Strategize?

- When an internal "situation" has a likelihood of public exposure via litigation, the press, social media, review sites or word of mouth;
- When public exposure of that "situation" could reasonably impact your company's brand, reputation, and/or seriously interfere with operations; and

- When details (accurate or inaccurate) could spread to other employees, affiliate vendors, customers or investors.

Do's and Don'ts to Combatting Negative Publicity

- **DO** anticipate your company's risks, educate your workforce, communicate policies in writing and reinforce during training.
- **DO** make sure not all incidents elevate to "crisis level."
- **DO** carefully consider and designate a company spokesperson.
- **DO** lawyer up (and coordinate with any existing marketing/PR Professional).
- **DO** employ a "Triage" process: Prioritize Discovery, Communication, Solution, Accountability, and Recovery.
- **DO** stay composed and consistent with your message.
- **DO** expect and plan for Media Coverage and Requests for Comment.
- **DO** monitor company website, review sites, social media and press.
- **DO** lay low and "weather the storm" after the first wave of publicity.
- **DO** address the matter internally and externally with succinct, carefully crafted, consistent statements.
- **DO NOT** respond directly to critical posts or engage in a back-and-forth on social media or in the comments section of any article.
- **DO NOT** hide behind the phrase "No Comment" or become unavailable or non-responsive.
- **DO NOT** post clarifications or updates; it will only serve as fuel to a headline you want to be yesterday's news.
- **DO NOT** consult people outside of your trusted circle.
- **DO NOT** give in to emotion or offer up your personal perspectives.
- **DO NOT** speak off the cuff.
- **DO NOT** be reactive – be proactive.
- **DO NOT** issue a denial before you have all of the facts.
- **DO NOT** try and discredit the accuser, or seek to minimize the claim as false or blown out of proportion.
- **DO NOT** reiterate the allegations in your statement.
- **DO NOT** speculate or assume facts; perform a thorough investigation and recognize there are 3 sides to every story.
- **DO NOT** retaliate against the accuser. ♦



ABBVIE: SWITCHING GEARS TO SAVE LIVES

Illinois manufacturers have proven time and time again that their work is not only essential, but is crucial to the health, safety, and security of our nation. IMA members across the state have literally and figuratively ‘switched gears’ in order to research and manufacture products to aid in the battle against the Coronavirus. AbbVie, a global biopharmaceutical company headquartered in North Chicago, Illinois has shifted its operations to help produce more COVID-19 tests, donated money and supplies to the cause, and partnered with health authorities and institutions around the world to find a drug that treats COVID-19.

“When things are at their worst, we must be at our best because our customers expect and deserve nothing less,” said Russ Garich, Vice President, Operations. “As the battle against COVID-19 is likely to continue, it’s important to remember there are millions of patients around the world fighting a variety of challenges every day, and they rely on our products and services to thrive – sometimes even to survive.”

Prior to the COVID-19 outbreak, AbbVie’s Illinois facilities focused primarily on manufacturing their industry-leading portfolio of treatments for cancer, chronic immunology diseases and more. Following the outbreak, AbbVie expanded their focus to include helping provide necessary equipment, resources and testing products for local and global communities in response to the health crisis.

AbbVie’s laboratory expertise has made the company a significant asset in the fight against COVID-19. Given the need to significantly increase access to testing, AbbVie has been working with health authorities in both Illinois and Ludwigshafen, Germany, where the company operates a major

manufacturing and R&D site to offer clinical COVID testing capability. Utilizing their Good Manufacturing Practice (GMP) capabilities, AbbVie is able to manufacture viral transport medium (VTM), which is necessary for preserving specimen samples prior to lab testing, for the Illinois Department of Public Health and a number of other institutions.

“We are honored to have the capacity and expertise needed to provide these and many other forms of assistance. Our company and our people are committed to continuing to use our tremendous resources to aid in the fight against this devastating pandemic,” Mr. Garich said.

When Governor JB Pritzker issued a call to action about the dangerously low supply of VTM in Illinois, AbbVie responded. Working above and beyond their normal jobs and without any previous VTM production experience, a small group of volunteer scientists at AbbVie developed new capabilities and processes to manufacture VTM, starting with approximately 2,000 vials per week. To support Illinois’ goal of performing 10,000 tests a day, AbbVie’s scientists stepped up to the challenge and applied techniques normally used for cell culture, virology research and microbiology to set up a manual manufacturing process that is able to deliver on the large volume of samples requested by the state. AbbVie’s volunteer team has since grown to more than 50 scientists to help ramp up production of these essential VTM materials, which includes vials, reagent and labels, and the company committed to manufacturing approximately 40,000 vials a week through early June.

Additionally, the R&D team at AbbVie has taken swift action to look at their existing medicines and pipeline assets



AbbVie is working with health authorities and institutions around the world to research and develop a treatment for COVID-19.



AbbVie ensures that patients across the globe get the medicines they need.

to assess their efficacy as potential treatments for COVID-19. AbbVie is collaborating with health authorities and academic institutions globally to support clinical trials of KALETRA, a protease inhibitor approved for the treatment of HIV infection, to determine whether it has potential use for COVID-19. AbbVie has also initiated a study to determine whether IMBRUVICA, which treats certain cancers including mantle cell lymphoma and chronic lymphocytic leukemia, is able to improve the outcomes of COVID-19 patients by blunting the overly exuberant immune response, often referred to as the cytokine storm, that contributes to the morbidity and mortality of the virus.

"Our talented professionals and employees have been significant assets to the community during this time, and many have leveraged their relevant medical, scientific and public health expertise to support the fight against this pandemic on the front lines," Mr. Garich said. "AbbVie has allocated resources to empower employees to take action and enable them to participate, offering full pay, benefits, and the ability to return to their position after completing their service, as well as offering a 2:1 donation matching program to encourage employee giving. We believe that leveraging our capabilities and expertise to help combat this virus is the right thing to do."

Recently, AbbVie announced a \$35 million donation to benefit several non-profit organizations fighting COVID-19 on the front lines. This donation has helped support many important initiatives, including International Medical Corps, Direct Relief and Feeding America.

Now more than ever, AbbVie's manufacturing and R&D

capabilities are critical to support communities across the globe, and the company has remained focused on helping make a difference for those impacted. AbbVie is working in partnership with health authorities, companies and academic institutions globally, such as a collaboration to develop a novel antibody therapeutic to prevent and treat COVID-19. Several of the companies' medications have been or are continuing to be investigated as possible therapies to treat the novel coronavirus. At the same time, the company is ensuring that the supply of critical medicines it produces remains uninterrupted for the patients who rely on those medicines around the world.

"As countries and communities around the globe struggle to meet patient and resource demands, it is imperative that large organizations with the capacity and resources to help step up," Mr. Garich said. "Alone, we can only do so much. Together with other organizations, we can leverage our unique resources and expertise to work more efficiently and effectively toward a common goal."

While focusing on the crisis at hand, AbbVie has been working diligently to ensure that the business continues to operate properly while keeping employees safe. Though it has been a challenge to navigate the ever-evolving landscape of a global pandemic, AbbVie has continued to provide the medicines that patients need while providing aid, including product donation and financial assistance, to communities in need in Chicago and beyond. The IMA is honored to work with Illinois manufacturers not just to boldly move makers, but the entire world, forward. ♦

ACCELERATING YOUR REBOUND THROUGH DIGITAL MARKETING

INNOVAXIS MARKETING

The COVID-19 pandemic has put lives and livelihoods around the world at risk, and Illinois manufacturers have shared the pain. Manufacturers of any size could relate to Caterpillar Chairman and CEO Jim Umpleby when he said the pandemic's impact was more severe than "any cyclical downturn we had envisioned."

Crisis-driven orders for medical products, food and first responder equipment have kept some manufacturers busy, but that demand won't last forever.

Most Illinois manufacturers anticipate a rebound, but they face concerns as they restart operations: returning employee health, compliance with state government restrictions that vary by Illinois region, and restoration of supply-chain health. But unless equal attention goes to rebuilding customer demand, product sales may not rebound to pre-pandemic levels anytime soon.

And demand itself has changed with customers seeking new products or new features they didn't need before, along with new ways to buy them and have them delivered. Manufacturers who pay attention and innovate are likely to be the ones who survive if not thrive.

How to Capture Opportunities in the Rebound

Are you going to capture new opportunities in the rebound or miss them? From now through the pandemic's end and likely thereafter, old marketing ways won't work. Print publications and cold sales calls are likely to continue their decline. Social distancing limits trade shows, related ads and face-to-face sales.

But there is a better option: If the lockdown has a silver lining, it's the performance of digital marketing in place of in-person sales and events.

Digital marketing's role in lead generation, already substantial, will only accelerate: even with offices and factories reopening, surveys suggest that many workers would prefer to continue working from home. Technology companies such as Facebook are mandating or en-

couraging employees to do so. As manufacturers reopen under still unsettled conditions, digital marketing is an asset that can drive sales from wherever your prospects are, both physically and as a state of mind.

Catalyzing events can be a force for innovation. The shutdown has helped awaken manufacturers to the need for digital marketing's virtual reach and 24/7 messaging. Planning a product launch may expose a website's inadequacies. They may see competitors outstripping them. Sales reps often sense the weakness in a company's homegrown digital efforts, with poorly crafted content, e-mails and other digital tools lacking the resonance that will help them sell.

Make or Buy?

How then should you go about acquiring a digital marketing capability? Should you build it or buy it?

Building the capacity often means hiring a marketing director, who may bring one, two or a few of the required skills. That leads to a second hire, who contributes one, two or a few more required skills. By that time, the budget is spent, but the effort is still short on skills.

Buying it means outsourcing your marketing, with options that range from hiring a local web developer to contracting with a full-service marketing agency. You may resist such a move. At Innovaxis Marketing, where we specialize in this kind of consulting and services, we've heard it many times: "Nobody else understands my business," or "It'll take six months to gear up before we see the first new lead to come in."

In fact, a qualified marketing firm can bring all the required skills, often at no more expense than one full-time, entry-level employee. These include market research, product management, distribution channel strategy, pricing, developing digital and traditional marketing campaigns, content marketing, writing, website development, graphic design, PR, and social media.

How to Hire a Digital Marketing Firm

In your quest for a B2B digital marketing firm, it's important to find one that has successfully developed and implemented comprehensive business-to-business (B2B) strategies. You're unlikely to find that in a stand-alone website developer and you certainly won't in a consultant or agency who's dealt only with consumer products and markets.

You'll encounter four types of vendors and consultants, differentiated by the relationship they'll maintain with you:

- Transactional, like the stereotype of a used car salesman: Their only interest is making the sale.
- Responsive vendor: Come to them with your needs, they'll meet them.
- Problem solver: They'll help you solve specific problems you present.
- Trusted business advisor: They will not only meet needs and solve problems you know you have, but will also alert you to issues and opportunities you have overlooked. This is the relationship that will pay the most dividends.

Digital Marketing Elements

Once the firm goes to work, they should introduce you to the full range of digital marketing elements. Some are essential – all have their purpose, but only if they advance your business objectives as part of a comprehensive, data-driven strategy.

Marketing audit: A thorough survey of your marketing problems, current activities, target markets, messaging and digital elements such as your website, social media and others. This due diligence should produce an actionable report with an executive summary, specific findings and recommendations on:

- Problems that need to be solved to improve lead generation and thought leadership.
- Opportunities to accelerate sales and marketing results.
- Strategies for taking your business to the next level.

- And other essential components.

The completed audit should be presented to you in two to four weeks.

Marketing research: Some firms pull information off the internet and call it research. Instead, research should involve interviewing decision-makers and influencers: this includes your customers, prospects, channel partners such as distributors and resellers – and that of your competitors.

Research should determine market size, brand share for you and competitors, sources of sales, competitive intelligence, how to create new channel and pricing programs and other key factors, and effective ways to communicate with end-users – all leading to competitive advantage.

Comprehensive marketing strategy: Your audit and research should lead to a strategy for creating a combination of elements that will have impact, not isolated efforts. A first priority should be low-hanging fruit for immediate sales, such as Google Ads, an e-mail campaign and website redesign.

Revenue gained in these first efforts can be used to fund longer-term priorities, such as brand story development and a content marketing campaign. Based on our experience, clients implementing such a strategy should expect a 300 percent return on investment within the first 12-18 months.

E-commerce facilitates sales directly through your website. Digital marketing exists to drive leads to your site. Before the lockdown, if manufacturers did e-commerce at all, it might have been 5-10 percent of total sales. During the lockdown, e-commerce of our clients has risen to 10-15 percent or more of total sales. We're also seeing 20-30 percent B2B e-commerce growth per year being increasingly common, even when selling at list price while your channel partners sell at a discount. A marketing consultant can help you to develop a minimum advertised price (MAP) policy to prevent conflict with your channel partners.

Website content and market strategy is essential for effective e-commerce. Site design must attract qualified traffic from target markets, create a strong first impression and have a strong brand story (see below) for visitors to convert

into sales. Too often, a website developer without marketing expertise produces sites that contain too little information, are unclear on how to buy, and lack compelling calls-to-action for those not yet ready to buy.

Brand story development is key in converting site visitors into customers. Most companies lead with their own features and benefits. Instead, your brand story should focus on the problems of your target markets and how you solve them – and told using a B2B adaptation of the “hero’s journey” popularized by Joseph Campbell – to powerfully resonate with prospective buyers.

Content marketing involves creation and sharing of online material to spark interest in products or services and generate inbound leads. Web content faces stiff challenges. One is clutter: 409 million people view 20 billion-plus pages monthly on sites built and maintained by the WordPress content management system. And 41 percent of site visitors read three-to-seven pieces of content before contacting a salesperson. Content needs clear purpose, a compelling message and...

Search engine optimization (SEO), which maximizes the number of visitors to the site by helping its listing appear high on Google’s results page. The first and most critical step is researching keywords, which are what potential buyers search for using the Google Ads keywords tool. Use the most relevant and most frequently searched for keywords throughout your site, including blog posts, case studies, and whitepapers. Your digital marketing firm should be certified in Google Analytics, which can help increase organic search traffic, composed of those who visit your site because Google deemed it the most relevant and authoritative result for their query. In cases where it is too competitive to rank organically, consider running a Google Ad.

E-mail is the most effective means of outbound marketing. Usage is booming, but many e-mails are ineffective because of:

- Poor targeting: throwing spaghetti against the wall to see what sticks
- Weak subject lines, preview text and brand story messaging
- Lack of effective calls-to-action

- Failure to follow up personally
- Failure to include a unique message each time: numerous touchpoints are needed to generate leads and sales

As important as the e-mail’s body is its subject line and preview text (the first 100 characters or so that appear below the subject line and sender in your email browser), which can determine whether it gets opened. Also essential are a website landing page for additional information or making a sale, and having your site and e-mail aligned and on-message. Relevant video, such as a product demo, is an attractive plus.

Your digital marketing firm should be managing campaigns through e-mail management software. While Constant Contact is the best standalone email management software in our experience, it’s even better to use marketing automation that includes email management and is integrated with your CRM. We prefer HubSpot over Pardot, Marketo, Act-On, and others. But whatever the flavor, email management tracks who opened your e-mails, who clicked on them, what links they clicked on and the other details you need to gauge the effectiveness of the effort.

Getting Through This Together

The IMA COVID-19 web page suggests that “We’ll get through this by working together.” But getting through this won’t mean a return to status quo. Instead, the innovators will use this as an opportunity to adapt and enhance their capabilities. Digital marketing is a major part of the mix.

“Working together” with an experienced, well-staffed, expert digital marketing firm can ignite demand for your products and services, making the rest of your reopening efforts easier. ♦

A SCHEDULING NIGHTMARE: COMPLYING WITH THE CHICAGO FAIR WORKWEEK ORDINANCE

GREENSFELDER, HEMKER & GALE, P.C.



The Chicago Fair Workweek Ordinance (the “Ordinance”) goes into effect on July 1, 2020 and has the potential to cause headaches for some manufacturers that have employees working in Chicago. Below are some key questions and answers about the Ordinance.

Are all Manufacturers Who Are Located in Chicago or Have Employees Working in Chicago Subject to the Ordinance?

No. While “manufacturing” is one of the seven covered industries under the Ordinance, only those manufacturers who meet the definition of a “Covered Employer” are subject to its provisions. The Ordinance defines a “Covered Employer” as an employer that employs 100 or more employees at all its locations, including outside of Chicago. However, even if a manufacturer employs 100 or more employees, for it to be a

Covered Employer under the Ordinance, at least 50 of its 100 employees must be “Covered Employees.” The Ordinance defines a “Covered Employee” as an employee who spends a majority of his/her time working in Chicago and, if salaried, earns less than or equal to \$50,000.00, or if hourly, earns less than or equal to \$26.00 per hour.

Many manufacturers contract with temporary or day staffing agencies for workers. After July 1, 2020, if that worker performs services for a covered manufacturer for 420 hours within an 18-month period, the Ordinance applies to that worker. Independent contractors are exempt and are not afforded the rights under the Ordinance.

How Much Advance Notice of Schedules and Scheduling is Required?

Beginning July 1, 2020, prior to or on a Covered Employee’s first day of employ-

ment, the employee must be provided with a good faith estimate in writing of his/her work schedule for the first 90 days of employment. This good faith estimate does not create an employment contract and/or alter the individual’s at-will employment status, however.

Beginning July 1, 2020, through June 30, 2022, Covered Employers must provide Covered Employees with written notice of their work schedule no later than 10 days before the first day of any new schedule. Beginning July 1, 2022, the 10-day notice period increases to 14 days prior to the beginning of any new schedule.

Importantly, under the Ordinance a Covered Employee has the right to decline any previously unscheduled hours that Covered Employers attempt to add to the employee’s work schedule with less than 10 days’ notice of any new work schedule and, may do so with complete immunity from discipline.

Under these circumstances, Covered Employers need to be mindful not to retaliate (unintentionally, hopefully) against a Covered Employee who exercises his or her right to decline any unscheduled hours added to his/her shift without proper notice. Courts in Illinois recognize as retaliation any conduct that may have a “chilling effect” (i.e. discourage) on an employee from exercising protected conduct. So, for example, a Covered Employer tells a Covered Employee that if he declines the request to work, he will no longer be eligible for overtime, so the employee agrees. While the employee did not suffer any immediate or tangible adverse action, the employer’s words have a potentially chilling effect on the employee in the future, as he may believe that he cannot now (or ever) decline a request to work unscheduled hours, or risk never being asked to work overtime.

What are the Penalties for Schedule Changes?

If a Covered Employer “alters” a Covered Employee’s work schedule with less

than the required 10-day written notice, the employer must provide the employee with one hour of “predictability pay” at the employee’s regular rate of pay. The Ordinance defines “alter” as (1) adding hours of work; (2) changing the date or time of the work shift with no loss of hours; or (3) with more than 24 hours’ notice, canceling or subtracting hours from a regular or on-call shift.

Separately, if the Covered Employer cancels or reduces a Covered Employee’s hours with less than 24 hours’ notice of the impacted shift, the employer must pay the employee one-half his/her regular rate of pay per hour for any hours not worked as a result of the change in schedule.

Any changes to a Covered Employee’s work schedule after the work schedule has been posted, must be reposted within 24 hours of the scheduled change.

The Ordinance also protects a Covered Employee from working consecutive shifts that are less than 10 hours after the end of the employee’s previous day’s shift. In this situation, the employee has the right to decline to work that shift. If, however the employee agrees to work, Covered Employers must pay the employee 1.25 times his/her regular rate of pay for all such hours worked. And, for any hours in the shift that constitute overtime hours, those hours must be paid at 1.5 times the employee’s base rate of pay.

Are There Any Exceptions to the Predictability Pay Requirement for a Schedule Change?

Fortunately, there are several. First, no penalty is assessed if the total change to the work schedule does not exceed fifteen minutes. Nor is a Covered Employer penalized if the Covered Employee clocks in early, or out late and unilaterally alters his work schedule. The Ordinance provides a litany of other exceptions to a Covered employer’s obligation to provide predictability pay, including, the following:

- Specifically, for manufacturers, if an event outside of their control occurs resulting in the work schedule change, for example, a customer requests a delay in production, or there is a delay in raw materials or other parts are needed for production;
- Threats to Covered Employers, Covered Employees, or property, or when civil

authorities recommend that work not begin or continue;

- Public utilities fail to supply water, electricity, or gas; or the sewer system fails to serve the location of the work;
- Acts of nature that prevents operations from continuing;
- War, civil unrest or strikes, threats to public safety, or a pandemic;
- The schedule change is the result of mutually agreed upon shift trade or coverage arrangement between Covered Employees;
- The Covered Employer and Covered Employee mutually agree to a proposed schedule change, it is confirmed in writing, and time and dated stamped;
- The Covered Employee requests the shift change because the employee is sick or taking vacation, and it is confirmed in writing. In this situation, however, the Covered Employee whom the Covered Employer asks to work unscheduled hours because an employee called off sick or is otherwise using paid time off, is entitled to predictability pay unless the employee mutually agrees in writing to the schedule change. And, Covered Employees are not required to find a substitute if they cannot work a scheduled shift;
- A Covered Employer subtracts hours due to disciplinary reasons, and documents the incident leading to the discipline.

Significantly, the Ordinance was amended to state that scheduling changes made because of the COVID-19 pandemic do not have to follow procedures outlined in the Ordinance. However, Covered Employers should be cautious about relying on this exemption, which only applies when the pandemic has caused an employer to “materially change its operating hours, operating plan, or the goods or services provided by the Employer, which results in the work schedule change.” This exemption will continue until Mayor Lightfoot’s pandemic Emergency Executive Order has been withdrawn.

How Are Collective Bargaining Agreements Affected?

No changes need to be made to collective bargaining agreements in effect prior to July 1, 2020. However, the Ordinance does

apply to Covered Employers subject to collective bargaining agreements that take effect after July 1, 2020, unless the agreement includes a clear and unambiguous waiver of the Ordinance’s requirements.

Are There Any Notice, Posting or Record Retention Requirements?

The Ordinance requires Covered Employers to post a notice advising employees of their rights in a conspicuous place in each facility where any Covered Employee works that is within the geographic boundaries of the City. Covered Employers also must provide this same notice with all Covered Employee’s first paycheck after July 1, 2020 and each July 1 thereafter. The notices must be provided in any language spoken by a Covered Employee, but only if a notice in that language has been made available from the Department of Business Affairs and Consumer Protection (“BACP”).

The Ordinance also requires Covered Employers to keep for at least 3 years, or the duration of any claim filed with the BACP, lawsuit, or investigation, whichever is longer, records that include the employee’s name, hours worked, pay rate, and all other records necessary to maintain compliance with the Ordinance.

Can Employers be Sued for Non-Compliance and What Are the Penalties?

Covered Employees may file a complaint with the Office of Labor Standards, BACP. However Covered Employees will not be allowed to file a complaint for violations of the Ordinance occurring before January 1, 2021. Employers who violate the Ordinance are subject to a fine of not less than \$300, and not more than \$500 for each offense. Each Covered Employee whose rights have been violated constitutes a separate and distinct offense. And, each day that a violation has occurred constitutes a separate and distinct offense and subject to a separate fine. Finally, if a Covered Employer retaliates against a Covered Employee for exercising his/her rights under the Ordinance, it will be subject to a \$1000 fine. ♦

AFTER THE PANDEMIC: GETTING BACK ON TRACK WITH UNION EMPLOYEES

VEDDER PRICE LLP



As stay-at-home orders relating to the COVID-19 pandemic are relaxed, employers seeking to establish a new normal in their businesses have to consider the role labor unions will or could come to play in their organizations.

Employers whose workforces are already represented by labor unions are likely to face bargaining demands over issues such as the recall of employees, health screenings, additional pay, scheduling, paid time off and/or staffing reductions. Employers who do not currently have labor unions could face a different set of challenges as labor unions seek to exploit the pandemic for organizing.

Unionized Employers

Create a Plan to Measure Against Your CBA. The starting point for every unionized employer is an operational plan for reopening. Your plan needs to consider a wide range of issues, including changing schedules (for social distancing or other operational reasons), wellness checks, PPE, layoffs, and any other potential issues. That game plan then needs to be measured against the benchmark of your collective bargaining agreement to determine what you can do on your own and what needs to be bargained. Even if you do not want or need to make changes, unions and the employees they represent may have different ideas and demand to bargain over issues such as additional

pay (often called hazard or “hero” pay), additional leave time for those who may need testing, and/or PPE and other measures to reduce the ongoing risk of infection. Whether employers are obligated to bargain over union issues (or want to bargain even if not required) turns on an analysis of your interests and contract rights.

Compare your plan to CBA requirements. Start by comparing what you want to do with fixed rules in the CBA. Is there something that the CBA expressly prohibits? Such rules can be found throughout the CBA, and generally override more general management rights. For example, early starts to avoid overlapping shifts can conflict with rules fix-

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ing shift times. Hours reductions could violate minimum hours guarantees. Furloughs might be contrary to layoff provisions.

Approach your union for relief if you need it. When express rules limit your ability to act, you must follow the contract rule or approach your labor union before acting to discuss temporary relief. For example, it is rare that employers can reduce pay on their own. Plan for those conversations. If you explain your needs and how they could benefit employees, many unions will grant temporary contract relief or trade for it. But coming to a union only after you have made a change you did not have the right to make rarely goes well and can lead to backpay or other remedies in arbitration. Be proactive.

Even if your CBA is silent, make sure you have an express right to act unilaterally. Even if your CBA does not limit your right to make changes, make sure that it affirmatively grants you the right to act on your own. Under federal labor law, employers are obligated to bargain before making changes to terms and conditions of employment unless a reasonably clear CBA provision grants employers the right to make changes. These can be found in a management rights clause but are often sprinkled elsewhere in a CBA as well. For example, a safety clause may provide a basis for conducting temperature checks. A bidding clause may give rights to change start times. But beware management rights clauses that afford you only a generalized right to "run the business" or "manage the operation." General statements like these, without more, are rarely enough.

Bargaining does not have to be onerous. Many employers shy away from asking unions for changes they need. But midterm bargaining is often straightforward. Even if it is not and the union declines to agree, employers may be able to act where the CBA is silent after completing bargaining. There are some limitations. Ensure your CBA does not contain a zipper clause waiving the union's obligation to bargain during the term of the CBA. You must also bargain to what is called an "impasse" which requires you give the union a chance to be heard and answer its questions. But it does not require actual agreement.

Keep the union informed of controversial changes even if you do not have to bargain. Often it makes sense to keep your union informed of your plans. You

can often get the union on board and avoid issues if employees later call the union to complain. Even if the union disagrees, it may help you identify issues and prepare for grievances.

What if the union has demands? In many cases, unions will have their own demands when employers restart or reconfigure. Take your time reviewing these and evaluate what is in your interest.

As to subjects already addressed in the CBA, employers rarely have an obligation to agree or even to bargain. That is particularly true for matters such as hazard pay and expanded sick leave, since pay and benefits were already bargained. But that does not mean that you should always say no. In some industries, your competitors may be offering those benefits. You may need to make changes to retain employees or calm fears. The key is deciding what is best for your business.

If you are open to something, it is also important to consider asking the union for what you need in return. Unions have a transactional view of labor relations. Trading hazard pay or expanded leave for something you want can make it easier for the union to give you relief on other needs.

If agreement is not possible, consider whether the union has other ways to force you to act. For example, unions can and often are filing complaints with OSHA where they feel PPE, social distancing, physical barriers, and/or wellness screening by employers is inadequate. Unions can also file grievances and arbitrate safety under some CBA provisions. Again, the best practice is to proceed thoughtfully after reviewing the issues and the reasonableness of the request.

Can employees strike? Both represented and unrepresented employees may have the right to walk off the job in some circumstances, particularly if they face unreasonable working conditions. When conditions are dangerous, that can be true even if you have a current no-strike clause. But not every concern rises to that level. Represented employees covered by a no-strike clause would have to prove both that the conditions they faced were unreasonably dangerous and that they subjectively feared for their safety. A strike by represented employees to extort additional wage or benefit concessions would likely not be protected.

Do you have to provide information

to unions? Many unions are requesting information about employer pandemic responses and will continue to do so, particularly if there is a second outbreak. In general, unionized employers have a broad obligation to provide information about members of the bargaining unit, including information about PPE and other measures implemented to prevent infection and the identity of employees who have been infected. Rather than simply saying no, use these opportunities to educate the union on what you are doing and how well you are doing it.

Don't Forget about Your Non-Union Employees

Unrepresented employers also need to be vigilant regarding unions. Unions are always looking to expand. And the pandemic allows unions to play on employee fear, uncertainty, and desire for concessions such as hazard pay to create unrest and obtain support for representation elections.

Non-union employers should carefully evaluate their vulnerabilities to unionization and whether they can and should get in front of the union on core issues. The keys to avoiding unionization risks are well known. Most importantly, keep your employees informed and engaged in what you are doing. Listen. Be visible and responsive when concerns are raised. Address legitimate concerns about issues such as PPE, social distancing, and scheduling. Explain why when you say no. Employees most often turn to a union when they perceive that management is not listening and/or acting unreasonably.

In the event that a union files a representation petition, the good news for employers is that the National Labor Relations Board, the federal agency that runs elections, recently enacted changes to the election process. The upshot of the new rules, which became effective on June 1, 2020, is that there is a longer period of time between the filing of a petition and an election. That will give employers additional time for campaigning, which is already difficult when you are socially distancing.

In the event of repeated outbreaks, appropriately planning now will give employers a blueprint for effective responses in both unionized and non-union workplaces. ♦

TRANSFER PRICING IN THE COVID-19 ENVIRONMENT

CROWE LLP



The rapid onset of the COVID-19 pandemic has reduced or shut down many manufacturing and distribution operations globally and negatively affected demand for many types of goods. As a result, manufacturers are reassessing their operations and developing short- and long-term plans to combat the adverse operational and financial impacts of the pandemic. As they do so, they need to be mindful of the potential impact or consequences these changes could have from an international taxation perspective in order to avoid unintended negative tax consequences.

Transfer Pricing in a Nutshell

Manufacturers compete in a truly global marketplace and operate complex supply chains that cross country borders and continents. This landscape, which complicates potential COVID-19 responses for manufacturers (such as switching raw materials suppliers), also presents increasingly challenging taxation issues for both multinational enterprises (MNEs) and tax administra-

tions. In particular, significant issues arise when determining the appropriate pricing of cross-border transactions among members of an MNE (for instance, in sales of inventory from manufacturer parent company to subsidiary distributor). According to a commonly subscribed to international tax framework, transactions among members of an MNE must be priced at arm's length, meaning that the price charged should be the same as would be charged to an unrelated party. Otherwise, MNEs could knowingly or inadvertently price intercompany transactions to shift profits between taxing jurisdictions, which, in turn, would affect the amount of taxes paid in those jurisdictions.

This concept, transfer pricing, has gained importance given the growing number of cross-border transactions (such as inventory sales, license of intangible property (IP), or the provision of services) required to operate in today's global economy. As such, transfer pricing has been a focus for tax authorities for some time, and given forecasted budget shortfalls for governments as a result of the

pandemic, scrutiny over an MNE's transfer pricing arrangements likely will intensify in the coming years. The operational or financial changes MNEs are considering, especially as they relate to cross-border activity within MNEs, likely have transfer pricing implications that need to be thoughtfully considered. Otherwise, MNEs might forgo potential financial or tax opportunities and expose themselves to future audit adjustments by tax authorities, which often have significant penalties.

Manufacturers' COVID-19 Responses and Transfer Pricing

To continue operations and meet customer demand, some MNEs are modifying subsidiaries' functions, either permanently or temporarily. Such changes could alter the characterization of the entity for transfer pricing purposes. A shuttered manufacturing entity, for example, might start purchasing finished goods from an affiliate and reselling the goods in its local market, therefore functioning as a distributor. Al-

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ternatively, the manufacturing entity could outsource its production to another related manufacturing entity, in essence making the entity a contract manufacturer (with respect to that specific production).

To the extent that functional profiles for entities change (for example, from manufacturer to distributor), MNEs need to re-evaluate profit (or loss) levels for each party in the supply chain and analyze the allocation of income associated with decisions being made. Relocating or ceasing certain functions could have unintended consequences if IP (such as production know-how) or other value is migrated from one location to another. For example, if production of a certain good is moved from one manufacturer in the MNE group to another, there might be a transfer of IP, which could create a royalty or other payment obligation from the new user to the IP owner within the MNE.

Regardless of whether functional entity characterizations change, MNEs will need to determine how to allocate consolidated losses, if any, among the group, and they should be modeling what financial results might look like as a result of the pandemic. Depending on these results, companies can reassess or revise their existing transfer pricing approaches. Entities characterized as

limited-risk entities, such as contract manufacturers or distributors, normally have a limited level of operating profitability while the entrepreneur (the entity that owns the relevant IP) normally recognizes the excess loss or profitability in the supply chain. Economically speaking, profitability for distributors and contract manufacturers is not guaranteed, but, historically, tax authorities generally have expected that these entities should consistently have at least some level of operating profitability. Therefore, if losses ultimately are recognized by these limited-risk entities, they need to be thoroughly documented and supported by a transfer pricing analysis.

Given the current need for liquidity, MNEs might need to move cash assets among members. Assuming a cash transfer from one entity to another is not characterized as a capital contribution or distribution, the transfer likely will be characterized as an intercompany loan, and, accordingly, intercompany agreements will need to document the terms of the transfer. MNEs also will need to determine an appropriate arm's-length interest rate for the loan. Furthermore, if a related-party borrower is delaying payment, MNEs should review existing intercompany financing arrangements to de-

termine whether the financing arrangement can be restructured or renegotiated.

Looking Ahead

MNEs that make transfer pricing changes in response to the pandemic must update intercompany agreements and documentation to reflect the new financial and commercial conditions to support their decisions and any resulting changes in entity-level profitability. MNEs also need to consider whether newly implemented intercompany charges, such as royalties, service fees, or buy-outs for IP, reflect such changes. To effectively defend against challenges by tax authorities related to profitability (or lack thereof), MNEs should examine and document the impact the pandemic is having on their business while considering the need for contemporaneous transfer pricing documentation reports.

Numerous transfer pricing implications exist as a result of this pandemic. To manage the disruption, MNEs need to re-evaluate their supply chains to ensure both short- and long-term sustainability and monitor and document changes they make to defend against tax and transfer pricing challenges. ♦

MEMBERS IN THE NEWS

ADM Announces \$800K in Additional Pandemic Donations

Archer Daniels Midland announced another \$800,000 in donations for organizations addressing needs during the COVID-19 pandemic.

The funds announced are an addition to the over \$1 million ADM previously committed to virus relief efforts. A press release said the money will go to local organizations “with a direct impact in communities and regions where ADM has a large presence”.

The company did not specify which specific areas will claim the \$800,000.

Organizations receiving funds include those addressing food assistance, hunger relief and local support to hospitals and first responders. Donations are awarded through ADM Cares.

“These are unprecedented times, and ADM is committed to doing our part to help address the tremendous need around the world right now,” said Chairman and CEO Juan Luciano. “We are proud to take part in Giving Tuesday’s efforts to unite companies, individuals and communities around the world to tackle the great challenges brought on by the global fight against COVID-19.”

ADM said it established a partnership with Rutgers to help with virus mitigation research and medical support in parts of Europe, Asia Pacific and South America.

Boeing Delivers First 3D-Printed Face Shields for COVID-19 Response

This April Boeing delivered the first set of 3D-printed face shields to support healthcare professionals working to stop the spread of COVID-19. The Department of Health and Human Services (HHS) accepted the initial shipment of 2,300 face shields this morning. The Federal Emergency Management Agency (FEMA) will deliver the shields to the Kay Bailey Hutchison Convention Center in Dallas, Texas, which has been established as an alternate care site to treat patients with COVID-19.

Boeing is set to produce thousands more face shields per week, gradually

increasing production output to meet the growing need for Personal Protective Equipment (PPE) in the United States. Distribution of additional face shields will be coordinated with HHS and FEMA based on immediate needs.

Face shield production and donations are part of a larger Boeing effort to leverage company and employee resources to aid with COVID-19 recovery and relief efforts. To date, the company has donated tens of thousands of units of PPE – including face masks, goggles, gloves, safety glasses and protective bodysuits – to support healthcare professionals battling COVID-19 in some of the hardest-hit locations in the United States.

Boeing has also offered use of its unique airlift capabilities, including the Boeing Dreamlifter, to help transport critical and urgently needed supplies to healthcare professionals. The company is coordinating closely with government officials on how best to provide airlift support.

“Boeing is proud to stand alongside many other great American companies in the fight against COVID-19, and we are dedicated to supporting our local communities, especially our frontline healthcare professionals, during this unprecedented time,” said Boeing Pres-

ident and CEO David Calhoun. “History has proven that Boeing is a company that rises to the toughest challenges with people who are second to none. Today, we continue that tradition, and we stand ready to assist the federal government’s response to this global pandemic.”

BP Donates Jet Fuel to COVID-19 US Relief Efforts

BP will supply 3 million gallons of jet fuel to FedEx Express (NYSE: FDX) charter flights and Alaska Airlines (NYSE: ALK) at no cost to support the timely delivery of personal protective equipment (PPE) and other essential goods to areas of the U.S. at greatest risk for COVID-19. BP will offset the carbon emissions of all donated fuel deliveries through its Target Neutral program.

“Frontline medical providers depend on PPE to treat patients suffering from COVID-19 and to save lives. BP is working to help deliver this equipment quickly by donating jet fuel to air carriers who will get supplies where they need to go,” said Susan Dio, chairman and president of BP America. “COVID-19 is a human crisis. People are suffering, and BP wants to help. We’re pulling together our global resources



to ensure first responders, health care workers and patients know that they're not alone."

The donation builds on BP's commitment to supporting frontline workers by offering a 50-cents-per-gallon discount on fuel for first responders, doctors, nurses and hospital workers verified through ID.me, a digital identity verification system. To date, the program has distributed approximately 800,000 unique discount codes.

The donation to FedEx Express, supplied by Air BP, will be used solely for international air transportation to and from the U.S. to deliver critical medical supplies, including gloves, gowns, ventilators and masks, that support the effort to fight COVID-19. Supplies will be directed by the Department of Health and Human Services (HHS) and the Federal Emergency Management Agency to communities in greatest need based on data from the Centers for Disease Control and Prevention. The fuel will be supplied by BP's Whiting refinery in Whiting, Indiana and BP's Cherry Point refinery in Blaine, Washington and delivered to Chicago O'Hare and Seattle-Tacoma International airports respectively. The fuel will supply more than 45 FedEx Express charter flights for HHS.

Takeda, CSL-led Plasma Players Band Together on COVID-19

Takeda and CSL Behring have set up an alliance to ramp up the development of such a treatment, joined by other plasma players hailing from the U.K., Switzerland, Germany and France.

The group will work on a treatment made from the plasma of patients who have recovered from COVID-19. Known as hyperimmune immunoglobulins, these drugs are made by purifying antibodies from donated plasma. Takeda had been working on TAK-888, a polyclonal hyperimmune globulin (H-IG) against SARS-CoV-2, the virus that causes COVID-19, but the partners will now focus their efforts on a single, unbranded medicine.

Takeda will transition the work it's already done for TAK-888 over to the

group's unbranded medicine, Julie Kim, president of Takeda's plasma-derived therapies unit, told BiopharmaDive. Its partners, which include Biotest, Bio Products Laboratory, Octapharma and LFB in addition to CSL, will follow suit for any plasma treatments they had been working on for COVID-19.

Deere Begins Production of Protective Face Shields for Health-Care Workers

John Deere, in collaboration with the UAW, the Iowa Department of Homeland Security and the Illinois Manufacturers' Association, announced today it is producing protective face shields at John Deere Seeding Group in Moline, Illinois. Deere employees will initially produce 25,000 face shields to meet the immediate needs of health-care workers in several of its U.S. manufacturing communities.

Materials and supplies are on order to produce an additional 200,000 face shields. The company is using an open-source design from the University of Wisconsin-Madison for the project and leveraging expertise, skills, and innovation of its employee base.

"Our manufacturing and supply management teams, along with our production and maintenance employees, the UAW, and our partners have worked

tirelessly to ensure we could lend our support and protect our health-care workers during this crisis," said John May, Chief Executive Officer, Deere & Company. "By working closely with the communities where our employees live and work, we can help support the needs we've identified close to home and, as the project expands, address additional, urgent needs across the country."

John Deere Seeding Group employees are supporting the special project and are utilizing extensive and robust safety measures adopted across the company to safeguard employees.

"This is a very proud day for the UAW and our UAW members," said Rory L. Gamble, UAW President. "I want to recognize the hard work that Secretary-Treasurer and Agriculture Implement Department Director Ray Curry and Region 4 Director Ron McNroy contributed to this effort. This included working to put the necessary health and safety provisions in place for our members to begin manufacturing critically-needed face shields for the health-care workers who are on the front lines of this crisis saving lives. We are especially proud of the courageous UAW members who are stepping up to do this critical work."



ExxonMobil Boosts Production of Raw Materials for Medical Masks, Gowns and Hand Sanitizer

ExxonMobil said today it has increased production of critical raw materials for masks, gowns and hand sanitizer used by medical professionals and first responders leading the efforts to combat the global COVID-19 pandemic.

The company has increased its capability to manufacture specialized polypropylene, used in medical masks and gowns, by about 1,000 tonnes per month, which is enough to enable production of up to 200 million medical masks or 20 million gowns.

Monthly production of isopropyl alcohol – a key ingredient in many disinfectant and hand sanitizer products – has been increased by 3,000 tonnes, which is enough to enable production of up to 50 million 4-ounce bottles of medical-grade hand sanitizer.

“We’re increasing our manufacturing capabilities to meet this critical need to help keep doctors, nurses and first responders healthy and safe,” said Karen McKee, president of ExxonMobil Chemical Company. “Our team has been working around the clock, applying our engineering and technical know-how and working with our customers to make this happen. We’re committed to doing our part to support the global response to the COVID-19 pandemic.”

The additional polypropylene will be made at sites in Baytown, Texas; Baton Rouge, Louisiana; and Singapore and help meet high demand for other critical hygiene and health care items. Production of isopropyl alcohol, also known as rubbing alcohol, is being maximized at the company’s site in Baton Rouge.

Meanwhile, the company is supporting development of innovative new products to help in the pandemic response. Working with the Global Center for Medical Innovation, ExxonMobil earlier this month announced multi-sector and joint-development projects to rapidly redesign and manufacture reusable personal protection equipment, such as face shields and masks, for health care workers.

As part of that effort, ExxonMobil is applying its deep knowledge and experience with polymer-based technologies, in combination with the center, to facilitate development and expedite third-party production of safety equipment that can be sterilized and worn multiple times.

Fiat Chrysler Donates 7K Masks to Boone Co.

Fiat Chrysler Automobiles donated 7,000 surgical face masks to Boone County on May 15.

The City of Belvidere received 2,000 masks and an additional 5,000 were sent to the Boone County Health Department. The donation is part of FCA’s commitment to donate more than one million face masks per month to first responders and health care workers, according to a release.

“FCA is extremely supportive of Belvidere and the surrounding areas. They value this community, which is evident by this substantial gift,” City of Belvidere Mayor Mike Chamberlain said.

FCA will also provide more than one million meals to children who depend on school meals. Locally, FCA has donated to B-1 Food Pantry, The Salvation Army Belvidere Corps Community Center, United Way of Boone County and YMCA of Rock River Valley.

“We are thankful for FCA’s continued support of Boone County,” said BCHD Public Administrator, Amanda Mehl. “The Boone County Health Department will work with the County, the City of Belvidere, local officials and businesses to identify the areas in greatest need of this generous gift.”

The company is in the process of converting manufacturing plants in Michigan and Brazil to produce face masks to support its internal needs, as well as for donation.

First-Light USA Donates Hand Sanitizer to OSF Healthcare’s Pandemic Health Worker Program

First-Light USA, manufacturer of portable, tactical lighting solutions, is excited to announce the delivery of thousands of bottles of hand sanitizer to OSF HealthCare. In response to immediate needs as a result of the COVID-19 pandemic, the First-Light team turned its attention from its typical production towards filling a vital need for the new Pandemic Health Worker Program (PHWP) offered by OSF HealthCare.

“We appreciate First-Light’s foresight and putting innovation into action, helping us provide care to those in our communities dealing with COVID-19 by donating much-needed hand sanitizer for clients of the Pandemic Health Worker Program,” said John Vozenilek, MD, Vice President and Chief Medical Officer for Innovation and Digital

Health at OSF HealthCare.

At the forefront of developing and creating innovative ways to deliver patient care, OSF HealthCare recently introduced the PHWP. Through a contract with the Illinois Department of Health-care and Family Services, the PHWP is designed to protect the well-being of the general public during the COVID pandemic.

Clients enrolled in the program are assigned a Pandemic Health Worker who will deliver a care package that includes hand sanitizer, thermometer, educational materials, a guidebook and a tablet - depending on what a client already has at home.

“OSF HealthCare, through OSF Innovation, is helping to lead the charge against the COVID-19 pandemic in Illinois. With our unique access to an FDA-registered production facility, we leapt at the chance to be a small part of this immense effort,” said Jeremy Ross, CEO and Founder of First-Light USA



Magna International Begins Production of N95 Masks

Canada’s Magna International Inc. is transitioning its three automotive seat sewing plants in Mexico to produce cotton masks that can extend the life of critical N95 masks. The supplier is



also producing 51,000 per day of these masks for Europe at five plants there and plans to reach 51,000 per day for the North American market out of its Mexico plants in the few weeks, said Jim Tobin, executive vice president of marketing and president of Magna Asia.

Magna is delivering 510,000 K95 masks, a similar respirator mask than the N95, from its Asia operations this week. Whitmer's office said the state needs 400,000 daily for the next several weeks.

"It's not that different from what we do at Magna every day," Harris said. "We figure out the shape and fit the foam the seat. Here we're figuring out how to fix the N95 masks. It's just creating a pattern and figuring out a sewing sequence."

Magna sent Harris' design and video tutorial to employees with a call to action. Harris alone is sewing 40 mask covers a day, Tobin said.

Marathon Petroleum Donates Equipment, Contributes \$1 Million to American Red Cross

In response to the COVID-19 pandemic, Marathon Petroleum Corporation (MPC) has donated personal protective equipment to healthcare providers and contributed \$1 million to the American Red Cross through Marathon Petroleum Foundation Inc.

To address the nationwide need, MPC donated more than 575,000 N95 respirator masks to 45 hospitals and other healthcare organizations in 20 states to help protect healthcare providers as they treat patients infected with COVID-19. The masks were from a supply MPC prepared years ago as part of its pandemic response plan.

In addition, the Marathon Petroleum Foundation's \$1 million donation to the American Red Cross will help supply critical resources necessary to safely provide disaster relief and support to those in crisis during the COVID-19

pandemic and beyond.

"We are incredibly grateful for the selfless actions of doctors, nurses and other healthcare providers on the front lines of this pandemic, and we are grateful that we can make this contribution to their safety," said MPC President and CEO Michael J. Hennigan. "Likewise, the American Red Cross provides vital services in the communities where we do business and throughout the nation, and we are proud to be part of their efforts through this donation from the Marathon Petroleum Foundation."

Trevor Rigen, senior vice president of Disaster Services at the American Red Cross, said the relief organization responds to more than 60,000 disasters a year, and will continue to help people in need.

Smith & Richardson Switches Gears to Produce Vital Parts for Ventilators Needed for COVID-19 Patients

In mid-March the ABC7 I-Team found a west suburban manufacturing company asked to adjust its business to focus on producing parts for medical ventilators. The family owned business in Geneva pivoted to near wartime production to make the vital pieces. As of late April, the company has churned out more than 52-thousand parts to help ease the panic over whether the U.S. would have enough ventilators for everyone who needs one.

Rich Hoster is President of Smith & Richardson Manufacturing. He says there are "two different customers that we're receiving orders from and they're supplying a couple of different ventilator companies."

Smith & Richardson is producing six different parts, using six different machines, six days a week.

"Well we're busier than normal in certain areas. You know, we've got the machining area of our business that supplies, though a lot of medical device components, ventilators included and that's very, very, busy. We've got some parts of our business that are transportation related and we've seen a slowdown mainly because of the auto industry shutdowns on that side of the business," Hoster told the I-Team.

"Everybody's trying to do what they can to get parts placed with various manufacturers to help. But the whole team is very honored to be doing that... we are doing what we can to help with this cause," said Hoster. ♦

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Parsippany, NJ

GEKA MANUFACTURING CORPORATION
Elgin, IL

GOLDMAN PRODUCTS INC
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**ILLINOIS GRAPE GROWERS AND
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KS DISTRIBUTION, LLC
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