

**ISTEP OPENS NEW MARKETS FOR MANUFACTURERS**

# **THE ILLINOIS Manufacturer**

[www.ima-net.org](http://www.ima-net.org)

**Fall 2014**

**Waste minimization in  
manufacturing and industry**

**Shopping your insurance**

**IMA's 2015 Holiday Report**



**Illinois electric capacity market  
commentary by Constellation**



# GET MORE

efficient ways to see, manage and project cash flow.



## ONLY WITH CASH FLOW INSIGHT™

powered by PNC CFO

With this unique suite of online tools all working together, you get more control over what's paid, what's due and when. Get cash in faster by giving customers convenient ways to pay. And get more insight into when might be the right time to buy that new equipment your business needs.

VISUALIZE CURRENT AND PROJECTED CASH POSITION + AUTOMATE INVOICING + MANAGE DOCUMENTS ONLINE + SYNC WITH ACCOUNTING SOFTWARE

**PNC | CFO™**  
Cash Flow Optimized

Try it at no cost today\*. Stop by any PNC branch, call a Cash Flow Insight Consultant at 855-762-2361 or go to [pnc.com/cashflowinsight](http://pnc.com/cashflowinsight)



\*Cash Flow Insight requires a PNC business checking account and enrollment in PNC Online Banking. Free trial offer valid for Cash Flow Insight and for additional tools (Receivables, Payables and Accounting Software Sync) for your current statement cycle period and two additional statement cycles. One free trial period per customer. For supported accounting software and other information, visit [pnc.com/cashflowinsight](http://pnc.com/cashflowinsight). Monthly charges will apply unless you un-enroll. Cash Flow Optimized and Cash Flow Insight are service marks of The PNC Financial Services Group, Inc. ©2014 The PNC Financial Services Group, Inc. All rights reserved. PNC Bank, National Association. Member FDIC

# Fall 2014



## Illinois electric capacity market 16

The goal of a capacity market is to ensure that sufficient generation resources exist to meet the peak demand of the electric system.

### Illinois DCEO's ISTEP initiative opens new markets for manufacturers .....12

### Waste minimization in the manufacturing and industrial industry Submitted by Waste Management of Illinois, Inc. ....14

### IMA's 2015 Holiday Report .....29

## Columns

**President's Report:** In the ever evolving retail energy marketplace, 2014 has taught energy players and buyers some valuable lessons ..... Page 4

**Legislative Report:** The November 4th elections have opened the door for seismic change in both Illinois and Washington ..... Page 6

**Manufacturers & Technology:** Learn how to accelerate manufacturing efficiencies with new technologies — by Jack Moran, Sikich LLP ..... Page 7

**Management Techniques:** Pick your broker first — A common sense approach to "shopping" your insurance — by Matt Starkey, insurance consultant ..... Page 11

**Government Regulations:** Are you at risk of violating the federal Telephone Consumer Protection Act (TCPA)? — by Ian H. Fisher, Schopf & Weiss LLP ..... Page 19

**Legal Issues:** A recent decision by the Second Circuit Court of Appeals held that even high level executives may be found personally liable for their company's violations of federal wage and hour laws — by David B. Ritter & Joseph L. Hoolihan, Barnes & Thornburg LLP ..... Page 21

**Manufacturers Education Initiative:** 1,000 Jobs for Chicagoland Manufacturing aims to train and place 1,000 job seekers in advanced manufacturing jobs — by Haven Allen, World Business Chicago ..... Page 23

**IMA Member News** ..... Page 26

**New IMA Members:** Welcome! ..... Page 30

**IMA Calendar of Events** ..... Page 30

*The Illinois Manufacturer is underwritten by Constellation — an Exelon Company*

## Mission Statement

The object for which the Illinois Manufacturers' Association was formed is to strengthen the economic, social, environmental and governmental conditions for manufacturing and allied enterprises in the state of Illinois, resulting in an enlarged business base and increased employment.

### Chairman

Andrew Faville

### President

Gregory W. Baise

### Editor

Stefany J. Henson

*The Illinois Manufacturer* is published quarterly by the Illinois Manufacturers' Association. All rights reserved. The title, *The Illinois Manufacturer*, is a trademark of the Illinois Manufacturers' Association.

Copyright 2014© Illinois Manufacturers' Association.

Reproduction of all or any part is prohibited except by written permission of the publisher. Published articles do not necessarily reflect the views of the magazine or its publisher. Information in this publication should not be substituted for advice of competent legal counsel.

For address changes and adjustments, write to *The Illinois Manufacturer*. Presort standard postage paid at Bloomington, IL. Postmaster: Send address changes to *The Illinois Manufacturer*, 220 East Adams Street, Springfield, IL 62701. Telephone: 217-522-1240.

If you have any questions, please contact Stefany Henson, Editor and Director of Publications at 217-522-1240, Ext. 3017, or email [shenson@ima-net.org](mailto:shenson@ima-net.org).

### Share your company news with IMA . . .

News information, press releases and articles may be sent to Stefany Henson, Editor and Director of Publications, Illinois Manufacturers' Association (IMA), 220 East Adams Street, Springfield, IL 62701, or email: [shenson@ima-net.org](mailto:shenson@ima-net.org).



## Understanding your energy options



From 1997-2013, consumers in states with retail competition saw their rates decline by 3.6 percent, while ratepayers in states without competition saw their rates increase by 8.2 percent (adjusted for inflation).

**T**his year we've experienced many challenges and opportunities in the ever evolving retail energy marketplace. From the polar vortex to major energy players pulling out of the market, this year taught energy players and buyers some valuable lessons:

1. Securing future energy prices is extremely important to managing price risk;
2. an energy supplier's stability matters; and
3. retail electricity competition continues to benefit customers.

Manufacturers that hadn't 'locked-in' their gas or power rates prior to this past winter's 'Polar Vortex' learned an unwelcome lesson about price-risk management and the impact that energy market volatility can have on their bottom line. Securing future energy prices, in whole or in part, is one of the key strategies for managing price risk. By doing this you can prevent unexpected increases in energy costs, while lowering your total cost over time by taking advantage of potential market declines.

The polar vortex taught another unexpected lesson to many energy buyers — that not all energy suppliers are the same. Despite growth in gas production from the shale revolution, prices this winter were very volatile due to the polar vortex. This extreme volatility put pressure on some energy companies that forced them out of the marketplace all together.

In the last few months, we have seen stories in the press about energy suppliers who have left the retail market or who are passing through charges to customers because of the market volatility. Whatever choice you decide to make for your energy needs, make sure you fully understand the process and your energy options. Ask suppliers and brokers how long they have been in business, check references and ask your colleagues and associates about their experiences. Also, confirm that any entity you are working with is licensed in Illinois by the Illinois Commerce Commission.

Retail electricity competition continues to benefit customers by providing choice of electric products, energy management tools and services, suppliers, and choices around energy consumption patterns that can potentially yield long-term savings. From 1997-2013, consumers in states with retail competition saw their rates decline by 3.6 percent, while ratepayers in states without competition saw their rates increase by 8.2 percent (adjusted for inflation).

Our energy partner, Constellation, is one of the nation's largest retail energy suppliers and is among the best equipped to manage market volatility. Constellation's stability, backed by a fleet of top-performing power plants, investment grade balance sheet and more than a decade of expertise in managing the price volatility risk around one of the nation's largest energy portfolios, means the IMA Energy Program can offer much longer electricity contract options and consistent, high-quality service without imposing unexpected price increases to customers on "all-in" fixed-rate plans. ■







## Measure your progress on a global scale

The McGladrey Manufacturing & Distribution Monitor provides valuable industry information that can serve as a benchmark for your company's strategic planning.

With details on the best practices of thriving companies, the Monitor provides a close look at the issues affecting the industry around the world, and can serve as an authoritative resource for your organization. Go to [www.mcgladrey.com/manufacturing](http://www.mcgladrey.com/manufacturing) to view the latest Monitor report.

For more information, contact National Industrial Products Practice Leader and IMA board member [Karen Kurek](mailto:karen.kurek@mcgladrey.com), at [karen.kurek@mcgladrey.com](mailto:karen.kurek@mcgladrey.com) or [312.634.3920](tel:312.634.3920).



Assurance ■ Tax ■ Consulting

## Seismic change in Illinois, national political scene



It's great news for manufacturing companies who have faced more than a decade of uncertainty and instability.

**C**apturing all but one county, Republican businessman Bruce Rauner swept incumbent Governor Patrick Quinn out of office on election day with a strong performance on the crest of a national Republican wave. While many pundits predicted a close race in the most expensive election in history — both candidates combined to spend nearly \$100 million — Rauner received more than 51 percent of the vote with a plurality of 170,000 out of the 3.3 million votes cast.

Early in the summer, the Illinois Manufacturers' Association was the first business group to endorse Bruce Rauner. We made a significant financial investment in the gubernatorial campaign that focused largely on class warfare. Governor Quinn championed an extension of the temporary income tax hike and an increase in the minimum wage while trying to vilify Rauner as an out-of-touch billionaire. Rauner argued that Illinois needed a new leader to create a booming economy by reducing taxes, cutting spending and "shaking up Springfield." Evelyn Sanguinetti will make history in January when she becomes the first Hispanic to hold statewide office in Illinois as Lt. Governor.

After working in concert with the Rauner campaign over the past several months, the IMA looks forward to helping the new administration implement pro-growth, pro-job policies such as tax reform and changes in Workers' Compensation. It will not be an easy task because Democrats maintained their stranglehold on the General Assembly. Despite strong headwinds, House Speaker Michael J. Madigan did not lose a single seat and maintains his supermajority while Senate President John Cullerton lost a single seat, but also keeps supermajority status.

In a low-profile but critically important race, Illinois Supreme Court Justice Lloyd Karmeier overcame a last minute, \$2 million barrage of negative advertisements by a small group of trial lawyers to win his retention election and maintain a 4-3 Democrat advantage. The trial lawyers, who have two multi-billion dollar lawsuits pending in the court system, hoped to oust Karmeier and buy a seat on the state's highest court. While Karmeier survived the retention vote, it's likely that those attorneys will now call on the Justice to recuse himself from key cases.

Voters across the country also repudiated President Barack Obama and made him a true "lame duck" for this last two years of his administration. In the United States Senate, Majority Leader Harry Reid lost his firm grip when eight new Republican senators were elected. In Louisiana, Republicans could pick up a ninth seat and enjoy a 54-46 advantage after the run-off election. While eyes were focused on the U.S. Senate, Speaker John Boehner is poised to enjoy the largest majority in Congress since WWII after winning 13 additional seats, including two seats in Illinois where Mike Bost and Bob Dold claimed seats in convincing wins.

Now that the chips have fallen, what does this mean for manufacturers? In Illinois, Governor Rauner will provide a firewall for the business community against labor unions, trial lawyers and others who want to increase regulations and hike taxes. He'll also aggressively pursue a pro-jobs agenda designed to turn Illinois around and create a booming economy. It's great news for manufacturing companies who have faced more than a decade of uncertainty and instability.

Nationally, Republicans can work together in the U.S. Senate and Congress to approve the Keystone Pipeline and serve as a check on executive power. Battles will rage on new environmental regulations promulgated by the U.S. Environmental Protection Agency and immigration reform.

More than ever, Americans and Illinoisans have demanded a bipartisan government that works together to find common sense solutions to problems facing their families and businesses. Politicians are wise to heed this message and get to work immediately. ■



Mark Denzler is Vice President and Chief Operating Officer of the Illinois Manufacturers' Association. Mark can be reached at 217-522-1240, extension 3008, or [mdenzler@ima-net.org](mailto:mdenzler@ima-net.org).

# Mining hidden jewels is key to improving ERP's return on investment

*Here's how to accelerate manufacturing efficiencies with new technologies*

*"There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system." — Niccolo Machiavelli*

**A**ny manufacturer with experience in planning and deploying a modern IT system probably thinks this Italian philosopher was an optimist. Stories of spectacular failures in IT projects have become part of mainstream folklore.

Large-scale failures aside, though, too many projects of every size simply fail to meet expectations. Indeed, studies confirm that about two-thirds of all IT projects undertaken by Fortune 100 companies fall short of initial expectations. Further, companies abandon about a quarter of IT projects and roughly half fail to work correctly, run significantly over budget or both. Even when installed properly, the results frequently disappoint.

Despite the poor reputation, properly planned and fully deployed IT systems save time. The National Bureau of Economic Research study of IT-enhanced machinery in 212 valve manufacturing plants in the United States showed that IT in this industry significantly improved efficiency across all stages of production, including setup time, run time and time consumed in quality management activities.

Of course, determining which IT investment has the greatest impact on operational effectiveness depends on the technology, industry, product, company, plant and process(es) involved. Speaking to all possible variants in this scenario becomes impossible. But if we hone in on make-to-stock (MTS) manufacturers that work with discrete products, and focus on investments in enterprise resource planning (ERP) systems, we can see the root of many IT disappointments.

Most manufacturers use only a few of the basic functions of their ERP systems — often those dealing with the daily financials, production, sales, purchasing and inventory management activities. Yet, today's ERP systems have scores of other helpful functions that offer significant benefits. Here are a few hidden jewels that manufacturers often overlook. If learned and deployed correctly, these will give you an ROI with capabilities and results far beyond what you anticipated. You'll see a sizeable improvement in staff utilization and operational effectiveness almost overnight.

## 1) Forecasting & demand planning

MTS manufacturers depend on accurate production plans. This

results in the production of the right product at the right time, so they maintain an adequate level of inventory to meet current and future customer demand. Most ERP systems feature reliable forecasting and demand planning capabilities, enabling manufacturers to make dramatic efficiency improvements. Manufacturers that depend on tools such as spreadsheets often produce the wrong product at the wrong time, which negatively affects things like customer satisfaction, inventory turnover ratios and profits.

## 2) Automated Data Collection

Older ERP systems required manufacturers to enter numerous data

see **HIDDEN JEWELS** page 8



**Jack Moran** is the director of manufacturing solutions at Sikich LLP, a professional services firm with headquarters in Naperville, that specializes in accounting, technology, investment banking and advisory services. He can be contacted at [jmoran@sikich.com](mailto:jmoran@sikich.com). Sikich LLP is an IMA member company.



## HIDDEN JEWELS

Cont. from page 7

points, and the demands on the workforce to insert the inputs vastly outweighed the benefits to manufacturing efficiency (e.g. the outputs). Today's ERP systems, though, have bar code-based data collection capabilities, which eliminate the time-consuming data entry process and enable manufacturers to take advantage of other system benefits.

### 3) Advanced planning & scheduling

Most MTS manufacturing companies struggle to determine which production lines to run, in what sequence, in which work center and using what resources. Yet, properly balancing these factors can dramatically increase manufacturing efficiency.

Until early 2000, most ERP systems only featured Finite Capacity Requirements Planning (Finite CRP) to assist production planners in generating master production schedules and shop floor schedules. But Finite CRP proved inadequate for numerous reasons — mainly its lack of flexibility. To function, these programs required a massive amount of static data to properly set up a Finite CRP engine that yielded usable outputs. Since most manufacturing operations take place in a highly dynamic environment, it didn't take long for real world scenarios to diverge from the system's parameters. This forced many manufacturers to abandon Finite CRP and resort to manual time-consuming planning using spreadsheets.

Fortunately, today's ERP systems provide a flexible set of tools to perform Advanced Planning & Scheduling (APS) on shop production schedules. The tools themselves vary widely from system to system since ERP solution providers focus on different types of customers, tailor their solutions toward a given set of expectations about the level of knowledge within a user community, and must work within the capabilities of a specific technology platform.

APS systems provide meaningful improvements to manufacturing efficiency, including:

- Reduction in time spent on non-

value adding setup and changeovers;

- Reduction in materials used in setups and changeovers;
- Elimination of time spent moving tools and materials that support unnecessary setups and changeovers;
- Removal of bottlenecks in production flows that impede throughput;
- Shutdown of production activities during periods of insufficient resources (e.g. materials, machines, tools or people);
- Elimination of non-value adding data entry activities due to integration with production equipment;
- Easily communicated and shared shop scheduling views;
- Increased productivity from production planners.

The future of IT  
will change dramatically  
as several emerging  
technologies converge  
on the shop floor.

### 4) Computerized maintenance management system

Many manufacturing-oriented ERP systems embed a computerized maintenance management system (CMMS) in their portfolios. Despite this, manufacturing facilities still rely on highly manual approaches to maintenance planning. Similar to doing complex sales calculations on paper vs. using a software system, this takes extra time and resources.

CMMS ensures that manufacturers have the correct resources exactly when they need them. It also ensures that production equipment performs optimally and maintenance schedules and production activities are synchronized. CMMS enables manufacturers to have maintenance technicians with the appropriate knowledge and skills on call to perform maintenance tasks during critical periods. In addition, it confirms the availability of the proper tools and materials at the right place and time.

### Future of IT depends on the intersection of technologies

The future of IT will change dramatically as several emerging technologies converge on the shop floor. This Fourth Industrial Revolution will drive an entirely new world of manufacturing and take advantage of the following:

- **Intelligent Machines:** Machines will have the ability to sense and understand the functions they perform.
- **Big Data:** The digital world will continue to feature a massive data surge.
- **Virtualization:** New and more powerful interfaces between people and the physical world — such as manufacturing equipment and the production environments where they reside — will occur.
- **Internet of Things (IoT):** The IoT will connect all of these intelligent machines to people, to each other, to the large data repositories that will house all of the digital data generated in a factory of the future, and finally the ERP systems that leverage this data to plan and manage more efficient manufacturing operations.

Despite the negative headlines and high-profile failures, today's ERP systems can dramatically improve operational effectiveness — providing that manufacturers maximize their capabilities. MTS manufacturers that expand their use of ERP beyond its core functions will gain a distinct advantage since they have the ability to improve staff utilization, better manage inventory, reduce waste, cut costs and advance strategic business goals — at a faster rate than competitors both in the short and long-term.

*Author Jack Moran has more than 30 years of experience in the industrial equipment manufacturing, technology and ERP software industries. As a member of key partner advisory boards to Microsoft, he played a significant role in shaping the current business solutions offered to industrial equipment manufacturers within the Microsoft Dynamics ERP product portfolio. ■*





# Take Advantage of Energy Management Solutions That Meet Your Budget.

**Reduce Risk. Realize Savings. Reinvest Capital.**

As the endorsed energy supplier to the Illinois Manufacturers' Association, Constellation helps members like you develop energy management solutions to protect their bottom line. Teaming up with Constellation allows you to take advantage of powerful benefits offered to IMA members.

888.312.1563

[constellation.com/IMAAD2](http://constellation.com/IMAAD2)



© 2014. Constellation Energy Resources LLC. The offerings described herein are those of either Constellation NewEnergy-Gas Division, LLC or Constellation NewEnergy, Inc., affiliates of each other and subsidiaries of Exelon Corporation. Brand names and product names are trademarks or service marks of their respective holders. All rights reserved. Errors and omissions excepted.



# It's time for a GAME CHANGER in the world of MANUFACTURING.



What if your insurance program could improve the efficiency and profitability of your manufacturing business?

With Manufacturers Insurance Services of Illinois and MIS 360, it can.

MIS 360 is a proven program that gives you group purchasing power and quantifiable control over every area of risk in your business. The result saves you time and money.

For more information, visit [www.mis-360.com](http://www.mis-360.com), or contact your IMA representative.

*Expect more from your insurance program.*



MANUFACTURERS  
INSURANCE SERVICES OF ILLINOIS



## QUESTIONS?

Contact Mark Frech  
800.875.4462 ext. 3022  
[www.MIS-360.com](http://www.MIS-360.com) | [mfrech@ima-net.org](mailto:mfrech@ima-net.org)

# Pick your broker first — A common sense approach to “shopping” your insurance

**D**oes the following scenario sound familiar? Your commercial insurance coverage is coming up for renewal in three to four months. Like clockwork, your phone starts ringing off the hook with insurance brokers asking to “quote” your business (how do they know your renewal date anyway?). You want to be a smart consumer, so you say “yes” to several of the most promising sounding candidates, and so begins the mind numbing process of time-consuming meetings with brokers, carrier reps touring your facility, brokers requesting access to their favorite carriers, sitting through final presentations, and on and on . . . After all is said and done, more often than not you end up staying with your current broker, because everyone comes in at pretty much the same price.

Is there a better approach? Before diving into that, it's important to understand a few facts about the commercial insurance industry and the brokerage distribution system. Employers who grasp these facts understand that shopping their insurance the old fashioned way, with multiple brokers, is often counter-productive and not the best approach.

## **Fact No. 1: Times have changed**

As recently as 10 to 15 years ago, insurance carrier appointments were much more difficult to obtain, and most brokers represented only a few premier insurance carriers. Thus, which carriers a broker represented, and the “appetites” of those carriers for a particular risk, dictated what price a broker was able to obtain. Through both carrier and broker consolidation, this is no longer the case. By and large, most brokers can now access the same general group

of carriers, so which carriers a broker represents is no longer a particularly significant distinguishing factor.

## **Fact No. 2: Only a few carriers are truly competitive**

Did you ever wonder why brokers are always asking you to assign a particular carrier to them? Also, did you ever notice that you hear about and see quotes from the same carriers year after year? The reason is that, typically, only a small handful of carriers will ever be truly competitive on your account. Like most businesses, insurance carriers try to determine the niches that they want to compete in. While they might offer a quote to a business that falls outside these categories, the quote will probably not be particularly competitive.

## **Fact No. 3: All brokers are not created equal.**

As stated above, most brokers represent the same general group of carriers. However, brokers can vary widely in the services they provide. Many brokers seem to feel their only function is to place coverage and then forget about you until renewal time. On the other hand, a small minority of sophisticated brokers include creative value-added services in their repertoire. Some of these include services like labor law counsel, human resource consulting, employee handbook review, and the like.

In light of these facts, what happens when you simply allow three to four brokers to shop the market in a misguided attempt to “compete” for your account? You have essen-

see **INSURANCE** page 24



**Matt Starkey** is an insurance consultant and author of *Surviving Business Insurance*. Manufacturers Insurance Services of Illinois contributed to this article and can be contacted at [info@mis-360.com](mailto:info@mis-360.com). Manufacturers Insurance Services of Illinois, including MIS-360, is a benefits, risk analysis and key business resources affinity program of the Illinois Manufacturers' Association.





# Illinois DCEO's ISTEP initiative opens new markets for manufacturers . . .

**M**elrose Park, Illinois-based Power Plant Services (PPS) discovered that by working with the state of Illinois, a small investment of time can yield a major source of new business.

In November 2013, PPS joined a trade mission to South Africa organized by the Illinois Department of Commerce and Economic Opportunity (DCEO). PPS, a one-stop shop for manufacturing and field work involving turbine parts, met with representatives of several South African turbine repair shops.

Within five months of that trip, PPS received its first order from South Africa in the amount of \$238,000. Less than one year after the trade mission, the company is already expecting to obtain upwards of \$1 million in business from South Africa. Chalk it up as another success for DCEO and its Illinois State Trade and Export Promotion Program, or ISTEP, which helps companies make connections that open new markets. DCEO's Office of Trade and Investment (OTI) runs ISTEP.

"I was extremely impressed by the organization of the ISTEP program," PPS CEO Manny Gandhi said. "The knowledgeable and motivated staff and resources made available by the state of Illinois help our company to grow abroad. I thank the state for its continued effort to help us grow our presence globally by developing a network of strategic partners and suppliers."

PPS was founded in Harwood Heights, Illinois, by Manny Gandhi in 1998. PPS serves multiple critical industries, including power generation, pulp and paper, steel, mining

and coal. As PPS' reputation grew, the company needed to increase its space to accommodate future growth.

In 2002, PPS relocated to its current facility in Melrose Park. In 2007, the manufacturing of standard parts was moved to a separate facility for higher efficiency. The continued growth of the company allowed PPS to add two repair focused facilities. In 2010, a new 40,000-square-foot facility opened in Oswego, Illinois, and a 10,000-square-foot facility opened near Atlanta, Georgia.

As a result of PPS' continued growth internationally — which includes exports to Central America, Europe, Canada, Africa and Australia — the company has added eight employees this past year. Collectively, PPS employs about 250 people. Just last year PPS grew to nearly \$40 million in sales. Export totals are also on the rise. Last year alone PPS earned nearly \$3 million from exports, \$1 million more than the previous year. Through the ISTEP program, PPS has participated in trade missions to Israel, Turkey and Austria in addition to South Africa.

PPS' story is one example of how companies across Illinois are tapping into overseas markets. While Illinois is part of the nation's heartland, its transportation connections are unmatched and allow for speedy shipments to and from the rest of North America and the world. Illinois is the leading exporter in the Midwest, fifth largest in the United States, and known for its crops that feed the world and its equipment hard at work on everything from farms to urban housing developments. The global connection is

especially strong in Chicago, where 33 Fortune 500 companies have their headquarters and many foreign companies base their U.S. operations. The city also hosts two of the country's top international exchanges.

Illinois is a cornerstone of the global economy, with an economy roughly the size of Switzerland's. DCEO is determined to help the private sector increase its pace of growth and investment. Through its trade office, DCEO offers small- and medium-sized businesses invaluable opportunities to begin, grow and sustain exports. Whether a company is struggling or succeeding beyond expectations, DCEO programming offers vital help to further growth and expansion.

Machinery, agricultural products, transportation equipment and chemicals dominated Illinois' 2013 exports. Each industry produced more than \$5 billion in exports and experienced massive growth in the past few years. A 2013 study conducted by the World Institute for Strategic Economic Research showed 93.9 percent growth for transportation equipment and more than 50 percent growth for agricultural products and machinery since 2009.

Altogether, Illinois's exports garnered \$65.8 billion and experienced 58.2 percent growth overall since 2009, beating the national average by more than eight percentage points. Illinois is on track to export over \$70 billion in 2014.

From transportation and agriculture to chemicals and petroleum products, Illinois supplies the world with products for key industries. China, Germany and France import

billions of dollars of goods from Illinois each year. These products are the tools of economic growth overseas and help keep Illinois competitive nationally by creating manufacturing jobs at home.

While Illinois manufacturers stand as a pillar of the state economy, there is more work to be done. The DCEO's Office of Trade and Investment is prepared to help companies poised for expansion take advantage of new and growing global markets.

DCEO offers everything an Illinois company needs to expand its foreign operations. The first step is a visit to one of the Illinois Small Business Development Center (SBDC) International Trade Centers. Twelve centers throughout the state offer easy access to regional support for small-and medium-sized businesses. SBDC employees can provide individualized market research, financial assistance and export viability studies — along with other services — to help jumpstart a company's overseas export process.

Once a company chooses to export, it can utilize ISTEP, which has produced impressive export growth since its inception in 2012.

The ISTEP program helps Illinois businesses expand exports through strategic marketing and networking at international trade fairs. There are two programs available to interested companies: Group Trade Missions and Individual Trade Missions.

Group Trade Missions are available to businesses that make at least \$250,000 annually and employ fewer than 500 people. Group missions offer Illinois companies better visibility through marketing with other Illinois companies while receiving valuable support from OTI.

OTI offers financial incentives for Illinois businesses to attend group missions. For qualifying companies, OTI will cover certain travel costs, including trade show booth fees, group ground transportation, match-making fees, interpreters, briefing materials and assistance with travel logistics. Additionally, qualifying companies can receive up to \$5,000 for other travel costs and reimbursement for up to two company representatives.

Twenty-four group trade missions are scheduled for the 2015 fiscal year to locations across the world. The OTI will lead Illinois businesses  
*see ISTEP page 24*

## 2015 ILLINOIS DCEO GROUP TRADE MISSIONS

For further information contact the Illinois Office of Trade and Investment (OTI) at 312-814-2319 or [Margo.Markopoulos@Illinois.gov](mailto:Margo.Markopoulos@Illinois.gov); or find your nearest Illinois SBDC-International Trade Center at [www.ilsbdc.biz](http://www.ilsbdc.biz)

### ARAB HEALTH 2015 | Dubai, UAE | January 26-29, 2015

Trade Show Website: [www.arabhealthonline.com](http://www.arabhealthonline.com)

Arab Health is the premier medical and health care trade fair in the Middle East that delivers a diverse group of medical suppliers. Participants include: healthcare practitioners, medical manufacturers, hospital managers, doctors, technical & laboratory managers, physiotherapists, dealers and distributors. Contact: Sam Ntum, 312-814-8480, [Sam.Ntum@Illinois.gov](mailto:Sam.Ntum@Illinois.gov)

### BIO INDIA 2015 | Bangalore, India | February 9-11, 2015

Trade Show Website: [www.bangaloreindiabio.in/Index\\_New.php](http://www.bangaloreindiabio.in/Index_New.php)

BIO INDIA 2015 is an annual event organized by the Department of Science and Technology, the Governments of India and Karnataka, and the Vision Group. This trade show will be held in Bangalore, which is considered the hub of biotechnology in India, and will be an excellent platform for Illinois companies to showcase their innovations, technologies, solutions, and products and services to major players in the life science industry. Contact: Terry LaRocca, 312-814-6035, [Terry.LaRocca@Illinois.gov](mailto:Terry.LaRocca@Illinois.gov)

### CANADIAN RESTAURANT & FOODSERVICES ASSOCIATION TRADE SHOW | Toronto, Canada | March 1-3, 2015

Trade Show Website: <http://restaurantshow.ca>

The Canadian Restaurant and Foodservices Association (CRFA) has been dedicated to the prosperity and growth of Canada's \$65-billion foodservice sector for 70 years. With more than 30,000 members across the country, CRFA knows what industry executives and professionals, chefs and restaurateurs, want in a trade show. As an exhibitor, you'll be part of the most comprehensive industry trade show in Canada while you connect with thousands of qualified buyers who come each year to see "who's who" and sample "what's new" in the industry. Contact: Tom Hagle, 312-814-4959, [Tom.Hagle@Illinois.gov](mailto:Tom.Hagle@Illinois.gov)

### MOBILE WORLD CONGRESS 2015 | Barcelona, Spain | March 2-5, 2015

Trade Show Website: [www.mobileworldcongress.com/](http://www.mobileworldcongress.com/)

Mobile World Congress Trade Show provides the planet's best venue for mobile industry networking, new business opportunities and deal-making. This world class conference will feature visionary keynote speakers and action-provoking panel discussions; an exhibition with more than 1,800 companies displaying cutting-edge products and technologies; App Planet; and the annual Global Mobile Awards Ceremony, which recognizes the most innovative mobile solutions and initiatives from around the world. Contact: Iwona Bochenksa, 312-814-6029, [Iwona.Bochenksa@Illinois.gov](mailto:Iwona.Bochenksa@Illinois.gov)

### WIN AUTOMATION 2015 | Istanbul, Turkey | March 19-22, 2015

Trade Show Website: [www.win-fair.com/](http://www.win-fair.com/)

The World of Industry Automation (WIN) 2015 is the number one manufacturing trade show in Turkey and the Eurasian region. It presents an ideal platform for companies in the fields of high-growth industrial automation, electricity and electronics, hydraulics and pneumatics, and material handling sectors to share innovative solutions and new technologies. The machinery manufacturing industry is the driving force of Turkey's industrialization and is considered one of the pillars of Turkey's future development. Contact: Iwona Bochenksa, 312-814-6029, [Iwona.Bochenksa@Illinois.gov](mailto:Iwona.Bochenksa@Illinois.gov)

### HANNOVER MESSE TRADE FAIR 2015 | Hannover, Germany | April 13-17, 2015

Trade Show Website: [www.hannovermesse.de/home](http://www.hannovermesse.de/home)

Hannover Messe Trade Fair is the world's leading trade fair for industrial technology. Hannover Messe regularly attracts more than 6,500 exhibits and is considered the showcase for the latest developments in industrial innovation and automation. This show will also provide participants with technologically advanced matchmaking and lead generation services. Contact: Iwona Bochenksa, 312-814-6029  
Email: [Iwona.Bochenksa@Illinois.gov](mailto:Iwona.Bochenksa@Illinois.gov)

### 18TH CHINA INTERNATIONAL NUTRITION AND HEALTH INDUSTRY EXPO | Beijing, China | April 16-18, 2015

Trade Show Website: [www.jianbohui.com/en/index.html](http://www.jianbohui.com/en/index.html)

China's health care and wellness industry has rapidly become a \$1 trillion industry, and the China International Nutrition & Health Industry Expo (CIHIE) has become the most important event for this industry in Asia. More than 1,200 exhibitors will participate and the Expo will invite more than 200,000 distributors, dealers, agents, importers and exporters, and buyers of general merchandise. This trade mission will also include a stop in Shanghai for pre-arranged meetings with key Chinese business leaders and government officials. Contact: Zhigang Ren, 312-814-2335, [Zhigang.Ren@Illinois.gov](mailto:Zhigang.Ren@Illinois.gov)

### WETEX 2015 | Dubai, UAE | April 21-23, 2015

Trade Show Website: [www.wetex.ae/](http://www.wetex.ae/)

WETEX 2015 highlights the latest renewable energy solutions deployed in the region and throughout the world that play a major role in establishing greener economies. WETEX continues to be regarded as a leading platform to present and discuss important topics at the core of renewable energy concerns. Given the size and scope of this show, this exhibition offers an ideal environment for Illinois companies to showcase their products in one of the fastest and most lucrative markets in the world. Contact: Sam Ntum, 312-814-8480, [Sam.Ntum@Illinois.gov](mailto:Sam.Ntum@Illinois.gov)

**For a complete listing of 2015 group trade missions, visit:  
[www2.illinois.gov/gov/exports/Pages/UpcomingSTEP.aspx](http://www2.illinois.gov/gov/exports/Pages/UpcomingSTEP.aspx)**

# Waste minimization in the manufacturing and industrial industry



Submitted by Waste Management of Illinois, Inc.

Each year, companies in the United States generate and dispose of 7.6 billion tons of non-hazardous industrial solid waste. In light of rising raw material and disposal costs, existing and pending regulatory pressures and changing consumer preferences, companies in the manufacturing and industrial sector are seeking ways to minimize their waste streams and maximize their cost savings. Waste minimization strategies present companies with a true sustainability advantage in the form of economic, environmental and social benefits.

## What is waste minimization?

There are several definitions of waste minimization promoted by governing bodies in the international community. The United States Environmental Protection Agency (EPA) defines the concept as follows: Waste minimization refers to the use of source reduction and/or environmentally sound recycling methods prior to energy recovery, treatment, or disposal of wastes. Waste minimization does not include waste treatment, that is, any process designed to change the physical, chemical, or biological composition of waste streams. For example, compacting, neutralizing, diluting, and incineration are not typically considered waste minimization practices. EPA's preferred hierarchical approach to materials management includes source reduction, recycling, energy recovery, treatment, and finally, disposal.

While the exact language used to

define the concept and its scope may vary among regulatory bodies, all definitions emphasize the importance of avoiding the creation of waste rather than focusing on the management of residuals after they are generated.

## Benefits

There are multiple benefits to a minimized waste stream. Not only is it considered a best management practice, but it is the law for manufacturers regulated under the United States Resource Conservation and Recovery Act (RCRA). All Large Quantity Generators of hazardous waste must have a formal waste minimization plan in place. A comprehensive waste minimization plan helps ensure that facilities remain in compliance with federal regulations. In fact, an effective waste minimization plan may help facilities reduce their hazardous waste streams to the point where they can "downgrade" their generator status, or even prevent regulation under RCRA altogether.

Minimizing waste often provides economic benefits such as using inputs more efficiently to reduce purchases of raw materials. Manufacturers will see a reduction in waste spend as the volume of non-product outputs decreases. Additional cost savings can be realized through reduced expenditures for costly hazardous material management and disposal.

Waste minimization programs can also contribute to measurable successes in terms of market share, revenue growth and cost savings.

Robust recycling programs often convert themselves from a cost into a revenue stream when volumes warrant commodity rebates. Reductions in hazardous waste volumes can also have the effect of reducing the overall toxicity of the manufacturing process and final product, which can result in fewer employees and consumer exposure to toxins and an overall improvement in workplace health. These factors typically lead to increased employee satisfaction and retention, not to mention the reduction of potential risks and liabilities associated with the use, storage and disposal of hazardous materials.

The environment can also benefit when companies implement waste minimization strategies. Potential environmental benefits include reductions in carbon, air and water emissions as well as the conservation of natural resources that are usually associated with raw materials extraction and waste disposal. This additionally conserves energy and water used for the processing of wastes and raw materials.

Consumer preferences are shifting towards products and manufacturers that can demonstrate environmental benefits. Consumers are willing to pay price premiums for products that demonstrate these attributes. If consumers perceive that a manufacturer is serious about sustainability (which includes waste minimization efforts), this can create a "halo effect" for the entire brand. In other words, consumers with a



favorable opinion of the manufacturer are more likely to purchase products from that manufacturer, and not necessarily based on the individual product's attributes.

Waste minimization can be seen as an act of foresight. Reducing waste both in the final product and the manufacturing process may reduce regulatory burdens associated with disposal and helps manufacturers stay ahead of the curve.

#### **Overcoming barriers**

Obstacles remain for companies seeking to minimize their waste streams. In difficult economic times, it can be a challenge to secure the necessary resources to redesign products and processes with the aim of minimizing wastes. There are additional difficulties if a manufacturer's supply chain is complex or lacking in transparency.

Any difficulty in locating or securing alternate raw materials for the manufacturing process can hinder efforts to reduce the toxicity of process wastes. Finally, inertia and the status quo can foil efforts at waste minimization. Undergoing a process redesign is much more challenging than continuing business as usual.

Finally, inertia and the status quo can foil efforts at waste minimization. Undergoing a process redesign is much more challenging than continuing business as usual.

Companies can address these hurdles in a number of different ways. For example, it is important to communicate and maintain a long-term perspective. Although some investments in waste minimization require an upfront cost, they often become cost neutral after a short period of time, and save the company money thereafter.

Project Return on Investment (ROI) calculations should not only include the financial piece of the puzzle, but also account for intangible benefits like worker retention and environmental conservation to determine the true return on investment.

Vendors should help manufacturers attain their waste minimization goals, not hinder them. Companies must collaborate with vendors to ensure that purchased materials arrive in minimal packaging or reusable packaging to avoid disposal costs. Vendors can also help minimize waste by supplying inputs of specific sizes or shapes to avoid excess material scrap in the manu-

facturing process. Use of contract language can also help ensure that vendors positively contribute toward organizational goals.

#### **Waste minimization strategies**

There are multiple tools and techniques that manufacturers can apply to their operations in order to minimize their waste streams. For example, representatives from each area of operations can form a "green team" to communicate ideas and progress up to senior leadership and down to department employees, ensuring an integrated and comprehensive approach to waste minimization throughout the facility.

The reduction of packaging materials can also affect the overall waste stream volume. Manufacturers can redesign their product packaging to minimize the amount of material used and to maximize the amount of recyclable or degradable packaging content. For example, air packs or corn-based "peanuts" can be selected instead of expanded polystyrene to provide cushioning.

A large component of many manufacturers' waste streams is wastewater and industrial sludge. These materials are often costly to treat and dispose of or discharge. In order to minimize this element of the waste stream, manufacturers should consider ways to reduce the amount of water needed for manufacturing processes; gains in water efficiency also reduce costs associated with the purchase of fresh water. Wastewater sludge should be profiled as to their constituents. Some sludge is high in organic content or other materials that could be beneficially reused by other firms. Decreasing the volumes of wastewater and wastewater sludge helps to conserve natural resources and reduces the potential for environmental contamination.

#### **Additional tools and techniques**

Companies should optimize diversion through comprehensive reuse or recycling programs to avoid disposal costs, minimize waste and avoid unnecessary purchases of raw materials. Additionally, companies should attempt to procure raw materials with recycled content wherever possible. Purchasing recycled content closes the loop on the manufacturing process and generates demand for recycled materials, making them attractive to produce and providing outlets for recyclable

byproducts. Procuring raw materials in bulk (where possible) will reduce the amount of packaging materials that enter the waste stream.

After completing an environmental cost accounting of their own products and processes, manufacturers should utilize the same techniques, along with life cycle assessment (LCA), to assist with the selection of alternative raw materials or technologies that reduce waste and have less environmental impact.

In order to identify areas for collaboration with vendors, companies may wish to undertake a supply chain analysis. This will assist with determining the impacts of a supply chain on the manufacturing process and may generate ideas on how to mitigate any concerns.

The EPA offers a free, voluntary program for businesses wishing to embark on the journey to minimize their waste burdens. The EPA's WasteWise program provides participants with tools and techniques to eliminate the generation of municipal solid wastes and select industrial wastes. Among the available resources are planning tools, calculators to measure progress, platforms to communicate results and a helpline providing free technical assistance.

Following a comprehensive exercise to map out waste generation points throughout the manufacturing process, companies can consider modifications to these processes to reduce or eliminate waste. In some cases, simply adjusting a setting on a piece of equipment or using a more durable process component can result in significant reductions in waste volumes.

#### **Conclusion**

From regulatory compliance to positioning the company as an industry leader of the future, there are many reasons to implement a waste minimization strategy. The benefits range from cost savings to risk avoidance to carbon reductions and more. With so much to gain, the only thing manufacturers have to lose is waste. ■

*Waste Management of Illinois, Inc., is an IMA member company. For more information or assistance with your waste management needs, visit [www.wm.com](http://www.wm.com).*

# Illinois electric capacity market

*commentary by  
Constellation*

Until recently, retail power customers in central and downstate Illinois' Ameren market have had very little reason to concern themselves with capacity costs. After all, capacity rates paid by customers who choose competitive electric supply within MISO's Ameren zone have averaged near zero ( $< \$1/\text{MW-Day}$ ) since 2009.<sup>1</sup>

By comparison, in northern Illinois' ComEd market, C&I power customers have paid average capacity rates close to  $\$100/\text{MW-Day}$  over the same period. In ComEd, and other competitive choice markets within PJM, capacity costs routinely account for 20 percent of a customer's electric bill, the second largest component besides the cost of the commodity.

The goal of a capacity market is to ensure that sufficient generation resources exist to meet the peak demand of the electric system. Capacity payments provide long-term price certainty and guaranteed revenues which incentivize investment in new and existing generation. Under MISO's previous capacity construct, low capacity prices provided little incentive for investment in generation. Particularly in today's energy market, where abundant supplies of natural gas have led to sustained low energy prices, capacity revenues are important for ensuring that merchant generators remain economically viable.

In order to improve the efficiency of its capacity market, MISO instituted a mandatory annual auction beginning with the 2013/2014 planning year. Despite the market redesign, capacity rates cleared the first annual auction at only  $\$1.05/\text{MW-Day}$ . In the second auction, however, capacity rates for the Ameren zone increased by 1,500 percent year-over-year to  $\$16.75/\text{MW-Day}$ . The results of the most recent auction show that capacity is no longer an immaterial cost for retail power customers in Ameren.

One major difference between the MISO and PJM capacity auction is that the auction in MISO takes place two months before the start of a given planning year. In PJM, capacity prices are determined three years in advance. While there are arguments for and against MISO's shorter planning horizon, opponents



of the MISO capacity construct suggest that a two month forward auction provides poor long-term price signals for merchant generators. A shorter capacity planning horizon also adds risk and cost uncertainty for retail customers who wish to contract for a term extending past the current planning year.

In addition to the substantial increase in capacity costs between the first and second annual MISO capacity auctions, ample evidence exists to suggest that capacity costs for customers in the Ameren zone may increase in the coming years. In its “2013 State of the Market Report,” MISO’s independent market monitor (IMM) states that due to the costs of complying with environmental regulations such as MATS and CSAPR, 8-10 GW of capacity in

MISO is at risk of retirement.<sup>2</sup> Furthermore, EPA’s recently announced Clean Power Plan, competition from wind resources, and persistently low natural gas prices could put even more pressure on coal units to retire in the near future. Per the IMM’s report, “these retirements, together with the increase in capacity exports to PJM, are causing MISO to forecast a capacity deficiency in 2016.” Without sufficient capacity revenues to help offset the costs of complying with environmental regulations, coal units are increasingly likely to retire and put further stress on reserve margins in Ameren.

It should also be noted that the risks facing the Ameren capacity market are not unique to MISO. The transition from coal to gas-fired gen-

eration is affecting the entire United States electric grid, including the ComEd market in PJM. As the generation supply stack shifts in favor of gas-fired units, capacity reliability will be subject to the availability of natural gas during peak winter demand periods. During last winter’s Polar Vortex, up to 22 percent of PJM’s capacity was off-line due to weather-related issues. Consequently, in August 2014, PJM proposed changes to its capacity market design aimed at ensuring the continued reliability of its capacity resources.<sup>3</sup> While the proposal is still in its initial stages, it is likely that PJM capacity rates will rise in order to ensure that sufficient capacity resources are available to meet winter and summer peak loads.

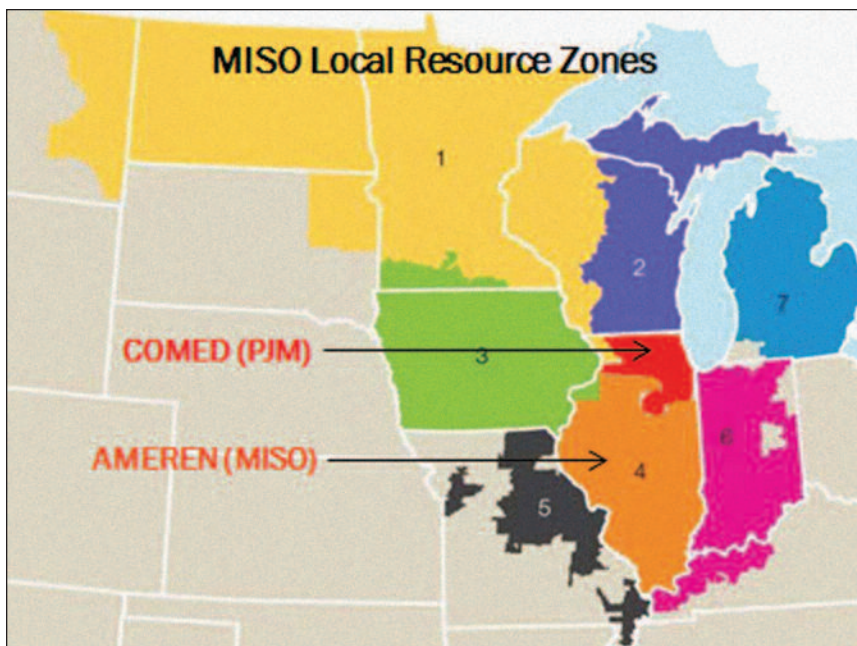
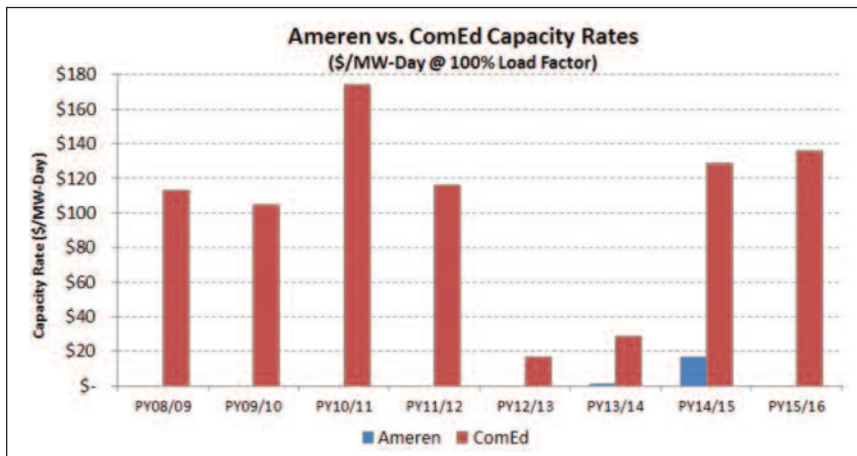
Given impending coal unit retirements across the Midwest, retail power customers in both Ameren and ComEd may be paying higher capacity costs as soon as the 2015/2016 planning year.

The map (below left) shows seven of the local capacity resources zones within the MISO footprint, along with the ComEd zone, which is part of the PJM RTO. ■

## References

1. Ameren’s electricity market is operated by the Midcontinent Independent System Operator (MISO), while ComEd belongs to PJM regional transmission organization.
2. [www.misoenergy.org/MarketsOperations/IndependentMarketMonitor/](http://www.misoenergy.org/MarketsOperations/IndependentMarketMonitor/).
3. [www.pjm.com/~media/documents/reports/20140820-pjm-capacity-performance-proposal.ashx](http://www.pjm.com/~media/documents/reports/20140820-pjm-capacity-performance-proposal.ashx).

*For more information, contact Constellation.*





## Winterizing your building: Five ways to shield your business from high energy costs

After the Polar Vortex blasted the country from all angles last winter, it's not too early to start bracing for the cold this winter. In fact, early predictions from the National Oceanic and Atmospheric Administration show we could be in for another frigid, snowy winter.

(We're not looking forward to it either, but it's better to prepare now than face spikes in your energy bill again later.) So, while you are still enjoying the last weeks of fall, we thought we would share some tips on how you can begin preparing yourself and your business for the winter months! Here are five ways to keep your energy costs in check this winter.

## Automate

Use programmable thermostats that regulate your heating system to take occupancy and peak times into account. A programmable thermostat costs from \$25 to \$150 and can reduce heating costs by about 30 percent, according to the EPA. Set it a few degrees lower during low-occupancy hours. Your company should also consider installing smart lighting systems that adjust energy usage based on occupancy, time of day and lighting levels.

## Keep warm air in and cold air out

To realize the most savings, make sure you're not letting your heat escape or inviting in the cold. In a typical building with forced-air heating and cooling, about 20 percent of the air that moves through the duct system is lost due to leaks and poorly sealed connections. Check for cracks around windows and doors and use weather stripping to plug them.

### Use energy-efficient lighting

Lighting accounts for nearly 25 percent of all commercial energy costs, according to the U.S. Department of Energy. Making the switch to EnergyStar-rated light bulbs will reduce electric costs and save about \$6 a year per bulb. These bulbs last 10-25 times longer than traditional incandescent bulbs and use about 75 percent less energy than traditional bulbs, according to EnergyStar. The larger your company, the more the savings multiply.

### Use load response to voluntarily reduce energy costs during peak times

Load response programs allow businesses to use less energy at predicted peak times, cutting Peak Load Contribution, which represents about 20-30 percent of the total bill for the following year. Constellation offers several load response options for businesses, including peak response, price response and rate response. In some cases, businesses are compensated for using less power in addition to saving money by reducing usage.

### Use a customized energy management strategy

You may already be using some of these methods to cut back on the amount of energy you use at your business, but how well are you managing what you pay for it?

Consider your current plans for electricity and natural gas. Do your plans allow you to lock in a predictable rate for the entire year, or can you take advantage of shifts in the market?

You're probably familiar with the concept of a **fixed price**; you likely use it for many of your purchasing contracts. In energy terms, it gives you a set amount to pay per kWh during the term of your contract. This protects you from the volatility that can occur in the market during extreme weather patterns, but it takes away the potentially reduced rates the market can offer. In short, it's the safe bet since you always know exactly what you'll pay.


Another option, **index pricing**, allows your business to pay varying market rates that fluctuate by the hour. Your business takes advantage of lower costs, but it's also on the hook for higher costs when the market shifts. Businesses can take advantage of these shifts by using more electricity overnight, when hourly costs are lower.

**Hybrid plans** offer the benefits of both budget stability and purchasing flexibility by locking in a portion of your usage at a fixed price and allowing you to purchase the remainder of your electricity based on current market prices. This minimizes the impact of volatile prices on the competitive electricity market but still allows you to take advantage of fluctuations that can lower your cost. ■

# Quick Fixes to Make Your Building MORE ENERGY EFFICIENT


**40%**

Buildings are the biggest energy consumers in the country... accounting for nearly 40% of all usage — more than the transportation or industrial sectors, according to the U.S. Department of Energy.




**72%**


Keeping the nearly 6 million commercial buildings running costs about \$200 billion each year. They continue to use energy even while empty, which is about 72% of the time.




## Top 3 Places Energy Is GOING



Lighting




Cooling



Heating

**So... Where should your company focus first to see the most SAVINGS?**


### Lighting Upgrades




- Replace **parking lot lighting** to high-efficiency lighting that meets CIESA specifications. You'll reduce energy usage by about **40%** compared to typical code and 76% or more with controls.<sup>1</sup>
- Use **high-efficiency troffers** to save 35-46 % on lighting costs and up to 75% with controls.
- Use **LED lighting for display cases** to save about **50%** compared to a typical display case.
- Install **smart lighting systems** that adjust lighting based on occupancy, time of day and lighting levels.
- Replace incandescent bulbs with compact fluorescent bulbs, which use 76% less energy and last 10 times longer.<sup>2</sup>

### HVAC Overhaul

- Using a **high efficiency heating unit** can save up to **30%** of RTU energy.
- A **high-efficiency gas boiler** uses **30% less energy** than an older one.
- Install **programmable controls** to adjust heating and cooling based on occupancy.
- **Place remote fans** of desks, boxes and other equipment to keep air flowing.




### Equipment



- Use **smart scheduling practices** that shift production to times when energy demand is lower.
- Conduct regular **energy audits** to determine what conditions your equipment is in and how its performing.
- Turn equipment off when it's not being used.

### Strategy

- Use **benchmarking** to compare your building to similar buildings.<sup>3</sup>
- Explore purchasing options to find the right strategy for your business. Set fixed prices, take advantage of market rights and loans with index pricing or use a blend of both.<sup>4</sup>
- Use financing options that allow you to pay for efficiency improvements with savings.<sup>5</sup>
- Consider a **load response program** that allows your company to reduce usage based on demand.<sup>6</sup>



<sup>1</sup> U.S. Department of Energy, Energy Efficiency Resources Database and Environmental Protection Agency, www.energy.gov/eere/buildings/resources, accessed April 11, 2014.

<sup>2</sup> U.S. Department of Energy, Energy Efficiency Resources Database and Environmental Protection Agency, www.energy.gov/eere/buildings/resources, accessed April 11, 2014.

<sup>3</sup> International Energy Conservation Organization, International Energy Review, www.iea.org/publications/freepublications/publication/international\_energy\_review.aspx, accessed April 11, 2014.

<sup>4</sup> American Council on Energy-Efficient Buildings, www ACEEE.org, accessed April 11, 2014.

<sup>5</sup> American Council on Energy-Efficient Buildings, www ACEEE.org, accessed April 11, 2014.


<sup>6</sup> American Council on Energy-Efficient Buildings, www ACEEE.org, accessed April 11, 2014.

© 2014 Constellation Energy Services, LLC. All rights reserved. Information may change without notice.

Constellation Energy Services, LLC and Constellation Energy, Inc., all have or own the intellectual property in their trademarks. Stock names and product names are trademarks or registered marks of their respective holders. All other names, brands and trademarks are owned.

1.888.455.1871

<http://www.emesavings.com/>



**Constellation.**  
An Exelon Company

# Don't let texting destroy your company

**V**ery few companies even consider the risk of sending a marketing bulletin to a client or hiring an agency to spread the word about a new product over social media. However, faxes and texts can create disastrous legal exposure under the federal Telephone Consumer Protection Act (TCPA). And, class actions — lawsuits where one plaintiff represents all other people in a similar situation — filed under the TCPA are on the rise, especially in “hot jurisdictions” like Illinois and Florida. Take, for example, a company named Group C Communications that recently lost a \$16 million judgment for sending faxes that promoted “the TFM Show” to Chicago-area businesses. Even settlement can be pricey. Twentieth Century Fox recently paid \$16 million to settle a Chicago federal case alleging that it promoted a DVD of its movie *Robots* through texts. Similarly, Red Bull paid \$6 million to settle allegations that it had texted announcements and promotions to people who provided their cellular phone numbers at Red Bull contests and events.

The TCPA creates civil liability for junk faxes and spam telephone calls. It is a strict liability statute — meaning that an innocent motive is not a defense — and allows the plaintiffs to recover statutory damages of \$500 per transmission. This can add up quickly — for example, sending two texts to just one hundred customers results in damages available to the class of \$100,000. Plus, the plaintiffs’ attorneys usually collect their attorneys’ fees from the defendant on top of the damages. A court can also triple the \$500 statutory damages to \$1,500 per transmission if it decides that the violations were willful.

The TCPA is a favorite law for consumer class action plaintiffs’ attorneys because, they contend, whether widespread violations occurred are almost entirely dependent on the

defendant’s actions. Thus, they argue that class treatment — meaning all recipients are represented by the one or a few “named plaintiffs” and their law firm — is appropriate. And, the statutory damage provision largely eliminates questions about damages that may be specific to the individual recipients of the transmissions.

Class action plaintiffs’ attorneys have traditionally used the TCPA against alleged junk faxes. With the rise of social media and mobile marketing, they have increasingly applied the TCPA to text messages and cell phone calls. This effort has largely been successful; a number of courts have already said that text messages and cell phone marketing are covered by the TCPA.

In fact, current technology available on almost every computer or smart device permits a company’s marketing person to send literally hundreds of thousands of text mes-

sages or faxes at the push of a button, creating hundreds of millions of dollars of potential exposure to a class action. Thus, a company may suddenly and inadvertently create potentially fatal exposure for itself.

The key to successfully avoiding disastrous TCPA exposure is avoidance. Here are a few suggestions for minimizing the chances of a TCPA lawsuit:

- **Internal Policies.** Review your internal marketing policies. Your company’s policies should clearly prohibit the sending of faxes or texts, or making robocalls, unless they meet specific criteria. Somewhat different rules apply to fax machines and cell phones.
- **Faxes.** While faxes must be an advertisement to be covered by the TCPA, both class plaintiffs’ attorneys and the FCC have taken a broad view of

see **TEXTING** page 20



**Ian Fisher** (fisher@sw.com) is a litigation attorney who focuses on solving business problems. He has successfully guided numerous companies through TCPA class action lawsuits. He is a partner at the business litigation boutique firm of Schopf & Weiss LLP (www.sw.com) and also serves as its general counsel. Ian also serves as the general counsel of the Chicago Yacht Club. Schopf & Weiss LLP is an IMA member company.

## TEXTING

Cont. from page 19

what constitutes advertising and, thus, anything that arguably promotes a business or service, even indirectly, creates exposure. Also, the plaintiff must claim that the fax is unsolicited, but this is often a disputed factual question to be resolved at trial. While some defenses exist for alleged junk faxes, including the existence of an existing business relationship, faxes must meet very specific permission and notice requirements to qualify for the defenses.

- **Texts and cell phone calls.**

Texts present an even tougher situation than faxes for several reasons. First, liability is not limited to advertisements. In fact, almost any text to a cell phone without the recipient's permission can be a violation. Calls to a cell phone are also likely violations, although questions arise concerning how the call was made. Second, new FCC rules require that the permission be express and in writing (although an e-signature can be sufficient). In short, don't send texts or make robo calls unless you maintain a record of each recipient's agreement to receive them from your company.

- **Vendors.** Your company can be liable for the conduct of third parties that market on behalf of your company. Require your company's marketing vendors to refrain from sending faxes or texts, or marketing to cell phones, on your behalf unless they, too, meet all of the requirements of your marketing policies. And, include a contractual requirement for vendors that they indemnify you for any third party claims relating to the marketing, including claims under the TCPA.
- **Customer contracts.** Recent decisions from the U.S. Supreme Court give businesses some powerful weapons against class actions where the businesses have had the opportunity get the customers to agree to terms of

use or the like. Consider including standard language in your contracts with customers that require arbitration of any claims arising from or relating to the relationship with you. This can also include an agreement that the customer will not pursue relief on a class basis.

- **Insurance.** In 2006, the Illinois Supreme Court found that, under Illinois law, the standard State Farm comprehensive general liability policy provided coverage for TCPA claims as invasions of privacy. (In fact, my firm represented the insured in that case.) Similar language exists in many other insurance companies' policies. Since then, however, most insurance companies have included specific exclusions for TCPA claims in their policy renewals. However, insurance policies vary and arguments may exist for coverage under other types of policies, such as errors and omissions insurance. Talk to your company's coverage attorney or insurance broker to understand your coverages.

- **Legal advice.** Every company's situation is different. You should consult with an attorney to review your company's specific marketing practices and insurance coverage before allowing faxes, texts or cell phone marketing.

Even the most careful companies can find themselves in a lawsuit — after all, anyone with the \$400 filing fee can bring a claim. The key to minimizing the harm of a TCPA class action lawsuit once it has been filed is to quickly assess the case and develop an acceptable exit strategy. Here are some immediate steps you should consider upon learning that your company has been named in a TCPA class action:

- **Get real.** The potential liability presented by a TCPA class action will come as a shock. You may respond with anger or disbelief that the seemingly innocuous act of sending text messages or faxes could create such exposure. Take the time to understand the situation and come to grips with it. Only then can your company make wise decisions on how to defend the case. You should also ensure that your company has either stopped the alleged conduct, or reviewed its program to

ensure compliance with the TCPA.

- **Preserve the evidence.** The list of fax or cell phone numbers usually exists in electronic form. Be sure it is preserved in a manner that protects the integrity of the list, as well as any metadata such as hidden information about when the file was created and modified. Any documents evidencing how your company obtained the numbers will also be important, especially any material that could suggest the recipient's agreement to receive communications from your company. The failure to preserve documents and electronic files (including emails) creates the risk of a litigation sideshow that only increases your company's exposure. Moreover, the existence of documents and electronic files usually helps the defense because the defendant, as a practical matter, bears the burden of showing that the faxes were solicited by the recipient or that the text or call recipients gave their permission.
- **Get copies of all insurance policies.** Depending upon the specific language of the insurance policies and the state law under which they are interpreted, your company may be able to claim coverage. Multiple years of policies will likely be relevant. Although more recent comprehensive general liability policies have a TCPA exclusion, such exclusions may not exist in earlier policies from the beginning of the period covered by the lawsuit. Consider giving early notice of the lawsuit to the insurance companies to avoid an argument by them that they have been prejudiced by late notice. If you expect insurance companies to pay some or all of a settlement, you will need to involve them in the case early enough for them to understand the facts and participate in any settlement discussions.
- **Consider insurance beyond CGL.** Be sure you or your company's attorney look at all of your company's insurance coverage. While comprehensive general liability coverage is usually the place to start, some errors and omissions policies may also provide coverage, particularly where

see **TEXTING** page 28



# High level executives have skin in the game

**M**ost executives believe their personal wallets are safe when their company gets sued; and most of the time they are correct. However, a recent decision by the Second Circuit Court of Appeals may give those executives pause to reconsider. In *Izarry v. Catsimatidis*, the Second Circuit held that even high level executives may be found personally liable for their company's violations of federal wage and hour laws. Wage and hour claims are often the most costly type of labor dispute. An international consulting firm reports that in 2012, the average company facing a wage and hour dispute paid \$4.8 million to resolve the case. With the stakes so high, wage and hour compliance is one legal issue executives cannot afford to ignore.

## The law

The Fair Labor Standards Act ("FLSA" or "the Act") was passed in 1938 in the wake of the Great Depression to improve working conditions for Americans. It requires that employers pay a minimum wage, as well as overtime if an employee works over forty hours in a week. Many FLSA claims are based on employees receiving inadequate overtime compensation. Other FLSA claims involve "off the clock work" where an employee performs work activities but is not paid. The cost of FLSA lawsuits can be large and are driven by three main factors. First, FLSA claims often arise in the form of class actions, meaning there are many plaintiffs, each with individual damages. Second, the FLSA forces employers to pay for the plaintiffs' attorney's fees if found in violation of the Act. Finally, the Department of Labor has the power to impose monetary penalties, up to \$1,000, for each individual violation. These three factors add up to one expensive law suit that could potentially bankrupt even the richest individuals.

To be liable under the FLSA, a person must be an "employer." The FLSA defines an "employer" as a "person acting directly or indirectly in the interest of an employer in relation to an employee." Given that this definition is ambiguous, Congress has left it to the courts to define the term "employer." Historically, courts have found executives personally liable as "employers" for wage and hour purposes only when their companies are very small; executives of larger companies have been left untouched. This pattern held true until the decision in *Izarry v. Catsimatidis*. Now, for the first time, executives at companies of all sizes have "skin" in the FLSA game.

## Izarry v. Catsimatidis

Gristede's Foods, Inc. ("Gristede's") is a popular grocery store located in the New York City metropolitan area. Gristede's operates between thirty and thirty-five stores and has approximately 1,700 employees. In 2004, a group of then-current and former department managers and co-managers of Gristede's supermarkets sued Gristede's, alleging they had been underpaid for overtime they worked. The trial court held in favor of the plaintiffs, finding that Gristede's had improperly reduced hours, withheld overtime, misclassified employees as exempt, and retaliated against employees who protested. Before

see **EXECUTIVES** page 24



**David B. Ritter** is an employment attorney and partner in the law firm of Barnes & Thornburg LLP. Mr. Ritter works out of the Chicago office. He may be reached at 312-214-4862 or David.Ritter@BTLaw.com. David would like to thank **Joseph L. Hoolihan**, a summer law clerk at Barnes & Thornburg for his insight and valuable contribution to this article. Barnes & Thornburg LLP is an IMA member company.





Manufacturers everywhere are on the lookout for workers with **high-tech skills** – in a recent national survey, 85% of manufacturing executives ranked “finding qualified employees” as a **TOP CONCERN.**

**LET'S FIX THAT.**

[DreamItDoItIL.com](http://DreamItDoItIL.com)



# Placing 1,000 people in Chicagoland manufacturing jobs

**M**anufacturing is one of the Chicago region's largest and most prominent sectors, accounting for nearly \$68.2 billion *gross regional product* in 2012. The industry is the second largest in the region and has a projected GRP annual growth rate of over three percent (compared to projected two percent growth for the economy as a whole). Currently, 14,000 small and medium manufacturers operate in the Chicago region — and more than 100 have located or expanded in the region since 2011.

Despite the manufacturing industry's strength, there is a need to reverse recent downward employment trends and help fill the skills gap in the workforce created by a shift towards technology and automation, as well as an aging workforce. Mayor Rahm Emanuel, World Business Chicago (WBC), the IMA Education Foundation and partners throughout the region have come together to establish a suite of programs to provide manufacturers with a skilled workforce and help them focus on innovation within the industry. One of these is a pilot program launched in October — *1,000 Jobs for Chicagoland Manufacturing* — that will put 1,000 job seekers on the path to employment by matching them to training programs and available jobs in advanced manufacturing.

What does putting 1,000 people on the path to a career in manufacturing mean for our region?

- Chicago unemployment is currently at its lowest levels since 2008, but jobs in manufacturing are often seen as low skill and low wage. This is not the case. For at least 1,000 workers, jobs in manufacturing provide solid mid-

dle-class careers with full-time benefits and an industry median annual wage of \$71,066.

- To the 14,000 small and medium manufacturers in the region, it will help to increase their production and overall yield of \$178 million of additional revenue per year.
- To the Chicago region, it will provide an additional \$272 million in gross regional product and the potential of 2,200 indirect jobs that service the industry.

On October 14, the *1,000 Jobs for Chicagoland Manufacturing* program launched at Atlas Tube in Chicago. This pilot program seeks to leverage and support the existing manufacturing workforce development support network through a strategic awareness campaign and

coordination of messaging and best practices, as well as an increase in its human resources capacity.

The *1,000 Jobs* program will address the following three critical areas during the first year:

- Awareness — to raise the profile of advanced manufacturing and increase the pool of potential candidates.
- Capacity — to add job placement and career coaching executives to community organizations to facilitate job candidate training matches, determine and match excess training capacity across programs, and facilitate cross-training and best-practice sharing.
- Coordination — to provide potential employees and manufacturers with one point of intake.

see **JOBS** page 25



Haven Allen is a manufacturing strategist with World Business Chicago. For more information on the IMA Education Foundation, contact Jim Nelson, IMA Vice President of External Affairs. He can be reached at 217-718-4211 or by email at [jnelson@ima-net.org](mailto:jnelson@ima-net.org).

## INSURANCE

Cont. from page 11

tially created a race between brokers to see who can get their application out to the key carriers the fastest (remember there are only a few carriers that will be truly competitive on your account anyway). You have done nothing to guarantee that you will end up with the best broker when measured by objective standards.

### The solution:

Interview and select your broker first. Then, have that broker approach the marketplace to find you the best possible price. Not only do you maintain the competitive nature of carriers competing for your business, you also make brokers compete on a basis that's a lot tougher than a race to the photocopier and fax machine.

When you think about it, doesn't this really make the most sense? Do you select your CPA based on who charges the lowest rates? How about

your attorney? The selection of your commercial insurance broker should not be trivialized either. Instead, interview brokers to determine who should represent your company to the marketplace. Ask them a simple question like, "Why should I appoint you as my broker?" or, "Tell me what you'll do for me beside simply quoting and placing my coverage?" The answers to these questions will make it immediately obvious whether or not you are dealing with a broker who deserves to represent your account. ■

## ISTEP

Cont. from page 13

to lucrative marketing opportunities at BIOtech Japan 2015, WIN Automation 2015 in Istanbul, Barcelona's Mobile World Congress 2015 and Canada's Global Petroleum Show 2015, among many others. Canada's Global Petroleum Show boasts more than 60,000 registered attendees and more than 2,000 exhibiting companies. WIN Automation's last conference attracted more than 75,000 attendees and brought together top industry experts to reveal new products and initiate international business contracts. Incredible opportunities like these are found at every trade show OTI attends, and every company will take something away from it.

At Group Trade Missions, OTI works to maximize Illinois' business

profile. Instead of placing Illinois companies haphazardly throughout a trade show, OTI buys a pavilion to house all attending Illinois businesses in one place. The pavilion, paid for entirely by OTI, holds 8 to 12 businesses. This helps the businesses to attract attention and find potential customers.

Additionally, OTI provides strategic marketing services. Briefing materials, matchmaking appointments and customized lists of buyers, agents and distributors are all provided through group mission programming. OTI maintains close relationships with local businesses, non-profits and local government to ensure that deals are made smoothly and are politically sound. When needed, interpreters are provided.

If an Illinois business wants to attend a trade show outside of the 24 pre-planned missions, it can take advantage of OTI's Individual Foreign Market Sales Missions.

Businesses undertaking individual sales missions qualify for up to \$7,500 in financial assistance. They are also privy to the same strategic services offered to the Group Trade Missions.

While trade shows last only four or five days, OTI operations continue the progress made for years to come. OTI has ten well-established foreign offices located all over the world — from Jerusalem to Brussels to Mexico City. The directors of foreign trade at these offices cement relationships made at trade shows and work as liaisons between the company headquarters and the new market for as long as needed.

To apply for ISTEP, a company only needs to fill out a simple, short application. Applications are accepted on a first-come, first-served basis, as long as the company meets the minimum requirements.

You can learn more on OTI's website, [www.exports.Illinois.gov](http://www.exports.Illinois.gov). ■

## EXECUTIVES

Cont. from page 21

damages were assessed, Gristede's and the plaintiffs entered into a settlement agreement, which the trial court approved. However, Gristede's ultimately defaulted on its payment obligations under the agreement. As a result, the plaintiffs brought suit personally against the Chairman, President, and CEO of Gristede's, John Catsimatidis, as an "employer" under the FLSA.

Since liability had already been found against Gristede's, the Second Circuit only needed to decide whether to extend the blame to Mr.

Catsimatidis. More specifically, it had to decide whether to hold him personally liable, as someone who had general control over the company's corporate affairs, even though he had no direct responsibility for the conduct that caused the FLSA violation. The court found that Mr. Catsimatidis' power ranged from high level merchandising decisions, down to lower level day-to-day management of store operations. His day-to-day management included suggesting arrangements for individual store's product displays, deciding which items those stores should carry, and how stores should address issues with vendors and customers. Additionally, the court noted Mr. Catsimatidis' broad authority to

hire and fire employees who had control over the underpaid plaintiffs, and his absolute power over company financials. Ultimately, the court held that while Mr. Catsimatidis was not directly responsible for his company's wage and hour violations, he had exercised "operational control" over Gristede's, and, therefore, was an "employer" under the FLSA.

### Lessons learned

The first and most obvious lesson from *Izarry v. Catsimatidis* is that wage and hour violations are bad business. As discussed previously, the financial drain can be devastating. All told, Gristede's paid over \$3.8 million in attorney's fees and costs, in addition to the \$3.5 million it cost to set-  
*see EXECUTIVES page 25*



## EXECUTIVES

Cont. from page 24

tle the case. Being subject to a wage and hour lawsuit is not only economically detrimental, but can also cause reputational damage as well, which can adversely affect sales and create even greater economic loss. Worse yet, wage and hour litigation is a major business disruption. The plaintiffs in *Izarry v. Catsimatidis* brought their case against Gristede's in 2004. The case did not reach a final conclusion until March 2014, when the Supreme Court denied review. That is ten years' worth of negative, economically draining distractions which could have been spent improving the business.

The other lesson from *Izarry v. Catsimatidis* is that executives in mid-sized and even large companies are no longer protected from personal liability in wage and hour lawsuits. Gristede's Foods, Inc. was a sizable corporation, operating over thirty stores, and employing around 1,700 people. Furthermore, Mr. Catsimatidis had a fairly attenuated relationship to the underpaid

employees, and the court readily admitted that he was not the one setting the policy of underpaying employees. Regardless, the court held Mr. Catsimatidis liable for those violations because it found he had "operational control." Certainly, "operational control" is a vague phrase open to various interpretations. Indeed having operation control often comes with the job of being a CEO or holding a similar high level position. Accordingly, plaintiff's will now have an additional arrow in their quiver to aim straight at executives, when bringing wage and hour lawsuits. With this new tactic, plaintiffs will gain leverage in pressing their case.

### The solution

So how do you avoid a wage and hour violation? The answer is fairly straightforward: diligent compliance. The first step is to ensure that your onsite management personnel, human resources and payroll staff are properly trained regarding the parameters of the wage and hour laws, as well as the seriousness of a violation. Second, have outside counsel, or knowledgeable inside counsel, review your compensation policies and practices to make sure your company is following

the law and properly classifying employees. Finally, if your company has not done so already, it should institute reporting and anti-retaliation policies. These policies should offer avenues for employees to internally report when they are being underpaid, as well as offer protection against retaliation if an employee does report a violation. Such policies promote transparency and accountability, and signal that employees have an effective alternative to getting a lawyer when they feel they have been wronged.

### Conclusion

Legal compliance is often not high on an executive's list of priorities, as there are often more pressing and immediate issues facing his or her business. However, the decision in *Izarry v. Catsimatidis* should make executives reconsider their to-do list. At the very least, executives should recalculate the cost-benefit analysis of ensuring company compliance in light of the recent decision. Because after the numbers are crunched, executives will likely find that wage and hour compliance is one legal issue they can no longer afford to ignore. ■

## JOBS

Cont. from page 23

Why these three things? There is a need to facilitate job candidate training matches, determine and match excess training capacity across programs, and facilitate cross-training and best-practice sharing. There is a need for organizations to establish standards and protocols across training and placement organizations to interface with manufacturers and job seekers and develop automated processes, while predicting future skill needs. There is a need to integrate state job sites to provide a more seamless experience for employers and job seekers. The program will also coordinate and source new advanced manufacturing training programs and test apprenticeship models for high-demand positions.

The *1,000 Jobs* pilot-program was designed by a collaboration led by World Business Chicago and the Advisory Council for Chicagoland Manufacturing — a group of 36

manufacturing industry leaders from across Chicagoland — in partnership with the City of Chicago, Chicago Federation of Labor, Illinois Manufacturers' Association, Chicagoland Chamber of Commerce, Grant Thornton, Chicago Urban League and over 50 more essential partners. The overall program is led by a steering committee that consists of Mark Baker, Tempel Steel; Warren Young, ACME Industries; Steve Kase, Ask Power; Karin Norington-Reaves, Chicago Cook Workforce Partnership; Matt Bruce, Chicagoland Workforce Funders Alliance; Haley Stevens, Digital Manufacturing and Design Innovation Institute; and Jim Nelson, Illinois Manufacturers' Association.

World Business Chicago's Plan for Economic Growth and Jobs identified advancing manufacturing and creating demand-driven and targeted workforce development as key tenants for supporting the regional economy. In 2013, President Obama announced that Chicago was awarded a \$70 million federal grant to develop a Digital Manufacturing and

Design Innovation Institute which will reduce development and deployment costs, while creating billions of dollars in value for the industrial marketplace. It is a bold step toward revolutionizing American manufacturing, creating thousands of new jobs and powering Chicago's economy well into the future. Programs like *1,000 Jobs for Chicagoland Manufacturing* will build on that promise by supporting growth among the small and medium manufacturers that drive Chicago's and the region's economy.

### Ways to Get Involved

- Sign up to source your employment needs through our existing partnerships by visiting [1000JobsCampaign.com](http://1000JobsCampaign.com).
- Join more than 50 partners and host an open house for potential employees.
- Contact World Business Chicago at [1000Jobs@worldbusinesschicago.com](mailto:1000Jobs@worldbusinesschicago.com) to learn more about ways to engage with the advanced manufacturing strategy for the Chicagoland region. ■

### **Magenta certified as only “woman-owned” plastic injection molding manufacturer in Illinois**

Magenta, LLC, a Chicago-based, plastic injection molding company has been certified as a “woman-owned business” by the Women’s Business Enterprise National Council (WBENC), making it one of the only certified woman-owned, plastic injection molding manufacturers in the Illinois.

“Our goal is to continue to guide the mission and vision of Magenta as an environmentally friendly, socially responsible company with a strong commitment to impeccable quality and American manufacturing,” said Lisa Skul, Vice President of Marketing. “Our certification will help us add value to our current customers, reach new markets and help customers innovate new product lines while continuing to grow our workforce in the Chicago area.

Magenta, LLC designs, manufactures, assembles and decorates a wide range of innovative, plastic injection-molded closures and containers. Their plastic components appear in consumer food products, personal care, pharmaceutical, and medical/healthcare packaging for customers ranging from mid-market to Fortune 500.

Last year, Magenta received a 2013 gold award from IMDA (In-Mold Decorating Association) for their innovative use of IML (in-mold labeling) technology on the Magenta “Classic Cup” drinkware. “We are proud to continue the legacy of American pride and exquisite quality that has distinguished Magenta in the plastic injection molding packaging market” said Skul.

In business since 1969, the company has designed, manufactured, assembled, and decorated a wide range of innovative, plastic injection-molded closures and containers. Magenta LLC creates custom packaging for major brands in the food and beverage, personal care, household and car care, healthcare, medical/pharmaceutical and animal health markets as well as a unique line of

travel drinkware featuring environmentally friendly materials and customizable designs. Magenta is proud to be an American manufacturer. Visit Magenta at [www.magentallc.com](http://www.magentallc.com)



### **Watlow celebrates 100th year anniversary of temperature sensing technology**

Founded in Chicago in 1914, and known as the Claud S. Gordon Company before being purchased by Watlow in the mid-1980s, the business’ deep history and heritage has respectively remained intact. This year marks the Richmond site’s 100th year in business. On Friday, October 3, 2014, Watlow celebrated the 100th year anniversary of their temperature sensing technology with a luncheon and plant tours. Also celebrated was the positive impact Watlow has had on the community, their customers and the world.

IMA member Watlow designs and manufactures industrial heaters, temperature sensors, controllers and supporting software as well as assemblies — all of the components of a thermal system. The company partners with its customers to optimize thermal performance, decrease design time and improve efficiency.

Watlow brings its experience to numerous industries, including semiconductor processing, environmental chambers, energy processes, diesel emissions, medical and foodservice equipment.

Since 1922, Watlow has grown in product capability, market experience and global reach. The company holds more than 415 patents and employs 2,000 employees working in nine manufacturing facilities and three technology centers in the United States, Mexico, Europe and Asia. Watlow also has sales offices in 16 countries around the world. The company continues to grow, while the commitment remains the same — to provide its customers with superior products and services for their individual needs. Visit IMA member Watlow at [www.watlow.com](http://www.watlow.com).



### **IMA announces launch of exclusive MIS-360 business services**

Beginning September 1, 2014, IMA members gained exclusive access to MIS 360, an industry-leading professional services and risk management platform. The proprietary MIS 360 program proactively gives IMA members control over every area of risk, reduces related costs, and saves members a significant amount of time and money.

Delivered through a strategic partnership with Naperville-based Manufacturers Insurance Services of Illinois, MIS 360 pairs conventional employee benefits and risk management strategies with industry-leading professional resources. The result provides IMA members with better control of their risk profile and more efficient and economical management of their business.

“We are constantly seeking new ways to support our members’ growth and operational efficiency,” said Greg Baise, President and CEO of the IMA. “MIS 360 provides IMA members with exclusive access to the most comprehensive, cost-effective professional services cooperative in the State of Illinois.”

In addition to traditional insurance and employee benefits program review and placement services, MIS 360 focuses on providing IMA members with a well-rounded team of specialists to keep up with state and federal regulation, the Affordable Care Act, labor law, HR, tax law, expense reduction, workers’ compensation and a myriad of other unknown liabilities. When utilized effectively, businesses engaged in the MIS 360 platform have realized savings in excess of \$500 per employee per year in non-insurance-related costs and expenses.

“While the IMA has participated in the past with insurance programs and related services, MIS 360 is unlike anything our members have seen before,” said Baise. “Illinois manufacturers require every resource available to maintain a competitive advantage in today’s



challenging regulatory and economic climate. MIS 360 is that competitive advantage for our members.”

For more information, visit [www.mis-360.com](http://www.mis-360.com).



### Carus' practices are “a model of environmental stewardship”



Carus' Vice President of Global Operations Scott Hoge and Corporate Engineering Manager Ralph Moshage accept the Governor's Sustainability Award at a ceremony in Chicago.

Carus is a 2014 recipient of the Illinois Governor's Sustainability Award. The company has reduced energy consumption 28 percent in just five years at its LaSalle manufacturing facility.

In a letter to Carus' Corporate Engineering Manager Ralph Moshage, Governor Quinn states that Carus' “commendable green practices serve as a model of environmental stewardship for residents, businesses, and institutions throughout our state.”

“This achievement is the result of plant-wide efforts to operate in the most environmentally-friendly manner,” said Moshage. “The award reflects the hard work and diligence of every employee.”

The Governor's Sustainability Award is given annually to Illinois organizations that demonstrate a commitment to environmental excellence through outstanding and innovative sustainability practices, according to the website of the Illinois Sustainable Technology Center.

Carus began participating in the Department of Energy's Save Energy Now LEADER program in 2009, and through equipment and process upgrades, has achieved reductions in energy consumption each year since. The Save Energy Now program encourages companies to reduce energy use 25 percent in five years.

The American Chemistry Council has recognized Carus' accomplishments, honoring the company with the Responsible Care® Energy Efficiency Award each year since 2010.

IMA member Carus is an environmental company that produces and supplies products, equipment and services for water treatment, air purification and remediation. Carus is a member of the American Chemistry Council and actively participates in the industry's award-winning Responsible Care® initiative, sharing a common commitment to improve environmental, health, safety and security performance. 2015 marks the company's 100th anniversary.



### Rich Lenkov named one of 50 most influential people in workers' compensation

Rich Lenkov of the law firm Bryce Downey & Lenkov LLC was recently honored by SEAK, Inc. (Skills, Education, Achievement, Knowledge) as one of the 50 Most Influential People in Workers' Compensation. This list was assembled from those active in the workers' compensation and occupational medicine field.

SEAK, Inc. is a continuing education, publishing and consulting company that was founded in 1980. SEAK is the world's leading provider of Expert Witness training and texts and sponsors the nation's longest running and largest Workers Compensation and Occupational Medicine conference. Bryce Downey & Lenkov LLC is an IMA member company. For more information or to contact Rich, visit <http://bdlfirm.com>.



### Corporate Counsel Name Jackson Lewis a “Powerhouse” in BTI's Litigation Outlook 2015

Jackson Lewis P.C., one of the largest workplace law firms in the world representing management, is pleased to announce the firm has been designated a “Powerhouse” in both Complex and Routine Employment Litigation in the BTI Litigation Outlook 2015. An in-depth analysis of today's litigation market, BTI's lat-

est report is based on 300 one-on-one interviews with corporate counsel from Fortune 1000 companies.

Jackson Lewis has been named a “Powerhouse” in the last four iterations of the BTI Litigation Outlook.

“Being named one of the top law firms clients see as best in both complex and routine employment litigation is a testament to our national team of litigators who are hard-working and passionate in responding to our clients' employment litigation needs,” said Joan Ackerstein, Jackson Lewis' National Director of Litigation. “We are deeply honored by the recognition.”

“Client service has always been and will continue to be Jackson Lewis' number one priority,” said Firm Chairman Vincent A. Cino. “However, I am proud to say that our commitment to providing efficient and cost effective legal services has not come at the expense of excellence. In addition to this most recent BTI accolade, the success we have achieved on behalf of our clients has been recognized nationally by other awards and honors.”

Jackson Lewis has also recently been named by *U.S. News* — Best Lawyers' “Best Law Firms” as the 2014 Law Firm of the Year, Litigation — Labor & Employment, and ranked in the First Tier nationally in the category of Labor and Employment Litigation.

Founded in 1958, IMA member Jackson Lewis is dedicated to representing management exclusively in workplace law. For more information about Jackson Lewis, visit [www.jacksonlewis.com](http://www.jacksonlewis.com).



### Advertiser Index

Constellation .....	9 & bc
Dream It. Do It. Illinois.....	22
Heritage-Crystal	
Clean, LLC.....	ibc
Manufacturers Insurance	
Services of Illinois .....	10
McGladrey .....	5
MIS 360 .....	10
PNC Bank .....	ifc

## TEXTING

Cont. from page 20

the class action complaint also names individual officers or “John Does.”

- **Consider others’ culpability.** Although claiming that your vendors told you to send a text is not a defense to a TCPA claim, facts like this may give your company the ability to recoup some or all of the damages and fees it faces. Identify and gather any agreements your company may have with fax or text vendors, or any marketing firms, to help find funds to defend or settle the case.
- **Consider whether to remove a state court case to federal court.** Depending upon the complaint’s allegations, diversity jurisdiction may exist under the Class Action Fairness Act of 2005 (CAFA). Some jurisdictions, such as the Seventh Circuit — which includes Illinois — also recognize a defendant’s right to have a TCPA claim heard by the federal court. Federal court can make available appellate review of a court’s decision whether to certify a class before the end of the case, when an appeal is normally made. The general rule of thumb

is also that federal court reduces the risk of being “home-towned” by a local plaintiff or lawyer. Your particular state court’s rules, however, may offer some countervailing reasons for choosing to stay put in state court. Remember that you only have 30 days from service of the complaint in which to move the case to federal court.

- **Investigate the named plaintiff.** Not all named plaintiffs are good representatives. Many have baggage, such as being a serial class representative, having inappropriate financial relationships with the attorneys, having failed to win representative status in other suits, or, as happened in one case I handled, having criminal convictions. A court could find that this baggage is sufficient to refuse to permit a class action to proceed. Moreover, baggage could provide useful leverage in settlement discussions.
- **Consider whether to pursue an early settlement.** Class action plaintiffs’ attorneys may be willing to discuss settlement very early in the case. Plaintiffs’ attorneys may be motivated by a number of reasons, including avoiding a large investment in the case or the filing of copycat class actions. However, you will have to be willing to voluntarily share information about the

alleged TCPA violations and the size of the class to convince the plaintiffs’ attorneys that a proposed settlement is fair.

- **Get a lawyer.** If your company is sued, it needs a lawyer and it needs one quickly. The right lawyer for a TCPA case depends on many factors, but should be someone with prior experience defending against TCPA class actions and with whom you feel comfortable. The lawyer’s rates are important, but should not be the only, or even a top, consideration. For example, a lawyer’s strategy and efficiency can result in a lawyer with higher rates ultimately costing your company less money, and vice versa. In discussing the case with a lawyer you may hire, listen for what ideas she has for resolving the case and consider whether she seems to understand your company’s particular situation. Whomever you choose, start your search as soon as you learn of the case.
- Defense strategies for TCPA class actions vary widely based upon the particular allegations and each company’s state of affairs. Understanding of these matters early and developing strategies to identify an exit strategy can make a large difference in how much harm the case does to a company. ■

## IMA 2014 Annual Luncheon • Friday, December 5, 2014 • J.W. Marriott Chicago

Caralynn Nowinski, MD, Executive Director and Chief Operating Officer of UI LABS is our keynote speaker.

Caralynn offers a unique perspective to UI LABS’ efforts to foster innovation, encourage collaboration, and drive economic growth and competitiveness.

*Breakout Sessions . . . Networking Reception . . . IMA member Milestone Anniversary Awards*

**Visit the IMA calendar of events at [www.ima-net.org](http://www.ima-net.org) for more information or to register today!**



**Constellation — Over 10 years as the IMA’s endorsed energy supplier**



# 2015 IMA Holiday Report

## Illinois Manufacturers' Association

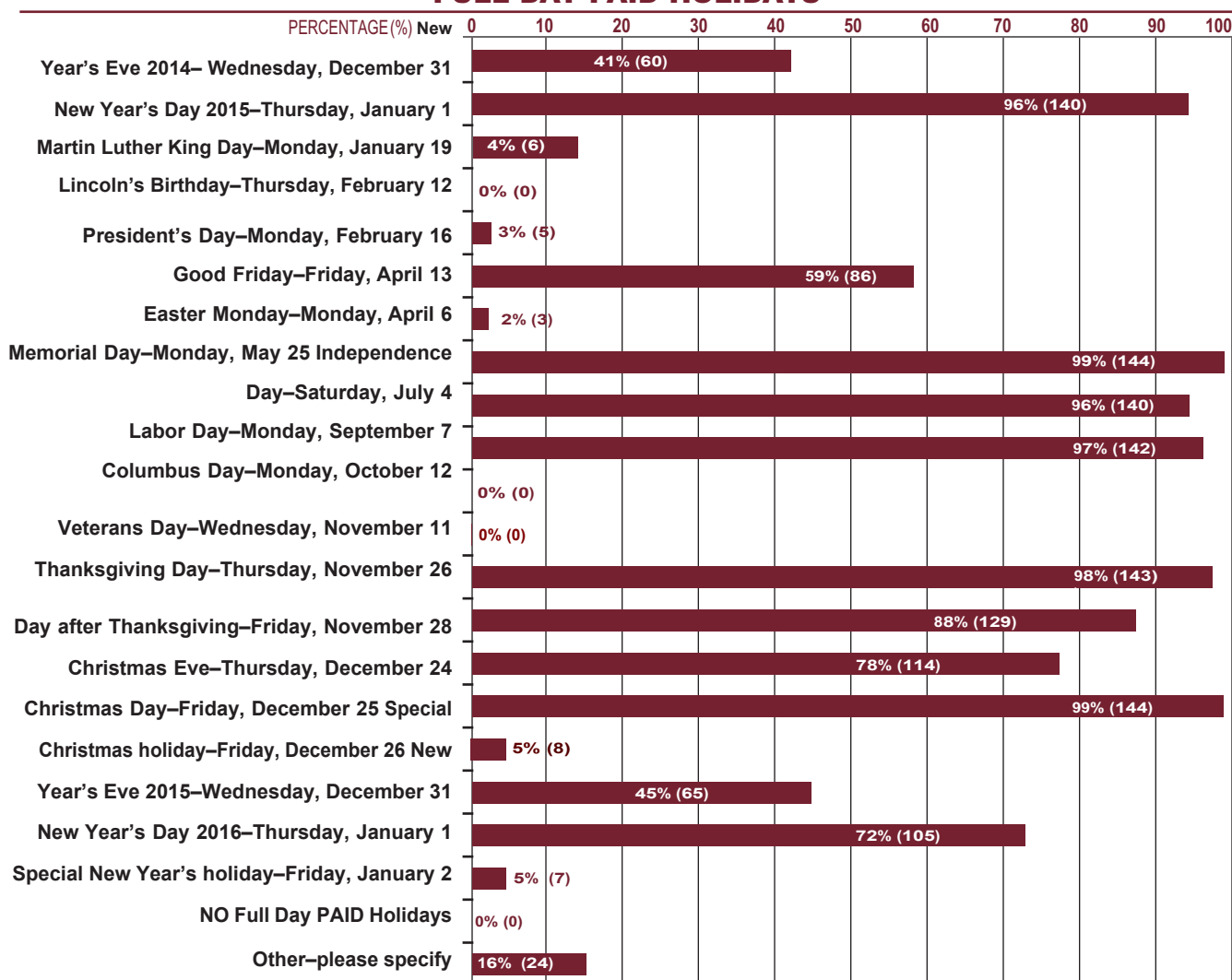
The IMA's Annual Holiday Report highlights employers' plans on select holidays throughout the year. This year's survey was conducted in April, 2014 and applied to the 2015 calendar year. A question was asked concerning the number of full-day paid holidays. More than 145 IMA members responded. These are the results.

The majority of respondents provide at least 9 to 10 full-day paid holidays per year, including, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after Thanksgiving, Christmas Eve, and Christmas Day.

### How many paid holidays do you provide your employees (not including personal days)?

6 or fewer days	10	7%
7 days	9	6%
8 days	19	13%
9 days	43	29%
10 days	43	29%
11 days	12	8%
12 or more days	10	7%
<b>Total</b>	<b>146</b>	<b>100%</b>

### FULL DAY PAID HOLIDAYS



NUMBER OF RESPONDENTS FOLLOWS PERCENTAGE  
TOTAL RESPONSES = 146

2015 IMA Holiday Report published by the Illinois Manufacturers' Association

1211 W. 22nd St., Suite 620 • Oak Brook, IL 60523  
Telephone: 630-368-5300 • Fax: 630-218-7467

220 East Adams St. • Springfield, IL 62701  
Telephone: 217-522-1240 • Fax: 217-522-2367

<http://www.ima-net.org> ••• toll-free: 800-875-4462

## New IMA members

**ACME INDUSTRIES, INC.**

Elk Grove Village

**ADVANCED TECHNOLOGY SERVICES, INC.**

Peoria

**ALCO SPRING INDUSTRIES, INC.**

Chicago Heights

**ALSTOM POWER, INC.**

Danville

**AMKUS, INC.**

Downers Grove

**BONUTTI TECHNOLOGIES, INC./**

**JOINT ACTIVE SYSTEMS, INC.**

Effingham

**BRAD FOOTE GEARING**

Cicero

**C & C ENTERPRISES SALES &**

**DISTRIBUTION, INC.**

Wauconda

**CHEM PROCESSING, INC.**

Rockford

**DART CONTAINER CORPORATION**

North Aurora

**EIFELER-COATINGS TECHNOLOGY**

St. Charles

**HERITAGE MOLD, INC.**

Rockford

**ITW DELTAR FUEL**

Mokena

**ITW FILTRATION PRODUCTS**

Mazon

**JAMCO PRODUCTS, INC.**

South Beloit

**JONES NATURAL CHEWS COMPANY**

Rockford

**KONICA MINOLTA BUSINESS**

**SOLUTIONS USA**

Rolling Meadows

**LINDY MANUFACTURING COMPANY**

Downers Grove

**LYONDELLBASELL**

Morris

**MAGENTA CORPORATION**

Chicago

**MCLAUGHLIN BODY COMPANY**

Moline

**MONSANTO**

Saint Louis, MO

**PEABODY ENERGY**

St. Louis, MO

**PEARLCHAIN AMERICAS**

Raleigh

**PRODUCTION CUTTING SERVICES**

East Moline

**R. J. O'NEIL, INC.**

Montgomery

**REBA MACHINE**

Wood Dale

**ROCKFORD QUALITY GRINDING, INC.**

Rockford

**SERENITY PACKAGING CORPORATION**

St. Charles

**THE SHERWIN WILLIAMS COMPANY**

Effingham

**TERMAX CORPORATION**

Lake Zurich

**TRUE GROUP LLC**

Oak Brook

**TURANO BAKING COMPANY**

Berwyn

**TYCO INTEGRATED SECURITY**

Oak Brook

**VESUVIUS USA**

Charleston

## 2014-2015 Calendar of events

Thursday, November 13, 2014

IMA's Annual Sales Tax Seminar

Marriott Naperville, 1801 N. Naper Blvd.,  
Naperville, 8:00 am-12:00 noon

Friday, December 5, 2014

IMA 2014 Annual Luncheon

J.W. Marriott, Chicago

Monday, January 12, 2015

Inauguration Ceremonies for Illinois  
Governor and General Assembly

State Capitol, Springfield

Thursday, January 15, 2015

IMA Breakfast Briefing:

New OSHA Requirements  
(8:00-10:30 am)

Mon Ami Gabi, Oak Brook

Tuesday, February 10, 2015

IMA Breakfast Briefing:

Grants & Tax Incentives  
(8:00-10:30 am)

Mon Ami Gabi, Oak Brook

Wednesday, May 6, 2015

IMA Business Day at the Capitol

Springfield





Visit <http://www.ima-net.org/calendar-of-events> for information, pricing, registration, etc., related to all IMA events. For more information on IMA events, contact Kimberly McNamara at [kmcnamara@ima-net.org](mailto:kmcnamara@ima-net.org), 800-875-4462, ext. 9371

**The Illinois Manufacturer is underwritten by Constellation — An Exelon Company**





### Machining Centers/Grinding Units

-  Removes all oils and the negative effects of oily machining fluid, including tacky fluid, oil misting, odors and dermatitis from bacteria caused by oil contamination.
-  Removes suspended metal fines and solid particulate down to 1 micron, thereby increasing tool life and providing a better part finish from particulate removal.
-  Increases coolant bath life and eliminates coolant change outs, reducing down time, coolant purchases and waste disposal while increasing production.
-  Eliminates continuous treatment methods and product purchases such as biocides oil skimmers and absorbent pads.

### Mop Water Recycling

Removes all oils and suspended solids from used mop water solution, while maintaining cleaning chemistry levels. 'Recycled' solution allows for continued use in mopping and floor cleaning operations. Recycling mop water solutions provides soap purchase savings and eliminates the need for discharge or disposal.

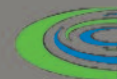


### Mini Aqua-Filtration Unit Model 1186

(Available for Models 2725 & 2740)



*Partnership Built for Members in Illinois*



# Crystal Clean®

Heritage-Crystal Clean, LLC

Check out our website;  
**[www.crystal-clean.com](http://www.crystal-clean.com)**  
 or call 877-938-7948 and  
 ask for Dean Popovich  
 for more information on our services and  
 member only discounts and pricing.

# Whatever you need, we've got it.

Constellation's energy solutions are designed  
to give you exactly what you want.



Constellation is the endorsed energy supplier  
to the Illinois Manufacturers' Association.

Start the conversation and call 888.312.1563  
or visit [Constellation.com/IMAAD2](http://Constellation.com/IMAAD2).



An Exelon Company

© 2014. Constellation Energy Resources, LLC. The offerings described herein are those of either Constellation NewEnergy-Gas Division, LLC or Constellation NewEnergy, Inc., affiliates of each other and subsidiaries of Exelon Corporation. Brand names and product names are trademarks or service marks of their respective holders. All rights reserved. Errors and omissions excepted.