

END OF THE ROAD FOR UNPAID INTERNSHIPS?

THE ILLINOIS **Manufacturer**

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Spring 2014

**IMA Chairman
Andrew Faville,
President & CEO
of Falex Corporation**



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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.

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Share your company news with IMA . . .

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So it's Rauner versus Quinn



Our Board of Directors will invite each nominee to appear at a meeting to have a dialogue. The discussion will center around issues such as Workers' Compensation reform, tax and fiscal issues, education and training issues, their views on environmental regulations, and how they plan on making Illinois a good place to do business again.

Every election season you always hear the same refrain, "this is the most important election of our lifetime." For Illinois, the statement may finally be true.

As some of you know, I have been involved in and around state government in Illinois since the mid 1970's. As a college student in 1972, I saw a completely unknown Democrat named Dan Walker defeat Republican incumbent Richard Ogilvie with shoe leather. Walker was an outsider, (a former business executive with Montgomery Ward) who wore a red bandana around his neck as he walked from Cairo to Rockford, ambling through communities and pressing the flesh. He promised to tame the Chicago machine, run then by Mayor Richard J. Daley. The people of Illinois gave Walker a chance.

Walker lasted just one term. He was defeated in 1976 in the Democrat Primary by then-Secretary of State Michael Howlett, who was then defeated in the General Election by another newcomer, Jim Thompson.*

Eleven elections later, we have another newcomer with business experience: Republican Bruce Rauner. He is facing an incumbent governor, Pat Quinn, who signed a "temporary" income tax hike but who now says the tax needs to be permanent. Quinn is presiding over a stagnant state economy that ranks near the bottom in almost every measure of economic strength.

The list of what's wrong with Illinois is long. I've expressed my views here before on how Illinois is heading in the wrong direction. (See "Illinois is closing one day at a time," page 4 in the fall 2013 issue of *The Illinois Manufacturer* magazine.) Now, each candidate must give us their view on how they plan to fix it.

In past elections, the Illinois Manufacturers' Association has played an important role in helping manufacturers decide on who they should support. It is a decision we take very seriously.

This cycle will be no different. Our Board of Directors will invite each nominee to appear at a meeting to have a dialogue. The discussion will center around issues such as Workers' Compensation reform, tax and fiscal issues, education and training issues, their views on environmental regulations, and how they plan on making Illinois a good place to do business again. As in the past, it will be a fair and civilized exchange of ideas.

During my tenure as your president, I have viewed giving members a voice — to lawmakers, the news media and the public in general — as one of my most important roles. Listening carefully to members is a prerequisite for that to be successful. Today, the message I hear, loud and clear, is this: "If this state does not change the way it does business, we are out of here. The fact that many have already made the decision to leave is proof of just how serious this concern is to manufacturers.

Repeatedly, the refrain echoes the soul-wrenching frustration many feel: "Our business has been here for years but . . ." or "I want to make sure my kids don't have to operate our business here," or "They just don't get it in Springfield, do they?"

The people making these statements are not being flippant. They've had it. But contrary to those who seem to want to make the situation look like class warfare, it's really not all about money. Illinois manufacturers are more than willing to support policies that better our society as a whole. But they have had it with lopsided policies authored and implemented by those who have little or no understanding of what it takes to operate a business. The perception outside of our state is that we're the dregs of the business world. And, problematically, those who are fed up have the wherewithal to make a move.

Unfortunately for Illinois, our neighbors in surrounding states get it. Governors Walker, Pence and Snyder speak repeatedly about the joy they take in Illinois' woes. They advertise their states as safer havens as they cherry pick from a growing list of willing listeners.

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**Pat Quinn worked for Dan Walker's administration and I worked for Jim Thompson in 1976. I went on to serve in Thompson's administration.*



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Illinois: Perception vs. reality



Our mission is to advocate, protect and strengthen the manufacturing sector so that our members can continue making products in Illinois.

Magicians and masters of illusion are fond of putting the old expression that “perception is reality” into play when performing their tricks on an audience. Despite the fact that Democrats have ruled both the executive and legislative branches of government for the past 10 years, Governor Pat Quinn and Democrat lawmakers are now asking Illinoisans to believe their perception that Illinois’ economy is recovering and on the rebound while ignoring the reality that our state has the second highest unemployment rate in the United States and lags far behind our neighboring states in job growth.

When faced with Illinois’ poor economic performances, some elected officials have chosen to criticize groups like the IMA for pointing out the reality that certain state policies like hiking taxes hurt the economy and discourage capital investment. Instead of focusing on addressing key issues that will encourage job creation, like Workers’ Compensation, tort costs and tax reform, these lawmakers accuse us of engaging in negative rhetoric for the sole purpose of political gains.

Nothing could be further from the truth. The Illinois Manufacturers’ Association is the oldest state manufacturing trade association in the United States and was founded 18 months before the national organization. Our mission is to advocate, protect and strengthen the manufacturing sector so our members can continue making products in Illinois. Our philosophy is that we need a “manufacturing majority” comprised of Democrat and Republican officials who support our sector.

Illinois has enormous potential and the IMA wants to be part of the solution in returning our state to the national and international world stage economically. Illinois is blessed with tremendous natural resources, a centralized location, rich and abundant farmland, a skilled workforce, great colleges and universities, and a transportation system with air, rail, roads and waterways. Our state has all of the tools to regain its luster if the Governor and General Assembly will allow the business community to innovate and flourish.

However in many cases, so-called “pro-business” legislators push legislation that simply increases regulation and costs for employers with little, if any, thought as to the impact of their actions.

In the spring legislative session, the IMA has fought numerous proposals. These include:

- a new graduated income tax that penalizes successful businesses;
- a hike in the state’s minimum wage that would make Illinois’ minimum wage the highest in the nation;
- imposition of paid family leave programs; and
- burdensome environmental regulations on coal and petcoke that would close down facilities and put an industry out of business in Illinois.

Regrettably, there is much less focus and debate on cutting state spending to balance the budget, reducing tax rates, reforming Workers’ Compensation and eliminating unnecessary or costly rules that stifle business growth and development.

Illinois’ perception and the current reality of our state’s economy does impact the behavior of companies looking to expand, invest or create jobs. It’s time the Governor and lawmakers work with the IMA and the general business community to make Illinois’ reality match the perception that we would like to have. ■

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Have we come to the end of the road for unpaid internships?

Finally, the snow has melted, ponds have thawed, and the seemingly endless winter has come to a close. For college students, this means Frisbee on the quad, cramming for finals, and the hope of a professional internship that will push them toward their ultimate goal of post-graduation employment. And for employers, this means the conclusion of a lengthy process of sifting through hundreds of resumes from hopeful internship candidates, holding countless interviews and devoting substantial hours to selecting those few lucky interns who will walk through their doors and reap the benefits of getting real world experience for a few months. This is a mutually advantageous situation where both parties get what they want for the summer, right? Not so fast. The National Association of Colleges and Employers reported that almost half of the internships taken by college students in 2013 were unpaid. The flood of recent lawsuits that have been filed by unpaid interns against their former employers demonstrates that these interns do not just want the experience; they also want to be paid. And unfortunately for employers, the interns are getting what they want.

The problem

The legal landscape is straight forward. Under the Fair Labor Standards Act (FLSA), most individuals who work for an employer must be compensated. This generally includes internships. In particular, internships in the “for-profit” private sector draw the highest scrutiny and will most often be viewed as employment. This means that interns in the “for-profit” private sector are actually employees who must be paid at least the minimum wage as well as over-

time compensation for hours worked over 40 in a workweek. And the only way to avoid these obligations is for the intern to qualify as a “trainee” under the narrow legal guidelines described here.

In addition to federal requirements under the FLSA, most states have laws governing the payment and timing of payment of wages which carry stiff penalties. For example, the Illinois Wage Payment and Collection Act imposes substantial penalties for violations of the state law. Even more troubling, these penalties can be imposed upon any officer of a corporation or agent of an employer, personally, who knowingly permits the employer to violate the Illinois wage law.

The fallout: See you in court

Historically, interns were afraid of pushing the envelope for fear of backlash or being blackballed within an industry. However, that fear has dissipated as the stampede of lawsuits by fellow interns has increased. It all began with a lawsuit by unpaid interns against Fox Searchlight. These interns, who worked on the film *Black Swan*, alleged that Fox violated state and federal wages provisions by failing to pay them minimum wage and overtime for their hours worked. On June 11, 2013, a federal judge agreed and decided that Fox Searchlight should have paid the two interns as if they were regular employees. The judge relied

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BAISE

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With so much at stake, we expect to meet with Governor Quinn and Mr. Rauner in mid-June. Following my column you will find the emails and phone numbers of our Board of Directors' leadership, as well as mine. We welcome your questions, views or sentiment so that we can best represent you as the IMA decides on whom to support in this

year's gubernatorial election.

And remember, this may be the most important election in Illinois history. ■



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on guidance from the Department of Labor (DOL) and found that the federal agency's six-part test (described below) merited judgment in favor of the unpaid interns. The Fox Searchlight case is currently on appeal and is being closely monitored by employers and employment attorneys around the country.

Yet it does not just start and stop with Fox Searchlight — there have been similar lawsuits filed by former unpaid (or underpaid) interns against Hearst Magazines, NBC Universal, Atlantic Records, Warner Music, designer Norma Kamali, Gawker Media LLC, Fox Soccer Channel and others. Charlie Rose and his production company recently settled a lawsuit brought by unpaid interns for \$110,000. And while the potential for damages may appear to be small given the minimum wage claims, in the case of the NBC Universal case, the plaintiffs are seeking more than \$5 million in damages under both the FLSA and New York state law.

In fact, faced with this dilemma, mega-publisher Conde Nast decided to end its internship program in 2014 after being hit with a wage and hour lawsuit from former interns in 2013. In that case, a former intern alleged that she was given a stipend of \$300 for the summer that she worked for the publisher which amounted to approximately \$12 per day for twelve hour shifts (\$1 per hour). Given the current legal land-

scape and the potential liability and negative press, it will be no surprise if more employers make changes to their internship programs.

Department of Labor guidance: How to avoid legal trouble

So how do employers run internship programs without running afoul of the law? The DOL answers that question through its six-part test. If interns receive training for their own educational benefit, then compensation is not required. The determination of whether an internship or training program meets this exclusion depends upon the facts and circumstances of each program. The following six criteria must be applied when making this determination:

1. Whether the internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment;
2. Whether the internship experience is for the benefit of the intern;
3. Whether the intern displaces regular employees or works under close supervision of existing staff;
4. Whether the employer that provides the training derives no immediate advantage from the activities of the intern (and on occasion its operations may actually be impeded);
5. Whether the intern is not necessarily entitled to a job at the conclusion of the internship; and
6. Whether the employer and the intern understand that the intern is not entitled to wages for the

time spent in the internship.

If all of the factors listed above are met, an employment relationship likely does not exist under the FLSA, and the employer is not required to pay minimum wage and overtime to the intern. However, this exclusion from the definition of employment is quite narrow because the FLSA's definition of "employ" is very broad. Employers should be fully aware that they are climbing uphill to meet this six-part test.

Now what?

Manufacturers across Illinois and the country are preparing for interns to enter their doors this summer. It is important for employers to give a long, hard, and honest look at their internship programs. Because, while the economics of cheap labor can certainly help a company's bottom line, paying hundreds of thousands of dollars in attorneys' fees and unpaid wages (and penalties) certainly does not.

Here are some practical tips:

- Structure your internship program around some level of classroom instruction;
- Tie your internship to the intern receiving college credit;
- Make sure the intern is not displacing an employee;
- Have the internship be for a fixed time period;
- Let the intern know in advance that he/she will not be paid and that it does not automatically lead to a job offer; and
- Research your state law to see if there are additional factors to consider. ■



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**COME TOGETHER.
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MEMBER PROFILE: IMA Chairman Andrew Faville, Falex Corporation President & CEO

by Dan Naumovich

Responding to a reporter's request for background information on his professional career, Andy Faville of the Falex Corporation had to admit that it had been a while since he updated his resume.

"I have been working here for over 30 years and haven't really had a need to look elsewhere," he said.

While job security can lead to complacency, that is obviously not the case for Faville.

Faville, who graduated from Arizona State University with a degree in aeronautical engineering, joined Falex in 1982. During his early years with the company he was responsible for managing production, inventory control and purchasing, plant construction and modifications, and other operational duties. His journey up the corporate ladder eventually led to his appointment as president and CEO in 2004, a position that he still holds today.

for manufacturing in our economy and how it has an expanding effect on jobs in other sectors. Illinois needs manufacturers in order to stay strong and competitive in global markets, as well as in the United States itself. I like being part of that process. It makes the connection between being engaged in politics, on a local and State level, and in policy for Illinois that keeps manufacturing in our state strong."

As chair, one of his primary objectives is to ensure that all IMA members' voices are being heard, while also bringing new members to the table.

"I see a lot of great opportunities to expand and connect with membership. We have a wonderful group of members from all over the state. Regional input is an area we want to try to embrace with more regional meetings and more representation from members in far away areas that don't have the opportunity to get to meetings or some of our events."

While growth is important, stability is essential, especially during tough economic times when the focus is more on survival than opportunity. Planning and preparation has helped to keep the IMA on steady footings.

"IMA has done very well recently. Like all organizations, we had some tough times in past years, but we have a very strong financial base now. When I was treasurer we created an investment policy and managed our reserve funds to that guideline. Those have done well as we try to make sure that the organization stays stable for decades to come."

Faville says much of the credit for the IMA's success goes to the people who are conveying the needs of the manufacturing industry to those who set the agenda for which direction the state will go in promoting a healthy business environment.

"We have a team of individuals, including wonderful leadership, who

Leading the IMA

Faville also holds the title of chairman of the Illinois Manufacturer's Association, a position he was elected to this year.

At its essence, he sees his role with the IMA as similar to the responsibility borne by everyone who lives in a democracy. Faville's son is a fighter pilot in the Marines and his father also served.

Their efforts — along with those of everyone else who has worn the uniform — in fighting for and preserving freedom, bestows a responsibility on everyone to be informed and active in the political process.

"Each vote we cast is powerful and can influence or make change. I consider it an honor to be able to vote and attempt to elect the best people to represent manufacturers' interests in keeping a strong, pro-business environment in Illinois."

"I have always understood the need



Falex's Lab Manager, (top photo) running a data analysis of a tribology test. A laboratory technician (bottom photo) running a fuel certification test for octane rating.

are highly qualified and capable. They have the ability to influence decisions by helping legislative and political leadership understand how a policy will affect business in Illinois. They keep up with what's going on and get a feel for which way the political winds are blowing."

Among those issues that the IMA has been instrumental in is the fight against the gross receipts tax, a tax that would have been a burden to many businesses in the state. Faville also said that the IMA has made its voice heard on other critical matters such as workers' comp and pension reform. He's hopeful that utility taxes can be reduced, if not eliminated completely, and is dedicated to keeping the discussions moving in the right direction.

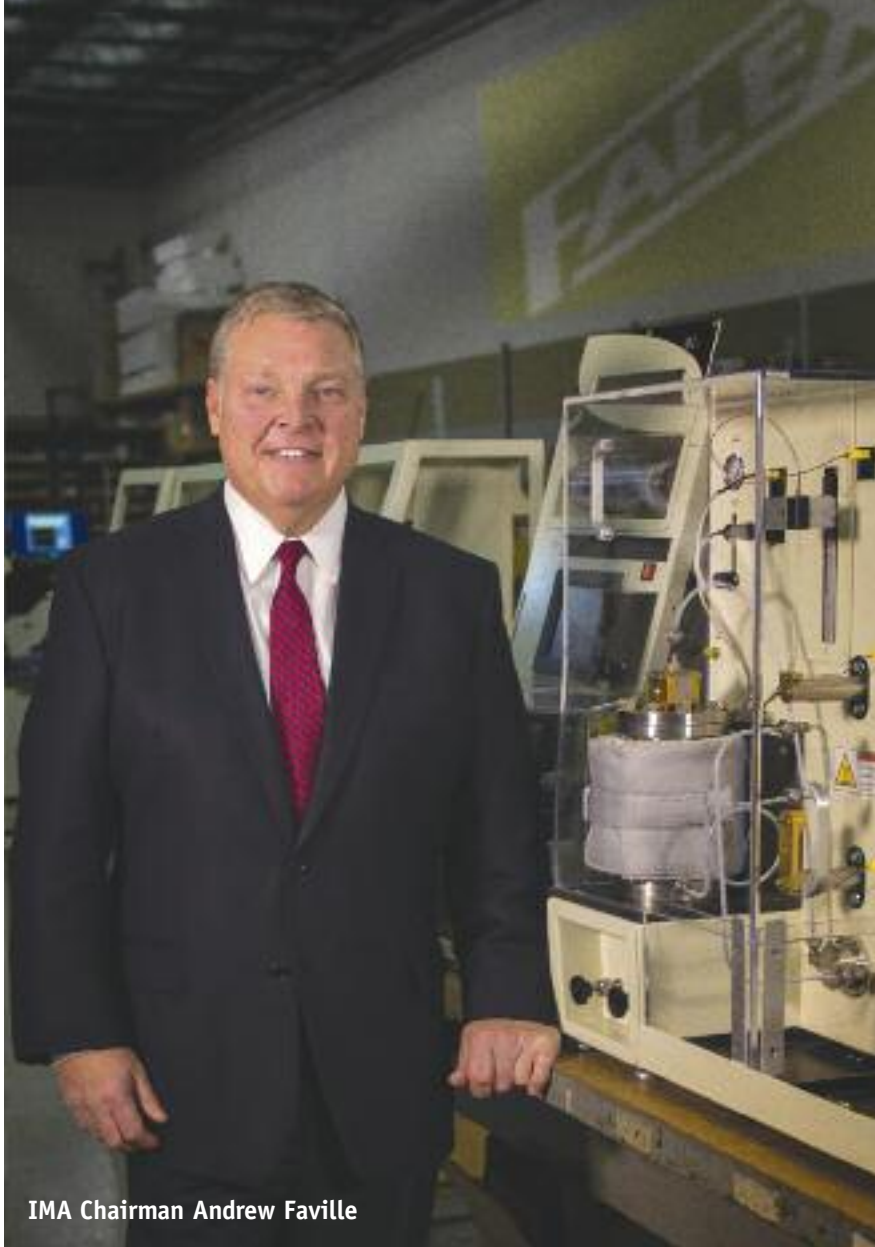
"There is always a legislative agenda. We keep our ear to the rail on that. We tune into what is happening, looking into issues from healthcare to general policy on taxation in the state. All of those things are ongoing. As much as we'd like to take one thing and finish it and put it to rest and move on, that is not possible if we are to be most effective "

As chair, he believes that it is critical to continue to focus on workforce training. He believes that this will strengthen IMA's value to its members, while also strengthening the individual manufacturers who are able to bring on more capable employees.

"One key focus we have now is the IMA Education Foundation. We're offering programs that will allow employers to hire individuals who come in with a higher knowledge base. This not only allows those individuals to do better for themselves by earning a higher wage, but it also helps employers be more productive by eliminating the need for some of their lengthy training programs."

As the minimum wage continues to climb, businesses can no longer afford to bring aboard workers who require extensive training in even the most basic of areas of being a capable and reliable employee.

"An important first step is having people understand the fundamental issue of what a job is. It's about more than just learning to run a particular machine or learning to draft. It's about the basic things an employee needs to do. It's about



IMA Chairman Andrew Faville

being to work on time. Dressing appropriately. Answering a telephone appropriately. There are also a number of programs we could institute to help with more specific training. These are things that I hope to work on in my tenure as chairman."

Through both the IMA and Falex's own workforce development initiatives, Faville believes it is important to be involved in the community through local associations and in the schools.

"I look forward to expanding our role in education, not only working with the community colleges, but also at the high school and middle school levels."

One objective in reaching students sooner is to dispel false perceptions about the manufacturing industry that

unfortunately still pervade. Movies and television often depict downtrodden laborers filing into foreboding factories that loom over the landscape in dirty coal or steel towns. Faville wants young people to know that, in reality, modern day manufacturers operate out of state-of-the-art facilities. And while a strong back may still be required for some positions, a strong mind and professional demeanor are even more in demand.

"We have advanced technology. We have a need for educated people and there are a lot of opportunities for those people to do very well and make a very good living. And, of course, the more manufacturing jobs we can create in Illinois, the stronger Illinois can become."

Going to Brazil

In 2012, while serving as vice chair of the IMA, Faville participated in a trade mission to Brazil, a country with the seventh largest economy in the world as measured by both gross domestic product (GDP) and purchasing power parity. The purpose of the six-day mission was to continue to harvest new markets for Illinois business and to create favorable trade relations. In 2011, Brazil ranked among the state's top five export markets totaling \$2.55 billion. That figure was up 24 percent from the previous year.

"It's reminiscent of how the United States was back in the

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FAVILLE

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1950s when we didn't have all of the infrastructure, but you could see the beehive of activity. There's a massive use of credit by consumers that shows that there is a huge base of potential for all sorts of product sales."

Other IMA members who participated in the mission were Archer Daniels Midland, Baxter International, Boeing, Caterpillar, Motorola and United Airlines. They were joined by representatives from state universities and other educational institutions, and government leaders at the state and local level. Faville believes that this type of public/private partnership is important for supporting each other's interests and for facilitating introductions into areas where one party is familiar and the other is not.

One aspect of the trip that particularly stood out for Faville was the leadership provided in getting the absolute most out of the six days they spent in Brazil.

"What I found interesting, on a personal note, was just how hard our governor works. Not only in having his staff put together and having good plans, but he's also a non-stop worker and it was really a challenge to keep up. We were on the go almost every minute of every day. There was very little downtime."

Back in Sugar Grove

Falex Corporation was founded in 1927 and Faville has been on board for over one-third of the company's 87 years in business. He credits the long-term success to the people who have worked there over the years.

"We've always had employees who have been interested in our very specialized field. And they've been further interested in doing additional learning, training and growing in the direction of where our product lines have gone."

Falex is one of the leading manufacturers and suppliers of petroleum and tribology testing equipment and services that are used to evaluate the physical properties of fuels, lubricants and other materials.

While many manufacturers are constantly improving their products to increase performance, Falex must

balance the desire for efficiency with the need for consistency. Because their equipment is involved in the testing of materials, it is imperative that the results being generated remain repeatable over the long term, year after year.

"With every test there are consumable pieces that have to be manufactured as they were 60 years ago, when they first started being used in the industry. One of the main reasons we've been able to remain successful is because we've been able to maintain the quality and consistency of our test pieces so that our customers can accurately compare results, years after."

Falex has among its clients some of the largest corporations in America, including Caterpillar, John Deere, IBM, and Exxon. Although the company is an industry leader, they're currently experiencing challenges as the market they serve becomes narrower.

"The consolidation of businesses that have the budget to purchase this capital equipment has been a real deterrent. And, of course, research and development budget reductions, which typically occur through economic cycles, tend to be more pervasive these days, along with more outsourcing of R&D."

One way they have responded is by offering testing services for companies that lack the capital expenditures to purchase the equipment.

"They come to us to do testing on our equipment and we'll develop customized programs for them or use standardized tests. That's been a great help for many of our customers."

The company is also always looking for new markets. One area where their specific expertise is being put to good use is ensuring the safety of our troops overseas.

"Recently we developed a machine for the Department of Defense that is used in portable testing labs. It's used in battle theaters where the troops need to ensure that the fuel they are getting is usable or hasn't been compromised. So we worked a program in that area. We have supplied almost 200 machines and that line is expanding. We see a lot of potential in the fuel testing market. It holds a lot of potential for us globally as the capacity around the world expands along with the continuing need to verify the quality of the fuel."

Serving the community

Faville has been committed to Falex, the manufacturing industry and the business world in general for many decades. He has also shared his talents and leadership with people and organizations in the community. He is currently serving Waubesa Community College Foundation Board as the chairman of the investment committee and as a member of the executive committee. He also works with the Northern Illinois Food Bank, where he served as campaign chairman to raise funds for new facility in Kane County.

A commercially rated pilot, Faville has also put his 37 years of flying experience to use helping the underprivileged. He is a volunteer with LifeLine Pilots, a Peoria-based organization that provides free air transportation to financially distressed individuals who are in need of medical or humanitarian care. The service is provided by trained pilots who volunteer their time and resources.

"There's a large group of pilots who volunteer and it gives us a chance to fly, which we all love to do. But when you can combine it with a cause like this, it makes it more meaningful."

Conclusion

Faville has certainly had a meaningful career, positively impacting many people and organizations. He's also grateful to those who have positively impacted his own career and have helped Falex continue down the road as a thriving Illinois manufacturer.

"Groups like the IMA and other industry groups help to support our base of operations here in Illinois by providing good lobbying efforts and good policy direction for the state legislature. That translates back as a benefit to a company like ours and it has allowed us to stay in Illinois for the past 87 years." ■

Author Dan Naumovich is a freelance journalist and business copywriter. He can be reached at dan@naumo.com or through his website at www.naumo.com.

View the interview with Andrew Faville in the IMA video library: www.youtube.com/watch?v=0KU5bT7_R4.

Talent management, trends and strategies

The state of Talent Management within manufacturing has a few emerging trends, regardless of location in the world. These trends and changes are making hiring and managing talent quite difficult and require the attention of HR leaders. Some of these trends include:

- populations of knowledgeable senior workers are due to retire within the next five years;
- younger workers with the required (and sometimes even the most basic of) skills are difficult to find;
- workers expect corporate technologies in the workplace to reflect the look and feel of consumer technologies, like facebook;
- shifts in how people find jobs on social media (LinkedIn, Twitter, Facebook, craigslist) compared to 10 years ago; and
- lack of investment in enterprise-wide and HR technology (most likely resulting from the economic downturn many companies have been dealing with in the last five years).

Download the white paper now at:
www.bakertilly.com/sign-up/tm

In the recent white paper, *Talent Management: Strategies for a New Era*, authors Ann Blakely, Director of the Human Capital Services practice at Baker Tilly Virchow Krause, LLP (Baker Tilly) and Brian Sommer, Strategy and Technology Consultant with Vital Analysis and Founder of TechVentive, stated that companies that are still clinging to old talent management methods, business practices, and technologies may be in serious trouble when it comes to the War for Talent. They need to modernize their talent initiatives and technologies on two fronts: 1) they must substantially upgrade their talent acquisition and 2) their talent development methods. Winning

companies are those that are able to acquire the best people in their industry and retain them longer than the industry average.

The new worker mindset

Blakely and Sommer also discovered that since the recession began in 2008, large numbers of younger, mobile/smartphone enabled workers have entered the workforce. They bring with them a number of new technologies but more importantly, new perspectives on how they want to be contacted regarding new career opportunities. This is evident in how people look for work and their desire to use their mobile devices in all areas of their lives.

Additionally, people in their 20's and 30's seem less inclined to apply for multiple jobs. Rather, they look for jobs that they find most appealing and then invest the time to apply only for those positions. This reduces the pool of applicants when jobs become available and shifts the need for HR and hiring leaders to source more people through social media. This requires HR to post and promote job opportunities on the

social channels that these potential candidates frequent.

Modernize your HR technology

In the last five years, technology has changed very quickly in the consumer world, but it hasn't necessarily changed as quickly in the manufacturing world. This creates many interesting talent acquisition and management issues for organizations.

Many manufacturing companies are faced with finding new workers with old technology products. These old products are often on premise, disparate, and unintegrated systems that were purchased from multiple vendors. They yield zero insight into managing and compensating workers. If your systems were purchased and launched before the advent of LinkedIn and other social media outlets, then you are most likely lacking the features needed to compete in today's market for talent.

Sourcing through referrals

"Leveraging the connections of your existing employees is also critical," said Nagaraj Nadendla when talking about Oracle's social source-

see **TALENT** page 18



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Crain's Midwest Manufacturers Summit



Crain's Midwest Manufacturers Summit • May 20, 2014
Swissotel, Zurich Ballroom, 323 E Upper Wacker Dr., Chicago, IL 7:30 a.m. - 3 p.m.
Crain's Midwest Manufacturers Summit Aimed At Senior Management At Manufacturing Companies

PRELIMINARY AGENDA:

Summit Opening: Registration, Networking and Exhibitor Hall

Keynote Breakfast:



Louis Schorsch, CEO of ArcelorMittal Americas

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Guest Speakers:



Mayor Rahm Emanuel



Caralynn Nowinski, CEO, UI LABS

Caralynn will provide an overview of UI Labs tech center, the goals and impact of this center on manufacturing locally and broadly.

Panel: Midwest Competitiveness

American manufacturing is coming back, but will Illinois and the rest of Midwest share in the rebound? States in other regions are typically viewed as friendlier toward business, with cheaper wage rates and right-to-work laws. However, Illinois has a strong labor pool, superb transportation networks and an infrastructure ready for the digital age. An examination of what Midwest business and government leaders can do to join in the manufacturing sector's expansion.

Charles Demirjian, president, Tillotson Limited

Barry MacLean, president and CEO, MacLean-Fogg Company

Laurette Rondenet-Smith, CEO, Edlong Dairy Technologies

Luncheon Buffet and Networking

Roundtable Discussion on Public Policy

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Meet Adam Pollet, Director Illinois Department of Commerce and Economic Opportunity

To Adam Pollet, the race has begun, and Illinois companies are positioned to finish “in the money.”

It’s a derby for economic advantage in a global marketplace that has seen technology, energy costs and demand from emerging nations upend business strategies and expectations. Pollet, director of the Illinois Department of Commerce and Economic Opportunity (DCEO), believes that today’s imperatives in business all work in the state’s favor.

“The race for economic growth in the next 10, 20, 50 years will be a race for talent. Companies need to be where the talent is. Talent is, in some sense, setting the terms of where business wants to be,” he said.



With Governor Pat Quinn looking on, Adam Pollet, director of the Illinois Department of Commerce and Economic Opportunity, speaks to reporters during the announced expansion of John Hofmeister & Son Inc. The Chicago meat products company, known by its Hof Haus label, received a \$2 million loan from the state to help with a \$9.6 million expansion. Pollet said the state’s Advantage Illinois loan program improves access to capital for small businesses.

Pollet, 35, said Illinois will enjoy the gains from that megatrend, provided it continues to invest in education and the world-class transportation infrastructure that distinguishes Illinois.

Whether the cause is reviving an outmoded industrial district or bringing sustainable businesses to Afghan-

istan — something Pollet worked on in a past job with the United Nations — the best place to start is by investing in people, he said.

Pollet spent a year in Afghanistan before career goals took him to Chicago. “I learned a lot from the Afghan people,” he said. “I learned a lot from my colleagues and I saw first-hand how hard it is to build institutions in an environment where you really are starting from scratch. But at the end of the day, the people are what matter most. They must have the skills and the physical infrastructure for growth to occur.”

He might be his own example of his maxim about talent finding Illinois. Pollet grew up in Atlanta, but went to school on both coasts and in London before heading to Chicago. He earned an undergraduate degree in international relations at Stanford University and a law degree at Harvard University.

Pollet came to Chicago in 2009 for the chance to work at the management consulting firm McKinsey & Co. and gain insights into private enterprise. But he retained his interest in public sector work and saw potential in the Illinois economy. He presented his credentials to Governor Pat Quinn’s administration, which in 2011 named him director of DCEO’s Office of Trade and Investment, the division that promotes the state to international companies and helps domestic firms expand exports. International trade has been an important growth area in Illinois, with the state’s companies reporting a 63 percent increase in the value of their exports from 2009 through 2012.

Quinn named Pollet DCEO director in November 2012. Since then,



Pollet has stumped the state in pursuit of new jobs, negotiated incentive packages for companies, put Illinois in front of large businesses looking at new locations around the country and overseen grants for job training and critical public improvements.

For Pollet, it’s the perfect job to let him work at all forms of economic development and the underlying human needs. Quinn, he said, is like-minded in his approach.

“He understands on a very fundamental level what the economy needs,” Pollet said. “He has made very hard — I would call them courageous — choices to reduce uncertainties for all businesses and to make sure education and public infrastructure have the support they need.” One such action, Pollet said, was to overhaul public pensions, which put the state on a more sound financial footing, pleasing the bond-rating agencies and making Illinois a better bet for the private sector.

State taxes here often are lower than those in neighboring states that have made a point of wooing Illinois businesses. Nevertheless, Pollet said that when other states roll out incentives, Illinois never has to answer on a dollar-for-dollar basis because it has built-in advantages. Moreover, incentives from DCEO are contingent on a company fulfilling promises in job creation and retention, and capital investment.

“We are going to be a high-value manufacturing competitor,” he said. “We are not going to be bargain basement. That’s not our value proposition. We bring the best technology, the best workforce and the best transportation network to bear.”

see **POLLET** page 18



HMO: Delivering value and quality care

by Kevin Cassidy, Blue Cross and Blue Shield of Illinois

In this era of healthcare reform, the term, “patient-centered care” has become a popular phrase. Perhaps no model of health insurance coverage embodies “patient-centered care” more than the HMO, or Health Maintenance Organization. Unfortunately, the HMO has a lingering image problem, the genesis of which can be found decades ago. President Richard Nixon, with broad bi-partisan congressional support, signed the HMO Act of 1973 into law. But it wasn’t until the mid-1980s, when the national expenditure on healthcare as a percentage of our gross domestic product (GDP) had soared to over 10 percent, that HMOs truly began to gain acceptance in the health benefits marketplace.

The HMO model was seen by many as the best option to control costs. Unfortunately, some of these early iterations fostered dissatisfaction with doctors, patients and policy makers and HMO’s were criticized as focusing on cost savings by providing less care rather than better care.

By the end of the 80’s, for-profit

HMOs surpassed not-for-profit organizations in enrollment. Many employers desperate to rein in healthcare costs saw the model as their only option. The pace of HMO enrollment annually during the 80’s was more than 12 percent growth. However, not all HMOs met with success as the industry shrank, with 76 HMOs going out of business by mid-1990.

The Blue Cross experience

The negative images created by those early HMO attempts in the 80’s has continued to create some confusion over what the true value of the health care model really means to both employers and members. Our HMO Illinois benefit plans offered to our member-owners has consistently delivered value, quality and satisfaction and, we are proud to say, continues to flourish.

The HMO Illinois plans provide quality patient outcomes and care, at a lower price, with higher member satisfaction. To explain how this is accomplished, we have to go back to the term, “patient-centered care.” The “M” in HMO reflects the

model’s primary focus on “maintaining” wellness by arranging, through a broad network of independently contracted providers, the delivery of preventive, coordinated care and condition management.

In an HMO, all roads to care and treatment begin with a primary care physician that the member chooses. The clinician is typically an internal medicine physician, general practitioner or a pediatrician, in the case of children. This means that the member has a very real “medical home,” a doctor who has tools to track their patient’s health and compliance with a care plan. At a time when many PPO physicians are concerned with patients often “Googling” their symptoms, self-diagnosing and referring themselves to specialists, the HMO member’s primary care doctor uses his or her expansive medical knowledge to assess, diagnose and if necessary, refer the patient to a specialist.

That coordinated, effective care model means, in many cases, fewer unnecessary treatments or testing and therefore, helps to lower overall healthcare costs. Such coordinated

care is especially invaluable when caring for patients with chronic diseases, a population that typically represents the highest cost individuals in the health care system. In the case of HMO Illinois, the proof is in the results. From 2010-2012, well-controlled HMO asthmatics had 64 percent fewer hospital admissions and 41 percent fewer emergency room visits. HMO diabetics had 69 percent fewer hospital admissions and 51 percent less ER stays.*

This brings me to another important aspect of the HMO. Our health-care system in the U.S. is historically based on a fee-for-service model for providers, meaning that the volume of services drives reimbursement to providers. In an HMO, physicians participate in quality improvement programs that reward them for the quality of outcomes and the healthier they keep their patients. They're rewarded based on a specific set of quality indicators, for instance, that include how well they manage asthmatics through written action plans, how many patients succeed in quitting tobacco, or how many of their patients have breast cancer and colorectal cancer screenings. Medical groups are rewarded for reaching out to members who are due for important screenings to assure that they get them done.

Blue Cross HMOs do not get involved in deciding any course of treatment for members; the doctors participating in the HMO practice medicine the way they determine it should be practiced. That's an important factor we believe contributes to why the HMO Illinois network includes so many providers. Physicians routinely encourage us to promote the value of the HMO model, because many see it as the way healthcare should be.

Blue Cross and Blue Shield of Illinois was the first in Illinois to make health care quality and provider performance information public. We offer our Blue Star Medical Group and Blue Ribbon reports annually, with medical groups earning a blue star each time they meet target goals for designated health care goals. And, our Blue Star Hospital Report is widely acknowledged by providers as a valuable

standard for measuring hospital clinical quality. If you'd like to find out how your doctors and hospitals are performing, you can find both reports on www.bcbsil.com.

All of this contributes to better health and outcomes for the members, and the data bears that out. The difference in HMO premium cost compared to a PPO plan is typically around 29 percent, and members appreciate the design that provides financial predictability with consistent copayments and out-of-pocket costs. That's one reason why 95 percent of HMO members say they're so satisfied with their health plan, and 89 percent also report that their doctor always or usually spends enough time with, shows respect for, and listens carefully to them.**

Our HMO members tell us that they stick with their plans because they're more affordable, the benefits are comprehensive, and it's had a positive impact on their health and wellness. In addition, the HMO offers members a comprehensive suite of WellonTarget® wellness

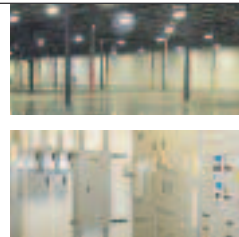
tools that help them become more engaged, accountable employees in their own health matters.

Quality, lower costs, higher satisfaction and emphasis on better coordinated care; the next time you hear, "patient-centered healthcare," remember the value that HMOs deliver. ■

**BCBSIL 2012 Claims Data Reporting*

***Consumer Assessment of Health Plans Survey (CAHPS)*

Author Kevin Cassidy is Divisional Senior Vice President, Illinois Markets, Blue Cross and Blue Shield of Illinois. For more information, visit <http://www.bcbsil.com>.



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TALENT

Cont. from page 13

ing in the Talent Cloud. The best source of future workers often lies within the people who are already in your company. Unleashing the power of employee referrals is critical to future business success. Coordinating this “warm” referral process manually requires a great deal of heavy lifting, but social sourcing is a way to automate the “warm” referral process. It can help build bigger and better-matched candidate pipelines for future open roles than ever possible before.

What's next?

So how can your company become one of these “winning companies” and get a jump on the best and brightest people? These subjects and many others are covered in more detail in the white paper, *Talent Management: Strategies for a New Era*. The white paper addresses the War for Talent—how it's back and how it's changed in the last five years. It's no longer solely about finding and recruiting new workers. It's about understanding the skills and capabilities of people in your organization and retaining top talent as well. The white paper explains how recruiting and people development has significantly changed and provides insights from HR executives, as well as strategies that com-

panies can adopt to help them win the War for Talent.

Download the full white paper at www.bakertilly.com/sign-up/tm.

The good news is that the peril of where businesses were in 2008 has changed and many manufacturing companies in all sectors are experiencing growth again. The economic recovery is steady and showing continuous signs of strength. A 2014 jobs report revealed that the U.S. added 175,000 jobs in February along with wage increases to a U.S. wide average of \$24.31/hour (Bureau of Labor & Statistics, February 2014).

This is an exciting time for many businesses as the recovery continues. Use this uptick in business to modernize your HR technology and get your talent processes to a place where they are a differentiator for your company, rather than a distractor. Resist doing things the same old way as this will only make future investments more daunting. Look for ways you can provide people with insight around their careers instead of just providing them a job. This is all possible with the talent management technology that is available today. Look to the future and build the case to move to new technologies and away from multiple systems that don't talk with each other.

Find a great partner to be your company's guide on this journey — a good external firm can help you identify what's most critical in your

quest to upgrade Talent Management processes and technology in your organization. It's not about finding the latest technology available, it's about finding the modern technology that's right for your organization. This partner should also be able to help you establish a roadmap that moves the company away from old/on premise technology to new flexible systems that are cloud-based, allowing for maximum return on your investment and lower total cost of ownership. Yes, it can be quite challenging, but the return on investment for all involved will make it worthwhile. ■

Author Tracey Racette Fritcher is a former leader of global recruiting for a Fortune 500 company and has previously worked for the technology firms of Taleo and Oracle. She loves helping companies leverage technologies that are right for them to help them win in the marketplace and build great companies for future workers. Follow her @traceyfritcher on Twitter. Baker Tilly is a global professional services firm with a specialized Human Capital Management consulting practice. Headquartered in Chicago, Baker Tilly works to help clients modernize HR strategies, processes and technology that improve workforce engagement to drive business results. Connect with us at www.bakertilly.com/peoplestrategies.

POLLET

Cont. from page 15

Everything going on in manufacturing today seeks to reward the brightest and punish the wasteful, and that works to Illinois' benefit, Pollet said.

“We have an incredible set of economic opportunities,” Pollet said. “The diversity of our economy is second to none. We have a jewel of a city in Chicago, offering urbane life, arts and culture at a lower cost than other major cities. We have wonderful urban centers that dot the landscape statewide and provide different paths of life.

“Combine that with this trend of innovation, a resurgence of talent

and the importance of transportation infrastructure to economic success. You'll see that Chicago, Metro East, Rockford, Decatur, places throughout the state are well-positioned to capitalize because they have all the attributes that matter.”

Pollet said a constant theme of the administration is support for emerging technology and innovation, much of which will serve the interests of the state's estimated 18,000 manufacturing firms. The Quinn administration this year has celebrated two achievements in those sectors — the launch of the Illinois Manufacturing Lab (IML) and the federal government's \$70 million funding of a new Digital Manufacturing and Design Innovation Institute in Chicago, both in partnership with the UI Labs, a

nonprofit spinoff of the University of Illinois.

State funding for both initiatives, totaling \$81 million, made the federal support possible and will provide resources for manufacturers that must improve their operations and adapt to new products. The IML already is at work providing advice to 10 manufacturers around the state, while the digital manufacturing institute will pool knowledge from more than 40 partnering companies and universities in 17 states.

Pollet said the goal is to ensure that Illinois remains a manufacturing hub. If the state provides a community for experts, entrepreneurs and venture capitalists in manufacturing, it will increase its chance of being the home for future jobs, he said.

see **POLLET** page 22

U.S. EPA's Boiler MACT regulation summary

Boilers and process heaters are subject to several recent Federal Air Quality Regulations, known as the "Boiler MACT" that have the potential to apply to your operations. Since this equipment is often not central to your manufacturing process or is located in out of the way areas of your facility, these units are easy to overlook. Therefore, potential non-compliance implications associated with installing and/or operating this equipment can potentially result in penalties and/or fines.

If you own or operate any kind of boiler or process heater, then you need to determine whether you are subject to the EPA's Maximum Achievable Control Technology (MACT) standards outlined in the Boiler MACT rules.

The Boiler MACT rule was published in the *Federal Register* on March 21, 2011 and EPA finalized changes to the rules in the *Federal Register* on February 1, 2013. There are actually two separate sets of requirements in the rule for industrial boilers and process heaters:

- 1) Boiler MACT for Major Sources (found at 40 CFR 63 subpart DDDDD), and
- 2) Boiler MACT for Area Sources (see 40 CFR 63 subpart JJJJJJ).

The Boiler MACT requirements vary depending on boiler size, fuel type and construction date of the unit. However, even very small boilers may be required to make an initial notification of rule applicability to the U.S. and Illinois EPA, may require the completion of a one-time energy assessment, and facility's may be required to complete periodic unit tune-ups. In some cases (mostly larger boilers) the rules may also require the completion of performance stack testing and/or fuel analysis to establish compliance with rule emission standards and compliant operating parameters.

Area sources are commercial, institutional or industrial (e.g. manufacturing or processing) facilities that emit or have the potential to emit less than 10 tons per year of a single hazardous air pollutant (HAP), or less than 25 tons per year of combined hazardous air pollutants. HAPs are a separate category of listed air pollutants regulated by state and federal regulations. Facilities with HAP emissions greater than these thresholds are major sources. If your facility is operating under a "Minor" source permit (either "ROSS" or "Lifetime") you are classified as an area source since your HAP emissions must be below these threshold levels to obtain this type of permit. If your facility has a Federally Enforceable State Operating Permit (FESOP) or a Title V (major source) operating permit the HAP emission levels at your facility should already be doc-

umented and quantified in your permit to allow you to determine your area or major source status.

Area Sources are affected by this rule if your boiler burns:

- coal (including coal refuse, petroleum coke, or synthetic fuels derived from coal);
- oil or other liquid fuel (for boilers that burn primarily gas but infrequently burn oil, see below);
- biomass, and/or
- non-waste materials.

At Area Sources, the following types of boilers are not covered by the rule (other than initial applicability notification requirements):

- natural gas-fired boilers (a boiler that primarily burns gas is still considered a gas-fired boiler even if it also burns oil or other liquid fuel during periods of gas curtailment, gas supply interruption, startups, or for periodic testing

see **BOILER MACT** page 24



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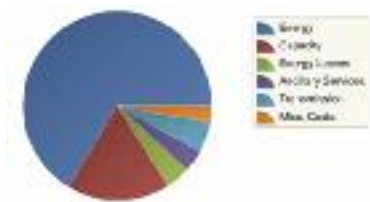
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Electricity Capacity Cost. What is it and can I do anything to manage it?

Energy supply costs generally make up about 75-80 percent of an electricity bill and, therefore, are the primary focus for most energy managers. However, other components like capacity and transmission can still result in significant costs. Understanding what they are and how the costs are set can help you manage your overall energy budget. In the past we discussed how Transmission rates are set, today we will focus on Capacity costs.



Why do we need Capacity?

Balancing energy demand with energy supply is one of the most important objectives of an energy system. If there is not enough energy being generated the energy grid can experience brownouts or blackouts. So, how do system operators ensure that there is enough electricity supply available on the grid at all times to meet potential demand? Many markets across the country use a construct called a 'Capacity Market,' which will be the focus of this article. Capacity markets are designed to ensure that there are enough electricity capacity resources to serve homes, businesses, hospitals and municipal buildings on the hottest and coldest days of the year — at the lowest possible cost.

An electricity capacity resource can be a power plant (from nuclear, gas or coal to wind, solar or hydro) or the customer's ability to reduce electricity demand through programs such as Demand Response. With Demand Response, end-users reduce consumption during periods of peak

demand and thus provide relief to the system to ensure there is adequate supply to meet demand.

The role of regional electricity grids

Regional distinctions impact energy price and capacity. Some regions, such as the Northeast, rely heavily on natural gas to generate their electricity. Infrastructure limitations for gas pipelines and electricity transmission lines can severely impact regional reliability during high peak times when suppliers are trying to flow power and gas into the region to meet demand. Power prices in the Northeast, therefore, are typically more susceptible to natural gas availability and price volatility than other regions as a result. In the Midwest, by contrast, markets are exposed to less price volatility due to less demand and thus congested paths and the overall accessibility of different fuels needed to generate electricity.

There are seven regional 'grids' whose main function it is to ensure that electricity gets to its final destination in a safe and reliable manner. Some of these 'grids,' known as Regional Transmission Organizations

(RTOs) and Independent System Operators (ISOs), pay power generators and DR customers for their 'capacity', which is essentially a guarantee that there will be enough supply resources available to meet their forecasted peak energy demand into the future. (PJM, for example sets capacity rates for a three year horizon, whereas MISO, sets their capacity rate for only one year.)

What is a Capacity auction?

To facilitate the payments to generators, some ISOs and RTOs set capacity rates using competitive auctions. Before each auction, the ISO, or RTO provides the bidders estimates for peak electric usage for their region. Bidders then bid in existing power plants, new power plants, imports, demand response and energy efficiency. The auction is designed to ensure that there is enough capacity to meet the estimated peak usage plus a reserve margin, which is a cushion for unforeseen events. An accepted bid is a commitment. If capacity resource is not available when needed, that resource owner is assessed a financial penalty.

see **ELECTRICITY** page 22



Constellation is the preferred energy provider for IMA members. For more information, visit www.constellation.com/IMA. Or, you may contact Constellation's Ed Wilson at ed.wilson@constellation.com, 888-312-1563.

ELECTRICITY

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Who pays for capacity costs?

So, who actually pays for the insurance of having the necessary electricity generating capacity available? Ultimately, it's the consumers who pay the capacity costs based on the auction clearing price for their zone. Energy suppliers (also known as Load Serving Entities) charge their customers based on the approved capacity rate. This charge may be in a separate line item on the bill or incorporated into a line item with other charges. The supplier then pays the ISO/RTO for the capacity required to cover the MWs they are contracted to serve and the ISO/RTO in turn pays the participating generators and demand response suppliers.

Determining capacity obligations

Capacity obligations in many markets are generally determined by an end-user's peak load contribution (PLC), Installed Capacity (ICAP) or peak monthly demand during a specific timeframe. When the end-user takes supply from an LSE, the local utility provides the PLC to suppliers. Here are some examples of how end-users' PLCs and ICAPs are determined.

In New York and New England (NYISO & ISO-NE) markets, an end-user's ICAP is determined by their usage during the "peak hour from the previous year." The peak hour is the hour during which the usage was the highest across the ISO, as published by the ISO. Once a customer's ICAP is established, it is set for the planning year. The planning year is May 1-April 30 in NYISO and June 1-May 31 in ISO-NE.

Across the 13 states (Mid Atlantic, Ohio & Northern Illinois) and Washington DC that comprise the PJM territory, an end user's PLC is determined by their usage during the "five coincident peak hours" (totaled and averaged) from the previous year. The five coincident peak hours are the hours during which the usage was the highest across the RTO, as published by the RTO. Once a customer's PLC is established, it is set for the planning year, which is June 1-May 31.

Managing PLCs to lower your electricity cost

Since annual capacity and transmission rates are based on consumption during these peak hours, many businesses are actively curtailing their demand during this timeframe and seeing significant cost reductions. By participating in voluntary programs like Constellation's Peak Response, end-users are notified on a day-ahead and day-of basis of expected peak setting hours. Consumers who choose to reduce their consumption can reduce capacity and transmission costs during the following year.

Permanent energy offsets, like energy efficiency upgrades can also help lower PLCs and ICAP. And now, energy efficiency upgrades are available without upfront capital requirements with Constellation's Efficiency Made Easy. Through in-electric bill funding, businesses and institutions can get much needed lighting, HVAC or motor upgrades that reduce energy demand with short term payback. ■



POLLET

Cont. from page 18

The state's manufacturing turnaround has been a leader in its economic recovery, with about 20,000 jobs being added since January 2010. The change represents a 3.5 percent expansion of the payroll base in Illinois factories.

Pollet said a primary goal of the business assistance programs in Illinois is to help manufacturing. These include state-funded programs that train workers to an employer's specifications and tax credits that

provide an incentive to expand. The Advantage Illinois loan program backed by federal money has provided about \$55 million in low-cost financing to small companies, many of them in manufacturing.

The governor's \$42 billion public works effort, the largest such program in any state, also has been designed for the private sector, as it funded many sewer, water and road improvements that employers required to expand in communities statewide, Pollet said.

"Producing goods is essential to the fabric of our economy," Pollet said. "Quite simply, without it we cannot succeed." ■

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Much ado about abusive patent litigation

Of late there has been much focus directed to the activities of patent assertion entities, patent monetizing entities, non-practicing entities, or as more pejoratively referred to, patent trolls. These are entities that do not manufacture any products of their own, but obtain patents with the intent of enforcing them against others, often on questionable grounds. Their proponents contend they promote invention. Their critics argue they are a drain on the economy and tax innovation. Regardless of which side is correct, it is clear that this issue has captured the attention of many, including the White House and Congress.

Nomenclature. There does not appear to be a general consensus as to what to call entities that are solely in the business of asserting patent rights.

- Non-practicing entities (“NPEs”), as defined by the Former Chairman of the Federal Trade Commission, “includes any entity that does not manufacture or sell products that use it[s] technology.” In patent jargon, it is an entity that does not practice the claims of a patent. Per this definition, universities and research institutions as well as individual inventors are examples of NPEs. But these entities are not typically the focus of the recent public outcry as they are in the business of transferring technology.
- Patent assertion entities (“PAEs”) can be viewed as a subset of NPEs. The Federal Trade Commission has described them as entities that concentrate on “purchasing and asserting patents against manufacturers already using the technology, rather than developing and transferring the technology.”
- Another term that has been used is patent monetization entities, “entities whose primary focus is

deriving income from licensing and litigation, as opposed to making products.” Sara Jeruss et al., *The America Invents Act 500*, 11 *Duke Law & Tech Review*, 357-389, 361 (2012).

- The most common term used, of course, is the pejorative one, namely patent trolls. The etymology is believed to go back to 1990s. For purposes of this article, the term “patent assertion entities” or “PAEs” will be used, unless different terminology was used in the source.

Characteristics. As set forth in the report entitled “Patent Assertion and U.S. Innovation” issued by the Executive Office of the President in June 2013, the business model followed by PAEs has a number of defining characteristics.

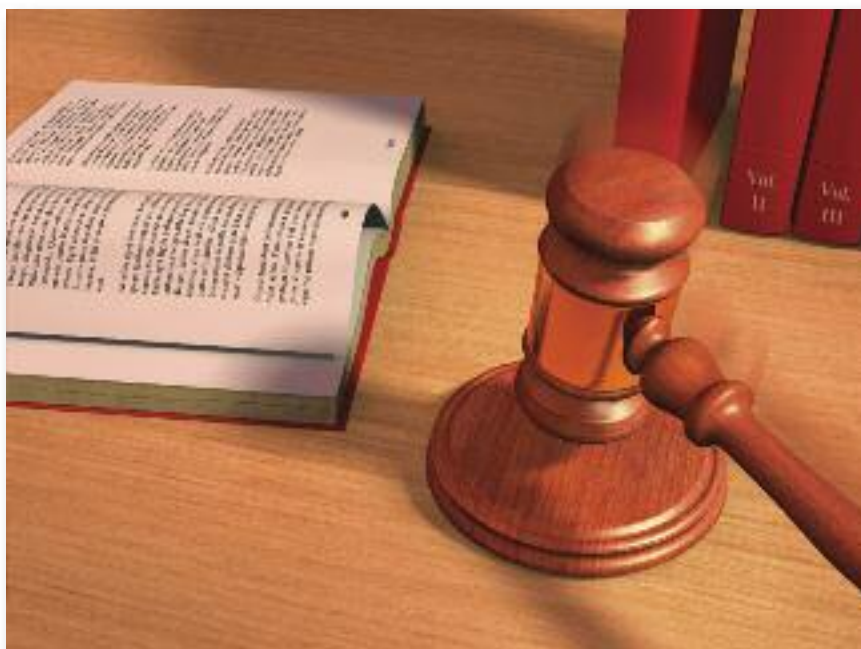
- They do not use or practice the claims of the patents they own.
- Unlike universities and research institutions, PAEs are not involved in technology transfer, the process of transferring the inventions claimed in patents into the

development of new products.

- They bring suit against companies only after these companies have made a considerable investment in products.
- PAEs obtain the rights to patents not to manufacture a product, but rather for the purpose of generating revenue from asserting the patents.
- Their litigation strategy takes advantage of the fact that they are not vulnerable to typical counterclaims asserted in patent infringement suits.
- They acquire patents that have an unclear claim scope and assert them against a large number of defendants, some of which will accept the offered settlement in order to avoid the high and often uncertain costs of litigation.
- They often use shell companies and non-disclosure agreements to hide their identity.

Pros and Cons. Their proponents contend that PAEs promote invention

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BOILER MACT

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not to exceed 48 hours during any calendar year);

- boilers that burn solid waste (these boilers are subject to other emission standards for incinerators);
- hot water heaters;
- waste heat boilers (heat recovery steam generators);
- temporary boilers;
- residential boilers; and
- electric boilers.

As indicated above, sources that are subject to the Boiler MACT rules may be subject to emissions standards. Demonstrating that you will meet these standards can involve a variety of requirements from the implementation of “work practice standards” (e.g. boiler tune-ups and energy efficiency audits) to the actual demonstration of compliance with the rule emission standards involving fuel analysis or source testing. In any event, there are requirements for notifications, recordkeeping and reporting. Some key elements of the final rules include:

- Initial notification date deadline was January 20, 2014. If you already submitted your initial notification, you do not need to resubmit the notification.
- Deadline for completing the initial

tune-up was extended until March 21, 2014 for existing boilers.

- Deadline for submitting the notification of compliance status (NOCS) for tune-ups is now July 19, 2014.
- Electronic NOCS reports will be required using the Compliance and Emissions Data Reporting Interface (CEDRI). See more information about electronic reporting below.
- Existing dual-fuel fired units that fuel switch from gas to coal, biomass or oil remain existing sources if they were designed to accommodate the alternate fuel.
- New oil-fired units may combust low sulfur oil as an alternative method of meeting the particulate matter (PM) emission standard and such units are not required to meet the PM emission limit (provided the boiler does not use a post-combustion control technology (except a wet scrubber) to reduce PM or sulfur dioxide emissions).
- Tune-ups are required every five years instead of every two years for the following area source boilers: seasonal use units, limited use units, oil-fired units with heat input capacity equal to or less than five MMBtu/hr and units with oxygen trim systems.
- New boilers must conduct their first biennial or five-year tune-up

no later than 25 months or 61 months, as applicable, after the startup of the new or reconstructed boilers.

All of the different variations on the rules can make determining your specific regulatory requirements and obligations difficult to ascertain.

On a final note, in addition to the new Boiler MACT you should be aware that large internal combustion engines are also subject to their own MACT rules:

Reciprocating Internal Combustion Engines (RICE) used for generators and fire pump engines may be subject to the U.S. EPA RICE MACT. The RICE MACT regulations establish HAP emission limitations for certain stationary RICE. The U.S. EPA has also established New Source Performance Standards (NSPS) for RICE manufactured on or after June 2006. These MACT and NSPS requirements set specific emission and operating limitations, performance testing and compliance standards for compression ignition (CI) and spark ignition (SI) RICE. Many previously unregulated engines — including those designated for emergency use — are subject to these regulations.

Contact Mostardi Platt (see bottom of page 19) if you need assistance in determining how these federal regulations may apply to your operations. ■

LITIGATION

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because they assist individual inventors in reaping benefits from their patents that they would otherwise not be able to assert on their own. The U.S. patent laws do not require a patentee to practice his claimed invention before asserting the patent. Yet critics of PAEs argue that they are a drain on the economy and tax innovation. Because PAEs do not make products, the revenues generated by PAEs are typically not used to support further innovation. For example, in one report, PAEs were described as generating \$29 billion in revenue from defendants and licensees in 2011. Of that figure, only 25% is directed to innovation. And there is some evidence to suggest that the number of suits filed by PAEs

is increasing. According to one recent study, PAEs filed 62% of all patent litigation suits in 2012. That amounts to 2,921 of 4,701 suits filed.

www.patentlyo.com/patent/2013/03/chien-patent-trolls.html, citing data from RPX Corporation. Regardless of which side to this argument you support, one thing is certain—opponents of PAEs have been successful in stirring the U.S. government into action.

The Executive Branch. The President of the United States has voiced his opinion on this issue. “The folks that you’re talking about [PAEs] are a classic example; they don’t actually produce anything themselves. They’re just trying to essentially leverage and hijack somebody else’s idea and see if they can extort some money out of them.” On June 4, 2013, the White House Task Force on High Tech Patent Issues issued five executive actions and seven legislative actions “designed to

protect innovators from frivolous litigation and ensure the highest-quality patents in our system.”

The Administration’s recommendations for Congress include the following: 1) require applicants and patentees to disclose the “real party-in-interest” when sending demand letters or filing suit; 2) allow more discretion to courts in awarding fees as sanctions to prevailing parties in patent suits; 3) expand the Patent and Trademark Office’s (“PTO”) transitional program for business method patents; 4) protect off-the-shelf use of products by consumers and businesses; and 5) require transparency of demand letters by making them publicly accessible to deter abusive suits. In addition, the executive actions announced by the Administration “to help bring about greater transparency to the patent system and level the playing field for innovators” include

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Take down your Website — immediately!

Everyone from your tech savvy salesperson to your latest Millennial hire is telling you that your small or mid-sized manufacturing company needs a Website, but, take it from me, they're wrong. Those people mean well, they just don't know the whole situation. Your Website is taking money away from your business. Building a Website is easy. There are templates and plenty of people with a *Website Design for Dummies* book that are willing to take a couple hundred or thousand bucks out of your pocket and give you a web presence. But in addition to the money you spent on the Website, your Website may be actively destroying your business.

According to expand2web.com, nearly one-third of visitors to your site think you lack essential features and functionality. Over 25 percent of your customers labelled your site "unimpressive." Over one-third of your potential customers have decided not to do business with you after visiting your Website and nearly 1 in 10 of your customers are buying less than planned because of their experience on your Website. And, chances are your Website contains typos, broken links, errors, or is even down almost 30 percent of the time.

The typical potential customer will spend less than five minutes on your site if it doesn't grab them immediately. Users of manufacturing sites that meet or exceed expectations will spend as much as 15 minutes on your site. Amazon ran a test in which it slowed down its page loading speed by 100 microseconds. Sales decreased by one percent. A microsecond is one one-millionth of a second. Google ran a test in which it decreased a 10 result loading page by 0.4 seconds. Traffic decreased by 20 percent. Recent research from Zona essentially concludes that all users will abandon a Website that takes longer than 6 seconds to load any page. 57 per-

cent of users will abandon a page that doesn't load in three seconds. It took you longer than six seconds to read that sentence.

This applies most importantly to YOU: the one who just spent thousands of dollars re-designing your Website. TAKE. IT. DOWN. You can listen to a Millennial, or you can take it down and stop hemorrhaging the business. Of course, however, there is a third option. You could build a Website correctly. To build a Website correctly, though, is time consuming and expensive.

To determine if a Website is worth it, let's look at some key statistics. Development of a manufacturing Website will range from \$2,000 to over \$100,000. Our research shows that most industrial Websites cost between \$15,000 and \$35,000, depending on the functionality. We always recommend budgeting towards the higher side. It can take anywhere from three weeks to a year to build a complete, functional Website. Small to mid-sized manufacturers generally take 3-6 months

to start at ground zero and get to a well-designed site that increases revenue. Both price and time increase if extensive direct purchasing capabilities are desired. If we were to assume building your particular Website would have an estimated budget of \$25,000 and an estimated deadline of four and one-half months, we can now begin to determine if the investment is worthwhile. We will do this in two steps. First, we will illustrate some of the benefits of a good Website. Second, we will touch on the various steps of the process of constructing a good Website.

According to Thomasnet, 90 percent of industrial buyers research and evaluate purchases online. Customers look to a potential vendor's Website to accomplish four goals: 1) gather information; 2) determine if the potential vendor is credible; 3) evaluate the effectiveness of the Website; and, 4) place orders or manage the sales process. The web, according to RSH Web

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LITIGATION

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the following: 1) making “real party-in-interest” the new default for proceedings before the PTO; 2) addressing overly broad patent claims with new training for patent examiners; and 3) empowering end users by educating them as to their rights before settling or litigating.

The Legislative Branch.

Numerous bills have been introduced recently into Congress in an effort to deter abusive patent litigation.

The Patent Transparency and Improvements Act (S.1720) was introduced on November 18, 2013 by Senate Judiciary Chairman Patrick Leahy (D-Vt.) and Senator Mike Lee (R-Utah). “When small businesses in Vermont and across the country are threatened with lawsuits for offering Wi-Fi to their customers or using document scanners in their offices, we can all agree the system is not being used as intended,” Leahy said in a statement. The Leahy bill includes the following provisions:

- **Transparency in Patent Ownership.** Any patentee that files an action in court would be required to disclose any person that has a financial interest in the controversy or a party to the proceedings, or that has an interest that could be affected by the outcome of the proceedings.
- **Stay of Customer Actions.** Courts would be allowed to stay litigations where both a customer and manufacturer have been sued for patent infringement.
- **Bad Faith Demand Letters.** The bill would empower the Federal Trade Commission to view the sending of demand letters in bad faith as an “unfair or deceptive act or practice.”

The Innovations Act (H.R. 3309), sponsored by House Judiciary chairman Bob Goodlatte (R-Va.), passed the House of Representatives on December 5, 2013 by a vote of 325 to 91. Its major provisions are as follows:

- **New pleading requirements** would require the identification in pleadings of details such as each patent claim allegedly infringed, each apparatus accused

of infringement, the principal business of the party alleging infringement; and any other complaint filed asserting infringement of the same patent.

- **Cost shifting** would require courts to award prevailing parties reasonable attorneys’ fees and other expenses, unless “the position and conduct of the nonprevailing party or parties were reasonably justified in law and fact or that special circumstances (such as severe economic hardship to a named inventor) make an award unjust.”
- **Willfulness and notice:** Pre-law-suit notification of infringement would require identification of the asserted patent and the accused apparatus or instrumentality, an explanation, if possible, of how the apparatus or instrumentality infringes the patent claims, and identification of the ultimate parent entity of the party asserting the patent.
- **Transparency in Patent Ownership:** This provision would require a plaintiff upon filing to provide an initial disclosure to the PTO, the court, and each adverse party identifying any assignee, any entity with a right to sublicense or enforce the patent, or any entity known to have a financial interest in the patent or the plaintiff.
- **Stay of Customer Actions** would require a court to grant a motion to stay a lawsuit against a customer/end user accused of patent infringement under certain conditions.
- **Bad Faith Demand Letters:** The sending of evasive demand letters alleging patent infringement to end users would constitute an abuse of the patent system.

As this bill now goes to the Senate, it is expected that there will be a number of changes, thus making it unlikely that to pass in its current state. Nevertheless, the broader issue appears to be one of the few areas in which the parties can show bipartisan support, thereby increasing the likelihood that some legislation ultimately will pass. In fact, on March 14, 2014, a group of 17 Democratic and Republican senators, led by Senators Udall and Portman, sent a letter to the Senate leadership

urging swift action “to advance necessary reforms to address abusive patent litigation.”

In addition to S.1720 and H.R. 3309, there are a number of other bills that have been introduced into Congress. For information on the remaining bills, reference should be made to the website of the Intellectual Property Owners Association at www.ipo.org/index.php/advocacy/hot-topics/patent-reform/.

The Judiciary Branch. Although understandably there has been no official comment from the judiciary, at least one judge has voiced his opinion on the issue. In an Op-Ed piece in the New York Times on June 4, 2013, Judge Randall R. Rader, the Chief Justice of the Court of Appeals for the Federal Circuit, highlighted the fact that judges already have the power to curtail abusive litigation. Although seldom used, judges can shift the cost of litigation from the defendant to the plaintiff pursuant to Section 285 of the U.S. Patent Act and Rule 11 of the Federal Rules of Civil Procedure. Judge Rader urged judges to use Section 285 in cases that exhibit signs of abusive litigation.

At the State Level. States do not normally address patent issues as they are exclusively a federal issue. The Governor of Vermont, however, recently signed legislation that amended the state’s consumer protection laws to allow the attorney general to sue entities that assert patent infringement claims in bad faith against companies or residents of the state. And the Attorney General of Vermont has initiated such a suit.

Conclusion. Whether all the attention showered on the perceived problem of “patent trolls” will result in a change for the better remains to be determined. There is concern by many in the patent community, however, that in an effort to attack the perceived problem, the U.S. Patent System may suffer for the worse. Let us hope that the recent efforts do not create unintended consequences. ■

NOTE: Since the time of submission, further activity has transpired regarding the issues addressed in this article.

WEBSITE

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Services, is the most convenient method to research a potential purchase or vendor. Interestingly, regardless of comfort or expertise with web search tools, users of all levels tend to seek the same information. Keep in mind, if you don't talk about your business on the web, someone else will.

In a recent JD Powers survey of 9,469 participants, only 23 percent of industrial Websites met or exceeded expectations. In the automotive industry, only 21 percent of OEM sites have responsive design as of the beginning of 2014. For industrial suppliers under \$200 million, the probability of having responsive design is only seven percent.

Let's cut to the chase: a functional, complete Website will increase revenue by 7.5 percent (Expand2Web, October 2012). That is, if your Website currently brings in about \$3.5 million in annual revenue; a functional, complete Website will increase your online revenue by \$262,000. That doesn't account for the other important benefits a good Website provides, such as better branding, enhanced reputation, increased exposure, and higher status in web searches.

First, let's restate some well-known truths. The process of building and updating a Website is painful and time consuming. A well-designed, effective Website is expensive. Any shortcuts taken in the building process will result in a Website that continues to steal from you. A Website is never "done." It must be continuously updated to reflect your growth, your customers' demands, and industry news and trends. And, to further complicate matters, a Website must attract different audiences. We recommend targeting current customers, potential customers, and potential employees. To summarize, this process will be involved, demanding, expensive, slow, and painful — and totally worth it.

The start of a good Website begins with a self-awareness exercise. Ask these questions: Who are you? What do you do? Why do you do it? Why do your customers buy from you? Where do you want to be in six

months? What do you want your Website to do for you? We have discovered that sessions aimed at addressing these questions have generated some real eye-opening results.

Your Website is your central messaging tool. 90 percent of potential customers will research you online. Your Website is their primary information source. What you say about yourself and how you say it will do more to influence your potential customer's decisions than any other single factor.

Now it's time to expand the conversation. While your sales group may have some fear of losing control of client relationships to the Website, you can ease those fears by involving them in your self-awareness exercise. A Website that your sales group doesn't actively support and promote is weak and, more importantly, weakens the sales process. In discussions with your salespeople, you're looking to find out what your customers want and need both from your company and from your company's Website. Will they want to reorder previous purchases on the Website? Place new orders? Communicate directly instead of by phone? Gain detailed product knowledge?

Other groups should be brought in as necessary. Engineering may become involved if you are going to post a product catalog online and want more exact language describing the products. Publicity/PR may get involved to push certain initiatives or company calendar or company highlights. Finance should be involved for two purposes. First, to consult on any ecommerce functionality and, second, to be aware of the cost of the Website in order to adjust prices to maximize ROI. IT is involved to understand the technical needs, but Website design is NOT an IT project. It is marketing and sales.

After the internal discussions, you will have enough information to put together a call for proposals from Website designers. Whatever budget you think you need, double it. And, whatever you do, do not make your selection of Website designer based only on price. Before we continue, you CAN afford a good Website. It isn't cheap, but it is affordable. We've built good Websites for as little as \$2,000 and we've built good Websites for over \$100,000. It depends what you want and need.

But, I promise you, the company with the \$2,000 Website only wanted to spend \$1,000. Remember our \$25,000 estimated budget. Yes, double that too.

You are looking for a partner in a Website designer. Your culture, approach and general tone should match the designer you choose. In addition, the web designer needs to have the ability to execute your desired functionality across different operating systems, technology, and devices, including mobile. Your designer should be able to balance good design with solid business focus. Your designer should have the ability to edit and polish your content, and also be willing and available to maintain and update the site.

Your Website should have certain critical components. It needs to be clean, easy to navigate, and minimize word count. It should have Search Engine Optimization functionality, and a mechanism for gathering leads. It should start with a capabilities description — what you do and how you do it. Your Website should highlight your competitive strengths through product trumpeting, demonstration and comparison. It should contain detailed specifications, customer testimonials, have product comparison capabilities, and may also describe, or enable, the purchasing process. Finally, the Website should have pertinent information everywhere. Pertinent information is that which allows a potential customer, a disgruntled customer and a potential star recruit to get in touch with the right people in your organization quickly.

We strongly recommend you host a focus group with some of your best customers or heavy users. One design company in Ann Arbor, Michigan, recommends beginning the design process with a study of how your best customers and how your ideal customers would like to use the site. Don't forget to ask the all-important question: if you include the features and functionality they suggest, will that strengthen their relationship with you?

If you've followed these steps, then, at this point, you have blown your budget and deadlines out of the water. However, you also have a powerful tool that successfully brands you; strengthens your sales process; and further enhances your

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IMA Business Day participants meet with legislative leaders



More than 300 manufacturing leaders and members of the Illinois Retail Merchants Association traveled to the State Capitol to meet with lawmakers to discuss key issues of the day including tax policy, minimum wage, and government regulations. Governor Patrick Quinn and Republican Bruce Rauner, who are squaring off in the November election, also treated manufacturers attending the IMA's annual Business Day, May 7th, to spirited remarks.

Speaking first, Governor Quinn outlined his accomplishments in the last five years including passage of a capital infrastructure bill, reforms in Workers' Compensation, key pension reform, and a reduction in the state's backlog of bills. While noting that the business community may not always agree, Quinn expressed his support of making the temporary income tax permanent to avoid "savage" cuts to education, health care and other parts of the state budget at the end of the year if the tax is allowed to sunset.

Following lunch, Republican candidate Bruce Rauner introduced himself to the crowd as a businessman seeking to address four key issues including lower taxes, more jobs, better schools and eight-year term limits. Rauner expressed support for allowing the temporary income tax to expire as lawmakers "promised" when it was passed and noted that a more specific tax and budget plan is coming soon.

Attendees were treated to a brief budget discussion by Senator Heather Steans (D-Chicago) and Senator Matt

Murphy (R-Palatine) who are respectively the Chair and Spokesperson of the Senate Appropriations Committee. With less than four weeks remaining until the end of session, lawmakers are working earnestly to craft a state budget without knowing if the income tax increase will be made permanent. Senators Steans and Murphy laid out their visions of the budget both with and without the additional tax revenue.

Finally, business leaders visited the State Capitol to meet with the individual lawmakers followed by an evening reception drawing hundreds of lawmakers and key staff who mingled and interacted with manufacturing and retail leaders.



AT&T invests nearly \$2.95 billion over three-year period to enhance local networks in Illinois

AT&T has invested nearly \$2.95 billion in its best-in-class wireless and wired networks in Illinois from 2011 through 2013, driving a wide range of upgrades to enhance speed, reliability, coverage and performance for residents and business customers.

Advancing its Project Velocity IP (VIP), an investment plan to expand and enhance its wireless and wired IP broadband networks, AT&T in 2013 made 889 network upgrades in Illinois, including: new cell sites, addition of wireless and wired network capacity, and new broadband network connections. Additionally, AT&T expanded the reach of its network, providing access to U-verse® Internet and video services to nearly 122,000 new customer locations and delivering powerful fiber-optic connections to 21,474 business locations at 636 multi-tenant business buildings and business parks.

"Illinois residents depend on our fast and reliable Internet connections more and more every day, whether it's instant access to files and apps at work, watching a video at home, or even receiving updates from connected cars or home monitors," said Paul La Schiazza, AT&T Illinois President. "AT&T is making robust investments in Illinois so that resi-

dents can take full advantage of the latest services and tools, and that businesses have the speed they need to compete and grow. As our country transitions to an all-broadband communications infrastructure, private sector investment in next generation networks is essential to education, health care, public safety, job creation and virtually all sectors of the modern internet economy."

Notable Illinois network enhancements in 2013 included:

AT&T operates the nation's largest Wi-Fi network including more than 32,000 AT&T Wi-Fi Hot Spots at popular restaurants, hotels, bookstores and retailers, and provides access to more than 529,000 hotspots globally through roaming agreements.

For more information about AT&T's coverage in Illinois, or anywhere in the United States, consumers can visit the AT&T Coverage Viewer. For updates on the AT&T wireless network, please visit the AT&T network news page.

Additional information about AT&T Inc. and the products and services provided by AT&T subsidiaries and affiliates is available at <http://about.att.com> or follow our news on Twitter at @ATT, on Facebook at www.facebook.com/att and YouTube at www.youtube.com/att. AT&T is an IMA member.



Wahl Clipper planning new corporate headquarters in Sterling

Wahl Clipper Corp says it will be building a new corporate headquarters in Sterling with the help of a tax credit approved by the Illinois Department of Commerce and Economic Opportunity (DCEO).

The company will invest nearly \$8.5 million to build a 40,000-square-foot building on its Sterling campus. With nearly 900 employees already in Sterling, Wahl Clipper has pledged to create at least five jobs and retain its current 114 headquarters staff positions as it responds to growing worldwide demand.

Wahl Clipper, a manufacturer of personal care and grooming devices,

will start construction this spring. The building is expected to be complete by year-end.

"This new facility provides us with a number of great advantages," said CEO Greg Wahl. "First, it frees up a great deal of space in our current facilities to allow us to continue to grow and prosper. It will also provide a state of the art corporate facility as a showplace to our worldwide customer base."

With the expansion, Wahl Clipper has qualified for a tax credit under DCEO's Economic Development for a Growing Economy (EDGE) program, which lets companies reduce their Illinois income tax liability if they locate or expand operations in the state.

"The EDGE tax credits from the

State of Illinois were an important factor in our decision to reinvest in Sterling, Illinois. It also underscores our belief in the region as a good place to live and do business," Wahl said.

"Wahl Clipper is a quality company and part of the economic bedrock in Sterling and Whiteside County," said Adam Pollet, DCEO director. "This project not only creates new jobs but shows that helping existing businesses is a high priority of Governor Pat Quinn's administration."

The incentive package is worth an estimated \$1.6 million over 10 years and includes the EDGE credit, an investment tax credit and a sales tax exemption available because Wahl Clipper is building in an

Enterprise Zone.

"I am excited that Wahl, a name brand in homes across the world, is not only staying in Illinois, but expanding its facilities in Sterling and bringing more good jobs to the area," said state Sen. Mike Jacobs (D-Moline). "I hope Wahl can be an example to other business, and show how our state and our workforce can be an asset to a worldwide company."

Now in its 95th year, IMA member Wahl Clipper employs approximately 2,000 people worldwide. Its products are available in 165 countries.



WEBSITE

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customers' experience. Additionally, you have a tool that communicates effectively and powerfully using your own words, increases your exposure to potential customers, and, serves as an effective recruiting tool. But hold on to your wallets because this is where most companies fail.

Let's assume you've spent seven months and \$50,000 building your perfect Website. Now wait . . . It won't take long. Three months, four? How do you feel about your Website now? Your company's changed and grown, and most of the Website content is 13 months old. How many times have you visited your Website in the last quarter? Do the graphics seem stale? Are you visiting it less? Why? And it was only 3-6 months ago when you ended this arduous process. So you wait a bit longer. If you wait a year to update your site, the message you are sending your most desired audiences is 25 months old; it is as stale as your company fridge.

If you inked a good agreement with your designer, certain updates are included as part of the original cost. Perhaps that includes changing graphics, updating the company cal-

endar, or posting press releases to the Website. It may even include text revisions for a couple months after your Website. Also included in your agreement would be reduced prices for major overhauls. Perhaps it is to rewrite a section. Perhaps you want to add a product catalog or the ability to transact over the Website. Maybe you want to change the layout or color scheme. We recommend that your agreement essentially allow you to get two Websites: the first one, and then a future one built almost exclusively through updates at a significantly reduced rate. And, as you make revisions, continue to negotiate with your designer to provide updates or maintenance at beneficial rates. The Website process never ends.

To optimally increase your web presence, you need to maximize how and when you update your site. For minor updates such as spelling or grammar edits, updates to a company calendar, or industry trends, you should do it as often, and quickly, as possible. For bigger changes, you need to revisit the beginning of the process. You need to look at how you've changed and grown. You need to reconvene your internal teams and gather your external focus group again to see how their perception of you has changed. And, based on those dis-

cussions, you will be in the best position to make major revisions to your Website. One executive we spoke with said that if the Website isn't updated every 6-8 weeks, he tends to believe that the company won't pay attention to how his needs as a customer will change over time. One PR executive told us that if a Website isn't regularly updated, he tends to perceive them as a company that lacks awareness and is not on top of industry trends.

Let's go back to the beginning. Online presence IS optional. You don't have to have a Website, but, if you do, it cannot continue to lack functionality, strong design and ongoing attention. There are numerous benefits from engaging in the process of building a good Website. In addition to the monetary return, this process will change the way you look at yourself. The results will change the way others look at you.

This article is the first in a series of using the internet to enhance your overall operation. It may be the last if we get lazy and don't continue the series or if we get distracted and decide to write about something else. We have a lot of millennials here, so our attention span is that of . . . look, a puppy! ■

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SOCIETY OF MANUFACTURING ENGINEERS (SME) – CHICAGO CHAPTER 5

Carol Stream

STERIS ISOMEDIX, INC.

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2014 Calendar of events

June 2-4, 2014

WATER EXPO — Singapore

A trade mission sponsored by the Illinois
Office of Trade & Investment

Water Expo is one of the world's most important and comprehensive water trade shows that focuses on innovation, products, services, as well as case studies of water technologies across all Industries. Singapore is presently home to a flourishing water industry of more than 70 international and local companies, a 40 percent increase since 2006. Investments made by these companies in the last five years have totaled \$590 million of annual value added to the Singapore economy. Contact: Terry LaRocca, 312-814-6035
Email: Terry.LaRocca@illinois.gov

June 24, 2014 – July 9, 2014

DAR ES SALAAM INTERNATIONAL TRADE FAIR 2014 AND MATCHMAKING IN KENYA

A trade mission sponsored by the Illinois
Office of Trade & Investment

Dar es Salaam, Tanzania and Nairobi, Kenya
The Dar es Salaam International Trade Fair has established itself over the years as the shop window for products not only from Tanzania, but also

from East, Central and Southern African Regions. The fair acts as a one stop center for reaching countries such as Botswana, Burundi, Democratic Republic of Congo, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. Contact: Sam Ntum, 312-814-8480, Email: Sam.Ntum@illinois.gov

September 17, 2014

IMA Breakfast Briefing: Protecting the Manufacturer's Assets: Best Practices for Handling Incoming, Current and Departing Employees

Presented by Michael Best. Location: Mon Ami Gabi, Oak Brook, 8:00 am Registration & Networking Continental Breakfast —
Program: 8:30-10:30 am

A graphic for the IMA Video Reference Library. It features a film strip that curves across the frame, showing various scenes of industrial and manufacturing settings. The text "Visit the NEW IMA Video Reference Library" is prominently displayed at the top, followed by the tagline "... valuable advice to help you run your company". At the bottom, the website "www.ima-net.org" and a YouTube channel link "www.youtube.com/channel/UC5-kLFKCixuVOIL3xdrPb8Q" are provided.

Visit the NEW IMA Video Reference Library
... valuable advice to help you run your company

www.ima-net.org
www.youtube.com/channel/UC5-kLFKCixuVOIL3xdrPb8Q

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, 800-875-4462, ext. 9371

The Illinois Manufacturer is underwritten by Constellation — An Exelon Company

2014

Membership Discounts



Industrial Waste Disposal Services



IMA OFFERS MEMBERS EXCLUSIVE DISCOUNTS ON THE SERVICES NEEDED TO STAY COMPETITIVE IN TODAY'S GLOBAL ECONOMY



USED OIL, PARTS CLEANING AND INDUSTRIAL WASTE DISPOSAL SERVICES

The Illinois Manufacturers' Association (IMA) has developed a strategic partnership with Heritage-Crystal Clean (HCC), the second largest parts cleaning and industrial waste service provider in the United States.

Heritage-Crystal Clean, a IMA member and affinity partner, focuses on the environmental service needs of manufacturers. They also offer an array of services to other industries with unique waste streams including healthcare facilities, printing companies and companies with print shops, and the plastics industry. The company boasts an outstanding record of environmental compliance.

IMA MEMBER PRICING PROGRAM

Heritage-Crystal Clean offers the following IMA member-only pricing on parts cleaning, used oil and containerized waste services:

- Minimum 25% discount on all services
- Larger volume discounts available
- No set-up or installation fees (\$63 savings)
- No waste profile fees (\$75-\$425 savings on every new waste stream)
- Significant cost reduction to IMA members

HERITAGE-CRYSTAL CLEAN OFFERS FACILITY ENVIRONMENTAL EVALUATION SERVICES

Heritage-Crystal Clean has a program designed to lessen the burdens that accompany environmental activities. Environmental Solutions Partners (ESP) is a unique approach to evaluate waste generation processes and management practices in an effort to provide members with a sole-source environmental vendor utilizing the latest technology/management methods available. ESP, consisting of HCC environmental experts, performs (at no cost to IMA members) a complete facility evaluation to identify needs and/or assure that each member is using best practices for environmental activity.

Contact Dean Popovich at Heritage-Crystal Clean at 630.333.5901 or dean.popovich@crystal-clean.com for detailed product and savings information.

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