

THE ILLINOIS MANUFACTURER

SECOND QUARTER 2022



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MISSION STATEMENT

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

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ZEBRA TECHNOLOGIES:
BEYOND MANUFACTURING



TEK PAK:
INVESTMENT IN EMPLOYEE DEVELOPMENT IS THE
BEST PATHWAY TO MANUFACTURERS' SUCCESS

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SHOPPING AT THE IMA GROCERY STORE

MARK DENZLER, PRESIDENT & CEO



In our household, I'm typically the person who goes grocery shopping. It may be a Sunday morning where I casually peruse the aisles making purchases off my list, but all too often I'm buying something that catches my eye. It's worse when I'm hungry! Other times, I'm stopping by the store on the way home from work with a singular focus in mind – get in, grab a needed item or two, and get out as soon as possible.

I was recently chatting with Maria Moran, our new business development manager at the IMA who used an analogy describing her sales approach to one of grocery shopping. While a company may come to the IMA for one or two items, she would want them to weave through every aisle and take advantage of all the services and programs that we offer. The lights went on in my head, and I told her I planned to use that analogy.

It dovetails with an IMA member survey that we conducted several years ago. The IMA is well known for our award-winning advocacy at the State Capitol and is a major reason that companies invest and engage in the Association. For many years, we rightly prioritized our strength and presence in the legislative and political arenas, but we shortchanged the impact of IMA communications, programming, affinity partnerships, and concierge services we offer to our members.

The survey clearly demonstrated that while a majority of members join for advocacy and the ability to come together and speak with one manufacturing voice, a large number of manufacturers continue their investment because of these other programs and services we offer. We saw this firsthand in 2020 and 2021 with record numbers of attendees at programs that has extended into this year. The American Association for Society Executives named us "One of 100 Associations Saving the World" for all our efforts helping companies navigate the ever-changing pandemic landscape.

As we move through the coming year, you'll continue to see an increased focus on these programs and services that help you with your operations, human resources, environmental health & safety, leadership and workforce development, finances, diversity & inclusion, and much more. It's a great opportunity for you and your team to further engage with the IMA and literally shop in every aisle in the IMA grocery store.

Do you want to help develop your team members? Have you thought about asking them to join the IMA's Next Wave for emerging leaders or Women in Manufacturing Council? The IMA Education Foundation is leading in the education and workforce arena with many available opportunities to collaborate.

Are you an executive (CEO or CFO) interested in networking privately with colleagues? The IMA's Executive Forum and CFO Roundtable are regularly scheduled small groups that meet privately to foster relationships, build collaborations, and allow for candid off-the-record discussions. Our popular HR Lunch & Learn series is a must attend for your HR team. The IMA's Safety Series from Conn Maciel Carey in June gets rave reviews while our Healthy Manufacturing Certificate program will ensure you're in compliance with OSHA and CDC regulations.

Energy costs are a huge part of a company's operational costs. Many of you may see our partnership with Constellation, but did you know that they will give you a free energy audit because of your IMA membership? Constellation is a full-service provider – they provide electricity and gas – but they can work with you to manage energy costs, provide energy and market information, or even help companies meet clean energy goals. Constellation is an untapped resource for many Illinois manufacturers.

You may not be aware that our programs with Aramark (food, linen, and uniform service) and Heritage-Crystal Clean (parts cleaning) and others will actually save you dollars because of your IMA membership. Small manufacturers need to get a quote from the IMA's Association Health Care Plan because it's saving companies real money.

The IMA will always focus on our primary mission of advocating, promoting, and strengthening the manufacturing sector. We are **BOLDLY MOVING MAKERS FORWARD**. While you may have joined the IMA for the "milk and bread," I hope that you'll stick around long enough to pick up ice cream, fruits, vegetables, and beverages.

Happy shopping and please ask an IMA store clerk if you cannot find what you're looking for! ♦



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CTE AND THE MANUFACTURING WORKFORCE

SARAH HARTWICK, VICE PRESIDENT OF
EDUCATION & WORKFORCE POLICY



The IMA Education Foundation spent most of the spring legislative session advocating for a bill that would require districts to implement programming that leads students, beginning in grade 6, into career pathways of interest. To some extent, this programming already exists within high schools across Illinois, referred to as career and technical education (CTE), however the specifics within each program can vary greatly. CTE curriculum replaced the old “vocational education” curriculums, however, much remains the same. These programs serve to strengthen students’ technical skills and facilitate transitions to postsecondary training programs and employment. CTE programming is responsible for supporting the manufacturing programs in your local schools and therefore serves as an opportunity for local manufacturers to help develop your future workforce.

How is CTE Funded?

Career and technical education programming is funded by the federal government through the reauthorization of the Perkins V Act that was signed into law in 2016. The federal funds provide nearly \$1.3 billion dollars to high schools and community colleges across the country annually. In Illinois, those CTE dollars are sent to every school district and community college through a formula that determines the disbursements. Additionally, the State Board of Education (ISBE) appropriates over \$43 million in order to receive matching funds from the federal government for school district CTE programs.

What does CTE programming include?

The Perkins V Act includes CTE programming recommendations like automotive, shop, welding, computer science, engineering, etc. The new Act includes a provision for both high schools and community colleges to work with local employers for work-based learning opportunities and guidance on curriculum development. This collaborative work between employers and educational institutions are done via the Act’s “Local Needs Assessment” and through the Advisory Committees for CTE programming. ISBE went a step further in Illinois’ Perkins V State Plan and aligned the plan with many of the other statewide efforts that support the expansion of CTE including competency-based learning pilots for schools, the Postsecondary and Career Expectations (PaCE) framework, and College and Career Pathway Endorsements (CCPE). The PaCE framework and College and Career Pathway Endorsements were established by the General Assembly in the 2016, unanimously approved, Postsecondary and Workforce Readiness – PWR – Act. Many districts statewide, from small rural districts to the largest urban districts, are already implementing these frameworks and as a result, students are better prepared for college, career, and life. Most importantly, this programming has been implemented in almost 100 school districts across Illinois through support from the Illinois Student Assistance Commission and the Education Systems Center (EdSystems) at NIU for students interested in a specific career pathway, whether it be education, agriculture, health sciences, technology, manufacturing, etc. As mentioned above, the IMA and the IMA Education Foundation have worked closely with the PaCE Framework and College and CCPEs to expand manufacturing programming in schools across Illinois.

How can CTE support manufacturer’s workforce needs?

CTE programming is an important lever for employers, specifically manufacturers, to use in discussions with local school districts in the development of manufacturing programs. The Perkins V Act requires employer involvement where employers have the ability to make recommendations on the necessary skills that are needed to support their workforce needs like requesting specific programming at the high school level to ultimately help narrow the skills gap within your region.

The CCPE includes an endorsement for manufacturing within the Model Program of Study for Manufacturing and Engineering. A high school graduate with an endorsement for manufacturing on his, her, or their high school diploma should be an indicator for potential employers that the student has successfully completed the state-approved Model Program of Study for Manufacturing and Engineering. This model was established by Education Systems Center (EdSystems) at Northern Illinois University and provides schools with a guide on how to build a successful manufacturing program, including recommended courses for each grade at the high school level. The model incorporates career exploration experiences for students at each level like work-based learning opportunities, internships, job shadowing, pre-apprenticeships, etc.

Another benefit to employers is that the model strongly encourages providing students with the ability to take dual credit courses through a local community college and earn necessary credentialing all before graduating high school. Again, students benefit from this endorsement by having a state-approved seal with their high school diploma indicating that they have demonstrated readiness for college and career due to completion of instruction and professional learning experiences in the manufacturing field.



How do manufacturers get involved?

This work starts with a conversation with your local school district. Every school district in Illinois receives CTE funding to support career and technical education programming. State and federal law require significant employer engagement and involvement when determining the way in which those funds are spent, and this was strengthened in the recent reauthorization of the Perkins V Act. The discussion with local school districts should also include the school administrators, CTE teachers, guidance counselors, principals, etc. where a lot of this work is already occurring. When an employer serves as a resource to local school districts and help to guide CTE programming, even if the district is unable to implement the models and guides due to specific local barriers, getting involved will help to inform both the employer and the school district of the work can be done to help develop the future workforce within that region.

The IMA and IMA Education Foundation are working to expand this work.

The IMA and the IMA Education Foundation have partnered with EdSystems to expand upon the work that is being implemented in several districts across the state. The IMA EF has applied for multiple grants that will build upon the current work in a way that can then be replicated in other districts across the state. These grants include significant employer involvement in nine regions across the state and you will see more from us on those grants if/when they are awarded, including additional scholarship opportunities for students looking to enter careers in manufacturing.

The IMA Education Foundation's legislative initiative, HB 3296 (Ness-D/Bush-D) passed both chambers the last week of session. The bill requires districts to implement the PaCE Framework and CCPEs since the current law simply encourages districts to implement these tools. This is an incredible opportunity to help address the future workforce needs, however, we also understand that limitations exist for school districts across the state that may serve as a barrier to implementing the PaCE framework or CCPE. Therefore the legislation also provided districts with the ability to opt-out by school board resolution.

If you are looking to have this discussion with your local community, please let me know how I can help. Expanding programming at the K-12 level is an important first step to helping to solve long-term workforce needs. ♦

A handwritten signature in black ink, appearing to read 'Sarah Hov'.

STRATEGIES FOR ADVANCING DIVERSITY AND INCLUSION IN MANUFACTURING EMPLOYMENT

HEPLERBROOM

In the wake of the COVID-19 pandemic and the Great Resignation, many companies are still struggling to hire and retain talented team members. Surveys by the National Association of Manufacturers show that one of the main concerns for businesses is an inability to attract and retain a quality workforce.

While the manufacturing industry was one of the first to resume in-person operations during the pandemic, staffing issues remain at an all-time high. Projections show a need for 2.4 million additional manufacturing professionals over the next 10 years. These new workers must be skilled in operating and managing the ever-evolving technology that helps streamline industrial processes and increase production.

While companies may be tempted to “get back to normal” following the events of the last two years, reverting to the relative “normalcy” of pre-pandemic times will not lead to the growth and productivity necessary in the coming years.

One way the manufacturing industry can prepare for the future is to diversify its workforce. In addition to improving workplace culture and ensuring equal opportunities, diversity and inclusion initiatives expand the pool of potential candidates. Successful diversity and inclusion initiatives also lead to financial gain. According to a 2020 report by McKinsey, companies with diverse leadership are more likely to outperform their competitors in terms of profits by 48%.

While diversity and inclusion programs vary from company to company, manufacturers should consider the following when crafting and implementing diversity and inclusion initiatives:

1. Take a top-down approach to diversity and inclusion

For any diversity and inclusion initiative to prosper, companies must ensure their leaders understand and support these important initiatives. Companies must also recognize diversity and inclusion as a team issue, not just an “HR issue.”

Research shows that companies whose CEOs set a strategy for diversity and inclusion and regularly communicate progress are 6.3 times more likely to have diverse leadership and be a leader in their industry segment. To set a company up for success, C-level employees should expressly com-

mit to the company’s diversity and inclusion initiatives, set realistic goals, and take responsibility for the outcomes of these programs. Some companies may establish a diversity task force or even hire a chief diversity officer to help ensure the success of these initiatives. To achieve lasting results, diversity and inclusion efforts should become a permanent part of company culture. Diversity teams should meet regularly, consider employee input, and consistently evaluate results.

2. Mitigate unconscious biases

While the vast majority of employees outwardly agree with diversity and inclusion programs, companies must be aware of the impact of unconscious bias. Unconscious biases (or implicit biases) are preconceived ideas and stereotypes that are not consciously formed. These are knee-jerk judgments of others based on learned associations between certain qualities and social categories. Many well-meaning individuals are surprised to learn of their own biases. This is unsurprising, given that only 30% of employees are presently being offered unconscious bias training.

For diversity and inclusion programs to thrive, companies must educate their employees on how to recognize and address both explicit and implicit biases in the workplace. Unconscious bias training is an excellent supplement to traditional diversity and inclusion training. Another proactive step toward eliminating unconscious bias in the workplace is the removal of names from resumes and applications. This helps eliminate potential bias for or against the applicant based on the reviewer’s association between names and protected characteristics such as race and gender.

3. Provide upskilling and cross-training opportunities

Companies desiring to hire and retain a diverse group of highly skilled workers must create upskilling and cross-training opportunities for all employees. According to the World Economic Forum, companies estimate that 40% of workers will need up to six months of upskilling by 2024.

While many companies provide tuition assistance, cross-training, on-the-job training, and professional development programs to upper-level employees, most do not provide the same opportunities for

entry-level and frontline workers. This leads to poor retention rates and low employee morale.

Upskilling and cross-training opportunities are especially imperative for the manufacturing industry, where technology advances happen quickly, and specialized skills are required. Providing these opportunities to all workers fosters employee loyalty while also creating a built-in pipeline for internal advancement.

4. Measure the results of diversity and inclusion programs

Successful diversity and inclusion programs require companies to consistently measure and evaluate the results of their initiatives. Helpful evaluations include both objective and subjective markers of progress. For example, companies should review the percentage of diverse representation within the company and track any changes in hiring and retention efforts for diverse workers. This will help companies recognize whether the changes to their diversity and inclusion efforts are working and which areas still need to be addressed. At the same time, companies should implement subjective evaluations, such as employee surveys, entrance and exit interviews, and yearly evaluations of employee participation in diversity and inclusion initiatives. Results, whether positive or negative, should be shared with all employees so they know what initiatives are working and how to improve.

The Takeaway

It’s widely agreed that diversity and inclusion are vital factors in promoting both financial success and employee satisfaction. By adopting these four strategies, manufacturers can foster a diverse, high-performing workforce and improve profitability. ♦



NEW RESTRICTIVE COVENANT LAW HOLDS TRAPS FOR UNWARY EMPLOYERS

NISEN & ELLIOTT

Important amendments to the Illinois Freedom to Work Act (the “Act”) became effective January 1, 2022. The Act pertains to both “covenants not to compete” and “covenants not to solicit” entered into with employees after that effective date. The Act formerly applied only to “low-wage workers” earning less than \$13.00 per hour. However, the compensation-based provisions of the Act now have substantially higher minimums, and most of the Act now applies to virtually all employees, regardless of compensation level. Of even greater concern for employers are the Act’s new attorneys’ fees and civil penalty provisions.

Agreements Addressed

The definition of “covenant not to compete” under the Act is broad and includes agreements restricting an employee from working for a period of time, in a particular geographic location, or for a competitive business enterprise. It does not, however, include confidentiality agreements or restrictions on use or disclosure of an employer’s trade secrets. Further, the Act’s restrictions are limited to employment relationships and do not apply to restrictive covenants entered in connection with the purchase of a business.

The definition of “covenant not to solicit” is likewise broad and includes agreements restricting an employee from soliciting an employer’s other employees, or from soliciting or interfering with an employer’s clients, vendors, suppliers, prospective clients, vendors, or other business relationships.

Compensation-Based Provisions

Under the amended Act, an employer is prohibited from entering a covenant not to compete with an employee earning less than \$75,000 per year. This amount has statutory escalations beginning in 2027 and increases to \$90,000 by 2037. Likewise, covenant not to solicit agreements are prohibited for employees earning less than \$45,000 per year. This minimum is subject to similar escalations beginning in 2027 and increases to \$52,500 by 2037.

Provisions Not Limited by Compensation

Importantly, the Act now implements several objective and subjective limitations on employee covenant not to compete and covenant not to solicit agreements (collectively “Restrictive Covenants”) without regard to the level of earnings. Virtually all employers now need to assure that their Restrictive Covenants comply with these provisions.

First, the Act requires an employer to notify the employee in writing of the employee’s right to consult an attorney before sign-

ing a Restrictive Covenant and provide the employee 14 days to review the Restrictive Covenant agreement before signing it. The employee can elect not to consult with counsel and to voluntarily waive this 14-day period but must be given those rights in writing by the employer. The Act provides that a Restrictive Covenant that fails to meet these requirements is “illegal and void.”

Next, the Act codifies in certain aspects of Illinois case law with respect to what constitutes “adequate consideration” for an employee to enter a Restrictive Covenant. The Act provides that for there to be adequate consideration, the employee must: (a) continue to work for the employer for two years after signing the Restrictive Covenant agreement; or (b) receive other consideration adequate to support a Restrictive Covenant, which consideration may consist of “a period of employment plus additional professional or financial benefits, or merely professional or financial benefits adequate by themselves.” Unfortunately, there is no statutory clarity on what might be considered adequate “professional or financial benefits.” Inclusion of the word “adequate” within the Act likely means a merely nominal benefit or bonus may well be insufficient. It’s probable that these definitions are destined to be clarified only through future case law.

Finally, in determining enforceability, the Act requires a subjective legal review of whether a Restrictive Covenant imposes undue hardship on an employee, is not injurious to the public, and serves a “legitimate business interest of an employer.” This review is required to be based on the “totality of the facts and circumstances of the individual case” applying factors derived from Illinois case law. These factors include: (i) the employee’s exposure to the employer’s business relationships or employees; (ii) the near-permeance of the employer’s relationship with customers; (iii) the length, scope, and geographical limitations of the restriction; and (iv) the employee’s acquisition and use of confidential information during employment.

Judicial Reformation

The Act specifically permits a court, in its discretion, to revise what it considers to be an overly broad Restrictive Covenant, a practice commonly known as blue-penciling. In deciding whether to reform an agreement, the court is advised to consider factors such as the fairness of the restrictions as originally drafted, how much change is needed to make them reasonable, and whether they reflected a good faith effort to protect the legit-

imate business interest of the employer. The court may also consider whether the parties included a clause permitting the court to modify their agreement. However, the Act makes clear that extensive judicial reformation may be against public policy and a court may refrain from wholly rewriting contracts.

Miscellaneous Prohibitions

The Act provides that Restrictive Covenants may not be enforced against: (a) an employee terminated due to COVID-19 (unless they receive full salary during such restriction period); (b) employees covered under collective bargaining agreements under the Illinois Public Labor Relations Act or the Illinois Educational Labor Relations Act; or (c) individuals employed in construction, excluding employees who primarily perform management, engineering or architectural, design, or sales functions for the employer or who are partners or owners.

Fees and Civil Penalties

It is critical to note that the Act now provides that if an employee prevails in a Restrictive Covenant enforcement case, the employee is entitled to attorneys’ fees and costs. The Act provides that the employee “shall” receive such attorneys’ fees and costs, not “may.” An employer needs to be very confident in its ability to prevail before seeking judicial enforcement of a Restrictive Covenant.

Further, the Illinois Attorney General’s office is charged with overseeing statutory compliance with the Act and is authorized to obtain compensatory and equitable remedies against employers, including injunctions and restraining orders. The Attorney General may also seek civil penalties against employers of \$5,000 for the first violation and \$10,000 for each additional violation to be deposited into an Illinois State fund.

Conclusion and Action Items

It is imperative for employers to assure that they do not attempt to obtain employee covenant not to compete or covenant not to solicit agreements that are prohibited by the Act. Failure to monitor such compliance with the Act could result in legal remedies and monetary penalties. In addition, employers should confirm that permitted Restrictive Covenants contain the required statutory notices and ideally provide consent for a court to modify the restrictions if it deems it necessary for enforcement. Finally, employers must review their Restrictive Covenants to consider whether they provide adequate consideration to the employee and protect only the employer’s legitimate business interest considering the totality of the facts and circumstances. ♦



ZEBRA TECHNOLOGIES: BEYOND MANUFACTURING

The IMA has so many wonderful members that produce a variety of cool products, many of which you are familiar with - everything from lifesaving machines, nutritious foods, clothing, shelter, and transportation to energy and more. All the while, much of the general public is unaware of what makes these manufacturers such great companies to support, work for, and stand with. Zebra Technologies is just one of many IMA members that has designed a variety of creative, innovative products and solutions. Hiding in plain sight, Zebra innovations help make supply chains more dynamic, ensure customers and patients are better served, enable workers to be more engaged and even improve the fan experience during pro football games.

Zebra Technologies was originally founded as Data Specialties Inc. by Ed Kaplan and Gerhard Cless in Lincolnshire, Illinois, in 1969. By 1986, the company had developed the first thermal printer for on-demand barcode labeling and changed its company name to Zebra Technologies. Since the company's inception, Zebra has built an ecosystem of more than 10,000 partners across more than 100 countries. Zebra serves customers of all sizes - including 94% of the Fortune 100 - with an award-winning portfolio of hardware, software, services, and solutions that digitize and automate workflows. Zebra recently ranked #1 in the tech industry on Newsweek's list of America's Most Trusted Companies. The company was also #25 on Newsweek's 2021 inaugural list of America's 100 Most Loved Workplaces and #79 on Forbes' list of America's 500 Best Midsize Employers.

Today, Zebra's solutions incorporate mobile computing, barcode scanning, RFID, thermal printing, plus location, temperature, and motion sensing technologies to elevate the shopping experience, track and manage inventory as well as improve supply chain efficiency and patient care. "In addition to offering these solutions, Zebra is also helping our customers leverage

the power of intelligent automation to unlock new levels of performance within their businesses," said Bill Burns, Chief Product and Solutions Officer, Zebra Technologies. "Intelligent automation comprises our innovative solutions for automated data capture (using machine vision capabilities and IoT sensors), decision automation (using prescriptive analytics and AI-powered task/workforce management software), and physical automation (using robotics-based solutions), all working in concert with one another to augment the front-line worker and empower them to do their best work."

As the NFL's Official On-Field Player Tracking Provider, Zebra captures data for the NFL by attaching RFID tags in player equipment and the football, transmitting real-time location data to receivers positioned around the stadium for input and analysis to the software stack. This is the Zebra MotionWorks™ Sports solution, and it captures metrics such as player speed, distance traveled, orientation and proximity, and acceleration/deceleration. The NFL then uses this to calculate vast amounts of information about every player for every play, helping coaches make practice and game time decisions while giving broadcasters insights to enhance their analysis. This data is also shared with fans through the NFL's Next Gen Stats platform.

Beyond the unique range of products and solutions Zebra provides, the company is overwhelmingly concerned with its environmental and social responsibilities as well. "As part of our longevity and evolution as a responsible corporate citizen, Zebra is committed to strong corporate governance practices and environmental and social initiatives that benefit all stakeholders," said Anders Gustafsson, CEO of Zebra Technologies. "This includes a focus on improving the environmental impact of our operations, products, and solutions; fostering an inclusive culture and diverse workforce; protecting and developing our employees; and investing in the communities where we live and work."



Zebra is a community of changemakers, innovators and doers who come together to deliver a performance edge to the front line of business – developing technologies and creating solutions with partners to help organizations act with greater visibility, connectivity, and intelligence —delivering better experiences for workers and those they serve. “We encourage young people to learn more about companies like Zebra where they can be seen, heard, valued, and respected,” said Jeff Schmitz, Chief Human Resources and Marketing Officer, Zebra Technologies. At Zebra, this means growing into a leader at a leading company where employees can channel their skills towards causes that they and the Zebra community care about, locally, and globally. “One of the programs Zebra supports philanthropically is FIRST ® which inspires young people to be leaders and innovators in science and technology by engaging them in mentor programs which build STEM skills and foster life skills including self-confidence, communication, and leadership,” said Schmitz.

Zebra also takes pride in doing business in the company’s home state. “Zebra was founded here, and Illinois is a great place to attract and develop talent, especially with the excellent universities in our area. Plus, Chicago remains a hub of industry and innovation,” said Gustafsson. Zebra exemplifies those characteristics as a place for those with the ambition to be a part of innovation and transformation, whether at the edge of the enterprise or doing a world of good, one community at a time. Not only does Zebra embrace community, it understands the importance of engagement. “Zebra is a member of the Illinois Manufacturers’ Association because we share in the IMA’s commitment to Illinois, its manufacturing industry, and the IMA’s advocacy for our common interests and goals,” added Gustafsson. “These include the adoption of world-class manufacturing practices to provide the innovation and connected

intelligence manufacturers need to ensure Illinois manufacturing is agile, embraces change and seizes the future.”

ZEBRA IS A MEMBER OF THE ILLINOIS MANUFACTURERS’ ASSOCIATION BECAUSE WE SHARE IN THE IMA’S COMMITMENT TO ILLINOIS, ITS MANUFACTURING INDUSTRY, AND THE IMA’S ADVOCACY FOR OUR COMMON INTERESTS AND GOALS

Zebra recently expanded its industrial automation portfolio with its Fetch Robotics acquisition and increased its machine vision and AI software capabilities with the acquisitions of Adaptive Vision and antuit.ai. Zebra will continue to deliver productivity-driving actions and increased operational and material visibility for plant floors through hardware and software, and across instrumented and non-instrumented equipment. “We, along with our key partners, will deliver all the inputs that help manufacturers maximize output with flexibility, coordination and skill which will help them see more, so they can locate, identify, utilize, and evaluate every asset,” said Burns. “Our innovation will also help them know more, with data capture, predictive analytics and common software platforms that unite processes, coordinate intelligence and drive productivity across the plant floor. And ultimately, we’ll help them do more, by activating their people to make decisions quickly, take informed actions and keep business moving forward.” ♦

LOCAL GOVERNMENTS CHOOSE RENEWABLES FOR POWERING FACILITIES, EXPAND TO RESIDENTS

CONSTELLATION

The United Nations has reported that cities consume almost 80 percent of the world's energy and produce more than 60 percent of greenhouse gas emissions, directly impacting the climate and the health of citizens.¹ Therefore, every local government has a role to play in the important initiative focused on cleaner air and mitigating the effects of climate change. Whether it's by decreasing energy consumption or switching to a cleaner form of fuel, many local governments are already leading the way in the sustainability movement.

Between 2015 and the first quarter of 2020, cities across the United States signed 335 renewable energy deals,² and more than 178 cities spanning 32 states have developed 100% renewable energy goals, ³ such as the city of Chicago. Some of the reasons that cities may opt for renewable energy include:

- Complying with state-mandated orders or executive orders
- Potentially saving on energy costs
- Reducing air pollution including greenhouse gas emissions (GHGs)
- Influencing new and local renewables projects
- Creating jobs and economic benefits

Renewable energy procurement does not always require the installation of onsite solar panels or wind turbines on business property as some may assume. It can be as simple as purchasing renewable energy certificates (RECs) or carbon offsets, which spur the creation of new clean energy projects or support existing renewable energy resources.

Spurring new and local renewables projects

The Commonwealth of Pennsylvania (COPA) agreed to purchase power and project-specific renewable energy certificates (RECs) from 191-megawatts of solar currently being developed on seven sites spanning six counties. This transaction allows COPA to source approximately 50 percent of its annual energy

consumption from renewable supply. The purchase of the RECs made the development of the renewable energy project possible and is an option that allows buyers to claim they have purchased renewable energy. Once complete, COPA's project will provide clean power to 16 of its agencies.

The project will help fulfill Pennsylvania Governor Tom Wolf's Climate Change Executive Order, which set a goal of lowering Pennsylvania's greenhouse gas emissions 26 percent by 2025 and 80 percent by 2050 compared with 2005 levels as well as obtaining at least 40 percent of electricity from in-state clean energy sources.

Supporting renewable energy sources

New Castle County in Delaware has also made headway in its path to sustainability as it has also purchased RECs to match 100% of their electricity use at 18 locations through June 2024, including at its Public Works headquarters building, multiple pump stations and treatment plants, the Rockwood Museum, the Public Safety Building, the New Castle County Government Center and the Gilliam Building.⁴ The RECs are sourced from wind energy facilities located in the lower 48 states. This project is expected to save the county \$77,440 annually during the contract's term.

Community choice aggregation to expand to businesses and citizens

Cities may also want to expand the use of clean energy to residents and small businesses who may not have access to buy or have the knowledge of how to procure energy purchases, for further carbon emissions reduction. In Geneva, New York, for example, consumers have access to renewable energy at a fixed rate for two years through community choice aggregation.⁵ This tool gives governments an opportunity to save on energy costs by purchasing bulk amounts

of electricity for eligible residential and small business constituents.

In 2019, the municipality endorsed an opt-in community solar pilot in support of renewable energy generation while delivering guaranteed savings to participants, and in 2021 took a step further by passing a resolution that would make solar available to energy consumers as the default energy option; this program and will launch late 2021.

Other options for reducing city or countywide carbon emissions

In addition to renewable energy, city officials are thinking of other ways to reduce GHG emissions. New Castle County Executive Matt Meyer, for example, has pushed for other sustainability-related upgrades, such as installation of public access electric vehicle charging stations, an electric vehicle pilot program, and the installation of a 350 square foot solar array on the rooftop of a library with solar-powered site lighting in the parking lot.⁴

Local governments, whether state, city or county, have an opportunity to lead the way in the global sustainability movement by supporting renewable resources, driving the development of new renewable energy projects and making these energy sources available to businesses and citizens. Learn more about our renewable energy solutions by visiting www.constellation.com/renewables. ♦



THE BENEFITS OF OUTSOURCED LOGISTICS SERVICES

AM TRANSPORT SERVICES

Manufacturers in the Midwest have experienced tremendous upheaval in their supply chains since the advent of the COVID-19 pandemic in early 2020. Truck and driver shortages, limited warehouse space, and shutdowns all along the supply chain have contributed to backlogs, service failures, continuing uncertainty, and skyrocketing rates.

The logistics industry is in a near-constant state of flux from new and emerging technologies to inclement weather events, not to mention ever-changing regulations that keep the most knowledgeable logisticians on their toes. If you're not outsourcing some or all of your logistics needs, now is the time to reconsider if you want an added advantage over your competitors.

Outsourcing your logistics to a reliable third-party logistics (3PL) provider or freight broker can provide you with consistent service, excellent carriers, and reliable rates.

3 Benefits of Outsourcing Your Logistics Services to an Experienced 3PL or Freight Broker

Let's take a closer look at three reasons midwestern manufacturers outsource logistics services.

A Predictable Freight Budget

An out-of-control freight budget can exponentially increase costs and cause financial losses you cannot afford. Unfortunately, the freight market is notoriously volatile as evidenced by the last two years. Inclement weather, new regulations (such as the Drug and Alcohol Clearinghouse), as well as a booming economy and the continuing driver shortage can run roughshod over your budget. When you outsource your logistics to an experienced freight broker that has long-term relationships with a wide group of small to midsize carriers, as well as access to predictive technology, you minimize your exposure to rate fluctuations and maximize your ability to keep your budget in check.

Advanced Technology

A scalable Transportation Management System (TMS) is essential for efficient and

optimized logistics operations, but it's costly and cumbersome to study, invest in, and implement. And most midwestern manufacturers simply do not have the time to implement this advanced technology to their advantage. However, an experienced 3PL can provide you with a flexible, secure, cloud-based system that offers custom data, an integrative portal, and DIY reporting that can move the needle in your logistics operations.

Risk Reduction

Sourcing carriers, negotiation contracts, and changing government regulations increasingly expose midwestern manufacturers to unnecessary liabilities. If you're not a logistics professional, you do not have the time or inclination to stay up-to-date on Hours of Service rules, ELD-compliance, or the ever-changing Drug and Alcohol Clearinghouse rules. Working with an experienced and knowledgeable freight broker mitigates your exposure to risk and excessive liabilities.

Navigating Complexity, Risk, and Expense

In the United States, 71% of goods are moved by trucks, and logistics operations continue to become more complex and expensive. In a recent report, Armstrong and Associates reported that 90% of Domestic Fortune 500 companies are relying on 3PLs or freight brokers for outsourced logistics services. It's unfortunate that larger companies are more likely to partner with 3PLs because the benefits to smaller manufacturers may be even greater than those conferred to their larger counterparts.

The recent pandemic has been hard on midwestern manufacturers forcing many to close their doors. Many of the companies that have managed to navigate this disruption have relied on outsourced logistics services to mitigate risk and ensure stability in an ever-shifting transportation landscape. ♦

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ILLINOIS MANUFACTURERS MAY BE SUBJECT TO NEW EQUAL PAY ACT REPORTING & CERTIFICATION OBLIGATIONS OF THE ILLINOIS EQUAL PAY

GREENSFELDER, HEMKER & GALE, P.C.

There has been a strong push for states to adopt stricter pay equity laws and to increase enforcement of efforts to combat pay inequities for those individuals in certain protected classes, including women and individuals of color. Many states, including Illinois, have prioritized pay equity by passing laws designed to reduce wage gaps. In 2021, the Illinois Equal Pay Act ("IEPA") was amended to require private businesses, including manufacturers, with 100 or more employees in the State of Illinois ("covered businesses"), who are required to file an EEO-1 Report with the Equal Employment Opportunity Commission, to obtain an Illinois Equal Pay Registration Certificate (the "Certificate") by March 23, 2024, and every two years thereafter.

On January 24, 2022, the Illinois Department of Labor ("IDOL") issued a press release announcing that it would communicate directly with covered businesses when it is time for them to submit their applications for the Certificate. According to the IDOL, each covered business will receive no less than 120 days advance notice of the deadline to submit their application for the Certificate. The first group of Illinois covered businesses were notified that their deadline to submit their application for the Certificate is May 25, 2022; the second group of covered businesses were notified that their deadline is June 22, 2022. Future deadlines will incrementally be issued. Because the IDOL is randomly selecting covered businesses to whom to send notices, a manufacturer that is a covered business may not receive its assigned registration date until as late as 2023.

Any manufacturer that is a covered business should, if not already done so, register with the IDOL by providing the IDOL with the contact information of key personnel members to ensure that future communications and notices from

the IDOL will be received by someone at the manufacturer. To this end, the IDOL is requesting the names and email addresses of three key business personnel from every covered business. Importantly, the IDOL's failure to assign a registration date does not exempt a covered business from compliance.

If a manufacturer does not currently employ 100 or more employees in Illinois, registration with the IDOL is not required. However, any manufacturer that subsequently employs 100 or more employees in Illinois is required to submit to the IDOL the requested contact information by January 1 of the following year and will then be assigned a date by which it must apply to obtain the Certificate. If a manufacturer receives a notice from the IDOL to recertify for its Certificate, and at that time the manufacturer employs fewer than 100 employees in Illinois, the manufacturer must certify in writing to the IDOL that it is exempt from the IEPA certification and reporting requirements.

It is strongly recommended that in advance of receiving notice from the IDOL with your deadline to submit your application for the Certificate, manufacturers who are covered employers should begin reviewing and gathering the relevant data and documents needed to complete and submit the application, which includes "wage records" and an "Equal Pay Compliance Statement." Manufacturers also are strongly encouraged to identify and correct any pay equity concerns discovered while reviewing their pay data.

Regarding "wage records," the IEPA requires all covered businesses to submit a copy of their most recently filed EEO-1 report to the IDOL. Additionally, all covered businesses must compile a list of data for all their Illinois-based employees during the past calendar year. The IDOL released a template that covered businesses may use for this pur-

pose, which requires covered businesses to provide information on their Illinois-based employees, separated by gender and the race and ethnicity categories as reported in their most recently filed EEO-1 report, as well as the county in which the employee works, the date the employee started working for the covered business, and any other information the IDOL deems necessary to determine if pay equity exists among employees and to report the total wages paid to each employee during the past calendar year, rounded to the nearest \$100.

Regarding the Equal Pay Compliance Statement, covered businesses must submit a filing fee of \$150.00 and a statement signed by a corporate officer, legal counsel, or authorized agent certifying the following:

- That the business complies with the IEPA and "other relevant laws," including Title VII of the Civil Rights Act of 1964, the federal Equal Pay Act of 1963, the Illinois Human Rights Act, and the Illinois Equal Wage Act;
- That the average compensation for female and minority employees is not consistently below the average compensation (as determined by the US Department of Labor) for its male and nonminority employees within each of the major job categories in the EEO-1 report for which an employee is expected to perform work, taking into account such factors as length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions of the job, education or training, job location, use of a collective bargaining agreement, or other "mitigating" factors;
- That the business does not restrict employees of one sex to certain job classifications, and makes retention and promotion decisions without regard to sex;
- That wage and benefit disparities

are corrected when identified to ensure compliance with the equal pay and discrimination laws;

- How often wages and benefits are evaluated;
- The approach the business takes in determining the level of wages and benefits to pay its employees.

Within 45 calendar days, after receipt of the application, the IDOL must provide the covered business either with a compliance certificate, or a statement explaining why an application was rejected. If the IDOL rejects the application, a covered business will have 30 days after receiving the rejection notice to cure any deficiencies in the application. A covered business that fails to make a good faith effort to comply with or engages in multiple violations of the laws identified in the compliance certification may result in suspension or revocation of a Certification, as well civil penalties of up to \$10,000.

The IDOL's receipt of an application, or the IDOL's issuance of a Certificate, does not establish that a covered business is in full compliance with the IEPA. Nor is the IDOL's issuance of a Certificate a defense against an IEPA violation found by the IDOL, or a basis for mitigation of damages.

Per the IEPA, any individually identifiable information submitted to the IDOL within or related to an equal pay registration application, or otherwise provided by a covered business as part of its equal pay compliance statement, will be considered confidential information and exempt from disclosure under the Illinois Freedom of Information Act ("FOIA"). However, the job category and the average hourly wage by county for each covered businesses' Illinois based employee's gender, race and ethnicity category on the registration certificate are not confidential information and subject to disclosure under FOIA. A covered businesses' current employees may request

data regarding their job classification or title and the pay for that classification; however, no individually identifiable information may be provided to an employee making this request. The IDOL also may share data and identifiable information with the Illinois Department of Human Rights or the Illinois Attorney General's office. Finally, the IDOL's decision to issue, deny, revoke, or suspend an EPRC is consid-

ered public information.

Manufacturers who are covered employers and have questions related to the process described above, or who seek to remedy pay disparity amongst its workforce, should contact experienced employment counsel to assist them. ♦





The growing skills gap and ongoing worker shortage has increased the need for manufacturers to evolve their approach to workforce issues. Just as the industry has evolved over the years with advancements in technology and automation, so have the needs of employers and the employees they're trying to attract to their shop room floors. Collectively, the manufacturing industry will be best served by taking a holistic approach that not only includes making investments in training our workers to operate our equipment, but also investing in their development as people. At the end of the day, investment in employee development is the best pathway to manufacturers' success.

Tek Pak is a mid-sized manufacturer providing innovative flexible packaging solutions for a variety of customers in the healthcare, food, industrial, and electronics sectors who are competitive in both the domestic and the global marketplace. Founded in 1992, shortly after one of the partners built a specialized electronics packaging known as carrier tape in his home garage, Tek Pak made Batavia, IL its home and is still operating out of its first facility today. Tek Pak has since expanded, and currently employs approximately 100 workers across four locations in the Kane County area; most employees have been with the company for more than twenty years. Roughly half of Tek Pak's workforce is Hispanic, and their human resources department is bilingual. Many of the positions at Tek Pak are highly skilled jobs and require the capability to navigate instruments and machining operations specific to the plastics and thermoform industry.

The processes and equipment manufacturers rely on often require additional tailored upskilling and training. Because of this, Tek Pak provides research and development services to their customers on a project basis for cutting edge applications. "We work with customers from the early conceptual stages to product launch as we engage in the commercial manufacturing of their product," said Wendy White Eagle, Director of Finance and Shared Services at Tek Pak. "For example, many projects require the use of a Kiefel machine for development, production, and processing of plastic films. Customers

come to us with a specific issue they're trying to solve, and our team turns the concept to production-ready parts in record time. To do this, we need a team trained to recalibrate machines, create new and tailored molds, and skilled enough to help move products through each stage of the process."

Well-practiced and proficiently trained workers are in high demand as technological advancements are rapidly introduced across the industry and international competition increases. In truth, it is rare to find someone walking in the door who has the specific skillsets needed to jump into these roles, and even standard certifications in machine tooling are often not a perfect fit for Tek Pak's niche industry.

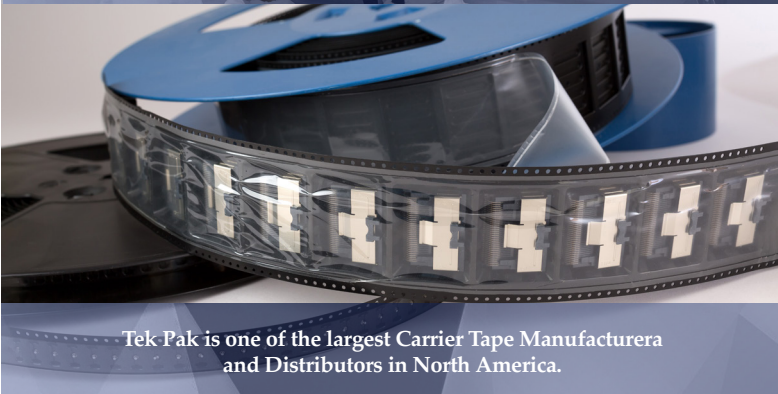
So, how do manufacturers like Tek Pak recruit and build a pipeline of workers in a sustainable way and grow production capabilities at the same time? Just as Tek Pak must routinely think outside of the box to find solutions for their customers, manufacturers must think outside of the box and look at things holistically when considering their unique workforce challenges. After all, manufactures are innovators, it's what they are known for.

Tek Pak began by merely exploring the idea of growing their own internal employee development program specific to their machinery and applications surrounding their operations. "Culling our ideas and development first began in 2015, and we're excited to be rolling it out officially for our employees in the first half of 2022," said White Eagle. "While it took some time to fine-tune, we expect the program to be well worth our investment as we see employees continue to thrive and production levels increase."

While there are great training and apprenticeship programs out there for CNC Operators, maintenance technicians, and many of the standard positions available in the industry, Tek Pak struggled to find something that was well aligned with plastics, and more specifically, thermoforming. With the overall goal of providing a training program to their specialized arena, the company had to back track, starting with principals of thermoforming and specific tools and equipment used in their niche sector. "Many programs provide great classroom



Thermoform Machine being Programmed by Tek Pak team member for custom packaging solutions



Tek Pak is one of the largest Carrier Tape Manufactura and Distributors in North America.



Wendy K. White Eagle, Director of Finance and Shared Services for Tek Pak, Inc.

training, but we wanted to find a way to combine that learning with hands on application to the machines we have on our shop room floor," said White Eagle. "This aligns with the specific product solutions we've developed for customers right here with our engineering team at Tek Pak."

Like many of their peers, Tek Pak works with a hiring service to help find candidates to join their workforce. Key factors they evaluate in potential candidates are fit in company culture and energy and openness – attitude is key. "Typically, we bring in someone to start in assembly or serving as a machine tender, monitoring a piece of equipment to ensure it is running smoothly and flagging any issues for a skilled technician if there is a disruption of service," said White Eagle. During this time, senior team members can watch their progress and assess their abilities. If things go well, managers at Tek Pak have been able to elevate their career path by providing additional training on equipment and other operations. "Seeing the success of this initial process is what gave root to the idea of creating a structured program to help grow our internal talent pipeline," said White Eagle. Through Tek Pak's program, employees start as a production assistant. From there, they move into a production apprenticeship role and train on a specific piece of equipment, learning to not only operate the machine but also how to adjust programing, assess and make adjustments based on a customer's requirements, and move the product through development, safety protocols, and inspection.

Pairing a production assistant apprentice with a senior member of the Tek Pak team provides an integrated hands-on learning experience allowing them ask questions, receive real-time instruction, and develop the skillset needed to eventually operate the machine on their own. "We're also pairing outside virtual classroom instruction along with inside learning and testing," said White Eagle. In order to get certified on a piece of Tek Pak equipment, employees must pass foundational classroom instruction, meet quality and safety measurement skills, and ultimately, take an order from beginning to end. Throughout the process, they are also developing important

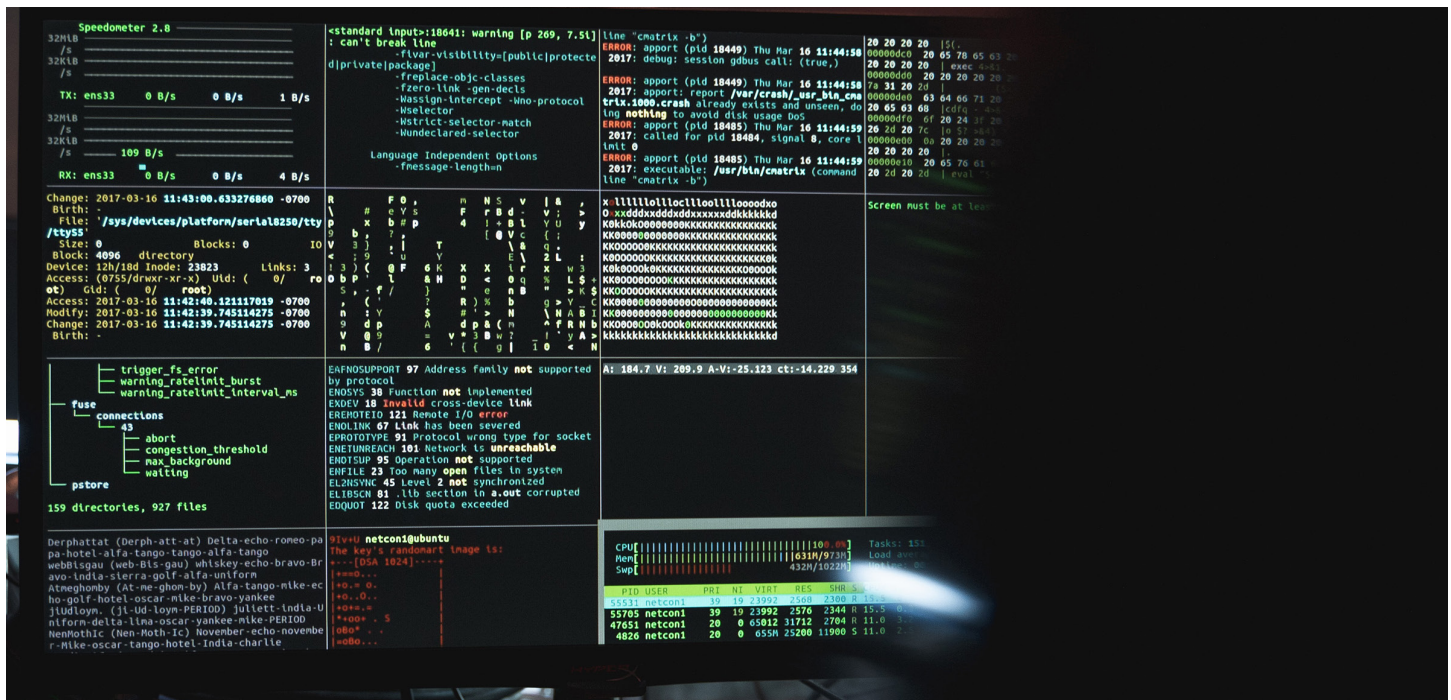
life skills including teamwork, time management and most importantly, recognizing their personal value. "When an employer values a worker's contribution and invests in their growth, it leads to amazing transformations," White Eagle expanded, "Employees suddenly begin to recognize their own skills and self-worth. Further, the more success they have in learning how to manage multiple pieces of equipment and operational functions, growth options are created for them to move up in the company."

Tek Pak currently has 15-16 different types of machinery that employees can be apprenticed on, and they increase their earning potential as additional certifications are achieved. "As we navigate the ongoing pandemic, this approach to cross-training has been increasingly important," said White Eagle. "Having multiple people training on multiple machines has been a great asset in covering bases to keep us up and running during challenging times." The more machines and processes a worker can be trained on, the greater production efficiency. Through this model, Tek Pak as begun building a workforce that has been cross-trained to step in when someone is out, and that has made a pivotal impact in day to day operations at the company.

While taking the time to set up an internal training program that requires additional investment as the industry continues to recover from the COVID-19 pandemic may not feel like a top priority, it is something all manufacturers should consider. Tek Pak's experience shows that by investing in their best asset—their employees—companies can greater production, company growth, and an overall motivated and appreciative workforce. "As Director of Finance and Shared Services for Tek Pak, I have seen first-hand how our workers' demeanor and outlook can change when someone takes the time to invest in their personal development," said White Eagle. "By broadly sharing best practices we endeavour to build not only our employee base, but also the manufacturing sector where we have the privilege to serve." ♦

FINDING A CYBER SECURITY SOLUTION FOR MANUFACTURERS

CORO CYBER SECURITY



Computer crime has been around for a long time. But why has cyber security suddenly become a big issue for manufacturing companies?

When Willie Sutton was asked why he robbed banks, he said, "because that's where the money is." Today there is money to be gained from attacking manufacturers, not just banks.

Criminals extort ransom payments for unlocking seized-up computers (ransomware). Credit card data is stolen and sold on the dark web. Computer servers infected by botnets are diverted to mining cryptocurrencies like Bitcoin. Phishing attacks and malware can be monetized with fake invoices.

Also, cybercrime has become easier. With Bitcoin, you don't need anonymous accounts in foreign banks to receive payments. Hacking tools are for sale on the dark web. Skilled criminal gangs can be hired to do jobs, and there are thousands of foreign and domestic trained hackers that are free-lancing.

Over the last few years, when cities

were shut down and jobs were lost, those trained hackers used their skills to make money. They were also joined by new hackers all over the world.

Then the perfect storm occurred — the US and many other countries went into Covid-19 lockdown. Companies were quickly forced to set up remote logins for those working from home. Employees working on-site at manufacturing companies had to contact and order from many new sources due to supply chain issues.

In cyber security, there's a term called "attack surface." This means the total range of digital and physical places where an adversary can attack you. This expanded greatly as corporate networks were extended to include employee smartphones and personal computers. New virtual private networks were set up but sometimes were not configured correctly or the networks themselves could not maintain 100% security against sophisticated new attacks.

According to the NTT 2021 Global Threat Intelligence Report, there was a

300% increase in attacks on manufacturers in 2020, compared to 2019. "Manufacturing runs the risk of having processes, machinery designs, and manufactured products being stolen either physically or via a breach. Manufacturing jumped from the fifth most targeted industry in 2019 to the second most targeted in 2020. The volume of attacks against manufacturing targets increased nearly three-fold."

Manufacturing contributed \$2.27 trillion to the U.S. GDP in 2020, amounting to 10.8% of total GDP. Including direct and indirect (i.e., purchases from other industries) value-added, manufacturing contributed an estimated 24% of GDP (estimate from NIST). During the same period, employment in manufacturing was estimated to be between 13 to 15 million people. We are currently seeing a welcome trend of factories returning to the US, for quality, improved time to market, and national security reasons.

Today, small- and medium-sized businesses have to navigate in a hostile environment filled with cybercriminals who

often have purchased high-level hacking technology on the dark web.

On November 18, 2021, Coro Cyber Security released a threat analysis of 4,000 small and medium businesses. The report, "The Biggest Cyber Security Threats Coming in 2022," covers 2020-2021. It showed that cyber-attacks had increased 131% for manufacturing companies. Not only had the number of attacks increased, but the number of attack vectors and the sophistication of the attacks had increased as well.

According to the report, in 2022, the typical mid-market company can expect to face between 56,000 and 86,000 attacks a year. That is a lot of effort that cyber-criminals are making to get through the door, under the door, or tunnel into the building. Working remotely requires extra security to safely provide access.

Informationsecuritybuzz.com reported that in 2020, ransomware remained a particular issue for smaller companies, versus their larger counterparts, as 55% of attacks take place against companies with fewer than 100 employees.

Fortunately, some vendors have responded with AI-assisted tools that make it possible to defend against this new barrage of cyber-attacks.

How do these AI tools work? By analyzing millions of records, special algorithms find patterns of activity that identify malware, emails attempting to phish passwords or to get you to open infected documents, hacking attempts using vulnerabilities in network software and other cyber-attacks. Once identified, the software uses pre-defined rules to block and disable these attacks.

As a manager, you will see summary dashboards showing all aspects of your system, any alerts, and the automated responses to the alerts. Since the information is displayed uniformly in one place, it is often called "one pane of glass."

Benefits by Department:

Why should you invest in new cyber security tools? It makes sense because they save you time and money and let you focus on your priorities.

Executives are focused on maximizing the productive output of their company. You will benefit greatly if cyber security is improved so you can focus on strategy, not "fire-fighting."

IT usually runs lean and operates from a carefully curated priority list. You may be overtasked, understaffed, and bud-

get-challenged, but you are the guardian of your company against today's increasing number of cyber-attacks.

Do you work in finance, risk prevention, or operations? Then, you may need help with protection against data loss, ransomware, and other cyber threats. These issues can increase risks of lawsuits, loss of insurance coverage, or operational delays.

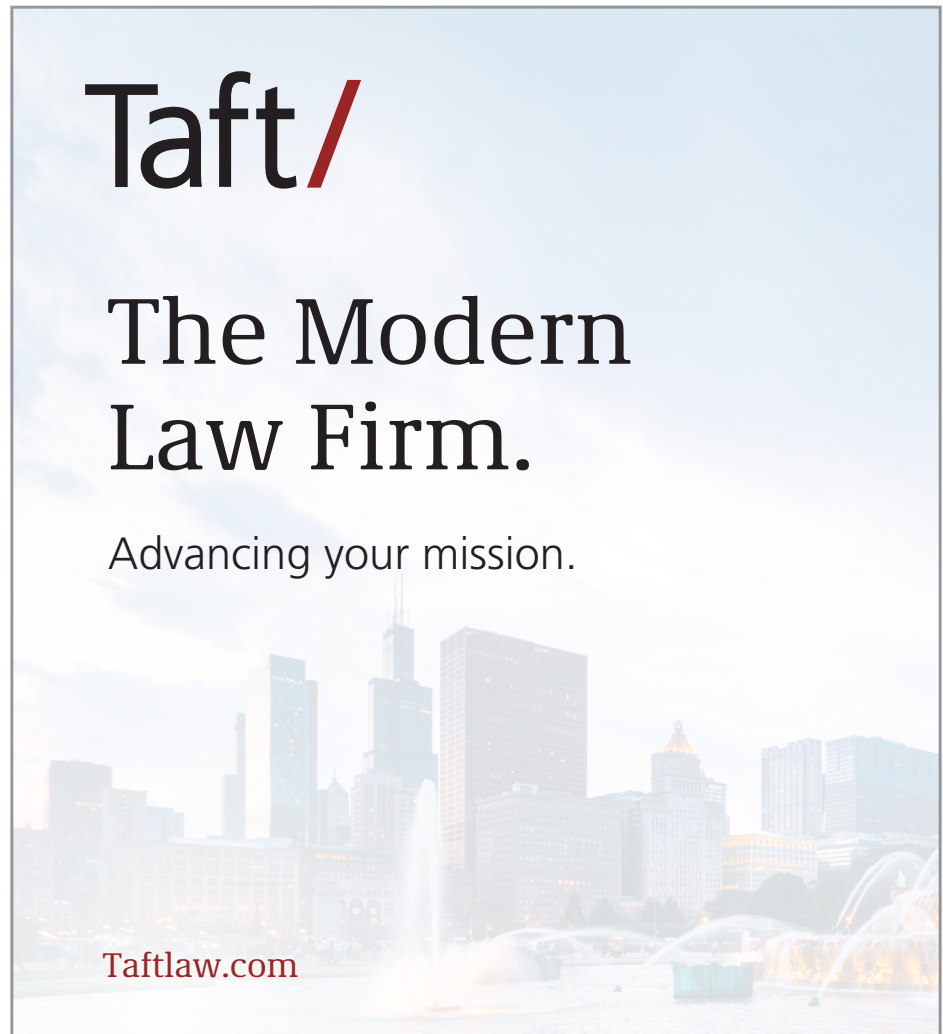
The Current Threat Situation:

Cybersecurity threats are not only for The large number of remote workers during the recent pandemic has contributed to the increased vulnerability of small and medium business systems. Remote workers have been more vulnerable to phishing and network attacks.

More security is needed. Traditional security plans are available but tend to be expensive. Recently, there are new security systems that have used the increasing sophistication of artificial intelligence and machine language to au-

tomate many of the functions required to protect your cyber security. These are functions such as enhanced email protection, guarding against phishing scams, malware, and ransomware attacks.

Using a Cyber security platform that utilizes AI-driven technology to assist in defense could save lean IT teams time, energy, and resources by surfacing only the issues that require human intervention. For instance, Coro Cyber Security's platform includes the 1-click resolve™ feature allows IT to solve most issues with a single click. The platform monitors hardware vulnerabilities, eliminating cyber threats and regulatory violations. Data breach protection is included for the most popular cloud applications such as Microsoft Office 365, the Google Suite, Slack, Dropbox, and Salesforce. Manufacturers who are interested in upping their cyber security operations can contact John Tarantino or visit <https://www.coro.net/manufacturing/>). ♦



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MANUFACTURING MILES RETURNS IN 2022

MANUFACTURING MILES



The Illinois Manufacturers' Association (IMA) and Blue Cross and Blue Shield of Illinois (BCBSIL) are excited to bring back Manufacturing Miles in 2022. The free program was created with the goal to promote health and wellness among manufacturing workers. Last year more than 750 employees logged close to 500,000 miles. Some participants saw the program as an opportunity to accomplish personal goals, and while some lost weight, others used the opportunity to kick-start their path to a more active lifestyle by logging any form of exercise that can be measured in miles, including walking, running, biking, swimming, and even playing mini golf.

During this friendly competition co-workers and other manufacturing teams compete against each other to win prizes and most importantly, obtain better health. In 2021, we recognized the top 3 individual winners as well as the top 3 company winners in each category: small-sized manufacturers (>250 employees), medium-sized manufacturers (251-500 employees), and large-sized manufacturers (500< employees).

2021 Top Individual Winners

- 1.) Miner Enterprises Inc.
- 2.) Parr Instrument Company
- 3.) Komatsu America Corp.

2021 Top Company Winners

- Small-size manufacturers (>250 employees) – Gilster-Mary Lee with 31,415 miles
- Medium-size manufacturers (251-500 employees) – Ingredion with 26,891 miles
- Large-size manufacturers (500< employees) – United Scrap Metal with 73,446 miles

Help Yourself While Helping Your Team

The Department of Health and Human Services (HHS) recommends getting at least 150 minutes of moderate aerobic activity per week, such as brisk walking, biking, swimming, or mowing the lawn. That's about 30 minutes a day, five days a week. If you prefer vigorous aerobic activity such as running, tennis, or aerobic dancing, the HHS recommends 75 minutes a week. Why not log your miles in the Manufacturing Miles competition, win prizes, and help your team while you also meet the HHS recommendations?

Your Health is the Biggest Prize

Again this year, everyone who joins the competition by July 11 will receive a Manufacturing Miles co-branded water bottle, but we've also picked out some exciting new prizes to help motivate you to log as many miles as you can throughout the competition! We've updated some of those

milestones we know you worked hard to meet last year as well. In 2022, once you've logged 350 miles, you'll win a tote bag - great for bringing home those healthy groceries to fuel your body pre or post workout. Once you've logged 550 miles, you'll win a Manufacturing Miles co-branded t-shirt, and once you've logged 1000 miles, you'll win wireless, Bluetooth earbuds! But whether you do 300 miles a week – like last year's winner – or 5 miles a week, your health and well-being will be your prize.

Wellness Can't Wait

Manufacturing Miles provides a friendly competition that may help improve your health and encourage wellness in the workplace. But your wellness can't wait for a competition. Regular care visits are very important to help you and your family stay healthy. Regular health screenings can detect problems early when chances for successful treatment are greatest. And now is the time to get caught up on annual exams and needed checkups especially if you have chronic conditions such as COPD, diabetes, or high blood pressure. We want you to keep your health and wellness a top priority.

Register today for 2022 Manufacturing Miles! The competition begins tracking Manufacturing Miles from April 4, 2022, through October 14, 2022. Enter your team's miles each week and watch the leader boards to see how your company stacks up against the rest of the state! ♦





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HIRING: BEST PRACTICES TO ADOPT IN 2022

FLAGSOURCE

When traditional hiring practices fail to deliver successful results, it becomes necessary to take a look into new ways to source great candidates. HR Professionals are challenged with updates made to employment laws, additional state reporting requirements, COVID-19 fatigue, and to top-it-all off, the Great Resignation. Talent scarcity is at an all-time high making the search for the right candidate overwhelming. According to the U.S. Bureau of Labor Statistics USDL-22-0155, "Both the unemployment rate (4%) and the number of unemployed persons (6.5 million) changed little in January 2022. Over the year, the unemployment rate is down by 2.4 percentage points and the number of unemployed persons declined by 3.7 million." Attracting talent for in-person positions is proving to be challenging with the increase in opportunities for fully remote and hybrid jobs across all industries. Hiring managers are searching externally for support to fill staffing shortages by turning to staffing agencies or partnering with recruiters.

According to a recent report, "In November 2020, 57% of private workers and 64% of manufacturing workers who left their jobs did so by voluntarily quitting. In November 2021, those numbers jumped to 72% and 70%, respectively" Industry Weekly. One of the main challenges that employers are facing is that the candidate has easy-options for quick hire positions offering enticing sign-on bonuses, and perks like unlimited PTO that manufacturing companies may not be in a financial position to offer to their workforce. These same offerings are increasing the number of resignations preventing the staffing deficit to be filled - as one is hired, another quits. This cycle is the driving cause of the need for continuous candidate sourcing. There are some actionable best practices that could improve your candidate flow and help you through this staffing dilemma.

Success Starts With an Engaged Hiring Manager:

Your hiring manager needs to be able to sell the opportunity to join the company,

not the job alone. Candidates respond positively when the company they are considering demonstrates their own viewpoints and morals. The hiring manager should include in the initial prescreen or first piece of the interview process a focus on what the company stands for as a brand, the reputation, mission, core values, and the overall employee experience. The right candidate for the position should add to your workplace culture. An engaged hiring manager will be able to identify if the candidate is a good fit through this initial opportunity pitch. Most of the time, when a hiring manager speaks to an ideal candidate about the opportunity side of the job, it is matched with excitement and a higher level of energy in responses to interview questions. This creates a more eager candidate.

Social Media Recruiting for New Pools of Talent:

If your candidate is not in the job market, they most likely will not visit Job Board sites like Indeed or Monster. You may be the ideal workplace for a passive candidate (open to work but not actively searching), but how do you get in front of them? Join your local and neighboring community groups or specialty hobby groups on Facebook. Posting information about your position in these types of groups (within the group rules), is a great way to build a stream of potential candidates. For example, if you are looking for welders you can search and find a group for people who are passionate about welding like "Welding of Welders" with 1.2 million group members. When a hiring manager posts in these types of groups about open positions, they are often met with interest, questions, or referrals that lead to successful hires.

Eliminate resume rejections

With resume creation services, the formatting and wording of any given resume should not be taken as a true measurement of the quality of the candidate. Think about the specific skills that will be needed for the position that you are hiring for. Next, think about the employee that is currently in that

same position and the types of skills they started with. The conversation with that potential candidate should identify their translatable skills and trainability. Sometimes, just giving someone the opportunity to meet your expectations, will allow them the chance to far exceed them. Hiring managers who take this advice will provide themselves with the opportunity to hire and watch many candidates from all levels of experience and backgrounds grow to be great leaders and key members of the team. You do not want to miss out on hiring a future leader.

Ease of Interview-to-Hire Experience:

The candidate is looking for the opportunity to join a company that will value them. Every step in the interview process is a chance to wow the candidate. The hiring manager should be present the entire life-cycle of the process by communicating interview dates, decision deadlines, or any delays along the way. They should build relationships with the candidate encouraging them to reach out with questions. This candidate may not receive the job offer for this role, but by providing a positive experience for them, you will be able to keep the candidate in your qualified pool for future openings. You should notify your candidate with a hiring decision. If they were not selected, ask them if they would like to be contacted if another opportunity opens in the company. This is another way to build a pool of candidates that you have already established a relationship with.

The Takeaway

There are many other practices to consider including internal promotions, direct communication with passive candidates (through sites like LinkedIn), engaging in referral programs, partnering with career centers, tapping into your boomerang (left on good terms, willing to return) employee resources, etc. Until the ratio of talent to open positions is balanced again, hiring managers will need to continue to dedicate more time on the search for talent. ♦

IDOL'S NEW JOINT EMPLOYER RULE AND WHAT IT MEANS FOR MANUFACTURERS

SMITHAMUNDSEN

The Illinois Department of Labor (IDOL) recently adopted its amendments to the Illinois Administrative Code regarding joint employers, and the new rule became effective January 21, 2022. The amendments to the rule are meant to provide guidance to employers in determining whether an employee is "jointly employed" by two or more closely associated employers. Its scope is broad, and it begins by stating:

Two or more employers may be associated with each other in relation to an individual employee in such a way that they jointly employ that individual under the Illinois Minimum Wage Law (the "Act"). If the facts establish that the worker is employed jointly by two or more employers, all of the employee's work for all of the joint employers during the workweek is considered as one employment for purposes of the Act. In this event, all joint employers shall be jointly and severally liable for any violation of the Act.

III. Admin. Code tit. 56 § 210.115(a).

The new rule in Illinois came about after the U.S. Department of Labor (DOL) issued a fairly restrictive four-factor joint employer rule in 2020 that made it much harder for two entities to be considered joint employers for purposes of federal wage and hour laws. On July 29, 2021, due to the change in Administrations, that rule was rescinded by the DOL. To date no new rule regarding the determination of joint employment has been issued by the DOL.

Factors to Consider Whether a Joint Employment Relationship Exists

The new Illinois rule lists several factors to be considered in determining whether a joint employment relationship exists. These factors are: (1) whether the employee's work benefits the alleged joint employer; (2) whether the work performed by the employee is an integral part of the alleged joint employer's business; (3) whether the alleged joint employer has direct or indirect control or influence over

the employee's terms or conditions of employment, including the employee's schedule and the quality of the employee's work; (4) whether the alleged joint employer owns or leases the premises where the work is performed or provides tools, equipment or materials used by the employee; and (5) whether the alleged joint employer has direct or indirect control over the other joint employer's or employer's operations through contractual obligations, shared joint management, direct or indirect ownership interest, or economic dependence.

Whether a joint employment relationship exists will turn on the specific facts and circumstances of that relationship. The inquiry should consist of looking at the actual relationship between the employee and the employers, including the employers' ability to exercise control over the employee either directly or indirectly. Critically, the IDOL says no single factor is determinative, and not all factors need be present for a joint employment relationship to exist. For example, a joint employment relationship may exist when only two of the five factors listed above indicate the existence of a joint employment relationship.

The rule includes several examples that illustrate the application of the factors and provides insight in whether or not you are a joint employer. An examination of the examples found in the rule makes it clear that IDOL will take an expansive view of who is and is not a "joint employer." This is especially true for businesses such as manufacturers that enter contracts with temporary staffing agencies to provide workers at the manufacturer's location(s).

What a Joint Employment Relationship Means for Each Employer

For businesses who are found to be joint employers with another employer, they are on the hook for any wage and hour violations under Illinois law. If you are a joint employer, pointing the finger at the other company is not a valid defense; it is not sufficient to say, "I didn't do it." For example, say you are not the main employer of a large swath of workers at your facility, and therefore you may expect that

actual employer to pay a minimum wage, to properly calculate and pay overtime, and to provide employee benefits to its employees. But, if found to be a joint employer, you can still be held jointly liable if the other joint employer fails to do any of these things.

However, there is some good news for employers, in that the rule makes clear that:

If all the relevant facts based on the five factors establish that two or more employers are acting in a manner that is substantially independent of each other and are completely disassociated with respect to the employment of a particular employee who, during the same workweek, performs work for more than one employer, each employer may disregard all work performed by the employee for the other employer or employers in determining its own responsibilities under the Act.

III. Admin. Code tit. 56 § 210.115(d).

While that language seems to make it a tough hill to climb, it does provide something of a road map for employers in making the determination whether they would be considered joint employers in Illinois.

In closing, all employers in Illinois should be keenly aware of this amendment to the joint employment rule. While it is still new and there is not much guidance or analysis out there yet as written it appears to cast a wide net as to who will be considered a joint employer. Thus, it has the potential to expand wage and hour liability in Illinois to businesses that may not be aware they are "joint employers." It's critical for manufacturing companies to carefully consider and evaluate their business partnerships with any third party supplying workers or performing services to their benefit. Manufacturers must ensure that they have written agreements in place that fairly denotes the responsibilities and liabilities with such third parties. Additionally, manufacturers should also evaluate their actual practices with an eye on diminishing the risks associated with the new IDOL rule. ♦

SAFEGUARDING YOUR COMPANY'S TRADE SECRETS DURING THE GREAT RESIGNATION

TAFT LAW FIRM

The long-term effects of the coronavirus pandemic have created a shortage of workers, which in turn has led to increased employee leverage for better pay and benefits. Illinois employees are spurring the "Great Resignation" by quitting their jobs and seeking new opportunities at a rate that has not been seen in decades.

In the manufacturing and technology industries, increased employee mobility can result in employees resigning to work for competitor businesses. Oftentimes, employees do not just leave one company for a competitor empty-handed. Rather, these employees may take confidential information with them to use in their new job. This is where major problems and expensive litigation can arise. In light of the Great Resignation, companies should increase the protection of their trade secrets and confidential information.

What is a Trade Secret?

Federal and state laws define a "trade secret" as a piece of business-related information that has value to the company derived from its secrecy. Think of trade secrets like the "secret sauce" of a company, i.e., the key informational ingredient that gives a company its competitive edge. When this secret recipe is taken by an employee on the way out and is given to a competitor or the public, the former employer stands to lose significant revenue and potentially its entire business model.

The law cautions employers to use reasonable safeguards to ensure the secrecy of trade secrets, or else risk having no protection in a court of law. Put another way, when it comes to safeguarding trade secrets, judges will not help companies that do not take steps to help themselves. Thus, the concept of trade secret protection becomes a crucial one. Businesses must utilize best practices to protect company confidential information if they mean to have the ability to enforce their rights against a dishonest employee who steals company property. Reasonable safeguards are especially challenging in the pandemic, where many employees have been working remotely, some using personal devices with little supervision or technological safeguards.

What are Your Trade Secrets and Where are They Located?

The first step for a company to minimize trade secrets theft is to understand what their trade secrets are. Trade secrets can take many forms and be present in a variety of contexts. The Illinois Trade Secrets Act, for example, lists a variety of categories of items that could be a trade secret: formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, or lists of actual or potential customers or suppliers. Businesses must first understand what their "secret sauce" actually is because that will determine what information must be safeguarded properly.

The next step is to determine all the places where company trade secrets are located. This task sounds easier than it is. Trade secrets can exist across several different platforms, cloud systems and devices, and in emails shared internally. A company should conduct an audit to determine where its confidential information is being stored, and what physical and electronic safeguards are in place to secure this information.

Are Your Trade Secrets Restricted?

The next best practice is very important: businesses should provide employees access to trade secrets on a need-to-know basis. Only employees who need to work with specific confidential documents should be allowed to access them. To effectively set up a need-to-know access system, a business must understand and define the job duties of its employees, so it can assess which employees require access to specific information to do their jobs effectively. This analysis should also be updated periodically, as employee organizational structures change, as do job duties.

Ancillary to this rule is the requirement that access to company trade secrets should be password protected. Thus, employees who are allowed access to trade secret information must utilize technical safeguards. And, to ensure an effective need-to-know access system, companies should minimize the number of different locations where trade secrets could be found, as well as the number of electronic or paper copies of trade secrets.

Are You Monitoring Employee Access?

Setting up effective company controls at the onset of an employee's hiring is not

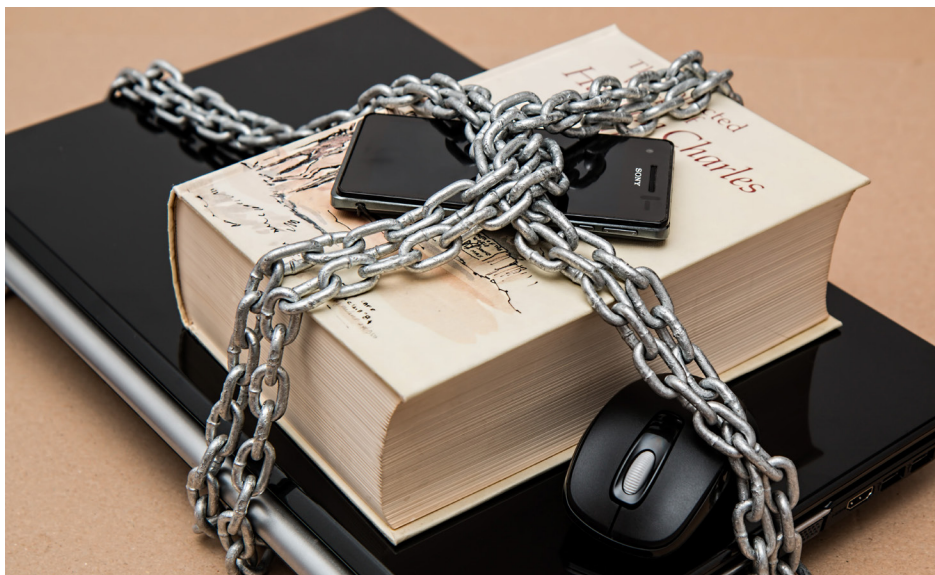
enough. Trade secrets misappropriation in the workplace often occurs when businesses least expect it, usually years after an employee is hired. A business can implement all of the best front-ended safeguards, but if it is not careful, wrongdoers will find a way to steal business secrets.

This is why businesses should monitor their systems routinely. To accomplish this, the platforms that store company trade secrets should have monitoring capabilities. Systems must be able to continually monitor shared platform access and download histories, so it is clear who is accessing information properly and who is acting outside of policy. Best practices also require that employers keep good records of which company devices are assigned to employees working remotely and the extent to which remote employees access and download information. Employees should not be permitted to use personal devices unless there are sufficient access and monitoring controls installed and no ability to save information locally to the device or to external storage.

Companies should also understand the three categories of employees who are notorious for engaging in unfair competition and trade secret theft. They are salespeople (i.e., those who interface with customers); technical people (i.e., those who develop information technology and intellectual property for the company); and managers and principals (i.e., those who intimately know the company's business and strategies). These key employees are the lifeblood of any healthy business and require access to trade secret information to do their jobs. That is precisely why they can cause the most damage by misappropriating documents when leaving for a competitor. Businesses should continually monitor all sensitive systems, and be especially aware of the above categories of key employees as they access sensitive company trade secrets.

Are You Writing Your Employee Policies and Contracts Effectively?

Technical safeguards are important, but they are not the only way to protect company trade secrets. In addition to access restrictions, employers can also utilize effective policies and contracts



to protect their trade secrets. At a minimum, companies should have clear policies that define confidential information and clearly state employee obligations for safeguarding and use of this property. These policies should not only be stated in an employee handbook (which should be disseminated to and signed by all employees), but they also should be the subject of periodic employee training.

Additionally, if an employee is in a position of importance, businesses should consider executing a contract with the employee that provides effective controls regarding how the employee must act during and after employment. Important provisions include those addressing company work product, employee fiduciary duties, obligations regarding property, definitions of confidential information and duties related to it, and post-employment restrictive covenants.

Regarding restrictive covenants, businesses should seek the advice of an attorney. Illinois recently enacted significant reforms regarding the enforcement of non-competition and non-solicitation agreements, which became effective January 1, 2022. Restrictive covenants must be drafted in a manner that makes them reasonable in time and scope, required to protect legitimate business interests, supported by valuable consideration given to the employee, and compliant with the many other requirements of

the new Illinois statute. Failure to draft proper restrictive covenants could result in a company losing its ability to enforce these clauses, or, even worse, draw the ire of the Illinois Attorney General, who has investigatory and enforcement powers under the new law. When restrictive covenants are drafted effectively, they can not only provide a contractual remedy in the case of employee theft, but they can also deter employee misconduct and help demonstrate the employer has undertaken adequate safeguards to protect its trade secrets.

Are You Hiring Good People and Maintaining a Healthy Workplace Culture?

One of the best ways to minimize trade secrets theft is to hire quality employees. Companies should examine their vetting processes to ensure that they are bringing people with the right values into the workplace. Employees, especially those in sales, research, development, management, and C-Suite should be hired carefully after a full vetting of previous employment background histories.

Businesses should ensure that, once good employees are hired, they are put into a healthy workplace culture that stresses appropriate company values, as opposed to a culture designed on pure profit and raw competition. To maintain this culture, companies should: enforce workplace policies fairly; adequately compensate those employees who are in-

tegral to the business; incentivize “above and beyond” work; and discipline or terminate employees who violate company policies and are toxic to the workplace. Most importantly, discrimination and harassment issues should be taken very seriously, as a failure to do so will almost certainly motivate good employees to look for a new job and pursue legal remedies.

Are You Exiting Your Employees Properly?

Finally, businesses should internally have an “exit plan” in place that provides for the steps to be taken once an employee resigns or is terminated. These steps include reminding the employee of his or her contractual obligations and potential restrictive covenants. Businesses should also collect all company property from the departing employee, including any electronic devices.

The employee also should be immediately shut off from any further access to company trade secrets, such as databases, cloud services, or email servers. And, as to any returned devices, they should be preserved until the company has decided whether to engage a forensics consultant to investigate any theft. Finally, the company should monitor social media and other public forums to determine whether the employee has joined a competitor and is working in a similar role to his or her previous employment. Depending on the level of risk and relation to a competitor business, a company might need to coordinate this process with an attorney, who will be able to assess the pros and cons of litigation as a remedy to safeguard trade secret rights.

The Takeaway

Given that most companies’ business demands currently outweigh workforce capacities, the Great Resignation may continue for several more months or longer. In this era of increased employee mobility, employers should be aware of the above best practices, as they are critical for maintaining an employer’s security of trade secrets and a competitive edge in the industry. ♦

WHY DEI IS IMPORTANT IN MANUFACTURING

PHOENIX

The situation was as such: a recent new hire to the company received a phone call from the organization's president. The employee quickly answered their phone in anxious anticipation of whatever it could be that necessitated a direct call; they scarcely knew the full extent of their job duties, let alone which of them would be of urgent interest to the president.

The reason for the call turned out to be the desire to answer one simple question: "What holidays do you celebrate?" The leader explained that they were in the process of creating a company calendar to highlight holidays that were meaningful to all employees, and the president personally wanted to solicit every individual input.

The beauty of this interaction lies in its simultaneous simplicity and profundity. The question itself was simple; so was the means by which it was asked. Where it becomes profound is that this casual topic of holiday celebrations was treated as important enough in priority for the company's highest ranking official to call a new hire directly to hear the answer for themselves. And further inspiring is that the information wouldn't simply stop at their desk as a relic of a passing conversation – instead, the company would be putting it to use in a way that would publicly validate every employee's contribution as being welcomed and worthwhile.

Consider the impression that an exchange such as this one (and its resulting end product) can leave on the members of a workforce, whether they've been on staff for 20 days or for 20 years: it's a tangible way to demonstrate that employees are appreciated not only for the technical skills they bring to work, but also for the personal experiences and traditions that shape who they are. What enables the jump from being mere workers to being dear co-workers? What strengthens a company's culture and bolsters employee retention and growth? Well, it's when there's a visible and purposeful commitment to celebrating each other as whole human beings. But is that truly necessary? And how is any of this relevant in the field of manufacturing?

First, step back and consider that today's manufacturing jobs require skills like critical thinking, problem-solving, sound judgment, and bias for action throughout the

wide spectrum of factory floor and management-level positions and across all industries. Then, ask yourself: How do you cultivate these behaviors? How do you motivate your employees to invest a greater effort beyond what it takes to meet the bare minimum? How do you create an environment that challenges each person to bring their whole self to work and perform to their highest potential? The answer is by investing in the effort required to increase diversity, equity, and inclusion (DEI) in the workplace. The business case for DEI is pretty solid: according to McKinsey & Company, "The most diverse companies are now more likely than ever to outperform less diverse peers on profitability."¹ And throughout the U.S., manufacturing companies in particular agree that D&I is important: among the results reported by The Manufacturing Institute from their recent survey of over 300 manufacturers spanning more than 15 industry sectors, only 5% of respondents indicated that "they either did not pursue D&I initiatives or that D&I was not an important consideration for their company."² But how exactly do DEI programs beget productivity or translate into profitability?



Think of it this way: your most productive employees (and the ones who often demonstrate and apply those highly desired behaviors mentioned above) are likely to be those who are very engaged in their work. An employee becomes more engaged in their work when they feel strong ownership of the duties they're assigned. An employee takes greater ownership of their work when they know their skills and contributions are valued. And here's where DEI comes in: People feel valued when their peers and managers take the time to (1) recognize and understand

what they uniquely have to offer (diversity); (2) create environments and opportunities that enable their access to professional growth and achievement (equity); and (3) make consistent, intentional efforts to invite and encourage them to share and apply their skills (inclusion).

With present-day labor shortages demanding that employers develop ever more compelling reasons to entice a new hire to sign on, it's imperative that manufacturers develop robust and long-term DEI plans for their business to attract and retain talent. This isn't a one-and-done program that can be enacted quickly or superficially; it's a no-turning-back, we're-all-in strategy that requires time and willingness to scrutinize company practices and challenge longstanding norms. Have your recruiting efforts been limited to the same small set of leads? Are the criteria within your job descriptions and resume screening process unnecessarily deprioritizing or eliminating strong candidates? Is your interviewing panel capable of avoiding confirmation bias when evaluating a potential employee's "goodness of fit?" Are individuals and teams trained to examine how their beliefs and preconceptions may be limiting or demotivating to others? Are all employees offered equitable support from supervisors and mentors, equitable access to training, professional development, and advancement, and equal pay? Do your internal awards and recognition programs tend to highlight the same set of people? Is your "open-door" policy truly open and welcoming to all employees who wish to have their voices heard?

While these questions may seem daunting and the work never-ending, know that taking the next right step can be as simple as engaging in an earnest conversation with your employees and acting on their feedback in meaningful, tangible ways. Empathy has to come before expertise: remember the adage that people don't care how much you know until they know how much you care. The same care you want your workers to give to the products they're manufacturing comes from making them feel cared for and valued. Every day you can achieve that is a day worth celebrating just as passionately as all the holidays that make it onto your company calendar. ♦

IMA AND IMEC FORM STRATEGIC PARTNERSHIP

On the heels of the global pandemic in which American and Illinois manufacturers led our nation forward through an economic and health crisis, the Illinois Manufacturers' Association (IMA) and Illinois Manufacturing Excellence Center (IMEC) are announcing an historic formal strategic partnership that will strengthen and build upon Illinois' rich manufacturing legacy and position the industry for future growth.

The strategic partnership will create an opportunity for the two organizations to work collaboratively and purposefully in the areas of leadership, productivity, customer engagement, operations, cybersecurity, automation, supply chain, and workforce development. The two organizations have a long relationship, including working closely on the Governor's Equipment Task Force to scale up production of essential supplies during the pandemic.

"If the pandemic and supply chain challenges have taught us anything, it's the need for a strong American manufacturing sector," said Mark Denzler, President & CEO of the Illinois Manufacturers' Association. "Today's announcement represents a historic partnership of the two leading manufacturing organizations in Illinois that will allow us to leverage our organizational strengths to grow and expand our state's manufacturing footprint."

"By joining forces, IMEC and the IMA will provide Illinois' manufacturing sector with the full range of products and services in a more efficient and cost-effective way," said Dave Boulay, PhD, President of the Illinois Manufacturing

Excellence Center. "This great partnership will allow us to continue igniting Illinois manufacturing excellence and global competitiveness by delivering comprehensive proven solutions."

Illinois manufacturers employ more than 557,000 women and men on factory floors who produce the single largest share of the Gross State Product. Manufacturers have added 24,600 jobs since April 2020 when employment bottomed out during the pandemic but remain 21,200 jobs below the employment level in March of that year.

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"As longtime members of the IMA, and clients of IMEC, at Gilster-Mary Lee we are excited for the synergies that will result from this partnership," said Tom Welge, president of Gilster-Mary Lee Corporation in Chester. "The IMA has best-in-class advocacy, services, and programming, and IMEC's expertise and experience will provide manufacturers

with the tools and techniques to enhance competitiveness. This is a win-win for Illinois manufacturers."

"IMEC and IMA have each played vital roles in the continued success of Pioneer Service and other Illinois manufacturers," said Aneesa Muthana, president and CEO of Pioneer Service Inc. in Addison. "Their collaboration holds astounding promise for our growing industry."

Founded in 1893, the Illinois Manufacturers' Association is the nation's oldest, and one of the largest, state manufacturing trade associations. The IMA currently represents nearly 4,000 member companies and facilities across Illinois.

Created in 1997, IMEC is dedicated to helping small and medium sized manufacturers in Illinois to be more globally competitive by consulting with them and providing comprehensive and objective technical assistance, assessment tools, and resources for Leadership, Strategy, Customer Engagement, Operations, and Workforce. IMEC serves as the state's U.S. Department of Commerce National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) center. The MEP National Network is a unique public-private partnership that delivers comprehensive, proven solutions to U.S. manufacturers, fueling growth and advancing U.S. manufacturing.

As strategic partners, the IMA and IMEC will retain their own brands while sharing some office space in Springfield, Peoria and Oak Brook. ♦



AND



Plan. Implement. Excel.

Announce Partnership to Continue Boldly Moving Makers Forward

MEMBER NEWS

Transformational F-15EX continues to rapidly advance through Development and Operational Testing



In recent weeks, the U.S. Air Force (USAF) completed the first air-to-air missile test for the most advanced F-15 to date, the F-15EX Eagle II.

In recent weeks, the U.S. Air Force (USAF) completed the first air-to-air missile test for the most advanced F-15 to date, the F-15EX Eagle II. The successful release marked the first weapon fired from the aircraft and another major milestone following more than six months of integrated developmental and operational flight testing for the shot.

"We are proud to achieve this milestone in collaboration with the U.S. Air Force. The F-15EX is the first USAF aircraft to be completely tested and fielded through combined Developmental and Operational Test," said Prat Kumar, Boeing vice president of F-15 programs. "The successful first missile shot from the Eagle II is an example of an integrated test process that showcases innovation and results in the rapid delivery of next-gen capabilities to the warfighter."

"For a new platform, we've made an incredible amount of progress in a short period of time," said Colton Myers, F-15EX test project manager with the Operational Flight Program Combined Test Force. "I don't know of any other platform that has undergone such a rapid test program and it's been incredible to be a part of the team that's bringing this to reality."

With a payload capacity of 29,500 lbs. (13,300 kg), including outsized weapons, the F-15EX delivers affordable mass to address rapidly evolving threats. When this payload is combined with range, high-speed mission systems, advanced sensors and an electronic warfare suite, the F-15EX gives the U.S. Air Force the ability to present peer adversaries with multiple challenges both inside and outside of threat rings.

G&W Electric Introduces the World's First Sub-Transmission Recloser



G&W Electric, a global supplier of electric power equipment since 1905, today announced the launch of its Viper®-HV Recloser up to 72.5kV. The market's first high-voltage pole top recloser supports faster overcurrent protection through fault isolation and automatic restoration for temporary faults on overhead sub-transmission lines.

"As we've seen recently, the fragile state of our nation's electrical infrastructure has severe consequences to our safety and economy," said John Mueller, chairman and owner of G&W Electric. "We are committed to partnering with utilities to identify vulnerabilities and deliver state-of-the-art solutions like the Viper-HV recloser for functionality right on the sub-transmission lines. Until today, that was only available by installing high-cost substations."

Uniquely designed as a self-contained system featuring three-in-one capabilities of a recloser, CTs, and integrated internal voltage sensors, the Viper-HV provides utilities improved performance on a pole to automatically clear any temporary faults and isolate only that section of the grid to protect additional lines from going down and preventing an entire region from losing power.

The Viper-HV offers utilities installation flexibility through a variety of configurations, including phase-over-phase and cross-arm versions to match existing line infrastructure. G&W Electric offers site-ready designs with pre-installed accessories and flexible solutions tailored to meet environmental challenges.

"In an effort to develop the grid of the future, the Viper-HV recloser also offers solutions that will help utilities reduce future cost such as maintenance, replacing equipment and outage penalties," added Mueller.

Without the need for oil or gas, the Viper-HV reduces routine maintenance and improves personnel safety. Additionally, the vacuum interrupter and all other energized parts are sealed within field proven solid-dielectric insulation, providing optimum operator safety and additional protection to discourage wildlife interference.

PICO Chemical Corporation Celebrates 46th



PICO Chemical Corporation, established in 1976 is a privately held, family owned and operated formulator and manufacturer of industrial specialty chemicals and lubricants celebrating our 46th continuous year in business. PICO's primary focus is on:

Manufacturers of paints, inks, resins, adhesives, and specialty coatings etc. Metal working, metal forming, steel producing, steel processing, metal service centers and their related industrial applications worldwide. In addition, PICO manufacturers specialty adhesion promoters for formulators of automotive PVC and Acrylic plastisol's and other specific adhesive and protective coatings. PICO is ISO 9001:2015 certified with DQS Inc. and is a long-time, proud member of the IMA.

New Tapered Section Retaining Ring (Circlip) Series Released



With over 100 years of manufacturing excellence, Smalley is the Engineer's Choice® for supplying or designing the right retaining ring solution for all of your application needs. Smalley has recently partnered with Beneri, the leading Italian circlip manufacturer since 1958, to bring you even more retaining ring solutions at the same quality you trust.

Tapered Section Retaining Rings, also referred to as circlips, are retaining rings with a tapered radial wall. Designed for high thrust loads and heavy-duty applications, Tapered Section Retaining Rings are trusted in thousands of applications across every industry because they are an economical, efficient, and secure method to streamline your assembly.

"We are excited to introduce Tapered Section Retaining Rings to our selection of over 6,000 retaining rings," said Jon Fulton, Director of Sales Engineering. "Expanding our retaining ring product line will help us better support our customers and their unique application requirements." Internal and External Tapered Section Retaining Rings are in stock from 0.25 – 3", or 3 – 75 mm.

**Smithfield Foods Contributes
\$2 Million to Ukraine Crisis
Relief Efforts**



Smithfield Foods, Inc. announced cash and in-kind donations totaling \$2 million to crisis relief efforts aiding the citizens of Ukraine and those seeking refuge in surrounding areas. In response to escalating violence in Ukraine, Smithfield will expand ongoing refugee relocation and aid assistance underway through its operations in Central Europe with \$250,000 donations to each of the following nonprofit disaster-relief organizations: Global Red Cross Network, including the International Federation of Red Cross and Red Crescent Societies (IFRC) and the International Committee of the Red Cross (ICRC), who are providing immediate relief, long-term recovery and critical humanitarian services in Ukraine and surrounding countries including temporary shelter, counseling, health services and supplies.

Mercy Chefs, the company's disaster-relief partner in the United States, which is currently warehousing and distributing shelf-stable food, water, fresh fruit, baby formula and other basic supplies into Ukraine and to refugees on the Ukrainian border.

Save the Children, a global organization delivering humanitarian assistance to children and their families in Ukraine and the region, including food, water, hygiene kits, psychosocial support and cash assistance.

World Central Kitchen (WCK), a global humanitarian, climate and community crises-relief nonprofit serving refugees in southern Poland, Romania, Moldova and Hungary and partnering with restaurants inside Ukraine to provide hot meals to anyone in need.

"Like the rest of the world, we are humbled and moved by the resilience of the Ukrainian people," said Shane Smith, president and chief executive officer for Smithfield Foods. "Over the last few weeks, our team members in Central Europe have mobilized to provide desperately needed resources and other aid to the citizens of Ukraine on the ground. We are deeply proud of the decisive action our Smithfield

Family has taken near the border and are committed to supporting and amplifying their good work."

**Illinois American Water's
Champaign County Team Winner
of Regional Water Taste Test for
Third Year in a Row**



Illinois American Water's Champaign County District recently placed first in the 15-County Water Supply Operator Association's water taste test competition. A water sample from the local Mattis Water Treatment Plant was the winning entry. Water samples were judged on taste, odor and clarity.

This is the third year in a row, and the fifth time overall, in which the local water team has earned this recognition. The team earned the award in 2005, 2006, 2019, and 2020 as well. The competition was not held in 2021 due to COVID-19. In 2005 and 2006, the team was also recognized with the National Best of the Best title. As the regional winner, Illinois American Water's Champaign County District team will represent the region in the statewide taste test competition. The state competition will be held next month during the Illinois Section of the American Water Works Association's (AWWA) Conference, WATERCON 2022, in Springfield. The winner of the state competition will compete in AWWA's national Best of the Best water taste test held during AWWA's Annual Conference and Exposition (ACE22) in June. Water professionals across the county will gather at ACE22 where the best-tasting tap water in North America will be declared.

Brian Wiemers, senior manager of operations, said, "We are passionate about delivering safe drinking water; it's what we do. We take great pride in the product we deliver to homes and businesses every day. Winning the regional taste test and the opportunity to compete on a state and, possible, national level is a testament to our team's commitment. We're proud to provide award-winning drinking water to our friends and neighbors."

**'We wanted to make an impact':
West Side manufacturing company
provides more than 100 jobs in
the community**



A Black owned, family-based company strives to bring economic development to the North Lawndale neighborhood. The Will Group is the epitome of making an impact in their community. CBS 2's Sharda Gray sat down with the family about how their investment is making a difference. Streetlights and additional electrical products made for the city are being made in North Lawndale by people of color. "It's hard to be what you can't see."

The new 60,000 square foot K-Town Business Centre has provided more than 100 jobs within the community. "We decided that we wanted to make an investment on the West Side, specifically North Lawndale. We found land that hadn't been on the tax rolls for nearly 30 years. We wanted to do more than just create a business. We wanted to make an impact," said Stephen Davis.

The majority of their employees are people of color. "We are so proud that we have 79% minority women that we hire here. It's so important," said Jessica Garmon. They believe creating jobs raises living standards, neighborhood by neighborhood.

"I don't believe I can solve all the world's ills, but I do wake up at night trying to think how can we leave it a little bit better than we found it, said Stephen Davis. Mr. Davis chose the North Lawndale neighborhood because of its struggles with drugs and violence and wanted to give those who live in the community an opportunity to work in the trade business.

"As we know, during the recession, African American males, 18 to 24 were at 50% unemployment. So we specifically targeted a community we thought we could be impactful," said Stephen Davis. Mr. Davis said the North Lawndale community has not only embraced his company, but is looking out for them as well. They're currently looking to hire manufacturing and assembly professionals. ♦

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