

THE ILLINOIS MANUFACTURER

THIRD QUARTER 2023



BUSINESS DAY RETURNS TO PRE-PANDEMIC TRADITIONS

How can I get all my utility data in one place?

Constellation has the products and strategic relationships to proactively take control of your energy data. The Pear.ai platform can help you generate energy insights in a single place helping streamline and reduce operating costs for Utility Expense Management.

To learn more about the Pear.ai platform please contact Rich Cialabrini at richard.cialabrini@constellation.com or 847.738.2510.



constellation.com/IMA

TABLE OF CONTENTS

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.

CHAIRMAN

Greg Webb

PRESIDENT & CEO

Mark Denzler

EDITOR

Sydney Jarrard

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

Copyright 2023 © Illinois Manufacturers' Association. Reproduction of all or any part is prohibited except by written permission of the publisher. Published articles do not necessarily reflect the views of the magazine or its publisher. Information in this publication should not be substituted for advice of competent legal counsel.

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

If you have any questions, please contact Sydney Jarrard, Editor and Manager of Publications at sjarrard@ima-net.org, or (217) 718-4207.

Share Your Company News with the IMA . . .

News information, press releases and articles may be sent to Sydney Jarrard, Editor and Manager of Publications, Illinois Manufacturers' Association (IMA), 220 East Adams Street, Springfield, IL 62701, or sjarrard@ima-net.org



SIX GENERATIONS & 175 YEARS: KNAPHEIDE MANUFACTURING COMPANY

FEATURE

FROM THE IMA

Your Feedback in Action: Advocacy.....	4
Staff Directory.....	5
Business Day Returns to Pre-pandemic Traditions in 2023.....	22
Illinois Supply Chains: The Key to Success.....	27

GOVERNMENT REGULATION & LEGISLATION

Utilizing AI in Human Resources: You Can't Afford to be Left Behind.....	10
Illinois DOL Adopts Regulations on Employee Expense Reimbursement & Wage Deductions.....	16
OSHA Expands "Instance by Instance" Citation Policy: A Game Changer for OSHA Enforcement.....	23
Maintaining Trust by Staying Up to Date on PIPA.....	24

BUSINESS DEVELOPMENT

Navigating Disability Benefits, Disclosure, & Accommodations.....	8
Five Things to Watch for to Protect Your Workers.....	15
Career Exploration Is Crucial to Building Tomorrow's Modern Manufacturing Workforce.....	20

ENERGY & ENVIRONMENT

Benefits of Deep Well Injection for Waste Disposal and Climate Change.....	6
The Components of Natural Gas Price and Effective Purchasing Strategies.....	14

INNOVATION, TECHNOLOGY, & SECURITY

How Manufacturers Can Adapt to Workforce Challenges with Marketing Automation...	15
--	----

RECOGNITIONS

Manufacturing Miles Returns in 2023.....	22
Member News.....	28
New IMA Members.....	30

YOUR FEEDBACK IN ACTION: ADVOCACY

MARK DENZLER, PRESIDENT & CEO



The Illinois Manufacturers' Association recently conducted a member survey to strategically chart our path forward, and we appreciate the hundreds of companies that responded with suggestions. Surveys can be a treasure trove of information and the IMA Board of Directors and staff will be parsing the data in an effort to ensure that we are making the best use of your time and treasure by providing meaningful products and services.

The first great news that jumped out from the results is that 98 percent of member companies are likely to renew their membership with the IMA. This tracks our Association's retention rate over the past four years which is 96 percent – nearly 8 percentage points higher than the national average. We're extremely proud of this number because it means that the IMA is providing essential tools for Illinois manufacturers.

A second key finding from the survey is that 50 percent of IMA members joined the Association because of government advocacy. While we pride ourselves on IMA programs, communications, seminars, and our efforts in the education & workforce arena, actively engaging in government policy at the local, state, and federal levels will remain paramount.

As you read this, the IMA is working with our partners at the National Association of Manufacturers to fix Section 174 expensing for Research & Development at the federal level. Congress passed changes in 2017 that require companies to capitalize and amortize expenses over five years rather than one year, creating a severe impediment for manufacturers seeking to invest in their companies. Many small manufacturers are seeing an impact totaling hundreds of thousands of dollars.

At the state level, the General Assembly recently concluded its 2023 spring legislative session, and it was extremely challenging given the newly expanded Democrat supermajorities in the House of Representatives and Senate. I like to joke that I had hair when I started with the IMA in 1999, and I've lost it because I pull my hair out every year when dealing with the General Assembly.

This year was one of the most frustrating sessions in my tenure because of their failure to fix the horrible Biometric Information Privacy Act (BIPA) law that was first enacted in 2008 (just after the first iPhone was released) and has not kept up with technology. It is the only law of its kind in the United States, allowing Illinoisans to file lawsuits against employers who use facial recognition software or thumbprint scans for time clocks. For the first eight years of the law, there was no problem.

However, in 2016, a family sued Six Flags in Gurnee because they used fingerprints for season pass holders. The Supreme Court ruled that there doesn't have to be any injury or harm in order to recover damages that could range between \$1,000 and \$5,000 each. In 2021, Six Flags settled for \$36 million despite the fact that no biometric data was breached or stolen.

That case opened the floodgates for wealthy trial attorneys who started filing lawsuits on a daily basis. Thousands of cases are pending including hundreds against manufacturers and organizations like the Salvation Army, DePaul University, and countless hospitals. Earlier this year, another Illinois Supreme Court decision in the Cothron v. White Castle case found that each time a fingerprint is recorded is a separate violation punishable by a fine. The 9,000-person class could stand to recover a whopping \$17 billion in damages that would bankrupt the burger chain despite the fact that there was no injury or harm shown.

The IMA and our partners in the business community, retail, hospitality, transportation sector, health care, technology, insurance, nursing homes, and others made a concerted push for substantive changes, and we seemingly had the ball on the 10-yard line. Unfortunately, we did not get the ball into the end zone, but we will be back in full force until this law is remedied.

The IMA team, led by newly minted Vice President of Government Affairs Donovan Griffith, engaged in a litany of issues including beating back efforts to pass a costly and cumbersome packaging law and misguided environment justice policy that would have stopped many permit applications. We successfully stopped an effort to create a new 20-week paid leave program funded by employers as well. Every year, lawmakers sponsor nearly 10,000 bills and amendments with the IMA team reading and reviewing every single one.

There are many ways to engage – join the Government Affairs Committee or participate in the Manufacturers PAC where we raise funds to support pro-business candidates. This is the value of the IMA – your association where manufacturers can speak with one voice on issues that matter most.

We value your support and investment. ♦



Mark Denzler

President & CEO

(217) 718-3726

mdenzler@ima-net.org



Philip McCall

CFO & VP of Finance

(217) 718-4209

pmccall@ima-net.org



Gordy Hulten

Chief Operating Officer

217-522-1190

ghulten@ima-net.org



Christine Sisk

Executive Assistant

(217) 718-4213

csisk@ima-net.org



Sarah Hartwick

Vice President Education
& Workforce Policy

217-718-4211

shartwick@ima-net.org



Donovan Griffith

Vice President of
Government Affairs

217-953-4054

dgriffith@ima-net.org



Gaby Garza

Director of
Government Affairs

(217) 718-4208

ggarza@ima-net.org



Randy Prince

Senior Business
Development Manager

(217) 303-8493

rprince@ima-net.org



Maria Moran

Business Development
Manager

(630) 824-9374

mmoran@ima-net.org



Terri Graham

Program Director

(630) 824-9371

tgraham@ima-net.org



Sydney Jarrard

Editor & Manager
of Publications

(217) 718-4207

sjarrard@ima-net.org



Jannette Allotey

Director of Finance
& Administration

(217) 718-4556

jallotey@ima-net.org



Cheyenne Geller

Administrative
Assistant

(217) 953-4057

cgeller@ima-net.org



Tyler Hester

Administrative
Assistant

(217) 718-4214

thester@ima-net.org

BENEFITS OF DEEP WELL INJECTION FOR WASTE DISPOSAL AND CLIMATE CHANGE

SCS ENGINEERS



The Underground Injection Control (UIC) program was established under the Safe Drinking Water Act (SDWA) to ensure that fluids injected into geologic media do not pose a threat to Underground Sources of Drinking Water (USDWs). The UIC program sets standards and requirements for injection wells and provides permitting and compliance mechanisms to enforce those standards.

Underground injection is a safe and proven way to manage, sequester, and isolate unwanted fluid wastes. The focus of this article is on underground injection in the context of the benefits provided to manufacturing and facility operations. In this context, the two most beneficial underground injection operations are Class I and Class VI UIC Wells.

Class I UIC wells are used to dispose of wastewaters into deep, confined rock formations. Class I wells have been utilized historically and are utilized currently in Illinois. Class I wells can be considered beneficial when the discharge of wastewaters into the environment is prohibited or the treatment of those wastewaters prior to discharge is expensive.

Class VI UIC wells are used to inject carbon dioxide (CO₂) into deep rock formations. This permanent underground storage

is called geologic sequestration (GS). Illinois is the location of the first operational Class VI UIC well. Class VI wells can be considered beneficial for manufacturing facilities that produce carbon dioxide-rich off-gas streams, such as ethanol plants, cement kilns, and chemical production facilities.

A successful Class I or Class VI UIC well requires suitable geologic conditions, including pore space, that provides sufficient capacity for injected fluids and rock units that prevent upward migration into protected drinking water aquifers (caprock). The Illinois Basin covers parts of Illinois, Indiana, Kentucky, and Tennessee. It contains suitable geologic conditions, has been reasonably well characterized, and is in proximity to a number of facilities that generate injectates that would benefit from Class I and Class VI disposal.

Why Consider a Class I UIC Well for Wastewater Disposal?

Regulations are continuously evolving, and discharge requirements to surface waters become more stringent over time through the National Pollution Discharge Elimination System (NPDES). In addition, regulation of per- and polyfluoroalkyl substances (PFAS) is advancing both in Illinois and nationally. The increasingly stringent

requirements lead to increasing disposal costs and the risk of being cut off from the receiving facility. The economics of a UIC well are often advantageous to a wastewater discharge that is collected and hauled to a treatment facility.

Regardless of the TMDLs or NPDES discharge requirements, the pre-treatment requirements for a Class I UIC serve to protect the UIC well and the geologic unit, versus reduction of contaminant loading. A Class I UIC well can offer a consistent mechanism for cost-effective wastewater disposal that mitigates the impact of evolving regulations.

When to Consider a Class VI UIC Well for CO₂ Sequestration

Climate change has become a focal point of Environment and Social Governance (ESG) goals and pending mandates to reduce carbon footprints. The United States Department of Energy (USDOE) is leading the CarbonSAFE program across the U.S. to conduct research for the development of technologies for mitigating greenhouse gas emissions to the atmosphere. The state of Illinois hosts a portion of the program called [CarbonSAFE – Illinois](#).

Carbon Capture and Sequestration (CCS) applies to facilities that are point-source

emitters of CO₂, including ethanol plants, cement kilns, and chemical production facilities. Geologic Sequestration of CO₂ (GS) requires a Class VI UIC permit. Under the U.S. Environmental Protection Agency's (USEPA) UIC program, a Class VI injection well injects supercritical CO₂ (i.e., highly compressible fluid without distinct solid and gas phases) into deep geologic unit(s). The size and location of a Class VI facility relative to the disposal location is an important part of project scoping.

Suitability of Geologic Sequestration in the Illinois Basin

The Illinois Basin is generally considered feasible for Class I and VI UIC from a geologic standpoint; however, not all locations within the basin will be suitable. Feasibility depends on several geologic conditions. Investigation of the appropriate subsurface geology serves to minimize project risk and comply with SDWA requirements. A suitable UIC location requires several components:

- **Geology for Injection:** A geologic unit exists with sufficient thickness, extent, porosity, and permeability, and a lack of extensive faulting.
- **Confining Geology:** The geologic unit for injection is overlain by a unit that is of sufficient thickness and extent and has low porosity and permeability. The confining unit should lack faulting that would compromise the unit as a confining interval.
- **Area of Review:** Penetrations into confining/injection units are sufficiently cased or plugged.

If an injection location is found to contain all of these components during the fatal flaw analysis portion of project scoping, on-site UIC is likely to be feasible and the facility should proceed with a detailed feasibility study. If uncertainties or challenges are identified at a selected injection location, the facility should proceed by conducting additional assessment along with a detailed feasibility study. The challenges and uncertainties must be defined, accompanied by an assessment of cost-effective methods to overcome them. If the required

components are clearly determined to be not present during the fatal flaw analysis portion of project scoping, on-site UIC is likely not feasible. However, alternatives to on-site UIC can be explored, including the possibility of transportation for off-site UIC in a location that is feasible.

Financial Advantages

The economic factors for Class I UIC vary based on the geographic location of the well, geology, and construction material prices, and should be considered on a project-specific basis. There is heavy cost associated with early portions of the process (i.e., feasibility study, permitting, and construction). However, it is typical for facilities to see an 18 to 36-month return on investment (ROI) after Class I UIC operation commencement. If the Class I well is permitted as a commercial well to accept third-party waste streams, it will

provide additional revenue and will help financially support long-term Class I operations. Additionally, pre-treatment costs associated with Class I UIC are likely to be considerably lower than hauling costs for zero-discharge facilities. These pre-treatment costs are also likely to be lower than the cost of treatment of wastes prior to discharge into the environment.

For Class VI wells, the economics are currently driven by financial incentives related to national goals to lower greenhouse gas content in the atmosphere. Through the Inflation Reduction Act (IRA) of 2022, facilities that capture and sequester CO₂ can qualify for federal tax incentives (45Q). These facilities can reduce net carbon emissions by employing CCS, which prevents CO₂ emissions from entering the atmosphere, promotes them as environmental stewards, and helps foster economic growth. ♦

MANUFACTURING MONTH MAKERS ON THE MOVE BUS TOUR

SPONSORSHIP LEVELS

PLATINUM SPONSOR (\$25,000)

- Name/logo prominently displayed on the bus
- The bus will stop at your facility
- Participate in the media event
- Name on gift bags
- Recognition in all media notices and marketing materials

GOLD SPONSOR (\$15,000)

- Name/logo displayed on the bus
- Attend a media event in the area
- Name on gift bags
- Recognition in all media notices and marketing materials

SILVER SPONSOR (\$10,000)

- Attend a media event in the area
- Name on all gift bags
- Recognition in all media notices and marketing materials

GIFT BAG SPONSORS (\$5,000 or provide 1,000 promotional gifts)

- Recognition in all media notices and marketing materials
- Name on all gift bags

Visit www.makersonthemove.org for more details

Constellation – 24/7 access to billing and energy usage data

NAVIGATING DISABILITY BENEFITS, DISCLOSURE, & ACCOMMODATIONS

STANNUM CORE SOLUTIONS

With the shifting of the labor market, many employers are looking towards innovative workforce solutions to meet production demands. As a result, disability employment initiatives are increasingly more compared to pre-pandemic figures. Employees with disabilities are likely to be some of the most dedicated and loyal workers for an organization, but they can also come with unique circumstances which require the attention and aptitude of their employer.

Benefits: SSDI & SSI

Disability benefits in the form of Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) are crucial lifelines for many people with disabilities. However, obtaining these benefits can be a tedious and time-consuming process, sometimes taking multiple years to secure. For this reason, workers who receive these benefits may be highly selective with their selected employment because exceeding the "Substantial Gainful Allowance" (SGA) cap may jeopardize the financial and medical security that they have worked hard to achieve.

Robert Parkinson is the Career Services Manager for Search Inc. He works closely with many job seekers who receive SSDI or SSI and understands the concerns of both employees and employers when it comes to navigating these benefits. "In my experience, I've seen the biggest barrier is a lack of understanding of how the system works; as well as fear, not so much for the person going to work but, for a parent or guardian, of what it may take to get them back onto social security if they do lose their job." The big picture is that employees will always be able to earn more money through full-time work than they will through SSDI or SSI; however, the peace of mind that comes with knowing that a person will have access to the medical care that they need is invaluable to many families, and they may elect to only seek out employment that will allow them to retain those benefits long-term. It's important for employers to understand and recognize the weight of these decisions and the reasons why an employee may or may not

choose to come off of disability benefits.

Parkinson goes on to say that the messaging from social security adjudicators can also play a role in the thought process that an individual goes through during a job search. "I worked with a man who got hired into a full-time job. We went to the state adjudicator to let her know. And, instead of her response being, 'this is great news, this may affect your benefits down the road, but we can set up a time to talk and discuss further' her message was 'if you work full-time then you're going to lose your benefits' and he decided to not take the job." This individual ultimately elected to pursue part-time work, though he could still be at risk of exceeding the SGA if he were to receive a pay raise or performance bonus. For these circumstances, alternative rewards such as PTO hours, professional development experiences, or a catered lunch can be considered. This allows an avenue for incentives without putting an employee's state benefits at risk.

The system of awarding and revoking state benefits is one that works against the interests of both employers and employees, but understanding the nuance of how disabled talent must manage their financial income will better prepare your organization to hire and retain this dedicated workforce. As Parkinson states, "The work itself is part of a person's identity and plays into their self-worth. Needing to ask for less hours impacts the way a person views themselves. It's a lot of work to get the person a job and get them to a point of self-sufficiency, so it really doesn't play to anyone's interest."

Disability Disclosure

Disclosing a disability to an employer is a deeply personal decision for employees. The common wisdom within the disability community suggests that disclosure may lead to workplace discrimination or even job loss. In fact, a recent figure from Forbes has shown that over 60% of employees with disabilities opt not to disclose. As such, it is likely that your organization currently employs a number of people with disabilities who lack the confidence to disclose.

It's hard to overstate the importance of

disability disclosure as it helps provide protection for both parties. Employers who provide accommodations to employees who have not formally disclosed may be risking backlash from other employees. Meanwhile, disabled employees who do not disclose lack the ability to seek reasonable accommodations which may greatly improve their quality of life at work and increase focus and productivity.

Some considerations could be to incorporate disability disclosure information into employee orientation sessions or to provide literature handouts to new hires. Fostering a compassionate workplace that educates employees on disclosure, trains leaders to support accommodations, and employs HR personnel who can advocate for the needs of disabled employees will contribute to an inclusive culture

Reasonable Accommodations

When employees disclose their disabilities, they are often seeking peer acceptance and accommodations that will provide comfort in the workplace. For neurodivergent (autism spectrum disorder, bipolar disorder, obsessive compulsive disorder, tourette's syndrome, etc.) individuals, simple, structured accommodations can make a major difference. These may include consistent schedules, visually supported job instruction, noise protection, providing directions in a written form or through modeling, communicating work tasks in writing, modified work environments, and providing structured check-ins.

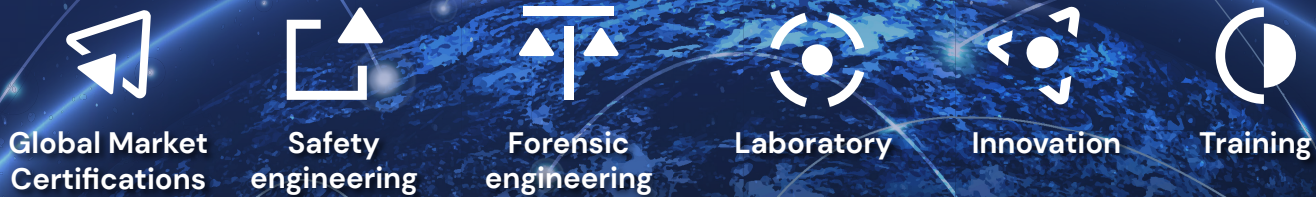
Through his work at Search Inc., Robert Parkinson has assisted many employers and employees in determining what accommodations will best serve their needs. "The most common accommodations would be scheduling for medical appointments or therapies.

Modifications to the workplace are common. Arranging an area that can become wheelchair accessible, providing visual supports, or anything that would be considered natural supports." Natural supports are those that are embedded in the environment and are always present. This could be in the form of managers that are trained in neurodiversity and communication, appropriate signage and taping,



We support manufacturers, distributors and end users
of industrial machinery worldwide

International Certification • Global Testing • Safety Focused



www.en.acenorthamerica.com

ITALY SPAIN RUSSIA NORTH AMERICA BRAZIL CHINA

ONE STOP SOLUTION

up-to-date standard work, communication systems, and others... I urge employers to look at these forms of accommodations as a form of continuous improvement, as they are often aligned with the concepts of Six Sigma and promote universal design.

Closing his point on accommodations, Parkinson states "one of our premier employer partners actually set up a sensory break room for employees. It has lower lighting, soothing sounds and chairs for people to use. Their employees on the autism spectrum find it very helpful. It doesn't cost a lot and it can be used by all employees." Sensory break rooms are a concept that have increased in popularity with employers who are particularly interested in hiring a neurodiverse workforce. They can be a simple way to provide an alternative to break rooms that may naturally have more foot traffic, and they help employers send a strong signal that they are dedicated to supporting their neurodivergent workers.

Each employee, disability, and job will be unique, and it is the task of an engaged HR team to best support the needs of all

employees. During disclosure meetings, a common but potentially confusing response is "let us know how we can best help you." While this is undoubtedly a kind-hearted gesture to the employee, it may lead to confusion or ambiguity of available accommodations. Alternatively, I recommend that HR teams proactively consider the reasonable accommodations that they can offer across different disability categories and prepare this information in both verbal and written forms. This will help the employees understand the typical accommodation process and encourage them to advocate for additional support when needed.

Step Forward with Courage

The concepts of social security benefits, disability disclosure, and employee accommodations can be fear-inducing for even the most well-intentioned employers and HR teams. As other workplace policies continuously evolve, the responsibility of tracking the needs of disabled workers may seem overwhelming. One option that is available to employers is to connect

directly with community resource agencies. This helps establish a strong flow of communication and gives the employer an opportunity to engage with their community on a deeper level.

Robert Parkinson discussed the concept of community-based collaboration during our conversation. "Some employees may come in and it's obvious that they will need some support, and some employees may be more invisible with what they need. So, interacting with the agency that's connected to the employee and their network can be one of the best accommodations that an employer can provide." Engaging directly with community agencies in this way helps elevate everyone's mission. Opening job opportunities for individuals with disabilities is a terrific step towards fostering an inclusive work environment; but, truly working in partnership with schools, state organizations, and community agencies helps get everyone involved in the mission of supporting diverse talent and establishes strong brand awareness, customer loyalty, and long-term pipelines to recruitment for engaged employers. ♦

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

UTILIZING AI IN HUMAN RESOURCES: YOU CAN'T AFFORD TO BE LEFT BEHIND

BARNES & THORNBURG LLP

Artificial intelligence (AI) is increasingly intertwining into everyday life: from automated manufacturing, self-driving cars, smart assistants like “Alexa” and “Siri,” facial recognition, and most recently, chat boxes like ChatGPT.

Unsurprisingly, AI is entering the employment world and impacting HR practices. The Society of Human Resource Management found in 2022 nearly 1 in 4 organizations use automation or AI to support HR activities. Organizations use AI for recruitment and hiring, learning and development, performance management, productivity monitoring, and succession planning. AI can assist employers’ communication with applicants leading to greater efficiency, improved identification of top talent, increased diversity, and reduced bias in hiring processes.

Despite its benefits, AI also presents challenges in employers’ utilization in particular areas such as third party vendors. For example, 92% of employers who use AI to support HR practices use tools directly from vendors, but only 40% of vendors are fully transparent about steps taken to prevent discrimination or bias. Additionally, if employers lack the ability and resources to audit and adjust poor AI algorithms, employers risk overlooking qualified applicants and may inadvertently use tools that systematically discriminate in the hiring process.

AI is not only used among the giants. Although larger organizations tend to use AI tools more, 16% of smaller organizations use AI, and more than 1 in 5 organizations plan to increase their use of AI tools over the next five years.

When implementing AI tools in HR practices, organizations need to be aware of potential legal liability. State and federal law can impose liability and costly litigation expenses onto an organization. It is important organizations be aware of current trends in AI regulation and enforcement.

In 2021, the Equal Employment Opportunity Commission (EEOC) launched an agency-wide initiative to ensure AI and other emerging technolo-

gies comply with federal civil rights laws. Accordingly, the EEOC issued a technical assistance document to guide employers’ use of algorithmic decision making software and how it may violate the Americans with Disabilities Act.

The EEOC also cautioned employers about potential violations of Title VII of the Civil Rights Act of 1964 caused by AI. This mirrors the ADA guidance stating that employers may be responsible for violations caused by AI tools although created by a third party.

The EEOC suggests employers implement measures to detect when AI tools create an adverse impact on protected classes under Title VII, and adjust AI tool usage accordingly. Employers should ensure they conduct self-analyses on an ongoing basis to prevent discrimination prohibited under Title VII.

The risk of litigation and legal liability for employers using AI in the hiring process is real. For example, in *EEOC v. ITutorGroup limited, et al.*, No. 1:22-cv-2565 (U.S. Dist. E.D. N.Y. 2022), the EEOC sued ITutorGroup alleging age discrimination under the Age Discrimination in Employment Act because of ITutorGroup’s use of an online application software that automatically rejected and denied employment to female applicants over the age of 55 and male applicants over the age of 60. Similarly, in *Mobley v. Workday, Inc.*, No. 3:23-cv-00770 (U.S. Dist. N.D. Cal. 2023), a class action was brought against Workday, a Human Resources Management system, for violating Title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act, by using talent acquisition screening tools that subjectively selected applicants without protected status. Although the class action in Workday was brought against the direct provider of HR system software, as the EEOC guidance suggests, employers who used the Workday software may also be liable. Federal and State regulation of AI will continue to increase. The EEOC’s strategic plan for 2023-2027 focuses on combating employment discrimination while recognizing an increase in the use of automatic AI systems for workforce talent recruit-

ment.

Employers should also be aware of additional state regulation – Illinois is leading the way. In 2020, Illinois enacted the Artificial Intelligence Video Interview Act. 820 ILCS 42/1 et seq. Under the act, employers must: (1) notify each applicant before the interview that AI may be used, (2) provide candidates an explanation of how AI will assess the applicant, and (3) obtain consent from the applicant prior to use. 820 ILCS 42/5. Additionally, the Act provides privacy protections which prohibit employers from sharing videos with anyone who does not evaluate the applicant, and mandates employers destroy recorded videos within 30 days of an applicant’s request. 820 ILCS 42/10, 820 ILCS 42/15.

In 2022, Illinois amended the Act to mandate employers, who rely solely on AI analysis of video interview, to collect and report (1) the race and ethnicity of applicants who are and who are not afforded in-person interviews after being interviewed by AI; and (2) the race and ethnicity of applicants who are hired. 820 ILCS 42/20. The demographic data must be reported annually to the Illinois Department of Commerce and Economic Opportunity. Therefore, Illinois employers who solely rely on AI technology for selecting candidates in a recruitment process should establish procedures to collect and report demographic data as required by the Act.

Relatedly, Illinois was also the first state to restrict the collection and storage of biometric data, enacting the Illinois Biometric Information Privacy Act (“BIPA”), providing employees private causes of action against employers. 749 ILCS 14/1 et seq. In early 2023, the Illinois Supreme Court settled the statutory limitation query for BIPA violations, establishing a five year look back period for all statutory violations under BIPA. *Cothron v. White Castle Sys., Inc.*, 2023 IL 128004). Since this ruling, class action lawsuits accusing employer of violations have increased tremendously – over 50 cases filed - which may result in high damages awards. Therefore, employers should be cautious of what biometric



data AI tools may be collecting during HR practices to avoid litigation costs. To avoid a potential BIPA violation, employers must (1) develop a publicly available written policy establishing guidelines for the retention and destruction of biometric identifiers; (2) notify employees of the use biometric identifier to collect information and storage duration of information; (3) sell, lease, or profit from collected information; and (4) disclose or otherwise make available collected information without consent. 749 ILCS 14/15. Employers must also receive written consent after notice is given to employees before collecting identifiers. 749 ILCS 14/15.

Other states have already considered laws to regulate AI in HR practices. For example, New York City, Local Law 144, effective July 2023, will require employ-

ers using AI in hiring and promotional decisions to conduct a bias audit by an “independent auditor,” publicly post the audit results, and give notice that automated decisions tools are being used. The state of New York is currently considering A.B. 00567 which would allow New York’s Attorney General to investigate suspected discrimination in the use of AI for hiring practices. Likewise, similar bills have been introduced in places like New Jersey, Vermont, and Washington D.C. The commonality among all the proposed laws is to prevent discriminatory practices in the hiring process when employers use AI and automated, algorithmic decision making tools.

AI is here to stay. Organizations increasingly are, and should, use AI tools to assist in better recruitment,

development, performance management, productivity monitoring, and outreach. Employers can take measures now to stay ahead of future regulation. Employers should:

(1) keep up with regulatory and legislative developments; (2) have an internal review system in place to audit automated tools for discriminatory impact; (3) consider having independent auditors in place to also review the AI technology in use; (4) notify applicants and employees when AI technology is used and related personal data is being stored; (5) obtain written consent from applicants and employees prior to use of AI tools; and (6) disclose the use of AI on the employment section of the organization’s website and job postings. These measures can reduce liability while increasing organizational efficiency. ♦

THE QUEST FOR DIGITAL TRUST IN THE INFORMATION ERA

FORVIS LLP

While many organizations may not know the definition of the term 'Digital Trust', they understand it at a visceral level. [ISACA defines Digital Trust](#) as the confidence in the integrity of the relationships, interactions and transactions among providers and consumers within an associated digital ecosystem. It sounds complicated, but digital ecosystems are ubiquitous. Not a single organization is operating in a purely non-digital ecosystem, and there is no digital system that is perfectly air-gapped from the worldwide web. So digital trust applies to every organization with customers, including manufacturers. Digital Trust is not just a requirement for survival, it is also crucial for a company's success.

According to a University of Cambridge briefing paper, "With the advancement of the 4th Industrial Revolution (4IR or Industry 4.0), manufacturers are exposing themselves to more and more vulnerabilities as they deploy new technologies, which are increasingly Internet-connected. The increased risk can come from the new technologies themselves or from the interactions between new and legacy systems." Not surprisingly, the manufacturing industry suffered the [highest share of cyber-attacks worldwide in 2022](#).

Industry 4.0 continues to introduce technologies that have the potential for significant improvements in productivity. Technologies such as Internet of Things (IoT), Big Data, Cloud Computing (CC), digital twin, and Additive Manufacturing are becoming less expensive to acquire and implement. That has not only accelerated the adoption of these technologies, but also made them a necessity to maintain competitive advantage in a global economy.

The advances and innovations enabled by connected devices, massive amounts of computing power, and the modern-day importance of lean, efficient operations have resulted in enablement of truly cyber-physical systems (CPS). These systems sharply increase the risk potential for manufacturing companies because increased connectivity requires rapid patch cadence, and change-management practices must adapt accordingly. These risks are further compounded by the increase in the cyber-attack surface resulting from remote work.

How can manufacturing companies get ahead of the cyber-curve in an ever-expanding threat landscape with high asymmetry between the cost of perpetrating a cyber-attack and the cost of defending against it? Digital Trust sits at the convergence of Information Technology (IT), Operational Technology (OT) and humans. Implementing the 6 tenets below can create the foundation for Digital Trust in manufacturing companies:

1. If it's everyone's responsibility, nobody is primarily accountable:

It is not adequate for a manufacturing company's C-Suite to simply add digital trust as one of the goals for the Chief Information Security Officer (CISO), Chief Data Officer (CDO) or Chief Technology Officer (CTO). It is not just a technology or security challenge. Digital trust must permeate all the cyber-physical systems and their interactions. Digital Trust encapsulates the obvious yet often siloed functions of data security, data privacy and data quality/integrity. Appointing a Chief Trust Officer (CTrO) would enable companies to focus on all of the pieces of the digital trust puzzle holistically. The CTrO would connect all the dots necessary to achieve effective data stewardship and increase the cost of a successful cyber-attack.

2. Be the change you want to see:

According to a recent study by [Stanford University Professor Jeff Hancock and security firm Tessian](#), approximately 88% of all data breaches are caused by employee mistakes. Employees are still by far the weakest link and the most lucrative access point for cyber-threats. The CTrO must lead the organization in a culture of data citizenship which is grounded in ethical conduct. Most people consider themselves and their colleagues to be smart and well-intentioned individuals. Therefore, creating Digital Trust requires a seismic shift in the mindset of every employee because it takes effort to create the new habits that are required. The CTrO should work towards establishing the governance framework, incentives, and budget necessary to create the level of Digital Trust employees expect from other organizations.

3. One cannot protect what one cannot see:

Companies should identify the IT and OT systems that are part of their cyber-physical space because the two types of systems have very different vulnerabilities. IT systems include PCs, smartphones, servers, cloud storage, etc. OT systems include energy management systems (EMS), industrial controls systems (ICS), safety instrumented systems (SIS), and so on. Over the last few decades, organizations have developed an understanding of typical IT risks. However, the OT systems add a layer of complexity that is unique to the manufacturing sector, due to the potential for cyber-physical consequences, such as injury to workers, malfunctioning of machinery, disruption of supply chains, and poor customer experience. Hence, the identification of IT and OT systems in use is critical to the proper identification of weaknesses.

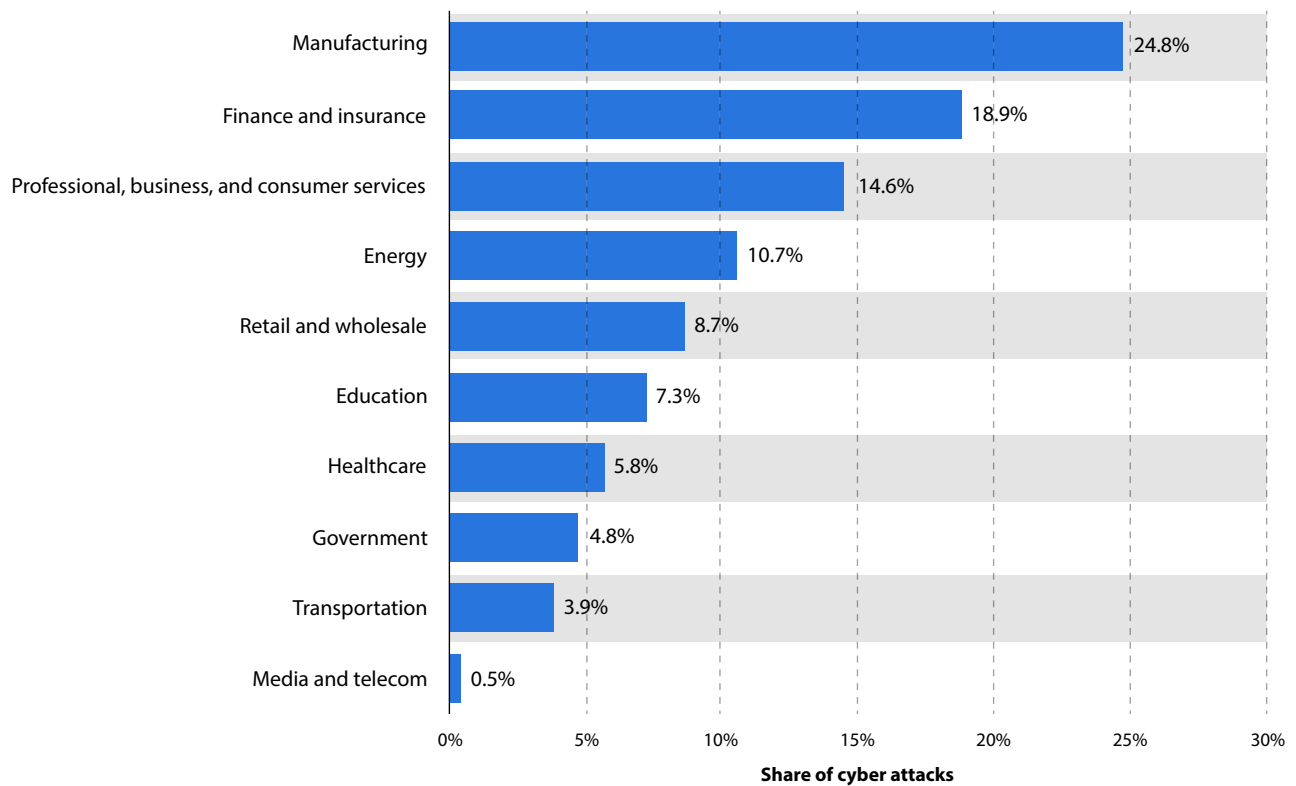
4. Don't make perfect the enemy of the good:

While complete risk avoidance is ideal, it is not practical without unlimited resources. Accordingly, establish the business-critical systems and assets using a process sometime known as 'crown jewel' analysis. Partition the system under consideration (SUC) and put boundaries around these partitions to understand the different risks for the different parts. This will allow companies to design different risk mitigation targets. The risk can vary for the similar types of assets. For example, a programmable logic controller (PLC) with ethernet interface that only collects diagnostic information (for monitoring networking traffic, alerts, etc.) is at a lower risk than a cloud-based HMI (human-machine interface) that can operate a machine or make changes to the ladder logic.

5. Begin with the end in mind:

Establish SMART goals for the company's Digital Trust effort by bringing together the knowledge, expertise, and different lenses of employees from engineering, IT, marketing, enterprise risk, legal and compliance, HR, and finance. Digital Trust is an accelerator of growth. It is not just a risk management issue. The process of creating time-based goals for Digital Trust must cut across siloes and be based on an internal as

Distribution of cyber attacks across worldwide industries in 2022



Source
IBM
© Statista 2023

Additional Information:
Worldwide; 2022

Statista

well as an outside-in assessment of the company's brand, reputation, and credibility. Based on goals for Digital Trust, the CTrO should establish the company's security posture and cyber-risk tolerance. This includes defining risk targets for each partition of the critical SUCs identified and accordingly designing [the security controls \(remediation and/or mitigation\)](#) to bring risk down to an acceptable level.

6. Fight fire with fire:

Technology is not the enemy. Morals, incentives and resulting human behavior form the basis of challenges with achieving digital trust. The CTrO should lead the organization in adopting emerging technologies that can help achieve the outcomes of Identify, Protect, Detect, and Respond from the NIST framework. Organizations that handle CUI should be proactive in using all tools available at their disposal to promote digital citizenship. This includes using AI as the bridge between the increasing cyber-attack surface (more connected

devices, users, and applications) and limited cybersecurity professionals. Blockchain is another technology that can support cybersecurity efforts since, by its very nature, it incorporates cryptography, consensus-based verification, and decentralization. Technology is neither the problem nor the silver bullet in the quest for Digital Trust, but promoting a culture of rapid continuous learning will enable an organization to leverage emerging technology. Being cynical or fearful of new technologies is a disservice to our stakeholders in an environment of rapid technological change which will only accelerate in the coming years as quantum computing applications become practical.

Regulation in the US has lagged the scope and pace of malicious cyber activity, exacerbating the cost asymmetry between attack and defense mentioned earlier. Current cybersecurity laws in the US are a patchwork of policy initiatives with numerous federal and state laws that touch cybersecurity in some capacity. However, the

requirements tend to be very general, are aimed at specific sectors, or only apply to [public companies](#). The realignment of responsibility of the Cybersecurity Maturity Model Certification (CMMC) program under the US DoD should lead to more cohesive and integrated rulemaking going forward. Companies would benefit from taking a proactive approach to cybersecurity compliance. For example, once the rule-making under the Cybersecurity Maturity Model Certification, or CMMC 2.0 is complete, it is estimated that over 300,000 [contractors will have to comply](#).

There are no shortcuts or golden models to achieving Digital Trust in an information era. Staying ahead of the curve will require a culture of sustainable Digital Trust embedded in an ethical foundation of digital citizenship. Finally, it must be a comprehensive effort from the top of the organization, with Digital Trust as the over-arching priority that influences other corporate goals and budget allocations, and not the other way around. ♦

THE COMPONENTS OF NATURAL GAS PRICE AND EFFECTIVE PURCHASING STRATEGIES

CONSTELLATION

Due to ever-changing market volatility, such as supply and demand, weather patterns, storage levels, transportation costs, and geopolitical events, it is imperative that energy managers understand the components of their total gas price and evaluate their natural gas purchasing strategy. There are two primary components of natural gas pricing: commodity price, which is based on the NYMEX Henry Hub futures price, and basis such as transportation and storage. Effective purchasing strategies are essential for businesses to optimize their energy costs and stay competitive.

What is Commodity Price?

A customer's commodity price is based on the NYMEX, a national and international benchmark price of natural gas. The NYMEX is based on the price of gas at the Henry Hub in Erath, Louisiana, and serves as the official delivery location for futures contracts for NYMEX—known as the “NYMEX Henry Hub futures price.” A futures contract refers to the value today on the future delivery of gas, so for example, January 2025 gas has real, tradable value today in 2023.

All customers can base their physical natural gas price on the NYMEX. Many customers find that it is transparent because they can at any time access NYMEX prices online. The NYMEX can be referenced as the general value of natural gas at a point in time while the local cost of gas is more specific to the region's supply and demand, weather and other factors; this is where basis price comes in.

What is Basis?

Basis is the price differential between the NYMEX (the general benchmark) and the local cost of gas (the specific location). It is often mistaken with transport, but transport is only one of multiple factors that can play into basis pricing. Basis includes your physical costs for transportation, fuel, storage and local production, and because it is calculated as a price differential, it is possible to have a negative price.

Working Together

Whether your company has already experienced the commodity (or NYMEX) plus basis equals the total gas price. The ability to lock or float these price components independently helps to give customers options in how they choose to manage price risk over time.

Gas Purchasing Strategies

Many businesses and organizations have shifted their focus from more than just price. Strategic risk management of both NYMEX and basis costs helps support long-term budget certainty and protects against price volatility. We commonly see customers employing three primary price instruments—Fixing, Floating, and Managing—to build their strategy, and it is common for customers to use more than one at a time.



Maximizing price certainty: Fixing a price

Fixed pricing is a mechanism to lock a single price per one million British Thermal Units (MMBtu) or dekatherm (dth) for volume and term at an exact delivery point. A customer can fix the NYMEX price, the basis price or both together. The upside to fixed pricing is price certainty; the only thing that is uncertain is how much their business is actually going to use. At the start of the contract, energy managers must estimate their business' energy usage and will be charged for that estimate throughout the entirety

of the contract. In addition to potentially purchasing more gas than needed, another downside to fixed pricing is when the market declines, customers may miss out on an opportunity to procure a lower rate.

Maximizing market opportunity: Floating a price

Floating is a mechanism that gives you the market price at the time of flow, taking advantage of market movements. “Customers may benefit from a floating price, but they must be willing and able to take on risk if the market changes exponentially,” according to Jenny Herlache, Director of Regional Sales at Constellation.

Balancing flexibility and certainty: Managing a portfolio

The best time to lock is when the market is rising. The best time to float is when the market is falling. This is the challenge: how do you know which direction the market will go? That's why you take a managed approach: plan for both and use both price instruments—a combination of fixing and floating—to build a portfolio.

You can lock in some of your price to help shield against market spikes. Some will be left open to float with the market to capture any dips that might occur. “This falls in between budget certainty and risk tolerance; it's a good balance,” says Herlache. “It's like your 401K – you're investing at certain intervals; you may not experience high highs or low lows. You're purchasing the gas you need at different periods along your contract.”

Constellation's SmartPortfolio program is a valuable tool that enables automated diversified purchasing. It offers multiple volatility protection levels, allows you to choose the right plan based on your preferences for budget certainty and manages your risk over time. The SmartPortfolio program uses dollar-cost averaging to fix pricing. This saves customers time by eliminating the need to watch the market and decide when to fix a price.

For more information visit: <https://www.constellation.com>.

Constellation – 24/7 access to billing and energy usage data

FIVE THINGS TO WATCH FOR TO PROTECT YOUR WORKERS

EMC INSURANCE

A worker with a nagging injury can't be as productive or engaged in their job, and it likely isn't good for team morale. That's why safety is crucial in the manufacturing industry. Establishing a secure and efficient work environment is paramount to overall productivity, profitability and employee well-being. Not to mention it's a sound business practice and government regulation requires businesses to maintain safe working conditions. To help manufacturers plan for success and reduce risks, we have has determined the top five loss drivers for the industry.

1. Ergonomic issues and overexertion

Ergonomic injuries are responsible for a high number of claims in the manufacturing sector. They generally occur when tasks are repetitive, or if they require excessive lifting or awkward postures. Here's how you can improve manufacturing ergonomics and reduce overexertion injuries in the workplace:

- Determine which jobs are most likely to have ergonomic risk factors by examining your claims history, looking into jobs with especially high turnover or thinking about the jobs at your organization that are hard to fill
- Work with an ergonomics consultant to evaluate and improve your ergonomics program
- Rearrange your workflow to minimize manual material handling, such as unnecessarily moving materials

2. Struck-by accidents

Struck-by accidents are preventable and can be reduced by implementing the following tactics:

- Ensure forklifts, cranes and other large equipment meets inspection requirements
- Use an operator evaluation to ensure operators understand how to operate equipment safely
- Create a machine guarding program that includes not removing machine guards and training employees on the types of machine guards as well as their safety requirements

3. Slips, trips and falls

Spills, bad weather conditions and improper ladder usage are all contributing factors to slip, trip and fall claims. Fortu-

nately, reducing these risks can be simple:

- Conduct a slip and fall assessment and develop a prevention program with your provider
- Identify factors that increase accidents, such as poorly marked curbs, cords that cross pedestrian paths or liquid on the floor
- Implement safety changes, such as handrails, cleaning protocols and wearing slip-resistant shoes

4. Risk of auto accidents

Vehicle accidents can lead to employee injuries and loss of dollars, property and life. Prepare your drivers for the roads, reduce accidents and improve overall fleet safety with these tips:

- Collect driving histories and review each driver's motor vehicle record annually after hiring
- Train drivers on general driving safety and company expectations, including defensive driving techniques and any applicable state and local regulations

5. Fires in the facility

Fires can be caused by improper storage of combustible materials, faulty electrical equipment, hot work, flammable liquids and more. Fire accidents are often costly and can result in severe injuries and death. Here's how you can reduce your risk of fire:

- Maintain fire safety systems, such as sprinklers and alarms
- Train employees to prevent and respond to workplace fires
- Make sure your system is adequate for your exposures (this is particularly valuable in new construction or facility remodels)

Protect your manufacturing operations with comprehensive risk management

When it comes to workplace loss control and spending your safety budget, there are several techniques you can employ to make sure you get the most bang for your buck. For more information about loss prevention resources to protect your manufacturing facility, visit www.emcins.com/losscontrol/.



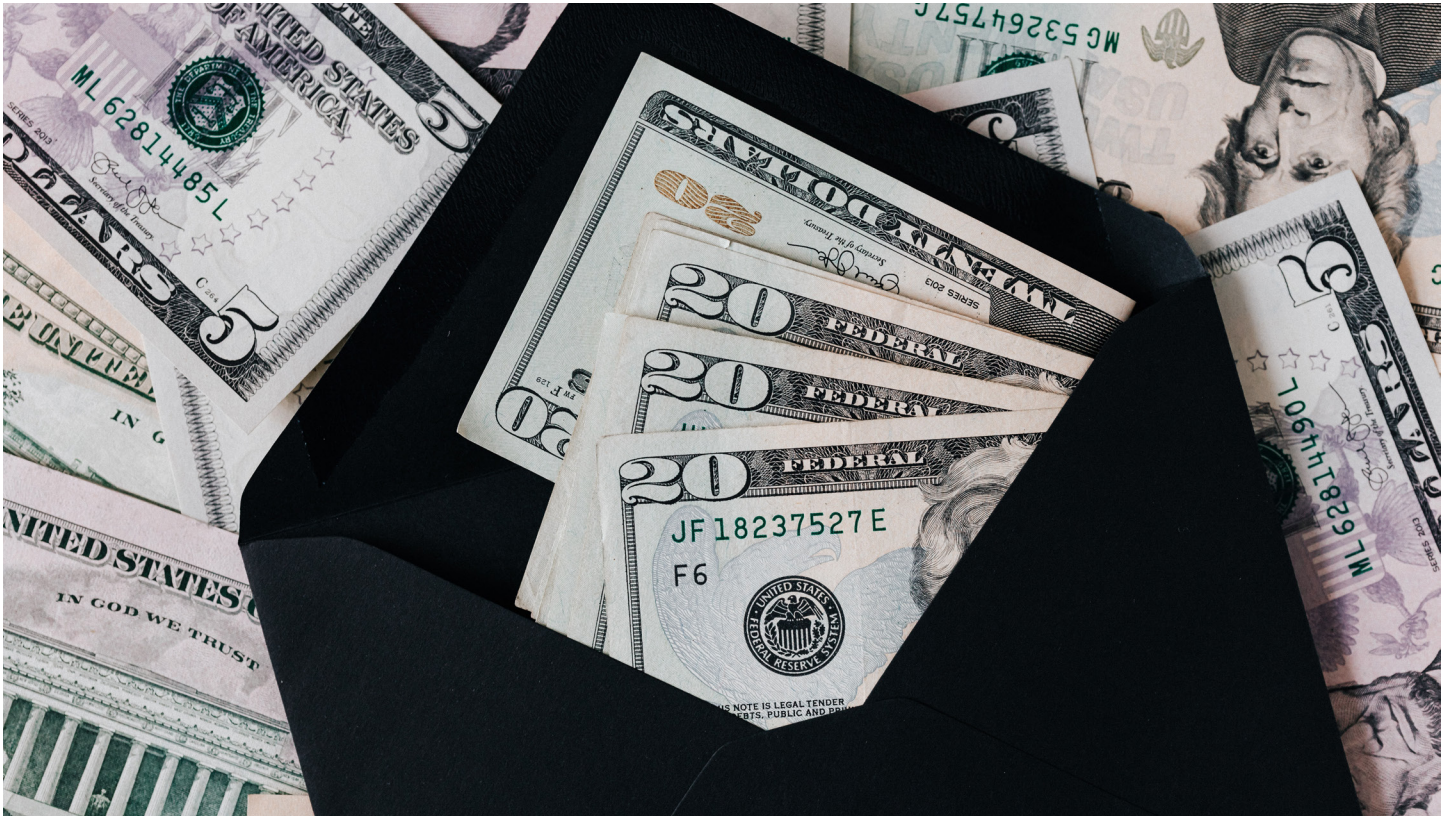
Manage your HR more easily today.
Find more success tomorrow.

For more information, go to <https://info.adp.com/ima>

ADP
Always Designing
for People®

ILLINOIS DOL ADOPTS REGULATIONS ON EMPLOYEE EXPENSE REIMBURSEMENT & WAGE DEDUCTIONS

GREENSFELDER, HEMKER & GALE, P.C.



Employers, take note: The Illinois Department of Labor (IDOL) recently adopted new regulations for employee expense reimbursements and paycheck deductions. These include regulations that:

- create a five-factor test for determining when an employer is required to reimburse an employee's work-related expenses;
- clarify when employers may be liable for payment of employee expenses that exceed amounts noted in written policy;
- create new recordkeeping requirements for employee-incurred expenses;
- clarify when an employee may file a claim with IDOL seeking reimbursement of expenses;
- clarify what constitutes an enforceable wage deduction agreement; and
- create enhanced penalties for violations of the Illinois Wage Payment and Collection Act (IWPCA).

The new regulations took effect March 31.

Reimbursable Expenses Five-Factor Test

Previously, IDOL had no written guidance for determining if a particular work-related expense an employee incurred was for the "primary benefit" of the employer. Fortunately, that has changed. The new regulations create a five-factor test:

1. Does the employee expect reimbursement?
 2. Is the expense required or necessary to perform the employee's job duties?
 3. Is the employer receiving a value it would otherwise need to pay for?
 4. How long the employer is receiving the benefit?
 5. Is the expense required of the job?
- Employers should immediately revise their written expense reimbursement policies to incorporate the five-factor test. If employers do not have such a

policy, they should create one with the assistance of employment counsel.

New Written Expense Policy Guidance

All employers should have a written expense reimbursement policy. Strict adherence is strongly recommended, based on the new possible ramifications for any variance from the policy, especially as it relates to reimbursable expense amounts.

The new regulations provide that even if an employer's written expense reimbursement policy establishes specifications or guidelines for reimbursable expenditures, but the employer allows for reimbursement of amounts that exceed those specified in its written policy, the employer will be liable for full reimbursement of such expenses.

Thus, employers must be diligent in following their policies. If they deviate, this may result in the IDOL finding an employer-approved change and requiring the employer to pay the full amount of the reimbursement to the employee.

New Recordkeeping Requirements for Reimbursable Expenses

The new regulations require employers to keep the following records for three years:

- All policies regarding reimbursement;
- All employee requests for reimbursement;
- Documentation showing approval or denial of reimbursement; and
- Documentation showing actual reimbursement.

Thus, it is imperative that employers inform any individuals who review or approve/deny employee expense reimbursement requests of the new record-keeping rules. Employers should also update their document retention policies to comply.

Denial of Requests for Reimbursements

The new regulations provide that once an employer denies an employee's reimbursement request or fails to respond to such a request, if the expenses are of a nature that should have been reimbursable under the new five-factor test, an employee may file a claim with IDOL for reimbursement.

Employers should explain in their written policies the process for approving or denying reimbursement requests. The policy should also include the anticipated period of time it will take to review and make a reimbursement determination, to prevent employees from hastily filing a claim of a failure to respond.

Deduction of Wages from Employee Paychecks

Before the new regulations, an employer could lawfully deduct wages from an employee's paycheck when, for example, the employer and employee entered into a cash advance repayment agreement, the advance was to be repaid through payroll deductions until the amount was repaid, the same amount was to be deducted each pay period, and the agreement allowed for

voluntary withdrawal for the deduction.

The new regulations require more for such agreements to be enforceable. Wage deduction agreements must now specify a defined duration for the deductions, up to six months. Thus, employers should no longer solely indicate, for example, that "the agreement remains in place until the amount is repaid." Rather, they should specify a period in which the paycheck deductions will occur.

New Enhanced Penalties for IWPCA Violations

The new regulations provide that if IDOL determines an employer violated

the IWPCA because the employer owes wages or final compensation (defined to include expense reimbursements) to the employee, damages will no longer be assessed at 2 percent of the amount owed. Now, damages will be assessed at 5 percent of the amount owed, multiplied by the number of months between when the violation occurred and when the employer pays the amount owed.

Accordingly, employers should exercise caution in denying reimbursement expenses, especially in the absence of a written policy, and in particular, if there is a good-faith basis to deem the expense request reimbursable under the new five-factor test. ♦

Committed to helping clients achieve a fulfilling retirement while advancing sustainability goals.



EQUITABLE

Advice • Protection • Retirement

equitable.com/retirement

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc. including Equitable Financial Life Insurance Company (NY, NY); Equitable Financial Life Insurance Company of America, an AZ stock company with main administrative headquarters in Jersey City, NJ; and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN). GE-4907834.1 (8/22) (Exp. 8/24) | G1840771

Constellation – Visit constellation.com/IMA



SIX GENERATIONS & 175 YEARS: KNAPHEIDE MANUFACTURING COMPANY

Long before Knapheide became the household name it is today; it was simply the last name of a German immigrant who came to America with a hope and a dream. Herman Heinrich Knapheide first landed in New Orleans before traveling up the Mississippi River and settling in Quincy, Illinois where he later founded the Knapheide Wagon Company in 1848. With a high volume of pioneers seeking to head West, the business flourished. Heinrich was able to sell wagons not only to pioneers, but also to farmers and miners through his dedication to building a name known for quality.

Heinrich spent 42 years leading by example, and in doing so, his son Henry E. Knapheide not only understood the family business but sought to expand its success when he took over leadership. "In 1890, Henry assumed the role of President at Knapheide and incorporated the company in 1893," said Knapheide's current President & CEO, Harold W. "Bo" Knapheide IV. "He invested in steam-powered saws, presses and planers, maintained a respectable inventory, and established channels of distribution into South America and Africa."

By the early 1900s, Knapheide was in its 3rd Generation of family ownership, led by Harold W. Knapheide. Simultaneously, transportation was evolving with the emergence of the automobile which meant wagons were on the out. Fortunately, Harold was ready to answer the shift in demand, and by 1910, Knapheide was building both cabs and bodies for Ford Model Ts, marking the beginning of a new era. "The automobile changed everything, and we changed with that," said Bo. "This period was very prosperous, but short-lived with the 1929 Stock Market Crash and the Great Depression, which shortly followed."

In 1932, the company showed how resilient it was by surviving off of just \$14,083.65 in sales. "Knapheide saw tough times during the Depression, at times getting more revenue from repairing

trucks and wagons than selling them, but the company did what it had to do to survive and survive we did," said Bo. By the tail end of the Great Depression, Knapheide had prepared to meet the modern world head on with a new variation of the same trusted name, and from 1937 onward, the company would be known as The Knapheide Manufacturing Company.

A year later, Harold W. "Bud" Knapheide Jr., a self-taught engineer, joined his father at Knapheide with plans to modernize and expand manufacturing operations. Bud brought a new layer of innovation, carrying the company through the war by assembling metal cases for military radios and creating wood vessels and finishings for military landing crafts. "And by the mid-1940s, Bud had developed and produced all steel-frame truck bodies too. Bud's innovative product line was targeted to the agricultural market through an expanded distribution network," Bo explained. By 1960, nearly every farmer in the Midwest knew the Knapheide name.

Due to their outstanding reputation in the agricultural market and the farm boom of the 1970s, Knapheide quickly outgrew their manufacturing facility. In 1954, Bud opened the West Quincy facility to increase Knapheide's manufacturing and production capacity to keep up with demand. "While Bud was quite pleased with his company's position, he also realized that all markets were cyclical. In 1968, he gave his son, "Knap", the project of developing and marketing the new service body product," said Bo. "Bud understood the importance of diversifying the company to decrease risk, which would pay off for future generations."

Knap was made President of Knapheide Manufacturing Company in 1978, a time when the fruits of his labor were paying off, and service bodies became a contributing product to the company's success. "Knap's ability to tap into this new market came forth by a deep understanding of his customers and their needs,"



Harold W. Knapheide and Bud



Customers Look at New Product at Tradeshow circa 1970's



Gem City Transfer



Bud Knapheide

Bo added. But another series of challenges presented themselves to the fifth generation of family ownership, Harold W. "Knap" Knapheide III, between the flood of 1973, the farm crisis of the 1980s, and the flood of 1993. Knap did not succumb to these challenges. He used his innovative nature to problem solve.

In 1993, he moved production to a temporary facility while he made plans to ensure that a flood would never devastate the company again. "Knap made a decision that had a profound impact on the company's future," Bo noted. "He decided to construct a new 480,000 square feet, state of the art truck body manufacturing facility." The decision to construct a new facility allowed Knapheide to better serve their customer base and improve their customer service, manufacturing processes, design technology, team building, distribution networks and product lines. "Knap measured the success of the company not by short-term profits, but by the long-term relationships that have been cultivated over the years," Bo added.

Like many of those that came before him, Harold W. (Bo) Knapheide IV started working for the company at an early age. "Since starting with the company in 1999, I've worked on the shop floor in assembly, paint and shipping, our installation centers installing our bodies on chassis, and in sales and marketing before moving into leadership roles," Bo explained. Between growing up in the business and working in most departments over the years, Bo has been able to see firsthand how each department plays an integral role in the company's mission. He has also been able to build longstanding relationships with fellow employees and customers alike. "Working through all these different roles really taught me that it all comes down to people and working together to make our company successful," Bo added.

Bo was named President and CEO of Knapheide in 2018, becoming the sixth generation to lead the company. In 2018,

Knapheide built a 188,000-square-foot manufacturing plant to focus on the assembly of aluminum products. Under Bo's direction, the company continued to be the industry leader, providing custom solutions to its customer base. He has been instrumental in diversifying product offerings, including the Industrial Products line, while also encouraging the importance of customization. Today, Knapheide offers both manufacturing and installation capabilities that, coupled with a 175-year-old history, sets them apart from all others in the truck equipment industry.

In a conversation surrounding this huge milestone achievement, Bo told us that, "First and foremost, we share our success with all of our people within the company, our longtime partners, and our customers who have all contributed to our success because we know that without them, we wouldn't be where we are today." It's clear that this kind of humility is a core value that has been instilled in each generation of the family and is the basis for prosperity. "We will also celebrate and reflect on what it took to get here 175 years ago, it's humbling to think about all of the work that went into building this company, not only by the Knapheide family, but by all of the employees," Bo added. "It's truly because of their dedication that we have reached this milestone, and we are so fortunate to get to celebrate that hard work today."

The Knapheide family lineage is that of both adaptive and innovative leaders that have committed themselves to being pillars in their community, for their community. Each generation has brought their own unique expertise into the business and pushed it to higher levels as times and technologies have changed. Please join us in recognizing, congratulating, and celebrating The Knapheide Manufacturing Company on 175 years and six generations of manufacturing in Illinois. The IMA is proud to represent them as a member of the association. ♦

CAREER EXPLORATION IS CRUCIAL TO BUILDING TOMORROW'S MODERN MANUFACTURING WORKFORCE

TRANSFR

Manufacturing is booming in the US. Recent years have seen an increase in modern manufacturing job openings in a number of regions. Not only do these open roles signal the resurgence of one of the nation's core industries, which was responsible for building a prosperous middle class in decades past — these are also well-paying, high-tech jobs that often don't require a college degree to get started in.

"Manufacturing positions are coming back to the US," says Sarah Hartwick, Vice President of Education Workforce policy at the Illinois Manufacturers Association. "In Illinois, we are expecting to see the manufacturing jobs increase the most of any other industry in the coming years."

However, employers are facing an uphill battle when it comes to filling open roles. People from pools of undiscovered talent just don't know that these roles exist, what the day-to-day duties of these jobs are, or how to train for them. Career exploration, augmented with VR and AR resources, can create win-win-win scenarios for job seekers, employers, and the schools, workforce boards, and community organizations who serve those job seekers.

High-tech career exploration experiences can help build classroom-to-career pathways for the future manufacturing workforce by educating possible workers about the types of jobs available to them, what their daily experiences would look like, and the training necessary to land one of these jobs. Starting salary information, as well as glimpses into future pays rates if workers stay in these fields, can also drive interest and enthusiasm for manufacturing jobs, as prospective workers know what they can expect getting into a role and imagine a bright future if they stick with their chosen course!

Career Exploration Can Highlight Manufacturing Opportunities

Career exploration is any activity where students and job seekers gain insights into job opportunities. Through

a variety of activities, including online research, classroom sessions, site visits, and even high-tech experiences using augmented reality (AR) and virtual reality (VR), students and job seekers learn state-specific and locally available occupation titles, daily job activities, salaries, and training requirements. This information helps them create career pathways that they can follow to build the career of their dreams. It can also help ease the workloads of school counselors and CTE instructors:

"Every career counselor that I talked to, and I've talked to about 100 across the country, is saying they would love to do more career exploration," says Tom Darling, Director of Career Exploration at Transfr. "They know that's part of what they do. But when you have caseloads of 250, 600, and even 1200 students as your caseload, that's really tough."

"IT'S NO LONGER DARK, DIRTY, AND DANGEROUS. IT'S CLEAN, SUSTAINABLE, HIGH TECH DIVERSE... AND IF YOU VISIT A SHOP FLOOR TODAY, WITH THE MINDSET THAT IT'S DARK, DIRTY, AND DANGEROUS – YOU WILL BE BLOWN AWAY. IT'S INCREDIBLE."

Recent laws passed in Illinois have strengthened the role career exploration plays in schools: IL PaCE stipulates that by July 2025, school districts need to implement career exploration and career development activities in accordance with a PaCE Framework for grades 6 – 12. Additionally, the requirements for earning a College and Career Pathway Endorsement are: Completing a minimum of two Career Exploration Activities or one Intensive Career Exploration Experience, a minimum of two Team-based Challenges, and at least 60 cumulative hours of participation in one or more Supervised Career Development Experiences.

These supervised work experiences need to relate to an individual's career area of interest that can occur in a workplace or under authentic working condi-

tions or could include a work simulation project or be offered through a virtual platform. VR career activities can play a vital part in Illinois' evolving work preparedness rules for students.

Enhanced career exploration activities that leverage AR and VR can also be especially compelling for students and job seekers. The flexibility that these high-tech solutions offer allows organizations to infuse area-specific data on job openings, employers, and salaries directly into the platform and the experience.

Prospective employees don't just learn about amazing opportunities in manufacturing — they learn about local employers, job openings, and training opportunities. They also understand how much they could stand to earn before taking their first steps on a career path. Best of all, AR career exploration experiences leverage smartphones, which almost every student and job seeker has. VR experiences require specialized equipment but offer a more immersive experience that schools, and workforce development boards may choose to further drive interest and excitement among the populations they serve.

AR and VR Career Exploration Deepens Understanding of Job Duties

Whatever form of career exploration a student or job seeker uses — AR or VR — a key outcome is a deeper understanding of job duties, daily activities, and responsibilities. Usually, time is an important factor in understanding these elements of a career pathway, but immersive experiences like AR and VR add breadth and depth to career exploration activities and can help speed up the process.

Simply put, before a student decides to dig into training requirements or make a career plan, they need to know they're going to like doing the actual day-to-day activities of that job. Career counselors and CTE instructors can help get students and job seekers started on their journeys with video and written content, but AR and VR career exploration simulations immerse students in realistic workplace settings and allow students and job seek-

ers to undertake various tasks that they might encounter in the workplace. Best of all, these experiences take place in a safe setting, guided by a VR coach who gives users one-on-one attention.

This immersiveness can help give students and job seekers a better idea of what to expect in these roles — especially modern manufacturing jobs which may be quite different from what students and job seekers think they are!

“It’s important to change the optics of what manufacturing looks like today,” Hartwick says. “It’s no longer dark, dirty, and dangerous. It’s clean, sustainable, high tech diverse... And if you visit a shop floor today, with the mindset that it’s dark, dirty, and dangerous — you will be blown away. It’s incredible.”

AR and VR career exploration experiences can also drive excitement and interest in open roles, especially when paired with job opening and salary numbers from employers in the local area, including progressive pay scales for workers who’ve stayed in a career path. Knowing not just the starting salary, but what to expect years down the road can be a powerful motivator. Plus, AR and VR are also uniquely fun and engaging for younger job seekers and students.

Building the Future of Manufacturing with AR and VR

Manufacturers, schools, workforce development boards, and everyone serving students and job seekers must work together to enhance career exploration activities. AR and VR offer unique benefits when it comes to deepening student/job seeker understanding of open roles, training requirements, and career paths.

These options can also satisfy career education requirements in schools as well as providing students and job seekers with the most up-to-date information about job opportunities and pay scales/progression. Lastly, AR and VR are also uniquely engaging and can drive interest in careers at nearby employers. Leveraging these cutting-edge technologies can create win-win situations for students, job seekers, schools, workforce boards, and employers. ♦



Thinking about
your business is
a big part of ours.

PUT OUR MANUFACTURING INSIGHTS TO WORK FOR YOU.

To make confident decisions about the future, middle market leaders need a different kind of advisor. One who starts by understanding where you want to go and then brings the ideas and insights of an experienced global team to help get you there.

Experience the power of being understood.

Experience RSM.

rsmus.com/manufacturing

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



RSMUS LLP is the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. Visit rsmus.com/aboutus for more information regarding RSMUS LLP and RSM International.

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

BUSINESS DAY RETURNS TO PRE-PANDEMIC TRADITIONS IN 2023

The Illinois Manufacturers' Association, in partnership with the Illinois Retail Merchants Association (IRMA), held our annual Business Day at the Capitol on Wednesday, April 26, at the President Abraham Lincoln Hotel, the Illinois State Capitol, and at the IMA in Springfield. Business Day at the Capitol is the largest business lobbying day in Springfield, and hundreds of business leaders participated, communicating the interests of manufacturers and retailers directly to legislators, administration officials, and other policymakers.

The day's events began with an IMA Board of Directors meeting, registration for the luncheon and breakout sessions. The luncheon featured a full-to-capacity room, with welcoming remarks from IMA President & CEO Mark Denzler, IMA Board Chair Greg Webb (Archer Daniels Midland Company), IRMA President & CEO Rob Karr, and IRMA Board Chair Art Potash (Potash Markets).

The keynote speaker was Illinois Governor JB Pritzker, who expounded on the importance of the manufacturing and retail sectors, especially noting his partnership with the IMA on the REV-EDGE act incentivizing electric vehicle manufacturing and its supply chain, and the MICRO Act, which provides similar incentives in the semiconductor industry. Governor Pritzker also noted his participation in early April to crown the Rosenberg Moon Habitat by Ingersoll Machine Tools (Rockford) as this year's

Coollest Thing Made in Illinois, the winner of the IMA's Makers Madness contest, presented by Comcast Business. In addition, Governor Pritzker encouraged attendees to engage with their lawmakers and his administration on issues and concerns that affect their businesses, pledging to work to make Illinois a destination for manufacturers and manufacturing.

Following Governor Pritzker, attendees heard from Lieutenant Governor Juliana Stratton, Secretary of State Alexi Giannoulias, and State Treasurer Michael Frerichs, who each emphasized the importance of the manufacturing and retail sectors and their close relationships with the IMA and IRMA.

After the statewide officials concluded their remarks, Rick Pearson, legendary Chicago Tribune reporter moderated two separate bipartisan panels with leaders from each legislative chamber. The first, featuring Senate Majority Caucus Appropriations Leader Elgie R. Sims, Jr. and Deputy Republican Leader Sue Rezin, informed listeners on the current state of budget negotiations and discussed the spending priorities for each caucus in the Senate. Sims highlighted the state's support of education and economic development efforts, and Rezin emphasized tax and regulatory relief and discussed in particular the state's moratorium on the construction of nuclear reactors and her efforts to lift it.

The second panel included House Speaker Emanuel "Chris" Welch and

Republican Leader Tony McCombie, and also discussed budgetary priorities, negotiations, and progress, and interesting information about the leadership styles and management of both relatively new caucus leaders.

After these luncheon discussions were completed, attendees chose to visit directly with legislators at the Capitol, their offices, or participate in two smaller breakout sessions. IRMA's Rob Karr led a discussion on the critical issues and negotiations for reforming Illinois' Biometric Information Privacy Act (BIPA), with Sen. Bill Cunningham, Rep. Jeff Keicher, and Jody Kahn Mason of Jackson Lewis P.C. Dave Boulay, President and CEO of IMA's close partner, the Illinois Manufacturing Excellence Center (IMEC), facilitated a conversation on The Future of Work with AI, with Brad B. Miller from Puzzle Labs, Vishal Sachdev of the University of Illinois, and Alan Singleton of Singleton Law Firm.

Finally, the day's events concluded with the much-anticipated Gala Reception, in its traditional location, outdoors next to the IMA's office at Second and Adams. For the first time since 2019, the reception was once again under the tent, and on a beautiful evening, hundreds of people – business leaders, statewide officials, state legislators, staff, and others – enjoyed great music, food, drink, and networking.

The IMA is grateful to all our attendees, and especially to our sponsors, for their support of Business Day and partnership with the IMA's advocacy efforts. ♦



OSHA EXPANDS “INSTANCE BY INSTANCE” CITATION POLICY: A GAME CHANGER FOR OSHA ENFORCEMENT

CONN MACIEL CAREY LLP

On January 26, 2023, OSHA announced two new enforcement policies that will substantially sharpen OSHA’s enforcement teeth and increase the pain OSHA delivers to employers across the country. Specifically, OSHA dramatically expanded the circumstances when it can issue “instance-by-instance” citations to employers and discouraged the grouping of similar violations under a single penalty.

Instance-by-Instance (IBI or per-instance) enforcement is one of OSHA’s most powerful tools to ratchet up civil penalties. Historically, it was OSHA’s policy to only issue per-instance citations in circumstances involving conduct found by OSHA to be willful plus some aggravating factors. Now, in addition to willful+ violations, OSHA can issue IBI citations for Serious violations, and even some Other-than-Serious violations.

IBI citations still must legally be limited to standards that establish individualized duties rather than a general course of conduct, and for now, OSHA’s enforcement memorandum limits IBI citations to violations involving certain high-emphasis hazards – falls from heights, machine guarding, lockout tagout, respiratory protection, permit required confined space entry, and trenching, as well as injury and illness recordkeeping violations (i.e., paperwork violations) that involve recordable injuries in those specific hazard categories.

Based on OSHA’s new enforcement guidance, employers can expect to see instance-by-instance citations for high-gravity violations in these four situations:

1. The proposed citations are related to a fatality/catastrophe.
2. The employer has received a willful, repeat, or failure-to-abate violation within the past five years where that classification is current (i.e., it has been affirmed in settlement or litigation or remains under contest).
3. The employer has failed to report a fatality, inpatient hospitalization, amputation, or loss of an eye pursuant to OSHA reporting regulation at

1904.39.

4. For Injury and Illness Recordkeeping violations to be cited IBI, the non-recorded or improperly recorded injury or illness must have resulted from a high gravity serious violation.

So, what is a “high gravity” OSHA citation? To determine the gravity of a violation, OSHA will assess the following:

1. Severity of the injury or illness that could result from the alleged violation; and
2. Probability that an injury or illness will occur as a result of the alleged violation.

To be “High Gravity,” a citation must be considered by OSHA to have both a “high severity” and a “greater

probability.”

Notwithstanding the focus on those particular hazards/standards, by opening the door to violations of any characterization (from willful down to other-than-serious), we expect to see orders of magnitude more instance-by-instance citations under this new policy. We also expect the limit to just specific high-emphasis hazards to not last very long. Recall that OSHA just abandoned the “high emphasis hazard” qualifying limitation in recent changes to its Severe Violator Enforcement Program, so it is hard to imagine OSHA keeps that limiting principle in place long after it watches massive penalties roll in over the next couple of years.

For more information, visit OSHA’s “Instance by Instance” Citation Policy on Conn Maciel Carey’s OSHA Defense Report blog or contact the author. ♦



Optimize your marketing
and sales operations –
and drive more revenue.

Visit www.simplemachinesmarketing.com/ima

SIMPLE
MACHINES

About the Author: Aaron R. Gelb is Co-Managing Partner at Conn Maciel Carey LLP. He may be reached at agelb@connmaciel.com, or (312) 868-0294.

MAINTAINING TRUST BY STAYING UP TO DATE ON PIPA

SUNDOG



Manufacturers operating in Illinois need to be aware of the enforcement and penalties outlined in the updated version of the Illinois Personal Information Protection Act (PIPA). Staying up to date with changes and amendments to the Personal Information Protection Act is an essential task for manufacturers. In today's digital age, businesses are undoubtedly accumulating vast amounts of data, and as a result, it is important for manufacturers to be mindful of data privacy laws. An often-overlooked collection of data regulated under this act would be information maintained about employees. Many employers maintain copies of driver's license numbers, Social Security Numbers, and other personally identifiable information. Illinois' Personal Information Protection Act (PIPA) outlines that businesses that collect, use, store, or transmit personal information of Illinois residents must comply with data privacy standards. As such, it is crucial for manufacturers to understand the scope and definition of PIPA and to

implement the necessary measures to protect the privacy of their customers.

As the demand for digital services and online transactions has increased rapidly, so has the need for stronger security measures to protect personal information from unauthorized access or disclosure. In response, legislation such as PIPA has been put in place and continues to be updated to impose security requirements on manufacturers and other businesses that handle sensitive data. The law does not dictate the exact security measures that businesses must implement, but instead expects them to follow best practices and use appropriate safeguards based on the sensitivity of the information. This means that whether you are a manufacturer or any business in Illinois, it is important to take the necessary steps to protect personal information and prevent cyber threats.

Data breach notification is a crucial aspect of protecting personal information in today's increasingly digital world. Under PIPA, manufacturers are required to inform affected individuals

of any data breach where personal information has been compromised. This notification must include specific information regarding the breach and steps individuals can take to safeguard their information in the future. As more and more businesses rely on digital data management solutions, it is essential to partner with a reputable managed service provider for your IT Service and Support to ensure that all security measures are in place to protect against potential breaches. With timely and transparent notifications, individuals can take proactive steps to protect their personal information and minimize the impact of any potential data breach.

When it comes to protecting personal information, encryption is a powerful tool that can help keep data safe from prying eyes. Thankfully, manufacturers can take advantage of the encryption safe harbor provision included in PIPA. This provision states that if personal information is encrypted in such a way that it cannot be read by unauthorized individuals, then breach notifications

are not required. This puts the onus on companies to ensure that their encryption methods are up to par, but it also provides a level of protection for both businesses and consumers. By utilizing encryption, manufacturers can help safeguard sensitive data and prevent potentially devastating breaches.

With the rise of cyber-attacks and identity theft, it is critical for manufacturers to take measures to ensure the proper destruction of personal information. The Personal Information Protection Act (PIPA) requires these entities to develop and maintain reasonable procedures to safeguard personal information when it is no longer needed. This includes both physical and electronic records that contain personal data, to prevent unauthorized access or use. By implementing these protective measures, manufacturers can help minimize the risk of identity theft for their customers and protect their reputation as trustworthy businesses.

Manufacturers operating in Illinois need to be aware of the enforcement and penalties outlined in the Personal Information Protection Act (PIPA). The Illinois Attorney General is responsible for investigating suspected violations and taking legal action against those found to be non-compliant. Depending on the severity of the violation, penalties and fines may be imposed on businesses that do not comply with PIPA regulations. It is important for manufacturers to understand their obligations under the law to avoid any potential legal or financial consequences. By staying on top of PIPA requirements, businesses can ensure the protection of their customers' and employees' personal information and maintain that trust.

Amidst growing concerns about data privacy and consumer rights, staying up to date with changes and amendments to the Personal Information Protection Act (PIPA) is an essential task for manufacturers. In Illinois, recent amendments have emphasized strengthening data privacy and expand-

ing consumer rights. Specifically, there may be potential changes related to the protection of biometric data. As technology continues to advance, it is more important than ever to remain vigilant and stay informed on any updates surrounding data protection and privacy laws. Ultimately, staying ahead of these changes can help companies maintain compliance and build trust with their customers.

Manufacturers in Illinois must take PIPA compliance seriously and ensure they have the necessary policies and procedures in place. With the increasing threat of cyberattacks and data breaches, it is crucial that these businesses

implement appropriate security measures to protect their sensitive information. Developing an incident response plan and establishing protocols for data breach notification are also vital steps to take. To navigate the complexities of PIPA and ensure compliance with the law, it is advisable to consult legal professionals specializing in cybersecurity and data privacy. Working with a managed service provider is also a must for additional support and peace of mind. By taking these proactive measures, manufacturers can help safeguard their business and protect their customer and employee data. ♦

BRIGHTSKY
STAFFING SERVICES



Our business is staffing **YOUR** business®

- Forklift Drivers
- Recycling Sorters
- Delivery Helpers
- Appliance Installers
- Warehouse Workers
- And more...

Call **(708) 830-7233** or visit
www.brightskyinc.com to learn more!

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



YOU DESERVE THE BEST

IT'S TIME TO MAKE THE CALL.



You work hard for your business. We work hard for you. Our state-of-the-art used oil and antifreeze services are closed-loop processes specifically designed to keep your work zone and the environment safe and free of harmful waste. Our team of first-class, highly skilled experts know how to get the job done fast and maintain the highest level of safety and full environmental compliance. Don't wait another day. For your free quote, please contact Dean Popovich at 877-938-7948. With over 20 years experience in the environmental service industry, Heritage-Crystal Clean is the name over 90,000 customers trust to get the job done right.

ILLINOIS SUPPLY CHAINS: THE KEY TO SUCCESS

ILLINOIS MANUFACTURING EXCELLENCE CENTER
DAVID BOULAY, PRESIDENT



I was inspired by the energy and passion at the IMA/IMEC annual Workforce Solutions Conference in June. It is no secret that manufacturers are feeling constrained by an industry-wide skills gap. The panels about partnerships, apprenticeships, and diversity provided outstanding insights to overcome the skills gap. I was honored to share some perspective about the workforce challenge. While we feel the pain of the manufacturing skills gap, there are some unprecedented changes underway as the trajectory of workforce demographics and automation/technology will require us to adapt even more.

The Skills Paradox: With respect to skills, it seems that no matter how much progress we make, there is always a gap to fill. Many of us have read decades of headlines and reports bemoaning the skills gap. It has been an enduring challenge, both difficult to pinpoint and to solve. One reason the skills gap problem is so hard to diagnose, and cure is that the skills gap is actually a complex paradox, partially fueled by how talent and skills are perceived in financial terms. While a building is considered a financial asset, talent is an expense in the P&L statement. Yet, we know the true value of a business lies in the people and what they do inside the four walls of the building—their movement, thinking, and action. They drive innovation, productivity, and ultimately, success.

Another divergence is the rapid pace of knowledge and technology versus the slow evolution of skills. Technology is constantly advancing, and customer expectations grow rapidly. Yet, it takes time to develop individual skills. Skills are not easily transferred from one employee to another. As a result, the demands placed on businesses are growing faster than the skills we can create. This causes a significant challenge for our business potential and a source of discontent for leaders. While we must continue our efforts to encourage careers in manufacturing, we also face two trends that are making the skills challenge more intense: demographics and automation.

Demographics and Automation: The punch line of the demographic's trajectory is that in addition to our attempts to close the skills gap, we now face a body gap. Population growth rates have slowed down. Countries like South Korea, Japan, China, Italy, Portugal, and Poland are already experiencing population decline, with estimates of a 10-15% decrease by 2050. In the United States, the situation is not as dire, however, we face a similar challenge. Our population growth is nearly stagnant. Furthermore, the last of the largest generation, the "Baby Boomers," will be at retirement age in just eight years.

The labor market is shifting, and already, the supply of workers holds the edge over demand. Furthermore, younger generations along with immigrants bring diverse backgrounds and expectations to the workforce. As manufacturers, we need to figure out not only how to develop these skills but also how to find talent in new ways. And not only is it beneficial to expand talent pipelines, but embracing technology as an ally is crucial.

Given the demographic challenge, automation will need a part of the skills solution. We must invest in both automation AND upskilling. As we think about automation, we can think about how we invest in hard technology (such as robots), digital tools, and soft technology (continuous improvement processes). Embracing all three are essential to address the business needed. The robots/cobots will improve productivity in the product flow. Digital technologies are enterprise-wide, game-changing solutions to overcome time constraints and unlock the potential of data analysis. The systems of continuous improvement and innovation ensure we use technology in the most effective ways and hone in on organizational problem-solving and critical thinking.

Tomorrow's Solution Today: We know the fundamentals of the workforce solution. We must be relentless in reducing turnover, improving engagement, expanding talent pipelines, and investing in automation. This sounds like a tall order, but thankfully, adapting to the changing landscape starts with getting great at the basics. To get there, our mindsets, toolsets/processes, and skill sets are the fundamentals for success.

First, our leadership team mindsets deserve some reflection. Manufacturing leaders today should ask themselves:

- How are we putting together an integrated automation and upskilling approach?
- Do we carry a "you train, I'll hire" approach or a decision to "own" the skills challenge? Do we recognize that investments in skills bring better business performance and enrich careers?
- What's our commitment to partnerships for talent needs? Are we reactive or proactive?
- When is the last time we walked in the shoes of a new hire to feel the experience? How are we acting upon input from employee engagement surveys?

Second, a continuous improvement approach to the employee journey processes and related toolsets is vital. Not only does this include expanding talent pipelines, it means optimizing the onboarding process, creating a positive and inclusive culture, and constantly seeking ways to reduce turnover and increase engagement.

Finally, owning the skills challenge requires new approaches. Too often, we rely on informal ways of developing skills. Bringing formal approaches to capturing skills ensures we do not lose the informal knowledge our experts learn. Developing training programs that upskill employees consistently, and regularly assessing skills to keep up with the changing demands of the industry round out a best practice approach. Mentorship programs and targeted training initiatives can help transfer valuable knowledge from retiring workers to the incoming workforce.

Our skills gap challenge will get tougher as we stare down the demographic trends. There is no simple solution, rather the solution requires weaving together many basic steps into one strong approach. The approach starts with a renewed call to action for manufacturing leaders: it's skills and automation. As an optimist, I know manufacturing will lead the way as the industry has time and again. The little steps we take each day will ensure we are building the workforce of tomorrow... today. ♦

MEMBER NEWS

Associated Bank named One of America's Most Trustworthy Companies by Newsweek



April 6, 2023 – Associated Banc-Corp (NYSE: ASB) has been named among the “Most Trustworthy Companies in America” by Newsweek. This award is presented by Newsweek and Statista Inc., the world-leading statistics portal and industry ranking provider.

“For more than 162 years, Associated Bank has gained the trust of individuals, families and businesses large and small by delivering quality financial solutions to our customers and the communities we serve,” said Andy Harmening, president and CEO, Associated Bank. “Receiving this honor is a true testament to the strength of our company and commitment of our colleagues who play such a vital role in our success.”

Associated Bank is a leading Midwest banking franchise with extended reach across multiple states. The company serves over 1.3 million customer accounts and takes great pride in helping the more than 100 communities it serves be financially stronger. With a diverse commercial customer base, which includes manufacturers, wholesalers, finance companies, and select national specialty businesses, Associated Bank plays an important role in the region's future by positioning the company and its customers for additional growth.

The top 700 Most Trustworthy Companies across 23 industries were identified in an independent survey based on a sample of approximately 25,000 U.S. residents who rated companies they know in terms of three public pillars of trust including customer trust, investor trust and employee trust. A total of 95,000 evaluations were submitted. All companies headquartered in the U.S. with a revenue over \$500 million were considered in the study. The full awards list can be viewed on Newsweek's website.

CADDi Launches AI-enabled Drawing Management Software for Procurement



CHICAGO – Global procurement solu-

tions leader CADDi Inc. has announced a new service poised to revolutionize the manufacturing industry's digital transformation by utilizing its most essential data: drawings.

The company's latest service, CADDi Drawer, is an AI-powered drawing management SaaS set to officially launch on Thursday, June 8, 2023.

“Every time an experienced employee departs, a wealth of knowledge in drawings and purchase history departs with them, while incoming staff struggle with the challenges of learning and avoiding recreating existing drawings. Our initial goal included helping businesses handle employee turnover while preserving the invaluable knowledge and insights amassed over time,” says Yushiro Kato, CEO of CADDi. “I'm confident that we've achieved this and more with Drawer, creating a software that enhances the efficiency of each procurement team member, allowing for smarter decisions through instant access to crucial purchasing information.”

CADDi Drawer utilizes machine learning to drastically reduce both procurement costs and labor hours typically spent searching for drawings. The software automatically extracts features from drawings and cross-references them with their purchase history, converting past data into present value cost savings. Developed by top software engineers, the proprietary algorithm for image analysis leads in accuracy for similarity searches in the manufacturing industry, empowering procurement teams to not only digitize but also harness historical data.

The similarity search function simplifies the process of retrieving all pertinent drawings from each company's archive of data. The software significantly cuts down the retrieval time from what used to be hours, or even days, down to mere seconds. This innovation reduces procurement costs by referencing prior purchase histories of similar drawings, allowing users to avoid buying similar parts from different suppliers at higher prices.

FORVIS Celebrates One-year Anniversary

FORV/S

FORVIS, LLP marks its first anniversary today following a successful year defined by robust growth, continued excellence in

client service, and the rollout of the firm's cultural DNA.

The top 10 accounting and advisory firm formed on June 1, 2022, via the merger of equals of legacy firms BKD and DHG—the largest such move in the accounting industry in more than two decades. The new firm took on a new name, FORVIS, representing the firm's forward vision and focus on preparing for what's next.

Across 72 office locations in 28 states, team members are celebrating “FORVIS Day” with office festivities and the launch of a book authored in-house and given to each employee, titled “Unmatched Client Experience: The FORVIS Way in Action.” The hardcover book illustrates the firm's approach to culture and client service via oral histories and lessons learned through more than 100 years of experience in the marketplace.

“A year ago, we came together to form a new firm built on a forward vision of incredible possibilities and unlimited potential,” said FORVIS CEO Tom Watson. “We were confident we could create something truly special, and we have. The passion and effort our people have poured into FORVIS are impressive and inspiring. We are unlocking potential for each other, for our clients, and for our communities every day.”

Orion Industries, Ltd., Dimension Bond, Inc. and Surface Solutions Group, LLC Announce Retirement of George Osterhout as President, and Welcome Kevin Hess to Lead



the Companies' Future

CHICAGO, June 30, 2023 – Orion Industries, Ltd. (Orion), Dimension Bond, Inc. (DB) and Surface Solutions Group, LLC (SSG), leaders in the applied functional coatings industry, today announced the retirement of George Osterhout, the esteemed president and visionary leader of Orion, DB and SSG, and the appointment of Kevin Hess as the new president of the three companies.

Osterhout retires following 25 years of dedicated service to the companies and 48 years in the functional coatings industry, leaving behind a remarkable legacy of in-

novation, expansion, and success. During his tenure, Osterhout played a pivotal role in the formation of SSG to focus exclusively on serving the medical device market. He was instrumental in taking Orion, DB and SSG to new heights, fostering and expanding strategic partnerships with customers and suppliers, and driving continuous growth. Under his leadership, Orion and DB achieved AS9100D with ISO 9001 certification and ITAR registration, SSG achieved ISO 13485 certification, and all three companies solidified themselves as respected leading functional coatings partners for companies worldwide.

“George had a unique talent in creating a cohesive team, which contributed to the technical and financial growth of all the companies,” remarked Bruce Nesbitt, the companies’ founder and chief technology officer.

While the companies bid farewell to Osterhout, he will continue to contribute his talents and industry knowledge to the companies’ future success in the role of Senior Advisor. As a trusted resource, Osterhout will share invaluable insights, wisdom, and experience to ensure a seamless transition. “I will continue to represent Orion, DB and SSG in the industry and provide support to our customers, suppliers and employees,” he said.

The companies are excited to welcome Kevin Hess as the new president of Orion, DB and SSG. “Kevin brings impressive design engineering and functional coatings experience to the companies, and has been an integral part of our leadership team for nearly five years as vice president,” said Osterhout. Hess earned his bachelor of science degree in mechanical engineering from Purdue University.

PHOENIX LAUNCHES A NEW LINE OF DISPENSING CLOSURES FOR THE CONSUMER HEALTHCARE MARKET



PHOENIX™

Aurora, IL, March 1, 2023: The Manufacturer Aurora, IL – April 27, 2023: For over 130 years, PHOENIX has been creating solu-

tions for the packaging industry. Expanding their product portfolio, they are launching Mesa Nutra™, a new dispensing closure specifically developed for vitamins, minerals, and supplements.

“Consumers are making purchasing decisions in part on how the package looks, as well as for convenience with dispensing and consuming the product inside. Being able to open a bottle of vitamins with one hand and easily pour one or two out, regardless of dexterity, is an important aspect to package functionality in the vitamin, mineral, and supplement market,” said Jim Henkel, PHOENIX Vice President, Sales.

The new Mesa Nutra closure is an extension of the Mesa® flip-top dispensing line first introduced in 2021. The full lid, flip-top opens to 160 degrees, keeping the lid out of the way while dispensing from the closure’s full circle opening. It also provides confidence to consumers that their product is securely closed.

“We have modernized the style of this dispensing closure to give our customers closure solutions that look great and enhance their brand packaging to help their products stand out at retail,” said Henkel. Mesa Nutra offers customization options, including embossed designs with one-color printing and can be produced in any color.

Recyclability is an important aspect of all packaging for the conscious consumer and Mesa Nutra delivers sustainability too. This light-weighted design was engineered to use less material without compromising quality. The customer can simply keep the cap attached to the empty bottle and toss it in the recycling bin.

PHOENIX is a full-service packaging provider specializing in injection-molded closures for the food, beverage, home care, personal care, consumer healthcare, and chemical industries. In addition to stock and custom continuous thread, dispensing, and child-resistant closures, the company also offers the following services: innovative closure and package design, technical field support, and personalized customer service. Their sixth-generation, family-owned business holds more than fifty patents and has created billions of packages since its founding in 1890.

S&C Earns Top Workplace and Manufacturing Honors



CHICAGO, May 23, 2023 – S&C Electric Company was recently honored with several Top Manufacturer awards and was named one of Milwaukee and southeast Wisconsin’s Top Workplaces for 2023. The Milwaukee Journal-Sentinel announced the list of honored workplaces on May 21.

In addition, mHUB Chicago, an innovation center for the “hard tech” manufacturing economy, named S&C as the Honorary Manufacturer of the Year at the 2023 Fourth Industrial Revolution Industry Awards. This award recognizes an individual or manufacturing company that has shown excellence in business, innovation, and productivity and has made a significant financial investment in manufacturing capacity in the region.

Earlier this year, S&C was recognized as a top employer in the United States for the third year in a row by Top Workplaces USA. The award celebrates nationally recognized companies that make the world a better place to work by prioritizing a people-centered culture and giving employees a voice.

As part of the Top Workplaces USA 2023 honors, S&C was also named a Top Workplace for Manufacturing. S&C was awarded culture badges in the categories of Innovation and Compensation & Benefits.

“These national and local Top Workplace and Manufacturing honors speak to S&C’s people-first mindset, safety culture, and customer focus,” said Anders Sjoelin, president and CEO of S&C Electric Company. “People are happiest when they feel safe, appreciated, and supported as individuals and as team members. At S&C, we prioritize safety, including mental and physical health, and provide a learning and development path for all team members. We truly want our team members to have long and meaningful careers with us.”

Continued Sjoelin: “As an employee-owned company, our team members are truly invested in S&C’s success. They know that what we do here at S&C matters. Being part of transforming the grid and making power distribution more intelligent, reliable, and resilient for our growing need for electricity brings meaningful purpose to our jobs.” ♦

The Illinois Manufacturer is underwritten by Constellation – an Exelon Company

NEW IMA MEMBERS

17TH ST. BBQ
MURPHYSBORO, IL

AMERIPEN
West Chicago, IL

BMO HARRIS BANK N.A.
NAPERVILLE, IL

**BONUTTI TECHNOLOGIES INC /
JOINT ACTIVE SYSTEMS INC**
Effingham, IL

BRANDT CONSOLIDATED INC
Springfield, IL

CONSUMER TECHNOLOGY ASSOCIATION
Arlington, VA

CU AEROSPACE, LLC
Champaign, IL

EPICOR
Austin, TX

FIFTH THIRD BANK
Warrenville, IL

FLEXIBLE PACKAGING ASSOCIATION
Annapolis, IL

GAM ENTERPRISES
Mount Prospect, IL

GARDNER DENVER
Milwaukee, WI

**GREATER LIVINGSTON COUNTY
ECONOMIC DEVELOPMENT COUNCIL**
Pontiac, IL

GRIPPLE
Aurora, IL

M & M QUALITY BAR GRINDING INC
Chicago, IL

NANOGRAF CORPORATION
Chicago, IL

NESTLE U S A/BEVERAGE DIVISION
Jacksonville, IL

NORIX GROUP, INC.
West Chicago, IL

NOVOLEX
Hartsville, SC

POWELL ELECTRICAL SYSTEMS
Northlake, IL

RAYTHEON TECHNOLOGIES CORPORATION
Rockford, IL

RESERVE MANAGEMENT GROUP
Chicago, IL

REVOLUTION GLOBAL
Delavan, IL

RICHARDS WILCOX, INC.
Aurora, IL

ROOTSTOCK SOFTWARE
San Ramon, CA

SABIC INNOVATIVE PLASTICS
Ottawa IL

SMILE DIRECT CLUB, INC.
Nashville, TN

THE SUTER COMPANY
Sycamore, IL

VALLEY FASTENER GROUP
Aurora, IL

VIKING CHEMICAL COMPANY
Rockford, IL

WESTWOOD MACHINE & TOOL CO
Sterling, IL

WOZNIAK INDUSTRIES INC (HQ)
Oakbrook Terrace, IL

DC FLY IN

September 19-20, 2023

Hyatt Regency Washington
on Capitol Hill



Visit:

www.ima-net.org/dcflyin/

to sponsor the event or reserve your spot today!

Who can simplify my energy purchasing decisions?

Constellation is the easy answer to complex energy purchasing decisions. Energy professionals at Constellation, the IMA endorsed energy supplier, work with IMA members to manage energy costs to protect their bottom line. Using a customized strategy, integrated energy solutions, and efficiency and sustainability programs, we have the solutions you need to fit your budget.

To learn more about participating in the IMA energy program, contact please contact Rich Cialabrini at richard.cialabrini@constellation.com or **847.738.2510**.



Constellation[®]

associations.constellation.com/IMA



© 2022 Constellation Energy Resources, LLC. The offerings described herein are those of either Constellation NewEnergy, Inc. or Constellation NewEnergy-Gas Division, LLC, affiliates of each other. Brand names and product names are trademarks or service marks of their respective holders. All rights reserved. Errors and omissions excepted.

Constellation is the endorsed energy supplier of this association which receives compensation for its promotional and marketing efforts from Constellation.