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**this issue**

president's message P.1  
u.s. manufacturing powerhouse P.2  
joint venture expands sales P.3  
its hard to be humble P.3  
upcoming events P.4

The Mission of the SVMA is to be a source of support for regional manufacturers in their quest to be competitive in the global marketplace.

**SVMA PRESIDENT'S MESSAGE**

Your new board of directors had its first meeting on November 3rd at SVSU with an orientation for all new members beginning at 7:00 am. I am pleased to announce that we have a great group of energetic leaders who are advocating strongly on your behalf. I'm looking forward to working with each one of them, both old and new alike. Last month we sent an electronic survey to all members asking your opinion on changing the name of the SVMA to the Great Lakes Bay Manufacturers Association, as a result, we had 64 people respond. The results were 35 yes, 18 no preference, and 11 no votes. The board discussed the comments made by members and voted to change the name of this organization to the Great Lakes Bay Manufacturers Association effective January 1, 2010. Our main reason for the name change is to better reflect the regional make-up of our membership. GLBMA does not roll off the tongue as easily as SVMA, however, after you say it a few times, it sounds better. One of our goals for 2010 is to recruit, retain and reconnect with our membership.

I contacted Congressman Dale Kildee's office regarding the Affordable Health Care for America Act HR 3962 and requested information on how this bill affects manufacturing based businesses. They sent me a document entitled "Health Care Reform and Small Businesses" written by the Congressional Research Service. It is an

executive summary of both the House and Senate versions. If any member wants a copy, please send me an email and I will forward it to you.

We will not have a lunch or dinner meeting in December, however, each of our committees will meet and have reports for our January board meeting. Our next luncheon meeting will be on January 14, 2010. Keep sending those member profiles on your businesses and if you, the members, have any ideas, suggestions or advice on how we can serve you better, please call or send us an email. As we approach the Holiday Season let us be mindful of the fact that we still have a lot to be thankful for as we leave 2009 behind and 2010 begins...

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# United States is a Manufacturing Powerhouse

Sohail S. Qamar  
General Manager  
Carbone of America



News these days is full of references about the deep declines in manufacturing activity in our country. Some observers go as far as predicting an end of manufacturing in the United States in the near future. The basis for these dire predications is often, but wrongfully, tied to increased manufacturing capacity and ability in China and, to some extent, India.

Indeed China and India have come a long way in expanding their industrial bases and manufacturing capacities, but that alone is not a good argument for predicting a decline in US manufacturing base in years to come. On the other hand, a humbling report from the consulting firm IHS/Global Insight predicts that by 2015 China will surpass the US in manufacturing leadership.

What is happening? And what needs to be done?

Over the past five decades, as standards of living and incomes rose in the United States, Americans started spending a lower portion of their disposable income on food and manufactured products and more on services. In the 50's, 30% of US personal consumption was on services, while today that number is over 60%. Manufacturing's role in the nation's economy seems subdued due to the shifting consumer response to what America produces today and what America consumes. This shift in consumer spending has had a more detrimental impact on US manufacturing than competition from abroad.

The United States is still a manufacturing power house. Let's look at some data. According to the US Department of Commerce, in 2007 United States produced:

- 5,250 Civil Aircraft
- 15,341 Civil Aircraft Engines
- 81 million metric tons of raw steel
- 10.7 million Motor vehicles
- 25.6 million Computers
- 44.5 million household appliances (refrigerators, freezers, washing machines...)
- 1.61 billion square yards of carpet
- 28.1 million short tons of industrial gases
- 1.5 billion tons of paint and related products
- \$123 billion worth of pharmaceuticals
- Military hardware, Agricultural products, and much more...



Thanks to an educated work force, and abundant supply of capital, United States now produces less toys, tables, shirts and socks and produces more of the sophisticated goods that a wealthy and technologically advanced society demands. And this is where the challenge begins.

The same attributes that made America an industrial powerhouse are now being duplicated at a very fast pace by nations around the world. The same qualities that made American workers the best in the world are now being rapidly learned by hundreds of millions of people around the world. According to Thomas Friedman, the best selling New York Times journalist and author - the world is now flat and a person born in one region of the world is no longer required to travel across the world to make a good living and compete.

And there is no stopping this train. The best that America can do in the future is what America did best in the past.

- Support and praise higher education
- Encourage and reward entrepreneurship
- Insist on productivity
- Create a culture of innovation
- Embrace the world – there is a lot to be learned through engagement

The best days of American manufacturing are ahead and tied to the inspiration and creativity of its entrepreneurs and companies like the members of Great Lakes Bay Manufacturers Association. The mission of the Great Lakes Bay Manufacturers Association (GLBMA), formerly SVMMA, is to provide a forum that keeps member companies technologically informed and globally competitive.

Credits to the following for contents of this article:

HIS/Global Insight

Thomas Friedman – The World is Flat

Daniel Griswold's article "What America Makes Best" published in Barron's - November 9, 2009.

# Joint Venture Expands Sales Opportunity



Charles Lange  
President  
CIGNYS



Last fall CIGNYS entered into a joint venture with a fabrication company ten times its size (Jay Industries). Together their facilities encompass two million square feet in three states equipped with over one hundred fifty million dollars in manufacturing infrastructure.

The JV was formed for the singular purpose of creating a large vertically integrated manufacturing enterprise specializing in the metal working industry. The combined value proposition is this; they will save their customers money because their collective in-house capabilities result in a lower cost alternative than outsourcing to multiple suppliers. They have a proven ninety year track record of designing and building a wide variety of products for OEM's in the aerospace, automotive, agricultural and defense industries.

The foundation of this collaborative enterprise is trust. Without shared confidence in the respective decision-makers, there would be no possibility of success. The catalyst to the JV is an energetic sales and management company (JP Sales) and the simultaneous collapse of the U.S. automotive market. CIGNYS and Jay both utilize the services of JP Sales to manage their respective sales organizations. Jay had been heavily invested in the auto industry and CIGNYS was right behind them. The President of JP Sales orchestrated the JV when it became clear that each organization needed to be re-invented.

CIGNYS is now able to approach opportunities that ordinarily would have been rejected due to financial and/or processing limitations.



Historically, Jay Industries is best known for their ability to manufacture automotive seat frames for the major automotive OEMs and other metal tubular products for the agricultural industry. The processes they bring to the table include robotic welding (200 cells), laser cutting, stamping, plastic injection molding, welded steel tubing, wire forming, e-coating, and powder coating. CIGNYS' manufacturing expertise is primarily machining (lathes, mills, grinding, EDM and prototype stamping) with some fabricating (water jet cutting, welding, and shot blasting).

As for quality credentials, both companies are ISO 9001:2008. In addition, CIGNYS is AS9100, MIL-I-45208A and ITAR registered. Because of their automotive business, Jay operates

under TS 16949.

The collective engineering capability of both companies is impressive, i.e., a team of degreed mechanical engineers with the support of design teams utilizing UNIGRAPHICS, IDEAS, CATIA, AUTOCAD, MDE, VAVE, FEA and DFMEA.

This business venture is a bit reminiscent of Robert Frost's poem, "two roads diverged in a wood... and I took the one less traveled by, and that has made all the difference."



## It's Hard to be Humble

Beth Thieme  
Amigo Mobility



Remember the song that says, "It's hard to be humble"? 2009 certainly got our attention! It challenged us to be better business people and reminded us of the importance of controlling our cash. It humbled us.

There are a few companies that held their own and even grew during this time. We need to learn from them. In my mind there were two common ingredients in these companies: passionate salespeople and ability to diversify either their product line or their customer base.

The theory that "product sells itself" is not true, yet when success occurs, the common underlying thinking is that they had it easy or it was good "timing." How often do you run into REALLY GOOD salespeople? Not often. The companies that can attract them, win.

Diversification is easy...in hindsight. We would have, should have, could have. Finding the seeds of opportunity and discovering them before you need to is really difficult. It takes discipline, innovation and risk. You need to identify opportunities. How do you do start?

Get out of your office. Network in the community. Join groups and participate in them. Make the community an active, vibrant place. It starts with you.

Please join us for every GLBMA luncheon and dinner tour. When you arrive, bring your business cards and make it a point to sit with people you don't know. Ask them about their business and what they are doing to rebuild or thrive. You never know where your next idea will come from.



**SAGINAW VALLEY  
MANUFACTURERS'  
ASSOCIATION -  
HELPING YOU KEEP  
PACE WITH THE  
CHANGING FACE OF  
MANUFACTURING**

## Upcoming Events:

**January 14, 2010: SVMA January Luncheon**

Save the Date

**February 3, 2010: SHRM Learning System Course's**

SVSU- Now available Online and On Campus! Call 989.964.4475 for more information.

**February 8, 2010: CPSM Bridge Exam Test Prep Course**

SVSU, Online Anytime Learning, call 989.964.4475 for more information.

Visit us on the web @  
[www.svmaonline.org](http://www.svmaonline.org)

*SVMA Newsletter Issue 14 December 2009*

**SVMA**

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