



Jack E. Pfunder, President & CEO
Manufacturers Resource Center
125 Goodman Drive
Bethlehem, PA 18015

Testimony before PA House Labor & Industry Committee
In Support of HB 1725 and HB 1878
December 5, 2013

My name is Jack Pfunder and for the last 8 years I have been the CEO of the Manufacturers Resource Center (MRC), one of seven (7) Pennsylvania Industrial Resource Centers, and we are located in east-central, PA. I've been involved in manufacturing for almost 45 years. I started two (2) companies and I've been President and CEO of three (3) others. I'm here today to emphasize the importance of these two (2) bills for the growth and future of manufacturing in Pennsylvania. Companies need workers that have the right talents, education and skills to fill the technical, high-value jobs that today's manufacturing requires.

Three weeks ago I spoke at the National Governors' Association Economic Policy Meeting in Chicago and talked about some of the unique things being done in the Lehigh Valley to introduce manufacturing to the younger generation. One thing that surprised me was the uniform concern states have on finding talented workers for their manufacturing base and the importance that a growing manufacturing base has on the economic stability of a state.

These two bills address these problems and will make Pennsylvania proactive in finding solutions to solve them. We must open channels to fund the development of new initiatives and provide assistance to replicate these new ideas to other regions of the state.

Today I would like to talk about an initiative we call "Skill Up the Student Pipeline" funded by DCED from the Discovered in PA, Developed in PA Grant, and show how these new bills can be used to grow and sustain these ideas throughout Pennsylvania.

Much has been written lately about the skills gap in manufacturing and the lack of a talented pipeline of skilled workers entering the industry. This problem is and will continue to slow the growth at many of our local manufacturers. Solving this problem first requires changing the outdated, negative stereotypes about manufacturing that impede students and job seekers from being introduced to the clean, transferable, family-sustaining careers that today's manufacturing offers. These mid-high level skilled jobs include machinists, welders, and high tech maintenance jobs. There is no silver bullet that can fix this outdated image that some parents, teachers and students have, but we must start with making everyone aware what a job in manufacturing is like today and the great benefits that are available. This is exactly what the PA Grant did that was awarded to the Lehigh Valley team that includes the WIB, LCTI, DaVinci Science Center and the Manufacturers Resource Center. The mission of the grant is to address the critical need for a pipeline of middle skilled workers to support growth of the advanced

manufacturing sector in Pennsylvania. The early successes over the first six months are changing people's impressions throughout the Lehigh Valley.

The first phase of the grant has been very successful in having one-on-one meetings with 15 of the 17 superintendents in the Lehigh Valley in order to get complete buy-in from the school district superintendents (corner office). We then conducted manufacturing tours and educational meetings with 150 guidance counselors and teachers in the school districts throughout Lehigh and Northampton counties. There is nearly unanimous agreement that manufacturing is a viable career choice, and the three excellent career & technical schools in the Valley can provide the needed tools for a successful career. I have enclosed a questionnaire with answers from 35 guidance counselors that shows how awareness can change the outdated image of manufacturing.

The real question then became how to make manufacturing attractive and "cool" in the eyes of the students in 8th and 9th grades so that career and technical schools would become an educational option. The idea became a reality early this summer with the development of the "What's So Cool About Manufacturing" video competition. This program is a first of its kind and will feature 8th grade teams made up of four or five students and a teacher coach. These teams will plan, shoot, and edit a one-two minute video about what the team feels is cool about a local manufacturing company. It could be the jobs, the products, or the culture of the company, and we are letting the teams come up with their own impressions and experiences.

Each team will be matched with a manufacturing company in their region. We currently have 19 teams fully engaged in shooting and editing their videos. These teams represent 16 of the 17 school districts in the Lehigh Valley. The competition will conclude with awards presented at a Video Academy Awards event in February at the DaVinci Science Center for students, parents, schools, manufacturers and sponsors.

The video competition is already starting to change the image of manufacturing amongst students. As these teams recognize the relevance these innovative jobs have to their world, they will communicate a more accurate view about manufacturing to their peers, parents and teachers.

There are two outcomes that will result from this contest. First is the awareness the younger generation and the entire Valley will gain from the exposure to great local manufactures and what life and a career is like at these companies. The second is the video contest as the ice breaker to help develop a partnership between the school districts and the manufacturing companies. Industry must become a full partner to prepare young adults for success. Another thing we have learned from this grant is that the schools want industry to be deeply engaged in many ways at an earlier stage in the education cycle. In middle schools, companies can do job shadowing, tours and career counseling. In high schools, industry can work hand-in-hand with the schools for work-based learning and problem solving and the development of internship programs.

There is a lot being done and much more to do. We must find a sustainable model to take over after the grant expires in six (6) months. This is what these bills will do. Through the use of tax credits, awareness programs can be developed to improve the image of manufacturing and the image of career & technical institutes. Also, companies can develop training programs to internally train their workers. The new model will be a win-win solution as students are engaged in real world situations and industry has access to a trained pipeline of future employees with job related experiences.

**Addendum to Jack E. Pfunder Testimony
In support of HB 1725 and HB 1878
December 5, 2013**

**MANUFACTURING TOURS
OCTOBER 14, 2013**

On October 14, 2013, guidance counselors from LCTI and our sending district high schools participated in a tour of Nestle Waters and Avago Tech. At the conclusion of the tours the counselors were asked to complete three statements regarding what they experienced. The responses included the following observations:

1. In general, on both of the tours of the manufacturers, I noticed...

- Professionalism; protocols are followed; the need for potential employees to be knowledgeable in science, math, and computer technology; focus on safety.
- Such an increase in technology in this field. So much of what is accomplished is now done through the use of machines and technology and it was really neat to see just how much this field has changed. I know this was the goal of the tour and seeing everything in action has really helped me understand how vital it is to have new workers coming into the field prepared for this type of work.
- How different one plant was from the other.
- Both tours were great. I noticed how willingly employers are to interact with schools.
- That the factories of today are very dependent on machines and less dependent on people. The Nestle tour guide told us that machines are cheaper than people. BUT, companies need highly skilled people to operate and fix the machines.
- That the employers placed a premium on strong problem solving skills.
- That the employees were held to a high standard, in regards to their knowledge, training, and cleanliness. They had high expectations for their performance, outcomes and cleanliness.
- The advanced knowledge of technology and skills needed for an entry level position in manufacturing is vital for success.
- That each industry wants us to be involved and informed about what their company is all about and what different career paths are offered and available.
- How important the technical training really is. It was nice to see the training related to the work.
- During the tours, I noticed the pride felt by the employees of each respective company and that the necessary tools needed to be successful were conveyed. It was neat for me to be a part of both the student and counselors tours...and the way in which they were presented to both parties.
- In general, on both of the tours of the manufacturers, I noticed a need (or preference) for students to have a technical or two year degree to do a lot of the jobs or to be trained at LCTI to have the appropriate skills.

Addendum to Jack E. Pfunder Testimony
In support of HB 1725 and HB 1878
December 5, 2013

MANUFACTURING TOURS
OCTOBER 14, 2013

2. During the tours I was surprised by...

- How smoothly things ran; focused attention of employees; calmness of personnel; both were impressive operations.
- The statistics that were given. I didn't realize how much of the Lehigh Valley's workforce was manufacturing based. Again, this is great information for me to know as I help guide students toward finding a career that they might be interested in. It's great to know where a good portion of the jobs are!
- How clean Nestlé's plant was.
- I noticed how pleasant both locations were to their employees.
- How clean both sites were. I think of factories as being loud and dirty. The reps at both companies were very nice. I was also surprised by how many huge factories like Nestle are in the valley. I drive by them all the time and assumed they were just warehouses.
- The relatively low number of people required to keep the Nestle plant running and how high tech the systems were. I was also astonished by the sheer SCALE of the operation.
- The amount of technology integrated. Both manufacturers required employees to be knowledgeable about technology and how to operate various machines, rather than producing the products solely by hand.
- The equipment/computer systems used to produce the desired products was extensive.
- The level of which manufacturing has evolved because as mentioned it is not like it was 10 years ago. They are encouraging/ requiring that higher level of thinking, problem solving approach with background in Technical, Math and Science are needed.
- Nothing really surprised me. Instead I found it all very interesting.
- I was surprised by how different the areas were- I didn't know what to expect with Avago...it was a lot of information, sometimes extremely hard to comprehend, but they were proud to show off what they do. To know that the microchips, wafers, etc that are in our cell phones and various electronic devices are manufactured there...and they are one of the only manufacturers of their kind, is really mind bending. I thought Nestle Waters was great...I think watching automated systems is awesome...it was great being able to see them up close. Plus I was surprised that Nestle Waters, Deer Park, and a BJ's Wholesale brand were all manufactured in the same facility and were the same item.
- During the tours, I was surprised by - At Nestle, I was surprised by the lack of people on the floor and how automated it really is.

**Addendum to Jack E. Pfunder Testimony
In support of HB 1725 and HB 1878
December 5, 2013**

**MANUFACTURING TOURS
OCTOBER 14, 2013**

3. Based on what I observed on the tours, I would recommend that our schools...

- Provide students with more information about these types of manufacturing jobs and qualifications needed for employment; is there any information available regarding salaries?
- Continue to stress the benefit of LCTI to students that show an interest in a manufacturing career. This is a great way for them to gain knowledge and skills they need and give them an added advantage after graduation. Even if LCTI is not a good fit for a particular student, I now know that I can suggest manufacturing jobs to those students that are interested in technology, problem solving and thinking outside of the box.
- Keep doing what we do.
- Continued support of the program, maybe we drive the vans next time.
- I recommend that our schools take career exploration out of the school and expand it by taking kids on tours so they see first-hand what they need to be successful in life.
- I would recommend that our schools find a way to give students and perhaps even more importantly, their PARENTS, the opportunity to learn how different manufacturing is now (compared to the preconceived notions they may hold about working in a “dirty factory” doing a repetitive task for hours at a time”). Also to find a way to accommodate more math and science into already packed ½ day home school/LCTI schedules.
- Further elaborate the importance of a high school diploma, a technical degree and training in order to work in a factory. Also, certain jobs require an understanding of math and science skills that need to be utilized in order to operate and troubleshoot the machines.
- As educators, we need to promote manufacturing careers differently; they now require higher level thinking skills/problem solving and technological training.
- Provide career day events possibly held in the evening a few times a year at LCTI. These events could be advertised to all MS and HS grade levels. I do not believe parents and students really understand or believe partnerships between LCTI and places like Nestle exist.
- That LCTI continue to work with these corporations to provide that most current training to the students as well as provide possible job opportunities.
- I would recommend that our schools continue to show students what manufacturing is all about. It is a necessary component of sharing where the opportunities are available to students and how well a student can do in these fields...many opportunities exist. It’s also important to keep counselors abreast of what is going on in these fields, as to best advise students.
- Based on what I observed on the tours, I would recommend that our schools find a way to allow parents to have the same experience and receive that information so they understand the opportunities available to their students.