

Speaker eBook

Q&A's with speakers from the
American Manufacturing Summit 2016



An interview with

Bill Remy

**Chairman and Chief Executive Officer
TBM Consulting Group**

Generis Group's American Manufacturing Summit provides a unique platform to examine and discuss key case studies around how workforce management, lean manufacturing, process improvement and automation are being rolled out in the world's best facilities.

We caught up with one of the key speakers at the event, Bill Remy, Chairman and Chief Executive Officer, TBM Consulting Group and asked his opinions on the current and future state of American manufacturing.

Bill Remy | Chairman and Chief Executive Officer | TBM Consulting Group

Bill Remy is Chairman and Chief Executive Officer at TBM Consulting and a member of the Board of Directors. He has over twenty-five years of leadership experience in general management and manufacturing operations. Bill's areas of expertise include operational performance improvement through LeanSigma deployment in manufacturing operations, supply chain, product development and project management. He has experience in broad phases of business leadership across various industries including aerospace and defense, railway, industrial and agricultural equipment, technology and process automation.

Bill returned to TBM in the summer of 2011 after working at Invensys as Vice President, Continuous Improvement. Prior to Invensys, Bill led the initiative to develop and launch TBM's lean supply chain practice.

How would you describe the outlook for U.S. manufacturing in 2016?

In the near term it's going to continue to be a fragmented, up-and-down economy. Some manufacturers will be very busy; they will be focused on managing their capacity, capital investments and finding labor. On the other end of the spectrum, those companies experiencing little or no growth will be closely managing their costs and working capital. In either scenario, manufacturers will have to be thoughtful about how they manage productivity, quality and their assets.

We're obviously seeing a lot of volatility in some markets. Take energy, for example. With OPEC's refusal to adjust their production to match demand, they're oversupplying the market and causing a price war that's artificially driving the price down. That will have to end at some point. What people fail to realize is how far that cascades into the economy. Companies that supply equipment, engineering, and services that support the oil and gas industry are feeling the impact of the low price of oil.

What do you think could be different about manufacturing by 2020?

In the longer term, three to five years down the road, some of these new technologies will be disruptive not only within factories but across the whole supply chain.

Take 3D printing. It's one of the most disruptive technologies to come along in a long time. People are figuring out the material science,

the geometries and configurations, and how to make it work. Integrating such capabilities into the business, and determining where it makes the most economic sense, will take longer. But someday, if your business supplies spare parts through distributors or dealers, you will 3D print and ship certain products and parts to customers on demand.

We talked about this recently with an industrial client that has hundreds of dealers who stock thousands of small, metallic and non-metallic replacement parts. They ship spares from the factory to the dealers. All of that inventory and inventory management could go away. Some parts may never be manufactured at scale. They will be 3D printed on demand. Manufacturers will have to figure out how to design for and support that type of production. How will they manage IP throughout the process? How will they manage supplier and customer channels? Will spare parts still go through distributors or will they be shipped direct from the factory? There are all sorts of business questions that companies will have to answer.

Part of the challenge for manufacturers is generational. Most of the engineers working today don't know how to design parts and products that fully leverage 3D printing capabilities. But you have young people using rudimentary 3D printers at home. Those kids will grow up, graduate from high school and go to college. These future engineers will know how to really leverage such technology. But they're five to ten years away from being in the workplace.

How else will changing demographics impact manufacturing?

I hear from clients all of the time: “We can’t find the right people. We can’t find people with the right skills. We can’t hang on to the people we hire.”

There simply aren’t enough people to fill manufacturing and supply chain jobs, now or in the foreseeable future. That’s true in the United States, and it’s increasingly becoming the case in China, which has an aging population as well. Both countries will have to manage growing labor shortages down the road. The shortage of labor won’t get solved with the population that we have today. You can’t fundamentally change the demographics of the population for several decades at least.

Of course this isn’t the situation everywhere. Mexico, for example, has a much younger population. You might see even more production shift there, not because of labor arbitrage but because of availability.

Are there any solutions to the labor shortage?

It’s a core economic and market problem. Business owners have said to me repeatedly that they could grow their businesses significantly if they could find more people. They need people who can be trained to operate their equipment and who will stick around.

New technology will help address the problem, technology that enables equipment to operate more autonomously, and speed up the learning curve for operators. We have to find ways for technology to change the rules of the game, or the manufacturing will go somewhere else.

Are there any other factors driving major change in the manufacturing sector?

Consumers continue to be very prudent about where and how they spend their money, and they keep pushing for greater customization. That’s driving manufacturing leaders to hone their customer connectivity, think about what their customers really want, and become more innovative.

The world where you made hundreds of thousands of one item continues to fade away. With the constant introduction of new models and new features, companies have to be careful and look hard at what they keep making and actively manage SKU proliferation. As it becomes more complex, the whole supply chain, not just the factory, has to be transformed.

Even with more industrial and B2B products, where the pace of change and product lifecycles are slower, users want new features and options. Take telemetry, for example. Equipment tracking and monitoring capabilities benefit both equipment users’ efforts to increase productivity and utilization, as well as manufacturers’ mandate to improve reliability and performance.

Any final words of advice for manufacturing business leaders?

I haven’t visited any client site in the past several years where a relentless focus on shortening lead times and cycle times—which subsequently forces people to look at productivity and quality—was not something they should be doing.

You’ve got to keep getting faster. It’s not new, it’s not sexy, but it’s the only constant in manufacturing and the supply chain. Over the next five to 10 years, the fastest and most agile organizations are the ones that will win.

We can talk about different strategies for responding to all of the economic and market challenges, but they all revolve around speed. There’s no single strategy of course. Whoever is the most innovative and fastest to solve their labor challenges, for example, will have an advantage.

The fundamental principles of lean and Six Sigma are the same as they were 30 years ago, even though we’re using them to drive more transformational changes beyond targeted projects. Whether it’s operational excellence or continuous improvement, people will continue to call it different things. A3 problem solving is still A3 problem solving if you do it on a sheet of paper or electronically. It’s robust. It works. New technology-based tools will continue to help us implement and practice the methodologies in a more collaborative way, but the principles don’t change at the core.

Join the in-depth discussions and build your road-map in achieving innovation, maximizing manufacturing profitability, optimizing plant floor operations and establishing standardization across multiple manufacturing facilities.

American Manufacturing Summit 2016

February 29th & March 1st
Renaissance Schaumburg Hotel | Chicago, IL
www.manusummit.com