Break the Mold: Adapt Your Labor Management Strategies to Solve the Growing Skills Gap

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Introductions

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What is causing the labor and skills gap?

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The skills gap is widening

3.4 million manufacturing jobs need to be filled

2.7 million baby boomer retirements…

2015 — **2 Million** — 2025

are expected to go unfilled due to the skills gap

of executives agree there is a **talent shortage in U.S. manufacturing and supply chain**

Source: Skills Gap Study, Deloitte & Manufacturing Institute, 2014 |MFGDay.com

Labor challenges across the Supply Chain
Span from Top to Bottom

Operational Personnel

- Driver turnover at 121% for large TL carriers, 114% smaller TL carriers (ATA)
- 45 – 60% turnover for warehouse personnel

Management & Professionals

- Average 3PL CEO tenure is 3.5 years
- Competition for “new” talent is increasing
- There continues to be a significant shortfall of people versus jobs

Trends

Wave of **mergers and consolidations** in 3PL industry. Leading to major reorganizations of companies.

Growing emphasis on **fast service levels**. More pressure to move items through distribution centers rapidly.

Why does it all matter

Skills shortage seriously impacting company earnings

50% of manufacturing executives plan to increase production by at least *5%*

BUT…

70% say overtime costs are up at least *5%*

62% say downtime increased at least *5%*

May be losing up to 11% of net earnings annually

Source: Skills and Training Study, Accenture & Manufacturing Institute, 2014

Who will fill the skills gap?

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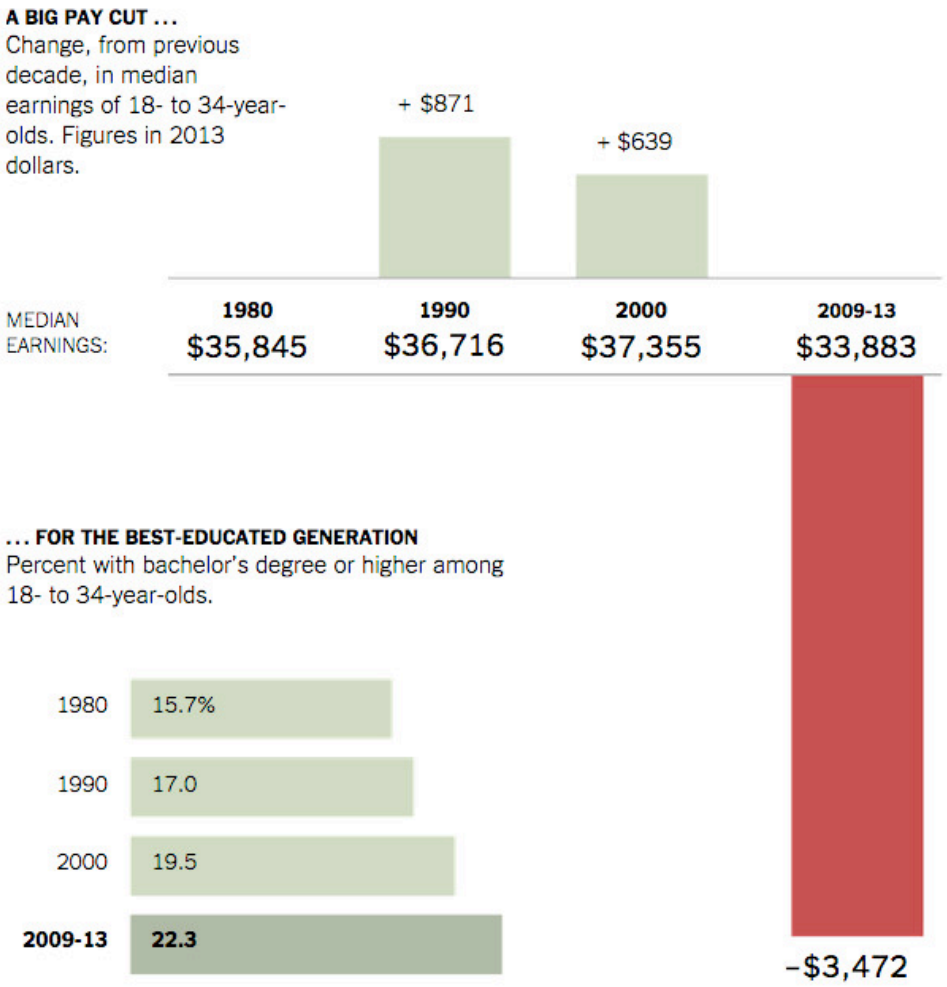
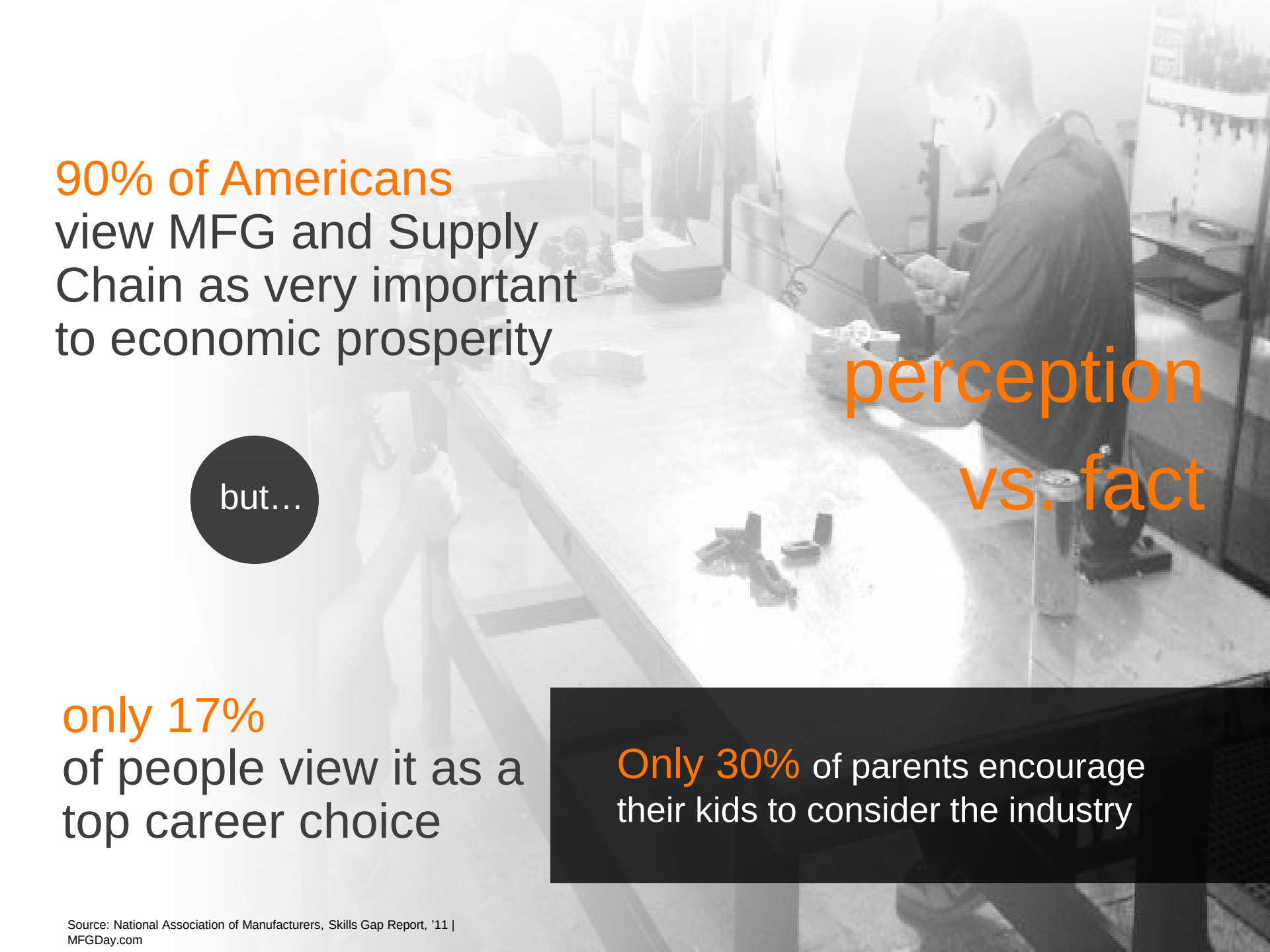
The millennial dilemma
Earning less, despite more education



Where are they choosing to work?

And, why?

Source: census.gov/censusexplorer, Census Bureau; socialexplorer.com; MN pop center. By Bill Mars



90% of Americans
view MFG and Supply Chain as very important to economic prosperity

but…

perception vs. fact

only 17%
of people view it as a top career choice

Only 30% of parents encourage their kids to consider the industry

Source: National Association of Manufacturers, Skills Gap Report, '11 | MFGDay.com

Ways to solve the growing skills gap?

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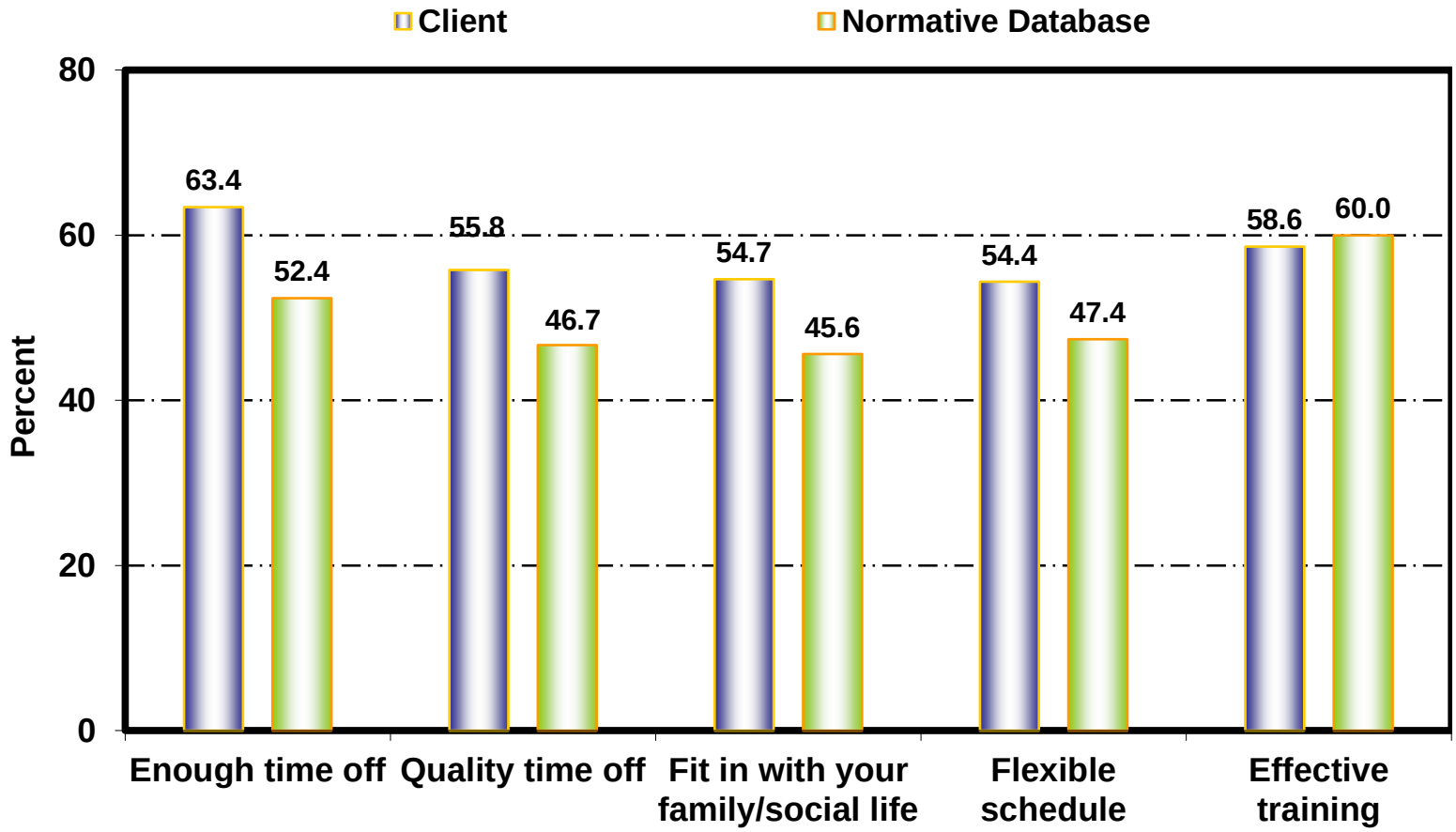
More and more, it's about lifestyle



Source: Core Practice

Rethink how we do business
12-hour shifts, 5 day coverage

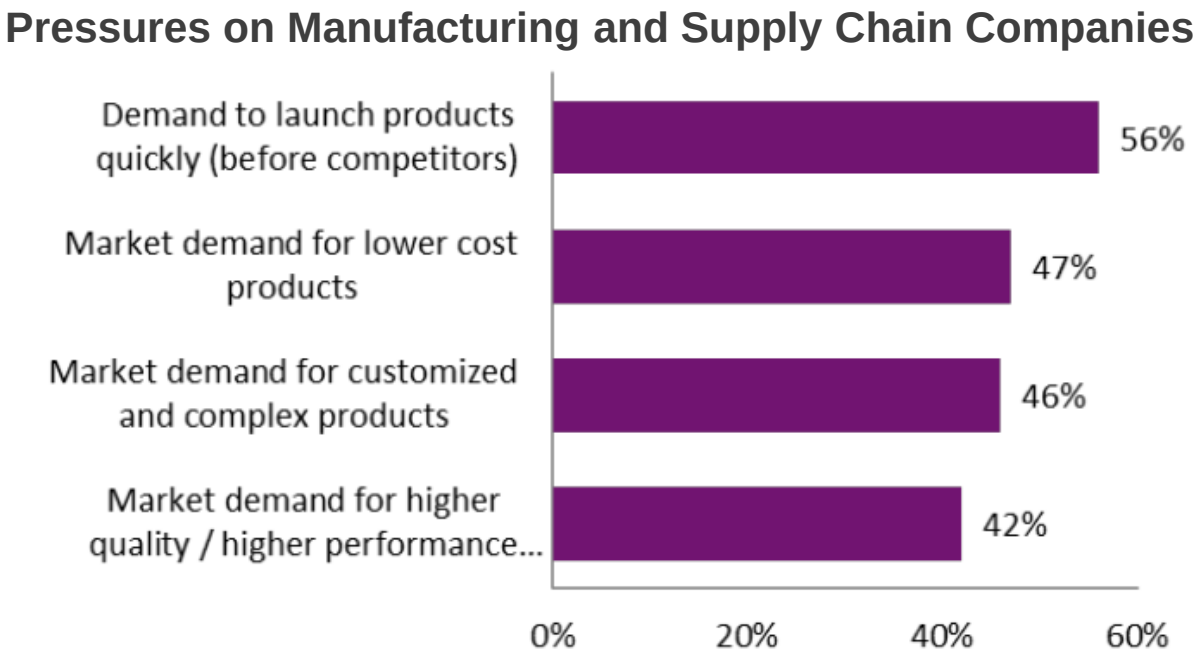
120-40, Balanced, 3 X 2-Crew, 12-Hour, Fixed, Rotating, Long Weekend

Crew/Week	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Totals
1	12	12	12	-	-	-	-	36
2	-	-	12	12	12	-	-	36
3	12	12	-	12	12	-	-	48
							Avg.	40

Work Days	173
Days Off	191
Weekends Off (Full)	52
Longest Break	6 days (17x)
Max. Number of Shifts in a Row	3

Source: Core Practice

Need to do more with less… today



Develop your current talent to be more analytical and proficient in key skills

Provide your workforce the tools to make better decisions in a faster timeframe

Source: Research Report, Managing Complexity: A Guide to the Plant of the Future. Aberdeen Group. July, 2015

Influence education & change the perception

400,000 students participated in an MFG Day event in 2015

The Voice allows manufacturers a quick, easy, and effective way to get involved

Skills Certifications empower companies to partner with education based on industry demands and third-party validation

Labor Strategy Workshops to uncover hidden costs relating to operations and labor (Core Practice).

MANUFACTURING Institute www.themanufacturinginstitute.org

Thank You!