



TOOL TALK

A Publication of the Michigan Tooling Association

From Rob's Roost

by: Rob Dumont,
Managing Director



TRUTH HURTS, DOING NOTHING HURTS MORE!

Earlier this week I had the good fortune to attend a briefing entitled "WHAT MATTERS MOST". Note, first of all, the title is a statement not a question. Unfortunately far too many with respect to business analysis in the industry still see it as a question. You must get beyond that and make it a statement. You must know 'WHAT MATTERS MOST' for your particular enterprise.

Clearly outsourcing and the impact it has on the domestic market continues to dominate the vast majority of discussion and thought in current considerations of the economic climate. Many of our members are facing extreme challenges in terms of business survival. American entrepreneurs are historically a most resilient, innovative and adaptive group. If ever there was a time to adapt, to be resilient, to be innovative, this surely is it.

I have previously, in **Tool Talk**, said that if you keep doing the things you have been doing, you will continue to get the things you have been getting! If what you are getting is unacceptable or not what you want you may be ready for another truism: "*All organizations are perfectly designed for the results they are getting.*"

It is time to change! "Change" as a concept is one that so very often meets with resistance (if not outright refusal to go along). It is also one of those 'things' in life that seems to take forever. One reason is that recognizing what and how to change is not an easy task. "I just don't know what to do anymore." Ever heard (or said) that?

Here may be something that helps: *If you want to change the results you must change the design.* All organizations have two things in common: A Present—A Future. Between the

Present and the Future lies a "Process". It is the quality of that Process that determines the Future. On the way to the Future, if things are not going as intended (planned), change the Process; do not focus on performance. An example: if you want to run a marathon you might begin by buying a book on how to prepare for doing just that. Reading the book will, hopefully, increase your knowledge of matters relevant to marathons—but will it make you a marathon runner? Clearly not! Change the Process, by beginning to exercise, train, get in shape, then Performance will follow.

There are multiple myths about change: **Change has to hurt**—Real change should be fun. **Change is a one time thing**—Real change is continuing, unfolding. And so on. General Shinseki, U.S. Army Chief of Staff once said, "If you don't like change, you're going to like irrelevance even less". Refusal to change, resistance to change, not knowing how to change, all might well lead to "irrelevance" (of your business).

Fundamental to change is **AWARENESS**. Enhance your awareness by examining market and competitive realities; internal and external environment; leadership and managerial effectiveness. In addition, identify major opportunities for growth in people, skills and results.

Awareness is leader directed. Positive change is not about Direction but **TRANSFORMATION**. Awareness fosters insights that transform "good" results into "great results". You must get this part done before you bottom out; otherwise, you are actually in a "start up" as opposed to a "turn around" mode.

Going forward, the Association is making an effort to offer assistance to the membership in the form of seminars dealing with Strategic Development. Strategic Development is a process that organizes a company on a day-to-day basis around its vision. More to come shortly in these pages and elsewhere.

In preparing this article I have "borrowed" very heavily from the materials I was given at the briefing first mentioned above and, I am grateful for permission to do so, granted by Leadership Management, Inc.

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MTA Calendar of Events—July 04

- 05 MTA offices closed for 4th of July
- 15 MTA WCF Board of Trustees meets
- 21 MTA Board of Directors meets
- 27 Seminar "**Culture in Manufacturing**"
8:00 a.m. to noon
Information & registration enclosed



Mark's Remarks

by: Mark Tyler, General Manager
MTA Insurance Agency



This Audit Could Save Your Life

The purchase of life insurance is the most unselfish financial gift that can be made. The cost is paid during your lifetime, but the financial benefit will never be realized by the insured. What a shame it is when such a gift evaporates due to uncontrollable changes. And yet, this financial tragedy occurs every day to many policyholders.

Changes in interest rates, medical advances, changes in policy design and life insurance company financials are all factors that must be evaluated to assure that life insurance coverage remains stable throughout life as it was intended.

The MTA Insurance Agency has arranged with Hamilton Marketing Group, Inc., experts in this field, a comprehensive "Life Audit" program that examines every aspect associated with a life policy. The result is an OBJECTIVE analysis of a given policy, along with alternatives that ensure the expected/desired results.

The audit is offered at no cost to our MTA members on qualifying policies. The results show that nearly 60% of all policies audited can be significantly improved on the basis of cost, length of coverage or benefit amount. Call us at the MTA Insurance Agency with any questions and we can schedule your own audit.

Take advantage of this outstanding offer. Policies that are in effect for Buy-Sell, Key-Man or Estate Planning all qualify. Not only do these policies qualify, these are the specific policies that we find the need to be updated to provide exactly what your intent really is. Remember 60% of all policies need to be updated. Do you want to wait and have your beneficiaries find this out or do you want to take care of this now?

Optional Prescription Drug Program

When the cost of prescription drugs gets to the point where you cannot continue to offer them in conjunction with the health insurance benefit, there is an alternative.

The MTA Insurance Agency has a program that offers a prescription drug benefit for very little cost. The program has three tiers of benefits. Tier 1 and Tier 2 have over 2,000 generic and brand name drugs for a maximum payment of \$10 or \$20 total cost per prescribed drug. Tier 3 includes virtually all other drugs, which can be purchased for a deeply discounted pre-negotiated rate. This rate represents a reduction from the average wholesale price.

Employees are also provided an advocacy service to help them assess (if eligible—under approximately \$16,000 per year income for an individual and approximately \$25,000 per year income per family) FREE Prescription Drug Programs

and they are provided with the needed application forms.

What makes this program unique is that each employee is also provided with a complete listing in a guidebook of what the co-payment is for each of the drugs. We encourage each employee to take this to their doctor and to discuss the alternatives for the employee to receive the lowest cost drug, while still providing a proper prescription medication.

This guideline has thousands of generic and therapeutic equivalent drugs that employees can buy for a maximum of \$10 or \$20. Each employee also receives a letter to present to their doctor that explains this program and what his role is in assisting his patient to save money.

The cost of this program is \$21.95 per month for a single, \$29.95 per month for a couple, and \$36.95 per month for a family. Instead of having your employees be without any prescription drug coverage, wouldn't you rather give them the extra protection of a simple, yet cost effective program like this? Contact Mark at the MTA Insurance Agency at 248-489-8505 or e-mail to mark@mtaonline.com for additional information on both of these programs.



Hot Talk

Fahrenheit 106***



***the temperature at which bodies can die of heat stroke

Protecting Workers from Heat and UV Hazards

Exposure to Heat Hazards

Working in hot environments can be dangerous. In many industries, such as foundries, manufacturing plants and construction projects, workers face conditions that make them especially vulnerable to safety and health hazards. Higher summer temperatures increase those risks.

The combination of heat, humidity and physical labor can lead to fatalities. Since 2000, the average number of deaths have been 20+ per year and heat-related occupational injuries and illnesses serious enough to miss work have averaged over 2,500 a year. Additional illnesses may be under-reported if workers and employers are not familiar with the warning signs.

Four environmental factors affect the amount of stress a worker faces in a hot work area: temperature, humidity, radiant heat and air velocity. Perhaps most important to the level of stress are personal characteristics such as: age, weight, fitness, medical condition and recent experience working in heat. Workers who take certain medications or have certain medical conditions, are also predisposed to heat-related illnesses.

The two most serious forms of heat-related illnesses are: heat exhaustion and heat stroke, which can be fatal. Signs of

(continued on page 6)

Members in the News

In our April issue, MTA members were encouraged to meet and arrange plant tours with their lawmakers in an effort to educate and inform legislators of the plight of many companies in the tooling industry.

Jim Heller, president and CEO of **A.B. Heller** of Milford answered that call on June 11, 2004. Jim hosted a meeting attended by Representative Chris Ward (MI 66th District) and Jerry Morrow, controller for MTA. During the meeting Jim discussed a number of issues the state needs to address in order to ensure that Michigan's tooling and manufacturing companies have a fair chance to prosper and survive in today's highly competitive global marketplace.

Ideas discussed included:

- ❖ Education—the need to continue to make significant investments in the education of Michigan youth. Of particular significance are the basic areas of math, science, reading and technical training.

- ❖ Global Marketplace—Michigan companies need to stay competitive by steering away from commodity-type products and focusing on high value-added, highly engineered, innovative, non-commodity type products and markets.

- ❖ Michigan's Business Climate—revamping/eliminating the onerous single business tax. Jim cited years where the SBT has been higher than their federal income tax!

- ❖ Cost of Capital & Financing—seek ways to improve/create a more favorable business climate between lending institutions and manufacturing firms.

- ❖ Health Insurance—finding ways to contain out-of-control health care costs.

- ❖ Remove Cap on Revenue Bonds—increase the \$10 million limitation investment spending on projects financed with industrial revenue bonds.

A tour of A.B. Heller's facilities followed. Currently the company has 175 employees and plans to expand both the work-force and its facilities during the next year, along with purchasing new equipment.

Our thanks to **A.B. Heller** for this important and informative meeting; we look forward to more members doing the same.



“Hit Me With Your Best Shot” - MTA Golfers Come Out Swinging

Eye-Witness Account from Mark Tyler

The 69th Annual Golf Outing for the MTA members went off with great weather, a full course of over 142 golfers, 176 dinner guests, and lots of great fun! This year's event continued the long tradition of putting our participants in the mood for great golf while having as much fun as anyone can legally have.

The excitement on the course was non-stop with Assurant Employee Benefits coming within 12" of giving away a brand new 2004 Harley Davidson Motorcycle. Brad Beard, Rob Taylor, and Brian Packer were our shoot-out participants with Brad going for the \$1 million prize. Rob and Brian were going for the 2004 Suburban donated by Jefferson Chevrolet and the fully restored 1969 Pontiac GTO donated by Dick Smith and the MTA Workers' Comp. Fund. With the pressure and heckling of their golfing partners, these 3 brave individuals gave it their best shot at a 165 yard hole-in-one opportunity. Unfortunately, we were unable to award any of these prizes this year, but I would bet good money that there will be a second opportunity next year. The foursome from **Vicount Industries** led by Matt O'Donnell came in with the lowest net gross score of “60”.

The evening concluded with many fantastic prizes being drawn from a host of sponsors and donating organizations. The highlights of 2 round-trip tickets on American Airlines, the autographed Pistons basketball and a signed Ben Wallace jersey capped off an evening where we gave out over 75 different prizes.

Ask anyone who attended and they will tell you that they all intend to be there again for our 70th Golf Outing next year. We hope to see everyone from this year and many more of our members next year.

A special thanks to our sponsors for their help and prizes, including:

- ❖ **Platinum Sponsors:** Federated Insurance & Freedom One Financial Group;

- ❖ **Gold Sponsors:** L & L Machine Tool* & Raymond & Prokop;

- ❖ **Silver Sponsors:** Action Benefits, Allstate Roofing; Assurant Employee Benefits; Atlas Tool*; BDN Industrial Hygiene Consultant; Fifth Third Bank; Integrity Steel*; John M. Packer & Associates; ManageAbility Inc.; Jefferson Chevrolet; MTA Workers' Comp Fund, with a special thanks to East-Lind Heat Treat*; Paramount Boring & Machine*; Plante & Moran; Results Systems Corp; & Wolverine Bronze*.

* indicates MTA member company; for a list of all sponsors, please see the insert included with this issue.)

★ Highlights of the 2004 MTA Golf Outing ★



Are we there yet?



"Little GTO"



Oh! Oh!



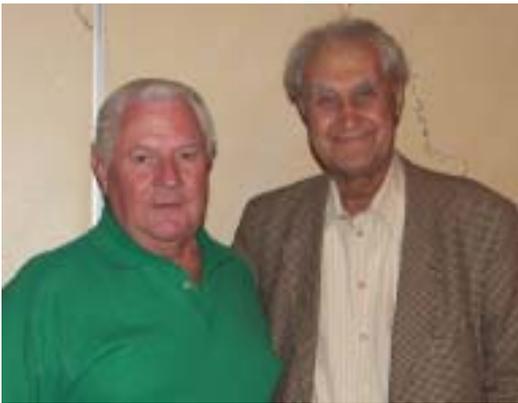
R
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Just Do It!



THE MTA TEAM



Self Proclaimed "Oldtimers"
Bill Knies True Tool & Mark Schmidt Atlas Tool



A word from our sponsors!



R. Boudro, AG Davis



D. Sabatowski, Richard Tool



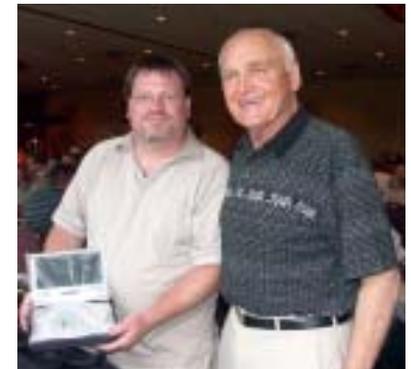
K. Horner, Vicount



Which way to the woods?



D. Huey, Parton & Preble



S. Harris, Vicount
B. Easterbrook, East Lind



Hot Talk
(continued from page 2)

heat exhaustion or heat stroke need immediate attention. Recognizing those signs and taking quick action, can make a difference in preventing a fatality.

Heat stroke, the most serious illness, is caused by the failure of the body's internal mechanism to regulate its core temperature. Sweating stops and the body can no longer rid itself of excess heat. Signs include mental confusion, delirium, loss of consciousness, a body temperature of 106+ degrees, and hot dry skin which may be red, mottled or bluish. Heat stroke can cause death or permanent disability if emergency treatment is not given immediately. (Editor's note: for more comprehensive information on heat stroke and exhaustion and emergency first aid, check out the website of the National Center for Environmental Health: www.cdc.gov/nceh/hsb/extremeheat/heatstroke.com)

Heat exhaustion results from the loss of fluid through sweating when a worker has failed to drink enough fluids or take in enough salt, or both. The body still sweats but experiences extreme weakness or fatigue, giddiness, nausea or headache. The skin is clammy and moist, the complexion pale or flushed.

Heat cramps, painful spasms of the muscles, are caused when workers quickly drink large quantities of water or an electrolyte solution (sports drink) during or immediately after performing work in the heat.

Fainting and heat rash can also be caused by the workers' body being unable to handle the heat imposed by the environment and the intensity of the work being performed.

Protecting Workers from Heat Exposure

Encourage workers to drink plenty of water, about 1 cup of cool water every 10 to 20 minutes, even if they are not thirsty—and to avoid alcohol, coffee, tea and caffeinated soft drinks that dehydrate the body.

Help workers adjust to the heat by assigning a lighter workload and longer rest periods for the first five to seven days of intense heat. This process needs to start all over again when a worker returns from vacation or absence from the job.

Use general ventilation and spot cooling at points of high heat production. Good airflow increases evaporation and cooling of the skin.

Train first-aid workers to recognize and treat signs of heat stress and be sure all workers know who has been trained to provide aid. Also train supervisors to detect early signs of heat-related illness and permit workers to interrupt their work if they become extremely uncomfortable.

Consider a worker's physical condition when determining fitness to work in hot environments. Obesity, lack of condi-

tioning, pregnancy and inadequate rest can increase susceptibility to heat stress.

Alternate work and rest periods, with rest periods in a cooler area. Shorter, more frequent work-rest cycles are best. Schedule heavy work for cooler times of the day and use appropriate protective clothing. Monitor temperatures, humidity and workers' responses to heat at least hourly.

Exposure to UV Radiation Hazards

The arrival of warmer weather also means that an increasing number of workers will be exposed to sunlight during working hours. Sunlight is the main source of harmful ultraviolet (UV) radiation which can cause eye damage, premature aging of the skin and skin cancers, such as melanoma.

Melanoma accounts for more than 75% of skin cancer-related deaths each year. Unprotected employees working in sunlight risk exposure to UV radiation.

Protecting Workers from UV Exposure

- ❖ Wear protective clothing that does not transmit visible light.
- ❖ Frequently apply sunscreen with a Sun Protection Factor (SPF) of 15 or higher. Most medical professionals suggest an SPF of 30.
- ❖ Wear broad-brimmed hats that protect the face, ears and neck; sunglasses that block UV rays.
- ❖ Seek shade, if possible, when the sun's intensity is at its peak—between 10 a.m. and 4 p.m.
- ❖ Be aware of the signs and symptoms of skin cancers and see a health care professional if an unusual skin change occurs.

MIOSHA Requirements

While there are no specific regulations regarding how hot the work environment can be, the MIOSHA General Duty Clause requires that the employer "must provide a workplace free from recognized hazards." Where workers are exposed to extreme heat and the employer does nothing to alleviate these conditions, an investigation by MIOSHA's Occupational Health Division could result in a General Duty violation being written.

(—the above information has been provided by MIOSHA Safety & Health Division; and by the National Center for Environmental Health (CDC); reprinted by permission.)

The MTA Workers' Comp Fund's loss control staff is ready to assist you with any questions on this subject that pertains to workplace safety and/or workers' compensation. Please contact your designated loss control representative at 248-488-1172.

This information also applies to and should be heeded in any endeavors outdoors in the summer months or anywhere there is high radiant heat.

From the Desk of Gary Wood

Administrator MTA Workers' Comp Fund



When was the last time I wrote that good news was in the works because the rates the Fund charges the members were not going to change for workers' compensation for the next year? That seems like that would be good; unfortunately many people complained about the cost of their workers' compensation coverage changing because of something that was peculiar to their operation (claims, change in ownership, change in operation, etc.).

Now I am a little cautious about announcing anything that normally would be good for most members but might not apply to everyone. But, announce we must!

The Trustees have released the remainder of the 2003 Fund year surplus distribution which the state approved in the fall of 2002. The audit is done, the final numbers are in and the calculations have been made. By the time you read this, if you qualify, you may have received your check for the amount of your distribution. The total amount of this distribution is in the millions.

Will everyone get a check? No, a lot of members were not required to make payments in October and November of 2003 due to their expected share of the distribution exceeding the remaining premium payments. For those members, the Trustees decided that it did not make sense to collect premium and then distribute it back six months later. Some of those members that did not have to pay premium in October and November 2003 had individual circumstances that may require the additional collection of premium for last year and those people will receive an additional billing.

In any event, there is a distribution taking place that will affect most members. Your individual circumstances will impact how much you will receive or if you will receive a distribution at all. The Fund staff has attempted to explain the process in several different letters and will answer questions as they arise.

NEXT

The Trustees also filed for and obtained approval of a further distribution in the form of a dividend that will be distributed later this year. This dividend was approved by the state in the fall of 2003 and is scheduled to be calculated in the near future for distribution to qualifying members in the fall of 2004. This distribution is again in the millions of dollars, and the amount each member qualifies for will vary based on length of time in the Fund, premium size, etc. **WE DO NOT HAVE ANY NUMBERS TO SHARE AT THIS TIME.**

FUND NEWS

The Fund has lost a long-time staff member in Denise

Peraino. Denise has moved out of the state after many years in her job of processing the medical-only claims of the members' employees. Denise will be missed by all of us.

This of course means we have to replace this important function and in the short term all of the claims adjusters are working extra time to keep the medical-only desk up to date. The medical-only desk has the highest volume of work of any of the adjusting positions and is responsible for the majority of the payments made by the Fund in the course of the year. We are currently working with a temporary person but will soon have this position staffed by a full-time employee.

Have you seen your loss control representative lately? The loss control staff has continued to amaze the members by completing 351 member visits year-to-date, while completing accident investigations, prospective member reviews, and preparing a computerized loss control program (on disc) that is available to the members to complete MIOSHA required training. This disc is available in limited quantities right now, but will be distributed to the members as the staff completes their loss control visits over the rest of the year.

The staff of the Fund has undergone a lot of changes over the last 18 months and I appreciate your understanding (although I believe the changes were largely transparent to the members) and extend my thanks as the Administrator of the Fund for their extra diligence and efforts to exceed the level of service which the members have come to expect from the Fund.

With the payroll audit completed, we are sensing that there may be some overall recovery as the member payrolls were up in the macro sense. There has been a corresponding increase in the number of reported claims so far this year and we anticipate the total claims count to be up ten to fifteen percent by the end of the year (if nothing happens to change that trend).

One unfortunate change to report is the definite liberal bias of the courts in regard to workers' compensation matters, with the appointment of many new mediators that come with a clear plaintiff's viewpoint. These appointments cause uneasiness among the defendant attorneys and will undoubtedly result in more cases settled at higher dollar values than have been experienced in the recent past.

This process is a part of the ebb and flow of the judicial system which is resultant from appointments made by whichever party happens to inhabit the Governor's chair at the time the appointments are made. It does make a difference in a lot of ways you never think of when you decide how to vote for state government.

We always welcome your comments and look forward to enjoying the continued acceptance of the MTA Workers' Comp Fund as your choice for your workers' compensation provider.

Legislative Update

by: Judy Augenstein
Legislative Consultant, Lansing



The Michigan economy is still in a downturn, mostly due to the exodus of manufacturing jobs from Michigan to foreign countries.

Senator Jason Allen (R-Traverse City) will amend vehicle bill HB 5243 at the request of MTA. The amendments are necessary in order to make the best use of the renaissance/recovery zone legislation passed last year. Specifically the language changes will allow a company seeking a designation as a recovery zone to apply on its own behalf rather than having to rely on local government to do so. The changes would eliminate the cap on the number of employees, which is currently capped at 50. The final change would allow a company to apply for an SBT credit from the state even if local government disagrees with the designation.

HB 5243 should be received by the Senate Commerce and Labor Committee, chaired by Senator Jason Allen, within the next three weeks. We are working to get these language changes done before the legislature recesses in late July to campaign for the primary election.

Welcome New Members!



We would like to take this opportunity to welcome the following new members to the Michigan Tooling Association:

- ❖ **A.S.A.P. Design Inc.** of Roseville, prototype specialist; and
- ❖ **Tool Service Company** of Fraser, specializing in sharpening, sales and manufacture of metal cutting tools.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
May 2004	184.7	550.2	639.9*
April	183.5	546.5	635.7*
March	182.9	544.8	633.6*
Feb	181.9	541.7	630.1*
Jan	180.9	538.7	626.7*
Dec 2003	179.9	536.0	623.2*
Nov	180.2	536.7	624.2*
Oct	180.7	538.2	626.0*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
May 2004	189.1	566.4	658.8*
April	188.0	563.2	655.0*
March	187.4	561.5	652.9*
Feb	186.2	557.9	648.7*
Jan	185.2	554.9	645.2*
Dec 2003	184.3	552.1	642.1*
Nov	184.5	552.7	642.8*
Oct	185.0	554.3	644.5*

Note: May 04 CPI-W represents a 3.0% increase from one year ago; CPI-U 3.1% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W—.2886674 CPI-U—.2870447



MTA List of Endorsed Service Providers

- ❖ **Assurant Employee Benefits** (group insurance)
- ❖ **Blue Cross Blue Shield/BCN** (health insurance)
- ❖ **Federated Ins.** (property & casualty insurance)
- ❖ **Freedom One Financial Group** (401(k) programs)
- ❖ **Hertz** (car rentals)
- ❖ **John M. Packer & Associates** (unemployment)
- ❖ **LDMI** (long distance)
- ❖ **Lower Electric, LLC** (energy supply)

For more information, contact MTA at 248-488-0300.

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P.O. Box 9151 Phone (248) 488-0300
Farmington Hills, MI 48333 Fax (248) 488-0500

*Managing Director — Robert Dumont
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