Written by Rick Carter, Executive Editor
Tuesday, 20 October 2009 21:37

Despite its many challenges, the U.S. manufacturing base remains a valid bellwether for our nation's economy. With whispers of recovery now turning into headlines — increasingly backed by numbers — it's again time to gauge activity on the factory floor. So, we asked our Panelists a two-part question last month: "Are you seeing signs of recovery in your operation? And, if applicable, were you able to put downtime to good use to prepare for a recovery?"

Based on our responses, the good news is that manufacturing recovery appears to be gaining ground in parts of the country. About half of our respondents indicate a solid uptick in production activity, while a third report their operations running at below-normal levels. The remainder — *largely Panelists in the less-volatile utility sector* — report little or no change in operational activity over the past year.

Buzz

"There does seem to be a buzz starting," notes a maintenance supervisor at an industrial equipment manufacturer in the South. "Our production is scheduled to ramp up," she says, adding that her plant would soon return to five-day workweeks after months of three- and four-day schedules. And, while she looks forward to the renewed activity, this Panelist admits to being thankful for the downtime.

"We'll miss the 'non-production' Fridays as a maintenance group. We've used these days for extra time for preventive maintenance and training. I've been with the company for over 11 years," she adds, "and we have always had a backlog and are normally a little behind on PMs. Now, we are current on PMs and our backlog is reduced dramatically. We have also had several training opportunities, ranging from in-house machine-specific training to electrical safety."

Things are also moving more quickly for a PM leader at an automotive supplier in the Midwest. “We’ve had a large increase in our production,” he tells us. “In July and early August, we were only producing around 7500 [units] per day. As of [early September], we are at 21,000.” He credits the fact that both GM and Chrysler are out of bankruptcy “and that inventories were moved by the Cash for Clunkers program.” Machinery was also relocated to his plant from other company facilities that were recently closed. “As for taking advantage of the lower production period,” he explains, “we’ve been catching up on our PMs and upgrading some of our machines.” Those upgrades have evidently helped boost production by as much as 65% on some units.

Upticks are also occurring in aerospace, says a Panelist in the Midwest. “We have picked up since last September and are increasing production staff.” He adds that his company also conducted added training during slower periods and was “hedge-buying some of our raw materials and utilities.”

And there’s at least partial good news from a Panelist who, earlier this year, had lost his job as a reliability engineer with a process manufacturer in the South. “I have a good uptick,” he says, reporting that he was recently hired by a consulting firm to work with another process company. Although demand for this client’s product “is trailing the economic turnaround,” he says, the company has taken advantage of the slower production period to commission a new plant.

No buzz (but plenty of activity)

“We have not yet seen an uptick in production,” states an engineering director at a Midwest process plant. “It continues to decline.” But, as at other operations, his plant has seen to it that downtime is not idle time. “We’ve taken advantage of this downturn to evaluate floor plans and layouts, and to organize our production operations to reduce waste and inefficiencies. We’ve also taken the opportunity to root-cause-analyze downtime issues attributed to maintenance and have addressed the top 10 items that have historically impacted our production efficiency and yields.” He thinks these efforts will help his team respond more quickly to increased demand at a lower cost and with lower inventory levels.

“The slower we get the more decisions are made for improvements. I have more to do now than when we were busy!”

One Panelist, however, emphatically answers “no” to the question of increased activity, as well as to the one concerning positive use of downtime. According to a Panelist consultant in the South, this reaction is widespread in tough times. “A reduced schedule typically means greater access to equipment,” he observes, “so more of the PMs and other scheduled maintenance that can be accomplished in-house actually occurs as planned, as opposed to being rescheduled.”

He adds that, because slowdowns are usually equated with reduced cash flow, if the maintenance entails an expenditure for parts, it's typically *not* approved, no matter how much sense it makes.

This Panelist also believes that although even low-impact activities, such as external training, are more likely to be cut than augmented in slower times, the key in all of the above is personalities. According to him, if the maintenance manager is a hard charger, he will find ways to take advantage of the lull in demand. But if he's close to retirement or new to his job because the slowdown resulted in early retirements or layoffs, he may be too timid or too new to make things happen. Even the once-common maintenance practice of stockpiling "rainy-day" projects can be thwarted, he asserts, when companies are faced with a year's worth of slowdown. This Panelist concludes that, in his experience,
slowdowns present an opportunity for the organization to "relax," and little extra gets done.

To the extent that the above Panelist's assessment is correct, another, a maintenance manager at a heavy-industry manufacturer in the Midwest, is lucky to have more than a few "hard chargers" at his plant.
"There's no uptick for us," he says.

At the time he responded to our questions, he noted that his organization was going into yet another two- to three-week shutdown and its production forecast was only eight weeks out. Still, he reports that his plant is taking full advantage of reduced production hours to advance operations in a number of areas. He offers the following, impressive list of investments being made:

- Installation of a $3.5-million bag house for dust collection to meet EPA regulations.
- Plant-appearance upgrades "for purposes of impressing future customers," he says. These include repairs to concrete walks and driveways, as well as a standardized work assignment to keep the facility looking clean.
- Improvements with regard to employee creature comforts, (i.e., upgrades to break-area
- HVAC units.)
- Hiring of quality specialists to assist in production improvements and installation
- of measuring devices that will ensure more accurate manufacturing.
- Installation of new safety devices and purchase of ergonomic hand tools.
- Installation of a newly rebuilt planer unit.
- PM optimization and overall maintenance efficiency "worked on daily."
- Creation of a comprehensive training program that will enable this Panelist's unit to become a single, multi-craft department. Training has already begun for crane and motor PMs,

basic electricity for mechanics and arc-flash.

“The slower we get,” this Panelist says, “the more decisions are made for improvements. I have more to do now than when we were busy!” These efforts should begin to pay off. At press time, this Panelist reports: “We are experiencing a one-third increase in sales [for this period]. Orders indicate that the increase should hold over the next five weeks. We are hoping it continues.” **MT**

What’s on your mind?
Have a question or comment on what you’ve just read in this column? Have a suggestion for a future Reader Panel question? Let us hear from you. E-mail: rcarter@atpnetwork.com