



RMI – Meeting with Manufacturers

Welcome to the Regional Manufacturing Institute – RMI. I am the newly-elected Chairman of the Board of RMI and am happy to say we have a wonderful day planned for you.

My mission as the Chairman is three-fold:

- 1) Make Maryland #1 in manufacturing – by informing our politicians what is beneficial for us and our employees and what policies are destructive.
- 2) Create a network opportunity so we can cross-pollinate our good ideas. Many smart people in this room have grappled with some of the same things you are struggling with.....let's share your heartburn as well as our successes, so we all survive with clever solutions. Please go to our website www.Whatsnextrmi.org
- 3) Create seminars that are content-rich for manufacturers. We aim to add real value so it's worthwhile for you to attend.

Why are we bothering? Face it: We are not going to beat China and India because our employees are cheaper. After all, they pay \$0.30 per hour, while we pay our employees on average \$57,000 per year plus 401K benefits plus Blue Cross / Blue Shield.

We can pay these wages only if our employees are more productive and creative. This is the secret sauce that keeps us prosperous and growing. We need more of it. How? We have to train our people; we have to be more imaginative and innovative than anyone else in the world.

That is the reason for this meeting: This meeting is dedicated to how we can **ALL** innovate and improve our respective companies so we can attack lucrative niches. We want to focus on what is good for cash flow and profits, so that we can survive this recession. By assembling this group of speakers, we are trying to help you supercharge your companies with great ideas, so you can migrate from low-margin commodity products, in order to focus on high-margin opportunities. You have to do this so you and your employees can thrive. This forum will be the first in a series to help you create your secret sauce, be more innovative, and thrive.

You don't have to take my word for the urgency of the situation. Thomas Friedman on the editorial page of the New York Times echoed these themes in a recent article. His points are so important

to read that we have placed a copy on your chairs, “Invent, Invent Invent.”

In an interview with Craig Barrett, CEO of Intel, Friedman outlines our only way to get out of the economic morass – “Invent, Invent, Invent.” Basically, we have to create new ideas and new technologies that leap frog or foreign competitors.

Barrett argues that we should also use this crisis to:

- 1) Require every state to benchmark their education standards against the best in the world, not just the state next door;
- 2) Double the budgets for basic scientific research at the National Science Foundation, the Department of Energy and the National Institute of Standards and Technology;
- 3) Lower the corporate tax rate;
- 4) Revamp the Sarbanes-Oxley Act, so that it is easier to start a small business and run a big one
- 5) Find a cost-effective way to extend health care to every American.

On a more-local level, I had to find my secret sauce, my way to survive in the 21st century. I own a small manufacturing company in Baltimore City where we manufacture wire baskets for companies like Baxter, Toyota, Roche, Caterpillar, Honeywell and Siemens. I have 28 employees, and we are running two shifts. We are growing double digits this year and are hiring people. I credit our success to the wrenching but necessary transformation of our Company eleven years ago from a commodity Bagel Basket Manufacturer, who was constantly undercut by the Chinese dumping of bagel baskets cheaper than my cost of steel.

The transformation occurred because we switched to a new model (because we saw we were going to die). We focused like a laser beam on three things:

- 1) Speed, fastest in the world,
- 2) Highest Quality, and
- 3) Great engineering to solve our clients' problems.

This is the key to Marlin: adding value to our clients based on improving their throughput by increasing their quality and reducing their material handling. We reduce their scrap and save them money, even though our baskets cost more than the competitions'.

Here are some of the topics we will grapple with today to help
Manufacturers:

- R&D Tax credits to reduce the burden of coming up with new ideas for your clients – this will allow you to knock-out your foreign competitors.
- Workforce Training – 50% savings on all training costs, by a tax credit. Getting your people educated so they can be more productive will increase your profits and build a moat around your company.
- Mtech – I want to say thank you for Martha and her team for coming out today. they have clever ways to save \$ in energy. They have smart ways to improve your company so it is more sustainable. They have wonderful programs to improve the layout of your facility so you can improve quality speed and reduce material handling costs.

This is the kind of content-rich fare we offer you. This is the RMI helping out manufacturers in the region so that they/we can grow and thrive. If you have ideas for more and richer content, reach out to me – I am your advocate. Lastly, you can catch me at my website: www.marlinwire.com or my twitter page; [steelwire](#). Thanks again for coming.