

**May 4, 2020 - 10:00am ET**

**Georgia Manufacturers Alliance - Town Hall**

**Host: Jason Moss, Founder and Executive Director GMA**

**Guest: Russell Norman, Rogers Machinery Company, GMA Member**

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#### **About GMA:**

Even though the world is changing, GMA's mission is the same, only the tools have changed to all digital. These calls are designed for manufacturers and for those who support the manufacturing industry throughout Georgia. All calls are via Zoom and lasts approximately one hour. Please register online so you can get the links to the calls, any resources discussed on the call, and its show notes.

#### **Welcome by Jason Moss**

This is our second month of hosting virtual Zoom calls. All our calls are archived, feel free to use those as a reference. We want to make sure we keep everyone current. Governor Kemp released the Shelter In Place restrictions, that being said on June 26, our first Factory Tour is happening!

#### **Guest: Russell Roman, Rogers Machinery Company.**

Rogers Machinery manufactures compressed air systems. We are family owned, have been in business for 70 years and are located in Covington, Ga. The strength of Georgia, its business community, was apparent to me back in 1996 when I helped grow a startup at that time and we had great success. GA is a great place to be. We supply to manufacturers and therefore are an essential business because we are an essential part to other manufacturers. Proud to be a GMA member.

Jason: what is the Coronavirus' impact on Rogers Machinery and its customer base you serve?

- We are a national company. In the Northwest we are busier on the service side, in San Jose, CA, for instance, to catch up on maintenance. In IDaho, too. Some customers delayed orders, or a few negotiated contracts but very few cancellations.
- Our leadership team looked at:
  - The overall business, determining sales variables. What will happen when we have 10% reduction revenue, 20% - 30%?

- Transform - two battle stations:
  - Which way can we get additional revenue
  - Which way can we find additional savings. More through process improvements, not necessarily employee layoffs, but more lean manufacturing to save cash

Jason: California companies, doing more maintenance and in Georgia some line changeovers, etc Do you have employee travel restrictions for on site maintenance?

- It is on a state by state basis. With GA, each county had different restrictions so hard to plan work, it even came down to municipalities. You just have to work with customers and communicate a lot.
- We had to work with state agencies to be able to get into certain companies
- Our challenges were the different policies and procedures per company. Some made us fill out documentation whether the technicians had been sick, traveled to China etc.

Jason: Lawrenceville was on lock down, so not easy to get around. The way SIP was written, if you are not in direct contact with customers, if you think you are essential, you are! If you were unsure, the GA Dept of Economic Development would help you determine your status, otherwise you could be open if your employees wanted to work. Jason received approval from Gwinnett Co Chairman of Board, then City Lawrenceville said OK, but really we did not need to go through that. We are a news providing agency to the GA manufacturing community, and hence, an essential business.

- Some cases our critical suppliers were not an essential business so they shut down. We had to lobby them to tell them you are essential, which was an interesting challenge - unanticipated. One supplier, we actually had to get a Federal Senator involved to get them to open up.

Jason: That's a new perspective on the supply chain. How about restarting on the customer side?

- In Ga, we are seeing customers and prospects coming back this week. We are looking forward to get back to 100%, we have held back on estimates because you have to see the equipment in person. Now companies are allowing vendors back in. If there was an active COVID-19 case in a plants, they are not opening right away.

Jason: What about on process improvement side and sales. Trade Shows, do you get a fair amount of your business through trade shows and when are you willing to get back?

- Trade shows are a revenue outlet, not sure when we will get back into trade shows.
- Now more webinars and seminars online to pull customers, you have to be creative.
- Other areas mostly online, or partnering with industrial equipment companies to take on their overload to keep our factories busy.

Jason Lammers: taking on outside work? What are your capabilities?

- We have partners that manufacture and develop products that either we sell or distribute. Some may be more contract manufacturing, some may be outsourcing.

### **Joe Paolini, Bobby Dodd Institute.**

We connected with GMA because of the Coronavirus, otherwise would not have had that opportunity. We are an oddball, we are a non-profit, providing work to people with disabilities. We connect people with companies, we do custodial, janitorials, logistics and supply chain, pick/pack,

provide training to people then connect to the workforce. We do a lot of government contracts for custodials.

- Business has increased.
- Connected with J&S Chemical through GMA, they make hand sanitizer as a pivot, which BDI now uses, a great relationship. We now have hand sanitizing to sell, reasonably priced.

Jason: the core of your business is to take care of people with disabilities. Great testimonials from companies who have used your services. How about your productivity during your pivot.

- Warehouse operations, we work with high risk clientele, how to operate efficiently and safely. We also operate a call center for a company in Detroit. We now have a space issue and they also share equipment. We spaced the employees out, implemented technology changes - moved people to different locations.
- The sanitizing opportunity was a positive pivot
- Not furloughed or laid off anyone, which is remarkable for a non-profit. Thanks to great leadership actions ahead.

Jason: restruction - new opportunities?

- Yes, because of the Coronavirus, when businesses first closed they wanted a one-time top/bottom cleaning, which resulted in more business because of our great work. GA Tech is an example of that, they have a 200,000 sqft facility in Marietta and we expect to be taking over that contract as well.

Jason, what are your capabilities?

- We have about 500 employees, 4 offices: ATL, College Park, Jonesborough, Decator (office)
- We can do any level of disinfecting as well as cleaning. We can either provide services or will hire employees.

### **Jason: what are you seeing as far as bringing the workforce back online?**

**Jason Lammers with Grenzebach:** we do sheet metal manufacturing. The Executive Management has decided that we will work remotely till the end May for all those who can, or maybe a couple weeks in June. No firm date yet. None of the production staff has gone home, engineering management and head planning are still working in the office, no slow down. Our production has been full, the only lull was in assembly so they did building maintenance to stay busy. Jason Moss: we would love to visit Grenzebach.

### **Illli van Engelen, VDL Industries, Flowery Branch, Ga.**

We were all back in the office since last week. Most employees wear face masks, unless you have your own office. We do sheet metal fabrication, welding. Still running on full production but getting new work is challenging.

- We are new, we wanted to Exhibit at more Trade Shows but that is postponed.
- Hired more sales people, that is somewhat on hold too
- Attend more Zoom calls, reaching out somewhat, respectfully.

**Comment Jason Moss:** we like live events. We had to pivot to everything virtual. We are putting together digital packages, will be announced next week, in order to confront the challenges the way manufacturers conduct sales. We are developing new structures as well. We would like your input on how to serve you on the marketing side. Everyone sells, no matter what you do.

**September 15,** we are still on to host our annual event at Cobb Galleria. GMA has to be a leader, keep it safe, but there is 145 Billion dollars in sales cancelled or delayed due to cancellation of Q1 and Q2 trade shows. How do we start a new sales cycle?

**Pierre Tanguay: used to work for Wheelabrator,** OEM manufacturer.

- Manufacturing stayed steady
- Temporary 2 shifts instead of 1, back to normal next week
- Office: department managers will decide how to come back
- Masks and social distancing stays in place
- Work from home if possible, is default
- Enthusiasm is starting to come back!
- GMA Tour was about 2 years ago, may be again August - September this year

**Justin Hughes, Dieselgrid**

- We provide transportation for warehousing and distribution center
- We travel a lot so see a lot of first indicators
- Big hits were in April, not March
- Full truckloads vs LTL. April mostly full truckloads instead of LTL
- Typical month, end of month is heavier, which happened in April
- Anticipated a 2 week lag time, most warehouses fully equipped after run on goods
- Last week picked up, so maybe 2 week lag time is exaggerated.

Jason Moss feels there is a penned up demand. Economy probably did not stop but more likely paused. Once production starts, orders should flow. Predicting Q4 is big.

**Peter Chamberlin:** a lot of companies are going back to business, nationwide, will see that reflected in key indicators in Q4.

**Comment Jason: how about new suppliers, to minimize supply chain risk?**

**Pierre Tanguay:** more local, if supply chain is far away you are looking at a regional source as backup for emergencies.

**MacField Young:** if some of your parts are with suppliers who are in an area of lock down, so yes agree, supply chain will be re-evaluated, looking at local companies. Worldwide companies are not on the same time schedule as local, and may not have the parts.

**Russ Dunlap:** Taylor English has daily updates on Covid matters. Maybe new Laws/Regulations roundtable discussions. Liability issues on producing a new product.

**Mike McShane:** I was in the 70's in sales, was trained in cold calling in commercial real estate. Using an actual phone, looks like we are going back to that!

**Henry Quillian:** how to get out of a current contract because of the current pandemic. Will send verbiage clauses to allow for changes in contract due to Coronavirus.

**Roger Grabman:** Next Tuesday, 5/11, the Engineering Society will host a webinar to discuss Best Practices for engineers during <the next> pandemic.

**Jason Lammers:** Design 2 Parts, big tradeshow, D2P, has been rescheduled to August 12-13.

**Closing comments by Jason Moss:**

- GMA member, Greg Burkhalter, will do another LinkedIn session. Level 2 course.
- GMA Summit registration is open! For exhibits, if Cobb Galleria needs to enforce Social Distancing, then we have to reconfigure the size of the Summit.

Thank you for being on this call, let us know how we can serve you better.