

-- Speaker 0 00:00:04.9200000 Make it right. The manufacturing podcast,

Speaker 1 00:00:09.9500000 A survey conducted in 2019 by the national association of manufacturers found that nearly one quarter of the U S has manufacturing sectors workforce are age 55 or older. The aging manufacturing workforce is a global issue. And manufacturing leaders are well aware of what's at stake, the brain drain of retirement, the inability to fill vacancies and the challenge of attracting and retaining the next generation of manufacturing professionals. These are big, big challenges. Welcome to the, make it right podcast. I'm Janet Eastman. And this week, my guest is Just Piferrer. He's a digital supply chain expert, and a professor at a number of business schools in Barcelona. He's been watching the impact of the retiring workforce on manufacturing companies. And he's also a bit of a contrarian. Who's not afraid to speak his mind. So I'm delighted to have him on this week's episode of make it right to see how he envisions addressing this challenge used to get to speak to you again. How are you?

Speaker 2 00:01:12.7700000 I'm very well. Thanks for having me in it.

Speaker 1 00:01:15.4100000 Oh my pleasure. My pleasure. So manufacturing is like many other industries. It does have a demographic challenge. It's aging workforce is getting ready to retire. The next decade is going to see a thinning out of the workforce. What do you see as this all meaning for the industry?

Speaker 2 00:01:36.2600000 Oh yeah. I think this will be a major step back on our next to come crisis. The companies don't do the homework basically, as you say, he will see the agent at the bottom scenario and the population pyramid, and it's affecting mostly the worst economies. This is not affecting the, let's say developing countries, not at all. And I have a measure for you. These are already happening since 2011, the older generation of baby boomers, which basically I am part of, they already started to retire. So even the peak will be around 2030. Even. I have some disturbing numbers on 30, 30 will be maybe 10,000 day, once a day in the us and similar numbers given update for the European union. So this is a lot of people going to Florida or going to <inaudible> Europe to take the sand. So, but the problem is who will feel that they are, how, by the way, don't worry, able to start prediction.

Speaker 2 00:02:49.1200000 Say around 2,100, the world is still stands. It will be fine, but that's easy to work with them. So they need to start to do things. Now I am sure that the competition would asked me to how to avoid. I will just say some spoilers, some jobs to combine with the latest year of the boomer generation together with the young people as well together in the shop floor, things like that. I'm making the work attractive is not to say we are not going to the start Trek society, which money is nothing. Just the personnel role is only matters, but it's not a part let's say target in the, in the origin to try to move there because let's face it. The younger generations, they didn't value so much as I or you or our generation, the money issue. So it would need to, to put something more attractive there,

Speaker 1 00:04:00.0300000 Money isn't the incentive, as you say. So what, what do we have to do to attract young people to the manufacturing industry? Now it has been said in the past that manufacturing has a bad image. People think it's a dirty job that it's not a highly skilled job, um, that it's, um, you know, you're basically human robots working in factories and in manufacturing, how do we, how do we shape this? So that young people see this as a great industry for a career.

Speaker 2 00:04:33 So w we need to change the blue collar scenario to more attractive. And first it's a good exercise to try to look at. So some companies are trying to start doing, at least in Europe, for example, Ferrari, you know, the race company is trying to introduce, let's say a state of the art technology at the same time it's making, it's transforming the shop floor is something which is lovable to be there. It's not like there will be a retirement home, but it should be a echo green scenario. Everything should be technological driving and no paperwork. And also try to, to, to, to see, to, to, to link the production with, let's say NGO objectives targets, which basically, you know, the, the, the, the, the target is to make --

-- money and profit in order to company, but maybe not so much a little bit. So the younger generations sees they are making the difference also in the manufacturing industry, because you know what, you see these curriculum, the resume for the young people try to go to the college, do whatever universities they always mentioned.

Speaker 2 00:06:15.1100000 I was volunteering there. I was willing to, there nobody say I was working as a, as a part time or, or intern in a Ford factory. You know, Mustafa is volunteer, which is one of the four factories in Europe. Nobody say that because it's not fancy casino blamer, but it will, we can transform. It will not cover one day, one week, one year, it's slowly, slowly putting the technology on the shop floor, making the environment clean and having well paid jobs there. So, no, no, no. I'm on the right payment. And it's always a juiced. It's impossible. No, no, no, no. Remember we, baby boomers, we will reach out and pay to make eight is upside down. So there will be less people working so we can pay more because they will need to do more that they are not super Superman or superwoman. They will need technology support, not robots, but cobalt means machines that can learn to work with human beings. So on also everything, uh, with solar power or renewable energies, no, no oil, or there, there is difficult is challenging, but the thing is we don't have any choice.

Speaker 1 00:07:58.8700000 I think you're probably right. And what I'm curious about, and I don't know how many manufacturers are actually publicly traded companies, but those leaders of those manufacturing companies, they're like, okay, if we have to make our businesses a little bit more like an NGO, but we also have these shareholders over here who want those good returns because they're getting close to retirement. How do we balance that out?

Speaker 2 00:08:28.4800000 Yeah. We, we, we get to the share holders. Yeah. I don't know. Um, when they, that the corporation, instead of trying to, to be transcendent or their own existence, they start to look into the quarterly reports because this is what the shareholders are looking. But you know, you look only at the balance sheet and their stock price. You can have maybe a problem in the past that they were working, doing as worse necessarily to keep the stock price up. I think in the future, also, these, these people will be the share holders. So the way I appreciate that the, the, the companies try not to make the maximum profit possible, but the necessary profit possible in order to keep working and give back to the society, what they are giving from the rewriting. So I'm not talking about socially. I'm saying, I think everybody here is getting the money that they chart, but I tell you to take it a little bit more proportional, not so much not so a hundred center percent for me, 1% for you.

Speaker 2 00:10:04.5600000 I think if we divide the cake, even there is a bigger person to the persons who take the risk. Of course, there should be a, maybe a bigger slice for the bottom workforce. So it work on better salaries, better environment transcend from the, the youngster eight hours, two hands, a scenario, and making a sense of community. And let, let me, let me remind you something that has been done already in the us land on Kentucky in the past, through your TA Neo, they have a lot of, of work to do in our, let's say, deep America community. What they did. They try to be both in the community with a lot of initiatives. Let's stay eight year old style I do was done in the eighties. Now they didn't do because they need to attract young people. They eat because it's necessarily to attract and get the people happy. And they achieve one thing that is very difficult to achieve. You have all the keys in the right position, pride to work for the company. This thing has been lost and we need to recover. And this mindset we have in the eighties, let's take the lesson from the eighties. Let's see what the bars done properly, the eighties, and adapt to the current scenario. And basically, again, the companies that don't learn, don't look back to the community that are included. Maybe they will have our budget, our awards performance in the future.

Speaker 1 00:12:06.6300000 So if we're trying, if, if there are companies out there that are trying to make this shift, here's, here's a problem that I see. And so you've got, you've got the aging work --

-- force moving out. You've got the younger workforce moving in, but they all have to work in this environment. So how do you start making these changes that encourage the young people to come in without the people who are getting set to retire going, that's never good.

Speaker 2 00:12:36.810000 They don't want to retire. Yeah. I see the picture. There needs to be a transition period. What we call let's say our retirement and an incoming plan. They will be I'm ambition is my visionary are not running for president or Senator or, or a political party here in Europe, not at all, but my, my vision is totally engineering ambition. So it should be a transition period where he's the senior person, which is in the, in the factory is teaching the skills in order to work in the factory, to the gym person. And the other job person is maybe sharing, combining the technological skills. Maybe it's the way the, the, the woman to modernize and upgrade the machinery of the factory. The machinery, I don't know. You have seen all the equipment that is coming to the factories right now is basically a computer and a lot of more things.

Speaker 2 00:13:41.430000 So computers are already there. The technology is already there. So, uh, our combination of going out with the skills you need, because you need to know about the product, the way that you need to work, and then how the new equipment come fitting is, is the way that I think they should be done. Again, the problem is the pension after that, because there will be a lot of retirement people who we will work our pension, but Janet, I'm sure that I'm addressing to the baby boomers. That could be a healing us time in our consumer private plan seems maybe over really 20 years, she covered it because some of ours already so calming, even in Europe, we have what we call the win for the state. And we have a retirement from the government, but finally, the cow can not get so much milk and the taxes then divided by eight people that will be there. Then the pension that the government can come share with the baby boomers. So I'm sure that at least in Europe, the number is about 40 to 50% or what generation already have a private pension plan. I see the numbers in us should be really, even higher, even higher.

Speaker 2 00:15:23.170000 I don't have a number. I'm not sure. I don't know either. Okay. So somebody may be can, can check in and send an email to you. I think you're wrong. Usually it's 90%. Okay. Anyway, I want to say some, some advisement about China, you know, Chinese people are alone and just statistically speak. They are having more persons with a high IQ than the EU and the USA together. So they are, they have more smart people than we have. And maybe we don't like, but the communist party is a meritocracy. That means yes, some politics with the dumb head arrived to the power. But again, statistically speaking, because the smart guys, less smart women also arrived to the property, um, seems maybe 10 years or rest, despite what they are doing in Hong Kong, which is another thing they are have decided. One thing we will no longer be the factory of the world.

Speaker 2 00:16:48.860000 They decide because they are not stupid again, that they cannot keep all, all, all the population let's say <inaudible> unless they give them something more. So they trying, and maybe people will listen to me. And these working with China before the pandemic already notice that in the last year, tiny raise the prices because they're creating a middle class, middle class, they want a police station. They wear the car, they want a big TV. They want each wheel, evenly sensor, <inaudible> sensor or Amazon. They want all of these. And the companies have been ordered to raise a little bit the salaries. That's why probably will be, will be better. You have, you have one measure know in the listeners can know, but there is a very complicated and technological business, which is the high side audio business. Normally the top manufacturers of high-five value, they were basically us European and Japanese do do perform, built fantastic devices with pieces of their technology. We didn't have a higher, maybe six figures prices for our turntable or for our providers. Now they are coming to the European and the us market. Very good Chinese products produce in China with China's company and some Japanese and European. And they are beating the European and the U S and the Japanese compet --

-- itors, because there's sound the same, the coast 10,000 times plus. And they can't do in the middle, in the audio. They can do. Everyone means health machinery means industrial machinery, everything. So Germany started to, to turbo also Italy and U S should be,

Speaker 1 00:19:34.850000 There's a major shift happening. Isn't there

Speaker 2 00:19:40.240000 It is happening already. It's not, we will be happen. It's already happening.

Speaker 1 00:19:44.960000 Yeah. Yep. Hmm. I want to ask you, I want to go back to the employment issue and yeah, so many companies are offering incentives right now to those that are close to retirement, to encourage them to stick around, because right now they can't find the people to fill those spots. In your opinion, is this a good idea? And what does the physical environment look like? If that aging population does stay in the factory? Like, are they going to have to modify factories for people who have some difficulty getting around and things like that as they get older?

Speaker 2 00:20:23.690000 Okay. I think it's really a bad idea. I can't even always imagine myself in the position of the plant manager. I have my workforce, I have 20 or 50 or 500% that is coming to retirement in three, four, five years. And I noticed that the, I want to describe this word. People work the same way. I need to change the scenarios on my shop floor. Maybe put some banks, you know, to do the arrests every 10 minutes or every two hours, or maybe have already doctor's appointment for a treaties on, on, on test for that diabetes, diabetes on this kind of, of, of the phone appointments. Should I, I lose this time with them. I need to maybe revise all the stares of leaves because they cannot breathe when they come to my office because they need to put to a, and they are coming and then they cannot breach.

Speaker 2 00:21:39.970000 So I put a list there in order to get to my office, or I start to, to, to look what, why won't factory will be in the future, how I want to be my workforce. And when I need to start to bring the young people here to work with them and then get, get like, uh, uh, what do you use? Their inspiration, the dream brain. Okay. Put a USB in the brain of the senior persons and to the younger person. And I know it's a problem because <inaudible> are reluctant to where they are because they're robots. They're over. We take our jobs.

Speaker 2 00:22:28.330000 I blame mass social media and the gaming industry and not helping the movies, unserious all these bad robots and stimulators getting killed the humanity. I have one message for everybody that will not happen. The robot will not take over this singularity. That many people are writing. The app will never happen. He's not me who saying, he said, Roger Penrose and his European drones, our friend of the late Stephen Hawking said, I can raise every night. Don't worry about the Skynet. So I, to my students are there at the university and the bigger school and say, don't worry. Don't worry to work with robots. You're really have a Roomba home. Are you scared of the Roomba? No, it was the same.

Speaker 3 00:23:33.810000 I ain't going to eat the room, but I say, when you bump into them,

Speaker 2 00:23:37.620000 They right. The goal, right? That's all these instructions, no need to be scared. The robots are there in order to help us to, to, to do the job. Janet in 1919 had the sunny factory of Barcelona. We already have AGVs autonomous sky by ankles. These bakers that everybody's seen now in the Amazon commercials, Oh, the shelves aren't moving automatically. This is not new. We already have in the nineties. Why? Because we have a necessity because we have big screens, big TV screen. You remember these big TV screens with a deep of <inaudible>. It was very heavy. So we want to help the workers to then them to the list. 40 kilos of a screen means the robot will do it. And that's the scenario robots. Aren't there to help people not to kill their works.

Speaker 1 00:24:47.800000 You've given me so much to think about. You might be up all night. How about some key takeaways on, you know, if you are a factory owner and you're looking at your workforce issue, what are three things that they should be thinking about right now in order to ease that burden of the retiring workforce?

Speaker 2 00:25:11.620000 Okay. First and most important to stay healthy, please sta --

-- y healthy. A second education on the skills for the young people and technology for the seniors, then transition period key. <inaudible> both for the people and for the, the, let's say the layout of the factory from the debt environment to the clean one for this don't ignore China. Let's face like a competitor, not like an enemy because it's a competitor. I'm not a marketing person, but all the marketing person will tell you the competition is good for business. That's fake like that. And then they may finish with my radio rainbow and try to move forward to kind of start Trek. Business suspect means the pride to do the work by the only for the pleasure to a job well done. That's I know rainbow unicorn and whatever, but I have to start to fund.

Speaker 1 00:26:32.410000 You know, I don't see that there is no reason why we can't enjoy our jobs. And there's no reason why we can't work in a place that, that gives us pleasure to be at. I think that that is a worthy thing to be going for. No matter what you do for a living, you should be able to go to work and whether it's eight hours or six hours or, or whatever it is you have to work, you should be able to enjoy that process and leave there feeling satisfied that you spent your time wisely and well.

Speaker 1 00:27:05.040000 So I think you have some really interesting points used, and I hope that we will get a chance to speak again in the future on some other, uh, interesting topics, because I, I think you have, uh, a really interesting perspective that a lot of people don't, uh, don't bring to the show. So thank you very much for being our guest. Thank you for you for having me. Oh, my pleasure. Just Piferrer is, um, well, he's many things. He's a digital supply chain expert, and he's a professor at a number of business schools in Barcelona. And he has, well, he seems to be a great thinker with a lot of ideas. So it was a pleasure to have him on, um, make it right today. That is our show this week, please check out our Twitter and LinkedIn feeds that are on our podcast page. And you can subscribe and share this podcast with friends and colleagues through iTunes, Google play, Stitcher, Spotify, and YouTube. I remember make it right. Is brought to you by Kevin Snook. He's a leadership advisor and author of the best selling book, make it right. Five steps to align your manufacturing business from the frontline to the bottom line on Janet Eastman until next time. Thanks for listening to make it right.

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