-- Speaker 0   00:00:04   Make It Right. The manufacturing podcast,

Speaker 1   00:00:10   The U S has been working to bring manufacturing back to America, and it has been growing over the last decade. In 2018, there were 12 million, a 12.8 million manufacturing jobs in the United States. That was up from 12.3 million in 2014. Those jobs accounted for 8.2% of total employment in the country with a manufacturing output of $2.3 trillion in 2018, I'm Janet Eastman. And this week on the, make it right podcast. We're going to look at one of the hubs that helps power U S manufacturing with my guest Marc Bowers. Marc is the executive director and founder of St Louis Makes it's a not-for-profit industry funded organization that supports the growth and innovation of that city's manufacturing industries, which includes aerospace, defense, and biomedical. So welcome to the show Marc. I'm excited to talk to you. How are you

Speaker 2   00:01:04   Doing well, thank you very much. I appreciate it. And I'm excited for the conversation too.

Speaker 1   00:01:08   So you've been in manufacturing your entire career. So, um, before becoming the executive director and setting up, um, st. Louis makes, so what was your industry background?

Speaker 2   00:01:20   So it was split roughly between consumer packaged goods and fabricated metals. I had a company myself, a business myself. We regrettably had to wind down in the 2009 recession. And then prior to that had been a product manager for some large global consumer goods companies.

Speaker 1   00:01:35   Okay. So you decided to launch St Louis Makes, um, how many years ago?

Speaker 2   00:01:43   So we started as, I mean, it sort of started by accident. It's it's it was this odd little consortium of people that knew each other in the industry here in St Louis. And I guess it first started to come together around 2014, you know, and then we formalized it as a nonprofit and we've added to it ever since. We're now communicating with a database of around 10,000 people, which isn't bad when you consider that we're st. Louis centric. So that's one city, one Metro area in the U S it's 2.9 million people as a, as a Metro area. And we're not going to 10,000 people roughly within that area in the industry. So, you know, it's grown, it's grown decently, and it's a nice tight niche of a manufacturer.

Speaker 1   00:02:22   So you do something that's a bit unique with st. Louis makes it's not like your standard association or whatever. Tell me a little bit about that.

Speaker 2   00:02:31   So the focus, there are a lot of organizations that serve manufacturing. There aren't a lot that we are aware of that serve manufacturing and are staffed and fun in factoring companies. So we're not we're nonprofit, but we're not a government funded nonprofit. Um, our work and our support comes from our sponsors. We have enterprise bank and trust your locally commercial for Laura accounting here in the st Louis region as well. Uh, as well as our board members, all of our board members are either on the partner side specific to their bank, accounting, whatever, and have passed our vetting and have extensive industry experience. In other words, they're capable of making, excuse me, they're capable of making introductions in the industry and they understand the issues very, very deeply. The other support that we get comes from industry itself. So all of our board members either own or operate manufacturing companies up to around a hundred million in net revenue.

Speaker 2   00:03:23   And they also have given us financial support and collectively that's what keeps us going. So the only organization we knew of an economic development that is entirely funded and run and volunteered and staffed, and in every other way, um, you know, held together by the industry itself in another way that we're slightly different is that our focus is on, uh, business expansion and profit margin improvement. So we're not a, an organization that focuses on where to put your production machinery in the back of the house, or how to manufacture more efficiently. We focus on those issues that grow sales channels, that grow product lines that create new products and then improve margins on existing businesses.

Speaker 1   00:04:00   Hm. So deep industry knowledge and a focus on growth, right? That's all that's, that's who you guys are. This is great. Okay. So, um, st. Louis, it's not one of the major hu
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-- bs of manufacturing in the country, but one quarter of the economic activity in that city comes from manufacturing. So it's a good example, um, when you're kind of looking at the impact of this global shutdown and what we've been through recently and what we're still going through. So what are you guys seeing in, in st. Louis?

Speaker 2   00:04:34   So I think st Louis has some advantages in spite of, I think we were somewhere right around the 20th largest Metro area in the United States. We've got a population Metro wide of around 2.9 million people. So we're not nothing, but we're definitely not New York or Los Angeles. So we have a couple of advantages. I mean, for a mid market sized city, we're heavy up in aerospace and defense were heavy up in all things, life sciences. So anything from biological all the way through to the plant sciences, as well as automotive tend to be really heavy industries in st. Louis. And that drives then the secondary and tertiary supply chain in our region. So we do things that have tighter air tolerances, and a lot of those things have been, um, you know, they're in industries where your contracts came several years prior aerospace and defense, for example, doesn't react necessarily day to day or week to week based on economic, uh, rises and falls.

Speaker 2   00:05:22   So I would argue that st. Louis is a solid place to make things. We, we punch above our weight class for what we have to offer versus the size of the city. And I think that as a result of that and a result of the refinement, and like I said, the very tight air tolerances in most of our, uh, anchor industries or anchor verticals in this market, the we we've, we've done better than most other parts of the country. I know guys now that are telling me that in the recession, they're still having trouble hiring the right people. So, I mean, that tells you something right there. Talk to a guy this morning, and that was his issue.

Speaker 1   00:05:53   There must be some industries when you look, when you look down the line, um, that are going to be impacted by this, this current situation in the future. And it is an interesting time because there are, like you said, some industries that are really busy while there are others that are completely stalled. So what approaches do you as an organization suggest for companies that are kind of in a stalled situation right now, or just a little bit wobbly?

Speaker 2   00:06:23   Yeah. So we, I mean, we've got a lot of guys that I'm talking to, and they're saying, you know, Hey, instead of working in the business now, um, to the extent that you can, you need to be working on the business. In other words, all of those new process, prof product initiatives that you had delayed implementing, or even understanding in some cases, you know, now is a really good economy to start picking up and start doing those things. So what that means more specifically is if you've been in a business where historically you've just answered RFPs, RFQ, and, you know, you send out proposals and that's, that's your world, that's your reality. And you want to stabilize that or counterbalance that in the business with your own proprietary product lines. Now's a really good time to work on those. You know, even, even it's good time to work on those because, you know, obviously there's a little bit more time on your hands for this.

Speaker 2   00:07:06   Also, it'd be time to work on those because the customers that you will be selling to have a lot more accessibility with a little bit more time on their hands as well. So it's a good time to make the connections you need. And it's good time to get into some of the accounts that, uh, otherwise, you know, if you were just busy doing the same thing you've been doing over and over and over again, it might be a challenge for you to meet the right people or get in front of the right people or get your products reviewed, accepted, whatever. So I think it's a good time to work on sales and marketing issues.

Speaker 1   00:07:34   I know that, you know, when we were talking about doing this podcast, you talked about how companies get into this crazy cycle of engineering and reinvention and engineering and re-invention, and you're not really getting out there and doing the sales and marketing to sell the products that you have, right? Like there is that one. Yeah.

Speaker 2   00:07:51   The problem, it's a big problem. Cause you've got guys. So --

-- you've got a, got a lot of guys. And we, we work with a lot of firms that are, or that are smaller firms. So, you know, up to a hundred million dollars in net revenue and not, you know, obviously that's not chump change, but you know, in the grand scheme of American and or Canadian industry under a million bucks is not, that's not exactly general motors either. So with these firms, you tend to have a very, very high level of technical representation in the senior ranks. And that technical representation is comfortable. Fortunately putting metrics to anything from finance to engineering. And then what I see is that I see that all falls apart. When you get to the Salesforce, when you use the Salesforce, it's like all of a sudden you're hiring magicians or something like that.

Speaker 2   00:08:32   There, you don't have the same tendency to put a system or a process in place to try and drive things beyond, you know, Hey, did you make 10 calls today or whatever? So what I would encourage people to do is I encourage people to say, Hey, look at your strengths, right? If you're not comfortable in the sales area, and that's not your functional area, but you are comfortable in the technical area that find the right metrics to put in, to manage and guide the sales. You know, I've seen guys that go to trade shows and customer comes in the last day of the trade show and they've been having a great show. It's basically at that point of vacation for them. And they just start talking off the cuff about some new product improvements they'd like to see without any subsequent research. The guys from the firm go back, they're back to the office.

Speaker 2   00:09:12   And all of a sudden somebody is working on it as though it were legitimized project. That's not market validated. You haven't necessarily talked even to more customers than just the one that came into your booth. And that's not really the way to determine how you allocate your, your product development and or engineering resources. So if you're going to put metrics to production, then you should as well put similarly tight metrics to sales and make sure that you've got a system in place. And that that system is giving you the rewards you need as a firm.

Speaker 1   00:09:41   Well, and I think the problem is too, if you're into that engineering side of things, somebody starts talking to you about some new development for a product and you get excited and, and that's your mojo, right? And you just kind of go, okay, I got something to do. This is going to be fun, but you're right. The bottom line is

Speaker 2   00:10:00   It's going to be profitable.

Speaker 1   00:10:01   Yeah. Is there a market for it? Is somebody going to actually want to buy it other than the guy who just walked in and was Chitty chatting about it, right. Yep. So, and you know, you, you mentioned this problem before, um, you said people are having trouble hiring the right people that they need and they are looking for people. So we have a whole sort of process where you need to hire the right people to do the jobs that you don't want to do or can't do because you just don't have that, that skill. And it's hard to find those people, right?

Speaker 2   00:10:34   Yeah. So even that, and then another thing that I would encourage people to do, especially in the current economy with the specific people that they bring in is do a really solid assessment of your corporate culture and only bring in people that fit that corporate culture. And what that specifically means is if you want people that will solve problems at all levels, organizationally now is the time to make that transition, transition, or shift. You know, things are a little lighter than they normally are. People are a little bit more open to change because they recognize now that they don't really have as many choices as they might've perceived in a more, in a stronger economy. If you want somebody to solve problems at every level of the organization, you need to make sure that that problem solving mentality comes into play. Do you know the other one is people with a sense of responsibility?

Speaker 2   00:11:15   I mean, I can't tell you how many times I've said people would rather have someone with a really good sense of responsibility, not just a work ethic, but legitimately the ability to deescalate conflict and work on teams, or rather have that. Then the number one best technical person that could have passed a --

-- test on a operating a machine or, or whatever the point is is that you've got the opportunity rather uniquely, I might argue right now to go find so high quality labor and really craft something culturally around them that will benefit the firm in ways that, um, you know, it's pretty easy to see, but you know, you have to experience them to really believe in them, but now's the time to get that going. And how do you find

Speaker 1   00:11:54   Them?

Speaker 2   00:11:55   So, you know, some of these guys are just sitting on the sidelines and, you know, they've got their stimulus checks and whatnot, but that doesn't mean that they're necessarily going back to, or mentally committed to going back to where they were previously. Nobody's say that that was a good fit for them. You know what I mean? I would identify the people that I liked and I would see if they had colleagues in the industry that they could recommend or facilitate introductions to. I'd also use this as a time to reach out to people in the training space and say, Hey, you know, who are the alumni from the top ranked technical colleges? That's the server feed my market. You don't find out who the guys are that are most active and the most involved, you know, if you're involved in trade organizations or where you go to a lot of industry events, you know, chances are pretty good.

Speaker 2   00:12:34   That you're pretty well invested in that you're a little bit more open minded to seeing and learning and hearing what's going on. So finding people through those activities and events, you know, alumni activities and events at the local trade schools, those are all great opportunities. You know, whether you're hiring now like today now, or whether you think, you know, Hey, you know, I need to be out there cause I might need somebody tomorrow next week, next month, whatever, you know, going to, or participating in any trade and technical college career fairs, just to collect resumes and just to facilitate introductions, you need to build introductions in order to get these people in the door in the first place, at least the good ones. And we were sitting with a CEO at a firm here in the st. Louis market. And he said, you know, Hey, how can I hire people from your college? He was talking to the president of a local technical college that we've done some work with. And the guy said, he goes, you've already missed. And he goes, what do you mean? You know, they're in their final semester. And he goes, yeah. He goes, the companies that hired him, started a relationship with them when they walked in the door as freshmen. And that's what people really need to understand and get a mentality around. You want good people, you need to go find them. You know, they're not going to randomly show up in your office.

Speaker 1   00:13:35   Yeah. And when you're talking about, you know, you go in there and you find them as freshmen, you kind of can nurture them and get to know them and figure out through as they go through that education process, whether they are going to fit into your culture and whether they are that right fit. Right.

Speaker 2   00:13:53   Yeah. You can also help them to understand which personal characteristics and traits they have, that they should be more aggressive about bringing forward into the marketplace. You know, some firms it's just, you know, Hey, shut up, put up, listen, and just do your job. And that's it. Nobody wants to hear from you. But if that is not your firm, and now's an opportunity with a young person to really encourage them to speak out and make contributions. I can tell you on the management side, when you're picking people to be on your team, you don't just want somebody, that's got the technical skills and prototyping, but you want somebody that actually knows how to, how to speak up and share ways that they could do things better as those products are being developed.

Speaker 1   00:14:29   Yeah. And then there's a two, there's two sides to sales in, in this whole picture too, because you have to sell your products to your customers and whatnot, but you also have to sell your business to potential employees. So you've, if you're not interested as a leader or, or whatever in sales, the whole package is all about sales. Isn't it? I mean,

Speaker 2   00:14:52   So yeah. Yes it is. But you know, it could have big asterisks next to that because a lot of people think of sales from those 1950s era TV shows th --

-- ey've seen mad men or whatever, and it's not, you know, Hey, let's go out to a five martini lunch and then hopefully you'll sign a purchase order that might've worked in the fifties. I have no idea I wasn't around, but the reality is, is that what you want is you want somebody on the sales side who can who's, who's proactively solving problems for the customer as well. You don't want somebody who's just randomly going and saying, Hey, you know, you want to sign this thing and buy some stuff, like, understand how that stuff helps your customer to make money and understand what other problems your customer has. Making money, expanding channels, getting into new products, et cetera, et cetera, et cetera.

Speaker 2   00:15:33   You need to hire the same people or the same mentality. That same skill set and sales needs to be a permeate needs to permeate. Your corporate culture is no different than iron somebody on the line that brings that sort of inquisitive inclusiveness with them. Naturally, you know, you get somebody in there that can actually go and solve problems for customers. And those are the relationships that you want and increases your switching costs. It adds value to your line. That's not necessarily, you know, lowest price point driven and it helps your customers to deliver as well. So especially in a B2B environment, I mean, you absolutely want that.

Speaker 1   00:16:05   You just reframe the whole sales picture by, you're not a sales person. You're not trying to push something on someone. You're a problem solver.

Speaker 2   00:16:13   Yeah. It's not about taking people to lunch and hoping they like you. It's about, you know, they like you because you basically helped them to make more money and turn more, turn more of their own products. I mean, you know, I said, you know, B to B, especially, but you know, that still applies even in a, B to C or a consumer based product line. It still applies as well.

Speaker 1   00:16:28   You guys focused on best practices. So what are some of the best practices that you have seen in manufacturing over the last few years?

Speaker 2   00:16:37   I mean, I think, you know, the ones that are always near and dear to my heart are the ones that we've led with. You know, so number one, put some kind of real metrics to your Salesforce. You know, when I've got mechanical engineers, running firms that are doing $50 million a year and they don't really have a clear understanding of what their sales person's day looks like. That's probably not good. That's definitely not good. I'm being kind of sarcastic when I say probably probably not good that you know, that, you know, best practice right there would be to, would be to fix things, you know, learning and understanding and spending time with your customers. I mean, that might seem like it's out of industry. Cause you know, maybe they are not manufacturers, whatever, but that is actually something that is a best practice that, you know, look to much larger organization.

Speaker 2   00:17:18   So that's something that when I was in the consumer packaged goods world, working in a multibillion dollar global company, you would have just taken for granted. And that would have just always been the way that you did business. You get to smaller firms and all of a sudden it's like, well, you know, we talked to this customer once and I've got some notes here somewhere and there's no codified process for really walking them through the product development process. So I don't care how old, the actual steps that you're using are, you know, how old the management book you used to put the system in place is all I care is that you actually have a system, you know, so it might not be a best practice in that. It's the latest and greatest thing that came out of a really big high profile business school or something like that. But at the same time, I don't think that's what you need to make money and be profitable and improve your, your, your chances in the industry. I think what you need is, you know, block and tackle, basics apply to as in adapted as the best suit your needs in your business and stick to them

Speaker 1   00:18:12   When you're talking about customers. So depending on where you are in the supply chain and in the manufacturing process, if you're kind of in the middle of that manufacturing process, do you ever suggest to, to those business owners and business leaders to go

Speaker 2   00:18:28   Speak --

-- with the end customer, if it's appropriately? Yes, it's always appropriate. Okay. Okay. I mean, you know, it's always appropriate as an overshoot. It's not always appropriate. I mean, you know, like, you know, you show up at their house and they're wondering how you got in the house. That's probably not appropriate. That's probably stocking. Right. So I'm joking about that. Yeah. You know, there might be an intermediary, maybe there's a channel that you're selling to that then sells to the end user. So, you know, you don't really own in a literal sense that relationship. So, you know, yeah, I get it. You gotta work within what you've got that said you should always be talking to customers. You should go. So look at what the consumer packaged goods industry does. I mean, you know, the stuff that now other industries are thinking is cutting edge or things that consumer packaged goods industry was doing a generation ago when we used to literally put optical trackers in store sets so that we could tell which products people looked at first and which part of the product they focused on. Now, I'm not saying that you need to do that in a metal spaced world, you know, depending on what you're making, you might not need to do that at all, but it gives you some sense that there's more, that could be done than what you're doing now. Okay.

Speaker 1   00:19:31   So in your role, you must meet and discuss challenges with a lot of business leaders. So what are some of the common missteps that you see manufacturing leaders making time and time again, we've probably touched on some, but

Speaker 2   00:19:44   Yeah. So one of them, I think that we haven't maybe touched on as much as it is and we forget that we're human beings and we forget that the laws that apply to all human beings, not laws in a strict sense, but you know, just sort of the rules of human behavior apply to us as well. And the way that that does us a disservice in the industry is that we tend to under duress go to our area of greatest strength. So if you have a sales problem and you were leading a firm, but your background is in engineering, you will literally try and engineer your way out of the sales problem. And that might not ever take you off of the plant floor and that's not going to solve the sales problem. So I actually had a guy one time who sales were becoming far too consolidated in far too powerful customers.

Speaker 2   00:20:25   And as a result, they needed new channels. They needed some new products, they needed all these other things. But one of the ways that that played out when you looked at the key performance metrics was it was impacting profitability. So he thought, okay, it's a profitability problem. And as an engineer, you could solve that one, right? Cause that's the math problem. So what does he do to solve what is at the core of sales problem? It figures out which machines on the he needs to move around so that he can pick up a quarter point and press in cost savings through process improvements. Guess what happened six months later, if that he's lost the quarter point to inflation and he's no further ahead. And then where he was, he's actually behind because of consolidation and his customer base has continued. So get outside of your area of greatest strength and comfort, even if it means you've got to bring somebody else in to solve a problem that you think you could and should own.

Speaker 2   00:21:12   Then if you bring somebody else in to do it, don't you blame failures on them? I mean, actually listen to them. If you've got a sales problem, don't try and fix it with engineering solutions. You know, another one, another good example of that is, you know, if you have a problem with products and the sales are declining and you not thoroughly understood why that is the case, and you've not talked to everyone up and down that consumer, you know, that end user consumer where your checks ultimately are coming from, you know, you could have a problem with a product that's being assembled poorly. I mean, that might be legitimately an engineering problem where you can solve a sales problem, but because you've not talked to customers, you don't realize that the reason sales are declining has less to do with the functionality of the product and more to deal with the reality that you don't want a couple of particular runs, or maybe there was a process change on the plant floor. You know, it's led to some issues that now customers --

-- aren't willing to put up with as much. So, you know, you, you need to really understand what these issues are, whether it's a sales problems, legitimately a sales problem, how much engineering touches it and then how you're going to fix it. And you need to hire and, or allocate resources, body resources, people, resources, accordingly, so that you can solve those problems.

Speaker 1   00:22:19   So the, the manufacturing leaders job is really to be out there all the time, asking questions and looking at things and not probably sitting in meetings, which is, which I think is what a lot of people are doing. Right?

Speaker 2   00:22:34   Yeah. So, you know, one thing that I would add to that is like, if you think about a really, really large global corporation, a multibillion dollar corporation, you have enough people and enough layers and enough stops, stop gaps, enough safety levers in play, that it doesn't, it's not as important where, which functional area any one individual came from. You have enough balances in there to make sure that every voice is, is hopefully heard. You know, the downside of that is it means you move very cautiously and slowly, and you're probably not as, um, aggressive with new products. Cause you know, you're, you're playing a cautious, you had a lot of people that are, are in jobs. They're not thinking as entrepreneurs, blah, blah, blah. But the opposite of that is if you've got a firm that is suffering from sales problems and you hire somebody that is an engineer at the core to solve that firm's problems, what you're going to get in a tight team like that, where you don't have those checks and balances, because you're going to get engineered solutions or engineering based solutions, engineers are awesome.

Speaker 2   00:23:33   And they solve a lot of problems. There, just some problems that are not theirs to solve. You know, if your firm has problems managing the financial function, then you need to put somebody in the senior most role who comes from a strong background. If your firm has really high quality products that are produced really well and really excellent, but you've got a lot of sales problems. So you might want to find somebody that comes from a product management background that has been more end user specific that can lead that organization at the senior most level, you know, and other side of the coin, if your sales are great and your team's out there knocking it out of the park, but you're executing poorly and you can't produce enough. And there are no external reasons to explain that then yeah, you probably need to hire somebody with a production, uh, somebody with more of an engineering, a manufacturing, engineering background to solve those problems for you. So, you know, figuring it out first and foremost, being willing to get outside of your own area of expertise and comfort, and then allowing the person that you put in charge to come from an area that you're not as familiar with, but also empowering them to actually make change is really, really, really important. Otherwise all you're doing is you're just taking problems and you just find another people to blame them on and that doesn't grow businesses.

Speaker 1   00:24:45   Uh, we're almost out of time Mark, but I wondered if you would mind giving us, uh, like three key takeaways that you think manufacturing leaders should really be thinking about. And, um, like I said, you probably have touched on a few of them, but just, just leave some fast bullet points for some leaders right now.

Speaker 2   00:25:03   Yeah. Talk to customers. A lot of customers, you know, a mathematically relevant sample size is not one, one is irrelevant. I mean, that's just a casual conversation. You need to talk to enough people that you've got, you're approaching a truly mathematically relevant sample size. So get out of the office and go talk to people. That's one thing. Number two, put some kind of metrics or key performance indicators beyond, Hey, how many phone calls did you make today around the sales process? Not just the sales people so that you truly understand what's going on as product decisions are made in the field, how long it takes to make those decisions who's involved in those decisions and how you can impact those decisions. And I guess the third one would be hire people that are solution oriented at all levels of the business. You don't want people that are sitting there not thinking, waiting for yo --

-- u to tell them what to do.

Speaker 2   00:25:49   You want people that are saying, well, what if we did it like this? Or, you know, if you're trying to sell more stuff, have you ever considered this other product over here? Cause here's what that looks like in other environments that are similar to yours. And here are the changes that have been impacted. Now it's improved the financial form firms, the financial fortunes of the firms that we've sold to it. Those are the kinds of people that you want having discussions at all levels of the organization up and down the chain. So any questions reach out to me, you can always reach me at, uh, st. Louis <inaudible> dot org. And like I said, we're a nonprofit and look forward to connecting with anybody that wants to talk. Yeah.

Speaker 1   00:26:23   Marc. I really appreciate your time. I think, um, st. Louis makes, sounds like a really cool organization and, uh, I got a better sort of idea of what's going on in st. Louis. So I really appreciate your time today. Thank you.

Speaker 2   00:26:36   Awesome. Appreciate it. Come visit us sometime and thank you very much.

Speaker 1   00:26:39   Okay. Marc Bowers is the executive director and founder of Louis makes, and that's our show this week, please check out our Twitter and LinkedIn feeds that are on our podcast page. You can also subscribe and share this podcast with your friends and colleagues through iTunes, Google play Stitcher, Spotify at YouTube and the makeup right podcast is brought to you by Kevin Snook. He's a leadership advisor and author of the bestselling book. Make It Right. Five steps to align your manufacturing business from the frontline to the bottom line until next time I'm Janet Eastman. Thanks for listening to make it right.

Speaker 3   00:27:11   <inaudible>.

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