



THE MANUFACTURING ADVOCATE

MEET BCA'S NEW MANUFACTURING ADVOCACY COUNCIL



Regional Leaders to Ensure
Continued Competitiveness
of Alabama Manufacturers ...



Congratulations to the Business Council of Alabama



Congratulations to the Business Council of Alabama (BCA) on this inaugural edition of *The Manufacturing Advocate*. I commend your efforts to promote and enhance manufacturing in Alabama.

Thanks to the BCA and to leaders who understand that manufacturing is critical to a strong economy, Alabama is a great place to do business.

It was a pleasure to see this success firsthand on my visit to Birmingham last November for the BCA's Committee Days. Since then, the BCA has launched the Manufacturing Advocacy Council. This select group of BCA leaders will amplify efforts to enhance the business climate for Alabama's manufacturers. The Manufacturer of the Year awards and other activities will be critical to these efforts.

The BCA has worked tirelessly to establish a positive business climate in the state.

—William Brooke, Chairman, BCA Board of Directors.

The National Association of Manufacturers (NAM) is leading the charge for a vibrant manufacturing sector in all 50 states, and I am so proud of our strong, exclusive partnership with BCA and our combined efforts to develop public policies that support Alabama manufacturers. Together, we can ensure their continued competitiveness at home and abroad.

Thank you for your commitment and leadership on behalf of manufacturing in America.

Sincerely,

Jay Timmons, President and CEO
National Association of Manufacturers



BUSINESS COUNCIL
OF ALABAMA



NATIONAL ASSOCIATION OF
Manufacturers

BCA ANNOUNCES NEW PUBLICATION FOR MANUFACTURERS

You are reading the Business Council of Alabama's newest publication, *The Manufacturing Advocate*, which will be printed quarterly as an insert in Business Alabama magazine.

The publication is designed to address issues of specific concern to Alabama manufacturers and promote the positive impact the manufacturing community has on Ala-

bama's economy.

"The Business Council of Alabama takes great pride in representing more than 1,300 manufacturing members," said William Canary, president and CEO. "*The Manufacturing Advocate* is part of our effort to support a public dialogue about the importance Alabama manufacturers."

THE MANUFACTURING ADVOCATE

LENORE REESE VICKREY, EDITOR; DIRECTOR, STRATEGIC AFFAIRS AND ADVOCACY COMMUNICATIONS
NANCY WALL HEWSTON, DIRECTOR, FEDERAL GOVERNMENTAL AFFAIRS AND STRATEGIC COMMUNICATIONS

The Manufacturing Advocate is published by the Business Council of Alabama, Alabama's foremost voice for business. The BCA is a non-partisan statewide business association representing the interests and concerns of three-quarters of a million working Alabamians through its member companies, and is Alabama's exclusive representative to the National Association of Manufacturers and the U.S. Chamber of Commerce. Send all submissions to Lenore R. Vickrey, Business Council of Alabama, 2 N Jackson St., Montgomery, AL 36104. Call (334)240-8740 or lenorev@bcatoday.org. For information on becoming a member of BCA, contact Elaine Fincannon, 334-240-8749, or elainejf@bcatoday.org

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BCA Establishes Manufacturing Advisory Council

Regional Leaders to Ensure Continued Competitiveness of Alabama Manufacturers

The Business Council of Alabama, with more than 1,300 manufacturing members and Alabama's affiliate for the National Association of Manufacturers, proudly announces the launch of the Manufacturing Advisory Council.

This select group of BCA members will bring together their experience, skill and innate understanding of the manufacturing process to promote and enhance a positive business climate for Alabama manufacturers.

The BCA's Manufacturing Advisory Council is composed of a cross-section of Alabama's manufacturing community, manufacturers who are members of BCA, BCA's board of directors and BCA's regional advisory committees. The council

is aligned with the state's work force development regions with at least one manufacturer from each region serving on the council (as depicted on this issue's cover).

The Manufacturing Advisory Council will serve as a national model for the National Association of Manufacturers and will reinforce the strong, exclusive partnership of BCA with the NAM to strengthen our message of supporting manufacturing and the need to compete in the global marketplace.

One of the council's first initiatives will be working with the NAM's Manufacturing Institute to build in Alabama a coalition of business, education, work force and economic development leaders to develop a nationally credentialed high-

quality manufacturing work force.

BCA is proud to be at the forefront of this groundbreaking new effort. We continue to advocate for a Business Education Alliance that will unite the business and education communities for the simple purpose of putting our students first, and this new partnership with the Manufacturing Institute through the Manufacturing Advisory Council is yet another component of that alliance.

"Manufacturers are a critical segment of our economy, and the Manufacturing Advisory Council is yet another way the BCA is working to support the companies that are making jobs and world-class products here in Alabama," said BCA President and CEO William Canary.

Meet BCA's Manufacturing Advocacy Council

Ronnie Boles, co-chairman

General & Automotive Machine Shop
Huntsville

Chester Vrocher, co-chairman

Boise
Jackson

Dick Anderson

Huron Valley Steel Corporation
Anniston

George Flowers

Cox Swimming Pools
Dothan

Denson Henry

Henry Brick Company
Selma

Greg Leikvold

BF Goodrich Tire Manufacturing
Tuscaloosa

Doug Mannion

Rheem Water Heating
Montgomery

Mac McBride

Steris Corporation
Montgomery

Joe Pampinto

Wise Alloys, LLC
Muscle Shoals

Ray Perez

Honda Manufacturing of Alabama, LLC
Lincoln

James Proctor II

McWane, Inc.
Birmingham

Joe Rella

Austal USA
Mobile

Ken Tucker

The Boeing Company
Huntsville

Barry Whatley

Craftmaster Printers, Inc.
Auburn

EX OFFICIO MEMBERS

W. Michael Bailey President,
Alabama Technology Network

Mark Brazeal President,
Alabama Automotive Manufacturers
Association

Ed Castile Director,
Alabama Industrial Development
Training Institute

Freida Hill Chancellor,
Alabama Community College System

Matthew Hughes Director,
Postsecondary Education Workforce
Development

G. Thomas Surtees Director,
Alabama Department of Industrial
Relations

Jeff Thompson Executive Director,
Alabama Aerospace Industry
Association

BCA, ATN Honor Alabama's Top Manufacturers for 2010



Celebrating Alabama's 2011 Manufacturers of the Year are (from left): Carl Jamison, BCA 2nd vice chairman; U.S. Rep. Jo Bonner; A. Ray Shirley, Jr., owner and founder of Applied Chemical Technology, Inc.; Y.D. Lim, Hyundai Motor Manufacturing Alabama president and CEO; Randy Johns, training coordinator for Lafarge North America; William Brooke, BCA board chairman, William Canary, BCA president and CEO, and Michael Bailey, ATN president.

The Business Council of Alabama (BCA) and The Alabama Technology Network (ATN), in partnership with The Chamber of Commerce Association of Alabama and The National Association of Manufacturers (NAM), presented the prestigious 2011 Alabama Manufacturer of the Year Awards in May to three outstanding Alabama manufacturing companies: Hyundai Motor Manufacturing Alabama, LLC (large manufacturer); Lafarge North America (medium manufacturer); and Applied Chemical Technology (small manufacturer).

Finalists in the large manufacturing category were Austal USA and Rheem Manufacturing Company. Finalists in the medium manufacturing category were Daikin America, Prystup Packaging Products and Pyongsan America, Inc. Finalists in the small manufacturing



U.S. Rep. Jo Bonner delivered this year's keynote address.

category were Cascades Sonoco, Inc., Electricfil Corporation and Whitfield Foods, Inc.

In a keynote address to the more than 150 attendees, U.S. Rep. Jo Bonner,

R-Mobile, recognized Alabama's manufacturers for the key role they play in the economic health of Alabama. He extended "heart felt thanks to all of the manufacturers who help make Alabama what she is today." He also recognized BCA for its efforts over the last quarter-century on behalf of Alabama business, saying the BCA "provides unparalleled leadership not only here in Montgomery, but around the state and certainly with our congressional delegation in Washington D.C."

Jay Timmons, president and CEO of the NAM, participated via video address. He discussed the strong, exclusive partnership BCA has with the NAM as well as our combined efforts to ensure that the manufacturing community of Alabama always has a seat at the policy-making table, either in Montgomery or

Washington.

The Alabama Manufacturer of the Year Awards program is an annual recognition of Alabama manufacturing enterprises that exhibit excellence in leadership, performance, profitability and work force relations. The awards are presented in three size categories to ensure fair recognition of all applicants regardless of the size of their work force. Winning manufacturers are selected by an independent panel of judges who look for demonstrations of superior performance in the areas of customer focus, employee commitment, operation excellence, continuous improvement, profitable growth and investment in training and retraining.

“This year marks the 12th consecutive year the BCA has partnered with ATN to recognize manufacturing excellence in Alabama,” said BCA president and CEO William J. Canary. “This year’s award winners reflect the skill, performance, agility, innovation and commitment to product excellence that sets Alabama manufacturers apart, and the BCA is proud to join ATN in bringing the accomplishments of these hard-working,



More than 150 people attended this year's Manufacturer of the Year Awards luncheon.

high-performing companies to light.”

The Governor Bob Riley Building a Better Alabama Award was presented to the NAM’s Jay Timmons. The award, presented in 2010 to former Gov. Bob Riley and named in his honor, is designed to recognize individuals who work tirelessly to promote manufacturing and economic development in Alabama.

The Electricfil Corporation was also presented with the inaugural Sustainability in Manufacturing Leadership Award given by the Alabama Technology Network. The award is presented to a company that is committed to reducing

wastes, lowering energy intensity, and improving sustainability. In 2009, the Environmental Protection Agency (EPA) and the Department of Energy created the E3 Initiative – Economy, Energy, and Environment – to help manufacturers across the nation adapt and thrive in a new business era focused on sustainability. The Alabama E3 Initiative has assisted more than 30 manufacturers in the state. Electricfil Corporation is an automotive supplier located in Elkmont that produces electronic sensors and engine seals and employs nearly 70 people.

Thank you Sponsors!

Sponsors of the 2011 Manufacturer of the Year Awards

PLATINUM LEVEL



Alabama Power Company

Always on.™



Honda Manufacturing of Alabama, LLC



Rheem Water Heating



Austal USA



BlueCross BlueShield of Alabama



3M



Boise

GOLD LEVEL



Alabama Self-Insured Worker's Comp. Fund



Alabama Coal Association

Governor's Office of Workforce Development



Huron Valley Steel Corp.

2011 Large Manufacturer of the Year

Hyundai Motor Manufacturing Alabama, LLC ~ Montgomery

On May 20, 2005, leaders of Hyundai Motor Company, former President George H. W. Bush and former Alabama Governor Bob Riley, as well as other dignitaries celebrated the grand opening of Hyundai Motor Manufacturing Alabama, LLC.

Today, the \$1 billion automotive assembly and manufacturing plant is one of the most modern automotive assembly plants in the world and is frequently recognized by well-respected trade and consumer publications for its quality vehicles.

Profile

HMMA employs more than 2,500 people and is capable of producing 300,000 vehicles per year that are sold and serviced by more than 900 Hyundai dealerships across North America. Hyundai's Alabama-built vehicles, the Sonata and the Elantra, have been recognized with multiple awards and accolades for various production characteristics including quality, value, safety and design.

The 3.2 million square-foot Hyundai Motor Manufacturing Alabama facility sits on nearly 1,800 acres in Montgomery and includes a stamping shop, welding shop,



An HMMA team member at the 3.2 million square-foot facility, one of the most modern automotive assembly plants in the world.



The Hyundai Motor Manufacturing Alabama plant in Montgomery.

paint shop, general assembly operation, a two-mile test track and two engine shops.

Financial Growth

Hyundai Motor Manufacturing Alabama has continuously improved the Alabama-built model vehicles since their introduction. In 2010, the Sonata and Elantra were Hyundai's first and second largest sellers, respectively, accounting for more than 61 percent of Hyundai's total U.S. sales.

In a year plagued by a depressed economy with record unemployment and home foreclosures, Hyundai outperformed the general market, realized retail market share increases every month in 2010 and achieved what many believe to be the biggest market share increase in the industry.

Since plant construction began in 2003, HMMA has invested \$1.5 billion and has plans to invest an additional \$152 million in 2011.

Leadership in Manufacturing

Hyundai Motor Manufacturing Alabama is a highly advanced manufacturing operation with computer-integrated processes that maximize efficiency throughout the plant. HMMA is the chosen spot for South Korea-based Hyundai Motor Company to test production of new vehicles to develop and improve production efficiency.

During the past six years, HMMA successfully implemented a lean manu-

facturing system with the help of more than 2,500 team members, all new to the automotive industry, who immersed themselves in robust training programs to develop at all levels of the organization.

With the ISO/TS16949:2002 certification from the Vehicle Certification Agency, North America, HMMA is the only facility of its kind in both North and South America to receive the accreditation and is officially certified to the highest International Automotive Quality Management Standard in the world.

Community Leadership

With a focus on the future, Hyundai Motor Manufacturing Alabama provides skills training and management development beginning on the team members' first day on the job. Team member safety is a core corporate value, and a fully integrated safety program has helped HMMA earn benchmark status in the automotive industry.

HMMA's commitment to its workforce extends to the communities that are home to its team members and their families. The company supports a variety of community programs through volunteerism and charitable contributions that further the quality of life in Montgomery and the River Region.

In the wake of the tornadoes that devastated large swaths of Alabama in April, HMMA donated \$1.5 million to the Governor's Emergency Relief Fund.

2011 Medium Manufacturer of the Year

Lafarge North America

Lafarge North America's Roberta Plant in Calera is a leader in cement manufacturing in Alabama and the Southeast, committed to safety, environmental stewardship and customer satisfaction. Its parent company, Lafarge, is the number one producer of cement worldwide, the number two producer of aggregates and concrete and the number three producer of gypsum wallboard (drywall). Because of its plant leadership and the strong work ethic of its employees, the Roberta plant is seen as a flagship facility for Lafarge's 22 plants in the United States and Canada.

Profile

Began in 1943 as a cement and lime plant, the facility is located two miles from the geographic center of Alabama, on 1,600 acres in the city of Calera, where it employs 195 men and women. Occupying the largest limestone quarry owned by Lafarge in North America, quarry production has increased five-fold in recent years from 2.04 million metric tons of rock moved in 2005 to 11.3 million metric tons moved in 2010. The Roberta facility holds close to 25 percent of the market share in Alabama and has a total annual production capacity of 1.5 million tons of cement. The plant has a unique advantage over other industry competitors because it sits on a natural deposit of black shale that allows it to add a natural material to its process to produce dark masonry products without using synthetic color additives.

Financial Growth

The Roberta facility has an annual production capacity of 1.5 million tons of cement, due to a \$235 million plant modernization that was completed in 2002. The project allowed the plant to meet the demands of the Southeast region for the past eight years. Because of recent downturns in the economy, which affected the construction industry, Lafarge directed management to re-



Two Lafarge employees at the company's flagship facility in Calera.

duce spending and focus on fixed costs. As a result, the plan realized a savings of \$1 million in 2008, \$2.2 million in 2009 and \$3.1 million in 2010, primarily by cutting outside contractors, focusing on raw material sourcing, and running large pieces of equipment on off-peak hours.

Leadership in Manufacturing

Known as the showcase plant for Lafarge North America, the Roberta plant is known for its safety, continued improvement in processes and final product quality.

Lafarge has been recognized with a number of awards for its manufacturing process and its contributions to environmental preservation. It has received the Energy Star Award from the Environmental Protection Agency (EPA) in 2006 and 2007 for its updates in manufacturing process that made it

more energy-efficient as well as for its preservation of 3 billion pounds of greenhouse gas emissions. It also has been recognized by the Wildlife Habitat Council for having a certified Wildlife at Work program, and received the Pollution Prevention Award from the Alabama Department of Environmental Management (ADEM) in 2006 for its use of alternative fuels, thus reducing coal consumption, carbon dioxide emissions and the usage of coal, a non-renewable resource.

Lafarge's growth in market share is illustrated by its picking up new business in 2010, resulting in approximately 350,000 tons of additional shipped material.

Community Leadership

Lafarge has partnered with the Alabama Technology Network to successfully train its personnel, using curriculum of the International Maintenance Institute (IMI), and works with local community colleges to continue its employee training and certifications.

Employees are involved in many facets of the plant's surrounding communities, including supporting local schools, the Calera Fire and Rescue Department, and the cities of Montevallo and Calera, which are home to many of the plant's 195 employees.



2011 Small Manufacturer of the Year

Applied Chemical Technology, Inc. (ACT) ~ Florence, Alabama

For three decades, Applied Chemical Technology has grown at an exponential rate to become one of the most innovative manufacturing companies in the world. Florence, Alabama is home to ACT's 52 employees and its 50,000-square foot facility. In the past year, ACT has increased its professional personnel by 10 percent and expanded its state-of-the-art facilities. Today, it is exceptionally competitive in the world's chemical industry and has clients on six continents. Despite a sluggish economy, ACT continues to flourish while other companies are not faring as well.

Profile

Applied Chemical Technology provides research, engineering and custom-made equipment to the international chemical industry. ACT's clients range from local universities to commercial corporations and government agencies in other countries with markets in the fertilizer industry, pharmaceutical industry, alternative energy research, biomass, and rocket and space fuels.

Financial Growth

With more than 80 percent of its business coming from repeat customers, the relationship ACT has with its customers is fundamental to its success.

Customers continually seek out ACT for its technological capabilities and have remained with the business for several decades. ACT's efforts in world marketing are another reason for consistency in sales levels, as it has maintained a presence at major industry exhibitions and conferences around the globe.

Leadership in Manufacturing

ACT's combination of on-site engineering, development and fabrication teams ensure that every project is marked by continuous improvement. Once a



An employee of Applied Chemical Technology creates custom-made equipment for the international chemical industry.

project is under way, ACT staff monitors every step, often incorporating new ideas to improve the product or process.

Small-scale working plant facilities or "pilot plants" are used during the beginning of a project's life to test ideas and to come up with strategies or improvements. These pilot plants also allow the company to generate small-scale versions of a project to see if there are any problems before they produce it in full-scale equipment. ACT also upholds a preventive maintenance program to guarantee safety and efficiency.

Market Leadership

ACT prides itself on being a "one-stop shop," capable of taking any chemical product idea and developing the process, systems, and equipment to bring a product to full-scale commercial production.

New products developed in 2010 include: wastewater treatment systems to turn sludge into safe organic fertilizers, process systems and equipment to add proteins and other nutrients to livestock feed, innovative equipment for weapons

and munitions reclamation and disposal as part of a Department of Defense initiative, and process and systems for environmental cleanup of oil spills, both on land and water. ACT clients include: Agrotain, Mosaic, Honeywell, PCS Nitrogen, SQM (Chile), General Atomics, Takata, The Scotts Co. and Dow Chemical.

Workforce and Community Service

ACT's staff receives frequent training sessions to ensure they are up to date with current technology and they also are encouraged to enroll in courses at the University of North Alabama and Northwest Shoals Community College.

Applied Chemical Technology also gives back to its community, supporting local charities as well as local business, educational and cultural programs. Some those are: United Way, Leadership Shoals, Shoals Chamber of Commerce, Salvation Army, Safe-Place, Shoals Manufacturing Association and University of North Alabama as a Championship Game Silver Contributor.