



**Metalcasters of  
Minnesota  
Spring 2011**

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## **TOBY MADDEN TO BE KEYNOTE SPEAKER AT MCM SPRING MEETING**



Toby Madden is a regional economist in the public affairs department at the Federal Reserve Bank of Minneapolis. In this position, he writes articles for bank publications and frequently speaks on the district economy.

In addition, Madden is actively involved with the bank's economic education program. Madden joined the Minneapolis Fed in 1995 as a management analyst in the automated clearing house area.

Prior to joining the Fed, Madden worked for five years at TCF Financial Corporation in investments and management reporting and for five years at Ernst and Young as a senior consultant in the financial services industry group.

A native of Minnesota, Madden has a bachelor's degree in accounting and a master's degree in finance from the University of Minnesota. He has taken over 20 masters and Ph. D. level courses in economics at the University of Minnesota. Madden is a certified public accountant and a certified management accountant. Madden is past president of the Minnesota Economic Association and is on the Board of the Institute for Financial Economics.

### **Extending Our National Reach**

By Jed Falgren, P.E.

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Much of the legislation and regulation that affects our industry comes from activities in Washington, D.C. In recent years MCM has worked to build strong connections with our legislative representatives from Minnesota. In 2011 we are expanding our connection to the national scene by taking an active role on the AFS/ NADCA Government Affairs Committee. This has already allowed MCM to lend support to efforts to improve the business climate for Metalcasters as well as providing an additional information conduit back to our members. Both of these will help strengthen our collective voice in shaping tomorrow.

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# MCM Spring 2011 Meeting

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Please join us on May 4, 2011

University Club  
420 Summit Avenue  
St. Paul, MN 55102

## Schedule of Events

- 9:00 a.m. Board Meeting
- 11:30 a.m. Registration & Social
- 12:00 p.m. Lunch & Business Meeting
- 12:30 p.m. Keynote (See Page One)
- 1:30 p.m. Adjourn

Cost: \$50 members and non-members.\*  
Call Kristine at IRB Incorporated 651-256-4696  
Email registrations to [kristine@irbinc.biz](mailto:kristine@irbinc.biz)

\*Non-members are welcome at the spring and fall meetings. Members are always welcome at meetings of the board of directors.



## **MCM Launches New Website**

By Jed Falgren, P.E.

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Metalcasters in Minnesota and those interested in learning more about our industry now have a new place to turn – MCM's website. The newly designed and updated website can be found at [www.metalcastersofminnesota.org](http://www.metalcastersofminnesota.org). The site shares a little bit about MCM, our members and what we work to accomplish as an industry trade group. In addition to the MCM News Page and contact information for those wanting to learn more about our industry, the site also contains links to many other websites of interest to the metal casting community.

In coming months we will expand the information available to anyone wanting to know more about the great work being done by Metalcasters of Minnesota as well as those issues that matter most to our members.

Take a few minutes to check out the site and drop us an email to let us know what you think – the contact information is at the top of every page!

Contact Jed at [jfalgren@thecastingedge.com](mailto:jfalgren@thecastingedge.com)

# New Employee Hire

By Mike Suchy

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As many a foundry man has found in his lifetime, foundry work is not for everyone. The recent economic conditions has changed the way that the employee has embraced the workforce, and what they are willing to do to earn an honest day's wage. Many who would have refused foundry work a few years ago are willing to embrace this hard work to regain ground lost to layoffs.

I contacted a few local foundries to get a glimpse as to how they are working to fill a void due to the economic recovery of 2011 and how their current practices are fairing for them.

Some foundries are using temp agencies; there are several side benefits to this approach. A temp agency or temporary staffing firm finds and retains workers. Other companies, in need of short-term workers, contract with the temp agency to send temporary workers, or temps, as the starting point for employment in the foundry. The company is not liable for benefits, and can be quick to pull the trigger on an employee who will not make the cut. It also saves valuable time on the hiring function of the new employee; one can simply pick up the phone and ask for two more tomorrow; or two different ones tomorrow. The temporary employee earns around \$11 per hour paid to them by the temp agency, while the company may pay as much as \$16 per hour to the temp agency for this benefit. The companies I've talked to have found the turn over approach to this method quite high, as much as 70%. Prospect foundry had utilized this approach for many years.

In 2010 we realized that we would need a new hiring approach. We determined that we would need to upgrade our new employee training programs if we were going to be successful. We decided that we would interview and hire our own employees. We would use only word of mouth from our employees that we had open positions. We would rate input from employees we considered that added value. We decided that our starting wage would be \$15 per hour.

We have used this approach for six months, and our retention rate is around 80%. The other foundries in the area that have used this approach have the same experience rate. Although more time is spent interviewing and training these employees, they train quicker, acclimate sooner, are eager to learn more tasks, and are open to cross training. They are taught that the quicker they learn more tasks, the more valuable they will become during the next down cycle. We also believe that employees who use temp agencies do this to avoid having to spend their time to locate employment.

We believe that this approach, training and quality pay, is leading to an employee that is more experienced, arrives with more skill, and starts a wage where they can earn a living, and the leaner workforce with 20% overtime is providing a nice take home pay check. This approach appears to have a dramatic upside compared to utilizing temp agencies.



# A Quiet Victory in the Lakes and Pines

By John Derus

Minnesota has ten electoral votes, it almost had nine.

Every ten years the United States counts itself and as a result of that census we determine how many Congressmen each state gets.

The formula is simple - each state gets a minimum of three electoral votes; two US Senators and at least one Congressman.

For states with very small populations that number stays there, just three votes.

The number of people you must have to elect a Congressman varies from state to state depending on the state's total population and that number divided by a rather complicated formula arrived at in the Census Bureau.

Right now as a result of the 2010 census, the population you must have is between six and seven hundred thousand people to be awarded one Congressional District.



Minnesota had about five and one half million which worked out to be enough to narrowly hang on to its present eight districts.

One of the most important positive points of holding on or increasing your delegation's size is psychological. States are in constant competition with each other. If you drop a congressional district and therefore population, the rest of the country and the international business community see you as a regional and national loser.

The reason that this event is important to us and the rest of the business community in Minnesota is that it says to the rest of the world that this is a growing successful place that can compete and grow in the marketplace.

Nobody notices when we hang on to our numbers – had we lost one, it would be front page in every media unit in the state.

The following is a list of states that gained and lost as a result of the 2010 reapportionment:

## Lost

Ohio -2

New York -2

Illinois -1

Iowa -1

Louisiana -1

Massachusetts's -1

Michigan -1

Missouri -1

New Jersey -1

Pennsylvania -1

## Gain

Texas +4

Florida +2

Arizona +1

Georgia +1

Nevada +1

S. Carolina +1

Utah +1

Washington +1

Ten states lost congressional seats and eight gained.

Minnesota stayed the same. As you may see, that is even more important when you see that most of the losses are in the upper Midwest and Northern states.

Sometimes we crow a little too much about Minnesota nice and what a good place this is to live, but I do think we can be a little proud about this quiet victory.

From the metalcaster window on the world – stay tuned.



#### Our Mission

*MCM's mission is to promote the importance of metal casting in Minnesota and to be a strong advocate for our industry through effective lobbying on a local, state, and federal level.*

### **MCM Board of Directors**

Neil Ahlstrom	Therese Benkowski
Ken Damewood	Jed Falgren
Andy Fulton	Matt Grilz
Tim Hartigan	Mark Krings
Tom Pulkrabek	Mike Suchy
Executive Director: John Derus	



## **Our Exceptionalism**

By Tim Hartigan

It's a great time to be in the metalcasting industry in the USA. No, seriously. I know. I know. There are about two dozen extra-legislative initiatives being pondered, contemplated, amalgamated and gift wrapped like a pair of chartreuse wool mittens that your Aunt May knitted for you. You are not going to like the rules or the mittens, but you have to be polite to Aunt May. I know there are people who hope to stay up later than you in order to stealthily deliver the new rules under pretense of a deep emotional hook like, "Think of the kittens." or "What? You don't like babies?" But don't despair. It is a great time to be a manufacturer in the USA.

Yes, there are some folks who feel that you, the one who has risked sweat and savings to give a few folks a good job and make a difference by making things, are really a greedy tycoon intent on extracting the last breath from your underpaid employees. Don't despair. Don't ignore them either. Speak up. Make your voice heard. Get involved in whatever way fits your abilities.

Pay no attention to your friend that tells you the dollar is going to zero. He's had something crashing and burning since he could play with blocks. Yes, gold, copper, tin, nickel and pretty much every other metal gain a little or a lot weekly. No worries. It is a great day to be a foundry person in America because we are in America. We have run into problems before. I know they tell you it's different this time. It's always different this time. No, it's really not different this time and it wasn't last time either. Here's what is different. Americans are different. It has always been so and always will be.

There are many things that make America different. Our brand of democracy. Our staunch defense of free speech. Our resources. Our people. Our education level. Among so many exceptional things, perhaps the biggest thing that differentiates us from the rest of the world is culture. Our culture creates our attitude about risk and success. We believe something could go right. Our culture encourages collaboration and innovation. We drive decision making down to the lowest level. We are most comfortable with change. We embrace risk. The poorest among us can become the wealthiest.

Ever since Eli Whitney we have been at the forefront of nearly every technological innovation in world. Look around you today at the technologies that have driven change. The repeating rifle. The remote control. The microwave oven. The iPhone. The CCD, UAV and GPS. There are tens of thousands of ideas and innovations that drive America. There are millions of Americans that change the world every day. That is why everyday is a great day to be working in American industry. Our dollar will not go to zero. Our industry will not be shuttered by rules or economic distress. And our innovation will not cease. No economic event and no ideology driven bureaucrat can turn off America. We will not stop dreaming, inventing, building, and risking because we are hardwired to do it. And if anybody tries to stop us we are hardwired to ask them to please step out of the way.