

Remarks by Leo Reddy, Chairman and CEO
Manufacturing Skill Standards Council (MSSC)

To Open IN Manufacturing and Logistics Skills Conference
June 17, 2010
Hyatt Regency, Indianapolis

Thanks to all for attending this ground-breaking conference. I would like to extend special thanks to the key organizations in this state that have shown such strong leadership in putting this event together: Ivy Tech Community College, the Indiana Chamber of Commerce, Ready Indiana, the IN Manufacturers Association, the AFL-CIO Labor Institute for Training, Eco 15, and Purdue University's Center for Advanced Manufacturing.

Please join me in recognizing members of the organizing committee for this Conference: Kris Deckard from the Chamber and Ready Indiana, Sherm Johnson from Ivy Tech, Kathy Clayton from LIFT and Neil Reddy from MSSC. (Kris, Sherm, Kathy, Neil stand).

I would like to provide a context for today's discussions by making a few remarks about the critical human resource issues facing America, the solution offered by industry-recognized, national certifications to those issues, and the MSSC example of how this solution works in practice.

I would submit that there is national consensus on the following propositions:

1. ***All manufacturing and logistics companies, even during an unprecedented recession, are looking for workers with higher skills.*** Every summit meeting and high-level study on America's global competitiveness reaches the same conclusion: if America wants to remain competitive, it must innovate--which requires a workforce able to keep pace with technological change.
2. ***Higher skills provide greater job security.*** A new Center for American Progress study reports that high-skill sectors saw *no* net loss of jobs during the recession.
3. ***Exponential change in technology is redefining the workplace.*** The traditional pathway of working in a single job for a lifetime is giving way to the need to have the core technical competencies and agility to fill a wide variety of jobs along a broad career pathway.
4. ***Our citizens are taking too long to find that career pathway.*** According to the U.S. Department of Health and Human Services, the average American is over 31 before working in a defined career for two or more consecutive years.
5. ***The high school dropout rate is a national crisis.*** Nearly 30% of ninth graders are dropping out of high school, with far higher numbers in urban areas,

6.14.10 Draft

including Indianapolis. Those students need an incentive to remain in school and pursue higher education.

6. ***Low college completion rates have also become a national issue.*** According to the latest U.S. Department of Labor projections, only half of four-year bachelor degree candidates will get their degree within six years and 80% who finished in the bottom quarter of their high school class will never get a bachelor's or associates degree.
7. ***We need to ensure that all citizens are productively employed.*** With Baby Boomer retirements, a relatively smaller number of incumbent workers will have to support a relatively growing number of retirees. *We can not afford to leave any one behind.*

In response to these kinds of national challenges, Congress had the foresight in the mid-1990's to pass a National Skill Standards Act. That Act created a National Skill Standards Board responsible for building "Voluntary Partnerships" in all 15 sectors of the American economy. The task of each of those VPs was to create industry-defined skill standards to serve as the basis for testing and certifying individuals and to help close the gap between school and work.

This bill was the original impetus behind the concept of industry-recognized nationally portable certifications to help the nation build a more advanced, technology-intensive industrial base. Available to all citizens, those certifications would create higher standards of excellence for workers, define high performance workplaces, provide an economically attractive alternative to potential school dropouts, and make it possible for more Americans to attain and document the advanced skills now required for higher paying jobs.

A basic goal of this nationwide certification system for all economic sectors was to ensure that *all* students leave school with either a degree or an industry-recognized, nationally portable certification—or both.

I should add that a senior Senate staff member at that time who helped to enable this thoughtful legislation and served as the principal liaison to the National Skill Standards Board from Senator Kennedy's office was Jane Oates, our luncheon speaker today.

On the industry side, the best model for a nationwide certification program was Automotive Service Excellence (ASE) credentialing, which is now nationally ubiquitous, with over two-thirds of America's automotive repair technicians certified.

The economic sector that took greatest advantage of the concept of industry-led, national standards and certifications was manufacturing. Formally recognized as the "Voluntary Partnership" for all sectors of manufacturing in 1998, the MSSC involved some 700 companies, 4000 front-line workers, all the leading industrial unions, and over 300 subject matter experts in the standards development process under its grant. The result was six sets of nationally validated, legally defensible standards that were officially endorsed by the NSSB in 2001. Dave Wilcox, former Deputy Executive Director of the NSSB, is with us today. (Ask Dave to stand up).

6.14.10 Draft

That work provided the research foundation for the subsequent advanced manufacturing competencies model adopted by the U.S. Department of Labor's Employment and Training Administration and the "Career Pathways for Manufacturing" of the U.S. Department of Education's Career Technical Education (CTE) program under the Carl Perkins Act. Both these federal departments are now linking their training funds to the attainment of either a degree or industry-recognized certifications.

After completing the standards, the MSSC itself, buoyed by the initial support it received from companies, unions and educators, survived the perilous terrain known as "life after grant." Over the years, we have developed two comprehensive training and certification systems:

- the Certified Production Technician (CPT) certification for front-line production workers in all sectors of manufacturing and
- The Certified Logistics Technician (CLT) certification system for front-line material handling workers in all supply chain facilities: factories, warehouses, distribution centers and transporters.
- This new logistics system was developed under the auspices of one of the America's most outstanding Workforce Boards, Workforce Solutions of North Central TX, in collaboration with the Manufacturing Extension Partnership for TX, TMAC. David Setzer of Workforce Solutions and Ron Lehman from TMAC have both come from TX to join our deliberations and share his experience. (Ask Dave to stand up.)

Both the CPT and CLT certification systems are designed specifically to strengthen the industry-wide, core technical competencies needed by industry to facilitate innovation. We have a motto for the kind of agile knowledge worker that the MSSC is working to cultivate: the "Industrial Athlete of the Future."

We have also built a deployment infrastructure, with over 450 MSSC-certified instructors, 178 certified assessment centers in 30 states, 1100 high school test sites through NOCTI, and experience in delivering 20,000 assessments. During its meeting just yesterday, the MSSC Board approved an expansion plan towards our "20/20" vision: assess 20% of the front-line production and material handling workforces in 20 years.

This expansion plan involves:

- Creation of four regional offices
- Widespread high school adoption of our computer-simulation-based based eLearning materials through a package offered in every state by Amatrol Distributors
- A new Job Corps material handling and distribution training program based on our CLT certification, and
- Growing work with the Federal Bureau of Prisons.

We are also expanding our participation in trade shows and conferences and building alliances with national business organizations, such as Chambers of Commerce, the National Association of Manufacturers, and with state manufacturers associations, beginning with the large Illinois and Indiana State Manufacturers Associations.

6.14.10 Draft

As part of that expansion process, we are opening our North-Central regional office at the Chamber of Commerce right here in this building. Our regional representative will be Ted Norman, who will be in touch with many in the room in the months ahead. (Ask Ted to stand up)

This growth enables MSSC to add capacity to the development and deployment of certification career pathway programs. Using our Certified Production Technician (CPT) certification system as the basis, we are one of the five founding Partners in the new NAM-endorsed Skills Certification System, along with the certificates offered by American College Testing Work keys, the National Institute of Metalworking Skills, the American Welding Society, and the Society of Manufacturing Engineers.

Using our newer Certified Logistics Technician (CLT) credential, the first-ever national certification system for front-line material handling workers, we are also working with the leading national logistics associations to raise public awareness of the education and certification tools offered by those organizations as well as by MSSC. Joining us today in this effort are Abe Eshkenazi, CEO of APICS, Rick Blasgen, CEO of the Council of Supply Chain Management Professionals (CSCMP), and Michael Mikitka, CEO, Warehouse Education and Research Council (WERC). (Ask them to stand.)

I now invite you to share the perspectives and on-the-ground experience of the many organizations and individuals within Indiana who have joined in making IN one of the leading MSSC certification adopter states in America.