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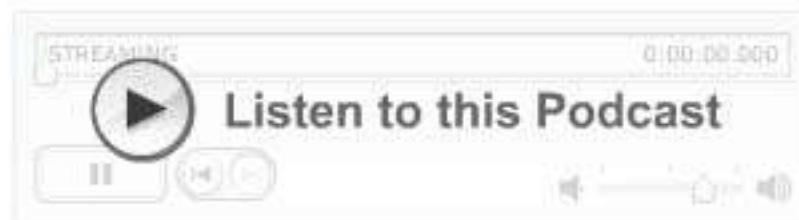
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AutomationWorld

Podcast Bytes: Job Creation Through Automation

February 17th, 2011

PODCAST Automation doesn't eliminate jobs, it creates jobs, declares [Drew Greenblatt, president of Marlin Steel Wire Products LLC](#), who will speak on the subject at next month's Automate 2011 show in Chicago. In this podcast interview with Managing Editor Wes Iversen, recorded on Feb. 16, 2011, Greenblatt discusses how automation has helped create more and better-paying jobs at his company, while also driving six straight years of profit and revenue growth. Approximate length: 16:08.



Hello, my name is Wes Iversen. I'm the managing editor for Automation World Magazine. It's Wednesday, February 16, 2011. My guest today is [Drew Greenblatt, who is president of Marlin Steel Wire Products based in Baltimore](#). Marlin Steel is a maker of [wire and mesh baskets](#). Welcome Drew.

Drew Greenblatt:

Thank you very much, I'm delighted to join you today.

Wes Iversen:

Drew, I know that you are going to be one of three speakers on a panel at the upcoming Automate 2011 show in Chicago. That's March 21st through March 24th. The title of that session is "Cost justifying automation". I see that the title of your presentation specifically is "Grow great jobs and profits with more automation". I thought it might be interesting to perhaps get a few words from you today on what you will be speaking about at that event. Maybe you could share a little of that with us.

Drew Greenblatt:

Wonderful. I believe that automation is critical for factories to pursue so that they have a chance to thrive and prosper in the future. I think that a lot of times, automation gets a bad rap. Automation, I

think, is intrinsic to improving the livelihoods of employees and improving the chance that companies will survive this terrible recession.

Wes Iversen:

I think that one of the things that I saw mentioned in some literature describing your presentation is that there are advantages of automation for employees; is that correct?

Drew Greenblatt:

Absolutely. Employees at factories that are highly automated, in general, are paid much better. It shows up in their wallet because they're doing higher-level work. In our case, in our factory, [we have 2.5 million dollars-worth of robots](#). Our people that are programming those robots, setting those robots up, double-checking that those robots are running well, are paid far in excess of the average employee out there doing other avocations like in the restaurant industry or in the retail industry. Running automated machinery is a lucrative way to become a part of the middle class of America. I think it is important that people understand that people who run those automated pieces of equipment have good jobs.

Wes Iversen:

Drew, when you brought those robots in, you brought them in over a period of time, but the folks that are doing that setup and that maintenance work and so forth, were they previously employees of Marlin Steel or did you bring in new folks to do those jobs?

Drew Greenblatt:

It was a combination. Some people, we grew and we trained. We invested a lot of money in them so that they could go to a higher level. For example, some of the robots we bought were out of Chicago, so we flew people out to Chicago for training classes. We also flew people out to Michigan to Detroit where there are other robot classes. We had seven of our team members in Detroit, almost a quarter of our company in Detroit learning some of our new robots a year ago. We are very aggressive in training. Most of the people are internal people who got opportunities and raises as they mastered these new techniques and new technologies.

Wes Iversen:

One of the things that we hear so often about automation, as you mentioned when we started speaking, automation often gets a bad rap. A lot of people say that automation eliminates jobs. How can that be good? How do you respond to that?

Drew Greenblatt:

I reject that. Automation creates jobs. The reason why is because if you don't automate, that factory is going to go away. You will lose every single job in the factory. The jobs that are created in automation are better jobs, higher paid jobs, jobs with benefits. In our case, we have Blue Cross/Blue Shield for all of our employees. For all of our employees, we pay 100% of any post-secondary college education or associate degrees. We pay 100% for that. They have to get a good grade, but we will pay 100%. These are the kind of things, you really invest in your people because you want those robots slamming away,

doing their mission. You need to have really good talent making sure those robots have a lot of up time and that they're running good quality parts, consistently. There's another thing that we haven't talked about - safety. A highly-automated factory is much safer than a factory where there are a lot of processes done by hand. Our workers are much safer than they were years ago. As a matter of fact, we have 800 straight days of no lost-time incidents at our factory. We want to be the best in the world. The safest in the world. That's our strategy - what we are trying to accomplish. The more I automate, the better chance I have of having employees that are much safer.

Wes Iversen:

Indeed, indeed. One of the things that I saw listed in some of the literature involved several straight years, a half-dozen straight years I believe, of growing profits and revenue at your company. How much of that is attributable to automation would you say?

Drew Greenblatt:

That's a great question. We've had six years of record revenue growth and record profit, record cash-flow. This has been because of couple of topics but high on the list is automation. We have been reinvesting, reinvesting back into the factory, adding more technology, more automation, so that our employees are like superman and they're able to do tremendous feats; consistently faster than any other factory in the world. Because of that, we win more jobs and because of that, we're growing. It becomes a very positive, virtuous cycle. When I first bought the company, in 1998, we had a gentleman who was paid \$6/hour, hand-bend a wire for baskets and for wire forms and he would do 300 bends an hour. His tolerance was $\pm 1/8$ or $\pm 3/16$ ". Now we're a far different experience. We have one gentleman run 4 robots and those 4 robots will produce 20,000 bends in an hour.

Wes Iversen:

Wow.

Drew Greenblatt:

So it's dramatic leaps in productivity. The employee is paid more than 4 times more than what they used to be paid. In the old days, they didn't have Blue Cross/Blue Shield; they had no health insurance. Their health insurance plan was they went to the emergency room. That was the company that I bought. Now our guys have Blue Cross/Blue Shield. When I first bought the company, nobody owned a car. Now you can't even find a parking space in my parking lot. Everybody is double and triple-parked.

Wes Iversen:

Wow.

Drew Greenblatt:

It really helps the employee because the company is safer, they have a future. The company is more prosperous, so they can afford generous benefits.

Wes Iversen:

So you've got improved productivity, you've got improved output, improved safety and I guess the quality of the products that you produce are going to be higher because of the automation as well.

Drew Greenblatt:

Absolutely, we bought a [robot that was made in Connecticut](#) in July. It was the biggest, most expensive thing I ever bought, \$400,000 for a [sheet metal fabrication punch press](#) and that machine has +/- .1mm tolerance. That's 4 thousands of an inch.

Wes Iversen:

Wow.

Drew Greenblatt:

We do [work for the medical industry, the aerospace industry](#). I can hold tolerances that are dreamy! This is how I can beat competitors where they pay 30 cents/hour. Some of my guys are getting paid with bonuses, they're getting the 60, 70, 80K range in compensation. That's only possible because, like I said, they're like supermen. They're so efficient, so productive. They're making much better parts. We have less re-work. Our quality has zoomed up. These are the kind of things that matter with our clients. It helps us grow the company. It helps us build better relations because our quality is superior. And - you have a happier employee because they're well-paid and they have health insurance.

Wes Iversen:

So, employees are ultimately much better-off. I'm curious, what about the employee count compared to 2 years ago, compared to what it is today? Is it higher, lower or about the same?

Drew Greenblatt:

When I bought the company, we had 18 employees. That was in 1998. Now we have 25 employees. We hired a mechanical engineer this morning. 25% of our employees are either mechanical engineers or designers. That's another thing that we are focused on. We invest tremendously in our engineering capacity so that we solve people's fit, form and function. That way we can harness the robots, the automation technology more effectively. We've been making huge investments in our team so that we can really optimize and maximize this wonderful technology that we have.

Wes Iversen:

It was a good point that you made earlier when I asked about how automation helps employees. The point that you made was that without automation, the company goes away. It goes out of business. Here also, we can see you went from 18 employees to 25 employees from '98 until now. You have more employees and they are better paid, so I guess everybody wins in this kind of situation.

Drew Greenblatt:

I agree. When people say that with automation you lose jobs and it's erroneous because we would have gone from 18 to zero. I'd rather go from 18 to 25. Again, we are doing many more widgets per hour. We talked about going from 300 hand-bends in an hour +/- 3/16 and now we have robots that are doing

things in 30 seconds and in 64ths. That really has a tremendous benefit to our clients because it's consistent, good-quality parts. There's another thing we haven't talked about. It's more interesting to work at a factory where the robots and the automation are doing the mundane, boring stuff and the humans are doing the interesting things. Programming, setting up; those are more interesting, those are more mentally stimulating. The drudgery of making repetitive products is mind-numbing. But if you can have a robot do the mind-numbing stuff, if you can have a robot do the unsafe stuff and the human is in a cage outside in a safe place, getting paid better, with benefits! The employees are much better positioned with heavy automation.

Wes Iversen:

That's a great story. Now you are going to be speaking at the Automate 2011 conference in March in Chicago. I guess maybe you could say it's a little bit like preaching to the choir. I mean, these are going to be folks who know about the advantages of automation. Any thoughts on how you can get this message out to the community in general that perhaps needs to hear it a little more than the automation audience.

Drew Greenblatt:

We have to explain to policy leaders, politicians, media that the heavily-automated plant will survive, will grow, will prosper. A heavily-automated plant is more prosperous, so they can be more generous to their employees. The 401K plan they can offer, the health insurance plan they can offer is superior. If you're trying to compete with 30 cents/hour in China, you can't pay your guys \$6/hour; you're going to lose. You have to go the other way. You have to invest in the technology, invest in the automation and find clients who appreciate quality, appreciate speedy delivery and it becomes very good for the employees. Policy leaders have to understand that the alternative is that the factory goes away. Policy leaders need to know the way to pay generous health insurance is by a very aggressive automation campaign.

Wes Iversen:

Right. Well, I think that you have been quoted in a number of media outlets and I don't know if you've had an opportunity to talk to the politicians in Washington or not, but keep up the good work.

Drew Greenblatt:

Thank you. I've [testified in front of Congress 4 or 5 times](#) on behalf of small business and how we can grow the economy and it's a challenge because a lot of people in Washington are policy wonks and they've never been in a factory. It's imperative that owners of factories and plant managers of factories in America, aggressively invite their local politicians, their congressmen, their senators to their factories to see that we give good health insurance and here's the robot that we bought and because of that we won a half-million dollars in new business or a million dollars of new business and because of that, we can hire this guy here at \$25 or \$30/hour to run this machine. They need to connect the dots and see the people standing there with Blue Cross/Blue Shield, to see the full parking lots because of automation.

Wes Iversen:

With jobs in America - certainly one of the big topics right now, so I think this is an important message to get out there. Drew, I think we need to wrap it up right now but I really do appreciate you taking the time to chat with me today and to listeners who'd like to hear a little more on this topic, again, the panel that Drew will be participating in will be at the Automate 2011 Conference in Chicago, March 21 through the 24th and that session is called "Cost-justifying Automation". It's on Tuesday, March 22 at 10am. So stop by if you get the chance and maybe you will get a chance to say hello to Drew while you're there. Thanks again Drew - I appreciate it.

Drew Greenblatt:

Thank you, have a super-day.

Wes Iversen:

All right, thanks a lot.

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