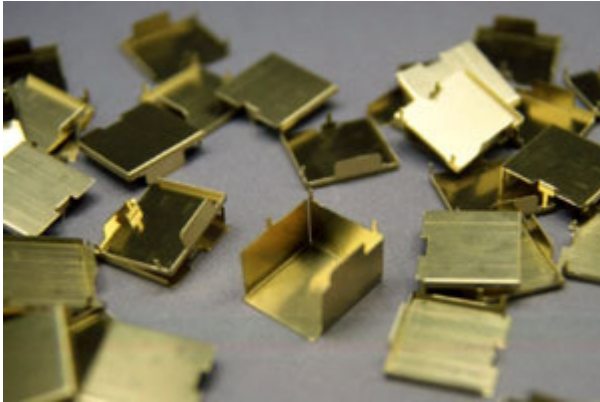


Corporate Citizen '07

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Q&A with Erick Ajax: Talking Time, Talent, and Treasure



We recently sat down and spoke with Erick Ajax, Vice President and Owner of [E.J. Ajax & Sons](#) a manufacturing company in Minneapolis, Minnesota. His company was recently recognized as one of just ten of “[America’s Safest Companies](#)” by *Occupational Hazards*. Erick was involved with the [M-Powered Project](#), a workforce development initiative to train low-skilled, low-income workers and match

them with companies looking to fill skilled positions. He talks about that as well manufacturing, corporate citizenship, and workforce development in this Q&A.

[SOCC07: Erick, thanks for taking some time to talk with us today.](#)

Erick: Sure. Corporate Citizenship is near and dear to my heart and many other manufacturers in North America. Running a safe, ethical and socially responsible manufacturing company has been our moral compass for many decades.

[SOCC07: Tell us a little bit about your company.](#)

Erick: We’re a third generation metal forming company. We manufacture progressive metal stampings. We produce 70 percent of the appliance hinges you see on freezers all across North America. We also make about 70 percent of the fire extinguisher cabinets in North America. Our export business is probably the most rapidly growing part of our operation. We export 30 percent of the stampings we produce to places like Mexico, Europe, and China, for example. We still compete very effectively with lower cost countries through productivity, innovation and continuous improvement.

My grandfather founded the company 60 years ago. My brother, Tom, and I have been running the company for the last three decades but purchased the company from our parents 15 years ago. We’re one of the luckiest families on the planet. We get to see our employees live the American Dream! We’ve seen hundreds of our employees come in and climb the ladder here. We have many 20 and 30 plus year employees. We get to see our entry level employees double or triple a starting wage, provide for their family, buy a home, a car, a boat, a lake

place, provide excellent benefits and insurance for their entire family, send their kids to college, earn an excellent retirement fund.

We also invest heavily in training and education, more than 5% of annual payroll. Every employee averages a minimum of 100 hours of continuing education. More than a third of our technicians and operators are [Dale Carnegie](#) graduates.

One of the greatest stories at our company is our company president. We hired him 18 years ago as a temporary employee. He took advantage of educational opportunities, applied himself, worked hard and climbed the ladder to the top. It's a true story.

SOCC07: What would you say are your most pressing challenges?

Erick: Clearly our biggest challenge is skilled workforce development and dealing with the skilled workforce shortage. We as manufacturers will be faced with a huge deficit of skilled employees in the next 5-20 years.

It's kind of a two-edged sword. Many of our long-term employees are retiring while the public image of manufacturing in the media has done a real disservice to the manufacturer sector by suggesting that every manufacturing job is going to be in Mexico, China or another low wage country in the next decade and it would be the worst possible career choice for anyone to make. Nothing could be further from the truth. The reality is that low-skilled jobs are in decline. But the high-skill/high-wage jobs are the ones that are really growing and expanding and where opportunity for growth exists. In Minnesota, for example, we have about 8,000 manufacturing companies that employ about 340,000 men and women. Each of those manufacturing jobs creates and supports at least two other jobs for another 600,000 tax paying jobs.

The average wage in the manufacturing sector is about \$50,000/year. That's higher than other sectors – 15-20% higher than the service sector. That's because a manufacturing job creates enough value for the company, the community, the state, and the region to pay employees a real living wage. In our company, we have never had any minimum wage jobs. An entry-level position starts at about \$12/hour. Once an employee gets onto a career ladder with us, he or she have an opportunity to nearly double that entry wage. (*ED NOTE: See NAM's "[Facts About Modern Manufacturing](#)" for more data*)

So the challenge is really overcoming that negative perception and attracting bright-eyed bushy-tailed men and women into the sector.

SOCC07: What have you found helpful in dealing with those challenges?

Erick: I work with the National Association of Manufacturers [Center for Workforce Success](#) as a [Business Champion](#) and speak about these issues all

over the country. And I've had the opportunity to share some of our success stories on Sector Strategies. For instance, the Hitachi Foundation provided some seed money several years ago to help us develop a program for lower-income workers, the M-Powered Project. We were able to partner with the National Association of Manufacturers, the [Precision Metalforming Association Education Foundation](#), the [Annie E. Casey Foundation](#) and others. It has helped us develop a fast-track training program to help low wage individuals get the skills necessary to take the first step onto a career ladder in the manufacturing sector so they can begin to earn a living wage to support their family so they can live the American dream.

Samantha Brady went through the M-powered program. She's now 23. But when she was 19, she had just given birth to her second child and had been arrested for possession of methamphetamine. She was in a state correctional facility for a few years. We were able to take the M-Powered program on the road to her and several other women who were about to be released from that facility. They completed the M-powered fast track 12-week training program. Samantha did well in her class. When she was released about a year ago, we were able to hire her. She's did well here. She now has custody of her kids. She has her own apartment. She has even testified before the legislature about M-Powered. She says that her life before this program was worthless. Now she can make enough money to support her children and doesn't need to do the things that got her in trouble before.

SOCC07: Why do you think M-Powered worked so well?

Erick: I think the reason M-Powered works so well is the high level of collaboration among foundations, the technical college, companies, state economic and workforce development agencies, and the non-profit intermediary group that worked with the candidates on job and life skills.

Every partner has a separate agenda. But they couldn't do it on their own. The employee is looking for a good job with family sustaining wages, excellent benefits and a bright future. The college is looking to put butts in the seats so they can afford to support their programs. The foundations are looking to accomplish good things with their philanthropy. The economic development agencies within the state fully understand that a manufacturing job is going to create 2 or 3 other jobs that pay income taxes and creates wealth within the state, community, and region. The nonprofit workforce intermediary is very interested to help the low-income low-skilled individuals pull themselves up out of the social welfare or criminal justice systems. And, of course, the employer is anxious to have a high-level, high-skill employees come into our business and grow to help us compete in the global marketplace.

When you have a true collaboration going on and you're able to listen to each other's goals and what they want out of the project and are willing to compromise and support each other you can really do a lot.

SOCC07: What else have you found useful in addressing these challenges?

Erick: The other thing we've gotten involved with is a new charter school, the [Dunwoody Academy](#). It opened this past August in the poorest neighborhood in Minneapolis. I sit on the school board with several other business and community leaders. The school is focused on academic rigor and offers 9th-12th grade students the chance to focus on one of 4 career platforms – manufacturing, construction, health care, and automotive.

Along with that, the students must take three full years of Spanish or Chinese and three full years of algebra and trigonometry. By the 11th or 12th grade, each student will have selected a career platform and spend part of each day studying at the [Dunwoody College of Technology](#).

Many of our students are coming into the school two or three grade levels behind. Because students attend class eight hours a day for 210 days a year students will have nearly two additional years of quality classroom time and applied learning than they would have received attending a regular public school.

We've also worked closely with [The Minnesota State Colleges and University System](#) to develop two new [centers for excellence in manufacturing and engineering](#), one of which houses the M-Powered program.

SOCC07: As a business owner what is your reaction to the idea that companies should be more responsible members of their communities?

Erick: I don't buy it. I work with a lot of people that own companies or are CEOs. I meet a lot through the Center for Workforce Success, trade associations, Rotary and as a trustee for two different foundations. I literally see firsthand hundreds of examples of incredible leadership by individual CEOs and their managers and their companies and the gifts of time, talent, and treasure that they're giving back to the community and their employees and the world.

And these are significant individual gifts. They're not of the magnitude of a Warren Buffett or a Bill Gates. But what I'm seeing are multi-hundred-thousand dollar gifts and dozens of these gifts coming together and individuals working together that really creates a synergy to make a difference.

This is the kind of thing that doesn't get the attention of the media. The media in my experience hates good news. It's really easy for many of the good corporate deeds that so many of our companies throughout America do are simply going

unnoticed. And the public really has no idea of the incredible generosity and good deeds that are being done. And what good corporate citizens our businesses really are.

So, I absolutely don't buy it. I feel that there are literally thousands and thousands of companies throughout the U.S. that are doing marvelous things for their communities, employees, and the world for that matter. I think many of the examples of corporate good citizenship are going unnoticed while the media focuses their attention on the negative acts of a few bad actors.

SOCC07: How do you think being a business owner influences your views on this issue, corporate citizenship?

Erick: Again, I just have to say that I have firsthand experience working with literally hundreds of other men and women that run their own companies and organizations. They're wonderful. They're doing so many things above and beyond the call of duty. I simply don't see where these companies are falling short or where they're not providing good things for their employees or not paying them a fair wage. The people that I work with treat their employees with respect. They provide opportunities for personal achievement and advancement. They pay their taxes. They give lots of time, talent, and treasure back to the community and region in many different areas. Even some of our largest employers in Minnesota are very good corporate citizens. Take [Target](#) for example. They're giving millions of dollars back to the community on an annual basis. Target totally gets it. [Best Buy](#) and [Medtronic](#) are also excellent examples of good corporate citizens.

SOCC07: Surely something else needs to happen though. What do you think that might be?

Erick: More collaboration between organizations can possibly help make things move more effectively. Whenever you can bring 3 or 4 or 5 different organizations and sectors together from foundations, companies, education, non-profits, workforce development, and use the collaborative approach and the synergy of the respective organizations all working together where each organization is investing time, talent, and treasure and are really engaged things can really happen. It really has to go beyond writing a fat check and giving it to a 501(c)(3).

SOCC07: The SOCC survey this year reveals a gap between what companies believe they should be doing on corporate citizenship and what they actually do. Why do you think this gap exists?

Erick: I honestly believe the media is to blame to a large extent. Good news does not sell newspapers or increase viewer or listener ratings, so they simply don't publicize most of the wonderful things our corporate citizens are doing.

Another thing is that many of the good corporate citizens are very humble and are not into blowing their own horn. They are quiet, calculated and very deliberate in their good deeds. The public is simply not hearing about all of these good things. It's not that it isn't happening; it's just that it isn't being reported in the news and that most of the general public tends to focus on and remember the poor behavior of a few bad corporate citizens.

SOCC07: That leads into my next question which is whether you see or experience an erosion of public trust in business, which is an intriguing finding from this year's SOCC survey.

Erick: Well, when the media sensationalizes the corporate scandals and the fiascoes that have taken place on Wall Street with the cheating and insider trading, that will get people's attention and it will stick with them. They'll remember those things. But I question how many Americans would be able to remember the gifts and the partnership that Warren Buffett and Bill Gates have established in [The Gates Foundation](#) and the billions of dollars that will be given back to the world in the next couple decades. They probably know all about the corporate scandals. But I doubt if most could remember any detail about Buffett and Gates partnership.

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