



Machining

## COVID-19: Reopening Guidance for the Manufacturing Industry

Holly B. Martin | May 19, 2020

The COVID-19 crisis has had a significant impact on manufacturing. Here's what companies in the sector need to think about as they ramp up production under the constraints caused by the virus.

With some states lifting shelter-in-place orders and factories beginning to restart their operations, a new normal is descending on the manufacturing sector.

Over the past several weeks, most companies have taken action to ensure employee safety and establish the legal right to be open, according to *Steve Kline Jr., chief data officer at Gardner Intelligence*, a consultancy that tracks the manufacturing sector.

Companies surveyed by Gardner say they have provided more personal protective equipment for their employees and established new methods for social distancing, following the Centers for Disease Control and Prevention *guidelines*. They have also revisited their budgets and forecasts and worked to confirm their businesses as essential, when needed, for certain states.

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Laurie Harbour

President and CEO of consulting firm Harbour Results

The highest priorities for these companies over the next six months will be to invest in their businesses, develop plans to make up for lost revenue, increase cash reserves, and expand their product mix, Kline says.

Achieving these goals will mean ramping up production, and doing so in a new work environment where no company has been immune to the pandemic, says Laurie Harbour, president and CEO of consulting firm Harbour Results.

## Tips for Disinfecting Work Areas

Disinfecting workplaces is an area where many companies need help right now, says Brandon Hody of Concurrent Technologies, who consults with shops to help them provide safe working environments.

If a business plans to have employees do the cleaning, managers need to be aware of the **OSHA standards** on personal protective equipment and hazardous chemicals, he advises.

"Anything that's used in the same way as a consumer product is exempt from regulations," he notes. "But once you start asking people to wipe down something every time they touch it, or requiring them to clean something three or four times a day, that's no longer consumer use."

In these cases, companies must follow OSHA guidelines to provide the proper PPE and training, along with the safety data sheets, or SDS, for those chemicals.

"They may require industrial hygiene surveys or monitoring to determine how much is going to be used, and whether there are risks that it could irritate people, especially if it gets into your ventilation or has a smell associated with it," Hody says.

If an employee tests positive for COVID-19, make sure you have a plan in place, he cautions. "Don't let anyone back to work until you track all the places that employee has been and completely clean those areas."

Hody also cautions that having your own employees do this cleaning puts them at risk of not only being exposed to hazardous chemicals, but also to the virus.

"The OSHA perspective is that if somebody tests positive and you instruct your employees to clean those areas, you have to provide them the proper PPE for the hazardous chemicals, but also to protect themselves from COVID," he says.

"And then if somebody tests positive for COVID as a direct result of cleaning, it has to be recorded as an **OSHA work-related injury** or illness, because you subjected them to the risk," Hody says.

"Every business has had some impact, so it's not like anybody's running at 100 percent," she says. "Even if you were in essential industries, like medical or food and beverage, you still had an impact, driven by your customers not buying as much, or by the fact that your people were afraid to come to work."

Other than automotive, which was hit especially hard, most of the shops Harbour works with never shut down but were running at 60 to 70 percent of their normal operating level.

"Every plant has had a mix of voluntary layoffs and involuntary layoffs, where the plants said, 'I don't need 30 percent of you for now because we don't have as much production, but that doesn't mean

you're gone completely,'" Harbour says.

## For COVID-19 Reopening, Employee Safety Is Job One

As companies bring their factories back to life, the most critical challenge they face is ensuring the safety of their workers.

While the *Occupational Safety and Health Administration*, the *CDC* and individual states provide basic guidance, in the age of COVID-19, protection for employees needs to be tailored to each company's individual situation, notes Brandon Hody of Concurrent Technologies, who consults with shops to help them provide safe working environments.

The problem may come for businesses with organizations in multiple states because guidelines vary from state to state, Hody says. However, if a business doesn't provide the same level of protection across state lines, this can become an issue for some employees, making them feel less safe.

And helping people feel safe at work is something all companies need to work at, Hody adds.

"Even before opening back up, ask your people what it will take to help them feel safe, and see if you can accommodate their recommendations," he advises. "Their input helps them feel safer, like they're part of the solution and they're providing value and tailoring their work to themselves."

In addition to physical safety, Hody says employers need to consider the emotional health and well-being of their employees during this time of crisis.

"Dealing with unemployment, loss of income and possible illness of family members all adds more stress to daily life, so it's important for employers to acknowledge this," Hody says. "Involving your people in developing safety procedures and offering employee assistance programs can help alleviate some of that stress and even prevent possible workplace violence."

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## How to Social Distance in the Workplace

One of the trickier issues companies are dealing with is the 6-foot social distancing recommendation by the CDC, according to Hody.

"Companies that typically only run day shifts may add another shift to spread the workload," Hody says. "By doing that, production is going to be slower, but when you have half as many people working at a time, you can social distance a lot better."

In some cases, such as a stamping plant with a lone operator running one or two presses, there's plenty of space to create enough social distancing, according to Harbour. "In other cases, companies have put up plexiglass to divide workstations where people sit close together while assembling parts," she adds.

"The real challenge to distancing is around the time clock, the break room, restrooms and the daily standup meeting at the start of the shift," she notes. "Some companies have even created enclosures around seats in the breakroom to separate employees during lunch."

## Cutting Costs and Restoring Cash Flow

After working to ensure employee safety, Harbour advises companies that their next priority is cutting

costs and managing cash flow. And given that cash is what matters now, companies need to start looking more strategically at future sales, she adds.

“Companies need to be gathering a lot of data and calling their customers consistently to get a handle on forecasts because the ramp-up is going to be slow and unpredictable,” Harbour says.

“For example, if GM plans to open an automotive plant on May 18, but they can’t get parts out of Mexico, then what good is it to make parts here in Ohio?” she notes.

Because of this uncertainty, Harbour recommends that plants bring workers back in a paced, measured way, starting at about 60 percent of the pre-COVID volume.

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## **Investing for the Future**

While businesses should be cutting costs in the long term, they should also plan to invest in new technologies as profits return, Harbour says. And some of those new opportunities will come as a result of reshoring the supply chain.

“In the next six to 12 months I think we’re going to see some part resourcing back to the U.S., because 95 percent of our PPE was made in China up until the COVID crisis, and we’re realizing that we’ve got to make things here,” Harbour says.

“My caution is that we are a country with a short memory, so two or three years down the road, when we’re well beyond this crisis, price is still going to have an impact,” she says.

“We need smart thinking to drive efficiency in our business and be flexible as possible to manage this kind of downturn in the future, because there will always be something in the future.”

***What steps are you taking to reopen your shop? What unique challenges have you faced?***

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