



The Showdown at Supply Chain Corral

By Kerry Stackpole, FASAE, CAE, PMI CEO/Executive Director



Kerry Stackpole

How is your supply chain faring these days? The bottleneck that is the supply chain is surely impeding the economy. It's also creating choke points at the ports, rail yards, and among trucking companies. There were more than 30 vessels off Southern California during the second to last weekend in July, the highest level since April 2021, according to the Wall Street Journal's Logistics Report.

The supply chain disruption has – not unexpectedly – turned into a financial bonanza for container ship owners and for shipping firms, with freight rates skyrocketing into previously unseen territory for many manufacturers. That assumes you can even source what it is you need: think microchips.

In early July, President **Joe Biden** issued an Executive Order (EO) creating the White House Competition Council enlisting a “whole of government” approach to addressing the need for “a fair, open, and competitive marketplace [that] has long been the cornerstone of the American economy. . . .” The EO calls out the global container shipping industry and its consolidation into a small number of dominant foreign-owned lines and alliances as causing a disadvantage to American exporters. The Federal Maritime Commission and the National Shipper Advisory Committee have been directed to provide recommendations related to the astronomical costs associated with storage and late return of shipping containers.

America's love affair with the Japanese management philosophy of “just-in-time” (JIT) inventory, developed and refined with Toyota manufacturing plants in the early 1970s, may be ending. JIT is blamed for many of the supply chain bottlenecks manufacturers are experiencing as demand ramps up and available supply is nowhere in sight. Tight inventories are not the only source of supply chain problems. Unexpected weather patterns, such as typhoons on China's coast and the deep freeze in Texas earlier this year, are two examples. The Texas deep freeze forced polyethylene plants across the state

to shut down on short notice, leaving raw material inside pipelines that literally gummed up the works. The result: about 75% of the U.S. ethylene (think plastic) capacity went offline, noted an S&P Global report.

Plumbing product manufacturers are not the only ones experiencing production issues driven by the supply chain chaos. It comes as no surprise that microchips also contain plastic. When automakers cut back on vehicle production in the early days of the COVID-19 pandemic, they also cancelled standing orders for microchips that are essential to operating new cars. With demand for new cars and trucks ramping up, it's a decision they likely now regret. Car and Driver magazine reported that automakers have been forced to take hundreds of thousands of vehicles out of production. The result is limited inventory on automobile dealers' lots, short supplies of rental cars, and price increases for both new and used cars. Improvements are expected in late 2021 but the losses associated with growing demand, low or no inventory, and missed sales will impact auto dealers and consumers alike for some time to come.

So, what's a manufacturer to do? There is much conversation about re-shoring production of vital components; however, the landscape for doing so remains bumpy. While borrowing costs are at historic lows, regulatory and permitting hurdles, as well as shortages of construction workers and materials, will slow project timelines. Once the new plant is up, will

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Kyle Thompson Joins PMI As Technical Director

By Ray Valek, PMI Communications Team, Valek and Co.



Kyle Thompson

Kyle Thompson is starting as Plumbing Manufacturers International's new technical director, and he will be focused on making friends.

"My (eight-year-old) son asked me, what am I going to be doing in my new job? And my response was that I'd be making friends," Thompson said. "The way I see it, my position facilitates communications and the exchange of information between people. I like the idea of open information and building relationships. So that's a big draw for me with PMI."

With a start date of July 19, Thompson comes from PMI member IAPMO, where he spent more than 10 years working as a standards development engineer. During this time, he often participated in PMI's Tech Talk and other

PMI Technical Committee initiatives, giving him a first-hand look at PMI's collaborative, consensus-driven process that requires reconciling different perspectives. "PMI's culture is everybody working together for the common good, and I'm looking forward to getting on board," he stated.

Thompson's job requires him to find and pay attention to legislation and codes that are in development for manufacturers, and to report those developments to the PMI membership. At the same time, many manufacturers are getting related information from other sources. "If I have built the relationship the right way, which I'm looking forward to doing, and members have information to contribute, I can share it with the entire membership," he explained. "So I see it as an exchange – looking for information from our members that is important to them and appreciating their letting me know when they find out about things. If it's important to an individual member, it's highly likely that it's important to everybody in the PMI organization."

Before joining IAPMO, Thompson worked for a solar design and installation company while working on his degree in mechanical engineering from California State Polytechnic University at Pomona. His experience with this company first made him familiar with off-grid, decentralized building systems, which have become the subject of various pilot programs because they require less infrastructure and have the potential to save water and energy. "I can see plumbing going in a similar path eventually, where we get away from municipal processing plants where everyone's waste goes" and transition to a neighborhood approach focused on recycling and alternative energy sources, he said.

A resident of Norco, Calif., Thompson said he will enjoy continuing to work remotely as part of PMI's team, whose members span the nation. "Remote working enables me to be here with my family," he stated. "I've enjoyed being able to be at work and then go out and see how they're doing with their school and their growth."

The Showdown at Supply Chain Corral (Contd.)

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there be adequate and available skilled labor to operate the facility? The Federal Reserve Bank of Dallas asked Texas manufacturers about the impediments to hiring in the current economy. More than 70% reported a lack of applicants, with almost 43% of respondents saying those who did apply were looking for more pay than is being offered. Lack of experience or hard skills fall squarely in the middle of the pack.

We can all be forgiven for having short memories. Few want to revel in disappointment or difficult times. But now is the time when it becomes essential to reconsider what we think we know. Assuming the chokepoints on internation-

al trade ease up and inflation maintains its historical low levels of the past several decades, how many of us will be moved to rethink our strategies, supply chain positions, or future? Savvy operators have already found new sources and are already at work expanding to multiple supply partners. Maintaining flexibility among products your company manufactures to allow quick pivots when components are in short supply has now become critical. Just-in-time is



being replaced by resilient manufacturing. Can you create an indestructible supply chain? These days, it may be the fastest pathway to becoming indispensable in the marketplace.

Inclusion Workshop Jumpstarts PMI's DE&I Journey

By Judy Wohlt, PMI Communications Team, Valek and Co.

“We stand together at the beginning of a journey that will result in positive opportunities for more of us and in a stronger plumbing manufacturing industry,” said **Todd Teter**, Plumbing Manufacturers International Board of Directors president, as he introduced PMI's first diversity, equity and inclusion (DE&I) workshop in July. “Thanks for being a pioneer on our historic journey.”

A group of PMI members took that pioneering spirit to heart as they learned how to better foster a sense of inclusion and belonging in their workplaces and shared some of their personal DE&I experiences during PMI's “Inclusion and Belonging: Creating an Irresistible Organization” workshop.

Teter, senior vice president and general manager, Global Plumbing Group House of Rohl, noted that the workshop is one of the first steps to realizing PMI's vision and commitment to the critical need for DE&I endeavors that produce many positive outcomes for the industry, such as better and more diverse thinking, advanced innovation, and enhanced engagement.

Workshop highlights included defining inclusion and belonging – how they differ and why they matter; recognizing the signs of a culture lacking inclusion and belonging; implementing strategies for addressing behaviors that detract from an inclusive culture; and creating a sense of purpose and belonging in the workplace through small, but powerful, daily interactions.

Building a sense of belonging brims with benefits

Building and nurturing a sense of inclusion and belonging is important for many reasons. Organizations can use their DE&I efforts to create more cohesive teams; realize a shared set of values and sense of purpose; increase organizational performance; and improve talent



retention, said co-presenter **Nozomi Morgan**, DE&I workshop leader and facilitator for the Center for Automotive Diversity, Inclusion & Advancement (CADIA). “Inclusion is no longer a ‘nice to have,’ but a critical business strategy,” she said.

Morgan defined inclusion and belonging and discussed their impact on keeping employees engaged. Inclusion is the practice of leveraging diverse perspectives, backgrounds, skills and talents to allow all employees to feel valued and able to contribute to their full potential in achieving an organization's mission, Morgan said. “Belonging offers a sense of fitting in or feeling like you are an important member of a group. Social belonging is a fundamental human need, hardwired into our DNA,” she added.

Tips to keep biases in check, increase personal awareness

Several issues can stifle employee engagement that companies should keep in check. For example, co-presenter **Kayce Shepard**, a CADIA workshop leader and facilitator, said bias can be a major barrier to creating a culture of inclusion and belonging. She explained that bias is when a person favors a particular idea or belief over all others, which can shift to prejudice if not kept in check. Bias is influenced by what shapes your identity and sense of self – from your gender, ethnicity and sexual orientation to geographic location, your role in a company and political status, she added.

Shepard offered tips for managing biases, starting with acknowledging

that everyone has them. She suggested companies enact policies that set mutual respect as the norm, encourage individual self-reflection and awareness, and mitigate bias by focusing on individual performance and needs versus focusing on entire employee groups – based on ethnicity or gender, for example.

Morgan encouraged workshop participants to increase their personal awareness of bias by becoming active and taking action to support others. For example, ask for input and feedback from teammates and step in if team members talk negatively about a colleague.

What can leaders do to be more inclusive? Morgan identified several areas leaders can focus on, such as making a commitment to DE&I with policies and actions, speaking up and challenging the status quo, taking time to understand how employees view and experience the world, and ensuring everyone at the table has a voice.

Fostering an inclusive workplace takes time, patience, good planning, and flexibility to make adjustments along the way. “It's a continuous cycle that we keep on evolving,” Morgan said. “What actions can you take to make a difference today?”

To view PMI's statement on DE&I, visit the PMI website (safeplumbing.org/about-pmi/diversity-equity-and-inclusion).

Reunite with Colleagues, Elevate your Skills at PMI21

By Judy Wohlt, PMI Communications Team, Valek and Co.

Ready for an in-person reunion with your PMI friends and colleagues while elevating your professional skills and enjoying an exciting line-up of speakers in a beautiful setting? Then it's time to register for the PMI21 Manufacturing Success Conference to take place at Paradise Point Resort in San Diego, Nov. 15-18.

Learn how smart companies are rethinking DE&I during Nov. 16 keynote presentation

Opening the PMI21 Manufacturing Success Conference with a keynote address, leadership advisor and strategist **Deborah Rosado Shaw** will challenge attendees to transform their workplace cultures through better diversity, equity and inclusion (DE&I). “The smartest companies in the world that are really rethinking this (DE&I) space and have a lot at stake for getting this right, think about it like gravity, like a natural force. You don't negotiate with gravity; you don't have to like gravity. Gravity IS,” Shaw states.

Her presentation will explain why cultural change is required to meet the unprecedented demographic changes occurring right now in the business world. These changes will open doors of opportunity for those traditionally overlooked within organizations, as well as for those with the leadership skills to deliver high performance through diverse and inclusive teams.



Deborah Rosado Shaw

Shaw will address the internal and external hurdles to achieving DE&I, including performance-inhibiting beliefs such as fear, age, education, and feeling that you're not smart enough. “It's not about an initiative out there (outside of your influence) – it's about you personally – who am I going to be in this matter, what am I going to bring to the table?”

How I am going to use my voice, my specific human experience?”

Hear a science journalist explain why toilets hold much power to help solve world problems

Streamed live from the Netherlands, **Chelsea Wald**, author of “Pipe Dreams: The Urgent Global Quest to Transform the Toilet,” will explain why the toilet holds the power to help solve many of the world's problems, if only we can harness it. Recently interviewed on National Public Radio's Fresh Air, the award-winning science journalist will discuss how a potential revolution in sanitation can reduce inequalities, mitigate climate change, improve agriculture, and optimize health while making toilets accessible and healthier for all.



Chelsea Wald

pmi21 MANUFACTURING SUCCESS



PMI21 Manufacturing Success Conference

A favorite emcee returns to share practical advice on recruiting and keeping great people

Having made his PMI debut last year as the host of PMI20's virtual happy hour, **Ted Ma** will return this year to present the Nov. 17 keynote and serve as the



Ted Ma

PMI21 emcee. Using data gained from a survey of 1,000-plus U.S. employees, Ma will address how building a culture of mentorship will help your organization to attract, develop and retain great people. Describing himself as an “elder Millennial,” Ma will present practical advice that bridges youth and experience. His engaging style will inject fun and confidence into your outlook!

Economist to deliver construction sector forecasts with authority and humor

Few young economists present their insights with the authority, accuracy and humor that ITR Economics' **Connor**

Lokar brings to the stage. Highlighting the construction sector, he will bring forecasts developed from ITR's industry-leading accuracy to help your organization gain revenue and remain profitable through ever-changing business cycles.



Connor Lokar

Don't miss strong technical program, legislative updates and fun events

PMI21 will have a strong technical program as usual, with presentations on “Legionella: Assessing Risk from Legionella and Waterborne Pathogens in Building Water Systems: What's New?” from **Tim Keane**, Legionella Risk Management, Inc., and “Premise Plumbing Issues” from **Dr. Juneseok Lee**, associate professor, civil & environmental engineering, Manhattan College. **Andrew Whelton**, associate professor of civil engineering and environmental and ecological engineering at Purdue University, will join the line-up to discuss

new studies on building water systems and a variety of other issues.

The PMI21 agenda also will include presentations on legislative and regulatory issues, updates to 2021 consumer data protection laws and how they impact the plumbing industry, and much more!

PMI-hosted events will include a mini-golf tournament with prizes, PMI Dinner, 67th Annual Meeting of the Membership, and various resort style lunches and receptions. These activities provide prime opportunities for forging and renewing professional relationships and for recognizing outstanding contributions to PMI.

Would you like to shine a spotlight on your company while gaining access to an influential group of industry leaders from the top plumbing manufacturers? Consider sponsoring PMI21! Check out the various sponsorship levels on the PMI website (tinyurl.com/yb6za5n5).

Learn more and register for PMI21 at safepumbing.org/pmi21.



SAN DIEGO

Experts Give Tips on Buy American Act Contracts

By Judy Wohlt, PMI Communications Team, Valek and Co.

Determining if a plumbing or other product meets the rules of the Buy American Act (BAA) can be complicated. Experts made understanding the rules a bit easier when they delivered tips to Plumbing Manufacturers International members during the, “Deciphering Key Provisions in the Buy American Act for Government Contractors” presentation at the PMI Legislative Forum in June.

It’s a timely topic for PMI members selling plumbing products to the federal government, especially since President **Joe Biden** implemented in January his executive order 14005, “Ensuring the Future Is Made in All of America by All of America’s Workers.” The order brought about some changes including tightening some Buy American requirements.

“We’ve seen a lot more questions around BAA and Trade Agreements Act (TAA) issues, certainly during the Trump administration. The focus has continued into the early days of the Biden administration,” said co-presenter **Jon Williams**, partner and chair of PilieroMazza’s Government Contracts Group.

BAA Basics

The Buy America Act of 1933 was Great Depression-era legislation designed to create and promote jobs for American workers, Williams explained. It applies to all U.S. products purchased through federal contracts.

He noted the importance of understanding one of the BAA basics: that it’s a preference – not an absolute requirement – when government agencies purchase “domestic end products.” So, the BAA doesn’t prohibit agencies from buying foreign-made products; instead,

agencies get a price preference for buying domestic end products and pay a price penalty for purchasing foreign-made products.

There are two parts of a test to determine the country of origin for domestic end products. The first part is that the item must be manufactured in the U.S. Unfortunately, there’s no definition of what it means to be “manufactured,” Williams said. It’s decided on a case-by-case basis and heavily dependent on the circumstances of the manufacturing process for a particular item. “We often look at Government Accountability Office standards and rulings on procurement decisions to help decide if something was manufactured in the U.S. It’s a less stringent test than the ‘substantial transformation’ test used for the TAA,” he added.

The second part of the test for manufactured products reviews the components and cost of the components. An executive order by former president **Donald Trump** that became final in January – and was still in place as of June – made a change so that the cost of an item’s components that are mined, produced or manufactured in the U.S. must exceed 55% of the cost of all its components – instead of 50%, which was the old rule. Williams noted that this test applies to most PMI members’ products.

In July 2021, several agencies were expected to issue a proposed rule amending the Federal Acquisition Regulation (FAR) to implement part of President Biden’s executive order 14005, according to a PMI Government Affairs Alert. All executive agencies must use the FAR to acquire supplies and services with appropriated funds, noted the U.S. General Services Administration.

The proposed rulemaking will amend the FAR to 1) replace the component test used to identify domestic end products and domestic

construction materials with a test under which domestic content is measured by the value that is added to the product through U.S.-based production or U.S. job-supporting economic activity, 2) increase the threshold for the domestic content requirement, and 3) increase the price preferences for domestic end products and domestic construction materials.

Compliance pointers

Complying with the rules can be a bit tricky, too, according to co-presenter **Anna Sullivan**, associate of PilieroMazza’s Government Contracts Group. She provided a few handy tips for plumbing manufacturers that work with the government under either the BAA or TAA.

At the solicitation stage, she suggested raising any questions regarding applicability with the procuring agency or prime contractor and then making sure the certification is accurate. “Unless a contractor specifically lists a product as being non-compliant with the BAA or TAA, it will be certified as compliant by default,” she said.

It’s also helpful for manufacturers to establish and follow internal policies and procedures; train employees to identify which laws apply and any relevant exceptions, waivers and tests; and maintain accurate records of origin of components and end products, she further advised.

“No one will be squeaky clean. You just need to show you were trying to keep track and do the best you can,” Sullivan said.

Watch it on demand

PMI members can watch the forum on demand and download the presenters PowerPoint presentation, which includes their contact information, at safep plumbing.org/members/webinars-videos under “PMI Events.”



Learn Secret to Creating Self-Directed Teams at PMI21

By Judy Wohlt, PMI Communications Team, Valek and Co.

Getting promoted to a leadership position is often exciting – and a little nerve wracking. That’s because you’re no longer only responsible for your own actions and efforts; your future success now depends on those reporting to you, too.

Fortunately, being a good leader is a skill that can be learned, according to former naval officer **Dave Rosenberg**, who will help Plumbing Manufacturers International members land some new leadership tools and skills during PMI’s Aspiring Leaders Program to take place on Nov. 15, the first day of the PMI21 Manufacturing Success Conference.

Those participating in the program titled “Locked on Leadership: The Secret to Self-Directed Teams” will be treated to a unique learning experience aboard the USS Midway Museum in San Diego, Calif. Rosenberg, a leadership and tactical business specialist, plans to share powerful exercises and compelling stories from his decades of leading teams both in the Navy and private sector.

Finding inspiration through a disciplined approach

While the pressures of combat flying F-14s off the deck of the USS Independence taught Rosenberg some valuable leadership lessons, the private sector tested his skills as a leader even further, he explained.

“I thought it would be easier in the private sector. I was wrong! Without the urgency of combat, I found it difficult to get my team to do more than go through the paces. I had to figure out how to inspire them or my career would stagnate,” he said.

With his combined military leadership training and experience running four successful companies, Rosenberg said his disciplined approach can help PMI members attract the best job candidates, retain top talent, and create successful

self-directed teams.

He will help participants in the PMI workshop create a framework to make sound, quality leadership decisions according to

what’s going on at any point in their work. Rosenberg will discuss tactics and solutions to some of the many leadership challenges that crop up: dealing with co-workers who just go through the motions; handling unmotivated team members who need to learn new skills; and avoiding some of the pitfalls of becoming a new leader, such as micro-managing team members.

Rosenberg, who has certifications as a Professional Behavioral Analyst and Professional Driving Forces Analyst, has consulted with more than 60 companies across the country in many sectors – from manufacturing and construction to engineering and retail.

He expressed excitement for leading PMI’s afternoon workshop at the USS Midway Museum, where participants will spend the first part of the day and program taking a private tour of the engine room. They’ll explore where the raw power was generated to operate this “City at Sea” and learn what it was like to work in extraordinary conditions to fuel the aircraft carrier.

Registration for PMI’s Aspiring Leaders Program is open to all employees of PMI member companies, and supervisors are encouraged to share program information with their teams. To register, visit the PMI website: tinyurl.com/2vwbw6er.



Next Aspiring Leaders Workshop - Aug. 25

Successful leaders understand how to apply strong critical thinking skills in any workplace situation and then communicate the right messages to influence a positive outcome.

Being a strong critical thinker also makes you a better communicator and vice versa.

Aspiring leaders of PMI member companies can improve their critical thinking and communication skills by participating in “Applying Critical Thinking to Communicate and Inspire Action,” the next PMI Aspiring Leaders Workshop, 1-2:30 p.m. CT, Aug. 25.

In the session, led by **Carolyn B. Thompson**, an experienced training designer, facilitator and human resources consultant for Training Systems, Inc., participants will practice using critical thinking steps in real work situations. From there, they will create a plan to communicate the outcome to all individuals involved, working toward inspiring positive action.

Registration will be limited to a maximum of 25 participants, and all employees of PMI member companies are welcome! Visit the PMI website to register (tinyurl.com/26yexdjr).

Step Up to a Valuable Career Opportunity As A PMI Leader

Taking on a leadership position with Plumbing Manufacturers International is a unique career opportunity, providing you or someone you'd recommend visibility within the industry while gaining skills in collaboration, consensus-building, and strategic thinking.

Open to employees of PMI manufacturing member companies, a position as a committee co-chair or board member requires a reasonable time commitment in return for benefits that are well worth the effort. As always, we encourage all nominees, with the goal of building a diverse and inclusive leadership team for PMI.

PMI has openings for the PMI Board of Directors, as well as for co-chairs for the Advocacy/Government Affairs Committee, Technical Committee, Commerce Committee, Water Efficiency and Sustainability Committee, and the new Marketing Committee.

To nominate yourself or another individual, complete and submit the PMI Board of Directors Application (tinyurl.com/5zrxrhwm) or the PMI Leadership Committee Application (tinyurl.com/t33a6y75) to PMI CEO/Executive Director **Kerry Stackpole** by Sept. 18, 2021. All board applications will be reviewed by the PMI Nominating Committee chaired by PMI Immediate Past President **Joel Smith** of Kohler Co. The committee will select nominees to present to the PMI Membership for election at the 67th Annual Meeting of the Membership on Nov. 17, 2021, during the PMI21 Manufacturing Success Conference in San Diego. All committee chair applications will be reviewed and appointed by the PMI board president.

The present members of PMI's leadership team can attest both to the importance of the work and the benefits of service to the industry. Thanks so much for considering this chance to put your personal stamp on the plumbing manufacturing industry!



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