



POWER MANUFACTURING COMPANY: SETTING THE STAGE

THE BACKGROUND OF PMC:

PMC (Power Manufacturing Company) is a growing manufacturer of various types of power tools and equipment. Its product line includes lawn mowers, trimmers, etc. and a variety of both corded and cordless power tools (drills, saws, etc.). All of its products are re-branded and sold by a variety of retailers nationwide.

PMC was found by brothers Ted and Ray Fallow in 1960 as a manufacturer of lawn mower parts and has grown to now include 4 manufacturing facilities (Lima, OH, Winona, MN, Bowling Green, KY & Provo, UT) and 2 Distribution Centers (Topeka, KS & Terra Haute, IN). The brothers ran the company in Lima until 1985 and had greatly expanded the product line. They opened a second manufacturing facility (Bowling Green) in 1978. Both retired in 1985 and turned the company over to 5 of their children to run. This went fine and the first distribution center in Terra Haute in 1990. In 1996 the PMC went public and 3 of the children got out of the business. By 2002 the last 2 family members sold their interest and the company is now managed by a team of Professional Managers.

The plant in Bowling Green was added in 2004 and the one in Winona two years later, along with the Distribution Center in Topeka. Since that time expansion has been within the existing locations.

WHERE PMC IS TODAY:

The two original manufacturing plants (Lima & Bowling Green) have both been encountering some employee issues.

Lima now employs 600 non-union workers and has traditionally had a very stable work force. In the last 5 years the demographics of the work force has changed dramatically and turnover has gone from the usual 3 or 4 percent to upwards of 15% and appears to be climbing. Pay surveys have suggested the hourly wage at Lima is competitive with the area.

Similar problems are occurring at Bowling Green - which employs 500 non-union workers and is now seeing turnover at 18%.

The Management at both plants and at PMC corporate are, so far, baffled as to the causes of this turnover.

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