

2010 SUPPLIER PROFILE



Obama's Job Summit Focuses on Taco

Here in America, we're all concerned about the economy. Fuel for growth comes from the availability of jobs, so the key question at President Obama's recent job summit was, "Where will they come from?"

The Obama administration, in concert with top economists, CEOs, small business owners and labor leaders, recently concentrated their best efforts on the troublesome topic of how to create more jobs for an impatient American workforce. Their gaze fell quickly on a successful jobs program at one of the leading, all-American manufacturers in the HVAC industry – Taco, Inc., based in Cranston, RI.

Two Associated Press writers scooped the story. AP submitted a lengthy feature published in media outlets around the world, spawning major network broadcasts and countless blogs.

The article informed readers that, of the many plausible job-generating ideas offered, the Obama job summit narrowed its focus on four key concepts – job sharing, tax holidays, a new job corps, and direct aid to states and cities – the first of which was exemplified by a program at Taco.

Job Sharing

When home-building and remodeling fell sharply, orders coming in to Gary Melillo's department at Taco suffered. Yet, workers there continued to manufacture circulators, valves, air separators and other HVAC system components to fill the plant's inventory. Senior managers knew that if sales didn't pick up, there wouldn't be enough work to go around.

"It would be very scary to be laid off," said Melillo in the AP article. A 25-year veteran of the plant whose wife also works for Taco, Melillo added that "It could be a double hit."

Taco wanted to avoid layoffs. John White, the owner of Taco made this very clear to the work force through his regular

business update "town hall" style meetings. John knew that if workers were eliminated (averaging about 18 years on the job), there'd be no certainty in getting them back. So Taco implemented a program called "workshare" to spread the pain while preserving jobs.

Workers in some departments at Taco were cut back to three- or four-day weeks. Fortunately, unemployment insurance covered more than half their lost wages and they kept benefits, including health insurance.

This year, all of Taco's 292 production workers in Rhode Island and Massachusetts participated in the work sharing program, though managers there activate the job sharing program only when necessary. "The big value is," said John White with a gentle smile, "that we've been able to

ride-out the storm without losing a single employee."

At Taco: "Our job is your job"

It's a win-win. Every Taco product that makes its way into your inventory and onto your shelves is profitably outward bound into American homes and jobsites. Each product was built by someone with a family to feed and a future to hope for. Your sale, and your customer's job, helps Taco employees keep theirs.

For Gary Mellillo and his entire department it means that long term, highly qualified people continue to build the best possible product for you right here in the USA. According to Gary, "that makes me feel good," as indeed it should. ■

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John White (front), owner of Taco, wanted to avoid layoffs so he implemented a "workshare" program that reduced affected employees' work weeks to three or four days but preserved their benefits. Unemployment insurance recovered more than half their lost wages. "We've been able to ride-out the storm without losing a single employee," said White, acknowledging that a lost employee takes an average of 18 years' experience out the door.

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