

## Biography:

Hello, my name is Evan Neely and I am the Continuous Improvement Leader for Advanced Drainage Systems (ADS) in Muncy, Pennsylvania. I graduated from St. Vincent College, in 2015, with a Bachelor of Science in Business Management and Operational Excellence. I then pursued higher education and completed my M.B.A. from Clarion University of Pennsylvania in January 2021. My entire professional career has been focused within Manufacturing and I am privileged to testify at the Majority Policy Committee Hearing today. Thank you for this opportunity.

## Testimony:

Good morning. We all understand that the last 18 months have been incredibly difficult to navigate for every person regarding their careers and their homelife during a global pandemic. While many of us felt the pains of instability, thousands of industries, particularly manufacturing facilities remained unwavering and continued to support our local economies. Fortunately, as a young professional in the Manufacturing environment, I have always prided myself on the ability to be a leader in the workforce. I would argue that my main goal, anywhere I work, is to build a culture of problem solvers. At the end of the day, problems are ‘blessings’ as for each problem that exists we can continuously strive to improve the root cause.

Albert Einstein so wisely stated, “If I had an hour to solve a problem, I’d spend 55 minutes thinking about the problem and 5 minutes thinking about solutions.”

To follow Einstein’s advice, let me layout the facts of ADS regarding our current state. Over the last 12 months, July 2020 – July 2021, we have seen unprecedented demand in our industry. Our stock price increased from ~\$40 a share to over \$120. That said, we were required to increase our capacity to produce and meet our customer’s needs. One way that we began to ramp up our capacity was to transition to a 24/7 operation running on 12 hour shifts with 4 crews to staff our equipment. Although this practice has been used in the Manufacturing industry for generations, we have experienced a major roadblock, lack of staffing. In this last year, we have experienced a minimum of 2,784 hours of controllable downtime due to our staffing constraints.

We first ask ourselves why. “Why do we have staffing constraints?” We constantly hear from our current employees and candidates who walk through the door, that “They would make more money on unemployment, stimulus, and other governmental assistance than they would working everyday.” Why would people want to come to work for 40 – 60 hours per week when they can make more through assistance than they would through their employer?

As previously stated, all problems are considered opportunities. So, as we problem solve as a leadership team, we have implemented a variety of programs to attract and retain our current workforce. ADS has offered a \$2,000 signing bonus and a referral program. We began radio advertisements, promoted our Employee Stock Ownership Program (ESOP) program, and attended various job fairs. In addition, we began to host cookouts crews every Friday to build

employee morale and we raised our minimum starting wage from \$15.50 to \$17.00 all within a couple months.

One would imagine that these various tactics would attract new, motivated, and enthusiastic candidates while retaining our existing staff. However, when looking at our headcount in the month of June, we onboarded 8 new employees while terminating 10 (primarily due to attendance), leaving us a delta of -2. I understand that this statistic is a single data point, but trust me when I say that this is a trend over the last 18 months.

We certainly are imposed with an interesting dilemma. Our business demands are surpassing even investor's expectations, meanwhile our labor market has nearly dried up. We hear through the news that unemployment rates in Pennsylvania are remaining steady around 7%, yet when you drive down the street every restaurant, retail outlet, manufacturing company, school, and hospitals have help wanted signs posted. These industries provide a good honest living for thousands of families across Pennsylvania and have done so for hundreds of years.

I empower each person here and those who are listening to challenge themselves. We have a great opportunity to overcome through the immense labor challenge. This problem should not scare us. We need to have a plan, generate solutions, and execute our objectives. To quote St. Paul on his letter to the Romans, "I consider that our present sufferings are not worth comparing with the glory that will be revealed in us." Therefore, let us tackle these 'sufferings' head on with a problem-solving mind. Please, ask yourself, what has changed in the labor market, and why?