

3 Cybersecurity

During 2021, supply chain attacks in the U.S. rose by 42% impacting over 20 million people. With this in mind, manufacturing organizations will be investing significant resources in cyberattack tools to curb these cyberattacks. The latest technological advancements, including Artificial intelligence (AI), 5G cloud computing, robotics and automation promise to transform the way factories operate. It is indeed a Brave New World.

4 ESG Initiatives

According to research, as many as 85% of investors consider environmental, social and governance (ESG) factors as a part of their investments in 2020 and 2021. In 2022, manufacturers will prioritize ESG initiatives to differentiate themselves from competitors, attract and retain new talent and secure new investments.

5 Talent Acquisition

Finally, it is predicted that the skills gap in the U.S. could lead to 2.1 million unfulfilled jobs by 2030 which would have a \$1 trillion negative impact on the economy. To succeed in a highly competitive, candidate driven market, businesses must focus on identifying, recruiting, upskilling and yes retaining new talent.

“ A Higher level of Quality and Service ”

This slogan was created when we began in business back in 1988. I recently had a meeting with our marketing group to see if we should update our messaging. When we began, we operated in an environment where there wasn't a lot of quality and service. It didn't take a lot to stand out back then. Today, however, most steel distributors have taken note and improved on the levels of service they provide. This created a messaging challenge for our marketing department to set ourselves apart. We decided upon “*Withstand the Test of Time*” as our new slogan which we will develop in our marketing materials. This slogan speaks to our experience in the metals industry and the fact that we have withstood so many challenges during our company's history.

We are proud of our legacy and the support of our customers, employees and loyal vendors.

Thank you,
Jim

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800.388.8998
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WHERE HAVE ALL THE WORKERS GONE?
DON'T BLAME COVID

By Jim Stavis

Baby boomers are exiting the workplace in droves, leaving more job vacancies than there are people to fill them. The question is why? What is happening?



con't inside

con't from front panel

The U.S. is in the throes of a serious labor shortage, but economists are now saying that it is not all the pandemic's fault. It is especially true in the industries we in the metals business serve, namely construction and manufacturing. While many of the baby boomers, those 55 and older have steadily opted for retirement, there has not been enough younger workers to replace them. This contradicts the theory of the "Great Resignation" among those who took advantage of the pandemic subsidies and have become selective before returning to their former jobs.

Economists say the time reflects the emergence of an employees' market where workers are enjoying an enormous amount of leverage over their employers. In particular, the construction and manufacturing sectors are having a difficult time recruiting skilled workers, followed closely by hospitality and food services, which includes hotels, restaurants and bars. People are finding other places to work. Workers have a lot more choices now. If you have more choices and you don't have to work in a specific industry, you'll go work in an industry where there's a better career stream and where wages are higher. Then there is the question of working remotely versus in an office setting. Many employees have gotten

used to working at home or being with their kids, etc. They do not want to go back into an office every day. This will all take time to unfold. For now, businesses will be competing for a diminishing pool of employees. Perhaps when inflation comes back to earth, the labor market will settle down and return to some state of normal.

2022 STEEL INDUSTRY OUTLOOK

Both the manufacturing and construction sectors have been building back fast in spite of the labor and supply chain challenges. It is important for all businesses to continue to navigate these elevated risks



while sustaining their operations. Here, we explore five industry trends that can help organizations turn risks into advantages and capture growth.

1 Be Agile and Versatile

Competing in the new market demands businesses to be agile. One of the strengths we have employed at Paragon Steel is not to be overly entrenched in any one market or product. Because as markets trends change, so do industries as well as the products needed to support those industries. We have tried to be flexible in the products we carry as well as the markets we serve. If construction is down, we focus on the manufacturing sector and vice versa.

2 Offshoring versus Onshoring

Factors including COVID-19, geopolitical unrest, trade disputes, natural disasters, supplier bankruptcies and unpredictable shifts in consumer demand have created some real challenges for businesses in the past couple of years. Such events have created a need for companies to return to domestic supply for stability of supply. Being on the west coast, we are on a bit of an island when comes to import versus domestic steel supply. Recently there has been a problem getting steel shipped via rail from east to west. This only creates more shortages in the marketplace.

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