

# SKELETONS

## in the Closet

I grew up at a time where most people strived to conform to the norm. To be different was not as embraced nor as popular as it is today. It was particularly not good if you had some sort of abnormality or defect that made you different from the crowd. As an example, I had a cousin who was diagnosed with epilepsy as a young boy and he was segregated from the rest of the cousins. Today, his condition would not only be acknowledged, but he would be heralded for his ability to live with the disability. Times were indeed different.

When I was diagnosed with diabetes back in 1971, I strived not to be treated any differently by my friends or family. I did everything I could to hide the disease. I put up a good facade that I was like every other 17-year-old kid. I even ate poorly like many of my friends, but for me, this would only make my condition worse. The more I denied being abnormal, the reality was I was hiding my condition

from myself and living in a denial state. As I later matured, I began to realize that no one was perfect. In fact, the truth was that everyone had skeletons in their closets. Mine had just occurred at a younger age. Once I realized that it was okay to be a diabetic and acknowledged that I had a disease, then my real healing could begin.

It was when I later opened up about my health in this newsletter that I began to realize how my messages resonated with my audience. Not only did they appreciate my message of hope, but they also wanted to share with me their stories. I hadn't foreseen this at all. The truth is we are all dealing with something or will be one day. The sooner you can face the truth, the better off you'll be. Because odds are the skeletons, they are here to stay.



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MAY 2016 NEWSLETTER

# THE FOURTH INDUSTRIAL REVOLUTION



# THE FOURTH INDUSTRIAL REVOLUTION

BY JIM STAVIS



*“The only way that we can live is if we grow. The only way that we can grow is if we change. The only way that we can change is if we learn. The only way we can learn is if we are exposed. And the only way that we can become exposed is if we throw ourselves out into the open. Do it. Throw yourself.” —C. Joy Bell*

I like this quote for a number of reasons. First and foremost is the meaning of the message itself: It speaks to life, change, learning and being willing to be exposed. But lastly and most importantly, it calls for an action to occur. Reading something and acting upon it are two different things.

For those keeping score, the third industrial revolution—the digital age that occurred in the mid-20<sup>th</sup> century—was primarily about computerization. The fourth industrial revolution that we are experiencing today builds on this first wave of computerization with the latest, rapidly evolving and disruptive advances in technology. This includes the Internet of Things, robotic processes in automation, autonomous vehicles, 3-D printing, cyber-physical systems and connected wearable devices. As these sophisticated tools and technologies begin to converge, the impacts of the fourth industrial revolution are beginning to become more evident across many industries. How about the steel industry?

I was recently invited to participate in a roundtable discussion in New York hosted by Morgan Stanley. The reason for the discussion had to do with the current state of the steel industry and what we anticipated in the future. I was the sole West Coast representative at this roundtable and what I realized was the fact that in California, we live with very different circumstances than the rest of the country. Many of the companies across the country have established themselves in regions and in markets for generations—for example, the auto and appliance industries are huge steel consumers. There are company towns located throughout the country where everyone in the town works for the same company. In California, we have more of a diverse manufacturing base as well as a workforce that is more transient. It is not generational. So when these companies back East or in the Midwest have to close or move their production processes overseas, the effect can be devastating on the entire region. When I was speaking at the roundtable, I was amazed at how much the rest of the country was impacted by the economic recession. The Morgan Stanley investors wanted to know “how long” we thought the downturn would last and how the steel industry would fare through it all. Those are both tough questions to answer. In California, we don’t rely on one dominant industry, so the effects of the downturn are not as one dimensional as with other regions. Secondly, California is not a large steel-producing area compared to other parts of the country. So the downturn in the steel industry does not directly affect us as much, however, due to our location, we are more impacted by imports and the global markets.

When we discuss the fourth industrial revolution concept, I think the steel industry is lagging behind. From a manufacturing perspective, there are advances, but in other parts of the globe where steel mills are popping up with great frequency, they incorporate the latest technological advances to provide less expensively made products. This has a disruptive effect on our steel markets—to the point where we now have become uncompetitive. Steel distributors have incorporated advanced technology for traceability and inventory purposes as well as customer usage and predictability. End users in manufacturing are employing automation (robots) in their production processes, which will serve to cut labor costs and requires suppliers to play a bigger role in their operations. Information technology provides companies with more and more information to help them improve efficiencies and anticipate needs. More customers I speak with understand that they must change with the times, or they will ultimately fail.

When I left the roundtable discussion, I thought there were far more questions raised than answers provided. I realized that this fourth industrial revolution of which we are on the forefront will come, ready or not. That brings me back to my original quote. It is essential to change, to learn and to be exposed. It’s the throwing myself out into the open that I struggle with. So I chose instead to just board a plane and return to sunny California.

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