

EARLY WARNING CHECKLIST: CAUSATION FACTORS AND WARNING SIGNS

FACILITY

- Obsolete physical plant
- Cumbersome operating procedures
- Lack of spare parts
- Old and outdated machinery
- Speed-ups lead to older-worker layoffs
- Repairs are not made
- Inefficient production process
- Equipment not up to quality standards
- Environmental problems
- Facility is in a metropolitan or suburban area that is gentrifying

ORGANIZATION

- Inability to pay bills on time
- Managers, skilled workers or machinery moved to new plant
- New plant is opened in low-cost location
- Research and development are cut back
- Fewer product lines produced
- Parent corporation has major problems
- Corporate merger acquisition creates excess capacity
- Change in profit, market targets or distribution systems
- Local subsidiary is milked for other investment
- Hours and overtime eliminated
- Managers replaced frequently
- Weak management practices
- Irregular work or production schedules
- Lack of workforce training, upgrading or training cutbacks
- Sales staff/marketing cut
- Aging owners
- Shifts reduced
- Increase in subcontractors, temporary workers
- Lack of management and engineering talent

MARKET

- Demand or sales declines
- Products, processes or services become obsolete due to technological innovation
- Increased domestic or foreign competition
- Changes in state/national taxation, regulation, monetary policies
- Change in international relations (e.g. markets or supplier/customers)
- Inventory stagnant
- Loss of market share
- Industry sector declines

COMMUNITY

- Lack of access to raw materials, energy, products and services
- Lack of skill in local workforce
- Lack of quality or availability of land or infrastructure
- Changes to local/state tax or regulatory policies
- Lacking transportation
- Proximity to market changes, transportation costs, etc.
- High insurance rates
- Poor access to trucking, rail, water or air
- Utility rates high or lack of energy availability
- Business climate complaints