

## **2004 APPRENTICESHIP SUMMIT BUILDING ON COMMITMENTS**

Welcome to Halifax!

I work for Atlantic Tractors & Equipment Ltd., a heavy equipment dealer. We provide sales, parts, and service for Caterpillar Inc., the world's largest heavy construction equipment manufacturer. Our territory is Nova Scotia, New Brunswick, and Prince Edward Island, and our main branch is in Dartmouth, Nova Scotia.

We currently have just over 300 employees and approximately 50 percent work in our Service Department. In the Service Department there are about 120 hourly-paid people, and the majority is in the apprenticeable trades of Heavy Duty Repair, Truck and Transport, and Welders. Most of these workers came to us as apprentices, completed their training, and went on to be certified in their respective trades. It is noteworthy that many trades people, like myself, have also gone on to hold other positions throughout the company which, in addition to growth and attrition, also opens up opportunities at the entry level.

We have just reached the end of the Community College year and will hire 10 to 12 apprentices at this time (seven started in Nova Scotia this past week). Now, why would we hire apprentices versus experienced people? Well, it should be pretty obvious that there is a decreasing pool of experienced trades people. Age is just one factor, but is significant as the baby boomers reach retirement. People also take up other jobs that may be related, but remove them from working directly in the trade. There are others who also leave the trade for

various reasons; therefore, the pool of trained trades people gets continually smaller. The best thing is to encourage new entries into the trades by supporting apprenticeship.

Our requirements are quite diverse, as Caterpillar is involved with many things besides the obvious heavy construction equipment. There are marine applications and power generation utilizing Caterpillar engines from 35 to 23,000 horsepower. Heavy mining with trucks hauling up to 360 tons, forestry equipment which requires very complex high-tech machines, and the list of diversity goes on and on. This requires much learning. We find that it takes a similar amount of training to give the required knowledge to a technician with experience (if not brought up in the Cat system) as it would for a fresh Community College graduate. I would sooner invest this \$10,000 to \$15,000 of training in a bright, young apprentice who has shown his commitment by investing in two years of Community College and who is totally at home with his computer, than in a supposed experienced, often older worker who may have difficulty acquiring new high-tech, electronic-based skills.

I have often personally stated that, unless there is a significant, immediate need, I would hire an apprentice with good potential over a trades person with ten years' experience because it has proven more beneficial in the long run. Often in a five- to ten-year snapshot we will find that there is a higher retention rate with those who came to us as apprentices than those who came with "experience".

So, to sum it up:

- the pool of experience is shrinking
- additional trades people are required
- the training costs are similar but often the results are better with the younger people
- the retention has been higher on people who have started as apprentices

By selecting apprentices with additional education, university as an example, we build a good pool of promotable people who, along with their trade experience after several years, make very valuable candidates to fill positions throughout the organization. This leads me to say that investing in apprenticeship is required for the very survival and growth of the company. To do otherwise would be short sighted and eventually lead to failure.

The bottom line for me is we must invest in apprenticeship. I believe this – do you?

Questions