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Greg

Hi, I'm Greg Nadeau, publisher of InfraTalk America. On this episode of the Infratalk Podcast, I caught up with Megan Tanel, president of the Association of Equipment Manufacturers, or AEM. I joined her at AEM's Celebration of Construction on the Washington National Mall during Infrastructure Week 2023 for an informal walk and talk conversation. There we discussed the state of the construction industry and how technology is transforming how work gets done.

Megan

I'm Megan Tanel, president of AEM, the association of Equipment Manufacturers.

Greg

I began our conversation by asking Megan about her background, specifically how she got into the business.

Megan

Well, since I started at twelve, it's actually been about 27 years. I hope others have had, not an easier time, but maybe a more traditional way of coming into this. So, it really did start with, I knew someone from someone I was dating. This is so crazy, but my boyfriend played softball with his dad and his dad's friends, and his dad's friend was Dennis Slater, who was the previous president of AEM.

So anyways, I'm going to fast forward a lot. I got to know him. He says, Gosh, you're kind of smart. You think you know what you're doing. You want an internship? Yes, sure. I was in public relations and mass com, so I said, sure, let's give it a try. So, I did an internship and just loved it.

I had never really heard of associations, didn't know much about construction or agriculture or anything like that. So, it was a great opportunity for me to discover something new that I would have never known about. So fast forward a few years, or not even a few years, a few months. And I was going to go back to school. And they said, hey, we've got a job here for you when you graduate.

Wow, perfect. So, my parents couldn't have been more thrilled to hear I graduated college with a job right away with insurance, right. All of those things. And really was just, I'm going to say, lucky to have kind of put the connections together and then taken that on my own and been open to trying new assignments, trying new things.

Gosh, I've never done that before. I'm going to try it and see how I do. And I fell in love with the industry, fell in love with working for an association, working on events, and really just kind of growing

up with a number of the OEMs here and now, it's like we're family. I mean, I know I said 27 years. They've known me since before I was married, before I had kids.

I've known some of them the same. Some of them have retired. We've lost them along the way. We've mourned together, we've celebrated together. That's the beauty of this is that people think construction, certain thing about construction or a certain thing about agriculture. And really, it's an industry of people. And when you get down to the interactions with people, it's just a really easy group to do things with and get involved with.

I still run the organization out of Milwaukee, and we have a really strong office here in DC. So, when I started with the organization, we had one person and then an assistant, and now we've grown to over ten people. And I would argue that we are probably one of the most well-known organizations in the infrastructure space, and I'm super proud of that.

The people that we have running that, doing that, it makes sense for our organization to stay not just where its roots started, but close to home, let's say, and home being around manufacturers. So based in Wisconsin or in the Midwest, there's a large number of equipment manufacturers in both the construction and agriculture side that are really close. So, it's really easy for us to then have a quick meeting with any one of our top members and get work done.

Greg

I wanted to know what she thought about the effects of new technology in the industry.

Megan

Trimble. Top Gun. Hexagon. It was Leica. All three of those companies weren't very engaged with our organization until probably 10-12 years ago. And it was the vision from the industry perspective that, hey, this group belongs within the association. They're working with these OEMs, and there's a lot happening there. So, it's just the vision of saying our industry, while we represent the equipment manufacturers, we also represent the components and service providers.

And what does that mean? Service providers, they aren't just second-class citizens in this industry. So, for us, it was the, I think, openness to look at eligibility and what the impact was of these different service providers or components manufacturers to say, gosh, there's a lot more that we could do with them. And since then, we've previously both the CEO and chair of Trimble and Top Gun on our board help.

They're right involved in the conversations. Steve Bergland and then Ray O'Connor, both sitting on our boards, and they're right there with Caterpillar, John Deere, Terex, CASE, Komatsu, whoever else Evolve whoever else it is. So, to me, that is showing the breadth of the industry and not being, I think, short-sighted or small-minded as to who we represent, but saying that we are very clear in the sectors that we fall into as far as AEM is concerned.

So, the technology companies that you're talking about, they're in many know we stay focused on, we're construction or we're agriculture, forestry, mining or utility. And that's where we play with them a lot more and it's been a great collaboration. It's great to have them more engaged.

Greg

I was curious about how the association of Equipment Manufacturers even got started, so I asked Megan to give me a bit of that history.

Megan

Celebration of construction on the National Mall came to fruition, as we realized there seems to be a disconnect between those working on the regulatory side or the legislative side impacting our industry and where we're headed. So, you can hold trade shows and events, but it's really hard to get sometimes Congresspeople, or whether it's the EPA or MSHA, OSHA sometimes to come out to those trade shows.

So instead, we thought, let's bring it to, you know, working with the National Park Service to secure this space, talking with our members and having them view this differently. This isn't a private conversation in a Congressperson's office. There's going to be children, there's going to be people. So, our goal here is twofold.

One is to talk about the advancement in technology and innovation within the industry with those decision makers, and two, to open up what this industry is to the general public. Some people have certain perceptions of what construction is or what the industry is, and we're here to maybe help change that or confirm what they thought, what a great opportunity is to be engaged here.

Greg

Technology seemed to be the focal point of the AEM event, so I asked Megan to expand on the role new technology is playing in the industry.

Megan

So, as we walk around the mall here, there's roughly 30 OEMs that have various equipment set up, and they're interspersed with roughly 30 other associations. It's really to show the breadth of what this industry is and how many people are engaged and how much opportunity there is. As far as the technology and innovation, we have sustainability goals to achieve. We're working with what the UN has put out there with the SDGs, and we have a concerted effort among our membership to drive towards some of these sustainability goals.

That's one side of it, and the other side just comes to power. How are we powering our equipment and how are we doing so efficiently, safely, and sustainably? So, what you see here are a number of operations, whether they might be electric vehicles, they could be robotic vehicles.

When you're looking from a safety perspective or as a nod to our workforce challenges, if we can't find enough operators to operate the equipment, what are we going to do? Well, we can use these autonomous vehicle or robotics to help augment that need, while we then focus on upskilling some of the people that we have in the workforce.

Greg

Bringing young people, specifically women, into the construction field is crucial for the future of the industry. I wanted to hear how Megan and AEM were addressing this important issue, embracing.

Megan

Embracing change of how we're going to engage the workforce. So, typically, if women have been at home, you might need to look at some alternative forms of daycare or childcare. Right. We also need to embrace a group of people from an urban background as well as the rural. There's a balance there. You have rural companies struggling to find people to come from there. You have people in the cities trying to find people to come there.

Maybe it is considering different hours of the workday. Some of our OEMs have talked about looking into childcare at their facilities or offering four ten-hour days so that someone could have another day at home.

Greg

Megan went on to explain how diversity is key to solving the industry's labor shortage and improving the workforce overall.

Megan

But it's not just a gender thing either. It could be differently abled individuals. We have a lot done with robotics or with the technology that you don't have to be in the cab, you don't have to walk to operate a piece of equipment. Right. We could do some things differently with that. We also need to consider perhaps the formerly incarcerated. Not to get political, but people have different ideas as to what's right or wrong about looking at a workforce of individuals who maybe previously had challenges with the law.

There's opportunities to revisit that. And then for us too, we do focus on immigration reform and wanting to make sure that we have a way to bring in additional workers safely right. Securely to the United States and find them a path towards a career here, even if then after 20 years, they want to go back or whatever it might be. So, immigration reform is also important for us from a workforce perspective.

I actually brought my two middle schoolers here this week. So, while school is important, reading and writing and arithmetic is important. It's also important for practical or real-life experience. So, for them to come here and see the equipment and not only see it, climb on it, get on there. Oh, these chairs are comfy. Look at all these buttons. Look at all these levers. Like the technology, if you don't see it, you

don't understand. And then they actually hopped in a simulator and they thought it was the coolest thing.

So especially when the person training them said, this is how we train operators. So, they got to sit in a seat and move all the levers and watch the screen. That's great. That gets them excited. And then it doesn't matter if I'm a man or woman. But here's the piece too. In that simulator, when they show the operator, it's always a white man, which comes down to kind of just normalizing the fact that there's many demographics that make up the construction equipment industry, and we just have to showcase that and get those people out in front.

We've got hundreds of thousands of more open jobs, so we do have to figure out how we're going to fill those. I like to say we're a big deal, and I don't say that with ego. I say it because we are. We literally build, feed and power the world.

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