



STRATEGIES

REINVENTING AMERICA

The Dream Factory

Georgia-based Southwire staffed a plant with troubled teens, who proved that hard work can overcome hard knocks. In the process they pioneered a model for education reform nationwide.

BY CHRISTOPHER HELMAN

There's a lot of sadness within the 230 high school kids who work at one of Southwire's factories in Carrollton, Ga. One girl has had to raise her own siblings after coming home one day to find both her parents dead. Another girl watched her folks get hauled off to prison on drug charges, then got pregnant at 16. Some of the kids sleep in cars or even tents. Nearly one in five already has a child of his or her own. But no matter their circumstances, these kids now have hope, thanks to a unique experiment at the intersection of industry and education that's fast becoming a model for cities and towns nationwide.

Sierra Laster is 16 and has been working in the factory for two months. "It's the best," she says, while operating a machine that unwinds electrical wire from a big spool and cuts off lengths for her to seal into plastic packages. Her goal? "To finish high school and get my diploma and hopefully go to college and get my nursing career started." Jesse Harris, 17, works in quality control. "I love working here," he says. "I used to work in fast food. The pay is better here, and the atmosphere is much better, too."

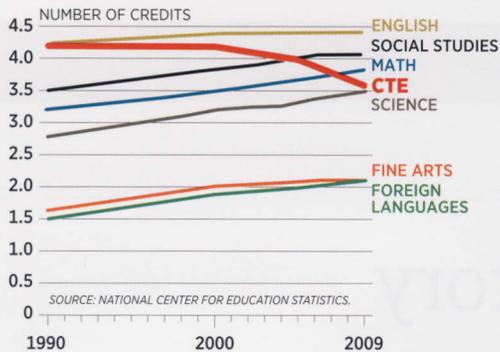


Hopemakers: Southwire's Stu Thorn and Mike Wiggins with young workers at the 12 for Life factory in rural Carrollton, Ga.

DAVID SMITH FOR FORBES

NOT WORKING

U.S. HIGH SCHOOLS HAVE TURNED AWAY FROM CAREER AND TECHNICAL EDUCATION.



His \$8-an-hour part-time dream job is, of course, just part of the program, called 12 for Life. The idea: Finishing 12 grades is the first step toward a better life—and the kids at Southwire, recruited from among the lowest performers in the county's school system, could certainly use one. "If you have good attendance and good grades, you are not going to get into this program," says Stu Thorn, CEO of Southwire, one of the world's biggest wire manufacturers.

Founded in 2007 by the company, the program lets the kids work in the factory for part of the day and spend the rest in classrooms, earning high school diplomas. Miss your classes and you're not allowed to work. "It's succeeding at a rate never expected," says Scott Cowart, the superintendent overseeing the county's six high schools. Since the launch of 12 for Life the district's dropout rate has plunged from 35% to 22%. A total of 851 kids have graduated from the program so far, 40% of whom have gone on to college. "It's a remarkable win-win-win. Students are graduating, the school system loves it, the company makes money. It's mutually beneficial," says Harvard Business School's Jan Rivkin, who has closely

studied the company's efforts.

Southwire invested about \$4 million to get the program going, including \$2.4 million to buy the building and \$700,000 to build out classrooms. The school district contributes teachers and transportation for the kids. This year Southwire expects its philanthropic investment to generate more than \$1.7 million in pretax profit. It turns out that the kids, who work in four-hour shifts, have higher rates of productivity than grown-ups in Southwire's other factories.

In 1937 Roy Richards of Carroll County, Ga. founded a company that erected poles and hung telephone and electrical wire. After he came back from the war, Richards found that wire shortages meant many of his poles sat empty for months. So Richards decided to make wire himself. He started the old-fashioned way, welding together the ends of copper rods. But this was slow and produced fault-prone wire. So in the 1960s Richards pioneered a new continuous-casting method. Business boomed.

Today the privately held company (with an estimated \$5.5 billion in annual sales) operates more than 20 factories in the U.S. and Mexico, which melt, cast and roll about 1 billion pounds of copper and 350 million pounds of aluminum into wire each year. There are a lot of high-tech and highly skilled positions among Southwire's 7,500-person workforce. But there's also a need for legions of relatively unskilled laborers—an opportunity for local teenagers.

And yet hiring these kids was a departure from Richards' legacy. From early on Richards had decreed that Southwire would hire only workers with at least a high school education. Southwire has long backed continuing education and tuition-reimbursement programs. Since Roy's death in 1985 his children, five of whom

now own Southwire, have donated millions to back the business school at the nearby University of West Georgia. Roy Richards Jr., son of the founder and former CEO of Southwire, says his family "feels that we have some responsibility to make our hometown all it can be."

It was about a decade ago when the Richards family decided they wanted to take a more proactive approach to philanthropy. They decided to focus their efforts close to home, on projects that could help the communities they do business in—with the hoped-for side effect of simultaneously helping their business. The school district was cynical at first, says Mike Wiggins, who spearheaded the initiative at the end of his 44-year career as a top executive with Southwire. He says its first reaction was along the lines of: "Just give us the money, go away, and we'll take care of it." Southwire discarded a lot of half-baked ideas before envisioning 12 for Life and persuading the school district to get on board. Even Richards Jr. had doubts: "I had a personal concern about having kids in an industrial workplace. They worked superhard to make sure they were providing a really safe environment."

If it makes so much sense, why didn't the company come up with the plan 25 years ago? In part because schools have really gotten away from teaching vocational training, says Cowart. The emphasis now is on getting into college. But the reality is that many kids are just struggling to get through high school, and their needs are not being met. Meanwhile, the U.S. Department of Education says the amount of vocational training for high school students has fallen 15% since 2000 (see chart). Compounding the problem: In rural areas like Carroll County, drugs and violence have torn holes in the social fabric big enough for kids to fall through. Manufacturers need to worry about the supply of future workers. "You need to think of the school

system the way you think of your supply chain," says Thorn.

There have been some growing pains. Thorn recalls that when Southwire issued the first paychecks, "one student did a little math and said, 'Excuse me, but where's the rest of my money?' They had no idea what taxes were." Now many of the kids file taxes on computers at the factory.

Georgia hopes to spur other manufacturers to help replicate the success across

the state with the support of a new 501(c)(3) nonprofit called the Great Promise Partnership, chaired by Thorn. The partnership has established 33 sites across the state where kids are working in smaller versions of 12 for Life. The HON Co. and Beaulieu of America have launched their own versions.

"We are eager to help others copy this. We want to give the idea away," says Wiggins, who says he often fields calls from cu-

rious companies. He tells them that their model won't work everywhere. Rather, school districts need to work with the manufacturers already in their area. And manufacturers need to figure out what jobs they have that high school kids can do.

Thorn has some advice for companies interested in figuring out their own version. "Pick up the phone. Talk to the companies and schools in your area," he says. "They are eager to help."



FINAL THOUGHT



"All a guy needed was a chance." —CHARLES BUKOWSKI

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