

New owner at low-wage Detroit auto parts supplier DMS

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Workers at Detroit Manufacturing Systems, a low-wage auto parts supplier, greeted coldly the news that Andra Rush, the company's majority owner and founding CEO, sold all her shares and stepped down in early August.

The new buyer is Bruce Smith, co-owner and CEO of sheet metal tooling company BTM Co. LLC of Marysville, Michigan. No sale price was disclosed.

In a statement Rush said she had "a new chapter in my life to pursue." Rush had founded DMS, now with \$1 billion in annual sales, in a joint venture with giant French auto parts supplier Faurecia in 2012. That deal saw Faurecia take over a former Ford Visteon plant in Saline, Michigan.

DMS opened with much fanfare, being touted as a sign of a revival of manufacturing in the Detroit. However, the truth is that DMS is typical of the sweatshop conditions prevailing in the auto parts industry, with new workers hired in making as little as \$11 or \$12 an hour. Despite these poverty wages, workers are still required to pay dues to the United Auto Workers.

There are currently about 1,000 DMS employees in Detroit and 200 in Toledo. The company is the third largest firm on Crain's list of minority owned businesses. The Detroit facility builds instrument panels for the best selling Ford F-150 pickup truck and other Ford vehicles. The newly opened Toledo plant builds components for the Jeep Wrangler.

Rush, a member of the Mohawk Native American tribe in Ontario, Canada, was brought in to head DMS as part of a deal by Ford in relation to its Supplier Diversity Development (SDD) program that sets quotas for parts purchased from women-owned and minority-owned enterprises. She was featured at President Obama's 2014 State of the Union speech as an

example of the recovery of the auto industry.

She will maintain her ownership of Rush Group LLC, Dakkota Integrated Systems LLC, Rush Trucking and Rush Supply Chain Management.

"She made her billion and now she's moving on," one DMS worker told *World Socialist Web Site Autoworker Newsletter* reporters as he drove home.

Another worker on the way in for second shift said, "They told us the news at a so-called 'family meeting' we have every month. I don't like them saying 'workers are part of the family,' The minute you are perceived as doing something wrong, you are to blame. I don't know any family like that.

"The meetings are just for the company. The union has no independent role. They are just sycophants that nod in agreement. It's just a psychological game to promote their agenda.

"It came as a surprise. Business has been expanding, we used to only make parts for Ford, but now we have an account with Maytag plus there is a new plant in Toledo for Chrysler. But she said she is starting a new chapter in her life.

"They said the new owner is Bruce Smith. I guess he is connected with Vinnie Johnson from Piston [Group, another auto parts manufacturer in metro Detroit.]"

The *WSWS Autoworker Newsletter* explained that from the beginning Rush was largely a figurehead handpicked by Ford to meet supplier diversity requirements. It is possible that her services as a Native American female CEO are needed elsewhere.

The status of DMS as a minority-owned business will remain intact as Smith is African American. This fact, however, means nothing to the workers at DMS who know from everyday experience that the race or gender of the CEO does not have any effect on wages or working conditions.

“Why are we making tier 2 pay when we are a tier 1 supplier?,” asked a worker with five years seniority, adding, “The conditions are terrible. We are sweating and they don’t have air conditioners.”

A young worker agreed: “There are only fans that blow dust all over everything. We pay the union thousands and they don’t do anything for us. I can see how the corruption goes to the top. The bigger union officials only come through when it's time for an election.”

There is no reason to believe that Bruce Smith will improve any of these concerns voiced by the workers. The DMS web site calls Smith a “manufacturing industry expert,” but a review of his work history shows that he is not so much an expert at making things but rather at extracting profits from the workers.

At Piston Group he was CEO for two years and oversaw the turnaround from a \$600,000 loss to \$8 million profit. That company is now the second largest minority-owned business in Michigan. Smith also cites experience in the field of private equity as part of his resume. Private equity firms are notorious for buying troubled companies, cutting jobs, wages and benefits, stripping their assets and then reselling them at a profit.

DMS ranks fourth on the list of largest minority-owned businesses in Michigan. While it is profitable, revenues have fallen by 6 percent from 2016-2017. Smith has been brought in as a hatchet man to keep things in check.

As workers at DMS enter the last year of their contract they must prepare for a fight now and not wait for the servile management lackeys in the United Auto Workers leadership. They should take the initiative by building rank-and-file committees to advance their independent interest ahead of the push by Smith and Faurecia to increase productivity and cut wages and benefits even further.



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