

AMT

Alliance for Manufacturing & Technology

Helping
Manufacturers
Plan, Perform,
Profit & Grow

www.amt-mep.org

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*Wishing you Happy Holidays
and a New Year filled with
prosperity and success!*



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Alliance for Manufacturing & Technology

How We Help

- Business Assessments
- Strategic Planning
- Lean Enterprise
- Supervisory Training (TWI)
- Project Management
- ISO/AS Quality Systems
- Sales and Marketing
- New Opportunity Identification and Growth — Markets, Products, Services, Customers

AM&T is a not-for-profit economic development organization that receives significant financial support from the New York State Foundation for Science, Technology and Innovation (NYSTAR), and the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP). AM&T is a NYSTAR® designated Regional Technology Development Center for the Southern Tier and is one of nearly 50 MEPs located across the country. AM&T works directly with regional companies to increase their competitiveness and profitability.

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MEP • MANUFACTURING EXTENSION PARTNERSHIP



NEW YORK STATE OF OPPORTUNITY | Division of Science, Technology & Innovation

Drive Through the Finish Line

by Becky Morgan

Three steps to getting a jump on the competition: Make your 2016 plan now—while others coast through the holiday seasons.

We're rounding the final turn of 2015. This is no time to take your foot off the gas. Instead accelerate as others coast during hunting and holiday seasons.

These three acceleration opportunities are yours for the taking, and all three can be completed before lunch:

1. Define your Operations focus for 2016.

- To work on that during 1Q 2016 wastes 25% of the year you intend to advance and saps resources unnecessarily.
- What is the most significant aspect of performance you must improve during 2016? By how much?
- What are the top three actions you must take to reach that objective?
- What is the next most significant aspect of performance you must improve?
- What is the top one action you must take to reach that objective?

If you think putting that together takes time, you're wrong. The job of leadership is to lead. If your team can't answer those questions in under an hour, you will answer them in under an hour. An operations team that doesn't know the business and its operations well enough to do that takes us quickly to the next acceleration advance.

2. Identify which of your leaders has reached the Peter Principle?

- A strong leader can switch positions with anyone else on your team and improve performance there as well.

- A currently acceptable leader can continue to meet demands for his current role if annual revenue increases or decreases more than 25% compared to plan.
- A Peter Principle leader is already stretched, having at least a year in the role.
- Develop a specific one-point development plan for each who is growing, and a simple plan to replace those that cannot.

If you think that is the responsibility of HR, you're wrong. If you think it's cold-blooded, you're wrong. The future of many inside and outside your organization depends on your willingness and ability to develop a team for the future. I didn't say fire the one who has topped out, but I did say you owe more to yourself and others. That person can contribute elsewhere, and if not, will be better off moving out of the organization.

3. Document on your calendar the weekly 1Q 2016 behaviors you will execute to assure effective progress on identified acceleration.

Yes, identifying a limited number of important priorities supported by a limited number of clear activities and follow up can create an amazingly successful 2016.

Waiting until after the holidays, then scheduling multiple meetings, and allowing numerous priorities and actions for all will assure a distant finish in 2016.

As Mario Andretti famously said: "If everything seems under control, you're not going fast enough." That does NOT mean be reckless.

It means stretch.

Constantly.

Including right now.

How to Improve Your Manufacturing Culture to Land the Best Talent

by Mike Morrow

Does the traditional, conservative, “me-too” approach of many manufacturers hold them back? What sort of incremental changes could a traditional manufacturer implement to foster a more progressive culture?

First let’s take a look at what characterizes the traditional culture of manufacturing. It is perhaps easier to define what it is not. It’s not a high-tech, Silicon Valley culture. It’s not a venture capital or Wall Street culture.

One long-time manufacturing executive client describes it as a command-and-control environment, with clear reporting lines and functional silos. Others have characterized it as a “You don’t understand” and “It won’t work here” attitude.

In a progressive culture, on the other hand, a leader will humbly say, “We don’t know what we don’t know. Let’s investigate and find out.”

Another manufacturing industry executive—working in what he considers a progressive manufacturing culture—said his organization is collaborative, compared to previous manufacturers he’d worked for that were much more traditional.

So how does traditional culture impact manufacturers in terms of talent? For starters, it promotes the workplace mentality of, “Keep your head down, keep your mouth shut, and keep your job.”

One corporate client of ours that is actively trying to change its culture has an inordinately high number of people who have been there 25, 30, even 40 years. Unfortunately, many of

them have enjoyed such longevity not by being progressive or innovative, but by going with the flow. The result has been mediocre performance by the business over the past decade, with complacency being the norm and employees who are not challenging themselves or those around them.

The traditional manufacturing culture also brings a high probability of talent gaps and succession planning problems. Almost 75% of our clients who engage us to replace an incumbent who’s been in a role for more than five years—and who have no viable internal candidates under consideration—characterize themselves as fairly traditional manufacturing cultures. They’ve done a poor job developing talent and challenging high-potential

their choice is easy.

Manufacturers must change and evolve to foster a more progressive culture and compete well into the future. Does that mean there should be nap rooms? No. An espresso bar next to the electroplating line? Pool tables next to the paint booths? No, and no. There are more subtle, incremental changes that can be implemented to foster a more progressive, innovative, and creative culture. And it starts at the top with the leadership team.

Some simple ideas:

FOSTER IDEA SHARING.

A client once shared that any time he’d go into a meeting looking for idea generation, the first thing he would do is share a story of a catastrophically bad idea of his that ended up costing his company a lot of money. It was an anecdote that got people talking. When people hear from leaders an openness and encouragement to share an idea, and the willingness to fail and learn, they’re more willing to open up with their own ideas to improve the business.

Beyond meetings, one way to promote idea sharing is through on-line forums internally.

People can offer up ideas as they arise, revisit them later, piggyback on others, and crowdsource unique elements to formulate the best version of an idea. Then make the case to execute!

SCRAP THE TRADITIONAL ANNUAL REVIEW

But review people all the time. Regular feedback, informal and formal,

(continued on pg. 4)



individuals with developmental roles to round out their abilities and prepare them for the next level of leadership.

Perhaps the most pervasive challenge posed by a traditional manufacturing culture is difficulty attracting young talent. Let’s face it—when graduating engineers have a choice between a forward-thinking culture and a stodgy traditional manufacturing culture,

How to Improve Your Manufacturing Culture to Land the Best Talent (cont'd.)

(continued from pg. 3)

promotes a culture of engagement and continuous improvement.

It's easy for things to get impersonal. As companies have eliminated entire layers of leadership, the number of direct reports per supervisor has skyrocketed. But a truly engaged and effective leader needs to have frequent, regular, meaningful dialogue with his team.

A good rule of thumb: if you're thinking it, say it. A good leader is looking at results and output from the team and providing feedback in the moment. Have a quick, 5-minute stand-up meeting. If a team member is remote based, do a quick video call.

With simple (and free) tools like SurveyMonkey, a leader can provide quick feedback in a review delivered to an employee's email monthly or even weekly. This kind of regular feedback makes course corrections seem very minor—almost imperceptible—compared to a year-end review full of surprises.

And whenever possible, catch people doing it right and celebrate it.

COMMUNICATE, COMMUNICATE, COMMUNICATE

And once you think you've communicated enough, communicate some more. Use newsletters, use town hall meetings for each shift, use any means necessary. The difference between an engaged workforce and an apathetic one is often little more than a lack of information. The more people know about how the business is performing—good or bad—the more engaged and likely to contribute they become.

Information flow needs to start at the top and cascade down throughout all levels of the organization. One client shared that since a new CEO joined



the parent company and stressed collaboration and open communication, they've been holding monthly "all-hands" meetings and using Jive Software, which he characterized as a sort of intracompany Facebook for encouraging collaboration. Not surprisingly, employee engagement, morale and innovation are all up.

INVEST IN YOUR PEOPLE

Offer continued training and cross-training. In a recent Forbes survey of 130 manufacturers, the most important skill for the next generation of employees is data analysis. As the Internet of Things and big data permeate the shop floor, provide the tools and training for your workforce to leverage those advances. Break people out of their silos. Get them working on cross-functional teams where they can experience and understand various moving parts of the business. "An accountant, an engineer, and a salesman" should not be the start of a joke. Bring these people together to solve a business problem, and you'll be amazed at the results as their different perspectives come together and spark creativity. As one manufacturing executive put it, "95% of the solutions we need to the problems we face today

lie within the hearts and minds of the people we already have."

CREATE A COLLABORATIVE PHYSICAL ENVIRONMENT

Collaboration encourages innovation. In a recent article in the Dallas Business Journal, Toyota's North American CEO Jim Lentz explained the environment they are creating at their new headquarters in Plano, Texas. Currently, their traditional office space in California is 80% personal workspace / 20% primarily conference rooms. In their new facility, it will be 50% personal workspace / 50% collaborative space. "It's much more of an interactive space," said Lentz. "We are going to try to be a catalyst for getting people out of their offices, not emailing back and forth to each other, but actually sitting down, collaborating and communicating because we believe that's where innovation takes place."

Ultimately, culture change takes time. There's not a magic button you can press to transform things overnight. But many manufacturers would benefit from taking a long, hard look in the mirror at how their cultures are positioning them for success—or failure—in the future.

Manufacturing Sector Fell Into Contraction In November.

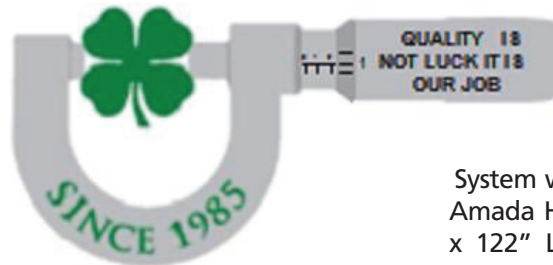
The Institute for Supply Management reported 12/1 that its index of manufacturing sector activity dropped to 48.6 in November — the gauge's first slide into negative territory in three years. October's reading had barely remained positive, at 50.1. Reuters (12/1) reports that economists had expected the index to come in at 50.5. In a statement ISM economist Bradley Holcomb said, "Ten out of 18 manufacturing industries reported contraction in November, with lower new orders, production and raw materials inventories accounting for the overall softness in November."

Bloomberg News (12/1, Stilwell) reports that the contraction of the manufacturing sector was "at the fastest pace since the last recession as elevated inventories led to cutbacks in orders and production." 12/1's ISM report "showed factories believed their customers continued to have too many goods on hand, indicating it will take time for orders and production to stabilize." According to the AP (12/1, Boak), the index result reflected strengthening of the dollar "and low oil prices cutting new orders and hurting production."

In a separate measurement of manufacturing activity, analytics provider Markit Economics reported that its monthly gauge of the sector rose 0.2% to 52.8. Markit chief economist Chris Williamson was cited by *Business Insider* (12/1, Oyedele) as saying that manufacturing growth "remains encouragingly resilient, which is all the more impressive once headwinds such as the strength of the dollar and malaise in overseas markets are taken into account."

Associates' Corner

CROWLEY FABRICATING & MACHINING CO., INC.



Crowley Fabricating was established in 1985 and has recently received AS9100 and ISO 9001 certifications and are ITAR registered. They have the ability to receive and send encrypted documentation. Their customer base consists of 60% Commercial, 35% Prime Contractors and 5% Department of Defense customers, and the company is proud of their very diverse customer base which has allowed them to continue to grow.

Use of an MRP System allows Crowley to manage and standardize administrative activities and track all information on a real time basis.

Crowley Fabricating has two manufacturing locations and one warehouse. Machining and offices are located at 403 N. Nanticoke Avenue in Endicott, New York. This location houses Sales and Manufacturing Engineers, Customer Service, Shipping/Receiving, CNC Programmers, and Administration Departments as well as twenty CNC Mills, seven CNC Turning Centers, Waterjet, Coordinate Measuring Machines (CMM), Cut-off Department and a Mechanical Assembly area.

Sheet metal fabricating is located at 2 N. Nanticoke Avenue in Endicott, New York which is two blocks away from the main office. Last year over one million dollars was invested in new state of the

art fabricating equipment such as a new Amada FOM2 NT 4000 Watt Laser Cutting

System with Shuttle Table, a new Amada HD 1303 NT CNC 143 Ton x 122" Long Bed Press Brake, a new Amada ID 4045T Spotwelder and a new Series 4 Pemsarter for hardware insertion. Amada's latest software, which is used by CNC Programmers to program the CNC sheet metal equipment, was also purchased. This software enables quick turn work. New equipment was added to help support their other sheet metal equipment such as Turret Press, Press Brakes, Timesaver, MIG and TIG Welding Equipment along with Assembly. Certification has been obtained to several welding specifications.

Crowley Fabricating is a certified Service Disabled Veteran Owned Small Business that has received numerous awards and recognitions for performance throughout the years.

Please contact Tom or Mike Crowley at 607-484-0299 or visit www.crowleyfab.com for more information.





Benefits of Becoming an AM&T Associate

- Four free hours of consulting services.
- Your company's profile will be featured in the "Associates' Corner" of our monthly newsletter, which is distributed throughout eight counties: Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tompkins, and Tioga. Also, the newsletter is featured on our website giving your company worldwide exposure.
- Discounted fees at AM&T sponsored seminars & workshops.
- A free Performance Benchmark and Transformation Planner (\$2,500 value).
- A link to your company's website from ours.
- Assistance with Technology Transfer, Funding Sources, Venture Capital Investment, Networking, Research & Development Programs, etc.
- Highlighted in the "Made in the Southern Tier" directory of manufacturers.

Call Jim Cunningham at 607-725-1225 to ask about becoming an associate.

More information at www.amt-mep.org

Associates' Corner



Endicott Research Group, Inc.

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Endicott Research Group, Inc. (ERG) provides power solutions for backlight displays, general lighting applications, and LED retrofit opportunities. Products from ERG provide the power behind many of the illuminated products you see every day: the display at the gas pump may have an ERG inverter powering the light that illuminates it; ERG's LED driver may be powering the sign of a local business; or your under-cabinet kitchen lighting may be powered by a dimmable ERG Lighting LED driver.

ERG began developing DC-DC converters in 1979 to power neon displays. That all changed when General Motors was in need of a high-quality EL lamp to power the coach lamp in its "top-of-the-line" showroom cars. An exclusive relationship between GM and ERG became the cornerstone for growth into other substantial markets such as medical displays, point-of-sale, and defense. ERG continues to design and manufacture standard and custom solutions for CCFL and LED displays as well as DC-DC and EL applications.

In response to the recent explosion of LED technology in the general lighting markets, ERG created a division called ERG Lighting which is dedicated to applying expertise in LED driver solutions to general

lighting applications such as street lights, refrigeration lighting, troffers, showcase, and downlights. ERG Lighting has also developed its own line of **Made-in-the-USA** LED troffer retrofit kits for both commercial and residential lighting. They also offer contract manufacturing services that provide customers with leading-edge manufacturing processes. ERG prides itself on the ability to respond to changes in technology with innovative and cost-effective solutions for their customers.

ERG ships products around the world, but they are proudly engineered and built in the Endicott, NY facility which has served as headquarters for over 35 years. For more information about ERG or ERG Lighting, visit the websites at ERGpower.com and ERGLighting.com, or contact Nate Burd at 607-754-9187 (nburd@ergpower.com).



ISO 9001:2015 – Transition

All companies currently certified to ISO 9001:2008 will be required to update, or “transition,” to the new requirements within 3 years of the release of the new standard. The deadline for transitioning to ISO 9001:2015 is September, 2018.

What is changing is structure and philosophy....structure of the standard and major structural differences your organization will need to implement.... Philosophical changes or changes in the purpose or scope that your organization will need to adopt.

For small businesses especially, the ISO 9001:2015 is a significant change.

The first thing to note is that the requirements have expanded

from 14 pages in ISO 9001:2008 to 20 pages in ISO 9001:2015. Not a small change (42% increase).

New requirements affect such areas as Leadership, Context of the Organization, Risk-Based Thinking, Documented Information, Process Approach and others are now being read for the first time by ISO 9001 users.

Overall changes to the structure and terminology make the new document a bit difficult to match up with the more familiar ISO 9001:2008 require-

ments we’ve been using.

The 2008 version of ISO 9001 focused on the organization and the customer. 2015 adds stakeholders and external interested parties to the focus.

AM&T’s ISO experts are preparing a methodology to help you with the transition, along with an overview informational session targeted for the 1st quarter of 2016. We will publish the dates, times and locations in our newsletter, on the website and in email blasts. In the meantime, if you have any questions or concerns, please call Jim Cunningham on 607-725-1225

Structural Changes:

2008 Version Has:	2015 Draft Requires:
5 Auditable Sections Requires Quality Manual Six Procedures Required Management Representative Preventive Actions	7 Auditable Sections No Quality Manual Required System has “Documented Information” Management Rep Not Required Risk Management

Around the Southern Tier

Dec 10	SBC Network Luncheon - Greater Binghamton Chamber - 607-772-8860
Dec 10	Business After Hours - The Chemung County Chamber - 607-734-5137
Dec 18	Applications due for Leadership Steuben - Corning Area Chamber of Commerce
Dec 29	Career Fair - Oakdale Mall – Greater Binghamton Chamber
Jan 19	Economic Forecast Breakfast - Greater Binghamton Chamber - Holiday Inn
Feb 17	SBIR Event - IncubatorWorks - Corning - 607-725-1225
Feb 18	Economic Forecast Breakfast - Commerce Chenango

Visit <http://amt-mep.org/index.php/news-and-events/training-and-events/> for additional events

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HELPING MANUFACTURERS PLAN, PERFORM, PROFIT & GROW

We are a team of experienced, skilled consultants and trainers dedicated to helping manufacturers in the Southern Tier of NY plan, perform, profit & grow. Our goal is to have manufacturers remain, grow and prosper in the Southern Tier.

AM&T uses a comprehensive, overall business approach to create significant and long-lasting business improvements. Our experience is that individual improvement methodologies will provide some measurable benefits on their own, but it is the combination of them across the whole value chain that will lead to dramatic gains.

WE HELP BUSINESS LEADERS:

- Assess their current state
- Articulate and define their desired future state
- Train their workforce in improvement methodologies
- Implement process improvements across the whole value chain
- Identify new opportunities
- Achieve and sustain growth and breakaway results

AM&T DELIVERS:

Third-party surveys for 2010-2015 reported impacts of:

- 2,839 jobs created or retained
- \$516 million in increased or retained sales
- \$15 million in cost savings
- \$35 million in investments
- \$749 million total impact
- 4.8 out of 5.0 Customer Satisfaction

OUR SKILLS:

- Business Assessments
- Strategic Planning
- Lean Enterprise
- Supervisory Training (TWI)
- Project Management
- ISO/AS Quality Systems
- Sales and Marketing
- New Opportunity Identification and Growth — Markets, Products, Services, Customers

Our integrated, comprehensive approach, applied to the whole value chain, can make a difference. We are "hands-on", roll-up-your-sleeves people and we're passionate about manufacturing.

Call Jim Cunningham at 607-725-1225 to ask how we can help.