

Have You Reinvented Your Business Lately?

Excerpts from an article by Rieva Lesonsky

What has it taken to keep your small business thriving—or even just surviving—for the past four years since the U.S. economy crashed? For most businesses, it's been an ongoing process of reinvention.

A recent survey from Citibank found the majority (53 percent) of small business owners have stayed afloat or competitive by reinventing their businesses.

Here's what Citibank found small business owners are doing to reinvent their businesses:

- 47 percent overhauled their product or service offerings
- 24 percent revamped their infrastructure, such as technology or staffing
- 18 percent revamped their sales and marketing
- 7 percent cut prices or took less profit
- 3 percent relocated their businesses

Businesses have learned a lot about reinvention. One company, started in early 2008 just before the economy crashed, had a well-thought-out business plan targeting one type of market. A few months later, though, their big clients lost their budgets and couldn't commit to contracts. Time to reinvent. They turned on a dime and have kept their business thriving as a custom content provider for more than four years. There have been lots of large and small reinventions along the way—and they're not done yet.

The pace of reinvention truly never lets up. In fact, with 38 percent of small business owners in the Citibank survey describing competition in today's

business environment as "extremely intense," entrepreneurs were taking other steps to stay competitive:

- 88 percent stayed up-to-date and current about their industry
- 70 percent increased time spent working with customers
- 67 percent updated or upgraded computer systems
- 52 percent used the internet and social media more
- 51 percent built a network of suppliers and partner companies

To make these changes happen, 38 percent are increasing capital investments into inventory, facilities and computer equipment, with 75 percent using profits and 62 percent using personal savings to do so. Small business owners' reinvention process isn't over, either. In the next 12 months, 50 percent of small business owners say they plan to introduce new products or services.

Who is that 12 percent that aren't keeping up-to-date on their industry? The 50 percent who aren't introducing new products or services? The 33 percent who aren't upgrading their computers? These entrepreneurs could be making a big mistake.

In the old days, maybe you could rest on your laurels and feel confident in your hard-won knowledge. Today, you've got to keep earning that knowledge over and over again. If you're not reinventing yourself, not only are you not keeping up—you're falling behind.

How are you reinventing your business?

**Are You Ready To Reinvent Your Business?
AM&T has the Expertise and Tools to Help. Call Jim Cunningham at 607-725-1225**



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.

This publication is funded in whole or in part by NYSTAR. Any opinions, findings, conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of NYSTAR.



MEP • MANUFACTURING
EXTENSION PARTNERSHIP



Empire State Development
Division of Science, Technology & Innovation

Examples of How We Help

- Conducted Lean 101 workshop for over 18 employees from one company.
- Conducted 3 ISO 9001 internal audits at 3 companies. One has been ISO certified for many years and has developed a very stable and effective QMS. One was a company just certified in late 2011 and has begun their journey toward a sustainable, effective QMS. The third company is pursuing ISO certification and AM&T is assisting them with developing a compliant QMS.
- Conducted a four-hour Lean Thinking training session for 8 employees focused on Batch Size reduction and then a 2-day event to identify targets for reduction and assess impact to supporting processes. It is anticipated that when implemented, the plan will result in improved lead times and on-time deliveries, and a reduction in WIP.
- Conducted a four-hour Lean Thinking training session for 10 employees and then conducted a 4-day "Engineered to Order Information Flow" value stream mapping event. It is anticipated that when implemented, the plan will result in improved on-time deliveries, reduce wastes (including process rework, over processing, expediting, rescheduling and changing priorities, etc.). As well as establish standard work processes that could be applied corporate wide.
- Conducted an 8-hour Lean for Manufacturing workshop, training participants in Lean Thinking and how to apply Lean tools & concepts. The training was attended by 21 employees.
- Conducted semi-annual internal audit and management review at ISO 9001:2008 certified client; presented AS9100 briefing to their management preliminary to upgrading of their quality management system to AS9100 Rev C. Provided guidance and participated in the development of their risk management process which is required by the AS 9100 Standard.
- Assisted a company in the development and implementation of a Business Plan focused on new product development and patents, pricing structures, partnering with manufacturers, and securing strategic marketing channel partners.
- Assisted a company in securing a TAAC grant focused on business growth and Lean projects with AM&T. AM&T has begun Lean project which will involve all operations. Created a business growth plan, and will continue with sales training, development of additional management-level plans, and implementation mentoring and support.
- Created a half-day seminar on business growth and profitability, which was attended by 30 people from 10 companies.

Howard Schultz's Call to Action on American Manufacturing

By Kevin Meyer

Starbucks CEO Howard Schultz is one of those guys you like, even if you sometimes may not agree with him completely. A few months ago I saw him speak at the World Business Forum in New York City where he expounded on the importance of authenticity in leadership and focusing on value from the perspective of the customer - concepts those of us in the lean world can relate to.

He has another passion: taking control of your destiny instead of waiting for others to do it for you. As *The New York Times* put it last week:

Mr. Schultz, disgusted with the political standoff in Washington over raising the debt ceiling, called on business leaders to stop making donations to politicians and start doing something themselves to address the country's woes.

That's similar to what we've said over the years - stop complaining and start competing. Schultz takes it a step further and calls on business leaders to help others compete - or just survive.

Schultz's comments weren't just words.

Last month, Starbucks announced it would build a

factory in Augusta, Ga., that would employ 140 people and make the company's Via instant coffee and the ingredients for its popular Frappuccino drinks. About half of Starbucks's new employment overall will come in the United States, the rest internationally.

"We are on the hunt for other domestic opportunities for products we sell and other things we do," said Howard D. Schultz, chief executive of Starbucks. "There has to be a sense of urgency about action, and since we're not likely to find it in Washington between now and the election, it's time for companies and businesses to step up and find a balance between profitability and responsibility."

There is some operational logic behind the decision - it's not purely altruistic.

Chinese labor has become more expensive, and Starbucks and other companies are looking at their supply chains more holistically. A Chinese supplier is also likely to require an order in the hundreds of thousands, increasing the risk that Starbucks will get stuck with inventory. And then there is the difference in shipping costs.

Schultz's comments also resonated with a supplier to Starbucks.

American Mug and Stein Company, was on the verge of closing last fall. Then Ulrich Honighausen called. Mr. Honighausen, the owner of a tableware company, Hausenware, in Sonoma County, Calif., which supplies retailers like Crate & Barrel, Pottery Barn and Fred Meyer with ceramics and glassware from producers all over the world, had a plan to revitalize American Mug and create jobs in an industry that had all but died. What if American Mug were to make mugs for Starbucks?

He [Mr. Honighausen] found American Mug last fall after having heard an interview with Mr. Schultz. "It was a good kick in the pants for me," Mr. Honighausen said. "I thought, 'Let's just do it.'" American Mug can deliver to Starbucks in four days, while Chinese suppliers may take three months.

And thus a few more jobs were saved, and a small amount of manufacturing competency retained - in a low technology and high labor content industry no less. If it makes sense for Starbucks and American Mug, imagine how it could be for a higher technology area.

What can you do with your own supply chains? How can you directly, even in a small way, help revitalize domestic manufacturing?

Manufacturing Data

- If the U.S. manufacturing sector were a country, it would be the 9th largest economy in the world.
- There are nearly 12 million jobs in the manufacturing sector...high-quality jobs.
- Manufacturing accounts for 70% of private sector research and development (R&D) as well as the capabilities supporting the next generation of products and processes.
- Manufacturing represents 60% of U.S. exports.

5 Keys that Boost Accountability

By: Deborah Shane

Here are 5 keys that can boost professional accountability:

- 1. Professional Habits**
Follow a daily schedule, time block, prioritize, organize, and delegate. Practice discipline.
- 2. Following a Process**
Have a plan for your intentions, goals and direction and be persistently patient with how it unfolds.
- 3. Flawless Execution**
Be consistent with how you execute your daily process and activities. Be flexible and willing to tweak things as they arise.
- 4. Consistent Evaluation**
Always be reviewing, surveying and getting feedback. Conduct focus groups with your own customers and follow trends.
- 5. Practice, Practice, Practice**
Do all of the things you need to do and are good at that not only come natural for you, but also the things that you dislike, don't always want to deal with, and don't come as naturally to you! Practice, rehearse and repeat what makes you effective and gets results.

Being a great free throw shooter in basketball takes a willingness to shoot hundreds of free throws daily. Practicing the motion and roll off the hand over and over again is what sinks winning shots in the clutch.

Suit up, show up and speak up ready, willing and able to do your best every day and you set yourself up for the best to happen.

NYS Funding for Manufacturers

Up to \$247 million will be available for direct assistance to businesses as part of the 2012 round of state funding to stimulate job creation and economic growth. This includes:

- Up to \$150 million for Regional Council Capital Fund
- Up to \$70 million for Excelsior Jobs Tax Credits
- Up to \$20 million for Empire State Economic Development Fund

An online Consolidated Funding Application (CFA) is required to request funding.

Here's an example to help understand the types of projects that might qualify: The Regional Council Capital Fund targets capital-based economic development initiatives intended to create or retain jobs; improve unemployment, and/or increase business activity. Approved funding may be used for:

- Acquisition or leasing of land, buildings, machinery and/or equipment
- Acquisition of existing business and/or assets
- Demolition and environmental remediation
- New construction, renovation or leasehold improvements
- Acquisition of furniture and fixtures
- Soft costs up to twenty-five (25%) of total project costs
- Planning and feasibility studies related to a capital project

For more information,

- contact Jim Cunningham at AM&T — 607-725-1225
- visit www.nyworks.ny.gov

Workforce Training

\$5 million is available in Workforce Investment Act (WIA) funding to develop and enhance the occupational skills of New York State's workforce. This money will fund:

- Existing Employee Training Program;
- New Hire Training Program; and
- Unemployed Worker Training Program.

The purpose of these programs is to address lay-off aversion by training existing employees who are at risk of losing their jobs unless they obtain skills upgrading; and by training long-term unemployed individuals who require training upon being hired or who need classroom based skills upgrades to be qualified to be hired. These programs also support the workforce needs of the strategic plans of the Governor's Regional Economic Development Councils.

To learn more, contact Jim Cunningham — 607-725-1225

The Good About Visual Management

By John Shook, Chairman and CEO, Lean Enterprise Institute, Inc.

Visualization is a good thing. We all know that. And many of us in the Lean Community practice it, to greater or lesser degrees of effectiveness.

Among other benefits, making visible such things (see examples below) as pace or quality of work makes it easier to solve problems and sustain gains. To quote Dr. Thoralf Sundt of Mayo Clinic, "If I can see it, I can fix it." The reverse must also be true – it's hard to fix what you can't see. This past month I ran across a good example of visualization to share with you.

This case involved a young woman doing a quality check at the end of an assembly line of electromechanical components. For two years she had been collecting the same quality information. Performing a series of checks, she would confirm that all connectors were firmly attached, components all assembled and in working order. As she found problems, she recorded them into a computer database, which was then compiled into a larger database. The database was reviewed, analyzed, and results fed back to the production group and others.

There was no direct connection between the workers making the errors and the inspector finding the errors, and the information that was eventually shared followed a

long and irregular time line. Management began looking at the situation because of a perceived "lack of motivation" in the workers and inspectors. As plant management explored various means of increasing worker engagement and motivation, a quality engineer noticed the disconnect between the workers and feedback on their performance. Problems that could have been fixed right away took days and weeks to even surface, and the time required for errors to be corrected could take much longer. The engineer wanted to fix his technical problem.

It was the woman doing the inspecting who made the suggestion. "How about," she offered, "instead of me just entering the error information into a database, I tick off each example as they occur on this unused white board?" She found it easy to simply make a quick note of each problem on the board, and to enter it later into the database.

What happened next was unplanned. The production line leader started noticing what she was doing. He was a little nervous, seeing the performance – the mistakes – of his team members displayed for all to see. The next suggestion was his. "How about," he offered, "if I bring my team over to take a look at the board at the end of each day, so we can see how we are doing?"

What happened next was interesting. As the inspector

and the workers looked at her board together, they started to talk about it. Turned out, one of the workers who had been committing many of the mistakes mentioned that he had always had a problem with one of the connectors. The two ends of the connector were very small, his hands weren't, and the space he had to work in was very tight. A recurring problem had been uncovered, its cause identified, and the engineer was delighted as he knew he could make the situation better with a relatively easy engineering adjustment. Other problems that got raised were often even easier to remedy, often right on the spot.

What happened next was even more interesting. As the inspector and workers got to know each other better, instead of waiting until the end of the shift, they started stopping by during their lunch break. They could see how they had done so far in the shift. Before long, the inspector and the team were engaged in a day-long exchange of how production was proceeding. Importantly, workers were struggling less while producing more and the inspector's very role in the process had changed dramatically. Management had sought to improve motivation and they did. But not at all in the way they had expected. Turned out that what was needed to increase motivation among the employees was more effective support in helping them be successful and engaged in their work.

Visual Management is one of the many lean tools available to improve your business. AM&T has the lean experts that can help you move to the next level



Alliance for Manufacturing & Technology

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

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

More information at www.amt-mep.org

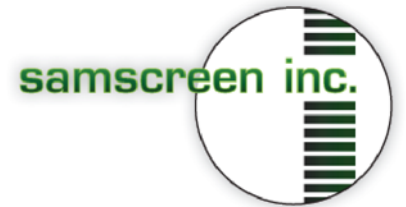
Associates' Corner

Samscreen, Inc. manufactures piano wire screens for all makes and models of portable screening plants, and can custom manufacture screens for "special" applications and machines. Piano Wire and Shape Wire screens are classified as non-woven wire screens and offer unique benefits and solutions because they are not woven. They are in fact a collection of individual wires, which allows each wire to act independently of each other, setting up its own harmonics and frequency, which, in turn, impedes the material being screened from 'bridging' from wire to wire, which is the necessary starting condition for 'blinding'.

Samscreen, Inc. can provide you with a wide selection of openings in high carbon, oil tempered, stainless steel, and Maxwear™ wire, which is a special alloyed steel providing wear resistance to impact and abrasion leading to reduced maintenance.

All types of crusher liners for JAWS, CONES and IMPACT crushers are made with Samscreen's own Maxwear™ 400, special analysis steel, which has been developed to give exceptional wear life in aggressive, highly abrasive crushing conditions.

The Kleenskreen™ Finger Deck System is made for



difficult-to-screen material where blinding, clogging, matting, and pegging cause problems with traditional screening media. The Kleenskreen™ can be retrofitted to existing portable and stationary screening plants, giving the producer a viable and very economic choice of not having to purchase a new piece of equipment similar to a StarScreen or Trommel.

When dealing with the dual problems of blinding and pegging and use of Samscreen's piano wire screens is not feasible due to 'flats' or tight specifications, Shape Wire screens offers the solution and advantages of producing tighter specifications and having the ability to self clean.

Samscreen, Inc., founded in 1994, is an ISO 9001:2008 certified company. To the best of their knowledge, they are the only piano wire screen manufacturer to receive such certification.

For more information contact:

Fintan Fleming
607-722-3979

www.samscreen.com

Associates' Corner

Sarnicola Simulation Systems (SSS) is a full service motion simulation company specializing in custom testing and building of motion platforms. Since its inception in 1991, Sarnicola Simulation Systems has grown considerably. Within 9 months the first patented motion platform was designed, fabricated, tested, and completed for sale.

The expanding business required more space and SSS moved to its new and present headquarters at 970 Conklin Ave, Conklin, NY. The state-of-the-art facility is now the home to one of the most experienced motion simulation teams in the world. The space allows for a more suitable working environment and has room for expansion as the business continues to grow.



The services and product lines have continued to expand as customer requests and market demands have dictated. SSS has provided motion systems for entertainment, advertisement, defense and special effects. The market for SSS products and services has come from Europe, Asia, Australia, New Zealand and the United States. Sarnicola caters to both small and large businesses. Larger companies have included Lockheed Martin, Hughes-Link Training, General Motors, Chrysler Motors, and the United States Government. The strength of SSS continues to be the ability and willingness to meet the custom requirements of the customer at a fair price.

SSS looks forward to building upon the knowledge and experience of their dedicated employees, helping you create your next custom motion system. They will custom fabricate motion systems to your requirements and specifications. Success is often attributed to a few individuals. In this case, it is achieved through the efforts of many individuals working together. SSS, assisting the World in Motion.

For more information, contact:
 Dr. John F. Sarnicola
 607-724-4021
www.sarnicola.com

Around the Southern Tier

Jul 10	Get the most benefit from Social Media - Watkins Glen Area Chamber - 607-535-4300
Jul 12	SBC Network Luncheon - Greater Binghamton Chamber - 607-772-8860
Jul 18	Business After Hours Networking - Greater Binghamton Chamber - 607-772-8860
Jul 18	Small Business, Minority & Woman Business Enterprise Workshop SBDC Binghamton - 607-777-4024
Jul 18	Business Startup Workshop - SBDC Corning - 607-937-6861
Jul 19	Networking at Noon - Tompkins County Chamber - 607-273-7080
Aug 09	SBC Network Luncheon - Greater Binghamton Chamber - 607-772-8860

Please add mailbot@amt-mep.org to your address book or safe list to receive AM&T e-News. To subscribe to electronic or paper versions of our newsletter or to update your mailing address visit: www.amt-mep.org then select News and Events from the menu.

Return Service Requested

**AM&T
DIRECTORY**

www.amt-mep.org

Tel: 607-774-0022
Fax: 607-774-0026

Jim Cunningham x311

Business Developer /
Principal Consultant
jcunningham@amt-mep.org
mobile: 607-725-1225

Robert F. Edwards x307

I.T. Administrator /
Webmaster
redwards@amt-mep.org

Ed Gaetano x304

Executive Director
egaetano@amt-mep.org
mobile: 607-760-3864

Lloyd Johnson x312

Principal Consultant
ljohnson@amt-mep.org
mobile: 607-227-6229

Bob Mann x305

Principal Consultant
rmann@amt-mep.org
mobile: 607-725-8226

Michael Meador x314

Principal Consultant
mmeador@amt-mep.org
mobile: 607-342-3208

Carol Miller x316

Principal Consultant
cmiller@amt-mep.org
mobile: 607-237-8031

Kathy M. Peacock x308

Finance Administrator /
Notary Public
kpeacock@amt-mep.org

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 CAN HELP YOU:

- Assess your current state
- Articulate and define the desired future state
- Train your 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:

A third-party survey for 2005-2011 found:

- 2,956 jobs created or retained
- \$608 million in increased or retained sales
- \$17.1 million in cost savings
- 137:1 return on investment
- \$818 million total impact
- 4.7 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.