

Your Resource Driving Manufacturing Innovation

Innovation

(noun):
introduction
of new
things or
methods

**Bright
Ideas to
Help You
Grow!**

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John's

Corner



John W. Lloyd, President & CEO

Survive by Going on Offense

Back in business school I was taught that the ultimate goal in business is survival. Being young and impressionable, I believed what I was taught. I've carried this premise with me through the 3 ½ decades since.

Survival is a noble goal -- and is an objective in which thousands of firms have failed. Once mighty airlines, auto manufacturers, and consumer goods companies have disappeared from the American landscape. Entire industries have ceased to manufacture in the U.S.: formerly abundant shoe manufacturers are absent from the Pennsylvania landscape. Our military now depends on foreign goods for our national defense and homeland security. Next time you're in the mall look for a "Made in the U.S.A." label. You won't find many.

The challenges in manufacturing are numerous and they are formidable. However, even after 35 years I remain troubled by the notion that businesses exist merely to survive. Our most successful companies have visionary leaders who energize their people and create a culture of innovation. These companies inspire the full creative energy and talent of their people. To succeed in the global marketplace, companies need to clearly understand and communicate their mission in order to make work exciting. Those that *do* attract, retain and motivate the best people. Being passionate about core values is what sets companies apart. There is no passion in just surviving.

Outstanding companies take bold initiatives and push the envelope. As Jim Collins taught us, progressive firms have pushed beyond good to become great. We know many companies which serve as a model: 3M, Johnson & Johnson, Sony, Nordstrom, etc. Companies which have gone from good to great and have enjoyed enduring success have solid core values. Strong organizational culture is a key.

Many successful companies have built their foundation on core values such as innovation, service and social change. Whatever the core value, it must be pursued with passion and become the basis for organizational culture. When it comes to values there can be no compromise.

In the 2007 study "Innovative Manufacturers: Leaders Who Learn to Win", progressive firms were found to share a commitment—and aggressive goals—to change, in addition to consistent investment in talent development.

Doing things as we've always done them is a formula for failure. Innovation in products, in processes and in culture is critical in our dynamic world. The best defense is a good offense. If you're not marching forward, you are sliding backward. The status quo is rigor mortis.

My business school professor was wrong. After an education in the real world of manufacturing, I have learned that both business and life offer a wealth of opportunity to those who dare to think beyond the confines of mere survival.

AROUND THE STATE

The Clean Indoor Air Act signed June 13, 2008 will ban smoking in 95% of Pennsylvania workplaces and public places. This Act takes effect **September 11, 2008**. Make sure your company enforces this policy.

For details go to :
<http://www.dsf.health.state.pa.us>

York Imperial was featured in Injection Molding Magazine in May 2008 for its progressive approach to LEAN.

Wilton Armetale was featured on a Conversation with Senator Brubaker.

Access- March '08 TV Show
www.senatorbrubaker.com

Boyd Backs MANTEC

MANTEC's Gary Egolf recently spent the day with Representative Scott Boyd. Together, they visited Brenneman Printing, Lancaster Threaded Products, Graphic Crafts, and SteelFab. At each location, Mr. Boyd inquired whether MANTEC should be funded. The responses, as well as the experience interacting with key manufacturers, convinced Mr. Boyd of MANTEC's importance and prompted him to write a letter to the governor, excerpted below.



Dear Governor Rendell, Representatives DeWeese, S. Smith, D. Evans and Civera,

Last year, I was appointed by Leader Smith to the advisory board for the PA Industrial Resource Centers. As a private citizen, I had never heard of IRC, and as a private businessman, I was never overly enamored with state programs. Therefore, when asked to serve on this board, I came into my role as a skeptic. I wanted to see results within MANTEC before I advocated for a dime.

After a few board meetings and the obligatory statistical charts and graphs documenting economic development and retained jobs, I wanted to visit real businesses who had benefited in real terms from IRC's programs.

I spent an entire day meeting with Presidents, CEOs, and managing partners of local businesses who all said the same thing. Without MANTEC, they would either be out of business or in deep trouble. IRC is providing services, from LEAN manufacturing, to strategic planning, to OSHA compliance and marketing programs, at discounted costs to businesses who otherwise would not receive them. The hole IRC fills is especially important to small-to-midsized companies, who are the backbone to the PA economy and most certainly represent the largest growth in employment opportunities for PA workers.

Based on this personal experience, I am writing to ask you to keep the IRC network funding whole in the '08/'09 budget, **and I am asking you to fund the additional dollars requested to launch our new aggressive Technology transfer initiative!**

This program is designed to connect academia with business in a way that has business needs driving the academic research bus! What a novel idea, connecting education and industry to expand the Pennsylvania Economy!

This is not the usual form letter from an organization— this is a member who has seen firsthand the positive impact of a state program. I hope you will view this request favorably.

Best Regards,
Scott W. Boyd
PA House of Representatives

Local Manufacturers Get LEAN

Move over, Henry Ford. Manufacturing's got a brand new business system.

Participants learned about the revolutionary aspects of LEAN manufacturing during the Manufacturing Leaders Exchange & Plant Tour, hosted by the Lancaster Chamber of Commerce and Industry.

Last year, the event's 30 participants travelled to Kentucky and visited the Toyota plant to gain a first-hand understanding of the value of LEAN manufacturing. Relocating this year's event to Lancaster allowed 80 participants to take in the LEAN philosophy as well as a tour of Yorktowne Cabinetry, which is celebrating its 100th anniversary this year.



Dr. Joachim Knuf engages the audience in LEAN Principles.

Director of Enterprise Strategy at The Institute for Lean Systems in Louisville, KY, Dr. Joachim Knuf, MA, was the event's keynote speaker. Knuf explained the difference between the LEAN and atomized business models, including LEAN's ability to eliminate waste and inventory and to empower the worker.

To catch a glimpse of the LEAN system in action, attendees piled onto two buses and rode to Yorktowne Cabinetry in Red Lion. There, they could see the changes Yorktowne Cabinetry has implemented—from decreasing inventory to clearly posting goals and progress—saving time, space, resources, and money.

Gary Good and Bob Shaffer, Yorktowne Cabinetry's operations and human resources managers, said that everyone's cooperation and collaboration, in addition to the company's positive relationship with the local 1806 of the Carpenters Industrial Council and its members, helped to make their LEAN transition a smooth one. It is also the reason, they say, that Yorktowne Cabinetry has experienced such favorable outcomes throughout their LEAN journey. They are now seeking further methods of reducing their production waste, including a new initiative in search of alternative uses for their wood scrap.



Yorktowne Cabinetry employees ensure a consistent look in their cabinets.

The event's attendees reported a high level of satisfaction with the program, commenting on Dr. Knuf's strength as a speaker and on the value of combining lecture and a tour to convey the LEAN philosophy. Overall, the event was a great opportunity for manufacturers to learn about potential improvements the LEAN program could bring to their businesses and for everyone to obtain a better understanding of LEAN manufacturing.

Contact MANTEC to start your own LEAN journey.

LEAN Certification Graduates 2008

MANTEC saw a record year for LEAN certification graduates. Between the MANTEC course offered August to March and a private event at McClarin Plastics, 88 employees are now certified in the LEAN Principles. Pictured below are those at the March graduation.

Congratulations to all!



L-R: **Andy Oskam**, Tech Cast, Inc.;
David Freimuth, MANTEC, Inc.;
Patrick Meese, MANTEC, Inc.;
Ryan Wertz, Die-Tech, Inc.;
Bill Hoff;
Mark Robertson, MANTEC, Inc.;
Tom Ryan, Fenner Drives;
Brian Cunningham, Pearson NCS;
Kent Keller, MANTEC, Inc.;
Michael Baer, Jerr-Dan Corp.;
Stefan Aberg, Jerr-Dan Corp.;
David Fitzgerald, MANTEC, Inc.

Factory Yields Young Manufacturers

Workers with little to no professional experience are being hired to create cutting-edge technology for small manufacturers.

Is this a result of outsourcing? Is it just plain desperation?

No. It's the Learning Factory.

To allow engineering students to confront realistic tasks and to prepare them for their future careers, Pennsylvania State University, the University of Puerto Rico-Mayaguez, and the University of Washington came together to create The Learning Factory in 1994.

The Factory's "industry-university partnership to produce world-class engineers by integrating design, manufacturing and business realities into the engineering curriculum" is thriving fourteen years later, with an expansion planned for completion at Penn State in 2009.

The award-winning Learning Factory is an incredible opportunity for the manufacturers who take advantage of it. Nationally known Bausch and Lomb, Boeing, General Motors, Pepsi, SONY, and Texaco, to name a few, have used the program and repeatedly sponsor projects; however, large conglomerates are not the only ones that stand to benefit. MANTEC clients using the program include Armstrong World Industries, BAE Systems, Dorma Door, and Flinchbaugh-Kurtz.

Kurt Weber of Flinchbaugh-Kurtz in Manchester was so satisfied with the results the Factory delivered to his company over the past two and a half years that he joined the program's industry advisory board.

While students require a bit more attention than other engineers do, the savings are significant. When The Flinchbaugh Company, now Flinchbaugh – Kurtz Company sought help from Learning Factory engineering students on its former Butler Mobility Products line, which included wheelchair lifts

and dumbwaiters, its goal was to reduce manufacturing costs by \$900 on the would-be \$10,000 project. Flinchbaugh, thanks to the Learning Factory, was able to reduce costs by 9% and to implement the resulting changes in one month. These savings mean that engineers and knowledge are now available to manufacturers who might otherwise encounter difficulty in paying the high fees to utilize the assistance of a professional. Not to mention the students who benefit tremendously from interactions with the industry partners.

In addition to cutting costs, the Learning Factory facilitates technology transfer and increases manufacturers' ability to compete globally. For the projects, the Learning Factory also utilizes business students to develop business plans that include the marketing, cost, and supply chain analysis. It's a one-stop-shop to begin building relationships with the University that will directly benefit manufacturers.

To participate, prospective sponsors apply online, providing information regarding their potential product and contact information, before one of the biannual deadlines (mid-August in preparation for the fall and mid-December in preparation for spring). Learning Factory students choose the projects most suited to their needs, and then seek faculty approval, following which the chosen sponsors join with their student teams at the Project Kickoff Lunch. After that, it's off to work for the engineering students, who have a wide variety of resources at the Learning Factory facility to create everything from prototypes to innovative new mechanisms. The teams and manufacturers work closely throughout production, visiting and communicating frequently to ensure optimal results. When everything is completed, both the teams and the sponsors attend an end-of-semester Design Showcase. Nearly 90 projects were featured last spring.

The cost to sponsor a team of students is \$2500, or \$3500 for two four-person teams. This money goes toward materials, travel expenditures, etc., necessary to work toward the final product.

To learn more about this opportunity and to submit your project proposal, visit the Learning Factory website, www.lf.psu.edu.



Senior capstone student shows the improvements to the new Apple bowpress which is manufactured by Flinchbaugh-Kurtz.

Students observe the different completed projects at the Spring Learning Factory Showcase.



Army PaYS for Soldiers

In today's market, jobs can be hard to come by. But for 177,000 young soldiers, a post-service job is practically guaranteed.

That job security is part of the Army Partnership for Youth Success (PaYS) program. The program started in 2000 for active-duty personnel, and now gives soldiers (including active-duty, Army Reserve, Cadet Command Reserve Officers' Training Corps, and Guaranteed Reserve Forces Duty) preference in obtaining employment through a PaYS partner organization.


Soldiers select their desired company or government agency during the recruitment process. Upon fulfillment of duty, PaYS participants independently complete the application process. While this program is beneficial to its participants, who gain the leadership and technical skills through the

army that will be applicable to their future careers, it is also an asset to the PaYS partner organizations.

PaYS partners, which include John Deere, Southwest Airlines, Time Warner Cable, Harley Davidson, Anheuser Busch, and Hyundai Motor America, receive well-qualified, disciplined, accountable employees. Perhaps that is why the number of partners has grown to 275 PaYS and 10 ROTC/GRFD PaYS organizations and agencies, opening up 1,003,000 positions. These include 40 Fortune 500, 7 Fortune 1000, and 4 Global 500 companies.

The PaYS program is an excellent opportunity for manufacturers to gain qualified employees. Since enlistees also receive a list of requirements to remain eligible for the position, partners can depend on highly skilled employees. According to Robert A. Williams, Northeast Regional Marketing Analyst, "It also serves as a means of reconnecting America with its Army."

Whichever way you look at it, PaYS pays.



Employee #

Security Code #

Keep I-9s on all

File for 3 years-1 year after employment ends

Separate from employment files

File within 3 days

Mistakes on I-9s Can Mean Heavy Fines

Financial risks for incorrectly completing I-9s can be severe for manufacturers. The **Form I-9, Employment Eligibility Verification Form**, is mandated by the U.S. Immigration and Customs Enforcement (ICE) agency, to prevent the employment of illegal immigrants. To toughen enforcement of the Form's use and accuracy, ICE recently upped the ante for mistakes made in completing it: Penalties are now \$1,000 per error, not per sheet, and it's possible to rack up as many as 7 mistakes on a single Form for a \$7,000 fine! For more information go to: www.ice.gov or contact MANTEC's Workforce Center for a free audit.

Cultural Assessments

Fortune's 100 Best Companies attribute their business success to healthy culture.



Increased Stakeholder Value

Sustained Value-Added Contribution

Satisfied (Loyal) Customers

Satisfied (Loyal) Employees

Effective Systems & Processes

Contact Kent Keller to set up your assessment: 717-843-5054 x239 or kent@mantec.org

A New Way of Thinking about HR

For manufacturers, the majority of employees are on the plant floor and HR is an office, waiting.

Wait no longer!

Go to your employees with a laptop, update their records and understand their goals.

Thank you to Flinchbaugh Engineering for this innovative approach to HR!

Safety from the TOP

Accidents are expensive—and avoidable. Manufacturers that experience minimal employee injuries are more profitable than are their competitors with greater numbers of injuries.

An injury-free workplace may also boast improved morale, productivity and quality with less waste and absenteeism. All of these issues affect the bottom line.

Rick Merluzzi, President of Pennex Aluminum, and Michael Walmer, CEO of Electron Energy Corp (EEC), are both working with SOS Consulting, a MANTEC consultant, to create “zero accident” cultures.

Both EEC & Pennex made the decisions to improve their safety cultures by holding *everyone* accountable for safety. Joe Caracci, VP of SOS Consulting, explained that he facilitates this process by acting as an accountability partner for top management, supervisors and employees. SOS performs monthly department safety audits and interviews all injured employees to identify root causes and corrective actions for recurrence prevention.

Merluzzi was very impressed with his company’s results, stating, “Despite the continued investment in resources with the traditional safety programs, our improvement in performance was stalled. It came down to the need to shift behavior and to embrace a belief that our safety performance is critical to our long-term competitiveness as a manufacturer. Joe Caracci’s approach was right on the mark in helping us make this shift. I was impressed when Joe started talking about holding everyone accountable from the top of the organization through to the plant floor.”



Michael Walmer

EEC’s Walmer, named “Small Businessperson of the Year” by the Lancaster Chamber of Commerce, recently rewarded his employees’ efforts to improve safety with a payout. This payout, which was funded by the savings in Workers Compensation insurance premiums, was made possible by reducing their EEC’s experience mod. Not only does Walmer feel good about providing a safer work environment, but EEC also reaps the benefit of having loyal employees who are healthy and productive and at work.

Walmer affirmed, “A safe environment is a productive environment, and Joe Caracci is a tireless agent in helping us make progress toward our goal of zero reportable accidents.”

As Pennex’s Merluzzi explained, “Our behaviors . . . lead to most accidents and each and every one of us is accountable for our behaviors. Looking after each other and communicating when we see our coworkers drifting into unsafe circumstances is not only accepted, it is now expected.”

MANTEC, in addition to hosting events that inform clients about safety issues and prepare them for OSHA inspection, provides services including environmental/waste assessments and air quality testing, among many others. For more information about making your company safer and more productive, contact MANTEC.

Wellness Pays!

How *does* a pound of fat look and feel?
How much sugar is *in* that soda you just drank?

Participants learned these and other nutrition facts at the Wellness Pays event co-sponsored by MANTEC. During the event, presenters from Drug Free PA and the Susan P. Byrnes Health Education Center, where the program was held, taught their peers about the importance and cost-effectiveness of facilitating and encouraging employee wellness (including a drug-free workforce). Everyone learned that, from reducing hefty health care premiums to improving employee productivity and workplace climate, wellness pays!



Going Green? Armstrong World Industries hosted a follow up to the Energy and Green Opportunities event. Participants toured their LEED Certified building and learned more about how they can implement changes at their own facilities.



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a NIST | Network
MEP | Affiliate

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MANTEC's First Annual
Manufacturing Poker Run



Saturday, October 4, 2008

Employees, families, friends, and guests are welcome!
Visit www.mantec.org/events.cfm for details

Doing Business Abroad?



Individually meet Pennsylvania Overseas Trade Representatives from around the world.

Luncheon features company success stories in the global marketplace.

*September 17, 2009
11:30 - 1:30
Holiday Inn Holidayome, York
Cost: \$45
Register: 717-843-1090*

Eureka!

MANTEC's new Eureka! Winning Ways initiative is already helping clients—and their customers—win.

Eureka! Winning Ways is a brainstorming, process improvement program involving focus groups and other research. Recently, Die-Tech became the first company to utilize the program, investigating the need and interest for their new stamping design hotline, 1-888-89-STAMP. The hotline will help engineers unfamiliar with the precision metal stamping process to save large amounts of time and effort, as they will be able to ask design questions instead of performing countless re-designs in later stages of their projects.

For more information about Die-Tech's new hotline visit: www.mantec.org/press2.cfm?pressid=83—or to find out more on using Eureka! Winning Ways in your business—contact MANTEC.

