YOUR STRATEGIC BUSINESS ADVISORS

If you have questions, or would like to speak with someone from NWIRC about services, please contact your Strategic Business Advisors:

Tom Weible
814.590.5202
Cameron, Clarion, Clearfield, Elk
Jefferson, McKean & Potter Counties

Susan Hileman
814.572.2077
Crawford, Forest, Mercer & Venango Counties

Ed Barthelmes
814.923.3084
Erie & Warren Counties

UPCOMING EVENTS

ISO/TS 16949 Audit Training
April 21, 22 & 23
Location: Meadville
May 5, 6 & 7
Location: St Marys
Participants will develop skills for identifying non-conformance and promoting continual improvement with their services of manufacturing organizations by using a combination of lecture, discussion and auditing case studies.

LEAN Champion Certification
April 30, May 7, 14 & 21
Location: Meadville
Location: Hermitage
LEAN Champion Certification participants gain hands-on training and one-on-one assignments that pertain to your manufacturing business.

Root Cause Analysis
May 19
Location: Erie
Don’t just put a bandage on a problem -- fix it permanently! This class will enable you to find the root cause -- the fundamental underlying reason for a problem by defining, identifying, solving and preventing it from occurring again.

Check our website for additional training events.

Statistical Process Control
June 9
Location: Hermitage
SPC can be a part of your quality management system. This hands-on class will teach you integrate SPC charts, how to select and use the proper control chart, how to establish control limits and demonstrate how to gather data, construct a control chart, and continue monitoring a problem.

For more information visit www.nwirc.org/events
NIST MEP Names New Director

by Bob Bengel, NWIRC President/CEO

On March 6, 2015, NIST MEP announced that Carroll A. Thomas has been selected to serve as the next MEP Director replacing Acting Director, Phillip Singerman. Her appointment is pending Department of Commerce (DoC) approval.

Ms. Thomas is currently the Associate Administrator, Office of Small Business Development Centers (SBDC), Small Business Administration (SBA). During her tenure at SBA, she established innovative grant policies, procedures and processes to oversee $20 million in Disaster Recovery Act funding for small business impacted by Superstorm Sandy.

Prior to assuming her position at the SBA, Ms. Thomas worked at NIST-MEP from January 2000 to November 2012. During her tenure at NIST MEP Ms. Thomas was a member of the Marketing and Communications Office responsible for numerous branding initiatives. She also worked in the Program Development Office and led major programs including starting the Interagency Network of Enterprise Assistance Providers (INEAP) and many of MEP’s technology acceleration activities. In addition, Ms. Thomas held special assignments in the NIST Program Office, in the Office of the Secretary of Defense, DoC Office of Budget, and DoC’s Office of Policy and Strategic Planning.

Prior to joining federal service, Ms. Thomas had a long career in the private and non-profit sectors. She holds a Bachelor of Science from Drexel University and an MBA from the Johns Hopkins Carey School of Business.

Ms. Thomas will officially rejoin the NIST MEP program in the Spring of 2015.

Creating a Lean Culture…A Few Things to Consider

by Craig Corsi, NWIRC Lean Specialist

Culture change takes care, patience, a strong energy source, and a will to succeed. And let's not forget a degree in psychology. The point being, culture change typically isn't greeted with open arms unless there is a crisis to provide a sense of urgency. Still, there are a few critical items that must be a part of any successful lean culture change initiative.

LEADERSHIP INVOLVEMENT: Rather, let's say Commitment. We hear the words "leadership involvement or engagement" (which can be confusing to some, even leaders) and we don't know what engagement means. Perhaps we are using the wrong word. Leadership commitment is a crucial element that, if missing, spells certain doom for your change initiative. Consciously or not; we follow leader examples. What we perceive of their actions often determines what we prioritize and how we behave. If your leadership team can't demonstrate a commitment to change, neither will you. Why should you?

Leadership sets the tone, vision, expectations, and direction of the organization by demonstrating active participation, genuine interest, and transparency to the company. By conveying that something is important, change adoption rates increase and staff interest will be elevated. Just elevating the level of acknowledgment is over halfway to the solution.

EDUCATION: Learning is not something that we do with the hopes of one day saying: "Well, that’s done!" Neither is continuous improvement. If there is no desire to learn, then all of the available education in the world will not make a difference. This is where leadership’s role in driving the change hand-in-hand with communicating the “why” behind the need to change is critical. If there is no explanation given of why the education or change is necessary, then the initiative just becomes waste in the minds of the staff.

Also, just presenting a concept once is a good way to pass time if you have plenty of time to spare, but it’s not an effective way to help people retain the information. Do your team members a favor and repeat lean concepts from different perspectives, ask them for their thoughts, and make certain that they participate in the learning. Active learning is the best way to retain information. Be open to learning new concepts yourself! People will naturally resist change (Continued Next Page)
Creating A Lean Culture (Continued)
even if the change is a glaringly positive one. So 1) start with the basics of ‘why’, 2) principles of the change, and 3) then move to the tools to get the change done. Wash and repeat.

CULTURAL DYNAMICS: If you want to change the culture, you must understand it first in order to grasp where one must begin in the education process. If there is a lack of accountability, then be prepared to coach and mentor on the subject. Be prepared to suggest basic professional-level courses, even for management. Have your leaders previously benefited from any formal professional education or did they receive the position without any training? This happens more than you think! At what leadership level do they perform? What is the communication like in the company: Good, Fair, Poor, Non-Existent? What expectations, verbal and non-verbal, are set by management? Does your company promote the ‘fire-fighters’, or the team players? We follow our leaders, so if the management teams exhibit poor leadership skills, staff performance will suffer and the culture change will be an uphill battle.

Sometimes you have to dig down to foundational level concepts to ensure that your continuous improvement / Lean culture change is a success. Don’t be discouraged – what you are doing is critical for the company’s development and business health. Their future will be much brighter for your efforts.

Want to learn more? Please contact me or your NWIRC business advisor for more information.

Mr. Craig Corsi serves as the NWIRC’s senior Lean Manufacturing & Continuous Improvement consultant and trainer. With over 12 years of manufacturing experience, Craig worked within GE’s material management and demand flow technology groups, certified in Six Sigma, and earned an MBA in 2001 from Gannon University.

The Promise of the CLOUD
by Joe Kloecker, Lakeview Consulting Service

As you know, the pressure on manufacturers to reduce costs and improve productivity is constant. As such, you may want to consider the reduction of IT operations complexity through use of the ‘cloud’.

DEFINITION: With constant publicity surrounding this trend, what exactly is the ‘cloud’? According to Aerohive Networks, Sunnyvale, CA: “At its basic level, cloud computing service refers to the delivery of software, infrastructure, or storage via the Internet in real-time, and can be accessed by any device with Internet capability at anytime and anywhere”.

From a structural view, cloud computing involves deploying groups of remote servers and software networks that allow centralized data storage and online access to computer services or resources.

APPLICATIONS: Today many of us are using cloud based applications without much thought, like Gmail email accounts, Dropbox file backups, or web-enabled CRM applications like Salesforce.com. In most cases, the only requirements are a browser, a login id and a bit of startup education. The availability of low cost broadband along with a wide range of easy-to-use hosted applications give cloud computing a significant leg up in terms of new system deployment and onboarding.

Know however that applications requiring operational integration of activities across your business, like Enterprise Resource Planning (ERP), still require a substantial level of education and implementation support. Integrated system success, whether in-house or cloud-based, requires proven software from a trusted partner who offers in-depth support.

BENEFITS: Lower costs, including systems initiation as well as ongoing licensing and maintenance fees, are often the leading factor in choosing a cloud based solution. Also beneficial are storage and processing scalability, operational mobility, reduced systems downtime and improved security. Business continuity following unexpected IT or natural disasters is also priceless.

DISADVANTAGES: Manufacturing executives and IT professionals have traditionally been concerned with security, privacy, unexpected charges, contract lock-in, system performance and so on. A prospective cloud service provider should be able to explain how their application suite addresses each of these issues. Also many concerns can be alleviated through the use of a Service Level Agreement (SLA).

When reviewing disadvantages and associated risks, it may be helpful to think back to the infancy of online banking just 10 years ago. While uncomfortable for some folks at the beginning, over 500 million people now check their accounts, pay their bills and transfer funds every day.

CONCLUSION: Cloud computing is certainly a huge change in the IT landscape. The cloud can bring value to your organization if the right software, platform or infrastructure is deployed. Yet, before you downsize your in-house IT for the service provider model, you need to understand the features, benefits and limitations of the cloud.

INFORMATION: Please contact your NWIRC business advisor for more information on IT assistance services and the CIO-for-Hire program developed to assist with issues such as cloud implementation.

Joe Kloecker with over 30 years of experience in information technology has helped many Northwest Pennsylvania business executives choose cost-effective, common sense solutions to meet demanding requirements.
Firing On All Cylinders - Components of a High Performing Company

by Vince Bovino, Principal Consultant, Coeur d’Alene, ID

Whether you’re managing a small operational team of employees or an entire manufacturing operation, can you measure your business’s progress? Are unit and overhead costs decreasing? Margins increasing? Time and effort between quote-to-sales order-to-production decreasing? If not, you may want to evaluate your approach to performance monitoring and management.

The Bovino Consulting Group has guided over 250 manufacturing clients in the four foundational components of a High Performance System:

- Performance Measurement
- Incentive Pay
- Performance Communication
- Team Based Improvement

**PERFORMANCE MEASUREMENT:** Also known as “What gets measured gets done”, Key Performance Indicators (KPIs) provide direction and information necessary to achieve meaningful improvement. An optimal number of KPIs are somewhere between 4 and 7 and are the foundation upon which the Incentive Pay System is designed, the only results reported in the Communication System, and the sole focus of Improvement Teams.

**INCENTIVE PAY:** “What gets measured and rewarded gets done to a greater degree” is also true. Well-designed and implemented Incentive Pay Systems, driven by factors that employees can understand and influence, which produce a meaningful and timely (monthly) financial reward (ranging between 6% and 10%) of pay, will change employee workplace behavior quickly, significantly and on a sustained basis.

**PERFORMANCE COMMUNICATION:** Effectively communicating performance to employees in a visual, timely, easy to use, repetitive, and understandable format is a must. Colorful charts and graphs rather than flat file tables should be used, and small group monthly meetings to discuss a plain-speak, written report card should also be used instead of large group semi-annual or annual meetings. The most recent performance and performance trends along with the incentive pay that was earned (or lost) should be the focal point.

**TEAM-BASED IMPROVEMENT:** Performance Improvement (PI) Teams are the heartbeat of improvement initiatives and must be in constant motion to stay alive and produce results. PI Teams are charged with purging inefficiency and waste, and finding ways to make good performance even better. Approximately 20% of a workforce should participate in a PI Team that has been well-trained and positioned to bridge operational strategy with effective problem detection and solving.

In summary, every company we’ve worked with is rich with opportunities for improvement. To take your first step forward, please contact your NWIRC Business Advisor for more information.

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**What’s Your Business Worth?**

In just 90 minutes, the NWIRC and CoreValue™ Software can help you assess the value of your business and prioritize opportunities to INCREASE it!

To learn more about CoreValue™, an innovative new software tool, contact Susan Hileman at 814.572.2077 or shileman@nwirc.org.

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**NWIRC Welcomes Laurie Knoll!**

As NWIRC’s Marketing Communications Specialist, Laurie will be assisting in the promotion of NWIRC consulting, training, and manufacturer assistance services. With over 25 years’ experience in business development, Laurie will support the development and implementation of service line marketing, website and social media communications, advertising, large events, and press releases. Laurie is a member of the Project Management Institute and earned her Bachelor of Arts Degree from Gannon University in Communication Arts.