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

LEAN After Hours  
March 24  
Location: DuBois

LEAN Lunch & Learn  
April 9  
Location: Hermitage

During this FREE 90 minute event you will be introduced to tactics that will improve cash flow, minimize waste and increase productivity. Topics will include Value Stream Mapping; KanBan Inventory Reduction and the efficiencies of 5S.

Calibration & Using Measuring Equipment Workshop  
March 24 & 25  
Location: Erie

Through this workshop companies will save dollars by having internal resources trained in proper gauging and measuring techniques. Participants will learn handling and storage of measuring devices, types of gauges, measurement traceability and special topics as requested. Northwest ADM IP members may be eligible for 50% reduction in price. Email ksmith@vieassociates.com for information on becoming an ADM IP member.

ISO 9001:2008 Audit Training  
March 31 & April 1  
Location: Franklin

During this 2-day training, participants will learn how to conduct an audit, write the audit report, and take corrective action. Participants will also learn foundational ISO 9001:2008 quality management system requirements, the auditing process, audit instruments and the documentation process.

LEAN Champion Certification  
April 7, 14, 21 & 28  
Location: DuBois

April 30, May 7, 14 & 21  
Location: Hermitage

LEAN Champion Certification participants gain hands-on training and one-on-one assignments that pertain to your manufacturing business.

Check our website for additional training events.

For more information visit www.nwirc.org/events
Advanced Industries Drive Broad-Based Growth and Prosperity

by Bob Bengel, NWIRC President/CEO

A new report by the Brookings Institution’s Metropolitan Policy Program identifies and analyzes 50 high-technology innovation industries that it believes are crucial to future prosperity in the United States. According to the report, “America’s Advanced Industries: What They Are, Where They Are, and Why They Matter,” these industries – which range from aerospace and automotive to energy generation, computer software, and biotech – are the chief source of transformative new technologies whose impact radiates throughout the entire economy: increasing productivity, enhancing households’ living standards, and generating additional economic activity.

In 2013, for example, these 50 R&D- and STEM-knowledge-intensive industries directly employed approximately 12.2 million Americans and, factoring in both direct and indirect employment, supported over one-quarter of all U.S. jobs.

Importantly, the average advanced industry worker earned $90,000 in total compensation, nearly twice as much as the average worker in other industries—and these wages have been rising. Even workers with lower levels of education have benefited from this wage premium: advanced industries workers with only an associate’s degree earned more than four-year college graduates working in other industries.

After 20 years of offshoring and inconsistent federal policy, however, the size of the sector’s employment and output, as a share of the total U.S. economy, has actually shrunk. The result is that the U.S. is losing ground to other countries on advanced industry competitiveness.

“Advanced industries power our national and regional economies, but their preeminence is in no way assured—and in fact it’s challenged,” says Mark Muro, Brookings senior fellow and director of policy at the Metropolitan Policy Program. “If we want to reclaim broadly shared opportunity in the United States we are going to need to shore up the global competitiveness of our advanced industries.”

The Brookings report calls for concerted action on the part of private, public, and civic leaders to expand the nation’s advanced industries. Given gridlock at the federal level, however, the report cites creative problem solving on the part of private and public sector leaders at the state and regional level as being especially important. “America’s advanced industries are going to be critical to restoring broad-based prosperity in U.S. regions and in the nation,” says Muro. “We should work hard and in new ways to enlarge them and increase their vitality.”

The full report is available free of charge at www.brookings.edu/metro.

OSHA Penalty-Free Inspections

OSHA is supporting a program through Indiana University of PA (IUP) where complimentary and confidential consultation services are offered FREE to manufacturers in the region. The IUP consultants work with employers to identify workplace hazards, provide advice on compliance with OSHA standards and assist in establishing injury and illness prevention programs.

This is completely separate from the OSHA inspection effort, and while you must correct hazards identified by the consultant, no citations are issued or penalties proposed.

For more information go to www.iup.edu/pa-oshconsultation/ or contact your IRC Strategic Business Advisor.
New OSHA Reporting Guidelines – What Happens When You Report An Injury?
by Todd Sturgeon, Sturgeon Consulting

When new OSHA regulatory changes are announced, there’s always lots of discussion and apprehension.

Here are some of the new regulations governing how employee fatalities or severe injuries are reported:

- Employee fatalities must be reported within eight (8) hours (includes deaths resulting from an injury within 30 days of the incident.)
- Within 24 hours of learning, report to OSHA:
  - All in-patient hospitalizations (except diagnostic testing or observation)
  - Any amputation, with or without bone loss, including reattachments
  - Loss of an eye
- Any employee death from a heart attack at work
- Motor vehicle accidents on a public roadway, only if it’s within a construction work zone. Public transportation (plane, train, bus, subway) incidents do not need reported.
- NOTE: These rules apply even if you are exempt from other record keeping requirements.

Todd Sturgeon, a Safety and Risk Management Consultant who works with a number of regional manufacturers, has handled several incidents that triggered reporting under the new regulations which began January of 2015. Based on experience:

- Try to complete your initial incident investigation before contacting OSHA - a lot of detailed information will be required.
- Call and speak with someone from the local OSHA office whenever possible. Often additional details can be provided during the call that may negate an on-site inspection.
- Be proactive! Make sure your risk management program is current and effective—(Sturgeon’s Master Safety Program is about 300 pages).

One client received a notice to provide all incident details through correspondence, stating that an on-site inspection would not occur. They were very surprised when two OSHA inspectors showed up the next day. Keep in mind, an injury related inspection is usually more thorough than the typical audit experience. To quote from the OSHA injury reporting form letter: “In most cases, a serious injury indicates the presence of workplace hazards that threaten the health and safety of other workers. OSHA is very concerned that additional employees at your work site are at risk of being injured.”

What Can A Risk Assessment Do? How About Increased Safety & Lower Costs!
by Christine Matteson, Regulatory Compliance Consultant, Kafferlin Strategies

All too often in business, we allow the immediate to get in the way of the important. Every customer expects instant solutions, every quality issue demands an immediate response, and every supplier expects their payment to arrive yesterday. We get it.

At the same time, there are seemingly endless important – if not urgent – things that a savvy business should prioritize. Particularly for those subject to OSHA compliance, here is one of those: A properly implemented Safety Plan - one that goes beyond the requirements, such as the Preparedness, Prevention and Contingency (PPC) plan.

Getting a safety mechanism in place can help with a plethora of problems. A prepared business with a properly planned, executed, and controlled Safety Plan will almost certainly have fewer accidents, less abuse of worker’s compensation, and greater peace of mind, not to mention the benefit of lower premiums.

All of our clients benefit greatly from risk assessment, and often we find in our analysis that their safety procedures just cover the bare minimum. In contrast, those that go above and beyond regulations, and are really dedicated to bringing down accident rates, can do so – and reap the benefits. In fact, one of our primary clients brought their MOD rate down from 1.5 to 0.72 over the course of several years.

Who wouldn’t want to see numbers like that? As you can imagine, that rate indicates more than a safer shop floor – it lowered workmen’s compensation premiums dramatically, boosted morale across the board, and decimated lost time.

Remember, though, that getting a plan made and in place is a significant investment. Implementation might require new equipment, procedures, time, and tenacity. Changing ingrained behavior is, of course, the hardest part. It demands a
compelling vision and a dogged commitment to set the bar high above the letter of the law, despite the fact that it may take half a decade to see the full fruits of your labor.

Start taking steps today to protect your products, equipment, and most importantly, employees. Get an independent, comprehensive risk analysis done and get to work on process improvement. In the end, you’ll have less injuries, better attendance, higher morale, and that’s not to mention cost savings from premiums. Call your NWIRC Business Advisor to learn more!

Christine Matteson is a Regulatory Compliance Consultant at Kafferlin Strategies, where she offers 20+ years in environmental compliance experience. A Penn State graduate, she earned degrees in Business Management and Economics, and owns a small business out of her hometown of Corry, PA.

A Business On FIRE!

by Bill Clyde, President of North Coast Plastics, Inc., Erie, PA

I own a small plastics company. It was 7:15 pm on a fall Sunday evening in 2012 when the call came from the security company.

“There are flames showing through the roof of your building.” I had false alarms before, but this was no false alarm. By 11:30 pm the threat was gone. There were holes on the side of my building you could drive a car through. Fire chasers were on site immediately to take advantage of the situation. We secured the building as best we could. I had no idea what to do next.

How do I secure my property once the immediate threat is gone? Do I have the proper insurance coverage? What is BII - Business Interruption Insurance? Do I have a continuation of business plan? How will my employees be affected? Do I repair my current facility or do I move? Can I set up temporary operations at another location? Are my traditional lines of communication available? Are my important documents and software systems backed up at an off-site? Is my facility ADA compatible or will it need to be upgraded?

On Monday morning the first call was to my insurance agent. Within hours I had an insurance claims specialist on site and only minutes after that a general contractor to get started with the damage assessment. I was fortunate. I had a great agent who had recommended the proper coverage and an excellent insurance company which addressed all my questions and fulfilled every obligation to get my company back into operation. For 14 years I had very little knowledge of my insurance coverage and what I was paying for. Now I know all of the details and what coverage is, and is not, important to my business.

My entire operation was shut down for 6 months. I could not supply customers and orders had to be canceled. Customers had to be told to go elsewhere for their products. Would they ever come back? I had bills that needed to be paid. Where was that revenue going to come from?

The NWIRC and Steel Valley Authority partnered to ensure grant funding for marketing continuity services. We were determined to pull all of our customers back! Today our business is stronger than ever.

If you own a business, take the time necessary to do your due diligence regarding your insurance coverage.

Everyone thinks, “It won’t happen to me”… but it can.