The MEP Network: A Tool to Strengthen Manufacturing
by Bob Zaruta, President/CEO, NWIRC

It’s budget planning season at both the Federal and State levels, and in both cases, there are many programs under the magnifying glass for possible elimination or significant cuts. The proposed Federal budget, released in mid-March with removal of the Manufacturing Extension Partnership (MEP), seems contradictory to President Trump’s agenda to expand manufacturing and manufacturing jobs. MEP is a public-private partnership with Centers in all 50 states and Puerto Rico, dedicated to serving small and medium-sized manufacturers. MEP is vital to the manufacturing supply chain across the nation serving the Defense, Aerospace, and Automotive industries among many others. As a program of the U.S. Department of Commerce, the nationwide MEP network last year served over 25,000 small and mid-sized manufacturers and those companies reported $9.3 billion in increased revenue, $1.4 billion in cost savings and $3.5 billion in regional investment and expansion as a result of their MEP engagements. In addition, a third-party verified that those companies added and maintained 86,602 full-time manufacturing jobs as direct impacts of the MEP services they received. Last year, the average annual earnings for a manufacturing job was $64,305 from which employees contributed federal and state taxes.

NWIRC is part of the MEP network and recently traveled to Washington D.C. with other Centers and manufacturers from across the country to advocate the importance of this program to America’s manufacturing economy. Manufacturers in our 13-county footprint have written letters of support for the services that MEP Centers provide and we hand-delivered letters from over 40 companies to our elected Senators and Congressmen, which are just a sampling of companies who have benefitted from the services of NWIRC. These letters represent over 3000 employees in our region. Ashleigh Walters, President of Onex, Inc. in Erie PA, was part of a large delegation to promote the value of the MEP program and spoke at a congressional hearing, organized by PA Congressman Glenn Thompson, about how her company benefitted from the services of NWIRC.

NWIRC completed projects with over 80 companies last year, resulting in their realization of $34.6 million in additional revenue, $5 million in cost savings and $8.1 million in investments in new technology, expansion and innovation. Companies that worked with NWIRC over the past year attributed the creation and retention of 412 manufacturing jobs to their services.

An opportunity is fast-approaching to advocate for the MEP program at the State level as well. As part of the PA MEP, NWIRC will participate in Hill Day at our Capitol in Harrisburg on April 25th.

We thank the numerous manufacturers in our region that have supported the MEP program over the years and recently with their letters. This is the time to rebuild the competitive advantage for manufacturing and the MEP program is a tool to get this done. We remain positive that our legislative champions and supporters will prevail in the budgetary process and encourage others to reach out to their policymakers. The benefits of the MEP are far reaching, not just for manufacturing companies and their employees, but for communities at large.
Family Business Navigator
by Susan Hileman, NWIRC Strategic Business Advisor

What makes family-owned businesses different? Some owners state their success—and perhaps their very survival—is related to the fact they are family-owned. Studies have shown family-owned businesses can out-perform other types of businesses by offering a solid continuum of leadership and low turnover. They are often debt free or cautious about capital investments which can protect the business during economic downturns. Other studies show just the opposite. Family-owned businesses are too reactive rather than proactive when it comes to risk. They delay investing in changing technology and must deal with family dynamics that can wreak havoc or bring decision-making to a standstill. We have found both to be true. The NWIRC helps family-owned manufacturers navigate their unique issues and roadblocks. Here are some of the common themes:

• Family dynamics can negatively impact the business. Existing family friction, including perceptions of unequal treatment or performance among siblings, can lead to a type of “business divorce” that can be difficult for the family unit to come through intact.

• While a family-owned business offers children greater employment and financial opportunities, the children may not have the ambition or aptitude to lead, may be poorly prepared, or may simply not want to communicate their desire to step outside the business for fear of letting their parents down.

• Creating a position to hire or promote family members who are not the most qualified can create business issues and dissension with employees, customers, bankers and even suppliers which can put the business in jeopardy.

• Owners have invested so much of their life into the business, they often have difficulty turning over the reins to the next generation. Successful long-term planning must include positioning the company to succeed without the owner being at the helm, steering the ship.

These are four complex business issues that many other manufacturers don’t encounter. A fresh set of eyes, and objective navigator, can facilitate 1) an open and honest discussion of the business owner’s goals, 2) development of verbal and written agreements to address decision making, and 3) establishing boundaries and policies around business operations, all to guide the business going forward and provide structure to ensure greater family harmony.

If any of these points hit home for your family business, it may be helpful to engage in a discussion with NWIRC to start a plan and navigate a course for success.

Susan Hileman is a Strategic Business Advisor at NWIRC. She is a Galliard trained Family Business Advisor, an Innovation Engineering Green Belt, and has degrees in Business Management and Speech Communications from Clarion University.

Lean: It’s More than Spring Cleaning
by Craig Corsi, Lead Consultant, Vie Associates, LLC

With Spring upon us, some of us may have already begun tackling those chores we have on our spring cleanup checklist. It’s an annual rite-of-passage this time of year to begin preparing our homes for the summer months. We’ll scramble between April and early May to accomplish everything so we can feel good about having our homes and yards cleaned and organized.

The disconnect we share when it comes to maintaining cleanliness in our work environments (shop floor, office, warehouse), is that we think it should be done once a year or when a customer is scheduled to tour the facility.

I’ve had the opportunity to lead dozens of workplace organization events. A few of those projects were conducted where the company’s main objective was “to perform a thorough cleaning”. That’s all well and good, the team in the end accomplished their goal but workplace organization, as a lean tool, is much more than performing a “once-over” in the assembly department.

5S is a methodology or system of principles and rules for regulating a given discipline. It sits at the opposite end of the spectrum when comparing it to an annual cleanup event. 5S teaches you how to organize a work space for efficiency and effectiveness by identifying and storing the items used, maintaining the area, and sustaining the new order. Critical factors when considering a 5S event, include

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Growing Your People and Growing Your Revenue

NWIRC is excited to host the Manufacturers Growth Conference this May in St Marys (May 17) and Erie (May 18) sponsored by PNC, Knox Law, and Ben Franklin Technology Partners. A great lineup of speakers will offer strategies and takeaways to implement now for growing your business. You may have great assets of people, equipment, technology, and processes, but the key is to maximize their potential. The topics will focus on the themes of ‘growing your people’ and ‘growing your revenue’. Special keynote speakers are planned for each conference and here is a sneak peek at the topics some of the other presenters are planning:

The Art and Science of Knowledge Transfer
Learn about preserving and transferring years of employee ‘know-how’.

Beyond Orientation
Discover onboarding best practices that lead to retention and successful employees.

Trump Change
Gain insights about the potential impact of the new administration’s policies on your employees.

Diversifying into New Markets
Best practices and challenges of finding new markets and customers.

Recalibrate Your Revenue Engine
New perspectives, strategies, and actions to apply for increasing sales and profits.

Creating an Inbound Lead Generation Strategy to Increase Sales
Learn the process and tactics to attract new customers through predictable lead generation.

Intellectual Property (IP): Copyrights, Patents, Trademarks, and Trade Secrets
The ABC’s of IP and what it means to own it, exploit it, and protect it.

Resources Designed to Fuel Business Growth
Review sources of investment capital for your company, product, or idea.

More information about the keynotes, speakers, locations, and registration can be found at www.nwirc.org/events or call (814) 898-6888.

Move Your Project Forward with an Intern

Students will soon be wrapping up their semester before summer break and are in-the-midst of looking for internship opportunities. NWIRC has a robust database of quality science, technology, engineering, and math (STEM) students who are interested in working on a project within manufacturing. However, these candidates will dwindle as they commit to positions in the coming weeks.

If your company has been putting off a project, process improvement, or other initiative, NWIRC can assist in matching your objectives with the ideal student’s skill-set and work interests. The STEM Manufacturing Internship program has helped companies accelerate technology development and address process and technology-related issues with significant and quantifiable results, like increased productivity and decreased costs. We can also assess your needs and scope a project for you, to include developing a job description. The program saves your company time in the selection process, and also has an option for payroll management to reduce resources required for maintaining the intern as a short-term employee.

To learn more, contact Michael Griffith at 814-898-6882.
YOUR STRATEGIC BUSINESS ADVISORS

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

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

Susan Hileman  
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Crawford, Forest, Mercer & Venango Counties

Ed Barthelmes  
814.923.3084  
Erie & Warren Counties

UPCOMING EVENTS

ISO 9001:2015 Internal Audit  
April 11-13  
May 9-11  
Locations: St Marys / Corry  
This 3-day course will provide a detailed review of the quality standard, including the most recent changes. Participants will learn how to conduct an audit, write the audit report, take corrective actions, and more.

Statistical Process Control (SPC)  
April 27  
Location: Franklin  
SPC is another tool for your quality management system. This hands-on class teaches integrated SPC charts, how to select and use the proper control chart, and establish control limits. Exercises will demonstrate data gathering, constructing the control chart, and continuous monitoring.

Lean Champion Certification  
May 2, 9, 16, 23  
June 7, 15, 22, 29  
Location: St Marys / Erie  
Learn the detailed principles of Lean over a 4-week period via hands-on training and individual assignments pertaining to your business. Creating a culture of continuous improvement involves leadership that will engage the entire organization. Becoming a Lean Champion can be the first step!

Failure Modes & Effects Analysis  
June 1  
Location: St Marys  
A failure modes & effects analysis (FMEA) is a helpful tool for companies to identify and manage risk (a critical aspect of the new ISO 9001:2015 standard). You will learn how to uncover potential failures before they occur, while investigating at-risk processes, components, or products.

For more information or to register for training, visit www.nwirc.org