Assessing Your Company’s Culture
by Bob Zaruta, President/CEO, NWIRC

There has been quite a buzz in recent years about developing a corporate culture, especially pertaining to lean and continuous improvement. Whether you engage in lean principles or not, do you know some of the key attributes that enable you to assess your company culture? And, how often do you evaluate your progress? Some companies may conduct formal employee surveys to gain perspectives, while others don’t know where to start.

NWIRC recently engaged members of their Erie-based Lean Together™ working group for operational excellence in an exercise to self-assess specific characteristics of their company’s culture. Since Lean Together focuses on the concepts from the book, 2 Second Lean: How to Grow People and Build a Lean Culture, this was an important exercise to see where they have been and where they want to go. The session prompted insightful discussion involving each company sharing successes and challenges, providing an opportunity for them to learn from one another. I thought this exercise might be helpful for any company who wants to take a look within to evaluate and improve their own corporate culture.

Start by putting together a small multidisciplinary team of employees and have them rate various characteristics of where the company is now and where they’d like to be. This will open dialogue for future changes to improve culture. Here are some characteristics to consider:

**Transparency:** Is there open communication; assessable company information; sharing of data, financials, sales stats?; Do your employees understand how their role affects the bigger picture?

**Tearing Down Barriers:** Are employees engaged with identifying problems and removing obstacles?; Do they feel everyone is working on the same team or is it “us vs them”?; Do they help find waste or is that management’s role?

**Trust:** Are employees empowered to make decisions?; Do they feel safe to speak openly with no retribution?; Is management leading by example?

**Teaching:** Is there ongoing education and coaching for employees?; Do employees understand what you are teaching them?

**Tracking:** Are you benchmarking improvements?; Do you have specific metrics tracked on a regular basis for all employees to see?

So, why go through this exercise and why is corporate culture important? The big three pertain to hiring, retention, and productivity. For many job seekers today, the work environment is critical to their decision to join a company. Once they are part of your team, it’s important they are treated with respect and understand how they contribute to the success of the company so they want to stick around. Empowering employees will drive their productivity, team work, and ultimately strengthen your company’s financial performance. 2 Second Lean is all about communication, fixing “what bugs you”, and making small incremental improvements as part of everyone’s job. Simply having a routine of asking your employees, “what bugs you?” on a regular basis, and allowing them to discover and implement no-cost/low-cost solutions, can have a significant impact on the company as a whole and on your valued employees.

How do you want your company culture to look in the future? What actions will you take to achieve your desired state? There is no time like the present to get started!

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**Evolution of Energy Demand Response**

Michael Senff, President
Advantage Energy Partners

Over the last 10 years, Demand Response (DR) participation has increased and continues to provide electricity consumers with an opportunity to leverage their consumption behaviors/patterns to optimize their energy costs. During this time, the DR market has matured by way of legislation, program development, product development, innovation, and education.

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DR is essentially a series of programs sponsored by the power grid to allow electricity customers to be “on-call” to reduce their consumption when the grid is reaching its capacity. During these stressed periods a utility will declare a DR event, also known as “Conservation Events”, “Peak Events” or “Peak Hours”. Customers that respond to the DR event by reducing or eliminating their consumption will recognize various levels of savings on their energy costs.

With the DR market evolution over the last 10 years, the programs offered by utilities allowing for customer savings have moved from Mandatory only to Voluntary Economic DR programs. For those enrolled in the Mandatory programs, there was a requirement to curtail load during a DR event. We are now seeing Voluntary programs that allow customers the flexibility to decide if they will participate in an event, reduce their consumption, and subsequently be compensated.

Technology has also played a major role in the evolution of DR, leading to the advent of Demand Response Management Systems (DRMS). The DRMS allows customers to adjust their electricity consumption in a “Peak Period” by scheduling tasks to run outside of the “Peak Period” or by leveraging an alternative source of energy during this time. As computing technology moved forward, so did these DRMS. These systems are now available as a cloud-based Software as a Service (SaaS), allowing customers to monitor and automate the curtailment of electricity at their facilities. This made a DRMS more affordable and accessible to customers of all sizes. These systems are now offered by curtailment service providers (CSPs).

In addition to the computer-related technologies, the advances in smart devices, smart grid, and alternative sources for energy have been a factor in the growth of DR. Companies are now recognizing what we already see in our homes with the use of Smart Appliances, Thermostats, Plugs, and Integration with networked Building Automation Systems (BAS). The increasing availability of solar and battery walls has also provided customers with alternative sources of energy. These devices enable customers to reduce their overall consumption and be proactive about scheduling curtailment during a DR Event.

DR continues to evolve, as does our approach and outlook to energy consumption. We continue to move towards an environment that provides customers options as to how, from where, and when they will consume electricity.

Now, these customers can be compensated based on their choices.

Michael Senff is President of Advantage Energy Partners. Mr. Senff has been in the retail energy industry for over 25 years serving as President of some of the largest energy retailers in the business, including Guttman Energy and Direct Energy.

Why Your Business Might Not Sell

by Susan Hileman, NWIRC Strategic Business Advisor

When I first started working with the NWIRC nearly 13 years ago, an owner told me, “When I retire, I’m going to find some young guy like myself who wants to work hard and make some money. I’ll sell him my business. Then I’m going to Florida, and he’ll send me a check every month. That’s my retirement.” I appreciated his insight, but have some bad news—that’s probably not going to happen. Why? One reason is simply changing demographics.

At 78 million strong, the Baby Boomer generation has been changing the landscape of our economy since birth and will continue to do so as they age. They were the first generation expected to do better than their parents. As they entered the workplace in mass numbers, they were competing against 5 to 8 other people for the same job. In order to stand out, they worked harder, longer, and took on more than any other previous generation. They recognized that the key to the corner office was sometimes achieved by creating your own business. In fact, Baby Boomers are 2.5 times more likely to own their own business.

At only 30 million births, the Generation Xers are just under 50 years old. They are the most likely purchasers of existing businesses today. However, the challenge of selling a business to this small group of buyers starts with their lack of numbers. Millennials are solid at 80 million strong (and will—at some point—reinvigorate our consumer mindset). But at 35 years old and under, they typically do not yet have the experience, the existing funds or the borrowing power for purchasing manufacturing companies. While they are the highest educated generation ever, the cost of that education has tripled since 1980.

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Many are saddled with school debt. Pew Research notes one in three persons ages 18-34 now live with their parents. One in five have delayed getting married or having children due to their economic state. Millennials also typically change jobs four times before they hit age 32 trying to decide what interests them, to gain transferable skills, and determine which company offers the best fit.

Gen Xers don’t live to work work to live. Many watched Baby Boomer parents spend 60-80 hours a week at their jobs and want a better work/life balance. Technology now keeps us connected 24/7 and that balance is about separating work from life. It’s why “time off” is so critical to GenX. Automation and robotics will assist companies in addressing the coming worker shortages as Boomers continue to retire at a rate of 10,000 a day for the next 12 years. And, the importance of “talent management” or keeping your most valuable employees, will grow. Companies will need to entertain job sharing, telecommuting, portable benefits, work sabbaticals, contracted project work that will provide equal periods of work and time off, and paid time off as they compete for the best and the brightest. Does your company have to offer these perks? Not necessarily, but your competitors may be offering these benefits. Gen Xers and Millennials place a high value on opportunities business can provide aside from profits. For example, in addition to time off, the desire to make a difference, take care of the earth, mentor others, and contribute to the communities in which they live. Changing demographics.

So, a model where the retirement of the Baby Boomer is dependent on the profits to be generated by the next generation may not work. Owning a business often requires a substantial commitment of time that new generations may not be willing to make. What will happen when there are too many sellers and not enough buyers? The best businesses will be sold. The marginal ones will take a bit longer. Those businesses that “just” provide a living may “just” go away. As an owner, there are steps you can take to help ensure your business is saleable. Most importantly, find someone who is qualified to help you navigate this path. This is your retirement, the biggest financial asset in your life. Don’t chance it!

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.

Student Interns Can Accelerate Your Business

Do you have an overdue project or targeted outcome that you just can’t get to or prefer not to consume existing staff resources? Maybe you haven’t explored the potential of a college student intern, or perhaps you thought about it but don’t have resources to take further action.

After meeting with students at six career fairs over the last couple months, NWIRC has some highly-qualified and motivated students available in our internship program database. These students, who are interested in manufacturing internships in northwestern PA, are from schools including: University of Pittsburgh, Penn State (Main Campus), Penn State Behrend, Grove City College, Alfred University, and Indiana University of Pennsylvania (IUP). Here are some of the academic disciplines of students we are looking to place in the coming months:

- Material Science & Engineering
- Industrial Engineering (including several students with Six Sigma green belt certification)
- Bio Engineering
- Process Engineering (ideal students for continuous improvement activities)
- Supply Chain Management Optimization
- Mechanical / Design Engineers
- Electrical Engineers
- Health, Safety & Environment (ideal students for working on emergency management and risk assessments projects)

If your company would like the opportunity to engage one of these talented students for a current project or would like NWIRC to help you scope a project that can improve a process, achieve a targeted outcome, or accelerate the use of technology to gain a competitive advantage, contact Michael Griffith at (814) 898-6882 or mgriffith@nwirc.org.

North Central Lean Together™

A new Lean Together™ Working Group for Operational Excellence is set to begin on November 16th in St Marys. The kick-off meeting will feature Kelly Goodsel, President/CEO of Viking Plastics. The program focuses on concepts from the book 2 Second Lean by Paul Akers. Goodsel will share Viking’s success with 2 Second Lean, a journey they initiated in 2011.

There are still some spaces available in the group. Call Tom Weible for details at (814) 590-5202.
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 814.572.2077
Crawford, Forest, Mercer & Venango Counties

Ed Barthelmes 814.923.3084
Erie & Warren Counties

Happy Thanksgiving!

UPCOMING EVENTS

ISO 9001:2015 Internal Auditor
Nov 7, 8, 9
Location: Erie
This 3-day course will provide a detailed review of the ISO 9001:2015 quality standard, including the most recent changes. Participants will learn how to conduct an audit, write the audit report, take corrective actions, and more.

Sales, Marketing, and Automation
Nov 9
Location: Erie
NWIRC is partnering with the eMarketing Learning Center to bring you a full-day workshop to align your sales, marketing and technology to generate more leads and sales for your business. The program takes you on the journey from identifying and finding your prospects to building an effective sales funnel and clearly communicating with your prospects and customers. You’ll learn how to automate the process and integrate your marketing methods such as trade shows, direct mail, online ads, email, and other techniques to maximize your results.

Root Cause Analysis
Nov 15
Locations: Titusville
Root Cause Analysis (RCA) is a methodology for finding and correcting the most important reasons for quality and performance problems. Don’t just put a bandage on the problem. Discover a disciplined approach to problem-solving and add RCA to your quality management toolbox.

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