Impacting Workplace Practices, Behaviors, and Results

by Bob Zaruta, President/CEO, NWIRC

Congratulations to our manufacturers in Elk and Clearfield counties who recently concluded the NWIRC Lean Together™ program in that region. You are to be commended for your desire and commitment to have a workplace environment that encourages and enables all employees to play a significant role in the continuous improvement and success of your company. As a result of your commitment, and how well your employees responded and embraced 2 Second Lean practices, you have already realized impressive results even though your journey began just seven months ago.

For those unfamiliar, Lean Together™ is our working group of regional manufacturers desiring to build and sustain a culture of operational excellence. A culture where all employees are engaged in small incremental improvements as part of their every day job. The program is based on a collaborative learning platform that enables companies to help one another, concepts from the book 2 Second Lean by Paul Akers, and insightful classroom instruction and onsite assistance by a continuous improvement expert.

During the program’s closing session, I listened carefully to each company share their progress, accomplishments, and next steps in their journey. I heard repeated talk of increased transparency and the positive reaction from employees as they gained a better understanding of the company’s business. I heard how internal barriers between individuals and groups were dissolving and how trust was growing beyond expectations. I heard how teaching and engaging employees is impacting practices and behaviors in increasingly positive ways. If that is not enough, I heard how the newly implemented company practices like ‘drumbeat meetings’ are having a big impact on new hires. One company representative stated that new hires are gaining a quicker orientation to the company’s business, are getting to meet and interact with coworkers sooner, and are experiencing first-hand how other employees are contributing to the success of the company.

Another participant said that culture matters to new hires and expects a positive impact on employee job satisfaction and retention.

Program facilitator, Craig Corsi, sums it up when he says, “Lean Together™ has accelerated these companies’ ability to transform their business cultures in such a brief period of time. It usually takes years or decades to achieve a culture shift and this program has improved their probability of success ten-fold. But it’s a two-way street...the management teams are learning to open up and share more information about the company and in return employees are becoming more focused and engaged in the improvement process.”

Again, we congratulate these manufacturers, and those in other regions of northwestern Pennsylvania that are ‘all in’ for Lean Together™ and 2 Second Lean. We look forward to your continued progress in growing your people and creating a workplace environment that improves your ability to compete, positions your companies to better attract, develop and retain talent, and grow more profitably. We also look forward to the start of our next Lean Together™ working groups and helping, watching, and acknowledging progress.

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In This Issue

1. Impacting Workplace Practices, Behaviors, and Results
2. PTAC Bringing a Competitive Edge; Welcoming New Team Members
3. What to Consider in Retirement; Toyota Kata
4. Upcoming Training Events
PTAC – Bringing a Competitive Edge

by Melissa Becker, Government Contracting Specialist, Northwest Commission PTAC

The U.S. federal government, as well as state and local governments, purchase billions of dollars of goods and services each year, hundreds of millions of that is from small businesses. This, along with the vast opportunity for subcontracting work with government contractors, definitely makes a market for small businesses to consider.

To effectively sell to the government, it’s important to learn how the contracting process works, to determine if government contracting is the right fit for a business and to make sure a business qualifies as a contractor. Not always an easy task. That’s where PTACs come in.

In an effort to assist small businesses to get a piece of the government contracting pie, the Department of Defense created Procurement Technical Assistance Centers (PTACs) across the country. All PTACs have the same goal of working with businesses to help them better understand and become competitive in the government market. PTACs offer one-on-one counseling as well as public training sessions; and offer these services at no, or minimal, charge.

The Northwest Commission PTAC serves counties in northwestern PA, working with area business owners throughout Erie, Clarion, Crawford, Forest, Lawrence, Mercer, Venango & Warren counties to provide assistance. The group also partners with area business organizations and government agency representatives to offer workshops to the region’s business community. These events cover a variety of government contracting topics, are usually free, and are open to anyone interested in attending.

The biggest event of the year for the Commission’s PTAC is coming up on August 23rd in Erie. This procurement fair, known as Dynamic Networking for Small Business (DYNET North), is an opportunity for business attendees to network with federal and state agencies, attend training sessions and get information from various local business resources.

The event, presented with the support of the U.S. Army Corps of Engineers, will also feature a key note address from the U.S. Navy’s Office of Small Business Programs. The U.S. Navy has announced their long range shipbuilding plan to increase the U.S. Fleet from 280 to 355 Battle Force ships in the next 30 years or so. The U.S. Navy’s Office of Small Business Programs will present information regarding the announcement as well as providing face to face meetings with local manufacturers and innovators on how they can sell their products and/or services to the Navy. For more information regarding the U.S. Navy’s Shipbuilding plan, you can read the Report to Congress prepared by the Office of the Chief of Naval Operations called LONG-RANGE PLAN FOR CONSTRUCTION OF NAVAL VESSELS.

Anyone wishing to attend DYNET can register at the event website or contact Robyn Young, PTAC Manager at (814)677-4800 ext. 130 or robyn@northwestpa.org. PTAC strongly encourages businesses not familiar with the government market to contact them for guidance in preparing for events such as DYNET-ERIE. The group will be offering a series of “DYNET Prep Sessions” in July; check out the NW Commission PTAC’s upcoming events site for further details and registration.

Visit www.northwestpa.org/government-contracting for more information on the Northwest Commission PTAC. The North Central Regional Planning and Development Commission PTAC serves the counties of Cameron, Clearfield, Elk, Jefferson, McKean and Potter- find their info at www.ncentral.com.

Welcoming New Team Members

NWIRC has welcomed two new Strategic Business Advisors (SBA) to their team.

Lisa Pustelak comes to NWIRC with over 20 years’ experience working with small businesses. She will assist manufacturers with business growth opportunities in Crawford County, Warren County, Edinboro and Corry, Also serving as an Employee Development Specialist, Lisa will provide onsite and public training programs on topics such as critical thinking, improvement kata, employee coaching, and customer service. For the past eight years she was the CEO of LEDGE Enterprises, a business she founded for working with companies regarding mindset and improving critical thinking, communication, and leadership skills.

Andrew Idzik will work with manufacturing companies located in Erie County and Bradford. For the past 20 years, he was a sales consultant for orthopedic surgical products, devices, and biologics focusing on developing collaborative relationships with surgeons, hospitals,
and surgical centers. Andy will support manufacturers’ needs to become more competitive through continuous improvement, technology advancement, and workforce development initiatives.

What to Consider in ‘Retirement’

by Susan Hileman, NWIRC Strategic Business Advisor; Galliard trained Family Business Advisor

When our grandparents talked about retirement, they often referred to the day they would ‘hang up their hat and walk out the door’. No longer...the game has changed. In the last two decades, the word ‘retirement’ has taken on new meaning. For some that means continuing to work every day. For others it means finally having the time to delve into a new passion, volunteer with a charity, travel, spend more time with family, or regain interest in an old hobby. In other words, rarely do we hear about someone retiring to ‘hang their hat’ anymore.

Data from the Small Business Administration notes business owners have an older expected retirement age than their employees (73 vs 68) and in fact, owners may be less likely to retire all together. But, that doesn’t change the fact that noone lives forever. It’s been demonstrated that the longer time you have to plan your transition out of the business, the more options you will have and the better the odds are you will successfully gain a return on your investment. For the vast majority of owners, the business itself is the retirement plan. Planning for an eventual exit is a smart thing to do. It allows you to shape what will happen to your business, your employee’s jobs, your company’s reputation, your influence in the community and quite possibly the financial ability to live the way you want in retirement. There are some unique considerations when it comes to transferring the control, ownership, and management of a manufacturing company.

One option we’ve been hearing more about lately are owners considering an Employee Stock Ownership Plan (ESOP). While ESOPs can be complex to organize, the benefits to the business and region can be tremendous. Employee-owned companies are four times less likely to have layoffs during a recession, 25% more likely to stay in business over a 10-year period, have 25% higher job growth than comparable non-employee-owned companies, and are on average 4-5% more productive in the first year adopted. It also provides a continuation of the company’s culture and legacy within the community and are attractive for job-hunting millennials. Exit plans with an ESOP may provide significant tax benefits to the owner, but it also accompanies significant regulations and scrutiny by the IRS.

Whether your exit plan is to keep the business but hire an outside CEO or turn the business over to a family member, an outside buyer, or an ESOP, you should allow yourself ample time to examine all benefits and pitfalls before deciding which direction to move. Good exit planning—even liquidation—considers tax implications, human resources, legal issues, personal wealth, business growth including not only your ROI but how you want to best position the company in your community and with employees, customers and suppliers. If your age begins with a 5 or higher, begin by talking to your spouse, your partner, your kids and your key employees. Waiting until you are ready to exit to begin planning may be too late.

*Source: National Center for Employee Ownership (NCEO)

Toyota Kata: Teaching Employees to be Problem-Solvers

For the past several months, NWIRC has been offering no-cost, 2-hour workshops to introduce manufacturers and other businesses to kata as a means to achieve difficult goals and challenges. A 2-day Improvement and Coaching Kata training session is now scheduled in St Marys to provide more in-depth training on using this practice with any continuous improvement initiatives. Tom Weible, NWIRC Strategic Business Advisor and TWI Certified Kata Trainer, will facilitate the class on August 21 & 22. Participants will develop their skills of scientific thinking to use in their daily work, and learn how to teach and coach others. In addition to the training session, attendees will receive a 2-hour post-workshop coaching session for the participant and their manager to help get Kata going at their facility.

Save the Date

The Oil & Gas Hub will host Manufacturing Summit: Growing the PetroChemical Supply Chain in NW PA on September 11, 2018 at Cross Creek Resort in Titusville. Confirmed speakers include representatives from Bechtel, Shell, American Chemistry Council, and Shale Crescent USA. Save the date, more information available soon.

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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 (SBA):

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**UPCOMING EVENTS**

**Introduction to Improvement Kata**
July 31
Location: St Marys
A perfect opportunity for manufacturers in the region to learn and experience Kata first-hand! During this **NO COST** 2-hour workshop, you’ll learn how Kata is used in teams for continuous improvement.

**Toyota Kata for Continuous Improvement**
Augst 21, 22
Location: St Marys
This in-depth 2-day training will focus on Improvement and Coaching Kata- a pattern of scientific thinking used to achieve goals and challenges turning employees into problem-solvers. Participants also receive a 2-hour post-workshop coaching session at their facility.

**ISO 9001:2015 Internal Auditor**
Sept 11, 12, 13
Oct 16, 17, 18
Locations: Hermitage and St Marys
A 3-day course provides a detailed review of 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.

**IATF 16949:2016 Internal Auditor**
Sept 18, 19, 20
Oct 9, 10, 11
Location: St Marys and Meadville
Training of this automotive standard will provide understanding of quality management principles in context with ISO 9001:2015 and the IATF 16949:2016, along with techniques of process-based auditing.

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**Happy Independence Day!**

For more information or to register for training, visit [www.nwirc.org](http://www.nwirc.org)