Clearly, Employees are Key to Continuous Improvement

by Bob Zaruta, President/CEO, NWIRC

It’s always fun visiting manufacturing companies throughout the region, especially those who NWIRC has helped with an improvement or training project.

Over the past two years, we’ve worked with 35 companies in Lean Together who, through tours and classroom sessions, have been inspired to develop a culture at their companies for making incremental improvements every day. I visited a few more of those companies last month and a common thread is that employees are very much a part of the equation.

Patti Schwarz, IT and Continuous Improvement Manager at The Electric Materials Company (EM) in North East, PA, started 2 second improvements in her own department. When she started oversight of the IT department, she noted that the working space was quite a mess and equipment couldn’t easily be found. Now they post a board for signing out equipment that helps keep track of where things are in the plant and they created a foam board for IT equipment so you can easily spot what is available and what is missing.

This improvement helped save time by not having to search for equipment when needed and also saved money by not having to replace lost items. When touring EM, Patti showed us several other areas of the plant where employees have made 2 second improvements. Many of these improvements were focused on better workspace organization, such as where Jack organized all the tools, bits, and parts in the their ‘tool crib’ or where Sam purged, sorted, and labeled their dies in one contained area. But not all of their improvements are about organization, some are process-related, as she cited an improvement that made a significant impact in their plating department production time and labor. Employees from EM are continuing their efforts, including participation in Lean Together 2.0. One of the keys to their success has been continuing their weekly meetings and the employees witnessing progress in many different areas.

Solar Atmospheres in Hermitage PA hosted our Lean Together Advanced group last month. Companies in ‘Advanced’ are in their third year of focusing on developing a company culture of continuous improvement. During the session, facilitator Craig Corsi, reviewed concepts for engaging employees during a Gemba walk, and on this day focused on using value stream mapping to find opportunities for improvements. After the ‘walk,’ the group brainstormed ideas about the specific process they saw at Solar. The exercise corroborated process changes that Solar has started, brought to light some new ideas, and demonstrated the value of engaging employees in a cross-functional team – including those involved and not involved in the process.

Since Solar has been focusing on 2 second lean for a few years, I took a Gemba walk of my own with Continuous Improvement Coordinator, Mike Kreatsoulas. He said their employees come up with new ideas for improvements all the time and feel really good about contributing to the success of the business. They still hold their brief shift-change meetings three times every day. Solar has made numerous small improvements over the past several years that focus on safety, ergonomics, and work processes. I had the opportunity to talk with Lloyd, a fabricator at Solar, who has played a big role in helping some of the company’s 2 second improvements come to life. He toured me around the shop pointing out several items he’s
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produced to assist with cleanliness, organization, and helping make work easier—ideas that came from co-workers. Many of the ‘2 second’ improvements that employees at the Hermitage plant come up with, including items that Lloyd fabricates, are shared with their other Solar facilities around the USA.

EM and Solar Atmospheres are just a couple more examples of how continuous improvement can be sustained—clearly, with help from your employees.

Exit Planning Recap—What’s the Best Advice?

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

One of the most frequently asked questions is, “When is the best time to start exit planning?” Forbes Magazine advises at least 10 years to truly leverage the opportunities available to maximize the value of a business. There are strategies that can help, but often it simply takes time for those strategies to be put in place and to work.

In October and November 2019, the NWIRC sponsored a 2-part Exit Planning Workshop in Erie. In addition to the nearly 35 attendees, there were several presenters who provided critical information to consider when transitioning out of a business. The most positive comments were about the manufacturing panel discussion. Presenters from Erie, Titusville and Warren each represented a different perspective and presented their best advice. I’d like to pass the highlights along here.

Ryan Betts from Betts Industries in Warren noted, “The best thing we did was ask for help. We knew we were not going to find the critical piece for our succession plan in the labor pool that we have access to. This is where recruiting the help of a consultant was critical.” So, Advice #1 is: Seeking assistance from outside your business is important. Whether it’s offering a fresh outlook on your business operations or providing options based on experience working with other manufacturers, outside consultants often bring an expertise to the table that simply can’t be found within the organization. As Ryan related, “At the end of the process, we were able to select a candidate that has exceeded our expectations … 18 months later, we are a much stronger organization due to this decision.” Ashleigh Walters, President of Onex, Inc in Erie noted, “Start the process early.” The longer amount of time you can give yourself to plan, the better you’ll be prepared should you need to change the course of action because of a downturn in the economy, a loss of major customers, change of heart for the person chosen to succeed, or other obstacle. Matt Lucco, President of Precision Profiles LLC in Titusville also noted, “Exit planning needs to begin the day you start or acquire your business – or the day you are promoted to the top leadership position.” So Advice #2: Start early. Matt also shared, “Exit planning can assist with the identification of weaknesses in your business that may not otherwise be found (which, when addressed, can strengthen your business).” And that’s Advice #3: Recognize that exit planning is not just for exiting your business—but growing areas of your business before you exit as well!

Throughout the discussion, a common theme among all three manufacturers was the importance of a strong organizational culture. To position your business for the best chance of success in the future, focus on creating a strong culture of cooperation and respect now. It will pay off in terms of employee morale, financial performance, great customer service and a stronger bench-strength of key leadership in place. In my opinion, out of all the information covered at the Exit Planning sessions, this was the golden nugget. Creating a collaborative culture in which every employee understands the company’s mission, vision, core values, and believes they not only contribute but are a significant piece of the puzzle is a definite win for everyone!

It’s never too early to start exit planning, to reach out to outside resources for help, to strengthen the business by growing value, and to recognize the extremely critical part

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‘culture’ plays. I would have to agree with Matt, “Implementation and execution of exit planning strategies can positively impact the value of your business.”

The NWIRC would like to thank the other presenters for the program, including: Ameriprise Financial Services, Decision Associates, Knox Law, McGill Power Bell, the PA Center for Employee Ownership, and PNC Bank.

Industry Forum to Focus on Attract, Develop and Retain

NWIRC is partnering with Penn-Northwest Development Corporation, West Central Job Partnership, and Shenango Valley Chamber of Commerce to present the Industry Forum, ‘Attract, Develop, and Retain Employees’. The program will be held at the Park Inn by Radisson in West Middlesex on February 4th from 9:00am-3:00pm.

Attract, develop, and retain—three words essential for a successful business. Pertaining to manufacturing, there is a national concern regarding the difficulty of finding and keeping people, along with the exodus of retiring baby boomers. This Industry Forum hopes to connect manufacturers from across the region for networking and to gain insights for improving in all three, interdependent areas when it comes to employees—with an overarching thread of company culture. Here’s a quick snapshot of the importance for each:

Attract. It’s evident in Pennsylvania over the last several years that greater emphasis has been placed on career readiness education and programs to attract youth into manufacturing careers by both the public and private sectors. As more youth become interested in manufacturing careers, there is still that element of whether they will be attracted to your company.

Develop. This activity goes hand-in-hand with the others because a plan to develop your employees will increase your success of attracting and retaining. The Work Institute’s 2019 Retention Report cites that the number one reason for employees voluntarily leaving a company is related to career development and continues to trend upward. Developing internal career pathways, ongoing-training, and creating an internal company academy are initiatives observed of companies with a little to zero turnover rate. Developing employees improves their engagement, the overall company culture, and a company’s ability to stay competitive.

Retain. With so much focus today on attracting youth and ‘filling the pipeline’, it’s important to keep your sights on retention. Employers know that turnover is expensive, but according to the Report, “a focus on retention has not reached an expected level of urgency.” Company culture is an important factor to not only attract the new generations (millenials and Zs), but also to get them to stick around.

The Industry Forum will kick off with highlights from the 2019 Work Institute’s Retention Report. Attendees will participate in a discussion on generational diversity that will highlight points in history that define each generation and their common traits—from Traditionalists and Baby Boomers to the Millennials and Zs. Understanding personalities, communication styles, and workplace goals for each are all critical to enhancing a company’s on-boarding and employee development plans.

A featured guest speaker is Scott Covert, Training Coordinator at Penn United. His stories come from the shop floor as he shares innovative ways companies can use training and forging relationships to help with recruitment and retention efforts.

Key takeaways from the day will include learning how to assess company culture on various levels and where to make improvements. Letting employees know their value in the company, how they contribute to the overall mission, and offering opportunities for growth— are some best practices for both attracting and retaining employees.

Find more information about the Forum at www.nwirc.org/events.
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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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HAPPY NEW YEAR!

UPCOMING EVENTS

**Emotional Intelligence**  
Jan 7 and Jan 29  
Locations: Meadville and DuBois  
Emotional Intelligence is the ability to recognize both our own emotions and of those around us. Learn what you can do to improve your EQ and relationships with co-workers - all to achieve a desireable company culture and achieve greater career success.

**Root Cause Analysis**  
Jan 9  
Location: St Marys  
Discover a disciplined approach to problem solving. Once a root cause is identified and remedied, final system outcomes improve - preventing it from occuring again. Learn how to clearly define a problem, develop sampling strategy, collect data, use analytical tools, and strategies to improve a process.

**IATF 16949:2016 Internal Auditor**  
Jan 14-16  
Location: St Marys AND Erie  
Training of the IATF 16949 automotive standard will provide understanding of quality management principles in context with ISO 9001:2015, along with techniques of process-based auditing with hands-on activities.

**ISO 9001:2015 Internal Auditor**  
Feb 4-6  
Location: Erie  
The 3-day course provides a detailed review of the ISO 9001:2015 quality standard. Participants will learn how to conduct an audit, write the audit report, take corrective actions and more.

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