

Your Resource Driving Manufacturing Innovation

BACK TO BASICS



John's

Corner



John W. Lloyd, President & CEO

GOVERNOR'S
MANUFACTURING
ADVISORY COUNCIL

Pennsylvania has a proud heritage in manufacturing and can boast having the 6th largest manufacturing output in the U.S. While the recession was especially hard on the manufacturing sector, there are strong indicators that manufacturing is leading the Commonwealth's economic recovery. Taken as a whole, PA firms have shown steady growth in both sales and jobs since 2010. Exports continue to increase and now there is a momentum in "reshoring" work which had previously been outsourced overseas.

We are now hearing cries from an increasing number of manufacturing leaders bemoaning a growing skills gap as they attempt to staff up for increased customer orders. Likewise there are numerous complaints of limited access to capital as leaders need to finance the inventory necessary to ramp up production to meet greater customer demand. While both limited available

qualified workers and limited available capital are real problems, we can take these as encouraging signs that manufacturing is on an upward trend and is leading Pennsylvania out of the recession.

In the fall of 2011, recognizing key economic issues and with a keen awareness that manufacturing has led the Pennsylvania economy since the days of the Industrial Revolution, Governor Tom Corbett announced the formation of a special task force to examine this industry's current and future state. The Governor's Manufacturing Advisory Council (GMAC) was created as a body of 24 manufacturing experts from all corners of the Commonwealth. Subject matter experts were called upon to present and provide input, and the federal Manufacturing Extension Partnership (MEP) facilitated and supported the process.

The GMAC presented its report to Governor Tom Corbett and the state legislature, offering a list of 15 key recommendations it believes will strengthen and improve Pennsylvania's economy. The Council listed the lack of a talented and highly educated workforce as its top concern.

The key recommendations of the Council include:

- Talent and Workforce Development
- Opening New Markets – Domestic, International and Emerging Energy
- Making Government Work Better for Manufacturers
- Innovation
- Access to Capital

MANTEC is working with the Governor's office and other partners to develop implementation strategies for the recommendations. This is one way we demonstrate our commitment to the MANTEC Mission "to drive strength in manufacturing through continuous innovation and growth."

The full report can be found at: <http://teampa.com/manufacturingcouncil>



Advanced Scientifics shows off expansion.

Advanced Scientifics, Inc. in Millersburg recently completed its fifth expansion in the past 11 years. The addition of the two-story building adds office space and a state-of-the-art conference room designed for live-video conferencing with customers and employees stretching across the globe.

Four Seasons Produce in Ephrata won the 2012 Ethics in Business Award from the Lancaster Chamber of Commerce & Industry and Samaritan Counseling Center. One of 30 nominees, Four Seasons was selected for exceeding expectations for integrity, fairness and justice, stewardship, transparency and corporate social responsibility.

SPX Cooling Technologies in York received the Excellence in Sustainability Manufacturing Award presented by the Manufacturing Extension Partnership.



SPX receives national Sustainability award.

MAKE IT IN AMERICA DISPLAY

“Make It In America” product display was exhibited at the national Manufacturing Innovation 2012 Event and is now on display at the National Institute of Standards and Technology. The purpose of the exhibit is to celebrate outstanding U.S. manufacturers that are proud to make their products in the USA. South Central Pennsylvania manufacturers and MANTEC clients that have their products included in the display are:

- D.F. Stauffer Biscuit Co., Inc. based in York
- Die-Tech based in York Haven
- Harmony Security Products based in Emigsville
- Hauck Manufacturing based in Lebanon
- McClarin Plastics based in Hanover
- Paul W. Zimmerman Foundries based in Columbia



MANTEC MANUFACTURING AWARDS 2012

The MANTEC Manufacturing Awards were designed to recognize manufacturers excelling in the Next Generation Manufacturing Strategies. A collaborative study across the United States concluded that leaders who adopt and integrate these strategies into their business plans will have a significant advantage over their competition.



**2013 NOMINATIONS NOW
BEING ACCEPTED:**

www.surveymonkey.com/s/ManufacturingAwards2013

- Pictured left to right:
- Excellence in International Trade**
Gary Peters of Kercher Industries based in Lebanon
 - Excellence in Workforce**
Loretta Radanovic of Four Seasons Produce based in Ephrata
 - Excellence in Supplier Development**
Glen Comegys of SPX Cooling Technologies based in York
 - Excellence in Technology Acceleration**
Michael Walmer of Electron Energy Corporation based in Landisville
 - Excellence in Continuous Improvement**
Tom Carpenter of FCI USA based in Etters
 - Excellence in Sustainability**
Rick Merluzzi of Pennex Aluminum based in Wellsville

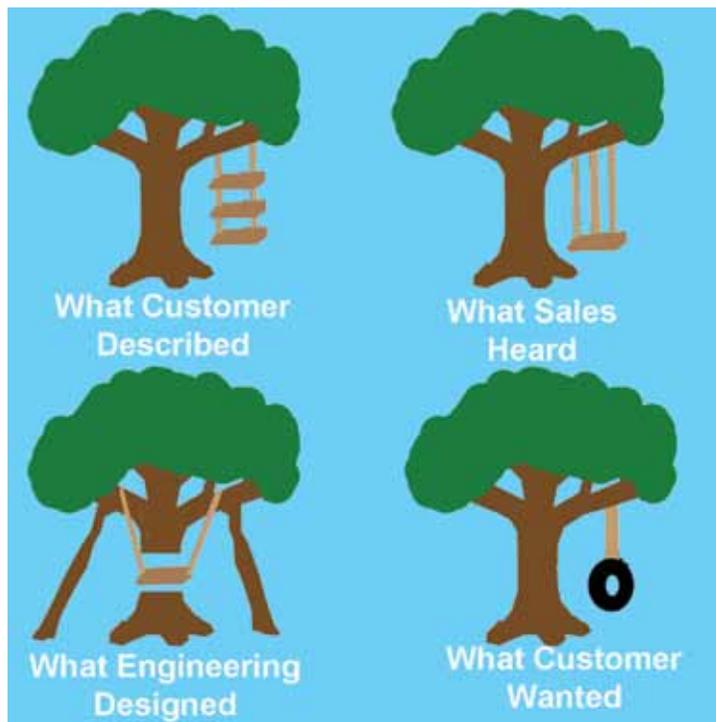
SALES SOLD WHAT?!

The phone rang and sales answered. After a lot of questions and maybe a visit, sales understood what the customer wanted and gave them a quote. Sales informed engineering of the possible job. Looking at the quote, engineering promptly responded, "You sold what?!" Sales says, "We'll figure it out after we get the job."

Does this sound like the beginning of your customer fulfillment process? Often times what the customer wants leads to disjointed communications among sales, engineering and the shop floor, leaving the organization "shooting from the hip."

LEAN tools can apply to all facets of business. In this case a Value Stream Map would be the perfect tool to define the process. Mapping the current state of a process, or lack thereof, would show where communication gaps exist as well as missing skills or tools. ERP systems are a valuable asset, but only if the process is clearly defined first.

World class organizations have a strictly defined process for customer fulfillment. When the process starts right, it will end right, leading to a happy customer.



LEAN CERTIFICATION GRADUATES



Dave Freimuth (Instructor) Scott A. Varner- Olympic Steel, Kathleen Kizeik- Four Seasons Produce, Inc., Bradley Shockey- Glatfelter, Annette Drager- Interface Solutions, Keith W. Fogle- Philips HADCO, Bill Guscott- Hauck Manufacturing Company, Christina Smith- Philips HADCO, Scott Whitman- Hauck Manufacturing Company, Kim Britcher- Interface Solutions, Jake Mattern- Hauck Manufacturing Company, Ed Lane- Morehouse Instrument Company, Brian Ruppert- Morehouse Instrument Company, Ken Rubell- MANTEC, Mark Robertson (Instructor)

LEAN CHAMPION GRADUATES



Dave Freimuth (Instructor), Henry Zumbun- Morehouse Instrument Company, Patrick K. Briggs, Sr.- FCI USA, Inc., John Coulston- CBR Industries, Inc., Robert B. Shaw- FCI USA, Inc., Mark Robertson (Instructor)

SIX SIGMA GREEN BELT GRADUATES



Richard Titus (Instructor), Nick Shovelin- Buck Company, Stephen Topper- Philips HADCO, Keith W. Fogle- Philips HADCO, Raymond Smith III- Librandi's Plating, David Hanan- MANTEC, Leonard N. Dore- Thermacore, David K. Yohe Jr.- Glatfelter

SIX SIGMA BLACK BELT GRADUATES



Richard Titus (Instructor) Henry Zumbun- Morehouse Instrument Company, John Coulston- CBR Industries, Inc., David Hanan- MANTEC, Milt Goodyear- Flinchbaugh Engineering, David Freimuth- MANTEC

New classes start January 2013
www.mantec.org/events.cfm

Do you know an employee floating along in an organization, year after year? Does the performance review indicate “meets expectations” and personnel records indicate no particular problems? In reality, this person is a substandard performer that is creating disruption in the workplace (i.e. low morale among staff, quality errors, rework, and poor customer satisfaction). When confronted, the employee may claim various excuses including discrimination.



It is the responsibility of the company, immediate supervisor and HR to take control of the situation and address it head on. Meetings are often a first step to clearly communicate expectations and document the required corrective action. However, a documented process will better protect the organization from time-consuming and expensive litigation and government investigations.

In order to avoid these consequences, a solid Performance Evaluation system is required. If used correctly, performance reviews can be an important tool in addressing substandard performance, safety or attendance problems. The reviews will allow an employee to understand exactly what areas to work on for future evaluations.

Don't keep floating along, contact Kent Keller at 717-843-5054 x239 or kent@mantec.org to learn how MANTEC can create, implement or manage your existing process allowing you to focus resources on other initiatives.

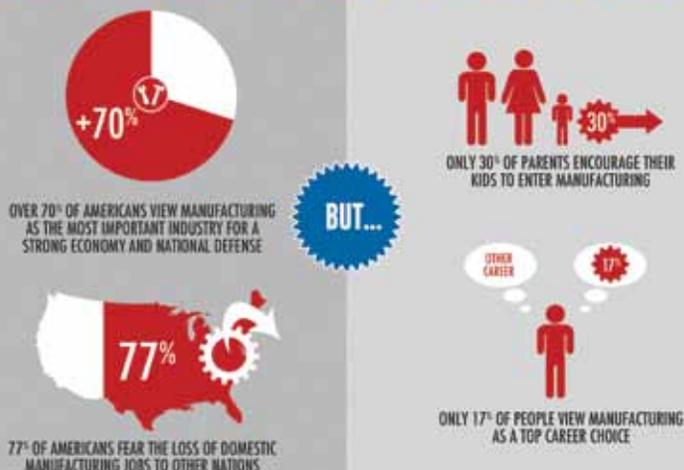
MANUFACTURING *in America*

ECONOMIC AND INNOVATION SUCCESS



THE DISCONNECT BETWEEN PERCEPTION & FACTS

WHILE MANUFACTURING IS FILLED WITH HIGH PAYING JOBS, PEOPLE AREN'T JOINING THE FIELD.



There is more!

www.mantec.org/manufacturinginfographic.cfm

Infographic provided by NIST-MEP.

A limited amount of full size hard copies are available.

Contact Leigh Ann Wilson at wilsonla@mantec.org

AVOIDING DISPUTES

While employee disputes are never desired, they do occur. An employee handbook covering a clear, concise, and consistent set of guidelines that are easily understood at all levels of the organization provides valuable protection when employee disputes do arise.

In addition, updated job descriptions and compensation plans leave employees knowing exactly what is expected so disputes arise less frequently.

“MANTEC has consistently supplied Hauck Manufacturing with ways to invest in our employees including an updated compensation plan, an employee handbook and various training programs to upgrade the skills and knowledge of our talented workforce. We recognize that our culture of continual improvement has contributed greatly to Hauck’s success.”

-Michael Shay, President, Hauck Manufacturing Company

Encourage careers in manufacturing!

- Learn about different occupations
- See what it pays
- Discover needed training

www.pacareercoach.org

WALKING THE TALK

It is so easy to talk about best practices and recommend strategies. It is entirely different to implement them into an organization. MANTEC meets with hundreds of manufacturers each year, always looking for ways to drive strength through continuous innovation and growth. MANTEC staff members are experienced in their respective fields and are a great resource for South Central Pennsylvania manufacturers. Many of the best practices and strategies our staff recommends to you are implemented at MANTEC, allowing us to “walk the talk.” Here are a few examples:

All good businesses start with a strategy. After significant funding cuts, MANTEC worked with one of our key providers to assist in developing our three year plan. Our strategic plan does not sit on a shelf waiting for the next one. Staff teams are continuously working on advancing strategic goals and objectives with regular meetings.

What would happen if Monarch Mills, where MANTEC is located, caught on fire? It is a worst case scenario, but MANTEC has a Business Continuity Plan in place to address the unpredictable.

MANTEC exists to assist the manufacturers in our region. With 2,500 manufacturers and 5 sales staff, finding and connecting with new clients can be difficult. MANTEC uses a variety of techniques including a lead generation strategy. Last year, nearly 40% of our new clients came from lead generation.

MANTEC does not sit idly to deliver the same services indefinitely. Innovation Engineering is one of our newest offerings and has already permeated our culture. Since resources are always limited, the goal is to identify potential new ideas and “Fail Fast, Fail Cheap.” Innovation Engineering allows us to focus our resources on ideas that have the greatest potential of being successful. To date, we have completed three projects and working on several others.

In addition to these business growth services, MANTEC also practices LEAN Office, invests in employees for training and development, updates our handbook policies, uses best practice IT procedures and moved to a refurbished manufacturing site with many sustainable features.

There are a lot of ways to improve a business but you often can't do it all alone. When you need assistance, give us a call. We know what we are talking about- 717-843-5054.



Crossroads of Manufacturing: Politics and Education

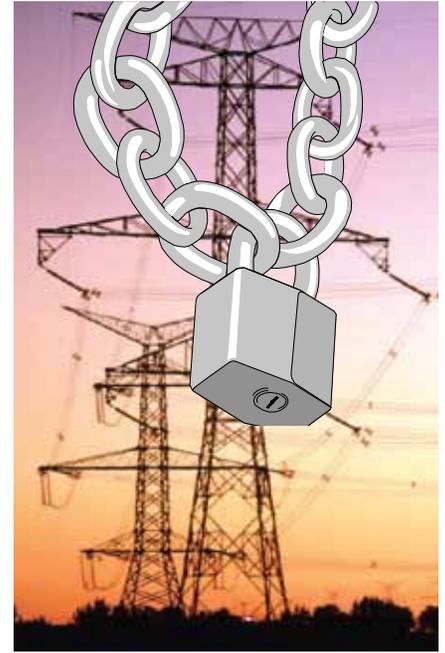
Dr. G. Terry Madonna updated 130 business leaders on politics while Dr. John “Ski” Sygielski, Darrell Auterson, Roger Kipp and Dr. Stewart Weinberg addressed workforce needs in manufacturing.



After reaching historically low levels in April 2012, electricity and natural gas prices are forecasted to trend upward in 2013 and 2014. Now is an exceptional time to consider a fixed-price supplier contract that locks in your price for one to five years. Even if your current contract expires in 2013 or 2014, you can consider prices now for 2015 and later. It is possible you can secure a favorable rate.

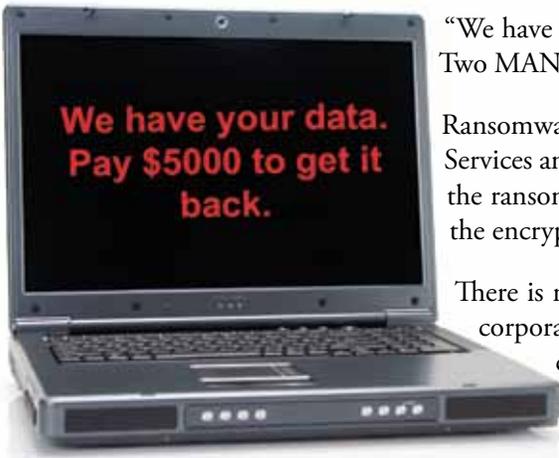
Current facts about Electricity and Natural Gas:

- The 2012 winter season made history as the mildest on record in the United States. The 2013 winter season is forecast to be normal or colder-than-normal in most regions of the United States, which will increase demand for heat and cause electricity prices to uptick.
- The United States Energy Information Administration reports that increased use of natural gas for electricity generation will drive electricity prices higher as gas prices increase.
- Gas producers are reacting to 2012's low prices by curtailing drilling. Natural gas rig counts are down 38% in one year. Decreased production = higher prices.
- Shale gas is plentiful, but is becoming more costly to extract and deliver because of regulatory and transportation costs.
- Natural gas in storage is nearing capacity. As the supply surplus is reduced, prices will increase.



Contact MANTEC to discuss your energy needs and lock in your prices today- 717-843-5054 Article content provided by APPI

YOUR DATA HELD RANSOM



“We have your data. Pay \$5000 to get it back.” Imagine seeing that on your server screen. Two MANTEC clients recently saw exactly that. Their servers were attacked by ransomware.

Ransomware targets Windows servers running publicly accessible Remote Desktop Terminal Services and is currently the number one target of some criminals. If the attack is successful, the ransomware is installed and moves important files into an encrypted format. Access to the encrypted files is only possible after paying the ransom, but there is no guarantee.

There is nothing anti-virus or anti-malware software can do to prevent this breach. If the corporate network and firewall are not protected by strong password policies, it is easy to crack weak passwords via dictionary-based brute-force attacks and thus gain access to the system. The hackers can then easily disable any active security, anti-virus, and malware software.

After access to the network has been established, the hackers will install malware that consists of three malicious parts. The most dangerous of them is a crypto malware component that deletes backups and “hijacks” important data by locking it into encrypted RAR (**R**oshal **A**rchive) files. The only way to possibly regain access to your valuable company data is through prompt payment of the ransom.

Small companies, in particular, are the victims of this trick due to the lack of IT security policies and end up paying the ransom to hopefully get their data back. **Some important tips for companies running Microsoft Windows servers:**

- It is vitally important to use only **secure, highly complex** password for all user accounts.
- Never use the default administrator account. Disable it immediately and create one that does not use admin or administrator as the login name.
- Apply all available security updates. Microsoft published an important patch for Remote Desktop service in mid-March.
- Regularly back up files onto tapes, disk drives, and remote servers. Image backups are the preferred method over file backups.

MANTEC has resources to ensure your IT system is secure so you don't fall victim to ransomware. Contact your Professional Business Advisor directly or MANTEC at 717-843-5054



www.mantec.org

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The Industrial Resource Center Network is supported by the Commonwealth of Pennsylvania through the Department of Community and Economic Development, Office of Policy and Technology.

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Three sessions on these topics:

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International Trade

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Technology Acceleration

Workforce

Plus 2 keynote addresses!

Full program and registration will
be available mid-December 2012
www.mantec.org/events.cfm