Three Tax Changes Manufacturers Will Love

written by admin | January 4, 2016

Here are the biggest, shiniest tax extenders manufacturing and distribution companies will find bundled in the $650 billion tax deal that passed in December.

(IW – Brian Berning and Rick Schreiber: 12-27-15) The holiday season is here once again and good taxpayers have been eagerly awaiting decisions from Congress to bring bundles of tax extenders and joy. As was the case last year, and as many analysts predicted, Congress arrived just in the nick of time to extend tax provisions, bringing tidings of fiscal cheer. The bill, which was unveiled after weeks of negotiation, is expected to provide about $650 billion in total tax relief.

Manufacturing and distribution (M&D) companies were particularly excited for Congress to arrive with tax extenders this holiday season because the package was so generous last year, and their holiday haul did not disappoint. The following are among the biggest, shiniest tax extenders M&D companies found under the tree this year.

The Work Opportunity Tax Credit ("WOTC") – Code section 51

The WOTC, which Congress renewed for five years, is projected to cost the Federal government $1.4 billion in treasury revenues over a 10-year budget window, making it one of the more expensive tax extenders in Congress' bundle.

The WOTC is a non-refundable wage credit intended to increase job opportunities for certain categories of disadvantaged individuals. WOTC-eligible hires include certain welfare recipients, ex-felons and veterans.

For most eligible hires that remain on a company's payroll for at least 400 hours, an employer can claim an income tax credit equal to 40 percent of wages paid during the worker's first year of employment up to a certain wage maximum. For example, the wage maximum for most WOTC-eligible hires is $6,000, for a total credit of $2,400, but the wage maximum can be much higher for certain veteran workers.

Recent studies have shown that the WOTC increased wage income of disabled veterans and increased employment among long-term welfare recipients overall.

Section 179 Expensing Limitations – Code section 179

Section 179 is a mechanism by which smaller companies are able to expense (deduct immediately) the cost of investments in equipment rather than depreciate them over time. The Section 179 provision in this year's package permanently extends the 2010-2014 small business expensing limitations and phase-out amounts.

Many had debated whether the stimulus was necessary to keep around. Small businesses can breathe a sigh of relief now that the higher thresholds, at $500,000 and $2 million, have been made permanent.

Once a company's investment reaches at least $2 million, the amount eligible is reduced dollar-for-dollar for investments in equipment over $2 million, up to the investment amount of $500,000. Thus, once a company's investment reaches $2.5 million, no deduction is allowed.

Previously, the threshold had been $25,000 with a phase-out beginning at $200,000 (i.e., no deduction would be allowed when investment is over $225,000).

Research and Development Credit ("R&D Credit") – Code section 41

Perhaps the most positive portion of this year's extender package is Congress' permanent extension of the R&D Credit tax provision. Long in existence, it had previously been extended numerous times, lapsed for one year and even been extended retroactively.

Generally, the R&D Credit provides an income tax credit for a certain amount by which qualified research expenses exceed a base amount.

There are typically two different methods for calculating the R&D Credit: one determines the base amount using gross receipts and the other determines the base amount using a three-year look-back for average R&D spending.

Qualified research expenses must be experimental for the purpose of discovering

information that is technological in nature and used in the development of a new or improved product, process, computer software technique, formula or invention that is to be leased, licensed or used by the company.

The only thing holding the R&D credit back from a permanent extension had been its hefty price tag of nearly $180 billion. Both parties, as well as most economists, agree that there is an economic justification for subsidizing R&D spending. Studies show that not only does R&D spending benefit the private firm in terms of return from innovation but it also seems to benefit society as a whole.

From the perspective of a private firm, there is no way to capture the entire return from innovation because such innovation will provide valuable information to others in the marketplace who will exploit it, regardless of patents and secrecy. The R&D Credit seems to compensate innovative taxpayers for the loss of that return.

Looking forward, with the credit's annual uncertainty gone, companies will be able to engage in better long-term planning for research projects, which can only increase the credit's effectiveness.

This year, manufacturers hung their stockings by the chimney with care in hopes that Congress' tax package would bring a few shiny new gifts. While the bill brought a number of fiscal treats, it also ripped off a few economic bandages that had benefitted manufacturers, like bonus depreciation.

However, the removal of short-term economic stimuli serves as a bellwether of the nation's stronger economic footing. With that in mind, and these tax provisions get checked off their wish lists, manufacturers can be well on their way to feeling the holiday cheer all year long.

(Rick Schreiber is a Partner and the national leader of BDO's Manufacturing & Distribution practice; Brian Berning is the Office Managing Partner for BDO's Cincinnati office and is a leader of BDO's Technology & Life Sciences practice.)

Revisiting Supplier Relationship Management to Boost Real Value in the Supply Chain

written by admin | January 4, 2016

Ultimately, a manufacturer's suppliers are its most valuable asset, and the ways in which supplier relationships are managed have evolved over the years—the old ways included charge-backs (mainly a retailer mechanism against suppliers for a lack of performance) which levied fines or deductions as a means of corrective action against suppliers.

According to Supply Chain Digest editor Dan Gilmore, in the 1990s, Kmart used to take 2 percent off the invoice just on the assumption that every supplier would incur violations and by including the automatic deduction, they were taking the most efficient approach.

But in today's competitive environment, collaborative and strong working relationships with suppliers are perceived as a means to actually deliver substantial benefits for both manufacturers and suppliers alike.

Supplier relationship management (SRM) initiatives are on the rise and those companies that have successfully implemented the programs have realized real dollar value return on investment (ROI).

Why SRM now?

The notion that retailers and manufacturers can realize ROI by partnering with their suppliers, rather than adding more aggressive requirements, slapping them across the knuckles for every slip-up, and squeezing a dollar here or there for minor issues, isn't all that new.

In fact, only in the past decade have leading companies sought out strategies to build enterprise-wide programs that form friendly working relationships with suppliers. Today, the majority of firms across all industry sectors are still in the early

stages of this journey.

Pressure to develop more collaborative relationships with suppliers stem from several sources. One is the continued focus on downsizing the number of suppliers in a supplier network which has expanded to include raw material or Tier 2 and 3 suppliers because of the need to ensure compliance at every level.

While this action is mostly driven by a desire to increase volume leverage and reduce transactional costs, when combined with consolidation on the sales side, the net effect is to reduce the base to a core group of suppliers that provide the best overall performance. Another is the imperative to speed up new product development and commercialization, and deliver a steady flow of innovation for customers at a time when internal R&D resources are overstretched.

Regardless of size, companies sourcing from low-cost countries need to implement technology tools to help manage the supplier base. These solutions make dramatic improvements by boosting collaboration among the distinctive internal and external groups, standardizing processes and documents, and acting as a central knowledge base to store and share all related data, which in turn, provides holistic visibility.

Building blocks for better supplier relationships

Day-to-day management of suppliers requires a strong communication system to relay important information to each link in the enterprise. Technology is the first step in the solution that is necessary, but the components must include:

Discussion tools inherent to a web-based, centralized repository platform that maintains a history of conversations and attaches them to a specific issue or business document within the system making them easier to search and find.
Advanced technology in the Document Management Portal which allows the ability to upload and share documents to suppliers based on access rules. This provides a single reference platform with version control and systems to measure activity through electronic receipts and other acknowledgements, ensuring that suppliers have accessed the document.
An exception-based workflow/time & action calendaring system allows users to monitor and update their current responsibilities based on user permissions.

Organizations can replicate their business processes into timeline driven interactive workflows that manage each work stream.
All of these features greatly reduce manual costs and timelines of supplier management by automating the supplier documentation, certificate collection and collaborative tracking processes.

The value is real

Supply chain professionals are convinced that collaboration with strategic suppliers is a good thing. Data collected by SCM World among more than 1,000 practitioners in 2014 shows that:

Three quarters of participants believe stronger relationships deliver high or very high value for their companies;
84 percent report that strategic supplier engagement is important or very important in driving competitive advantage;
Support for cost reduction efforts and getting priority when materials or production capacity are constrained are the two most prized sources of value;
Speed to market, collaboration on quality improvements and getting supplier innovations before industry rivals are also highly rated business benefits.
Other research studies show a direct link between the quality of supplier relations and customer profitability, and average annual benefits worth $300 million among the best-performing companies.

Effective communication and collaboration can be challenging, but it is a key aspect in the improvement of supply chain relationships. By investing in technologies that yield greater value from these relationships, companies will minimize risk and improve their supply chain efficiencies. Supplier portal solutions can help companies increase their supply chain visibility and control, increase supply chain accountability, and accelerate time-to-market through proactive supply chain project management.

By Gary Barraco, director of global product marketing, Amber Road

Success Story: IMC Helps CCS Improve Safety, Increase Staff, Double Sales, and Prepare to Launch New Product

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Located in Central Pennsylvania, Custom Container Solutions manufactures custom, roll-off steel containers in a variety of sizes and configurations for use in the waste, construction, demolition, scrap, recycling, and oil and gas industries. The company's customers include municipalities as well as individual businesses. The current owners pruchased the small business, formaly known as Stoltzfus Steel Manufacturing, in 2011. CCS ships containers to any location in the Eastern and Midwestern United States.

SITUATION

CCS initially came to IMC in 2012 in search of help with implementing a continuous imprvement initiative that would reduce costs, improve efficiency, increase the company's productivity and profitability, and improve workplace safety. At the time, the company, which had been in existence for 26 years and had experienced a growth cycle for the previous two years, was operating at capacity, producing four units a day and having to turn away business. Most processes were performed manually with little automation. The company had dedicated hardworking staff and was operating 11 hours a day with a single shift.

IMC worked with CCS to understand their needs and objectives and connected the company with a LEAN/Continuous Improvement resource who worked closely with CCS personnel to achieve multiple operational improvements, including:

- A process redesign that included an improved facility layout for efficient product flow
- Purchase and installation of an overhead crane system
- Achievement of standardized work
- Improved workplace safety
- An increase in production from four to roughly eight units per day

According to CCS Managing Member, Todd Vonderheid, these dramatic outcomes positioned the company to seek to expand its product offerings to include more customized items tailored to specific industry segments, and the company is now considering adding a second shift to significantly increase ROI.

CCS wanted to begin work on an entirely new product: an intermodal container designed for marine, truck and rail transportation. The new venture required the company to become an approved manufacturer and receive third-party certification from the International Convention for Safe Containers (the Safe Container Certificate and Plate).

CCS again approached IMC for assistance. Although the company had many processes and procedures in place, these measures lacked definition and documentation. To achieve its goals, CCS needed to develop a Quality Management System that would a) allow the company to enter previously inaccessible markets, and b) provide the company with a management system for its core product that would bring the comprehensive structure, discipline, and documentation necessary to position CCS for increased efficiency, process repeat-ability, responsiveness, and growth.

SOLUTION

Based on its discussions with CCS owners and management, IMC arranged a meeting for CCS with a resource to perform a one-day, onsite assessment/gap analysis. From that analysis, a report was drafted that detailed the gap between CCS's existing management system and the company's desired state as well as what it would take for CCS to make the transition. We then worked closely with CCS personnel over several months to provide the services needed for the company to meet all applicable QMS system requirements. The company is now prepared to

begin the CSC certification process.

RESULTS

“We had a lot of procedures that we did every day, but they weren’t formalized. When we tried to revise and change what we were doing, we did so not based on objective trends but subjective feelings. Today, because of the QMS system, we make decisions based on accurate data and consider those changes with our larger processes and company objectives” said Todd Vonderheid, Managing Member, CCS.

“IMC connected us to a consultant that helped us to design a Quality Management System specifically around our process for our core product. The end result of that is that we are about to go through a review process with the certifying agency [for the intermodal container], and we have built a prototype product that we’re taking to the customer next week. We belive that this customer is going to move forward with orders, and we believe that could be another doubling of gross sales and newar doubling of the workforce, and we have every expectation that this is going to happen,” said Vonderheid.

“We couldn’t have been happier with the consultant that IMC paired us with,” he added. “We’re actually on the third project now.”

Other results:

- 70% Reduction in the number of mistakes made in core products
- Significantly improved workplace safety (very low number of workplace injuries and very low number of
  Workers’ Compensation claims)
- $500,000 investment in new equipment (cranes and paint booths)
- Increase in staffing from 12 to 21 line employees
- Increase in gross sales from $3 million to $6 million annually
- 20% increase in average wage for employees

Success Story: TRS Technologies Realizes High-Impact Efficiencies and Process Improvements

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Located in Central Pennsylvania, TRS Technologies is a world leader in piezoelectric and dielectric materials technology, transforming raw powder into piezoelectric rings, discs and plates. These products are revolutionizing technologies in the medical, sensor, industrial and defense domains. Examples include medical ultrasound systems with higher resolution, reduced package size in sonar systems and new low-temperature instrumentation.

SITUATION

According to TRS president and owner, Wes Hackenberger, the company was struggling with on-time delivery and scheduling inefficiencies when he first connected with IMC. “After working for a period of time without a real tool, we had transitioned into using Microsoft Project, but even that was extremely time-consuming.” Hackenberger, himself, was spending a considerable amount of time with scheduling productive capacity and responding to customer service issues, limiting his time to focus on critical areas of business success such as pursuing new product development, adding new customers and leading the company in the execution of its business vision and mission. That’s when IMC became involved, bringing in the expertise of a third-party resource.

SOLUTION

The project was broken into several key phases: assessing the circumstances, defining current and future needs, securing RFPs from qualified vendors, facilitating software demonstrations and making recommendations on a final, integrated solution that would ultimately allow Hackenberger to delegate scheduling to another member of his team.

At the onset of the project, the resource interviewed TRS leadership and other

personnel to get a full understanding of the process flow for scheduling, from quoting delivery dates through to the completion of production and the closing on the work order into finished goods. He then drafted a business process narrative describing TRS, its current technology, the value proposition for the project and the current state and future state capabilities required from software to support TRS' requirements. The document was finalized with TRS and then circulated to vendors who fit the scope requirements. Those vendors were instructed to reply with an overview of their solution's capability to satisfy the needs of TRS, as well as budgetary pricing.

The proposals were evaluated and TRS was assisted throughout the selection process. This included facilitating a series of software demonstrations by the vendors, who were provided a demonstration guide directing them to present at minimum what the selection team needed to review. Once vendors were narrowed through that process, solutions were discussed and a second round of presentations were convened to provide TRS the opportunity to view the software again, but with their own sample data implemented. The process enabled TRS to evaluate the solutions more thoroughly in order to make the best decisions possible.

RESULTS

Hackenberger noted that the process, itself, produced several positive results for the TRS. The impacts included:

- On-time delivery improvements – from 70-80% to 92%
- Retained sales – $2 million
- Plant/equipment investment – $600,000
- Employees retained – 10
- Employees created – 3

These outcomes were realized as a result of the work accomplished through the project with IMC – even before implementation of a software solution. As of January 2015, TRS had not purchased the solution, but Hackenberger indicated that he would be making the investment.

Success Story: IMC Connects Lumax with The Learning Factory to Develop New Product

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Lumax Industries is a leading manufacturer of high quality, custom industrial, commercial, and institutional fluorescent and LED lighting fixtures. Founded in 1976, Lumax is privately owned and operated with a 150,000 square foot manufacturing facility based in Altoona, PA.

The company is a Made in the USA manufacturer, offering a complete line of fluorescent and LED fixtures for many lighting applications, including recessed parabolic and lensed troffers, recessed indirect, surface mounts, strips, channels, and industrial units, wraparounds, task and wall brackets, and vandal and security lighting.

SITUATION

Lumax's success can be attributed to a mastery of all the latest manufacturing and product technologies across the entire lighting spectrum; a well-established reputation for capstone quality and superlative customer service; and a willingness to design, develop, and manufacture lighting fixtures for an ever evolving and more

specialized, technologically advanced marketplace.

Despite the company's rich history and ongoing success, Lumax's leadership team also recognizes the importance of responding soundly to significant movements within their industry. With the growing momentum of LED technology, Lumax sought to explore the potential of an innovative LED industrial high bay light fixture.

SOLUTION

IMC Business Advisor Ed Zubavich connected Lumax Engineering Manager Rich Taylor with The Learning Factory, a program within Penn State's College of Engineering. The Learning Factory helps to provide engineering students with practical hands-on experience through industry sponsored and client-based capstone projects.

Taylor submitted a project proposal to have students design and fabricate two high bay LED lighting fixtures with stringent criterion for ambient operating temperatures, lumen output and distribution, ease of manufacture, and aesthetics.

> *"I can't say enough positive things about The Learning Factory, and I am thankful for the connection that IMC so proactively made. I truly felt like the students were a part of our team." – Rich Taylor*

"I wanted to choose a project that would be brand new for us and not just a modification to an existing product," Taylor explained. "I wanted to start with a clean slate that would allow the students – who were senior-level engineers in an outstanding program – to be as creative as they want to be. I wanted to provide them that opportunity while also giving Lumax a chance to explore something beyond what we would normally pursue."

When Damian Rose, a project advisor with The Learning Factory and part-time instructor for the Department of Mechanical and Nuclear Engineering at Penn State, saw the Lumax proposal, he knew that the project would be a worthwhile endeavor for students. Rose, who is also an engineer at the Applied Research Laboratory (ARL) at Penn State, was exposed to Lumax products in ARL facilities.

“I was quite impressed with their product and knew that the company was one that believed in quality and innovation,” Rose explained. “I felt that the project would give students the chance to work with a solid, innovative company on a project that combined many different aspects of engineering —thermal analysis, electrical work, CAD work, fabrication, and more.” A team of five students worked on the project, with Rose serving as behind-the-scenes advisor and Taylor as the industry sponsor. IMC contributed funds to help formally launch the project.

Over 15 weeks, the students met with Lumax, presented multiple designs, regularly communicated with Taylor and abided timelines, and engineered a design that was aesthetically pleasing, worked thermally, and performed optically. They fabricated two fully functional prototypes that tested better thermally than LED high bay fixtures that were already on the market.

RESULTS

The students’ hard work paid off in a big way. A panel of industry experts judged the project a second place award winner at the 2013 Student Design Project Showcase held on the Penn State campus. The “LED High Bay Light Fixture sponsored by Lumax Lighting” was among some 163 projects at the event, including 115 senior capstone projects involving 560 seniors.

Lumax has since put the product on display in their Altoona showroom and clients and sales representatives have responded with enthusiastic feedback. The product was also a highlight of the Lumax booth at LIGHTFAIR International 2013, touted as the world’s largest annual architectural and commercial lighting trade show and conference.

Success Story: IMC Helps Videon Central, Inc., Use QRM to Boost Quality and Inspire Innovation

written by admin | January 4, 2016
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Success Story: IMC Assists Lycoming Engines in Realizing Significant Cost Savings with Lean

written by admin | January 4, 2016

Lycoming Engines is the leader in the piston aviation market, producing more piston engines for general aviation manufacturers than any other company in the world.

Headquartered in Williamsport, Pennsylvania, Lycoming is a global operating division of Textron's Avco Corporation subsidiary, and an operating unit of Textron Systems, specializing in the engineering, manufacturing, assembly, test and support of piston aircraft engines. The company employs 470 people.

SITUATION

Lycoming Engines realized that remaining competitive in a downturned economy requires ongoing innovation, enhanced efficiencies and involvement from all members of an organization to be alert and focused on continuous improvement and opportunity. Lycoming Engines began what would be the underpinnings of an aggressive initiative to have all levels of the organization undergo training in Lean manufacturing.

According to Gary Naculich, Manager, Transition to Production, **Lean training was an integral part of the organization's growth strategy.**

"Identifying ways to remove waste from our processes is a significant component of keeping Lycoming Engines a thriving business. Our approach is always to have an eye on the future and to be prepared. Our hope was that LEAN would help us to cut back on waste, be more efficient and remain optimally productive," said Naculich.

Naculich reached out to IMC-PA, a NIST MEP network affiliate, to assist in building a strategy to accommodate an aggressive schedule, variety of skill sets and potentially diverse feelings about the initiative.

> *As a result of IMC's assistance, Lycoming Engines was recognized as the global premier award process for operational excellence, has twice gone 1 million hours without a lost time injury, and was recognized as one of Cessna's 'Top Suppliers' by earning their STARS supplier award three consecutive times.*

SOLUTION

IMC business advisors and Lycoming management developed a master plan to engage the entire organization in Lean. The first step was to send several employees to IMC Lean 101 training in order to better familiarize them with the principles and help them determine the merits of a full-scale training initiative for the company.

To achieve buy-in from Lycoming's union workforce, management sent several union members to Lean 101 training to evaluate its worth for the company. Union members returned from the training enthusiastic about Lean and fully engaged.

IMC planned a variety of training scenarios, including employee participation in scheduled workshops as well as IMC training sessions conducted directly in Lycoming Engines facilities.

Lycoming Engines Manager of Proposals and Contracts, Mary Fourney, said, “A key factor in the success of the program was IMC’s ability to work with employees at all levels and build trust. Some of our folks had the perception that Lean meant losing their jobs. Their fears were alleviated, though, due in large part to how IMC engaged them in the process and the obvious positive benefits that Lean could potentially have for Lycoming Engines.”

RESULTS

- Realized $50M in cost savings
- Improved safety by 30%
- Improved on-time delivery from 40% to 98%
- Awarded Shingo Silver Medallion in Shingo Prize program

Success Story: Northway Industries, Inc., Implements Web-Based Solution with IMC’s Assistance

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Northway Industries, Inc. is a privately held company employing 120 people that

provides quality contract manufacturing services to a variety of clients.

The company was founded in 1966 and utilizes high-pressure laminates, melamine, vinyl, paper, and wood veneer products to produce cabinets, countertops, work surfaces, fixtures, and more. Operations consist of CNC controlled machining, milling, routing, and banding. Primary markets served include OEM suppliers, retailers, schools, and institutions.

SITUATION

Beginning in 2005, Northway partnered with IMC, a NIST MEP affiliate, to engage in lean and cellular manufacturing consultation and implementation. **The company was re-engineered from a mass-production shop to a mass-customization shop, allowing Northway to be more responsive to its market which needed more small-batch custom orders.**

As a result of the implementation, the company saw an increase in small batch orders and single piece flow orders. This significantly boosted the volume of information necessary to initiate and complete work. It became apparent that Northway's legacy systems were becoming less effective and less accurate with this changing business model.

While the changes implemented during the first IMC project allowed Northway to expand capabilities and machine and fabricate at faster rates, the delays caused by managing an increased volume of critical information were hampering true growth. Northway continued to work with IMC to tackle the new problem and develop an information system that would allow project data to be managed more effectively.

> *The robust, scalable information system that was developed with IMCs assistance is capable of pulling together details about a wide range of business operations.*

SOLUTION

The project began with an objective of creating a web-based project scheduling

system. **The initiative soon grew to be a complete information system that linked all aspects of the project and client relationship into one centralized, online location.**

The system includes a project-based scheduling system, contract documents, customer purchase orders, production documents, a materials database, RFID (radio-frequency identification) order tracking, company policy and procedure documents, quality control information, and sales-related communications. The new system allows both employees and customers to log in and see relevant project-specific data.

RESULTS

- $2 million in increased sales
- $100,000 in cost savings
- $75,000 in new investment

Success Story: IMC Enables Railroad Company to Lay Tracks for Continued Success

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ORX Railway Corp. is a manufacturer of rail wheel sets. The roots of ORX are buried deeply in the railroad industry, planted

over a century ago by co-founder and president Glenn Brandimarte's grandfather – an Italian immigrant who found employment quickly on the tracks and dedicated his life to his work.

The tracks for ORX's success were set by nearly a century of experience, dedication, and innovation which still drives the company today.

SITUATION

ORX was required to carry out internal quality audits to verify compliance with the Association of American Railroads, Specification M-1003, and their own current quality assurance practices. IMC, a NIST MEP affiliate, was contacted to perform the audit. IMC contracted with a third-party consultant and former employee who performed previous audits in order to help with the latest one.

> *The company was able to use the audit process and results to develop an action plan to strengthen their processes and make the entire system more efficient and effective.*

SOLUTION

IMC and its third party consultant conducted a two-day internal audit of ORX's quality management system to verify compliance with stated requirements. The Quality Assurance System Evaluation Checklist provided by the Association of American Railroads (AAR) was used to conduct this audit. Afterwards, a written report was prepared with any non-conformances identified and the findings reviewed with the company.

ORX was able to identify and implement corrective action for nonconformances and successfully pass the AAR audit of their system. The IMC provided additional continuous improvement coaching as well.

RESULTS

- $500,000 capital investment
- $10 million in retained sales
- $10,000 in cost savings

Success Story: Pik Rite Prepares for New Leadership Roles and Increased Production with IMC’s Guidance

written by admin | January 4, 2016

Pik Rite Inc. designs and manufactures innovative, quality-built vegetable harvesting equipment, agricultural manure spreaders, commercial waste-handling equipment and hydroseeding units for a growing national and international market.

The company and its 50 employees are located in Lewisburg, Pennsylvania.

SITUATION

Pik Rite was in challenging, yet highly positive circumstances — production was in the process of doubling. That situation meant that the company needed to fill several

production leadership roles quickly. General Manager Randy Beiler turned to the IMC, a NIST MEP affiliate, for their experience and expertise.

> *I often recommend IMC to other manufacturers as an innovative source in solving problems and eliminating bottlenecks. – Randy Beiler*

SOLUTION

Training current employees for their new leadership roles became a top priority, along with executive coaching. IMC developed a project to work with management on strategic topics and train supervisors on the fundamentals of being an effective manufacturing floor leader. The training program for those in new supervisor roles was held over a 10-week period, consisting of weekly three-hour sessions.

Training covered a spectrum of leadership fundamentals, including topics such as : introduction to supervision; managing and measuring team performance; basic communication skills; teamwork for supervisors and group leaders. The sessions were split between two separate groups of employees taking classes on different days of the week.

Beiler deems the initiative a complete success. “The project improved leadership capabilities of existing management, helped to build more leaders, and educated employees on the basics of economics and expanded their business sense.”

The project fulfilled the main objective of preparing employees for new leadership roles in order to manage increasing production requirements. According to Beiler, “We promoted from within, gave our employees an opportunity to grow, and doubled our production in a two year period.”

RESULTS

- $2M in increased sales
- 20 jobs created
- Cost savings of $250,000
- More than $700,000 in new capital and workforce investments