

Manufacturing Unexpectedly Accelerates Amid U.S. Growth Signs

written by Lauri Moon | June 6, 2016

Factories are using a pickup in bookings from the U.S. and abroad to help trim stockpiles, laying the ground for bigger gains in production later in the year.

(IW - Bloomberg: 6-1-16) Signs of better U.S. growth are cropping up, including in manufacturing, which has been a laggard of the economy.

Activity at factories unexpectedly expanded at a faster pace in May, helped by an increase in orders, the Institute for Supply Management reported Wednesday. The Tempe, Ariz.-based group's index climbed to 51.3 from 50.8 in April, while the median forecast in a Bloomberg survey of 81 economists called for 50.3. Readings greater than 50 indicate growth.

Factories are using a pickup in bookings from the U.S. and abroad to help trim stockpiles, laying the ground for bigger gains in production later in the year. The recent stabilization in oil prices also will probably help stem the slump among energy producers that has contributed to weak business investment, and growth this quarter is set to get a boost from household purchases, which posted a better-than-forecast gain in April.

"Manufacturing is starting to look better," said Scott Brown, chief economist at Raymond James Financial Inc. in St. Petersburg, Florida, who had projected an ISM factory reading of 51.2. "It's an encouraging sign that things aren't unraveling. Ultimately, production is going to increase because of stronger consumer demand."

The new orders gauge was little changed at 55.7 compared with 55.8 in April. A measure of production cooled to 52.6 from 54.2.

Estimates for the manufacturing index in the Bloomberg survey ranged from 49 to 52.

Twelve of 18 industries surveyed by the purchasing managers' group reported growth in May.

One weak spot was the factory employment measure, which held at 49.2, indicating manufacturers trimmed payrolls last month.

In other signs that the industry is turning around, the index of supplier deliveries jumped to 54.1, the highest level since December 2014, from 49.1. A reading greater than 50 means shipments slowed, which often happens when suppliers have trouble keeping up with demand.

The ISM's gauge of factory inventories fell to 45 from 45.5. The index has been lower than 50 for almost a year as producers trim the amount of goods on hand.

Right Direction

"Things, for me, are pointing in the right direction," Bradley Holcomb, chairman of the ISM factory survey, said on a conference call with reporters. With businesses having pared stockpiles and orders picking up, "there's a bit of an inventory shortage" and "suppliers are now having a harder time catching up so they're slower."

The overall tone of the comments from manufacturers in the survey was "cautiously optimistic," he said.

The report also showed the headwinds from sluggish overseas markets may be dissipating. The index of export orders held at 52.5 in May, marking the third straight month demand from abroad has grown.

Manufacturers also are seeing a pickup in price pressures. The index of prices paid jumped to 63.5, the highest level since June 2011, from the previous month's 59.

The factory survey data follows a report on Tuesday that showed the American consumer came back with a vengeance in April after a sluggish start to the year. *Households increased spending during the month by the most since August 2009, and incomes also grew.*

AME Releases Mid-Atlantic Region

May Newsletter

written by Lauri Moon | June 6, 2016

Check out the May AME Mid-Atlantic Region Newsletter featuring upcoming events including a Leadership Techniques to Start Using Right Now Lean Leadership Panel event May 26th in Concordville, PA.

MA Region Newsletter May 2016

Videon Central Announces Manufacturing and Testing Services

written by Lauri Moon | June 6, 2016

What's the opposite of off-shoring manufacturing to countries where labor is cheaper? Bringing it even closer to home. That's what Videon Central is doing with its new Manufacturing Services. Though the business has long manufactured and tested its own products, it is now opening its doors and offering Manufacturing and Testing Services to other companies in the Centre Region and beyond.

Specializing in contract manufacturing and product testing for highly-regulated industries, Videon's facility has equipment to stress products to the point of failure, a process that offers valuable reliability information and guarantees long term quality. "Our chamber can take a product from -100°C to +200°C in less than 5 minutes," explains Production Manager Ian Urbanik. "Or it can shake the product, simulate lightning strikes, keep it in a humid environment...and in any of those stress scenarios, we identify the weak links of the design. Change that part of the design, and you have a product that will last longer even in rugged circumstances. A more reliable product means fewer field returns and higher bottom line profit."

Read on...

Videon HALT Services Datasheet

Videon EMI Testing Package Datasheet

Videon Temperature Testing Services Datasheet

IMC Named 2015 Top 100 Organization

written by Lauri Moon | June 6, 2016



Every year, the Pennsylvania Business Central selects and profiles the Top 100 Organizations in their 23-county readership.

IMC had the honor of being selected as one of those organizations for 2015

Since 1988, IMC, a private-public partnership, has been helping Central Pennsylvania manufacturers tap into the most effective regional, state and national resources to innovate, grow and prosper. Through a dedicated staff that provides objective, expert advice and actionable solutions, IMC has collaborated on more than 3,000 projects with over 600 Central Pennsylvania manufacturers and entrepreneurs to help them become more innovative, productive and profitable. As a result, manufacturers have reported over \$640 million in impact, including new and retained sales and cost savings as well as reported 4,400 jobs created or retained. IMC also coordinates activities for the Williamsport-Lycoming Keystone Innovation Zone, which works with entrepreneurs and start-up businesses interested in developing new products or technologies, inventions or innovative ideas and also includes the Williamsport Inventor's Club, which is a forum to help inventors turn their ideas into commercially viable products. IMC offers various forums for manufacturers to learn and share best practices through Executive Forums, the Manufacturing Applications Knowledge Exchange (MAKE) and Lean Users Groups. IMC is supported through the U.S. Department of Commerce, NIST Manufacturing Extension Partnership (MEP) program and the Pennsylvania Department of Community and Economic Development, Partnerships for Regional Economic Performance (PREP) program.

Congratulations to these Manufacturers and Partners that were also selected:

- Huntingdon Fiberglass Products
 - North Central Sight Services
- Concurrent Technologies Corp
 - Curry Supply
- American Eagle Paper Mills
 - Restek
- Nittany Paper Mills
- Wood-Mode Fine Custom Cabinetry
 - Videon Central
 - DelGrosso Foods
 - Penn College
 - NPC
 - SpectraWood
 - SEDA-COG

Two Key Innovation Questions

written by Lauri Moon | June 6, 2016

Q 1. What is an Innovative Enterprise?

Q 2. And why is innovation so directly aligned with success?

An Innovative Enterprise is probably best defined as a company that can continually *improve and reinvent* its *products and services* and its *work processes* - both *what* it brings to the marketplace and *how* it does that - and that has that whole “renewal process” integrated into its normal operations.

And what does that output look like?

[Click here to find out!](#)

Wirerope Works Hosts M.A.K.E. Forum

written by Lauri Moon | June 6, 2016

Thanks to Wirerope Works for hosting the quarterly Manufacturing Applications Knowledge Exchange (M.A.K.E.) Forum meeting and providing participants with a tour of their facility.





IMC Welcomes New Executive Director - Dan Manetta

written by Lauri Moon | June 6, 2016

✘ The Board of Directors of Innovative Manufacturers' Center (IMC) has named Dan Manetta as its Executive Director/CEO effective January 1st, 2016.

Manetta has more than 20 years' experience in strategic planning consulting, professional instruction on leadership and management topics and developing corporate training and education programs in both the manufacturing and service industries. He is president and CEO of Universal Education Systems and previously held positions as Procurement Team Manager and Manager of Training and Development at Lycoming Engines, Vice President of Corporate Education at Citizen's & Northern Bank and most recently owned and operated a successful printing company.

Manetta holds a Master's in Business Education from Bloomsburg University, a BS in Economics from Penn State University, received a PA Teacher's Certification in Computer Systems and Accounting and has numerous hours of additional training in leadership, management, banking and manufacturing. He served as a Captain in the US Army and Team Commander for NATO Forces in Europe.

Manetta is a resident of Cogan Station, PA with his wife Elizabeth and three children. Manetta is also involved in various programs and organizations involving youth leadership, education and Christian missions and ministries.

Manetta will be replacing James Shillenn, who will be retiring at the end of 2015 to pursue personal interests.

Manufacturers and Open Innovation

written by Lauri Moon | June 6, 2016

Check out the newly released video highlighting our manufacturing client, Gilson Boards. IMC, along with our IRC Network partners, is leading a statewide initiative to help manufacturers implement and utilize an open innovation business model. To learn more about how IMC can help you innovate, contact us at info@imcpa.com.



Gilson Boards Open Innovation Video

Success Story: Milton Steel Implements 5S in its Transom Line

written by Lauri Moon | June 6, 2016

Milton Steel, a Milton, PA-based subsidiary of Acrow Bridge, Milton Steel manufactures modular Acrow bridges and other fabricated structural steel products.

SITUATION

Like many small and mid-sized manufacturers, Milton Steel understood its market well and produced high-quality products, but the company recognized a need to enhance its ability to improve its operations quickly enough to maintain a competitive edge in a rapidly changing global economy.

Milton Steel's Manufacturing Engineer, John Scholl, attended IMC's training in Lean Manufacturing and became certified as a Lean Practitioner. Enthusiastic about the Lean tools and practices he learned from the training, John was excited to combine this knowledge with his engineering and manufacturing background and begin working with the Milton Steel team to implement improvements at the company's facility.

The company contacted IMC for help in developing its use of Lean Manufacturing and Continuous Improvement practices and in identifying a starting point within the company to engage a small number of key stakeholders. IMC met with company leaders. After touring part of the plant and following a discussion of the company's current practices and objectives, IMC and Milton Steel leaders decided to begin with a focused 5S effort in the company's Transom area.

SOLUTION

IMC provided all-employee training in Lean Manufacturing principles and practices, and, along with Milton Steel's president, Chris Holcombe, explained to employees the need for and benefits of the company's plan to begin a Lean journey. At John's leading, IMC also provided basic 5S training to a core group of Milton Steel employees, including supervisors, and the team decided on a basic action plan. IMC then provided the team with a collection of 5S tools, along with additional consulting services, to help the company implement the 5S initiative.

The team went through the company's entire Transom area to identify the seven wastes and to begin applying the Lean tools the members had learned.

RESULTS

Through its pilot program in the Transom area, Milton Steel was able to identify and eliminate waste and make significant improvements. The company:

- Increased the efficiency of its Transom division by 20 percent
- Eliminated significant waste and unnecessary movement of employees, including 600 feet of walking, by relocating tools and items employees need and placing them at the ends of the Transom
- Decreased the amount of Work in Progress (WIP), resulting in less material handling, less cash being invested in inventory and more “Just-in-Time” deliveries
- Increased the company’s bridge sales, as the company became more competitive in its ability to fabricate and deliver bridges in a shorter amount of time
- Implemented Standard Work in its Transom area
- Implemented the A3 project management tool to track problems and contributing causes as well as identified solutions and outcomes

After the excellent results it experienced with its pilot program in Lean/CI, Milton Steel has now implemented 5S throughout more areas of its facility including a robotic cell that produces small components for the company’s bridges. The Lean team improved workflow in this area by adding bins and tables so employees would have easy access to parts and would no longer need to bend to reach items they need, improving the ergonomics of this unit.

In addition to the examples noted above of decreasing steps and restructuring work areas so tools and parts are elevated to standing level to eliminate unnecessary bending and stooping, another issue identified during the Lean process was the heaviness of a steel tool that has now been replaced with a much lighter, aluminum version. As a result of Milton Steel’s Lean initiatives, employees are now able to accomplish more work with less effort, resulting in enhanced employee morale and safer and more efficient operations.

“Milton Steel’s Lean/CI efforts have been a big hit with employees, who have been excited to offer their critical knowledge and expertise in continually identifying ways in which to improve the company’s work environment and flow.” John Scholl, Milton Steel Company

PA Soliciting Governors Cup Entries

written by Lauri Moon | June 6, 2016

PA Dept. of Community & Economic Development needs your help to ensure every eligible PA project is included in the Governor's Cup entry. Entries that meet at least one (just one!) of the following criteria: 20 or more new jobs created, \$1M or more in investment (construction cost, land and building), 20,000 sq ft or more in new construction or expansion qualify. Simply send project names and locations to Kara Golden at Red House Communications (kgolden@redhouse.com) no later than Friday December 4. Kara can answer questions via email or by calling 412-481-7275.

"The 2014 Governors Cup recognize the top performing states for capital investment attraction in a season that lasts all year." by Mark Arend, www.siteselection.com.
[Click here for entire story.](#)