

# The **NGM Advocate**

*Manufacturing News for the Next Generation*

**Cover  
Story**

## **Manufacturing Matters! 2009** **Our best conference ever!**

**Featured  
Articles**

- Exclusive Interviews with Keynotes Tim Sanders and Steven S. Little
- Reliable Plating Saves More than \$1 Million by “Going Green”
- TLX Technologies & WMEP’s Enterprise Business Transformation





## Our Manufacturing Matters! keynote speakers share their insights – don't miss hearing them in person!

### The revolution has arrived; are you ready?

A revolution is underway that will affect the future growth and profitability of every small and midsize manufacturer in America. The question is: are you ready?

The revolution is transforming the way consumers buy goods and services and redefining the traditional role of business. Manufacturers who don't understand this or respond are at risk of becoming obsolete.

Best-selling author and Manufacturing Matters! keynote speaker Tim Sanders calls it the "Responsibility Revolution." Sanders will provide valuable insights from his years of experience consulting with Fortune 500 companies and as Chief Solutions Officer at Yahoo!

"Today's customers, employees and investors are demanding that companies focus on their social and environmental responsibilities – not just their bottom lines," says Sanders. "This is a seismic shift from conventional thinking and will require manufacturers to become more innovative in all facets of the business enterprise. The ones who get it right stand to reap substantial rewards."

Those rewards include higher sales, lower costs, improved sustainability in products

and processes and the ability to attract highly skilled and talented employees.

Sanders has some compelling research to back up his arguments:

- 65% of Americans are willing to switch to a brand associated with a good cause if price and quality are relatively equal.
- Sustainability report cards are starting to show up in supply chains of large companies, a trend that is likely to grow.
- A recent study of young people found that eight in 10 respondents indicated they wanted to work for a company that cares about its impact on society.

During his keynote presentation, Sanders will explain the ways manufacturers can join the "revolution" to ramp up their sales, attract the best and brightest workers and protect the environment. He'll share specific examples of manufacturers who are growing and succeeding in this new paradigm of social and environmental responsibility and discuss how the Next Generation Manufacturing attributes of customer-focused innovation and advanced talent management create a framework for world-class performance and success.



*Tim Sanders,  
Manufacturing  
Matters!  
Keynote Speaker*

You don't need a big budget to get started, he advises. "If you get sustainability and corporate responsibility right, it is free." Given the current state of the economy, he advises manufacturers to start by wringing the waste out of their operating systems with a "reduce and reuse" approach. He cites the example of Interface, Inc., a modular carpet manufacturer, who saved \$300,000 in the first three years of its sustainability program, while at the same time increasing customer satisfaction.

### Economic crisis requires a new mindset for business growth

In the midst of an economic downturn, there is plenty of "conventional wisdom" regarding how a business is supposed to react. Unfortunately, this conventional wisdom often defies common sense, says Manufacturing Matters! keynote speaker Steven S. Little.

In his new book, *Duck and (re)Cover: The Embattled Business Owner's Guide to Survival and Growth*, Little urges business leaders to

examine their most closely-held beliefs in order to best position their organizations for the inevitable growth opportunities created by change. A best-selling author and business growth expert, Little is the former president of three fast-growth companies, two of which were manufacturing firms that grew more than 500% during his tenure.

"Today's business leaders need be more creative, objective and action-oriented than ever before to survive the recession and guide their business to new growth opportunities," Little said. "The ability to gather the best possible business intelligence – through internal data, research, experts, customers and partners – is paramount."

In his keynote presentation, Little will discuss strategies to help manufacturers take decisive action to overcome barriers to growth. "There's no question these are difficult times, but we all need to confront our most pressing challenges head-on to set the stage for sustainable, profitable growth."

In his recent book, *The Milkshake Moment*, Little argues that a key obstacle to growth is a steadfast devotion to the status quo – clinging to outdated systems, pointless procedures and illogical strategies that stifle growth, creativity and innovation. The book recounts his frustrating attempts to order a milkshake from hotel room service, an incident he believes is a metaphor for a problem that afflicts businesses large and small. And it's not just about customer service.

"A Milkshake Moment is that precise instant when a company fulfills its true purpose – to serve the relevant needs of customers and partners to build the business – instead of simply following an arcane set of rules, procedures and plans that actually hinder growth," he said. "Most people who go to work every day don't fully understand how what they do fits into the overall purpose of the business. In the midst of economic uncertainty, clarity of purpose is essential."



*Steven S. Little  
Manufacturing  
Matters!  
Keynote Speaker*

# “Lean and Green” strategies fuel huge savings for Reliable Plating



Next Generation Manufacturers are harnessing the power of Lean and Green to reap substantial savings and secure their futures in a fast-changing, global marketplace.

The benefits of Lean manufacturing – increased efficiency, profitability and agility – are well known. Less known, but even more compelling, are the results and ROI companies can achieve by integrating Lean and Green strategies. “Green” relates to measures that minimize environmental impact, such as reduced energy and raw materials usage and sustainable products and processes.

Sustainability and Lean manufacturing are reflected in the Six Success Attributes of Next Generation Manufacturing and will be the focus of panel discussions and workshops at this year’s Manufacturing Matters! Conference.

“Green isn’t just a trend or industry buzzword. It’s a serious business strategy for any manufacturer interested in becoming more profitable, efficient and environmentally responsible,” said Judy Sullivan, senior manufacturing specialist for the Wisconsin Manufacturing Extension Partnership (WMEP). “Early adopters of Lean and Green stand to gain the most because they will attract new customers and be viewed as industry leaders.”

Sullivan points to the stellar results achieved by Milwaukee-based Reliable Plating Works, Inc., which provides decorative nickel and chrome electroplating finishes to a wide range of products for customers in the motorcycle, furniture, point-of-purchase display, appliance, medical equipment and other industries.

The company, founded in 1929, employs 70, and got started on its Lean journey several

years ago with the help of WMEP. Last summer, Reliable Plating turned to WMEP to find ways to increase efficiency and reduce energy, waste and raw material costs. WMEP stepped in to facilitate Six Sigma Green Belt training and a Lean and Green value stream mapping project. Though the company had a long history of being a leader in recycling and zero discharge technology, it wanted to take Lean and Green to the next level.

*As a result, the \$12-million revenue producing firm generated a*

**total savings of more than \$1 million.**

Over the course of the next two months, Reliable Plating launched a multi-pronged attack on waste and inefficiency and implemented measures to reduce raw material usage, air emissions and energy costs. As a result, the \$12-million revenue producing firm generated a total savings of more than \$1 million. What’s more, company President Jaime Maliszewski says the improvements and savings are helping the company stay profitable during the recession at a time when many other firms are struggling.

“You really have to think outside of the box,” Maliszewski said. “The first thing we discovered was that we had bad metrics that were understating our costs.” Products enter the company’s electroplating machinery on a flight bar, and the labor cost metrics didn’t fully take into account whether the flight bars carried products or were empty. After a careful analysis, the company revamped its heat-intensive plating operation to run three days per week instead of five. That alone sparked a 25% reduction in energy costs for

an annual savings of more than \$100,000. In addition, start-up related rejects were reduced by 80%.

Employees now work 12-hour shifts and 3-day weeks, enjoying fewer commutes, more time with their families and lower daycare expenses.

The firm’s biggest expense is nickel, which typically costs from \$3 to \$5 per pound, but shot up to more than \$20 a few years ago, sending shockwaves through the industry. A recently-trained team of Six Sigma Green Belts tackled the issue of reducing nickel waste in the plating process, generating a savings of 14%, or \$200,000 a year. The company is proud to have four Green Belts in its ranks, Maliszewski said.

Reliable Plating’s adoption of Lean and Green strategies are a strong competitive advantage in the marketplace. “When customers see you’re doing things smarter and better they have more confidence in using you as a supplier; they know you’re proactive and that you’ll be around in the future.”

Lean and Green is here to stay, he says. “Companies who don’t take this seriously are going to be pushed out. Looking back, I’m not sure we’d be in business today if we hadn’t started on this path.”

Sullivan gives the company high marks for their commitment to their employees, customers and community. “Reliable Plating realized early on that business practices that protect the environment in the future can pay substantial dividends today.”

Sustainability measures such as reducing energy costs and waste can have an immediate and dramatic impact on the bottom line, Sullivan said. “Given the state of the economy, this should be a high priority for any small or midsize manufacturer.”

## We’re holding the line on cost!

The Manufacturing Matters! conference is an incredible value and an incredible opportunity to hear great speakers, attend world-class workshops and to meet with other Wisconsin Manufacturers!

Comparable conferences range from \$700 to \$1200. We continue to bring quality speakers and content year after year while keeping our pricing flat—so we can keep it affordable for Wisconsin’s small and midsize companies.

### MANUFACTURERS:

On or before May 5th, 2009: \$295  
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### NON-MANUFACTURERS:

On or before May 5th, 2009: \$419  
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For more info, call: 877.856.8588

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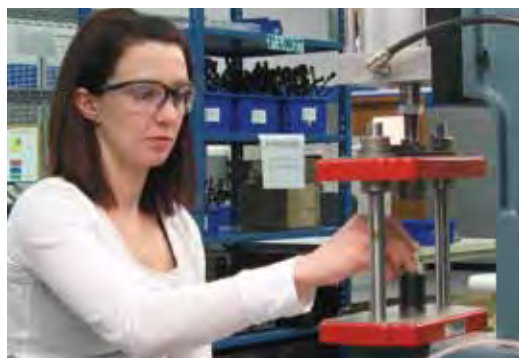
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# TLX Technologies engages WMEP to support rapid growth

TLX Technologies

Neil Karolek, CEO of TLX Technologies, LLC, has engaged the Wisconsin Manufacturing Extension Partnership (WMEP) to execute an Enterprise Business Transformation project for the company at its corporate headquarters in Waukesha. Consisting of three phases, the project will include an enterprise operations assessment, identification of key competitive priorities and action plans to achieve them over the next 18 months.



Alana Lamboy  
Production Lead, TLX Technologies

TLX Technologies, a designer and manufacturer of custom electro-mechanical actuators, solenoids and fluid control valves, employs 25 people and serves customers in the industrial, off-highway, automotive and commercial goods industries. The company has experienced rapid growth in the last two years and anticipates even stronger growth over the next five years. TLX is taking proactive steps to assure it has the most robust, efficient and effective operations in place to support future growth, increase quality and innovation, and guarantee excellence in customer satisfaction.

Karolek said that the company turned to the expertise provided by WMEP to help it meet the challenges posed by rapid growth. "WMEP's Manufacturing Specialists identified the need to control and manage our growth," said Karolek. "Our goal is long-term, sustainable growth, and WMEP is giving us the tools to grow effectively," he said. "We need to optimize our business operations before growth explodes. We have much higher sales goals through 2012, and are on plan to reach them."

Karolek added that WMEP has already helped the company achieve a 50% reduction in production line downtime through mapping manufacturing processes associated with scrap creation.

TLX Technologies was awarded a \$5,000 grant from the Wisconsin Department of Commerce to help fund the cost of the project.

"We offer custom solutions in actuator technology to our customers that are just not available elsewhere. Most of them are Fortune 600 companies and leaders in their field", said Karolek. "We want to do a lot more things for our customers. We know our business can become even better; WMEP brings the experience to allow us to become world-class."

WMEP Manufacturing Specialists Jim Fackelman and Rick Goodson, both manufacturing industry veterans, with more than 20 years of experience, are leading the Enterprise Business Transformation project at TLX.

Said Goodson, "When this assessment is done, TLX will have a roadmap, a compass and a guide to get from where they are now to where they want to be in five years. Its focus on delivering custom solutions to customers is what a world-class company does in



Neil Karolek  
CEO of TLX Technologies

customer-focused innovation. Now, TLX will be reaching for world-class operations excellence to make it even more competitive."

## About TLX Technologies

TLX Technologies ([www.tlxtech.com](http://www.tlxtech.com)) is a designer and manufacturer of custom electro-mechanical actuators, solenoids, and fluid control valves. These products utilize patented technologies such as Digital High Speed, Residual Magnetism Latching, Permanent Magnet Latching, and Linear Proportional Control to provide customers with designs that offer a competitive edge to their products.

TLX has established several strategic partnerships that allow it to offer a wide variety of products and manufacturing capabilities to its customers. Additionally, TLX utilizes its patented technology to provide a competitive advantage in established markets, as well as in the development of new products requiring an innovative approach to problem-solving.

Like the newsletter but would prefer an electronic version? Just go to:

[www.wmep.org/Register.aspx](http://www.wmep.org/Register.aspx)

to sign up!



## Mark your calendar!

Manufacturing Matters! is tailored to the needs of the state's small and mid-size manufacturers. It is one of the largest regional manufacturing events – 2008 attendance exceeded 700.

This year's conference focuses on helping Wisconsin manufacturers develop the six critical attributes of Next Generation Manufacturing (NGM). **Organizations that practice NGM characteristics will survive and thrive in today's tough economy and continue to succeed in tomorrow's global marketplace.**

More than 20 workshops offer interactive presentations and panel discussions featuring the experiences of Wisconsin Manufacturers.

Manufacturing Matters! is presented by the Wisconsin Manufacturing Extension Partnership (WMEP), nationally recognized as the leading advocate of Next Generation Manufacturing education. The results of WMEP's recently completed NGM Survey of more than 500 state manufacturers underscore the competitive urgency of raising business performance to achieve world-class manufacturing in Wisconsin.

# Wisconsin manufacturers can win in a global economy, but the time to act is *now!*

—Mike Klonsinski

Can Wisconsin manufacturers compete and win in a 21st century global economy? A new study says they can if they make the transition to Next Generation Manufacturing.

A key finding of the Wisconsin Next Generation Manufacturing Study is that strategies focused on innovation and transformation are a powerful catalyst for world-class performance and success. This is true regardless of company size, industry or location. The results of the study give us an excellent blueprint for future growth and success and warrant the immediate attention of manufacturers, business leaders and policymakers.

Next Generation Manufacturing refers to a framework of forward-looking strategies that drive performance and competitiveness. It is future-focused, because what is considered world-class today will be standard practice by 2015. I'm reminded of a quote from hockey great Wayne Gretzky who said, "A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be."

Manufacturing is still the engine that drives our state and regional economies. Statewide, manufacturing contributes \$47 billion annually to Wisconsin's economy, employs one in six workers and supports thousands of other jobs in related industries such as logistics and transportation. One need only

to look at the auto industry to understand the urgent need to transform our state's manufacturing economy.

More than 500 Wisconsin manufacturers participated in the Wisconsin Next Generation Manufacturing Study. Overall, the study found that most manufacturers have the right priorities in place and are making progress on the success strategies listed below. But the study also found that many firms recognize the importance of next generation strategies but are unable or unwilling to implement them. And that is where our work is cut out for us.

One of those areas is worker training: only one in 10 respondents provided more than 40 hours of annual training per employee, a level considered world-class. Study after study shows a direct linkage between world-class performance and workforce training.

Another area is global engagement. The survey results reveal that international sales, production and distribution remain a challenge for a majority of Wisconsin manufacturers. With the fastest growing markets located outside of the U.S., this is a significant growth opportunity for state firms when the economy recovers.

The survey results also represent a unique point of convergence for manufacturers and policymakers. Manufacturers can use the

**"A good hockey player plays where the puck is.**

**A great hockey player plays where the puck is going to be."**

—Wayne Gretzky

survey data to see how they rank against world-class performance benchmarks, then target improvements where needed. Wisconsin policymakers can look for ways to help manufacturers put these strategies in place more quickly, and improve policies, programs and infrastructure supporting Wisconsin's 10,000 manufacturers.

Early and aggressive adoption of Next Generation strategies will strengthen our ability to survive the current global recession and thrive when the economy recovers. The time to act is now. Three years from now may be too late.

*Mike Klonsinski is the executive director of the Wisconsin Manufacturing Extension Partnership (WMEP) which helps small and midsize manufacturers grow and succeed. For more information on the study or to download results, visit [www.wmep.org](http://www.wmep.org).*

## Next Generation Manufacturing

### Six Success Attributes that characterize world-class manufacturing

Next Generation Manufacturing strategies reflect the views of industry thought leaders and best practices in place around the globe. They include:

**Customer-Focused Innovation** to deliver new and better customer solutions at a faster pace than the competition.

**Advanced Talent Management** to gain competitive advantage through best practices in talent recruitment, development and retention.

**Systemic Continuous Improvement** to achieve recurring enterprise-wide productivity gains that exceed the competition.

**Extended Enterprise Management** to leverage a flexible network of suppliers and partners, to provide competitive advantages of speed, cost and quality.

**Sustainable Product and Process Development** to integrate environmental best practices into company operations and product development, to maximize competitive advantage.

**Global Engagement** to secure business advantages through people, partnerships and systems capable of engaging global markets, talent and resources.

For more information on NGM and the Wisconsin NGM Survey results, go to:

<http://www.wmep.org/NGMSurveyResults.aspx>