December 2016

MANUFACTURING MATTERS

New Leadership Development Opportunity

If you were one of the more than 100 attendees at MACNY's John Maxwell LIVE2 Lead broadcast leadership conference on October 21st at the Lodge at Welch Allyn, then you are aware that members are looking for an opportunity to enhance their leadership capabilities. They want to tap into

company talent and groom tomorrow's leadership. As successful companies know, their organization's health is critical to achieving success.

David Freund, MACNY's Chief Leadership Officer is excited to now be offering training on John Maxwell's 15 Invaluable Laws of Growth. This full day class will feature:

- The Law of the Mirror: You Must See Value in Yourself to Add Value to Yourself •
- The Law of Awareness: You Must Know Yourself to Grow Yourself
- The Law of Modeling: It's Hard to Improve When You Have No One But Yourself to Follow •
- The Law of the Rubber Band: Growth Stops When You Lose the Tension Between Where You • are and Where You Could Be
- The Law of Contribution: Developing Yourself Enables You to Develop Others •

The class will be offered January 3rd and April 13th. Look for upcoming announcements and additional information on these exciting new offerings, allowing MACNY member companies to create and encourage growth, opportunity, and prosperity for their businesses and employees.

If you would like to learn more about this exciting new offering at MACNY, please contact David at 315-474-4201 ext. 20 or dfreund@macny.org.

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Advocating For The Growth And Development of New York's Manufacturing Sector Serving Manufacturers For Over 100 Years

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Maximize Your Membership

Do you want to ...

- learn more about MACNY's services and how to better utilize your membership?
- meet our staff and, more importantly, have an opportunity to meet other MACNY members and learn more about what they do in our community?

We are excited to be holding Maximize Your Membership sessions on the second Thursday of each month from 9 AM - 10 AM. Mark your calendars for our next three meetings...

December 8 January 12 February 9

Please contact Cindy Nave at cnave@macny.org or 315-474-4201 ext. 11 to sign up for any of our upcoming sessions!

Follow us on Social Media! Stay up to date with What's Happening at MACNY & PEB



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Manufacturers Association of Central New York



@MACNY_MfgAssoc

in

MACNY - The Manufacturers Association

President's Message



Randy Wolken President & CEO

The Elections Are Over - Now It Is Time To Come Together

This has been one of the most divisive elections in recent memory. I, for one, am glad to move beyond the election season and to begin to work on solutions to grow our economy and create more manufacturing and high-tech investments in New York State and our country. However, this is no small task.

Our nation has many challenges ahead of us - and manufacturers and business leaders must work with our elected representatives at the State and Federal levels. The presidential candidates talked about manufacturing throughout their campaigns and we must urge the new Administration and the new Congress to achieve real results to bring about growth in the manufacturing and high tech sectors.

We are committed to working with the President and members of the 115th Congress. There is much work ahead of us and manufacturers are ready to help all elected leaders succeed in turning our economy around. We will need to work with the Administration and Congress to lower the tax burden, increase exports, implement smart regulatory reform, and strengthen our workforce by preparing Americans for jobs in modern manufacturing and our high-tech economy. We need to continue to make a case for a pro-growth effort.

Here in New York State, we are committed to working with our re-elected legislators and our newly elected representatives. We wish to work with you in continuing to improve the economic climate here in New York so manufacturers and businesses can thrive.

During the upcoming year, we will work with all of our elected officials in Washington and Albany who share our vision of growth and success for manufacturers.

Business Activity Stabilized in New York State

Business activity stabilized in New York State, according to firms responding to the November 2016 Empire State Manufacturing Survey. The headline general business conditions index climbed out of negative territory for the first time in four months, rising eight points to 1.5. The new orders and shipments indexes also turned positive, rising to 3.1 and 8.5, respectively. Labor market conditions remained weak, with the number of employees and average workweek indexes both at -10.9. The inventories index fell eleven points to -23.6, pointing to a marked decline in inventory levels. Although price indexes were lower, they remained positive, suggesting a slower pace of growth in both input prices and selling prices. Indexes for the six-month outlook conveyed somewhat less optimism about future conditions than in October.

For more information visit www. newyorkfed.org.

GOVERNMENT RELATIONS





Karyn Burns VP, Communications & Government Relations

MIPAC State Senate and Assembly Races: Election 2016 Results

This year, MIPAC looked to endorse pro-manufacturing and reform-minded candidates from all areas throughout New York State, focusing their attention on key issues, including decreasing energy costs, strengthening the State's workforce development platform, workers compensation issues, and the increasing costs of doing business in New York State.

Our endorsements were decided by experience, questionnaires, and interviews with the candidates. On behalf of MIPAC, we would like to congratulate those who

won in the election, and thank those who although may not have won, ran tough and passionate races that enabled us all the ability to vote as part of the democratic process.

We have compiled the results from our 2016 Endorsed Races in the State Senate and Assembly, and have listed them below.

Congratulations again to all of the winners. We look forward to working with all of you in 2017 Legislative Session.

District	MIPAC Endorsement Candidate	Opponent	2016 Winner	
2	John J. Flanagan (R)	Peter Magistrate (D)	John J. Flanagan (R)	
6	Kemp Hannon (R)	Ryan Cronin (D)	Kemp Hannon (R)	
7	Elaine Phillips (R)	Adam Haber (D)	Elaine Phillips (R)	
22	Martin Golden (R)	Unopposed	Martin Golden (R)	
34	Jeffrey Klein (IDC)	Aleksander Mici	Jeffrey Klein (IDC)	
39	Bill Larkin (R)	Christopher Eachus (D)	Bill Larkin (R)	
40	Terrence Murphy (R)	Allison Boak-Murphy (D)	Terrence Murphy (R)	
41	Sue Serino (R)	Terry Gipson (D)	Sue Serino (R)	
42	John Bonacic (R)	Pramila Malick (D)	John Bonacic (R)	
45	Betty Little (R)	Stephen Razbacki (D)	Betty Little (R)	
46	George Amedore (R)	Sara Niccoli (D)	George Amedore (R)	
47	Joe Griffo (R)	Unopposed	Joe Griffo (R)	
48	Patty Ritchie (R)	Unopposed	Patty Ritchie (R)	
49	Jim Tedisco (R)	Chad Putnam (D)	Jim Tedisco (R)	
50	John DeFrancisco (R)	Unopposed	John DeFrancisco (R)	

Senate Endorsements (24)

GOVERNMENT RELATIONS

District	MIPAC Endorsement Candidate	Opponent	2016 Winner	
51	James Seward (R)	Jermaine Graham (D)	James Seward (R)	
52	Fred Akshar (R)	Sharon Ball (D)	Fred Akshar (R)	
53	Dave Valesky (IDC)	Unopposed	Dave Valesky (IDC)	
55	Richard Funke (R)	Unopposed	Richard Funke (R)	
57	Cathy Young (R)	Lee Hyson (D)	Cathy Young (R)	
58	Tom O'Mara (R)	Leslie Danks Burke (D)	Tom O'Mara (R)	
59	Patrick Gallivan (R)	Tom Casey (D)	Patrick Gallivan (R)	
60	Chris Jacobs (R)	Amber Small (D)	Chris Jacobs (R)	
61	Michael Ranzenhofer (R)	Thomas Loghan (D)	Michael Ranzenhofer (R)	

Assembly Endorsements (26)

District	MIPAC Endorsement Candidate	Opponent	2016 Winner	
3	Dean Murray (R)	Greg Schoen (D)	Dean Murray (R)	
12	Andrew Raia (R)	Spencer Murray (D)	Andrew Raia (R)	
19	Edward Ra (R)	Gary Port (D)	Edward Ra (R)	
96	Kenneth Zebrowski (D)	Unopposed	Kenneth Zebrowski (D)	
99	James Skoufis (D)	Colin Schmidt (R)	James Skoufis (D)	
103	Kevin Cahill (D)	Jack Hayes (R)	Kevin Cahill (D)	
114	Dan Stec (R)	Robin Barkenhagen (D)	Dan Stec (R)	
116	John Byrne (R)	Addie Russell (D)	Addie Russell (D)	
117	Ken Blankenbush (R)	Unopposed	Ken Blankenbush (R)	
118	Marc Butler (R)	Unopposed	Marc Butler (R)	
119	Anthony Brindisi (D)	Unopposed	Anthony Brindisi (D)	
120	Will Barclay (R)	Unopposed	Will Barclay (R)	
121	John Salka (R)	Bill Magee (D)	Bill Magee (D)	
122	Cliff Crouch (R)	Unopposed	Cliff Crouch (R)	
123	Donna Lupardo (R)	Dorrollo Nixon (D)	Donna Lupardo (R)	
124	Chris Friend (R)	Bill Batrowney (D)	Chris Friend (R)	
126	Gary Finch (R)	Diane Dwire (D)	Gary Finch (R)	
127	Al Stirpe (D)	Vincent Giordano (R)	Al Stirpe (D)	
128	Pamela Hunter (D)	Unopposed	Pamela Hunter (D)	
129	Bill Magnarelli (D)	Unopposed	Bill Magnarelli (D)	
130	Bob Oaks (R)	Unopposed	Bob Oaks (R)	
131	Brian Kolb (R)	Unopposed	Brian Kolb (R)	
132	Phil Palmesano (R)	Unopposed	Phil Palmesano (R)	
136	Joe Morelle (R)	Unopposed	Joe Morelle (R)	
140	Robin Schimminger (D)	Danielle Rotolo (R)	Robin Schimminger (D)	
146	Ray Walter (R)	Steven Meyer (D)	Ray Walter (R)	

HUMAN RESOURCE SOLUTIONS



Patty Clark HR Services Manager

Multi-Generations in The Workplace - Understanding The Differences

Walk into any office across the United States and you will see workers from a wide variety of ages, from Generation Z (age 18-21) all the way to the Baby Boomers (age 52 – 70). Some employers may see the diversity as a benefit, each contributing something different but others see the multi-generational workplace as a challenge. It is important to understand each group in order to have a work environment where people are able to work alongside each other. Regardless of the age, workers are looking for job security, stability, and respect from their employers and co-workers. Recognizing and learning to accommodate the differences will help employers successfully understand and engage their employees, leading to a better work environment and even to a stronger bottom line.

The generations in the work place have been identified as: Generation Z, Millennials, Generation X, and Baby Boomers.

Generation Z – This group was born beginning in 1995. They prefer an intense and project oriented work ethic and like a fun, flexible, and collaborative work environment. They like teamwork and are motivated by an opportunity for advancement and being involved in the decision making. HR managers have found this group responds best to honest and open communication, a wide variety of voluntary benefits, and information on planning financial and physical well-being.

Millennials – Millennials also known as Generation Y were born from 1982 – 1994 and will eventually represent the largest and most influential generation in the workplace, nearly 75 percent of the workforce. They are go getters, and like Generation Z, they thrive in a collaborative work environment. Millennials enjoy working in a creative work environment and prefer continuous feedback, both good and bad as well as positive reinforcement. They respond best to open communication with the HR department and managers and think having a mentor is better than a boss.

Generation X – The next generation of workers, Generation X, was born from 1965 to 1981. This group stays with an employer for approximately five years. They are efficient and self-reliant workers, and prefer a flexible and fun work environment. Generation X is motivated by removal of rules and time off. They respond best to receiving information on retirement, benefits that will help them build a secure financial future as well as employers matching their 401(k) contribution.

Baby Boomers – This last group was born from 1946 – 1964. They are workaholics, competitive, and prefer a democratic work environment. They enjoy interacting with fellow employees through meetings and are seen as a team player. Baby Boomers are motivated in the workplace through being recognized, being valued and through monetary rewards for a job well done. Human Resource Managers say Baby Boomers respond best to honest and simple approach to benefit programs and financial planning for the future. They prefer to be shown different scenarios instead of a casual conversation about their future finances. They are concerned with saving their money so the next generation can inherit their savings. This group stays with an employer about seven years.

HUMAN RESOURCE SOLUTIONS

Hot Off The Line

Q – We laid an employee off over the summer of 2016 and just brought him back effective 11/1/16. We give our new hires a "new hire" letter. Does a rehired employee need to get a "rehire" letter?

A – Yes it is a good practice to give all "rehired" employees a "rehire" letter. The letter should include: The rate or rates of pay, including overtime rate of pay if it applies, how the employee is paid: by the hour, shift, day, week, commission, etc., regular payday, official name of the employer and any other names used for business (DBA), address and phone number of the employer's main office or principal location and allowances taken as part of the minimum wage (tip, meal and lodging deductions). The letter should be given in both English and in the employee's primary language (if the Labor Dept. offers a translation).

HR Stats & Facts

- 38% of millennials say saving for retirement is the top financial concern. Source: EBN Sept. 2016
- \$9.70 The Greater New York State minimum wage beginning 12/31/16. Source: NYS DOL
- A recent survey of 1,200 parents with school-age children showed 84% cited work flexibility when considering a new job. Source: www.FlexJobs.com

	Wage/Clerical	Sept.	Aug.	Pt. Chg. (Mo.)	\$ Chg. (Mo.)	% Chg. (Yr.)
	1967=100	701.5	699.7	1.7	0.2%	1.2%
	1982-84=100	235.5	234.9	0.6	0.2%	1.2%
	Urban					
	1967=100	723.2	721.5	1.7	0.2%	1.5%
	1982-84=100	241.4	240.9	0.6	0.2%	1.5%
Unemployment Rates						
	September - On	ondaga County	/: 4.5; Metropo	olitan Syracuse	Area (MSA): 4	.8

LEARNING & DEVELOPMENT



David Freund Chief Leadership Officer

Giving

Those who know me well have started hearing me say this is *The Most Wonderful Time of the Year*! I just love the time between Thanksgiving and the New Year. There seems to be an excitement, anticipation, and joy. One of my favorite traditions was to go Christmas shopping with my daughter Bethany. We would start with going out for dinner and then shop for a gift for my wife. In retrospect, I do not know if Bethany ever helped me find just the right gift, but we did spend some wonderful times together. Even though Bethany is married with her own family and living hundreds of miles away, I have those wonderful memories.

What memories do you have of this most wonderful time of the year? My guess is that they would not be about a specific gift but rather a time spent with people who mattered in your life. Have you ever considered the value of memories in your life? I recently read the following statement by Mark L. Chapman, "Just like us; the older memories grow, the more valuable they become. Memories help us to manage time past, enhance time in the present, and provide continuity and meaning for times to come." Our memories play such a powerful role in our lives as they help us manage the past, enhance the present and add continuity and meaning to the future.

My favorite Christmas movie is *A Christmas Carol,* and by the way, it needs to be the one with George C. Scott as Ebenezer. One of the key messages is when Ebenezer is visited by Jacob Marley and he compliments Marley on his business skills. Marley then gets annoyed, shakes his chains and shouts, "Business! Mankind was my business." He was filled with regret about his wasted life. So many opportunities to add value to others and he wasted them being consumed with self-centered financial gain. As leaders, we are in an amazing position to create memories in the hearts and minds of others. Are we helping to create good memories that will help people grow and develop, or are we driving people out of our life? Let's take a look at what we can give to those in our charge:

- Growth We need to grow and develop into a better leader and person. As John Maxwell said, "You cannot give what you do not have." If we want to be able to grow and develop others, we must be on our own personal plan of growth. As we grow and develop, we share what we are learning with others. Since people do what people see, we will be giving our team a vision of growth and development.
- Encouragement Do you have any memories of someone encouraging you? How often did it happen compared to how many times you were criticized? Did you have bosses who looked for what you were doing wrong, or did they look for what you were doing right and reinforced the behaviors with encouragement?
- Mentoring You have so many skills and have had so many life experiences. What skills do you have that can be shared with others?
- Believe in Someone Many have never had someone believe in them, and they need someone just like you to seek them out. Leaders are dealers in hope. Where can you spread some hope?
- Introductions Whom do you know that you could pour value into someone else's life. That is right, you know people that others would love to know. How about making an introduction?
- Unconditional Love People will always make mistakes and frequently those in our charge will do things that will hurt us. Perhaps in a moment of frustration they betrayed a trust or criticized us to others on the team. Just forgive them. If we are honest, we all have done that in our past. I am so grateful that people do not keep reminding me of my mistakes in the past.

What kind of memories will you make in the lives of the people around you?

Employer Engagement



Bruce Hamm Director of Business Engagement

MACNY Partner Wins Major Federal Contract to Expand Apprenticeship

Jobs for the Future (JFF) has won an \$8.5 million, five year United States Department of Labor (USDOL) contract to drive the expansion of Registered Apprenticeship in advanced manufacturing. Under the contract, JFF is partnering with MACNY and leading innovators in apprenticeship to dramatically increase the number of manufacturing firms that are utilizing Registered Apprenticeship and to train more than 2,200 apprentices over the duration of the contract. With more than 30 years of experience, Jobs for the Future (JFF) is a national nonprofit that builds educational and economic opportunity for underserved populations in the United States, which, in turn, builds a more highly skilled, competitive workforce.

Today, JFF is in more than 120 communities across 42 states, and similar to MACNY, working to help fix the "leaks" in the education to workforce pipeline. Their work focuses on ensuring that: low-income high school students graduate college and are career ready; underprepared adults are able to earn a college degree or credential for workforce success; employers have the skilled workers needed to succeed in today's economy; and federal and state policies are in place to support these innovations. This summer JFF reached out to MACNY as a partner in the application that eventually secured the contract.

Under the contract JFF is charged with six main tasks: provide project management, conduct outreach and recruitment, develop additional apprenticeship standards and programs, facilitate the engagement of manufacturers as apprenticeship sponsors and national leaders in workforce training, improve and refine apprenticeship training outlines, and incentivize the expansion of new and existing programs. MACNY will assist JFF with a number of these tasks over the life of the contract, and be able to provide additional assistance to manufacturers in New York and across the country.

These tasks align very well with the work MACNY is already doing to expand apprenticeship with manufacturers in Upstate New York. Under this contract MACNY will continue that effort and also reach out to other groups and parts of the country. As JFF and its partners work on developing new national guideline standards or national program standards for apprenticeships, MACNY will leverage the recently created National Network for Manufacturing Innovation institutes, or as newly renamed Manufacturing USA, to identify opportunities for new apprenticeships in cutting edge technologies.

Working with JFF and its partners, MACNY will help New York manufacturers to gain national recognition as leaders in apprenticeship, linking them to other firms across the country with a similar commitment to excellence and a highly skilled workforce. MACNY will also play a key role in this national project in supporting the development of both on-the-job and related instruction curricula, competency based curricula, and securing college credit for apprenticeship, all of which are part of MACNY's current plans to serve our members.

As JFF and its partners work to expand existing registered apprenticeship programs and initiate new ones under this contract, there is one additional element to help manufacturing firms commit to this old-but-new training model. The contract provides a sizeable amount of money each year for one-time incentives for employers to participate in apprenticeship, including help accessing resources for tuition, training mentors, and other costs of starting a new apprenticeship program. While the partners have not yet fully worked through how this last task may be accomplished, it does present some exciting opportunities for creative ways to engage employers in developing apprentice programs.

MACNY is committed to using the apprenticeship model to help companies build their own internal capacity to maintain and expand their skilled labor force. Partnering on this contract not only provides additional resources to help in this effort, but also give access to the expertise of national subject matter experts, and positions our regional effort on a national stage. Anyone wanting additional information on this new project or our apprenticeship efforts should contact Bruce Hamm (bhamm@macny.org) or Martha Ponge (mponge@macny.org).

PEB Update



Joe Vargo Executive Director Partners For Education & Business

MACNY Members Engaged In Preparing Students For Careers

PEB Works With Business Professionals In Coordinating New School Year Activities

Partners for Education & Business, Inc. (PEB) played a lead role in bringing together students and business professionals from MACNY Member companies and the community for several activities that have sparked students' interest in exploring careers.

Syracuse P-TECH Program

In October, the P-TECH 10th grade class worked on a project to build a tower that could support a "bucket" holding the greatest amount of weight in coins. Nineteen Career Coaches (Mentors) provided assistance as the students worked in small teams assessing, designing, problem-solving, and engineering their towers. Each team was challenged to design a structure using straws, string, and tape that would suspend a cup. Weights were put into the cup until it collapsed. The structure that held the most weight wins! Students did an excellent job working with their career coaches. The structures were built so well, there was not enough weight to challenge all of the designs!



Ephesus Technologies hosted the 9th grade class of P-TECH students in October,

having them spend the morning with engineers in different departments. Students learned about the technology used in the stadium lights designed and produced by Ephesus. Students did a walking tour of several downtown locations, visiting the Teen Library and MakerSpace at the Central branch of the Onondaga County Public Library. Students had the opportunity to learn and use the technology in the MakerSpace and receive their library card. Students were also treated to a guided tour of the Everson Museum of Art and visited the newly renovated Marriott Syracuse Downtown Hotel.

The P-TECH 9th grade class held their first in-school activity with Career Coaches in the Fall. The activity was designed as an "ice breaker" and gave the students the opportunity to "interview" the Coaches about the educational requirements and special talents needed for their jobs, as well as information about entry-level pay and benefits, future outlook for employment, and job satisfaction. The Career Coaches modeled their presentations about their careers in line with established "Career Ready Practices" that emphasized positive work ethics, teamwork, critical thinking, and nine other topics that represent how people can act as responsible and contributing citizens and employees.

Programs for Young Women

For female students, several events were held in the Fall which provided exposure to Engineering and other STEM careers through the use of presentations and a Q&A session with female professionals in nontraditional careers.



PEB Update

"Women in Engineering" event was held on October 18th at Lockheed Martin. The students (and parents) were welcomed by Lockheed Martin employees who gave an overview of the variety of work done at this facility and the types of jobs employed. A Lean Manufacturing exercise that showcased the principles of what manufacturers do in everyday business was provided along with a tour and explanation of the manufacturing and production areas. The evening concluded with dinner and discussions.

"Girls in the STEM Workplace" events were held at SRC, Inc. on November 4th and November 18th. Over 120 female students in grades 7-9 from CNY school districts spent most of the day hearing from and talking with women professionals. Through STEM-based games, project-based learning exercises, and a tour of several areas of SRC, Inc. students were made aware of what it takes to work at SRC, Inc. and about the foundational STEM skills needed to be successful later in life. To foster communication skills, the students took part in a word game that helped them network with SRC professionals by asking questions to find out about their career and education backgrounds.

"Girls World Expo" was held on November 6th at the New York State Fairgrounds. It is a national movement of one-day events for teenage girls designed to inspire and empower girls to discover their potential, connect with their community, find their best path to personal and professional success, meet new people and try new things. There were seminars about embracing science and internet safety, mini workshops, an Art Show and Live Runway Fashion Show, College/Career Fair and Maker Hall adventures. One of the event's sponsors, DARCO Manufacturing, Inc., included several P-TECH female students with the opportunity to volunteer in their "Jane the Plumber" exhibit. They were included in providing demos and activities aimed at exposing middle and high schoolaged girls to trades and other hands-on type careers.



CNY Engineering Expo - a group of 30 P-TECH 10th graders from Syracuse City School District were invited to participate at the event on November 7th at the OnCenter. The day-long symposium featured a variety of technical presentations, sponsored by the NYS Society of Professional Engineers. This Expo offered New York State licensed professional engineers continuing education credits for attending presentations and discussions on current technical standards, new technologies and unique projects. The students were able to participate in three educational sessions, sit in on a brief Dale Carnegie presentation on interpersonal competence, and have lunch.

Melanie Littlejohn of National Grid made remarks and offered a special recognition of the P-TECH students in attendance. The Syracuse P-TECH Program was also provided with a vendor table to actively recruit potential career coaches and other volunteers for the program. To learn more about becoming a career coach, contact Meghan at mmcbennett@macny.org.



Auburn P-TECH Program

The 9th grade class was delighted to participate on a field trip to Fulton on November 4th to tour the Sunoco Ethanol plant. The students received a tour by Erin Tones. Erin is not only the Plant Manager, Logistics, and Marketing expert at Sunoco; she is also a Career Coach for the Auburn P-TECH high school students. She has 7+ years of experience as a manager in the fuel ethanol industry.

The students learned how the facility is able to produce 85 million gallons of fuel-grade ethanol per year, which is the official fuel of NASCAR, they loved that fact that it produced locally. Students then saw and felt the stacks of dried grains, and how nearly two million

gallons of corn oil is produced from corn. The students also got to see how the plant brings in corn by rail cars and tractors, how it is weighed, and tested to make sure it is an acceptable product. Students were served lunch by Sunoco and wrapped up the tour by discussing the production of all these products is an economic stimulus. They also learned how the benefit of ethanol production goes well beyond plant employees, contractors, and local communities, because it also supports farmers and regional agricultural. The students were amazed by what you can do with a simple piece of corn!

The Bottom Line



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Larry Hessney, CFPIM, C.P.M., CSSBB, CIA, CISA Director, Freed Maxick

How Supply Chain Excellence Can Drive Manufacturing Success

There are several challenges that New York manufacturers face to succeed in our environment including slow economic growth, high taxes, regulatory burden, and more. This makes it imperative that NY manufacturers achieve Supply Chain Excellence to deliver a high level of customer services while minimizing operating costs and working capital. Some of the keys to achieve Supply Chain Excellence include: Sales and Operations Planning, effective Inventory Management, Strategic Sourcing and Procurement excellence, proper application of Technology including ERP systems, and use of Lean Six Sigma to eliminate waste and reduce variability. Despite several of these approaches being mature, we still see many manufacturers of all sizes which can gain tremendous improvements from more effective implementation and usage of these leading practices.

The goals of Sales and Operations Planning (S&OP) are to effectively manage incoming customer demand and balance it with manufacturing supply in terms of equipment capacity, people, and materials so that the company can operate at peak efficiency at all times. Symptoms of inadequate S&OP include poor delivery performance, disruptive short notice changes to production schedules, excessive expediting, and high levels of overtime – all adding extra cost and degrading customer service. Effective S&OP Supply Chain planning includes putting in place a process to forecast and manage customer demand, including measuring forecast accuracy and identifying and eliminating forecast bias, the arch enemy of supply chains. Bias leads to chronic levels of excess capacity and inventory or high OT and missed deliveries – the so-called Bullwhip Effect where the pain moves up and down the Supply Chain. Effective S&OP is an excellent top management tool for the team to agree on a profitable Production Plan and then execute it smoothly.

Technology has the potential to leverage the power of modern ERP systems and also drive great real-time integration of Supply Chains, allowing trading partners to better synchronize their operations to drive down costs and variability. Proper application of ERP and MRP, the original heart of the system for manufacturers, is absolutely critical. We've all heard of, or experienced first-hand, ERP/MRP implementations that have had significant problems and failed to deliver the promised results. Successful ERP/MRP application is needed to achieve Supply Chain Excellence – effective Material Requirements Planning and Manufacturing Resources Planning. Some of the secrets to successful ERP/MRP: strong project management and quality assurance, extensive education and training especially on MRP concepts, and well-designed Supply Chain processes. And finally the Big3 – Data Accuracy, Data Accuracy, Data Accuracy. BOMs, Routings, Inventory, etc.

As we work with Technology to better integrate with our customers and suppliers on both ends of the Supply Chain, we have to be very careful about the increased risk exposure of Cybersecurity attacks and breaches as we share more and more data outside the company. It is imperative that manufacturers have built a network with the appropriate layers of information security defenses and that you have the security tested frequently, especially whenever changes are made to your network infrastructure or applications, which happens way more often than you might think.

THE BOTTOM LINE

Manufacturers should consider reevaluating their Inventory Management to ensure that leading practices are utilized to drive savings. Routine slow moving, excess and obsolete inventory analysis should be performed, Cycle Counting must be properly implemented, and parameters in the ERP/MRP system must be evaluated. Effective use of Lean Six Sigma can help Supply Chain efficiency by application of techniques such as Kanban pull systems, setup reduction, elimination of waste, and application of DMAIC to deliver process improvements and reduced variability. Materials are usually the largest manufacturing cost, so attacking with Strategic Sourcing and Procurement will aggregate spend, negotiate savings and optimize supply. Finally, Supply Chain practices can also reduce costs and optimize freight, logistics and warehousing.

Effective Supply Chain initiatives play an important role in improving top line growth, lowering costs, reduced response times and increased productivity, all of which add up to satisfied customers and a competitive edge.

Larry Hessney, CIA, CISA, CSSBB, is a Director leading the Enterprise Risk Management and Technology Services Practice of Freed Maxick. Larry's experience includes consulting with more than 100 clients on Supply Chain excellence, Sarbanes Oxley compliance, Internal Auditing, Service Organization Control (SOC) audits, packaged system selections and IT consulting projects. Prior to consulting, Larry was a Supply Chain and Manufacturing manager for Kodak and Welch Allyn, leveraging his Operations and Engineering degrees from UR and Dartmouth. Additionally, he has been an Adjunct Faculty member of the State University of New York's Empire State College for 15 years, teaching Supply Chain, Leadership, and Management Information Systems.



Thursday, January 19, 2017 4:30 PM to 7:00 PM

Celebrate the holidays and catch up with your peers while you enjoy cocktails and hors d'oeuvres

\$40/MACNY Member

WELCOME OUR NEW MEMBERS...

COALITION FOR A PROSPEROUS AMERICA

The Coalition for a Prosperous America is a nonprofit organization representing the interests of 2.7 million households through their agricultural, manufacturing, and labor members. Visit them at www.prosperousamerica.org

SECURE IT TACTICAL

Securelt Tactical's exclusive line of modular component based weapon storage solutions have set a new standard of operational excellence in modern arsenals all over the world. Their innovative approach to storage design with emphasis on meeting mission critical objectives has helped provide military and law enforcement agencies with a greater level of cost-effective functionality, versatility, and security. Visit them at www.secureittactical.com

SECURE NETWORK TECHNOLOGIES

Secure Network Technologies is an information security consulting firm specializing in "ethical hacking" services including penetration testing, vulnerability assessments, social engineering, phishing, and breaking into facilities. Their goal is to attempt to penetrate networks and provide remediation advice so clients are better prepared for when actual criminals attempt to do so. Visit them at www.securenetworkinc.com

SOLVAY BANK

Serving the Greater Central New York community for 99 years, Solvay Bank continues to strive to provide consumers and small business customers outstanding service and quality financial products. They are a peopleoriented, independent, commercial bank that focuses on meeting the needs of the communities they serve. Visit them at www.solvaybank.com

If you know of companies that could benefit from a MACNY membership, please contact Cindy Nave at 315-474-4201 ext. 11 or **cnave@macny.org**.



MANUFACT

In the most recent data, manufacturers contributed \$2.17 trillion to the U.S. economy in 2015. This figure has risen since the second quarter of 2009, when manufacturers contributed \$1.70 trillion. Over that same time frame, value-added output from durable goods manufacturing grew from \$0.87 trillion to \$1.18 trillion, with nondurable goods output up from \$0.85 trillion to \$0.99 trillion. In 2015, manufacturing accounted for 12.1 percent of GDP in the economy. (Source: Bureau of Economic Analysis)



Month at a glance... DECEMBER

1 HR Council: How To Motivate & Develop Generations in The Workplace

Time: 8 - 10 AM; Cost: Free for HR Council Members and Individual Members / \$40 per non-HR Council Members; Presenter: David Freund, Chief Leadership Officer, MACNY

2 Technology Council: The Risk of Breaches Time: 8:30 - 10:30 AM; Cost: Free for Technology Council Members and Individual Members / \$40 per non-Technology Council Members; Presenter: Tyler Ward, IV4

2 P-TECH Career Coach Information Session Time: 12 - 1 PM (lunch will be served)

2 Project Management

Time: 8:30 AM - 4:30 PM; Cost: \$350 per MACNY Member (\$315 per Individual Member) / \$550 per non-MACNY Member; Facilitator: Patrick Penfield, Syracuse University

7 Business Development Council: TBA

Time: 8 - 10 AM; Cost: Free for Business Development Council Members and Individual Members / \$40 per non-Business Development Council Member

8 Maximize Your MACNY Membership

Time: 9 - 10 AM

9 Quality Council: Quality Planning - Addressing Risks and Opportunities (ISO 9001:2015 - Section 6) Time: 7:30 - 9:30 AM; Cost: Free for Quality Council Members and Individual Members / \$40 per non-Quality

Council Members; Presenters: Sara Leonard of CXtec and Bill Butler of Haylor, Freyer & Coon

13 Change Anything

Time: 8:30 AM - 4:30 PM; Cost: \$595 per MACNY Member (\$535.50 per Individual Member) / \$795 per non-MACNY Member; Facilitator: David Freund, Chief Leadership Officer, MACNY

13 Factory Managers Council: Automation Roundtable

More details to follow. Stay up-to-date on www.macny.org.

13 Plant Engineers Council: TBA

More details to follow. Stay up-to-date on www.macny.org.

20 HR Breakfast Briefing: A DOL Welfare Plan Audit

Time: 8 - 10 AM; Cost: \$25 per MACNY Member or Firm Client / \$35 per non-MACNY Member or non-Firm Client; Presenting Firm: Bond, Schoeneck & King; *Webinar option available*

- 23 MACNY & PEB Offices Closed
- 26 MACNY & PEB Offices Closed
- 30 MACNY & PEB Offices Closed

Unless otherwise noted, all events and classes are held at MACNY Headquarters, 5788 Widewaters Parkway, Syracuse, NY 13214



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www.macny.org

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MEGHAN MCBENNETT P-TECH Business Outreach Coordinator

The information provided herein is general in nature and is designed to serve as a guide to understanding. If the reader has a specific need or problem, the services of legal counsel should be sought to address the particular situation. Nonprofit bulk rate postage is paid at Syracuse, NY.