

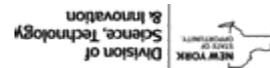


# SPRING 2019

LEARN HOW INSYTE HELPED GLOBAL DEFENSE, INC. GET ISO COMPLIANT IN SHORT ORDER.



# INSIGHTS



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# PRESIDENT'S MESSAGE: POWERFUL ECONOMIC DEVELOPMENT INITIATIVES FOR MANUFACTURERS

BY BEN RAND

**FOR MANUFACTURERS, EACH NEW YEAR SIGNALS THE START OF NEW INITIATIVES AND PROGRAMS DESIGNED TO INCREASE COMPETITIVENESS AND PROFITABILITY.** It's no different for Western New York manufacturers. But what is different in our region is powerful, private-sector support in the form of some of the most effective and flexible grant programs anywhere. Both National Grid (NG) and New York State Electric and Gas (NYSEG) offer programs aimed at stimulating economic development by investing in their manufacturing customers.

NG's Manufacturing Productivity Program (MPP) is celebrating its tenth anniversary in 2019. By any measure, MPP has been a tremendous success. In that time, it has exceeded \$1 billion in economic impact statewide, including well over 5,000 jobs created or saved. In Western New York alone,

MPP has invested more than \$2.2 million in over 130 local manufacturing projects worth more than \$4.75 million and resulting in more than \$889 million in benefits, based on independent, third-party surveys of Insyte's clients conducted by the U.S. Department of Commerce.

A key to MPP's success has been its flexibility and ease of use for manufacturers, which results in NG supporting a wide range of manufacturing improvement initiatives. For operational improvements designed to increase efficiency (lean, six sigma, quality management systems, etc.), an MPP grant will reimburse 40% of project costs up to a cap of \$15,000. For growth projects designed to increase revenue (new product development, sales and marketing, export, etc.), an MPP grant will reimburse 50% of project costs up to a cap of \$15,000. But if you combine operational improve-

ments AND growth projects, an MPP grant will reimburse 60% of combined project costs up to a cap of \$40,000. In addition, MPP has a very simple application that does not require any sensitive company information.

NYSEG has recently introduced a similar program called the Manufacturing Accelerator Program (MAP) for its customers. MAP offers reimbursement grants in 40%, 50% and 60% increments with caps of \$15,000 or \$40,000, identical to NG.

If you are considering an improvement project, you owe it to yourself to consider one of these powerful and successful programs. To find out more, contact us at Insyte.

## CASE STUDY: GLOBAL DEFENSE, INC.

**COMPANY** Global Defense fabricates, sources, and manufactures spare parts and assemblies for power train, exhaust, cooling, fuel, hydraulic, and other systems on all types of military vehicles.

**SITUATION** A significant portion of Global Defense's current business is with the U.S. government, specifically the Department of Defense. The company's longer-term goal is to gain additional business in the Aerospace and Defense markets. Current customers did not require an ISO 9001:2015 certified quality management system but had the expectation of compliance to this standard. The current quality management system was based on the previous version of ISO 9001 and was in need of updates. The company was looking for a relatively quick fix to improve overall quality and reduce customer audit findings with the implementation of a more practical and efficient quality management system aligned with the latest ISO standard.

**SOLUTION** Insyte conducted a gap analysis to quickly assess current documentation and processes, established a complete list of all compliance-required updates, and recommended changes. Insyte template documentation was introduced to simplify and standardize current practices. The project concluded with a report containing all additional inputs and changes required to possibly obtain certification to the latest standard. Global Defense, Inc. recently passed supplier audits with no findings and has demonstrated to auditors a quality management system now based on the latest ISO 9001:2015 standard.

### THE RESULTS



Implemented immediate fixes to current quality problems and process inefficiencies



Within five weeks, established a compliant quality management system required to maintain \$1.5M in current sales



Established foundation for future ISO 9001:2015 certification

"As the president of a small company, maintaining and growing the business was my predominant focus. Insyte was able to quickly assess my current systems, introduce new documentation and processes, and get our quality management system compliant to the latest standard."

— PAUL MICHARDZINSKI, PRESIDENT

# PARTNER PROFILES

In this issue of Insights, we talk with Art Hamlin, director of economic development and corporate citizenship at National Grid (NG) and Joe Rizzo and Kyle Banks, manager of economic development and lead analyst of economic development, respectively, at New York State Electric & Gas (NYSEG) and Rochester Gas & Electric (RG&E).



ART HAMLIN

Art Hamlin has been an employee of NG for 29 years, with most of that time spent in positions connected, directly or indirectly, to the company's economic development initiatives. These days, Art oversees all of NG's economic development teams and grant programs within its U.S. service territories, including, since 2009, NG's very successful Manufacturing Productivity Program (MPP).

## Tell us about the MPP. Why did NG undertake this initiative?

Art: MPP was designed to help NG customers with productivity and efficiency, and there's a natural connection there with our own energy efficiency priorities. Often, a customer who is interested enough to invest in lean manufacturing, let's say, is also interested in hearing about our energy efficiency programs. By the same token, our energy efficiency team will, many times, introduce a customer to our MPP program. There's a synergy there that serves our larger company. It also doesn't hurt that our company is very focused on process excellence, so having a program like the MPP that supports customers doing lean manufacturing and other productivity work resonates with our own leadership. It's a win-win, and, obviously, the most important thing is that it allows us to help a large number of customers.

## What is your working relationship with Insyte?

Art: Insyte is one of the regional technology development centers we work with. We have a counterpart to Insyte in all major regions of our New York service territory, and we work with all of them to deliver the services that they provide to customers. Most commonly, that's lean manufacturing. Our intent is to help customers get more efficient and productive to develop new capacity. Each of the RTDCs do their own impact measurement. So, they will survey manufacturers that utilize their services, and they will ask them about increases in sales, cost savings, the number of jobs they created or retained through the program, and the dollar value of that in terms of regional earnings. They help us measure impact.

## How has MPP contributed to the creation or retention of 3,000 jobs in Western New York?

Art: MPP is very holistic. We support lean manufacturing projects that, in turn, help a manufacturer free up capacity in their processes. We'll also fund growth projects that help those companies use the capacity that they've freed up. What ends up happening is a company gets more efficient, and then they'll do some work with growth projects to use that capacity and hopefully expand. You get job retention as part of the efficiency in productivity and then, in the longer term, you get job growth as those companies, now stronger, are able to invest in their operations.

## What has surprised you about the program?

Art: Out of NG's portfolio of a dozen or so economic development programs, MPP is our most active by far. We've provided 292 grants since 2009, and the total funding behind that is \$3.8 million. Sixty percent of that total is in Western New York. So, when you look at the volume of projects that we've done, it's obvious that the manufacturing economy is alive and well, even in upstate New York, where I think there's a common perception that it's dying or that it has been restructured out of existence.

## What are the characteristics of a successful MPP participant?

Art: The company's top management has to be committed to doing lean manufacturing, and it's not a one-off project. It has to be a culture of process excellence. We look for businesses whose top management is willing to commit the time and

the resources to those kinds of projects. We've helped very small manufacturers and very large manufacturers, and that's the common denominator: being really committed to process and productivity improvement.

## What do you like best about the work you do with MPP?

Art: We are all in economic development because we want the region to thrive. And that can be because we want our own kids to have the opportunity to stay and work in upstate New York, or it can just be the fulfillment that comes from helping businesses and your community. And I think everyone who does economic development shares that sentiment. It's very fulfilling to play a part in helping businesses grow and helping them increase employment in the region.

## Do you have any advice for manufacturers thinking of applying to the program?

Art: Reach out to Insyte. They are out there on the streets, just like we are. We have a really strong track record of getting projects done, in some cases multiple projects, over years with the same customer. This is not typically a one-off grant; it's something that's an evolution for a company.

# PARTNER PROFILES CONTINUED



Last year, NYSEG and RG&E launched the Manufacturing Accelerator Program (MAP) to support manufacturers looking to implement productivity improvement projects, growth initiatives, and other transformative business ventures. Joe and Kyle, longtime veterans of the companies, work closely to ensure MAP's successful development and implementation. Here, they tell us about their work and what the program means for local manufacturers and the community at large.

## First things first: what exactly is the Manufacturing Accelerator Program?

Joe: NYSEG and RG&E provide grants to eligible applicants whose leadership make commitments of time and resources to productivity improvement projects such as lean manufacturing, lean office procedures, waste reduction, ISO quality programs, and other projects that lower costs, improve quality, and reduce lead times. In addition, MAP can provide matching grants to fund growth-targeted activities such as new product development, export initiatives, sales and marketing system improvements, and other projects designed to increase revenue.

## What objectives are you hoping to meet through MAP?

Joe: Our objectives include maximizing the use of our energy delivery assets, supporting the retention and expansion of existing businesses, attracting new businesses, and fostering a strong collaborative business relationship with our economic development partners at the local, regional, and state level. This overall effort helps our communities grow and prosper, creating a strong and healthy economy in New York.

## Describe the ideal MAP grantee.

Kyle: The ideal manufacturing client is a small- to medium-sized manufacturing company within the RG&E or NYSEG service area that has a clear vision or strategy for its business needs in the short term as well as into the future. With that understanding,

we work in partnership with organizations like Insyte to explore how our MAP can provide the most benefit to their business success.

## How exactly do you work with Insyte to the benefit of the program and program participants?

Joe: Insyte plays a vital role in this program. It is one of many high-tech organizations in New York helping to market the program to the manufacturing community in its respective region. Insyte works with manufacturers to identify their specific business needs and makes recommendations to NYSEG and RG&E on the level of grant assistance to achieve positive results. We work very closely with Insyte to ensure that the program and process from start to finish are as streamlined as possible to make positive impressions on our customers while increasing their overall competitiveness.

## What has most surprised you since launching MAP?

Kyle: The popularity of the program. We did not expect to receive half as many applications as we did in the first year alone. Seeing all the local manufacturers that are involved in amazing operations throughout the world gives us a great appreciation for the amount and variety of business we have in Western New York.

## What challenges do you face in terms of ensuring MAP's long-term success?

Joe: As with any new program, there is the anticipated participation rate. There is an ongoing influx of applications from some high-tech

advocacy groups across New York. The challenge is ensuring that information about this program continues to reach manufacturers that are unaware of its existence.

## What do you like best about the work you do?

Kyle: I like helping local businesses meet their potential goals. I like that our involvement could help a company reach its next level of their growth. We have an amazing opportunity to incentivize job creation and economic vitality.

Joe: I find it gratifying that our economic development programs are truly working for our communities and businesses across New York. To put things in perspective, since 2010, NYSEG and RG&E provided more than \$90 million in economic development assistance to support more than 450 projects, leveraging over \$4.4 billion in private sector and capital investments. In addition, NYSEG and RG&E have demonstrated great success in working with our economic development partners to attract new businesses to New York that had competitive alternatives outside the state and sometimes outside the country.

# RECENT PROJECTS

A SAMPLE OF PROJECTS THAT INSYTE RECENTLY CONCLUDED WITH WNY COMPANIES:

- Facilitated the development of a written **strategic plan** formalizing the strategic direction, including balanced strategic goals and executable strategies, for a regional engineering firm under new ownership.
- Completed an **innovation audit** to assess the current state of a Buffalo medical products manufacturer and to identify technology and process improvement opportunities to increase their competitiveness.
- Developed a **facility layout** for a Lancaster manufacturer's expansion, showing placement of machines, accessory equipment, and storage to increase operational efficiency.
- Implemented an **AS 9100 Rev D quality system** at an Orchard Park defense contractor to help grow its business with a current customer and gain access to additional new business opportunities within the aerospace and defense markets.
- Performed **internal audits** for a Buffalo machining company to ensure the company maintained compliance for its ISO 9001:2015 certification.
- Developed **strategic marketing** recommendations and tactics to differentiate a Buffalo metal fabricator from competitors and to attract new customers by product and market segments.
- Helped a Lancaster contract manufacturer envision optimized, future-state processes and define critical business system requirements to create a request for proposal (RFP) to purchase a new **ERP system**.
- Updated the quality system and prepared a Niagara Falls food manufacturer for an **SQF8 Food Safety Management System** certification audit.
- Developed a **focused marketing strategy** and accompanying tactics to drive sales growth and capture increased market share for three related upstate gear manufacturers.
- Upgraded a Niagara County heat exchanger manufacturer's current **ISO 9001:2008 quality system** to the new ISO 9001:2015 quality standard to retain current customers requiring certification to the new standard.
- Provided **sales and marketing** support to help a local not-for-profit transition from a sheltered workshop to a competitive contract manufacturer while still fulfilling its mission for the community.
- Assessed a Tonawanda precision manufacturer's quality system and performed a gap analysis to determine company's readiness for certification to the **ISO 14001 quality standard**.

# EVENTS

<b>MAY</b>	<b>20</b>	<b>1:00 P.M.</b>
<b>ACA WORKSHOP: FUNDAMENTALS OF ANGEL INVESTING</b>		<b>- TO -</b>
		<b>7:00 P.M.</b>
<b>INSYTE-CONSULTING.COM/CALENDAR</b>		

<b>MAY</b>	<b>21</b>	<b>5:00 P.M.</b>
<b>BNMA MEETING &amp; TOUR OF SWITZER</b>		<b>- TO -</b>
		<b>8:00 P.M.</b>
<b>INSYTE-CONSULTING.COM/CALENDAR</b>		

<b>JUNE</b>	<b>26</b>	<b>8:30 A.M.</b>
<b>SUSTAINABILITY &amp; THE SUPPLY CHAIN</b>		<b>- TO -</b>
		<b>11:30 A.M.</b>
<b>INSYTE-CONSULTING.COM/CALENDAR</b>		

**IT IS NOT  
NECESSARY  
TO CHANGE.  
SURVIVAL  
IS NOT  
MANDATORY.**

W. EDWARDS DEMING

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