



# FALL 2016

PEAK MOTION, INC., PHOTO BY DOUG WEBSTER



# INSIGHTS

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# PRESIDENT'S MESSAGE: Technology Roadmapping

BY BEN RAND



**IT'S THAT TIME OF YEAR AGAIN: BUDGET SEASON. BUT IN THIS DAY AND AGE, YOU NEED TO BE THINKING ABOUT MUCH MORE THAN JUST A BUDGET.** Manufacturing owners, CEOs, presidents and boards are in the midst of planning for 2017. The minimum requirement is a one-year budget, but better companies will tie these financial projections to a multi-year strategic plan that lays out various initiatives and investments designed to make the company more competitive, more profitable, more successful. However, very few manufacturers—only the biggest and most forward-thinking, it seems—will have a Technology Plan built into their strategic and financial plans.

A Technology Plan is much more than a

capital budget; it is a blueprint for how your business will utilize technology to become more competitive by making your product better, faster or cheaper. Technology has always been central to manufacturing, but since the turn of the 21st century, the pace and impact of technology has accelerated. The threat of sudden disruptive change seems to hang over every industry sector. It is critical to understand these technologies since they promise to fundamentally alter your business and your competition's.

As the company's owner, CEO or president, you are likely the only person with the responsibility of looking and thinking ahead, and weighing the opportunities and threats that may exist. The pace and breadth of technical

change creates a real challenge, even if you are an experienced engineer. How will you make sense of it all, let alone build it into your company?

In WNY, there is an answer: Buffalo Manufacturing Works, the advanced manufacturing institute, is offering a Technology Roadmapping service that brings world-class technology experts into your business to help you identify new and upcoming technologies that might help over the next few years. Buffalo Manufacturing Works will review your strategy, assess your operations and understand your processes then craft a Technology Roadmap for your business based on their expert understanding of the technology environment. Your roadmap

will help you understand where to install certain technologies and what the cost-benefit would be. Your roadmap can also help you anticipate new developments that may still be a few years away, so you can monitor, plan and prepare for those changes. The plan aligns with a multi-year strategic plan to give you a systematic approach to planning, financing and implementing new technology in your business.

Buffalo Manufacturing Works has brought world-class manufacturing expertise to WNY. Manufacturers who take advantage of this tremendous resource have the chance to create a real competitive advantage for themselves and their customers. What will you do?

## Case Study: Peak Motion, Inc.

**COMPANY** Founded in 2010, Peak Motion, Inc. engineers and produces complex precision-machined parts for product development prototypes and short-run production of high-precision components and assemblies.

**SITUATION** Looking to attract new customers, and ultimately grow revenue, Peak Motion's president believed implementing an ISO 9001:2008 quality system would both help the company grow sales and, at the same time, maintain quality and consistency in its production processes.

**SOLUTION** Insyte Consulting was contacted in March 2014 to establish the systems and procedures needed to satisfy the ISO 9000 quality standard as well as develop a continuous improvement focus, improve responses to customers and establish performance measures.

Due to Peak Motion's small size and relative short life there were very few documents or procedures to work from. This proved to be a benefit as the processes could be established without breaking old habits.

The quality management team was created and measures were put in place. Employees were trained in the requirements and benefits of a quality management system. Processes were defined and the procedures required by ISO 9000 were written, reviewed and approved. Other procedures that would help define and improve the functions of the company were also established. The documentation was kept simple and straightforward for ease of use and maintenance. During the course of developing the system, employees stepped into key roles in the system and provided valuable input into how the system should function.

One employee was selected for internal audit training and the audits were initiated. This provided valuable insights into the functionality of the system and provided impetus for improvement actions. The findings were addressed quickly and efficiently and the system gained traction, with buy-in from all employees.

### THE RESULTS

AFTER LESS THAN NINE MONTHS, CERTIFICATION AUDIT CONDUCTED AND PEAK MOTION CERTIFIED FOR ISO 9000.



ANTICIPATED SALES INCREASE OF \$5,000,000 OVER FIVE YEARS.

NEW TECHNOLOGICAL EQUIPMENT WAS PURCHASED TO ENHANCE CAPABILITIES.



"We have added a second shift and are in the process of adding a third."

— DOUG WEBSTER, PRESIDENT

## Employee Profile—BEN RAND



In this issue of Insights, we talk with Ben Rand about his life and career. As president of Insyte, Ben has long been dedicated to strengthening the local manufacturing industry. Here, he discusses how his family's roots in Buffalo manufacturing and business led him from New England to Western New York.

**You were not born in Buffalo, but your family has a long history here. Tell us about that.**

I was raised in New Haven, but I visited Buffalo often as a kid because my father was born and raised in North Tonawanda, as were his father, and his father, and his father. My great-grandfather, Benjamin Long Rand, whom I'm named after, was one of the original trustees of Old Fort Niagara and helped save it. There's a plaque with [our] name on it there. He became mayor of North Tonawanda during the First World War, and then worked in industry there for years. But he originally worked in banking and brought his brothers into banking. James started the Rand Company to make ledgers and office supplies for bankers; that company later became Remington Rand, then Sperry Rand, and then Unisys. His youngest brother, George, helped start Marine Midland Bank.

**How did your career begin?**

It really began in New York City, where I worked in the financial district. Then I went to Philadelphia to get an MBA, and joined a consulting company for five years before going to work at US Filter, a capital equipment and filtration company that was based outside of Boston. Eventually I was

recruited to come to Buffalo. I was kind of an East Coast guy—Philadelphia, New York, Boston, New Haven.

**Was manufacturing always an interest?**

When I got out of college, I wasn't really sure what I wanted to do. I had very consciously been a history major so I worked gratis for a while on the Benjamin Franklin papers at Yale, but I decided history was not a smart career choice. I thought, "Let me try something brand new." So I went to Japan and taught English. I lived at a school on the slopes of Mount Fuji with Japanese executives who were going on overseas assignments and who learned English the way we would learn Latin. Our job was to live with them in a dorm setting all week long and basically teach them conversational English. It was a lot of fun. Very different.

I came back from Japan and got a job as a securities paralegal in New York, but the lawyers in the firm all advised me against law. So I ended up on Wall Street when the stock market crashed in 1987. I was cheap labor, so I survived the firings that followed, but it was the first time I realized it's not enough to think about how good a job you're doing personally; you have to think about how your department, division, company and even

your industry are doing. You have to look at the bigger picture. That is when I decided to leave Wall Street and go back to business school for an MBA. From there, I went into consulting and then into management with U.S. Filter and Sefar Filtration here in Depew, and now I'm back consulting with manufacturers again with Insyte.

**Do you like being a leader?**

Absolutely! This is a great organization with great people, which I found out firsthand when I hired Insyte to do some work at Sefar. But there was a potential downside in coming to Insyte. My predecessor Bob Martin had done a great job and Insyte already had a wonderful reputation. Everyone I met invariably said, "You have big shoes to fill." I didn't want to screw it up! It was a privilege to come here nine years ago and become part of this team. I've really enjoyed that and I hope I haven't screwed it up.

**Knowing what you knew of your great-grandfather's sense of business, what would he say about your career here in Buffalo?**

I hope he'd be happy that there are still Rands in Buffalo who are active in the business community and doing our best to help Buffalo and Western

# ISO 9001:2015—The Clock Is Ticking

BY Jim Johnson

It has already been a year since the new ISO 9001:2015 standard was released in September 2015. That means that a third of the time is already gone for companies certified to the old ISO 9001:2008 standard to upgrade by the Sept. 23, 2018 deadline. There are no figures available on the number of ISO-certified companies that have upgraded to the 2015 standard this year, but anecdotal information suggests that many have not yet done so. We suggest that companies set aside time and budget in their planning for 2017 in order to upgrade and accommodate these changes, some of which are relatively significant:

- **“CONTEXT OF THE ORGANIZATION”** requires a company to routinely monitor and clearly define what the company is and does in order to identify internal and external issues relevant to the company’s purpose and strategic direction. This addition furthers ISO 9001’s positioning as a true management system integral to the operation of the company.
- **“IDENTIFICATION OF INTERESTED PARTIES AND**

**THEIR NEEDS”** is included in the same clause as “Context of the Organization.” Satisfying the needs of these interested parties would presumably be of strategic importance to a company and therefore this requirement further aligns ISO with a company’s strategy. These interested parties would presumably include customers, suppliers and even competitors, but could also include community members living near a facility, regulatory bodies or other partner organizations.

- **“RISK BASED THINKING,”** perhaps the most significant addition, focuses on process risk and incorporating the concept of preventive action to manage that process risk. Each company will need to identify its own process steps, the risks associated with each of those steps and the relative importance or ranking of each risk. Then a system must be put in place to evaluate and act on those risks.

There are a number of other modifications to the 2008 standard that will require attention, starting with the

very structure of ISO. The eight clauses of the 2008 standard have been replaced by ten clauses built around the Plan-Do-Check-Act cycle. Documented information now includes records as well as the former documents. Leadership now has its own clause with ten specific requirements that, again, are designed to position the 2015 standard as a management system, not an “isolated” quality system.

There are a number of requirements from the 2008 standard that are no longer necessary under the 2015 standard, including the Quality Manual, the Management Representative, and Preventive Action. Management Representative has been replaced by the more effective and accountable Leadership clause, and Preventive Action has been replaced by Risk Based Thinking.

Clearly, there is a great deal for ISO-certified companies to consider when moving to the new standard. Now is the ideal time—during your planning and budgeting cycle for 2017—to commit to your conversion and allot the resources for next year.

## RECENT PROJECTS

a sample of projects that Insyte recently concluded with WNY companies:

- Provided sales and marketing assistance to position a Niagara County custom table tops manufacturer for 50% revenue growth over the next three years.
- Helped a Buffalo custom control panels and systems manufacturer develop a request for proposal document (RFP) for a new enterprise resource planning (ERP) system.
- Audited an Orchard Park food processor’s safety system and facilities to ensure a consistently safe working environment and compliance with OSHA standards.
- Used workplace organization (5S) and lean office concepts to help a Niagara County chemical manufacturer better utilize existing office space, avoiding \$250,000 in office expansion construction costs.
- Helped an Amherst thermal products manufacturer reduce lean process waste by approximately 30% in two production areas, resulting in annual cost savings of \$50,000 and a 20% increase in throughput.
- Provided sales and marketing assistance to help an Erie County abrasive product manufacturer recover lost sales due to the severe 2014 snow storm which destroyed its production facility. Insyte also developed the layout for the company’s new facility.
- Implemented an ISO-compliant quality system for a Buffalo manufacturer of lubricating materials to help the company retain a key customer and to generate sales from new customers requiring the same ISO compliance.
- Helped a Niagara County custom valve manufacturer build a sales and marketing strategy for expansion in the OEM marketplace with new and existing product lines.
- Helped an Erie County packaging manufacturer implement a SQF (Safe Quality Food) Safety Level 2 quality system to meet a key customer’s quality standards.
- Increased on-time delivery and order shipment accuracy, while decreasing labor costs, for custom jobs for a specific product line at a Buffalo metal fabricator.
- Helped the management of a Niagara County heat transfer tooling and equipment company develop a strategic plan to achieve sales and profit growth, increase production capacity to meet this growth, and position the company for transition to the third generation of management

## EVENTS

<b>JANUARY</b>	<b>11</b>	<b>7:30 A.M.</b>
WNY VENTURE ASSOCIATION - COMPANY PRESENTATION FORUM		- TO - <b>9:00 A.M.</b>
<a href="http://INSYTE-CONSULTING.COM/CALENDAR">INSYTE-CONSULTING.COM/CALENDAR</a>		

<b>FEBRUARY</b>	<b>2017</b>	<b>8:00 A.M.</b>
PRINCIPLES OF LEAN MANUFACTURING WORKSHOP		- TO - <b>4:30 P.M.</b>
<a href="http://INSYTE-CONSULTING.COM/CALENDAR">INSYTE-CONSULTING.COM/CALENDAR</a>		

<b>SPRING</b>	<b>2017</b>	<b>8:00 A.M.</b>
IDENTIFYING & CAPTURING NEW CUSTOMERS		- TO - <b>10:00 A.M.</b>
<a href="http://INSYTE-CONSULTING.COM/CALENDAR">INSYTE-CONSULTING.COM/CALENDAR</a>		



**A BAD SYSTEM  
WILL BEAT A  
GOOD PERSON  
EVERY TIME.**

W. Edwards Deming