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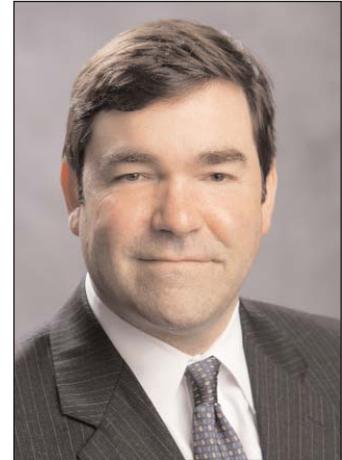
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- Fax Back Survey Winners Announced

Benjamin Rand Named President of Insyte Consulting

Benjamin L. Rand has been named President of Insyte Consulting. Ben joins Insyte Consulting on June 4, 2007. He will be assuming the responsibilities of the current president, Robert J. Martin, who retires on July 1 after 21 years as president. Mr. Martin and the Insyte Consulting Board of Directors have planned for his retirement for the past three years, ensuring a seamless transition to new leadership.

Mr. Rand was most recently president of Sefar Filtration Inc., a worldwide leader in filtration products for medical, pharmaceutical, automotive and industrial markets, located in Depew NY. He is a Wharton-trained MBA and Yale University graduate. Ben's experience includes serving the medical, pharmaceutical, food & beverage, chemical, automotive and appliance markets with capital equipment, filtration products and filter media.



Benjamin L. Rand

Mr. Rand is currently a member of the World Trade Center Board of Directors, Co-Chair of The Buffalo-Niagara Partnership Manufacturers' Council and a member, Chief Executive 421 of Vistage (formerly TEC). ❖

Insyte Recognizes Excellence

Insyte Consulting will honor three organizations that have recently achieved significant accomplishments within the community. The formal presentation will be made at our annual Affiliates Reception on June 13. The criteria for recognition are based on overall contributions to the WNY community, employee growth, technology utilization, business transformation or other significant results. We are pleased to honor Buffalo Filter, Kinex Pharmaceuticals, LLC and the Buffalo & Erie County Workforce Investment Board.

Buffalo Filter

Buffalo Filter is a world leading medical device manufacturer with a primary focus on

manufacturing and engineering products for the evacuation and filtration of hazardous surgical smoke plume generated during electrosurgical and laser procedures. Currently owning 8 patents, with several other concepts patent-pending, Buffalo Filter is constantly raising the bar and setting new standards for the creation of superior products. The company is committed to constantly improve their products to make them safer, more efficient and more affordable. In 2004, Buffalo Filter successfully achieved ISO 9000:2000 and ISO 13485:2003 registrations.

Excellence continued on page 7

Good-Bye and Thank You!

It is time to say, "good-bye and thank you!" After nearly twenty-five years, twenty-one as president, I am retiring. My career at Insyte Consulting (WNY Technology Development Center) has been personally and professionally fulfilling. The diversity of our work has introduced me to a broad spectrum of community members: the owners and leaders of manufacturing and technology companies, academicians, economic developers, and politicians. I have enjoyed these relationships and appreciate the community's longstanding support of our vision and mission.

I am especially thankful for the opportunity to work with an outstanding staff and Board of Directors committed to making Western New York a better place through their great talent and energy. To them I owe a debt of sincere gratitude; they have taught me much, but more importantly, they have made me a better person.

We have planned my retirement for the last three years. After a year-long search, we have found an outstanding person, Benjamin Rand, to lead Insyte Consulting and fulfill our vision to "transform WNY Business." Ben has already started his transition, and I will have an opportunity to introduce him to many of our customers and partners before he formally assumes his leadership role on July 1. You are going to like Ben!

My family and I will continue to reside in WNY and participate in the community's business and social life...this is our home. I look forward to maintaining the many friendships that I have developed over my career with Insyte Consulting.

Good-bye and thank you!

Robert J. Martin

Using ISO Certification to Grow a Business

How does an already successful manufacturer continue to grow and improve its business? This was the question facing the management of Pivot Punch Corporation. ISO certification was the avenue they selected to move the company forward.

The Situation

In late 2004, Pivot Punch management made a strategic decision to become ISO 9000 certified based on their desire to improve quality, performance, and internal business systems. Achieving ISO 9000 certification was viewed as the most important step toward gaining another competitive edge, showing both current and potential customers that they are committed to a continuous improvement attitude throughout the organization. It was hoped this effort would eventually pay off in increased sales and a collection of new customers.

The Company

Pivot Punch Corporation is one of the world's largest manufacturers of punches, die buttons, retainers and custom tools for the metal piercing, stamping and forming industry. Established in 1945, the company currently employs 75 and has over 55,000 sq. ft. of manufacturing space in their Lockport, NY facility. Known to be "on the cutting edge of industry," Pivot Punch has positioned itself to have selection, delivery, and reliability at a highly competitive price, and strives to be the single source piercing tool supplier for their customers.

The Solution

Pivot Punch contacted Insyte Consulting in

February 2005 to begin the process of building and implementing an ISO 9000 compliant quality system, with the goal of certification by the end of the year. An internal project leadership team was formed and a certified ISO system Insyte consultant facilitated and coached the organization through the project.

"Becoming an ISO certified company required a unified effort from all of the associates at Pivot. In the end, Pivot became a more disciplined company, with greater efforts aimed at providing our customers with quality, traceability, and on-time shipments."

**Rick Chapman,
V.P. Manufacturing**

This overview set a strong, common foundation of understanding across the organization, and validated the importance of the ISO implementation to the company's future.

The management team developed a quality manual, along with a quality policy and quality objectives to provide the structure for a quality system aligned with the company's vision. An ISO registrar was also selected and scheduled for the formal audit.

Personnel were trained in process mapping to assist in development of internal procedures. Teams were assigned to develop area and process specific procedures, while Insyte reviewed the created documentation and coached the team to ensure compliance to the ISO standard.

Internal auditor training was also completed. The internal audit schedule was created and one complete internal audit cycle implemented. Review of the quality system was done through weekly meetings with the project

Firm Benefits

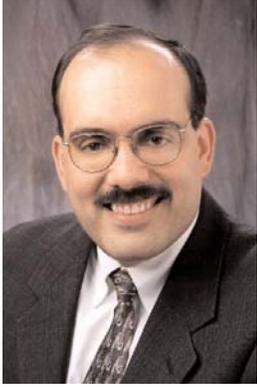
- ISO 9000:2000 Standard certification completed on time
- 99.9% first pass quality yield
- 15% increase in sales to existing customers
- 5% increase in sales to new customers
- 2% decrease in customer non-compliance
- Improved internal and external communication



Pivot Punch technician, Bruce Smith, uses grinder to complete a punch profile.

Pivot Punch continued on page 7

Message from the Chairman and President



Warren C. Johnson

During 2006, Insyte Consulting's operations provided very positive results for our customers; these impacts are presented on the facing page. Especially noteworthy are the improved sales and increased jobs that our customers attribute in an independent survey to our work with them.

Financially, with operations at approximately break-even, our combined fund balance increased by nearly \$100,000 due to revenues from TDC Foundation investments. This provides additional resources for re-investment in the community. The WNY Business Development Fund (operated by Insyte Consulting) invested \$200,000 in early-stage, high tech companies in 2006.

In support of our core value of community partnering, Insyte Consulting cooperatively formed a regional partnership with economic development, academic and community service organizations to stimulate the growth and commercialization of technology business in WNY. As a major contribution, Insyte Consulting developed an advanced manufacturing strategy for the partners.



Robert J. Martin

Following a competitive process, Insyte Consulting was designated the Regional Technology Development Center and Manufacturing Extension Partnership Center in WNY through 2011. This assures long-term continuing relationships with our major federal and State partners.

Finally, 2006 was a year of preparation for leadership transition. With Robert Martin's plans to retire after twenty-one years as president, the Board of Directors conducted a year-long search for his replacement. Benjamin Rand was selected to assume the presidency in mid-2007. Warren Johnson succeeded Robert Fox as Chairman of the Board of Directors at the annual meeting in January of 2007. With the selections of Messrs. Johnson and Rand, the next generation of leadership at Insyte Consulting is in place.

Warren C. Johnson
Chairman

Robert J. Martin
President

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Partner
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Customer Impact

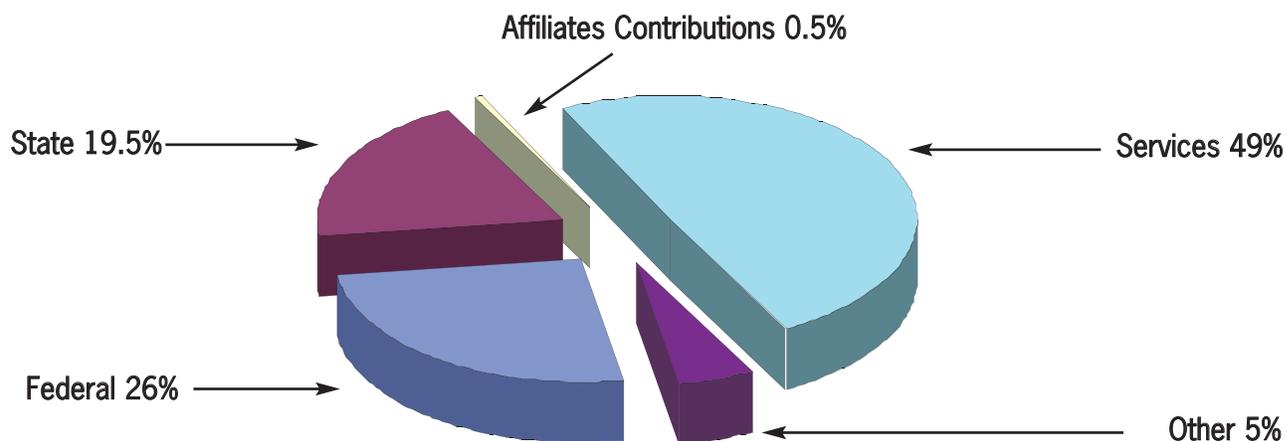
We evaluate our success by the impact we have on our customers. An independent study reported the following impacts in 2006 for customers surveyed*:

| | |
|---------------|----------------------------------|
| \$61,100,000 | Increased and retained sales |
| \$2,982,000 | Cost savings realized |
| \$2,785,000 | New investments in modernization |
| 571 jobs | Jobs created and retained |
| 4.37 out of 5 | Customer satisfaction score |

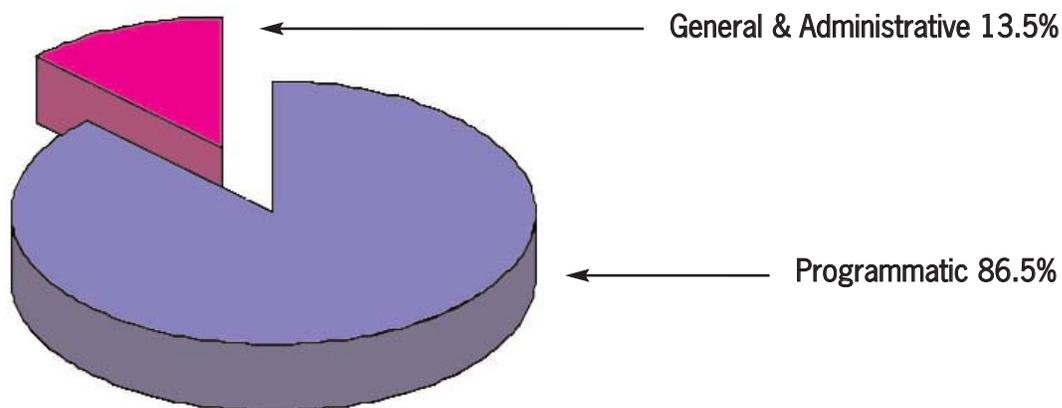
* Source: Synovate

Combined Revenue & Expense Distribution 2006

Revenue \$2,309,426



Expenses \$2,226,219



Understanding the Phases of Six Sigma - Part 5: Control by Steve Diloia

This is the last of our five part series to assist in answering the questions "Why are we thinking of using Six Sigma? How or when should we use it? What will our ROI be when using it?" Previous articles discussed the first four phases of the DMAIC principle. (Previous issues of the Affiliates News can be found at www.insyte-consulting.com/news.aspx). Part five of the series explores the Control phase.

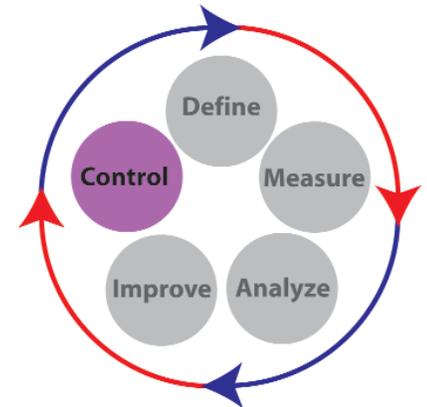
Introduction

The Six Sigma project is brought to closure through the Control phase. While the project is coming to an end, this does not close the door on continuous improvement. This phase sets the tools in place to continually monitor the process. By monitoring the process data can be used to evaluate the performance and areas for improvement.

Tools that are typically used at this phase are SPC (Statistical Process Control), Standardized Work, and Visual Controls to name a few.

Maintain Gains of the Project Through Control

There are critical steps that need to be taken during the Control



phase of the project. If they are not taken there is a high probability that the gains seen during the project will not be sustained.

The first step is to create a plan to monitor the process. This can be as basic as simple metrics to more formal control charts. In either case, short- and long-term analysis needs to be completed on the data at regular intervals. This will help to sustain improvements and evaluate any needed actions for further improvements.

The next step is sometimes overlooked, but is needed for the long-term success of the project - documentation of, and training to, the new process. All personnel must be familiar with the new changes and why they are being made. Along with this is the transfer of ownership to the process owner or champion if they have not been leading the project.

These last steps are critical to the success of Six Sigma within the organization. During these steps there is the closure of the project through the project charter. This includes analysis of the gains from the project, the successes during the project, and any lessons learned during the project. This review should be presented to management for their consideration and approval. Further review of the project should also include areas of opportunity to integrate or institutionalize the improvements into other areas of the organization.

Conclusion

It is critical to bring the project to proper closure through the control phase. It is equally important for the success of the project and continued success of Six Sigma within the organization.

If you are beginning to consider a Six Sigma Project, but are not sure where to start, contact us at 716.636.3626 for further information on how Insyte Consulting can assist you in your Six Sigma implementation.

Steve Diloia is a manufacturing consultant with Insyte Consulting. Steve was trained and certified through Motorola as a Six Sigma Black Belt and certified through SixSigma.US as a Master Black Belt. ❖

Six Sigma Recommended Reading

What is Lean Six Sigma?

by Michael L. George, David Rowlands, Bill Kastle

Book Description

A quick introduction on how to use Lean Six Sigma to improve your workplace, meet your goals, and better serve your customers.

Lean Six Sigma combines the two most important improvement trends of our time: making work **better** (using Six Sigma) and making work **faster** (using lean principles). In this plain-English guide, you'll discover how this remarkable quality improvement method can give you the tools to identify and eliminate waste and quality problems in your own work area.

Packed with diagrams, cartoons, and real-life examples, *What is Lean Six Sigma?* reveals the "four keys" of Lean Six Sigma and how they apply to your own job:

- Delight your customers with speed and quality,
- Improve your processes,
- Work together for maximum gain,
- Base decisions on data and facts.

You'll see the big picture of what your company hopes to gain with Lean Six Sigma, how it may affect your work area, and what it can mean to you personally. *source: Amazon.com ❖*

Pivot Punch continued from page 3

management team. Management reviews began in August and were held every three weeks. This aided in the system implementation while developing the practice of management reviews required by the standard.

One month before the official registration audit another specialist from Insyte Consulting conducted a full mock audit of Pivot Punch's quality system. This step in the system development generated a gap analysis of the new system and exposed the entire organization to the formal audit process that would eventually occur.

The Results

Pivot Punch's registration audit was conducted by an accredited registrar in December 2005 and the company received their formal ISO 9000:2000 Standard certification in January 2006.

The success of this project, in the targeted time frame, is founded on the unyielding support and commitment of all Pivot

Punch employees to achieve this goal.

According to Rick Chapman, Vice President of Manufacturing, "Becoming an ISO certified company required a unified effort from all of the associates at Pivot. In the end, Pivot became a more disciplined company, with greater efforts aimed at providing our customers with quality, traceability, and on-time shipments."

The commitment and enthusiasm grew as procedures were implemented and improvements realized. Pivot Punch Corporation is now achieving a first pass quality yield of 99.9%, virtually eliminating customer rejects. As predicted, the company has also experienced a 15% increase in existing sales and a 5% increase in sales to new customers as additional benefits of their improvement in quality, performance, and internal business systems. ❖

Survey Winners Announced

Congratulations to the following individuals selected in a random drawing on April 6th from entries received in the Affiliates News Fax Back Survey contest.

Apple 30GB iPod w/Video

Martin Slawson,
Taber Industries

1GB Memory Stick

Andrew Gustafson,
Phoenix Metal Fab
Eric Cornavaca,
Buffalo BioSciences LLC

Excellence continued from page 1

Through the application of their new comprehensive product development road map, Buffalo Filter has been able to triple the amount of new products developed, increase revenues by 300% and increase the number of new customers. This has led to a doubling of its engineering staff, adding to the company's competitive strength.

Kinex Pharmaceuticals, LLC

Kinex Pharmaceuticals develops next generation anti-cancer drugs targeting the molecular basis of disease. The company uses a proprietary technology platform to generate compounds that inhibit the protein Kinase and Phosphatase family of proteins. Kinex will develop its current leads and leverage its technology platform to build a pipeline of clinical candidates that address large market opportunities and unmet medical needs.

Kinex has made significant progress since its inception in late 2003. The company has completed significant pre-clinical work on its lead drug candidate and will begin clinical trials in the third quarter of 2007. Kinex has also raised more than \$5.5 million via private placements and grants from the National Cancer Institute and NYSTAR. It also has been awarded 3 patents.

Buffalo & Erie County Workforce Investment Board

The Buffalo & Erie County Workforce Investment Board (WIB), federally funded through the New York State Department of Labor (DOL), is a joint city and county consortium whose purpose is to provide employment and training services to local companies and residents. Over the last several years the WIB has supported the administration of the DOL training

grants within Erie County. They have been consistently at the top of the state's 33 workforce investment boards for bringing training funds into their local communities. For example, within the recently completed 37L training grant, 81 companies received training funds in excess of \$3 million; this represented a success rate of 80% of applications submitted. This funding has both improved the quality of our work force and the competitiveness of local companies. The WIB was also a key participant in the DOL's 32J training program. This grant provided strategic planning support to nearly 50 companies throughout Western New York. The grant was administered through the joint participation of the other local WIB's, Small Business Development Centers and Insyte Consulting. ❖

Affiliates News

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Insyte Consulting assists WNY manufacturing and technology companies to overcome their strategic and tactical business challenges. Whether it's a short-term engagement or a long-term commitment, we create positive change.

Because our employees have hands-on experience, we can help our customers see the opportunities and threats that lie ahead. We're always ready to roll up our sleeves to help get results — results you can measure.

We also place a strong emphasis on teaching our customers proven methods for maintaining and replicating the success that has been achieved. Knowledge combined with common sense — that's how our experience improves your business.

Our experience improves your business



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