



Council of Industry Newsletter

May 2011
Volume 15
Issue 5

Manufacturing Champions to be Honored at Award Breakfast on May 19th

Members and friends of the Council of Industry are invited to the Poughkeepsie Grand Hotel on the morning of Thursday, May 19th at 7:30 am to honor the 2011 Manufacturing Champions Award recipients. The manufacturing Champion award honors individuals, one from the public sector and one from the private sector, who through their vision, dedication, hard work and tireless involvement have helped to overcome some of the many obstacles faced by manufacturers in the Hudson Valley community and in so doing they have made it possible for manufacturers and their employees to prosper. This year, from the private sector, we will honor Richard Croce, President of Viking Industries and from the public sector, Assemblyman Marcus Molinaro. New for 2011 we will recognize Central Hudson as a regional organization champion for their contributions and support of manufacturing.



Richard Croce, President,
Viking Industries

The Council will present the private sector award to Richard Croce, the President and co-founder of Viking Industries, Inc. in New Paltz. Beyond his role at Viking, Mr. Croce has also contributed to the manufacturing community as a past President of the

Council of Industry Board of Directors, past President of the Ulster County Development Corporations Board of Directors, and member of the Ulster County legislature.

New York State Assemblyman Marcus Molinaro will receive the Manufacturing Champion Award for the public sector for being a consistent and articulate voice for manufacturing in the state legislature. A member of the Assembly minority task force for manufacturing, he is serving his third

term in the New York State Assembly from the 103rd District and is Assistant Minority Leader Pro Tempore, making him the third-ranking official in the Assembly Minority Conference.



Assemblyman Molinaro

For the first time this year the Council of Industry will honor an organization that champions the critical role manufacturing plays in our economy. Central Hudson Gas & Electric is an organization that



has made significant contributions to Hudson Valley Manu-

facturing. Central Hudson has a long history of industry support, has been a member of the Council of Industry for nearly a century and has played a key role in promoting economic development, particularly in the manufacturing sector, for many decades.

The Council would like to thank the major sponsors of the Manufacturing Champions Award Breakfast: **Rondout Savings Bank** and **Central Hudson** and our supporting sponsors: **Viking Industries, Inc.**, **The Chazen Companies**, and **The Mid-Hudson Workshop for the Disabled** for making this event possible.

The Manufacturing Champions Award Breakfast will be held on May 19th, from 7:30 – 9:30 am at the Poughkeepsie Grand Hotel. The cost to attend is \$30 per person, \$215 for a table of eight. To reserve a seat or table, call (845) 565 -1355 or e-mail abutler@councilofindustry.org. Details are also available on our website: www.councilofindustry.org.

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Training and Education

Last Call for 2011 Supervisor Training

May is packed full of classes for those looking to improve their leadership and supervisor skills. May is also the last month we offer Certificate in Manufacturing Leadership classes until January 2012. Below are four classes that can provide important skills for those that need to be in a leadership role in the workplace.

Read more about these courses below or go to our website and sign up today www.councilofindustry.org.

Certificate in Manufacturing Leadership

High Performance Work Teams:

Date: Thursday, May 5, 2011

Time: 9:00 am - 4:00 pm

Location: Dutchess Community College, Bowne Hall, Poughkeepsie, NY

Instructor: Ellen Messer

Cost: \$200 single participant, \$175 each for two or more from the same company

This course explores how to design a team that will get the best results with the most efficient methods. It will also include: strategies and skills for team planning, team motivating, managing performance and developing team members. Define the roles of team members, team building behaviors and the problem solving and decision making benefits of a team. For more info or to register online:

<https://connect.computility.com/form/index.php?id=2a3fadad3fa1041a8445cb408b154521#high> or e-mail training@councilofindustry.org or call (845) 565-1355.

Train the Trainer:

Date: Wednesday, May 11, 2011

Time: 9:00 am - 4:00 pm

Location: Dutchess Community College, Bowne Hall, Poughkeepsie, NY

Instructor: Rebecca Mazin

Cost: \$200 single participant, \$175 each for two or more from the same company

The Council of Industry will offer this informative course that will provide participants with useful skills and materials for training delivery including: training assessment, planning and design, instructional strategies and evaluation, conducting group and individual instruction, monitoring follow up and reinforcement of training. For more information or to register online:

<https://connect.computility.com/form/index.php?id=f82c4af3117af1da484888e2564b79bb#train> or e-mail training@councilofindustry.org or call (845) 565-1355.

Best Practices & Continuous Improvement:

Date: Wednesday, May 18, 2011

Time: 9:00 am - 4:00 pm

Location: Dutchess Community College, Bowne Hall, Poughkeepsie, NY

Instructor: Bennett Neiman

Cost: \$200 single participant, \$175 each for two or more from the same company

In this workshop, you will learn ways of effectively evaluating your company's performance—internally and externally—and explore how to best learn from these findings and identify what needs to be improved and where the best leverage points are.

After reviewing the key components of an effective continuing improvement protocol—selection; data organization and analysis; identification of obstacles, milestones, and goals; and improvement tracking and evaluation—you will participate in tailoring and building a “Continuous Improvement Model” that is most practical and most relevant for your organization. For more information or to register online: <https://connect.computility.com/form/index.php?id=743684ff7472b00cda00351cc41bfcd1#best> or e-mail training@councilofindustry.org or call (845) 565-1355.

Human Resources Management Issues:

Date: Wednesday, May 25, 2011

Time: 9:00 am - 4:00 pm

Location: Dutchess Community College, Bowne Hall, Poughkeepsie, NY

Instructor: Robert Heiferman, Esq. &

Cost: \$200 single participant, \$175 each for two or more from the same company

Ellen Messer

The first half of this program will cover **Legal Management Issues**. This class identifies and explains key legal issues that a manager may have to address in the workplace today. It helps current and future managers realize their responsibility to understand and enforce the employment laws that speak to these issues which can minimize their chances of ending up in court.

The second part this program will cover **Management Diversity**. This course is for managers who direct a culturally diverse staff or serve a diverse customer base. Training covers communicating effectively with diverse audiences and managing cross cultural issues.

For more information or to register online: <https://connect.computility.com/form/index.php?id=b670cb6abf5cfe22311af1a1993c1487#HRissues>

or e-mail training@councilofindustry.org or call (845) 565-1355.



Council News

2011 Employer's Guide to New York State Labor Laws is Available

The *Employer's Guide to New York State Labor Laws* is a concise summary of labor laws applicable to employers in New York State. Updated on an annual basis by Nixon Peabody LLP attorneys, the *Employer's Guide* serves as a valuable resource for human resource professionals as well as department managers seeking a convenient reference on issues such as:

- The new NYS Wage Theft Prevention Act,
- Meal periods,
- Day of rest,
- Minimum wage,
- State disability and workers' compensation,
- Posting requirements,
- And much more.

The Employer's Guide is published by the Rochester Business Alliance, the regional chamber of commerce located in Rochester, New York, serving businesses for over 80 years. Arrangements have been made for Council of Industry members to purchase the *Employer's Guide* at a special discounted rate. In addition, those who purchased a Guide in the past year can purchase just the update packet to bring your Guide current, instead of having to purchase a whole new Guide.

For more information or to order, please refer to the enclosed brochure or contact Jennifer Suppé at RBA by phone (585) 256-4608 or e-mail jennifer.suppe@rballiance.com.

Welcome New Members:

Tappan Wire & Cable: Manufacturers wire and cable. Orange County. Contact: Glenn LaPerle

Micromold: Manufacturers corrosion resistant plastic products. Westchester County. Contact: Justin Lukach

Petroleum and Chemical Tank Storage - EHS sub-council's May Meeting

Topic: Petroleum and Chemical Tank Storage—A critical industry process with major environmental ramifications

When: Friday, May 20, 8:30 am – 10:00 am

Where: The Chazen Companies, Poughkeepsie, NY

Cost: None for members

Come learn the latest regulatory guidance and changes if you have petroleum or



chemical tanks so you can avoid problems and fines, learn of key “triggers” for the regulations, hear some real life examples of the impacts of improper petroleum storage and get the latest “read” from Albany on DEC’s approach to tanks.

This presentation by **Stephen J. Myers, VP of Environmental Consulting Services for The Chazen Companies** will discuss the issue of bulk storage of petroleum and chemical materials that are critical to industry today. Industry can not operate without key raw materials and fuels that feed their manufacturing processes and support their operations. Given the universal use of these materials it is no surprise that the improper construction, use and maintenance of these systems has lead to the single largest source of pollution to soil and groundwater. Environmental regulations and design standards have been in place for years to alleviate this problem, but problems still exist and require remediation.

To register contact Alison Butler at (845) 565-1355 or abutler@councilofindustry.org or go online to our website

Manufacturing Job Opportunities

If you have job openings and positions to fill—

- Post it on the Council of Industry Website—
- Look at resumes from our member recommended For Hire page

Contact Alison at abutler@councilofindustry.org for more info.

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Personnel Matters

Succession Planning

By Gordon McAleer, President, McAleer & Associates

There is a hidden goldmine within your ranks! Over the past decade succession planning as a human resources strategy has gained increasing momentum among the best performing businesses. Over half of the Fortune 1000 companies are reporting that they have operated formal succession plans over the past five years.

Simply stated, succession planning is a continuous process for identifying and grooming talent within the organization for advancement and minimizing the risks of resorting to panic searches for replacing leaders who abruptly leave the business. Clearly the benefits are improved results for recruitment and retention of top talent, reduced turnover, and improved staff morale. Businesses that embrace succession planning tend to outperform the competition for growth and profitability. The direct and hidden costs of turnover can be staggering. Count on up to six months equivalent pay for the costs of replacing a line employee. For a senior leader the costs can run up to two times the annual salary for the position, when factoring in loss of momentum and productivity and the direct expenses of securing a replacement.



Best Practices

There is a growing body of knowledge about the best practices of firms that have effective succession planning in place. Here are some pointers from the leading firms.

The Top Leaders Embrace Succession Planning

Leadership starts at the top. When the top leaders get behind the program and are passionate about it, the program will succeed. Senior leaders need to insist that the program is taken seriously at all levels and hold managers accountable for their support and active participation.

The Program Covers all Positions of Leadership

An effective succession planning program covers leadership positions at all levels of the firm, not just the top positions of CEO, COO and CFO.

Process Has Been in Place for Five or More Year

The bench mark firms have had their programs in place for five or more years and have fine tuned continuously the processes to keep the programs fresh and relevant.

Systematic Approach to Identify and Groom Potential Leaders

The best firms use a combination of objective and subjective information to identify the potential new leaders. Performance reviews, 360' assessments, and industrial psychological testing, such as Meyer Briggs, are examples of sources of information. The firms offer continuing education, management development courses, and conferences to provide additional education for the selected employees to prepare them for higher positions. Creative strategies such as coaching and mentoring, one-on-one by more seasoned leaders provide a personalized approach for individual development. Job rotations and assignment to special projects are other ways to challenge and enhance the experience of the rising stars.

Use of a Team Approach

The process needs to be led by a seasoned leader with high visibility. Typically this is the director of human resources. The leader is held accountable for running a successful program and the person's annual performance review includes a section on the running of the succession planning process. The leader chairs a committee of the key player for the process. The team meets periodically to set policies and procedures and monitor the program. The program should be evaluated on annual basis and updated as needed to sustain the effectiveness of the program.

Benchmark Internal Candidates Against the Outside Market

It is prudent to use outside benchmark standards to evaluate an internal candidate for a promotional advancement. The outside information will be useful for setting salary levels and comparing the inside talent with what may be available on the outside. A general rule of thumb is to promote from within if the talent has been identified and groomed. However, circumstances may require the securing of talent from the outside to infuse the firm with new thinking and a fresh perspective.

Succession planning requires hard work and a focused direction. Yet, an effective program can be developed and sustained with minimal additional resources. The top leaders need to establish succession planning as the way business will be conducted for the duration. The benefits will be reaped by all the success of the business and the opportunities for employees to advance within the ranks and pursue their career goals with the company.

McAleer & Associates is a member of the Council of Industry and is a professional and executive recruiting firm that has been serving the needs of business for securing top talent for over eighteen years. The firm has the exclusive endorsement of CI. Council of Industry members that use McAleer & Associates are eligible for a 25% discount of recruitment fees. Professionalism, confidentiality, and timely results are assured.

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More Personnel Matters

To Hire an Intern or Not?

From CareerBulider.com

Why Hire An Intern?

With the ever increasing demand for the highest quality candidates, finding the best is like finding a needle in a haystack for many small businesses. With the big name corporations holding the competitive advantage, small businesses need to use alternative methods to bring in quality candidates. One solution is very simple: hire an intern. The intern position has many redeeming qualities that not only make business sense but also has the power to propel the productivity of your small business.

The Obvious Benefits of Hiring an Intern

The role of the intern can prove to be an extremely valuable asset to your company. On the surface level, hiring an intern enables you to bring in a new employee who works diligently for little or no money. Interns possess this mindset because they are looking for any opportunity to showcase their talents and hopefully jump-start their careers. As a result, hiring an intern greatly increases the productivity of your company because you are able to get more work done everyday without denting your budget. However, herein lies a very common pitfall for many businesses that hire interns.

The golden rule of the intern position from a managerial perspective should be "never abuse thy intern." With all of the positive benefits an intern can bring to a company, many organizations hire an intern to simply perform all the tasks no one else wants to do. These responsibilities, which tend to be tedious and time consuming, easily lead to a disgruntled intern. Now, a disgruntled intern may not sound very frightening and may not have an adverse effect on a large corporation, but for a small business it can be very harmful.

If your intern is unhappy, he or she will either quit or not perform well. This results in you having to do twice the work and it slows down your productivity. Also, this fall out throws a wrench into your system, especially if you made plans for the future based on the work of your intern being completed. As a result, listed below are several tips to ensure your intern is happy:

- Make him or her feel like part of the team
- Emphasize the importance of his or her work
- Give tasks that differ from time to time
- Give them a task they can own and complete from beginning to end
- Show how he or she is positively affecting the company

Give constant feedback

Following these tips helps you get the highest level of productivity out of your intern.

The Hidden Benefits of Hiring an Intern

In many ways, the primary reason for hiring an intern is to train a new full-time employee. As a small business, it can be difficult to compete with the big name companies in terms of attracting quality job candidates. However, if you hire an intern, you have control over the quality of your candidates. In this sense, the purpose of hiring an intern is to have a fully trained employee who is well versed in your company and available for any opening. This individual is significantly more qualified than the majority of candidates who may be applying from outside the company.



The More the Merrier

After you have made the decision to hire an intern, you may want to consider bringing on more than one. There are three primary reasons why multiple interns are good for your company. The first reason is because the interns are with people their age and adjust to the office setting much more smoothly. This holds especially true in a small business because odds are the employees are already a very closely knit group. Bringing in a single intern may result in that individual taking some time to fit in. Along with the camaraderie comes the second reason: competition. Hiring multiple interns results in them competing to be the best intern in the office, and you will be reaping all the benefits. The competition causes them to work harder and get more done for your company. The final reason is because you now have a choice when looking for a new full-time employee. This choice increases your odds of finding the best candidate for an open position with your company.

Experience is Priceless

If you cannot afford to pay your intern there is no reason to fear. College students these days will do almost anything to gain the experience that hopefully leads them to the job of their dreams. If you are unable to offer compensation for your intern, you have to be proactive in the attempt to build up a reputable name for your internship program. Because word travels fast around a college campus, if your intern tells a friend or two how great his internship is, you will soon have students knocking down your door for the opportunity. And if the younger students see the end result of your internship program is a full-time job you can plan on having every college student looking for an internship banging down your door.

Continued on page 15

Legislative Matters

Execs Meet with Rep Nan Hayworth, Tour Pawling Corporation

By Harold King, Executive Vice President, Council of Industry

The Congresswoman said she supports the Ryan Plan as it is the best solution that has been put forward to reduce federal government expenditures and reduce budget deficits while allowing the economy to grow.

Nearly 20 manufacturing executives met with US Representative Nan Hayworth April 21st at the Pawling Corporation in Pawling, NY. The roundtable discussion had been re-scheduled from April 8th because of the battle over the federal budget that was resolved on April 9th.

That budget battle along with the “Patient Protection and Affordable Care Act,” (PPACA) workforce development issues, global trade and excessive regulatory burdens were the primary topics of conversation. Congresswoman Hayworth made it abundantly clear that her top priority is returning soundness to the country’s finances. She also made clear that she favors repealing the PPACA that she argues is too expensive and an unwarranted government intrusion into the rights of citizens and the states.



Congresswoman Nan Hayworth (NY-19) speaks with Pawling Corporation President Craig Busby following the manufacturing Execs Roundtable Discussion hosted by Pawling Corporation.

Though she may quibble with some of its details, the Congresswoman said she supports the Ryan Plan as it is the best solution that has been put forward to reduce federal government expenditures and reduce budget deficits while allowing the economy to grow.

Following the roundtable Congresswoman Hayworth joined Pawling Corporation President Jason Smith and Operations Manager John Rickert on a tour of their facility. Pawling makes custom extrusions of silicone and plastic products, pneuma-seal custom inflatable seal, inflatable clamps and inflatable actuators. Their products are used in the energy, chemical, pharmaceutical and construction industries around the world. All of those on the tour were impressed by Pawling’s products and processes, as well as with the Congresswoman’s knowledge of the manufacturing sector.

The Council of Industry wishes to thank Congresswoman Hayworth for her time and Pawling Corporation for hosting the discussion.



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Health Care Reform Update

The Health Care Explosion

From *The Bridge*, Vanacore DeBenedictus, DiGiovanni & Weddell, LLP, CPA's

It is no surprise that health care in America is rapidly changing. With insurance premiums increasing by leaps and bounds, employers and health care organizations are looking for innovative ways to reduce, or at least stabilize, costs. Most experts agree that any savings generated from the managed care movement have long since evaporated and the biggest opportunity lies in consumer-directed health care.

It is obvious that insurance carriers, employers, and consumers don't have much control over medical advancements or the increasing age of the U.S. workforce. Additionally, employers need to continue offering comprehensive medical plans to attract and retain valuable employees. However, companies can play an active role in creating informed health care consumers.

With current health care systems, consumers are often sheltered from the real value of health care. Many employees think the average prescription drug and doctor visit costs little more than the amount of their \$10 co-pay. But employers and health insurers know these services cost a great deal more. The rising cost of health care services, coupled with the lack of incentives for employees to use health care prudently, brings us to where we are today.

Over the past year, defined contribution health care plans have sparked much attention about the need for consumer education. Under a "consumer-directed" model of health coverage, employees are given a significant amount of responsibility for financial decision-making. While employees still have coverage for catastrophic events, they may only have a set amount of funds to use towards day-to-day expenses, generally excluding preventative care. Thus, when a consumer-directed approach is being considered, it's important to outline a strategy for educating employees.

What Can Employers Do?

The answer really depends on the size and resources of the company. Larger companies, which may be self-funded, have a greater stake in the outcome of an educational effort. These companies may be able to hire third-party providers to develop and implement programs for employee education. Most companies however, may not have the extra time or resources to commit to a full-scale education effort.

The majority of employers have access - at no cost - to education resources directly through their health insurer. Pharmacy education, in particular, is most often integrated within medical plans.

For example, some insurance companies provide members with cost comparison information of generic versus brand name drugs.

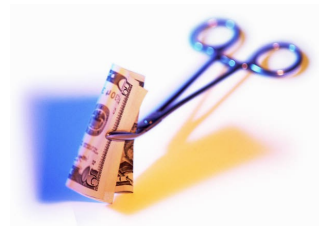
Insurers have also introduced tiered pharmacy plans, which have lower co-pays to encourage members to use generic drugs when possible. Given the increasing proportion of health dollars spent on pharmaceuticals and the prevalence of drug marketing directed at consumers, we can only imagine where health insurance would be today if not for these early education efforts.

Insurance carrier representatives are generally available to host health seminars and workshops for companies and employees. Topics for these programs range from healthy eating to disease management and even the importance of preventative care. As an employer, you can show your commitment to these programs


by making meetings mandatory.

As in most cases, repetition is the key to making education work. Information about health care alternatives should be readily available to employees. Communication of these philosophies to employees at an annual enrollment seminar is not enough. This message needs to be communicated cleverly and more often.

Employers will undoubtedly benefit from lower premiums in the future by making employees aware of true health care costs. Employees who realize the impact of rising health costs on themselves and their employers are more likely to use health resources efficiently. In the long run, cost-effective consumerism can produce savings that not only flow directly back to the employer, but to the consumer as well. And saving money in these economic times is something no one can refuse.



One of the largest insurance carriers in the U.S. now offers a searchable online database for its members where they can research the approximate cost of certain procedures. For example, employees who are thinking about having a "routine MRI" can now see the cost of this procedure and the out-of-pocket potential. While this information may not make much difference to people who are determined to receive medical care, the long-term effects should be positive.




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EHS Matters

OSHA, NIOSH Team on New Respiratory Guidance Documents

From www.ohsonline.com

OSHA and NIOSH have created two guidance documents, one for workers and one for employers, showing how the use of spirometry testing will reduce and prevent workers' exposure to respiratory hazards. This is a common pulmonary function test that measures how well a person moves air in and out of the lungs.

Inhaling some types of dusts, gases, or other air contaminants can damage lungs. The spirometry test may detect breathing problems or significant changes in a worker's lung function at an early stage; the documents are meant to help employers identify and eliminate hazardous exposures and thus reduce the likelihood of lung disease.

The new OSHA/NIOSH-produced Infosheet for employers clarifies what spirometry is, when it is needed, and critical elements employers can use to evaluate the quality of spirometry services provided to their workers. The second document, OSHA-NIOSH Worker Info, explains to workers the importance of taking a spirometry test, what to do during the test, and their right to receive an explanation and copy of test results.

"Spirometry is the best available test for early detection of decreasing or abnormal lung function," said OSHA Assistant Secretary Dr. David Michaels. "Our joint effort with NIOSH in developing these products will help broaden outreach and enhance knowledge of preventive measures aimed at protecting worker health and safety." NIOSH Director Dr. John Howard said spirometry tests "are a vital component of health and safety programs in workplaces where workers may be exposed to hazardous airborne contaminants."

OSHA recommends spirometry testing for workers exposed to diacetyl and diacetyl substitutes. The agency's recent Safety and Health Information Bulletin, Occupational Exposure to Flavoring Substances: Health Effects and Hazard Controls, and a companion Worker Alert on Diacetyl and Substitutes offer assistance to employers.



Manufacturers Continue Campaign Against New EPA Regulations

From www.nam.org

NAM COMMENDS BIPARTISAN SUPPORT OF MCCONNELL AMENDMENT TO PROTECT MANUFACTURING JOBS

The National Association of Manufacturers (NAM) initiated the next phase of its Affordable Energy Campaign opposing new, burdensome regulations by the Environmental Protection Agency (EPA), with radio ads in Arkansas, Louisiana, Maine, Nebraska and West Virginia. These ads continue the campaign's effort to educate policymakers and the public about the harmful economic impact of overregulation on manufacturers and commend Senators who voted to protect manufacturing jobs earlier this month.

"The vote on Senator McConnell's amendment demonstrates that senators on both sides of the aisle understand the serious consequences of regulating greenhouse gas (GHG) emissions to the economy and job creation. Manufacturers appreciate the bipartisan efforts of those senators who voted to stop these regulations from being implemented," said Jay Timmons, president and CEO of the NAM. "But the reality is that manufacturers face many more EPA regulations with burdensome implications. We will continue this campaign to make sure we are educating policymakers and the public about their impacts."

These ads are a continuation of the multi-state, multi-million-dollar campaign launched last month, and bolster the grassroots efforts manufacturers have engaged in across the country. The ads airing this week are in response to the bipartisan support in the Senate to rein in the EPA's authority to regulate GHG emissions from stationary sources under the Clean Air Act.

Currently, the manufacturing industry faces a barrage of new regulations that impose excessive costs without providing economic or environmental benefit, such as the Boiler MACT, Utility MACT and ozone NAAQS proposals. Overregulation will prohibit manufacturers from expanding, prevent job growth and diminish our global competitiveness.

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CI Calendar of Training and Events

May 5	<u>Certificate in Manufacturing Leadership: High Performance Work Teams</u> - 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
May 11	<u>Certificate in Manufacturing Leadership: Train the Trainer-</u> 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
May 18	<u>Certificate in Manufacturing Leadership: Best Practices and Continuous Improvement</u> -9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.
May 19	<u>Manufacturing Champions Award Breakfast</u> - 7:30— 9:30 am at the Poughkeepsie Grand Hotel, Cost: \$30 per person or \$215 for a table of eight.
May 20	<u>Environment Health & Safety Sub-Council Meeting: Petroleum and Chemical Tank Storage</u> — 8:30-10 am at The Chazen Companies. No charge for members.
May 25	<u>Certificate in Manufacturing Leadership: Human Resources Management Issues</u> — 9:00 am—4:30 pm at Dutchess Community College, Poughkeepsie, NY. Cost: \$200 single participant, \$175 each for 2 or more from the same company.

You can find more information on the courses and events listed in our calendar by going to our website— www.councilofindustry.org or if you are reading our electronic version just press Ctrl and click the course title.

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Manufacturing Matters

The Leader as Steward

By Bob Cooper, President, RL Cooper Associates, www.rlcooperassoc.com

Great stewards are also great leaders when they nurture both the "technical" and "human" sides of the business. They use their resources wisely, and take into consideration what's best for both the business and all employees.

Several years ago I attended a graduate class on leadership. Professor Franklin said something that I will always remember - "You can only consider yourself a great leader if you demonstrate great stewardship." After class I went to speak with Professor Franklin. He was a former IBM executive who seemed to have a good handle on what it meant to be a successful leader. I asked him to elaborate on his thoughts. He went on to explain that if you don't show your ability to protect and use company assets wisely, you should not be in a position of leadership. If you see a paper clip on the floor, you need to show others the importance of picking it up and saving it. It's a symbolic gesture that sets a positive example for others. He was so passionate about this topic, and it has really resonated with me.

The following is the Webster dictionary definition of stewardship - the conducting, supervising, or managing of something; especially: the careful and responsible management of something entrusted to one's care.

Please answer the following questions:

1) Think about your most recent decisions relative to capital expenditures, hiring decisions, and any other area where you spent money. Now ask yourself the following question - If the finances required for every decision I made came directly out of my bank account, would I make the same decision? If not, why not?

2) When making decisions that impact people on your team - do you take into consideration their needs, wants, and aspirations? If not, why not?

3) If you are not a good steward, what message does that send to members of your team (i.e. future leaders)?

The issue here is not that you need to be perfect, rather, it's about intent. Those decisions that make good business sense and have a positive return on investment are necessary. However, if you would make a different decision with your own money, then you must pause and evaluate the deci-

sion.

I always found it fascinating when someone would look to spend money so that next years budget will be even bigger. We should be rewarding people who come in under budget, and who can show a positive return on investment for their respective decisions.

Stewardship has a direct correlation with integrity. When a person steps into a leadership role they have a responsibility to nurture and protect assets. This involves making sound financial decisions, and developing people to reach their full potential. Allocating resources that enhance the delivery of services, retain top talent, and grow market share is not only great stewardship, it's good business. We need to make decisions that show we fully understand our role as stewards.

We live in a world economy that is moving us toward preservation of resources, and not uncontrollable consumption. Leaders in all fields must continue to model great stewardship.

It's not too late to become a great steward, but it does require an honest look in the mirror.

Great stewards are also great leaders when they nurture both the "technical" and "human" sides of the business. They use their resources wisely, and take into consideration what's best for both the business and all employees.

When you demonstrate great stewardship, you are modeling the very behaviors for others to be able to take the organization to the next level. You protect the very resources that may be needed to invest for future growth.

You owe it to your organization and others who look up to you for leadership to set a positive example. It should be part of your legacy.



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More Manufacturing Matters

Manufacturers Need to Speak Up

By Adrienne Selko, *IndustryWeek.com*

If the U.S. is to return to its former glory days of 'making stuff,' then manufacturers need to let their voices be heard, says Gregory S. Babe, president and CEO of Bayer Corp. and Bayer MaterialScience LLC.

In his keynote speech, "The Importance of Strengthening U.S. Manufacturing," at the **IW Best Plants** conference that took place April 3-6 in Atlanta, Babe pointed out that the sector is in trouble.

"Your father, like mine, built stuff. It's what we do. It's what gets us out of bed in the morning," Babe said.

However manufacturing could become a lost art, if we don't act quickly, Babe explained. In the chemical industry, for example, plants that cost more than \$1 billion are now almost exclusively built elsewhere. With 96% of all manufactured goods containing chemicals, this is not a good development, Babe said. Dependence on foreign sources for chemicals, like dependence on foreign oil, is not sustainable, Babe warns.

Employment in the chemical field has dropped to 780,000 from 1 million. And these chemical jobs support four million suppliers.

However employment in manufacturing is trending upwards, he said, citing the fact that in February 33,000 jobs were added as well as 17,000 in March. The ISM output index hit its highest level in last seven years.

The momentum is there but the rest of the story depends on public policies on trade, taxes and energy, Babe says.

"When we look at the long term, the events that impact our success, only 12% are within our control. Therefore we must reach outside of our factory doors to impact these decisions," Babe says.

While some propose to increase taxes as a way to improve our economic situation, Babe disagrees. "We can't tax our way to prosperity and we can't wall out our competitors."

The framework for retuning to 'making stuff', Babe contends, can be found in Dr. William

Bernstein's book, *The Birth of Plenty*. For wealth to be present there needs to be four key components: Property Rights, Scientific Rationalization, Capital Markets and Efficient Transportation and Communications.

In the area of Property Rights, Babe feels that the U.S. tax system is an obstacle to innovation, investment and job creation. "Our tax rate of 35% is the second highest of the OECD countries. Only Japan's rate is higher than ours and most countries are lowering their rates."

Another area of improvement is the R&D tax credit which needs to be made permanent. Since 1981 it has expired twelve times. Once a world leader for R&D tax incentives we are now ranked 17th among OECD nations.

"With regard to capital markets the government needs to implement new financial reforms that will give the banks the certainty they need so they are able to lend money and create jobs," Babe said.

In the area of transportation we need to invest in our infrastructure. He cites a study by the Milken Institute that details how investment in infrastructure would lead to job creation and overall wealth.

Given the ability of these factors to dramatically impact the sector, Babe calls for action. "We must start a conversation and keep it going. We need to talk with elected officials and thought leaders and regulators. We need talk with the general public and our employees."

While organized groups such as the American Chemistry Council and the National Association of Manufacturing are lobbying for manufacturers, "we shouldn't leave it to them to carry all of the water for us," Babe says.

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page 15



"When we look at the long term, the events that impact our success, only 12% are within our control. Therefore we must reach outside of our factory doors to impact these decisions,"



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Member Profile

Member Profile: Vantage Manufacturing & Assembly LLC and Optimum Applied Systems

Year Founded: 2003

Location: Poughkeepsie, NY

Products: VMA: Contract engineering and manufacturing. OAS: The Heat Computer, a wireless boiler controller that controls and monitors boiler "run time."

Website: www.vma-llc.com

www.oasincorp.com

Establishing a new contract manufacturing enterprise in the Hudson Valley is not exactly the easiest thing to do in a challenged Hudson Valley economy, but that is exactly what Ed Winiarski did in 2003 when he purchased the assets of a Poughkeepsie-based contract manufacturer who was closing its doors. Courageous yes, visionary definitely!

Mr. Winiarski is no stranger to new ventures as he was already the President of EAW, a successful electronics assembly company which is still a vital presence in the world of government contracts. As if this was not enough, Ed is also the President of Optimum Applied Systems (also known as OAS) which is a very successful engineering corporation which produces, installs and markets the Heat Computer. This product is a building control which allows a landlord, building manager or superintendent to remotely monitor and control building temperature, by specific location via sensors, promoting real savings on heating costs.

The formation of Vantage Manufacturing & Assembly, LLC now gave Ed the opportunity to produce the military electronics, the Heat Computer and many other commercial products under one roof and right in Poughkeepsie, NY. Some of the assets purchased in the creation of VMA were sheet metal fabrication and machining equipment which greatly enhanced EAW and OAS capabili-



Vantage Manufacturing & Assembly, LLC.

ties. Additionally, Mr. Winiarski recognized several talented individuals from the prior business and they also recognized their futures with VMA. Having key employees certainly made the transition smoother and immediately positioned the new VMA as a team of experienced professionals who can boast several hundred years of collective manufacturing experience.

VMA is ISO 9001:2008 & AS 9003:2001 certified which is a proud distinction that differentiates them from a number of competitors. The company has a broad range of sophisticated manufacturing equipment including CNC milling, turning, laser cutting, punching, Plasma and TIG welding, SMT pick and place, and wave solder to name just a few; add to this the latest Solid Works engineering software and you can see why VMA has become a premier contract manufacturer and the choice of the US Army, Navy and

FAA to produce an impressive array of mission critical equipment for various uses. VMA's business controls allow them to monitor all aspects of the business, including financial management; this is accomplished with



VMA's skilled technicians team together to build power distribution assemblies.

Vista software by Epicor which is an ERP system with a myriad of capabilities that is able to keep pace with continued VMA growth.

To give you an idea of what is happening at VMA today, here is a look at some of their broad range of products currently being manufactured:

- Remote-controlled, battery-powered security device for the U.S. Army.
- Large shielded steel cabinets which house FAA radar electronics.

Continued on page 15

The company has a broad range of sophisticated manufacturing equipment including CNC milling, turning, laser cutting, punching, Plasma and TIG welding, SMT pick and place, and wave solder to name just a few.



Member Benefits

Members are Encouraged to Participate in the Council’s Employment Practices Survey for 2011



It is spring time and that means it is time for the Council of Industry/Marist College 2011 Employment Practices Survey. This is the second year that the Council of Industry has partnered with Marist College to do a two part survey of our members. While in the past the Council and Marist have done Wage and Benefit surveys that included em-

ployment practices questions, it was decided that these were too lengthy and their bulk discouraged companies from completing them. So last year the survey was broken into two sections, the Wage and Benefits survey we distributed in the Fall and the Employment Practices questionnaire that was e-mailed this Spring. The more companies that participate, the better the more useful the data mined from this survey will be for our members.

As it’s name suggests, this survey seeks to ascertain the employment practices of our member industrial employers. It contains questions regarding (among many other things) *shift differentials and rates, contract employee practices, the availability of flex-time, the use or merit pay, and dollars & time invested in employee training.* The information collected will be shared (*only*

in the aggregate) with all those who complete the survey. An executive summary will appear in our newsletter.

In addition to being a valuable benchmarking tool for Council of Industry members the survey will also provide useful information for our “Manufacturing is Vital” campaign to inform those outside the sector of the important role manufacturing plays in our communities.

The survey is brief, and should be relatively easy to complete. If you have not received an e-mailed copy of the survey contact Harold King, hking@councilofindustry.org or call (845) 565-1355. Completed surveys should be returned to Dr. Ken Sloan, no later than May 9th, via e-mail: Ken.Sloan@Marist.edu or mailed to Marist College, School of Management, Dyson 361, 3699 North Road, Poughkeepsie, NY 12601. Questions regarding the survey can be directed to Dr. Sloan via e-mail above or by phone (845) 575-3000 ext. 2893 or Harold King (contact info above.)

Consumer Price Index for March 2011

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Mar. '10</u>	<u>Mar. '11</u>	<u>Feb.'11</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	636.03	655.39	647.97	7.42	1.1	3.0
1982-84= 100	213.53	220.02	217.54	2.49	1.1	3.0
All Urban Consumers						
1967=100	651.93	669.41	662.94	6.47	1.0	2.7
1982-84=100	217.63	223.47	221.31	2.16	1.0	2.7
Hudson Valley unemployment rate for March 2011 = 7.1 %						

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Financial Matters

Cyber Liability, Are You at Risk?

By Jack Smith, CPCU, ARM, CIC, William A. Smith & Son Insurance



Just a few short weeks ago, many of us received emails from rewards card providers, hotels and other entities saying that our personal data had been stolen. Presumably, the culprits were from thousands of miles away and were able to hack into the email database of a company called Epsilon. Fortunately however, Epsilon said that no financial information was in the database to be stolen. Will we be so lucky next time?

For several years now we've heard stories of Municipalities having money stolen via the internet, hacking schemes, phishing schemes, and businesses of all sizes being victimized. So you might ask yourself, what can I do to prevent this or at least try and mitigate my exposure? The answer to this question takes two tracks really. The first is an internal control track and the second is a risk transfer track or a simple retention of the risk.

The first step is to identify within your organization, any sensitive first party (your own business) or third party information (customers, employees, vendors, contractors, etc.) you may keep on your computers, servers, or store with third party vendors. When you have identified this information you must then identify what type of security precautions you are going to take to safe guard this data. Examples would include hiring IT consultants to evaluate your network and taking recommended actions, updating your network security software, investigating what your outsourcer does, etc.

The second step would involve understanding your legal and perceived legal responsibilities based on your possession of this data. Does either the Federal or State Government hold you to a standard that puts you at risk? Even if they don't, what's the likelihood that you would be sued if your database were to be hacked?

The third step would involve taking the data from step one and two and making a decision, will I retain whatever risk I have, or will I transfer it. If I transfer it, will that be through insurance or contractually? For first party data, like your own bank accounts, you can purchase Computer Fraud and Wire Transfer Fraud Insurance Coverage. For your third party exposures, you can purchase Cyber Liability coverage. Each of these products is now readily available in the marketplace and not exceedingly costly. While they aren't a substitute for good risk management practices, they can at least provide your business with peace of mind.

So to close, "an ounce of prevention is worth a pound of cure". Take the time to understand what your company stores on its computers and how that data is protected. Talk to your IT Consultants and your other professional partners (Attorneys, Insurance Brokers, etc.) to find ways to protect your business from loss. Lastly, stay vigilant, the internet is a great source of opportunity and a great source of risk.

For several years now we've heard stories of Municipalities having money stolen via the internet, hacking schemes, phishing schemes, and businesses of all sizes being victimized. So you might ask yourself, what can I do to prevent this or at least try and mitigate my exposure?



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Jack Smith, CPCU, ARM, CIC, is a third generation owner of the William A. Smith & Son Insurance firm. They have locations in Newburgh, Montgomery and in Poughkeepsie. Jack can be reached at jacksmith@wasmithandson.com



Continued from page 5 - More Personnel Matters

Recruit the Head of the Class

Another proactive approach that enhances the reputation of your internship program is to work with colleges and universities to set up a Work-Study Co-op. Basically, this is a program that enables the students to easily juggle an internship and school simultaneously. Establishing this type of program increases the number of internship candidates, which in turn grants you the privilege of selecting the most qualified student. This choice results in finding the best fit for your company and proves to be extremely beneficial in the long run.

In the end, hiring an intern can easily result in a win-win situation for both your intern and your company. Your intern benefits from the experience and the opportunity to begin his or her career after college. Your company benefits because you increase your productivity and hopefully train your next full-time employee. If done right, the intern position is a beautiful thing.

Great places to start your intern search: CI website <http://www.councilofindustry.org/jobs/interns-available.html>

Marist College <http://www.marist.edu/careerservices/>

SUNY New Paltz <http://www.newpaltz.edu/careers/>

Vassar <http://careers.vassar.edu/>

Mount St. Mary College http://www.msmc.edu/Student_Services/Career_Center/Internships_Coops.be

Continued from page 11 - More Manufacturing Matters

"Consider forming a PAC to support candidates. Write op-eds. Keep a dialog going with customers and suppliers and employees."

"Employees can be the best ambassadors for political change."

Babe says that Bayer educates its employees through meetings that present all sides of an issue. He then asks them to become actively engaged. "Legislators pay very close attention to letters and calls they receive from the constituents."

The decline of manufacturing in the U.S. isn't an historical inevitability, Babe says. "In fact history teaches us that prosperity really is a choice. We can affect the factors that encourage economic growth or we can discourage them. The only question is whether we have the determination and the political will to keep it alive in America."

Continued from page 12 - Member Profile: Vantage Manufacturing & Assembly

- Heavy duty control consoles are being fabricated and machined specifically for the U.S. Navy.
- Gearbox assemblies for single axis tracking systems for the solar industry.

Impressive accomplishments for a company which was first started as the vision of an entrepreneur, but certainly an experienced one at that who saw the possibilities of a future in the Hudson Valley. All of this would not be possible without a superior team of people who are genuinely committed to customer service and total dedication to quality. This is reinforced every day and the foundation of VMA's employment experience.

Ed Winiarski's impressive track record has benefited job growth in our area and reinvigorated a challenged economic workplace. VMA appreciates and heartily supports the Council of Industry's commitment to training and professional development, specifically in Solid Works which recently had an experienced VMA manager as a participant who then returned to work with glowing feedback for the wonderful training he received.

VMA is a real success story of making a difference in the Hudson Valley. We wish them continued success in 2011 and years to come.



Lean assembly line for production of US Army security devices.

Council of Industry Staff

Executive Vice President: *Harold King*

Director of Membership & Communication: *Alison Butler*

Director of Government Affairs: *Karyn Burns*

Website: www.councilofindustry.org

Ph: (845) 565-1355

Fax: (845) 565-1427



Council of Industry

The Manufacturers Association of the Hudson Valley

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**Manufacturing is Vital.
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Vital to Manufacturing.**