

Council Gala: Wisdom of the Past and Hope for the Future

Thursday, June 3rd was a night of looking back at past struggles and achievements as well as looking ahead to the future and sparkling potential of what could be. As over 200 guests mixed and mingled, the Council of Industry celebrated its Centennial Anniversary in grand style at The Grandview in Poughkeepsie, NY. The food was superb, champagne flowed and the speeches were heartfelt making for a delightful evening.

After a reading of the menu from the First Annual Dinner of the Mid- Hudson Industrial Association (the original name) which featured items such as "green smelts" and "sweet breads," Harold King, the Council of Industry's Executive Vice President, welcomed the guests.

Next, Roger Smith, Chairman of Pawling Corporation and past Council of Industry President, continued the stroll down memory lane. He recalled that Clarence Thomas was the speaker at the 75th Anniversary Dinner, before being nominated to the Supreme Court. He talked about hard times for the Council during the 1980's when membership was down and members themselves were downsizing their workforce. The Council did what many of its members have done throughout the years when times have gotten tough, they reassessed, made changes and moved forward. The changes worked and the Council has grown in both size and strength over the past twenty years.

Current Council of Industry President, Russell Yeager, CEO Alcoa Fastening Systems, spoke about what the future holds for the Council. While the situation is not as dire as it may have been in the late 80's and early 90's, manufacturing in the Hudson Val-

ley is going through a rough patch. The Council of Industry is once again reassessing the needs of its members. While training will still remain a key component, there will be a larger push for advocacy on the behalf of manufacturers in both Albany and Washington. In addition, the Council of Industry wants to promote the manufacturing industry as a whole to the Hudson Valley Community. All too often the local communities take the

jobs, tax revenue, commerce and many other benefits of having a manufacturer in their town for granted. The future calls for changes which will hopefully continue the success of the past century for both the Council of Industry and its members.

The night was truly a celebration of both the past and the future of Hudson Valley manufacturing. All in attendance left with a souvenir book put together by the Council. "A Brief History of Manufacturing In the Hudson Valley" tells the history of industry in our valley from the time of Henry Hudson up to today, with wonderful photos of past and present Hudson

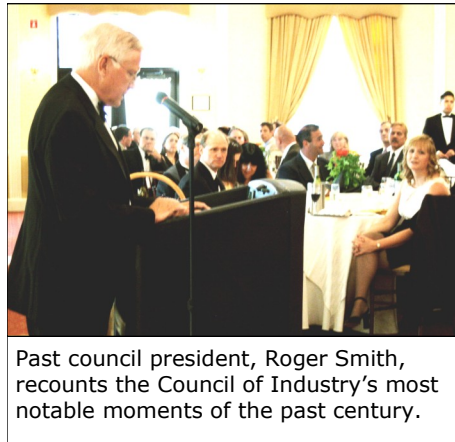
Valley manufacturers. As the evening ended one can't help but wonder what the next century holds for the industrious entrepreneurs of Southeastern New York.

We would like to thank the generous sponsors for making the evening possible:

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Past council president, Roger Smith, recounts the Council of Industry's most notable moments of the past century.



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Training and Education

Summer is the Time to Get Lean with Our Six Sigma Yellowbelt Program

This is an approach to process improvement that merges the complementary concepts and tools from both Six Sigma and Lean approaches. The resulting approach will have greater impact than one that centers on only Six Sigma or Lean. Participants will learn a short history of each approach and how they can complement each other. They will be introduced to the Define, Measure, Analyze, Improve, Control improvement process and some of the tools associated with each stage. The following topics will be focused during the training: Resistance to Change, 5-S Visual Controls, Team Building, Problem Solving Process and Statistical Thinking.

During this interactive Yellow Belt training, each group of participants will identify opportunities within their respective work areas and ways to improve those areas utilizing taught problem solving tools. The teams will present their identified work area opportunity and suggested solutions.

Dates: June 21 **Time:** 9:00am - 4:30pm **Location:** Ulster Community College, Business Resource Center, Kingston
Cost: \$125 for a single participant, \$100 each for two or more from the same company. **Instructor:** The Lighting Research Center (LRC) at Rensselaer Polytechnic Institute

Light Up the Night with Outdoor Lighting Technology and Application of LEDs

This one-day seminar on outdoor lighting technology and applications will focus on the application of LEDs (light emitting diodes) to outdoor lighting sites. The seminar will be designed to increase attendees' knowledge and awareness of lighting assessment and design strategies for outdoor lighting applications, analysis of energy-efficient LED lighting systems, and the application of LEDs to outdoor locations including streets, parking areas, pedestrian areas, and other outdoor lighting applications.

Specific topics to be covered in the seminars include:

- Lighting Terminology and Measures
- Outdoor Lighting Site Assessment and Evaluation Outdoor Lighting Design and Application Strategies
- Nighttime Vision and Its Implications in Outdoor Lighting
- Light Pollution LED
- Lighting Systems for Outdoor Applications
- Lessons Learned in Outdoor Lighting Applications



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Register online at www.councilofindustry.org or e-mail anamaria@councilofindustry.org or call (845) 565-1355

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Council News

What Every Employer Should Know about Wage & Hour Law

Joanmarie Dowling, Esq., SPHR and Frank C. Mayer, Esq. CPA from Bond, Schoeneck & King, PLLC gave a very informative and detailed presentation to the Human Resources Sub-council at the Orange County Business Accelerator on May 14th. Ms. Dowling covered a wide variety of situations and how both the Federal and New York State Wage and Hour law can be applied along with possible legal ramifications. Mr. Mayer addresses the issue of misclassification of employees, in particular whether or not someone is an employee or contractor. Many participants remained after the session to ask questions or seek further information about the topic from the presenters.

Ms. Dowling's presentation covered "White Collar Exemptions" including the salary basis test, salary level test and duties list. The safe harbor policy which preserves exempt status if impermissible deductions are made is something that should be in every employee handbook. The check list of executive, administrative, learned professional and creative professional's duties were discussed. MS. Dowling also the NYS Department of Labor's enforcement guidance in regards to meal periods. She explained that it is important to not just go by the statutory language here, but how it is enforced. Deductions from wages was another topic that brought up many questions from the attendees. Improper deductions can cause a lot of headaches, and some of the items that may seem like obvious deductions actually aren't legitimate under the law, such as deducting for lost or damaged equipment or tools. Frequency of pay and commissioned sales employee agreements were another topic covered in depth.

Mr. Mayer spent the remaining time giving a quick lesson on how to identify whether



Joanmarie Dowling, Esq. SPHR from Bond, Schoeneck & King, PLLC explains the ins and outs of Wage and Hour Law to the Human Resources sub-council.

someone is an independent contractor or an employee. This is more important than ever because the IRS has kicked off a program to audit 6,000 random companies over the next three years focusing on, among other things, worker misclassification. Things to look at when deciding which group a worker falls into are behavioral control, financial control and relationship type.

Both MS. Dowling and Mr. Mayer are available for anyone seeking more information on these topics and can be reached at Bond, Schoeneck & King, PLLC, (513) 533-3000.

In Memoriam

The Council of Industry has lost a dear friend in the passing of Albert Mack, retired president of A.W. Mack Manufacturing Company, Poughkeepsie. He was a past president of the Council of Industry and member of the Council's Board of Directors and will be remembered as a great supporter of Hudson Valley manufacturers.

Improper deductions can cause a lot of headaches, and some of the items that may seem like obvious deductions actually aren't legitimate under the law, such as deducting for lost or damaged equipment or tools.



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Personnel Matters

Total Rewards Programs Need to be More Than Just a Piece of Paper

By Robert Mattson, HR.com

The goal for a company that has an effective Total Rewards strategy should be to get the maximum value out of every rewards dollar. I would define that maximum value as making the company as successful as possible with each dollar.

There has been much written about Total Rewards as a means to show employees that companies invest more in them than just what they see in their paychecks. At many organizations, employees receive a number of different types of compensation or "rewards" such as health, dental, and life insurance, 401K matches, stock awards and other incentives. While I agree that it's more impactful to present each employee with a piece of paper that lists all of these rewards and neatly depicts the total value to show how much the company appreciates them, delivering such a statement is only the scratching the surface of a Total Rewards approach to engagement and retention.

Total Rewards is not just the ability to sum up compensation and benefits, it's making sure that every dollar spent is being used effectively to get the maximum result for both the employee and the company.

The desired result for an employee may be to increase the final amount on the Total Rewards statement, or to optimize the balance of reward types according to personal preference or needs. Younger employees, for example typically want their compensation in salary and bonuses. As they get older and begin families (and enter higher tax brackets) retirement and health insurance become more important. Either of these outcomes is dependent on providing employees with the right information, tools, and visibility to understand how their actions affect their Total Rewards. For example, through achieving

their goals to get better merit increases or bonuses, or making smart benefits choices that gets them the best benefits for the least money.

A Total Rewards statement, without empowering

employees to affect their type and distribution, may be seen as simply a summation that employees feel they have little or no control over. As part of a Total Rewards strategy, that statement can become another communications vehicle between the company, the manager and the employee about their respective progress in optimizing the amount and balance of rewards to maximize engagement and performance.

The goal for a company that has an effective Total Rewards strategy should be to get the maximum value out of every rewards dollar. I would define that maximum value as making the company as successful as possible with each dollar. Each dollar should be used to retain key employees, encourage them to work more effectively, and align what they are doing with the company's mission and goals. I'll suggest four ways to start doing that:

- Align compensation with goal achievement
- Differentiate rewards for disengaged, moderately engaged, and top performing employees
- Give managers tools to drive communications, alignment and better decisions in rewards
- Give employees the tools and information they need to make decisions on rewards that they select, such as healthcare elections

It's my experience that taking these steps starts the transformation from offering a Total Rewards statement—a piece of paper that an employee glances through and puts into a desk drawer—into executing on a Total Rewards strategy: leveraging the investments you make in your people to help drive top-line results and your company more successful.



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More Personnel Matters

The Top Ten Rules of E-Mail Etiquette

By Paula Klee Parish from www.humanresourceiq.com

What happened to the professionally written business letter? For that matter, what happened to grammar and proper usage?

With the advent of hand held electronic devices and text messaging, we have somehow allowed ourselves to fall into the trap of "everything for the sake of speed and convenience." So what happens now? Do we shorten our speech so that we speak in abbreviated words and abbreviated sentences?

I thought this might be a good time to reaffirm some of the basic rules with the focus on writing and responding to e-mails.

To begin with a summary...Treat e-mails the same as a business letter. Include a short greeting [hi], even if the message has been going back and forth for several rounds. Remind employees that, while it is fine to use *emotional icons* in their *personal e-mails*, these are far too cute to be included in business e-mails.

I am starting with my own pet-peeve:

1. Read before sending and fix your mistakes. Every time you send a message with errors in spelling, punctuation, or grammar you are letting people know that you do not care about the quality of your work or the reputation of your organization.

2. Ignore the mistakes of others.

It is petty to criticize mistakes such as incorrect spelling. It can cause an embarrassing situation and/or invite nasty reprisals. Fix the errors before replying or sending the e-mail on to others. Be kind.



3. Do not e-mail when angry or upset.

Take ten and breathe. Remember, perception is subjective. What you perceive may not be what the sender intended. Calm down before responding to a message that offends you.

What you send cannot be taken back, so wait and then be polite. Avoid accusations and using abusive language. Words such as: *please*, *sorry*, and *thank you* project a positive and productive image.

4. Expect your message to go public.

Private e-mail is an oxymoron. It's like saying one is a little bit pregnant; it does not happen. Security administrators have access to it, and recipients might send it to others. Keep that in mind when you are writing. Pretend that every e-mail is a memo that might be posted on a bulletin board in the hall of your organization.

With the advent of hand held electronic devices and text messaging, we have somehow allowed ourselves to fall into the trap of "everything for the sake of speed and convenience."

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Consumer Price Index - April 2010

				<u>Point</u>	<u>%</u>	<u>% Increase</u>
Wage Earners & Clerical	<u>Mar.'09</u>	<u>Mar.</u>	<u>Feb.</u>	<u>Increase</u>	<u>Month</u>	<u>Year</u>
1967=100	619.34	637.32	636.03	1.29	0.2	2.9
1982-84= 100	207.93	213.96	213.53	0.43	0.2	2.9
All Urban Consumers						
1967=100	638.77	653.06	651.93	1.13	0.2	2.2
1982-84=100	213.24	218.01	217.63	0.38	0.2	2.2
Hudson Valley Unemployment Rate for April 2010 = 6.9						

Place Your Company's Ad Here

The Council of Industry's monthly newsletter has a mailing circulation of 250 manufacturers and an online circulation of hundreds more.

Contact Alison Butler at
abutler@councilofindustry.org
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EHS Matters

OSHA Expands Enforcement and Penalties

From NAM.org

In the past few weeks, the Occupational Safety and Health Administration (OSHA) has taken steps away from its successful, long-established approach to workplace safety in a more aggressive direction. These recent OSHA regulatory and administrative actions, combined with legislative efforts in Congress, could have serious, negative consequences for manufacturers throughout the United States.

Regulation

In early 2010, the Department of Labor and OSHA issued a proposed rulemaking indicating OSHA's intention to pursue broad regulation of ergonomics issues. The proposal calls for changes to recordkeeping rules within the next year that would add a new column to OSHA 300 logs and require employers to track "work-related" musculoskeletal disorders (MSDs).

The problem is that the proposal uses a very broad definition of recordable MSDs. This would lead to a significant expansion of the conditions that must be captured on employer logs and would require employers to treat subjective symptoms as potential recordable incidents. It also would result in inaccurate data regarding the degree to which incidents are work related.

The new requirement will put employers in the position of making medical determinations regarding the nature of potential

MSDs and whether or not they are work related. It will also undermine employers' ability to conduct preventive work transfers that would help keep more serious conditions from developing.

OSHA has been down this road before. In 2001, the agency proposed a similar definition of MSDs along with efforts to develop a workplace ergonomic standard, which was rejected by Congress. The separate MSD definition was not fully implemented as a result of a settlement agreement reached by the National Association of Manufacturers (NAM) and the De-

partment of Labor. If the new rulemaking proposal is adopted, some aspects of this agreement stand to be reversed.

Cumulatively, employers will be burdened with increased medical evaluations, targeted OSHA inspections and likely additional citations that may result from those inspections. The NAM has stated the case for manufacturers' objections to the proposal and is now awaiting the final OSHA ruling, which is expected in July.

Manufacturers are also preparing for a stakeholder meeting in

June for OSHA's Injury and Illness Prevention Program (I2P2). The details of the program have not yet been put forward by the Agency, but, combined with the rulemaking changes, OSHA is clearly demonstrating its desire to pursue broader ergonomics regulations that will burden manufacturers throughout the United States with additional costs.

Operational Changes

OSHA has also released details on two new administrative changes to replace its current penalty structure with a scheme designed to increase penalties and intensify enforcement. The average penalty for a serious violation will increase from about \$1,000 to the range

of \$3,000 to \$4,000. OSHA can currently charge a maximum penalty of \$7,000 for a serious violation, and this administrative change signals an intent to make more frequent use of the top end of its allowable penalties.

Additionally, under the Severe Violator Enforcement Program (SVEP), OSHA inspectors will no longer need to group or combine "high-gravity, serious violations." Instead, they can each be cited as separate, individual violations – for example, per employee – with each being subject to separate penalties. The SVEP would expand the frequency of OSHA inspections and increase the agency's scrutiny on many categories of employers using an overly broad interpretation of a "severe" violator. While ostensibly targeting repeat offenders, this action also could damage many employers who operate in good faith but have experienced problems with addressing previous citations.

Even more disconcerting to manufacturers is the immediate abatement requirement that mandates serious alleged hazards be terminated and replaced before employers are given the opportunity to complete the appeals process. This is tantamount to eliminating employers' due process rights while requiring remedies that may increase costs but not improve safety.

Continued on Page 15



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Manufacturing Matters

Economic Outlook Sizing Things Up

By Dave Huether, chief economist NAM

The deepest and longest economic downturn since the Great Depression is over, and the nation has begun the slow climb to recovery. Looking back, no sector was as adversely affected as America's manufacturing base. While the overall economy fell by 3.7 percent from the fourth quarter of 2007 to the second quarter of 2009 (see chart below), manufacturing production fell by more than four times that amount—plummeting 16 percent.

On the employment front, while factory workers accounted for 10 percent of the workforce in 2007, fully 26 percent (2.2 million) of the overall 8.4 million jobs lost since late 2007 took place in manufacturing.

Aggressive monetary and fiscal policies have helped stabilize the financial system and prop up consumer and housing activity. Combined with successful inventory liquidation and a rebound in economic growth abroad, the U.S. economy is emerging from recession. GDP rose at an annual rate of 3.9 percent in the third and fourth quarters of 2009.

Still, a self-sustaining recovery has yet to take hold. Most of the upturn in the economy in the latter half of 2009 was due to temporary factors, such as the "Cash for Clunkers" program, a temporary boost from inventories and a rise in business investment likely propelled by an expiring pro-investment tax provision. Together, these factors accounted for three-quarters of the upturn in the second half.

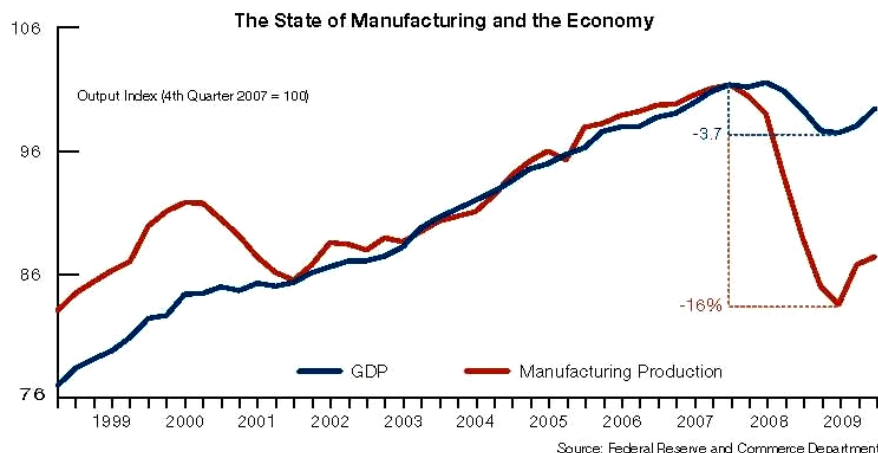
In the manufacturing sector as well, recovery is in an early state and remains uneven. While overall production rose for five of the past eight months, the level of activity still remains more than 12 percent below its December 2007 peak. Moreover, while production in many manufacturing industries has turned up, a sizable portion of manufacturing, accounting for about one-third of the industrial sector, continues to struggle.

A solid and self-sustaining manufacturing recovery will depend on durable upturns in three areas: consumer spending, domestic investment and exports. Despite some recent improvement in retail and chain store sales, the fundamentals driving consumer spending remain weak. Of those currently unemployed, a record high 41 percent have been out of work for at least six months. Meanwhile, earnings are stagnant and confidence is low. Until the labor market improves significantly, consumer spending likely will be sluggish.

At the same time, the late 2009 upturns in capital goods orders and residential construction reversed early in 2010, signaling that improvements in business investment and housing will be on the backburner for the remainder of the first half of 2010. The remaining driver—exports—should remain healthy, with economic recoveries abroad (especially in Asia and Central/South America) gaining steam and the value of the dollar about 10 percent below its long term average.

With the domestic economy stuck in low gear and export growth likely to remain strong, the manufacturing recovery will be uneven and rather mild in the near term. A broad recovery in the domestic economy continues to be uncertain and will hinge on employers becoming confident enough to begin hiring again.

On the employment front, while factory workers accounted for 10 percent of the workforce in 2007, fully 26 percent (2.2 million) of the overall 8.4 million jobs lost since late 2007 took place in manufacturing.



Energy Matters

Besides increasing the power factor, installing capacitors can also improve your voltage, increase your system efficiency by lowering your line losses and even increase your system capacity, reducing or possibly eliminating capital expansion expenses.

Reduce your Power Factor to Reduce Your Electricity Bill

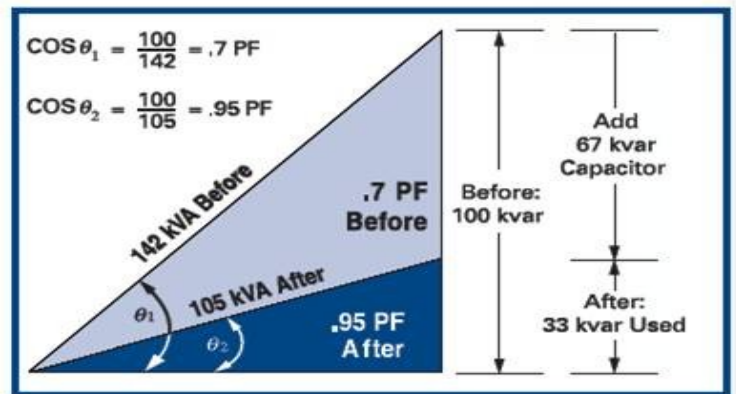
By Richard Zucarro, Staco Energy

You may be paying more than is necessary for electricity if your power factor is not as high as it could be.

In a recent ruling, the New York State Public Service Commission stated that "Reactive power charges...should... be a component of the rate structure for the large customer classes. All customers will benefit...through active participation by large customers who choose to reduce their reactive power usage...by installing on-site equipment to improve their power factors." Consequently Central Hudson G&E will be raising the target power factor that their customers with a monthly demand of more than 500 KW must maintain to not be charged this penalty from .90 to .95.

By now you may be asking "what is power factor and how can I avoid paying this penalty?" Very simply, power factor is a measure of how efficiently you use the electricity provided to you by your utility. Most industrial facilities and many commercial and institutional facilities have many inductive loads, such as, motors, transformers and relays, which require magnetizing current to operate. This magnetizing current is measured in KVAR. When the utility supplies this KVAR it uses additional distribution capacity. That is why the Public Service Commission has mandated that utilities bill at a higher rate when a customer doesn't use power in an efficient manner.

Let's take a look at a slightly more technical definition of power factor. All users need kilowatts to do the useful work done in any facility. This is referred to as real power. However, an additional component of electricity, reactive power or KVAR, is needed to supply magnetizing current to motors, transformers and re-



lays. The sum of these two components is referred to as apparent power or KVA. In the example below, the customer initially uses 100 KW at a power factor of .70. This requires the utility to supply 142 KVA for the customer's needs, since they are also providing the KVAR. If the customer provides the KVAR by installing capacitors he can raise his power factor to .95 and reduce the apparent power (KVA) he needs to 105 KVA. This reduces what the utility has to supply and consequently reduces the customer's electric bill.

Besides increasing the power factor, installing capacitors can also improve your voltage, increase your system efficiency by lowering your line losses and even increase your system capacity, reducing or possibly eliminating capital expansion expenses.

Are you interested in learning more about how you might be able to increase your power factor to reduce your electric bill? Staco Energy, a member of the Council of Industry, will be conducting a seminar in conjunction with the Council and Central Hudson on August 4th from 8:00—10:00 am, site to be determined.

For more information on power factors, you can contact Rich Zuccaro at 937-253-1191 x185 or by email at zuccaror@stacoenergy.com

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CI Calendar—What's Ahead

June 21	Outdoor Lighting Technology and Application of LEDs — 9:00 am - 4:30 pm at Ulster Community College, BRC, Kingston, NY. Cost: \$125 per person, \$100 for two or more from the same company.
July 14, 15, 16	Lean Six Sigma Yellowbelt Training — 9:00 am - 4:30 pm, location will be announced. Cost: \$400 per person, a <i>minimum group of three participants required</i> per company.
Aug 4	Power Factor Reduction Seminar — 8:00 -10:00 am at a site to be determined. Cost \$15 for members. Contact Harold King at hking@councilofindustry.org or call (845) 565-1355 to register or for more info.
Aug 23	The Council of Industry's Annual Golf Outing — Registration and Lunch will begin at 11:30 followed by a shotgun start at 12:30 at the Powelton Club, Newburgh, NY. Cocktails and a light dinner will follow at approximately 5:00 pm. Cost: \$135 per person or \$540 for a foursome. Sponsorships opportunities are available.

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 + click the course title.

Member Services

Is Your Contact Information Up to Date?



The Council of Industry has many great training opportunities, networking meetings, events and publications available to its members. The best way for us to keep our members aware of all we have to offer is by sending out e-mails and mailings. Please make sure that we have your most current contact information for you and members of your company.



We realize that over the last year or so there may have been changes in personnel at our member companies too. If there is someone new that should be added to our distribution list, let us know. We also have contact people listed in our directory and on our website for each company. Please also check our website member directory to be sure your company's contact information is correct and that the contact people listed are accurate as well. Remember to check mailing address, phone and fax numbers and e-mail address. Our website address is www.councilofindustry.org and you can click on the member or associate member listing button.



If you would like to receive our e-mailed Weekly Update, Monthly Items of Interest, or link to our monthly



Marketing Matters

Lean, Green Sales with the S.H.A.R.P. Sales Training™: Increase Profits while Reducing Wasted Time, Energy & Dollars

By Debra Pearlman, CEO of DP Sales Pro

Part III—Increase Profits while Reducing Wasted Time, Energy & Dollars

Last month defining long term (10 year) as well as short term (1, 3, and 5 year) goals, was considered. By defining specific goals and outlining the particular steps required for achievement, a solid foundation for a successful and sustainable business will be laid.

Typically the next step is to identify your target market. We are going to take a slightly different approach. Delineating the precise solution/s your products and/or services provide as the next step will ensure your marketing efforts are effectively reaching all possible segments and niches.

This is also an opportunity to define possible strategic alliances and up-selling and cross-selling growth potential within current client accounts.

For consideration:

Define one or two key aspects that differentiate you from your competition and will most likely be a factor to your long term success.

Who are your competitors? What are their strengths and weaknesses? (SWOT Analysis)

Define similarities to your competition.

Describe your business and the product or services you provide.

reach them?

What type of budget does your target market have? Is your pricing in line? Does your target market have the budget that fits with your financial goals?

What buying habits does your target market have? (Seasonal; long sales cycle; and so on.)

Who else can use your product or service and how might you reach out to them?

Is there wide appeal for your product or service?

Conduct an internal SWOT analysis – determine how best to strengthen weaknesses and take advantage of opportunities. Define threats and take action now – don't be reactive; be proactive.

Is there a niche market you can focus on? If so, outline that market in detail – needs and so on.

****Does your presentation; conversation; marketing materials; website; conversations and all verbiage target these groups appropriately? How effective is your on-hold phone messaging?**

After experiencing a sharp decrease in visitors and revenues, SeaWorld conducted market research and found visitors were not compelled to return for several years. By defining the habits and hobbies of their target market, they were able to identify other venues their market enjoyed and developed a business alliance with a theme park increasing both their revenues. A win-win.

Debra Pearlman, CEO of DP Sales Pro, can be reached at Debra@DPSalesPro.com or call (845) 649-2727 or go to her website at www.DPSalesPro.com.



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Who is your target market; the businesses or individuals who will most value and use your services?

Where do they go? What are their hobbies and interests? How do you best

Technology Matters

OXYMORONS IN TECHNOLOGY: ARE YOU SERIOUS?

By Jeff Dodig, TelecomDataStore

Jumbo shrimp, mandatory option and good grief are all good examples of an oxymoron. In **telephony** (the general use of equipment to provide voice communication over distances, specifically connecting telephones to each other), one might say with an increase in technology, this will create a significant decrease in voice costs. I don't know if that is a true oxymoron, but most businesses that implement new machinery, computers, servers or some type of hardware, will experience a big outlay of capital expense.

Not the case in IP (internet protocol) telephony. So maybe it is an oxymoron. IP telephony is the use of the internet or a private IP network to transmit voice calls over the public switched telephone network. IP telephony uses the Internet Protocol (IP) for transmission of voice. A protocol is a set of rules to be followed during any internet communication. The Internet Protocol is a particular method of sending data and voice over the internet.



Advantages of IP Telephony

Cost: The cost of the IP telephony is much less, as it uses the existing network for communication. No new communication networks are required to be established for this technology. Also, the cost for setting up the packet switched networks is less as compared to the cost of the other networks. The cost further decreases, since the same network is used for transmitting voice and data. Many services like call forwarding, web conferencing, fax2mail, video calls, thus, are less expensive using the technology of IP telephony.

Mobility: The IP telephony is a very convenient way of communication. Once you have an internet connection and your IP phone, you can make a voice call anywhere in the world. For an example, if you can have your main office in Orange County, NY, but have remote phones (offices all thru out the world). When that remote user makes a call, the caller ID will show the main office's billing telephone number. This will enable your company to show a strong local (Orange County) presence, but at the same time have a larger footprint. Also, you can establish DID (direct inward dialing) numbers. These numbers range from \$0.13 to \$1.50. They can be programmed in your IP switch that sits at your main office and you can place these DIDs around the United States for a wider reach. Example, if a business is looking to market on the west coast, they can establish a west coast DID. When someone calls the west coast DID number, the call goes back to the IP switch at their main office in NY. In the IP environment this call is simply an inbound call with no charge associated to it, unlike the traditional remote call forward over the PSTN. If you don't want to miss a call, you can be assigned a DID and have it programmed to follow you to your cell, home or to your favorite get-away. One last thing on mobility, all users will be able to use extension dialing to each other's phone. Again, there is no charge for this call as the transmission goes over the internet.

Once you have an internet connection and your IP phone, you can make a voice call anywhere in the world. For an example, if you can have your main office in Orange County, NY, but have remote phones (offices all thru out the world). When that remote user makes a call, the caller ID will show the main office's billing telephone number.



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With the increase of oil, gas and electric, businesses have been forced to think out of the box for alternative ways to reduce their operating costs. IP telephony is one of the ways where you can do this and will the right blueprint, will add more efficiency to your work force.

For more information contact Jeff Dodig,
TelecomDataStore, 800-219-7048,
jdodig@telecomdatastore.com

Gala Glimpses

A Collection of Anecdotes from Members and Associate Members

We asked our members for interesting anecdotes and facts about the founding of their companies and would like to share some here with you.

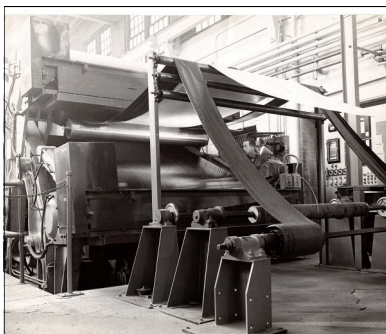
VirTis a division of **SP Scientific Industries**, originated in an old funeral home in Yonkers and at one time used an old coffin to hold their packing materials.

Elna Magnetics was started in an old one room school house in Woodstock. It later moved to an old bowling alley until 2009, when it finally moved into a building specifically constructed for its present and future use.

Metallized Carbon Corporation was started in a two car garage in Ossining which has been incorporated into its present day factory.

Package Pavement Company, Inc. started in the backyard and the garage. Bins of sand and gravel and the concrete mixer were used to blend the product one bag at a time in the backyard in Lake Carmel. After each bag was made, it rode on a flat wood pallet on a roller conveyor through the basement window for storage in the garage. Kids who were little enough laid flat and had a great ride too!

Robert K. Phelan dreamt of going into business for himself while working at Beech Nut Packing Company. At the time, he considered not only raising mice but looked into raising oysters on Long Island too. He ended up purchasing an on going business from an individual who thought the need for raising white mice was over after World War II and called it **Taconic Farms, Inc.**



This photo shows a double band rotocure (which makes smooth white cover food grade belts) at **Chemprene, Inc.** Chemprene has been manufacturing coated fabrics, conveyor belting, and automotive and industrial diaphragms since the 1950s in Beacon.

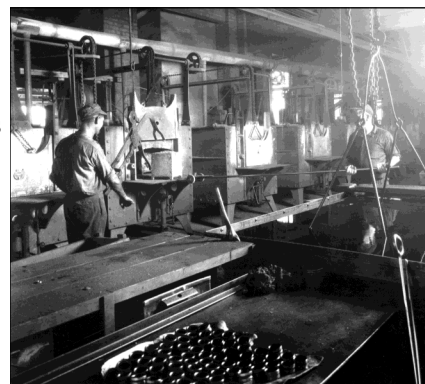
When Lou Jackson founded the law firm **Jackson Lewis**, he was 54 years old and had a remarkable display of energy and vision. During the hearings the Bobby Kennedy held in the early 1960's investigating organized crime's inroads into the unions, Lou Jackson was called to testify. He was grilled for two days because the Department of Justice believed that the only way his clients could have gotten such good deals from the unions was by paying them off. It

took the DOJ two days to realize that Jackson was just a tough SOB who was not afraid to tell the unions "No," something apparently no one else did!

In the late 1800s, as many as sixty small, independent electric and gas companies were operating in the counties of the Mid-Hudson Valley, with the first founded as the Poughkeepsie Gas Light Company in 1850. In 1900, William R. Beal combined two existing firms to form the Newburgh Light, Heat & Power Company, making it the cornerstone of today's Central Hudson, which was incorporated in 1927. In the decades ahead, dozens of small utilities would become part of **Central Hudson**, until the last portion of the Central Hudson system was added in 1967 with the inclusion of the Ellenville Electric Company.

Jacobus Constant Van Rijn, founder of **AMETEK Rotron, Technical & Industrial Products**, was a patron of the arts, especially in Woodstock. It was not unusual for him to shut down production (especially on a Friday afternoon) and send all the employees to attend a play or an art show!

EFCO Products, Inc. has been in business since 1903 and has seen it all. In 1912, when the Barnum & Bailey Circus came to Poughkeepsie, the company supplied the oats, feed, hay and straw for the animals. The temperature that day was 105°F and the circus lost five valuable horses due to the heat. Samuel Effron's wagon horse, Frank, was also stricken and died about a month later. It was not a profitable day, but the show must go on.



The photo above and the one on the cover of this program are from the 1940s at **Schatz Bearing Corporation**. During the mid 1940s Schatz employed as many as 1400 people and was one of the largest manufacturing employers in the region. In 1944 a fully equipped hospital was added to the company's facilities. They have been a member of the Council since 1911.



(L-R) Nora and Kevin Laffin, Rita and Jack Effron, Patty and Dean Lysenko from EFCO Products, Inc. at the Gala on June 3rd.

More Gala Glimpses

The Council of Industry Salutes the Following Companies

50 Plus Years in Business

Jackson Lewis LLP 1958 Founded in New York City by Louis Jackson & Robert Lewis

Chemprene, Inc. 1955 Founded in Beacon by Tom Martini, Dan Donovan & Bill Shepard

Elna Magnetics 1955 Founded in Woodstock by Elwood Shreeder

SP Scientific Industries, Inc. 1953 Founded in Yonkers by Douglas Fraser, Charles Bender & Martin Parkinson

Fair-Rite Products Corp. 1952 Founded in Wallkill by Richard Parker & Edmund Stanwyck

Taconic Farms 1952 Founded in Germantown by Robert K. Phelan & Sally Skates Phelan

Package Pavement Company, Inc. 1951 Founded in Lake Carmel by Walter & Marion Doherty

Aerco 1949 Founded in New Jersey by Henry Angelery

The Chazen Companies 1947 Founded in Poughkeepsie by Milton & Fay Chazen

Hatfield Metal Fabrication, Inc. 1947 Founded in Poughkeepsie by Henry H. Hatfield

AMETEK Rotron, Technical & Industrial Products 1946 Founded in Woodstock by Jacobus Constant VanRijn

Metallized Carbon Corporation 1945 Founded in Ossining by Carl Siebert

Pawling Corporation 1945 Founded in Pawling by Raymond Thornburg, Lowell Thomas, Smith Johnson & Howard Smith

Joe Pietrykia, Inc. 1942 Founded in Pawling by Harold Williams

Alcoa Fastening Systems 1940 Founded in Detroit, Michigan by Louis Huck

75 Plus Years in Business

Stavo Industries, Inc. 1932 Founded in New York City by Fredrick Ertel

DUSO Chemical Company Inc. 1929 Founded in Poughkeepsie by John V. Bush

Peckham Industries, Inc. 1924 Founded in White Plains by William H. Peckham

Kolmar Laboratories 1921 Founded in Milwaukee, Wisconsin by Lessing Kole & Dr. Fredrick Marsek

Zierick Manufacturing Corp. 1919 Founded in New York City by Fredrick Zierick & William Slater

Dyno Nobel 1913 Founded in Port Ewen by Frank Brewster

James L. Taylor Manufacturing Company 1911 Founded in Poughkeepsie by James L. Taylor

100 Plus Years in Business

EFCO Products, Inc. 1903 Founded in Poughkeepsie by Samuel Effron & William Effron

Central Hudson 1900 Founded in Newburgh by Thaddeus Beal, William Beal & John Wilkie

Schatz Bearing Corp. 1895 Founded in New Haven, Connecticut by Adolph Schatz & Herrman Schatz

Rose & Kiernan 1869 Founded in Albany by Rufus Rose

TD Bank 1852 Founded in Portland Maine



Harold King, Executive Vice President of the Council of Industry and State Assemblyman Marc Molinaro at the 100 Anniversary Gala.



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Financial Matters

12 Ways to Increase the Value of Your Company

By David Duboff, Lisiten Associates

1. Build a solid management team. A business with sales of \$5 million and up needs a full complement of officers and directors. Such a team might include: a COO, a CFO, a sales manager and, depending on the type business, an IT director. It is also beneficial to create a Board of Directors with at least two outside members. This professionalizing of management can remove the stigma of "the one man band." Not only will this build a stronger company, it will increase the value to a possible acquirer. Smaller firms should also build a strong management team, and creating an outside advisor group is also a good idea.

2. Loyal employees. Happy and loyal employees make for a strong company. Top management should have non-compete and/or confidentiality agreements. Solid benefits plans for all employees should be in place. A company's greatest asset is its employees and perhaps its biggest value-increaser.

3. Growth. Some smaller companies are kept small to maximize the owner's benefits – the proverbial "cash cows." However, if building value is the goal, then developing new products or services, building market share, expanding markets or opening new ones, is critical. This generally requires a financial investment, but building a strong growth rate also builds value.

4. Understanding your market. The value of a company may be contingent on its industry, its place in the industry and the direction of the industry itself. How big is the industry, is it headed up or down, who is the competition and how big is the company's market share? Is it time to change direction or diversify?

5. Size counts. Companies with less than \$5 million in sales and an EBITDA of less than \$1 million can be perceived as small. Therefore, they may be dependent on continuing outside financing and lack the critical mass for both buying and selling power. These companies can be perceived as too small for acquisition or are penalized when it comes to value. However, over the past few years corporate buyers, as well as private equity firms, have seen the advantages of purchasing smaller firms. Obviously, companies with \$10 million or more in sales and an EBITDA of \$1 million or more are considered as solid and able to stand on their own.

6. Changing direction. Small companies can be very adept at

changing course and implementing change. They have to be able to change and move quickly to take advantage of new markets, to fill voids in existing markets and even to add or change products or services.

7. Documentation. Business plans, financial plans and personnel plans should all be in writing – and kept current. Terms of employment agreements should be spelled out and in writing. Business planning and company objectives, etc., should also be in writing and reviewed periodically. Contracts should be reviewed and maintained on a current basis.

8. Diversification. A major problem with many small companies is that their business is concentrated on one or two major customers or clients. Ideally, no customer or client should represent more than 10 percent of sales. Expanding to new markets, introducing new products, and finding new customers must be considered without deviating too far from the company's core business.

9. Name and brand identity. Nothing beats the name Walt Disney, or Kleenex® or the soft drink called Coke® – they are household names. Small firms may not have the brand or name recognition of these companies, but they can work at it. This recognition is especially


powerful in the consumer product area. But franchising has expanded this name or brand recognition to many different types of businesses.

10. Taking advantage of proprietary and other assets. Patents, brand names, copyrights, alliances, and joint ventures are all examples of not only proprietary assets, but, in many cases, valuable ones. Even equipment can be used in several different ways. Large landscape companies in cold climates put snowplows on their trucks, utilize their existing workforce and become a snowplowing company for their regular landscaping customers -- office complexes, apartment and condo developments, etc.

11. "Lean and Mean." Many companies lease their real estate needs, outsource their payroll, have their manufacturing done offshore, have UPS handle all of their logistical needs. Since all non-core requirements are done by someone else, the company can focus its efforts on what they do best.

Continued on Page 15

In more than 200 visits with lawmakers over two days, manufacturers made a strong case for policies that will reinvigorate a struggling economy, reduce the cost of doing business in the United States, stimulate job growth and make American manufacturers more competitive.



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Continued from page 14 Financial Matters

12. Do it now! The owners of small firms, even large ones, have an attitude that says, “I don’t have time now, I’ll do it tomorrow” or “I’m too busy now putting out fires.” So the real challenges of building the business, and value, get sidetracked or put off indefinitely. Creating value is critical to the long-term (and short-term) success of the business.

Keep in mind that the best time to consider selling is when business is good, the business is running profitably, and many of the above “value-adders” are in place. By contacting your local professional intermediary you can explore which of the above will add the most value to your firm, so it will be ready to sell when you are.

For more information contact David Duboff at dduboff@msn.com or (914) 224 – 6807

Continued from page 6 EHS Matters

PAWA will not promote a cooperative relationship between OSHA and employers. Less flexibility, greater fines and reduced emphasis on workplace safety training and education programs will likely discourage employers from proactively engaging with the Agency.

There have been signs of renewed interest in workplace safety legislation on Capitol Hill. Committees of both chambers have held hearings on PAWA, and there may be efforts to move forward later this year.

Legislation

Just as concerning are the efforts underway in Congress – primarily through the Protecting America’s Workers Act (PAWA) – that would expand OSHA’s authority even further – mostly to the detriment of America’s manufacturers.

In short, the bill will change the dynamics of the health and safety system in our nation’s workplaces by targeting employers with higher monetary and expanded criminal penalties for alleged compliance deficiencies. Under the PAWA, the maximum penalties of \$7,000 for serious violations and \$70,000 for willful violations will increase to \$12,000 and \$250,000, respectively. The increased penalties do not come with a commensurate increase in compliance assistance efforts.

Continued from page 4 Personnel Matters

5. Send request in time.

When it is necessary to request help or support, or introduce a problem, do not wait until the last minute. Last minute messages frustrate and alienate people. E-mail can take minutes or hours to arrive, so plan ahead.

6. Respond immediately or make a note to respond soon.

Respond to e-mail as you should to phone messages. If you need time to think about your response or time to gather information, let the sender know that you will get back to them.

7. Be Brief.

E-mails have basically replaced memos and letters, but they are getting longer and longer. Use bullets where you can. Keep your message short and to the point. We receive many e-mails each day; we respond faster when messages are brief.

8. If the message must be long, start with requests and guide lines.

We tend to read the first few lines of a message thoroughly and browse through the rest. If you require a quick response, say so in the first few lines. If your message is long, start with a summary paragraph.

9. Write a good subject line.

Let the receiver know what to expect. A good subject line flags interest, and it makes it easier to find days later. The subject line is the true reason you are sending the e-mail.

10. Type like you would a letter.

E-mails can be difficult to read. Use short paragraphs and always put blank lines between paragraphs. Avoid all capital letters [SHOUT], emotional icons [L], unique abbreviations [lol], and excessive punctuation [!!!!]. Yes, I am guilty here too.

When should we not use e-mail?

Either make a phone call or visit in person to talk when:

- Emotions are high
- The message is delicate
- Too many misunderstandings are occurring

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