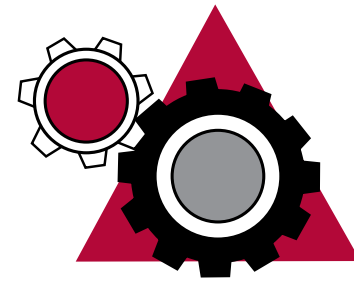


# The Network News



Tri-State Manufacturers' Association  
Newsletter

Oct./Nov. 2011

## Company of the Month Badger Foundry



*The Quality Policy of Badger Foundry Company is to provide high quality castings and customer services that meet our customers' expectations. We are committed to continually improving our quality management system processes and increasing Customer Satisfaction through the use of measurable quality objectives.*

- Angus R Callender, President

Written By: LeeAnn Rostberg

In 1910, a company was founded that would withstand the test of time. Badger Foundry started as a three employee company in Racine, WI. During the first years of operation Badger Foundry mainly produced castings for farm tractors. Three years after Badger Foundry opened their doors, Angus Callender joined the team. In 1920 Angus became controlling shareholder and in 1940 Richard Callender (Angus's son) became company president. In 1949 a vacant facility was found in Winona, MN and Badger Foundry moved to Winona. Throughout the years Badger has worked on making their facility as efficient as possible. In 1952 overhead sand transportation equipment were installed, increasing efficiency and productivity. With new clients and the need for more staff, Badger Foundry decided to build a 60,000 sq. ft. facility in the early 1970's. In 1973 the new facility replaced the old one and opened its doors for operation. 20,000 sq. ft. of space was added along with new machinery.

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Badger Foundry created more production capabilities which have proven necessary as they continue to succeed in their industry. Badger Foundry has been run by the same family for almost 100 years. The current president, Angus Callender, has followed in the footsteps of his father (Richard Callender) and his grandfather (Angus Callender). Badger Foundry respects their employees. Badger's employees include many employees from the same family and many employees have long careers at Badger.

Badger Foundry produces gray and ductile iron castings. Their casting weights for gray iron are between 100lbs. – 4000lbs, while their ductile iron castings range from 100 lbs. – 2500 lbs. Badger's melt capacity is 130 tons of gray iron and 35 tons of ductile iron daily. Typical green sand flask sizes include 24"x24", 40"x40", 36"x62" and can be de-

*Continued on Page 2*



TSMA is affiliated with Midwest Manufacturers' Association.

# Badger Foundry

*Continued from page 1*

signed to fit many different products. No bake flask sizes are custom and can range up to 80"x80". The current facility has cupola and electric melt systems, a 40 ton holding furnace, three green sand molding lines, two no bake lines – large cast, three no bake core make lines, automated process control techniques, extensive handling equipment, sand lab, metrology, pattern shop, and has been expanded into a 160,000 sq. ft. facility.

Some companies and industries that Badger Foundry serve include Trane, Caterpillar, marine transmissions, off-road transmissions, oil/gas exploration and recovery parts, elevator assemblies, and fire pumps. Badger Foundry prides themselves on dedicated service and on-time delivery. Badger's primary customers are domestic, however they do ship some castings offshore.

Badger foundry is ISO 9001-2008 Certified, privately held, and has a lean management team. They are committed to employee safety and have an average employee service length of 15 years. Badger takes a personal and proactive approach to all business accounts. Customers return because of the quality and dedication they receive.

To make less impact on the environment, Badger Foundry has dedicated itself to protecting the world we live in. They have installed air pollution control equipment, on-site sand disposal systems, several recycling programs, and storm water and air emission controls. In 2008 Badger Foundry revamped their lighting system and now save 1,426,332 lbs of CO2 that would normally be emitted each year. Excess foundry sand is reused in cement production, fill for Ag, and general projects. Water usage improvements have been made saving 40% annually. Badger Foundry cares for their environment and it shows in the steps they have taken to protect it. Badger believes in being a good neighbor, they have been successful for over 100 years and have kept the company privately held. Employees are fairly treated and are dedicated to their jobs, while management has been committed to improvement for over a century. Badger Foundry has made a difference in their industry and will continue to make a difference for the foreseeable future.

Since



1910

For more information contact one of the following:

Jeff Schaetz, Manufacturing Manager  
(507)452-5760  
[jschaetz@badgerfoundry.com](mailto:jschaetz@badgerfoundry.com)

Mike Rizner, Quality Manager  
(507)452-5760  
[mrizner@badgerfoundry.com](mailto:mrizner@badgerfoundry.com)

Chuck Will, V.P. Sales  
(262)650-8480  
[cwill@wi.rr.com](mailto:cwill@wi.rr.com)

Frank Kunce, Foundry Engineering Mgr  
(507)452-5760  
[fkunce@badgerfoundry.com](mailto:fkunce@badgerfoundry.com)

Kim Hardy, Customer Service Manager  
(507)452-5760  
[Sales@badgerfoundry.com](mailto:Sales@badgerfoundry.com)

Mike Bader, Account Manager - Sales  
Cell (920)373-5725, Office (507)452-5760  
[mmbadgerfoundry@gmail.com](mailto:mmbadgerfoundry@gmail.com)





## E Says...

**Elroy Vesta**, TSMA President  
EJ Enterprises, Fergus Falls

## It's Fall. . .

Officially - it happened September 23rd. Perhaps few took note but that does not change the reality. This is a season many enjoy – times for leaves to fall and schedules to be full. It is time for football and for family. You may be disappointed in the outcomes of the scores – but the value of the family times are significant so remember to enjoy.

By the time you read this many will have made the trek to Duluth to be part of a conference and table top trade show. These opportunities to connect with other manufacturers from various sections of the state and region are of great value. If you missed this time – watch for the next event and participate.

Consider attending the MN Manufacturers Summit on October 26th. Learn what it takes for manufacturers to compete in a world economy. Come to listen and come with your questions.

Then later in the month during manufacturing week many facilities are opening their doors to visitors.

It will be people who just want to know what's done there, it will be some who are looking for work, and hopefully it will be students looking to pursue a career in manufacturing.

What can you do –

- If it is your plant that is the site of a tour – be certain to spread the word to the people in your circle of friends and ask them to bring a student.
- If your facility is not one of the locations – offer to help. One way is to find a high school instructor and take them with some student to participate in the tours.

Welcome to fall – these full schedules are good since they remind us of the opportunities we have for our businesses to finish 2011 strong. I am reminded – don't just fill life with activity – fill it with things that matter. Decide to invest in your family, in your community and in your work. Keep a balance so that as this year winds down there is time spent building the goals, budgets, and plans for the next year.

visit [tsma.org](http://tsma.org)




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# TSMA General Meeting

Tuesday, November 1

Fergus Falls, MN  
American Legion  
2010 S Pebble Lake Rd

## Schedule of Events

4:00 - 5:00 PM Tour: Innova Industries

5:00 - 5:45 PM Social Time

5:45 - 7:00 PM Dinner and Guest Speaker

## Cost: \$15/person

Online meeting payment is now available. Register and pay for the TSMA meeting in one convenient location.

## RSVP by Friday, October 28

800-654-5773 or [http://reg.abcsignup.com/reg/event\\_page.aspx?ek=0045-0005-756D50B10D8E4B1AA5A6ED413B3D45EA](http://reg.abcsignup.com/reg/event_page.aspx?ek=0045-0005-756D50B10D8E4B1AA5A6ED413B3D45EA)

## Tour:



730 W Fir Ave., Fergus Falls MN 56538

[www.innovaind.com](http://www.innovaind.com)

*Please bring safety glasses with side guards*

Dick Young and his son Jeff started INNOVA with one laser and a rented building in the mid 1990s. The company has grown rapidly and today has several lasers and an array of other equipment in a company-owned building.

Innova is not a typical laser job shop. They are a unique custom manufacturing center with expertise in the laser cutting industry. They excel in the contract manufacturing of complex metal components - and they provide all the services needed to complete the entire product: laser cutting, fabrication, welding, finishing, and assembly.

## Guest Speaker:

### “Practical Solutions for Business That Impact the Triple Bottom Line”

Presenter: **Kathy Hodges**, President, Jack's Family Recycling

Join us for an exciting introduction to ICeBerG – TSMA's new resource for “being greener!” The November 1st meeting in Fergus Falls will feature pr...

Hear interesting recycling facts. Calculate the energy equivalent saved on a particular recycling decision. **Learn** how to save money by reducing your “trash” output. **Consider** starting a “green team” in your company. **Hear** about the benefits others have realized. **Understand** the savings start with recycling and then expand to impact other line items in your business.

Kathy Hodges has been involved with recycling from an early age. Her grandfather was a “junk man,” then her dad took over the family scrap business. Kathy assumed control of the family operations in 2003 and has expanded the recycling business to include: electronics, plastic, paper, glass and textiles. She has extensive experience in Project Management and puts that background to good use in the recycling industry.

Jack's Family Recycling Center is a certified e-Stewards and R2 electronics recycling company serving Western and Central MN as well as Eastern ND and SD. JFRC recycles metals - appliances, vehicles, presses, farm equipment, etc. We have recently started business recycling for office paper, catalogs, magazines, cardboard, shrinkwrap, etc. We work with various local businesses to help determine if their scrap material is recyclable. We sort and bale residential recycling - cans, bottles, newspaper, milk jugs, etc. We are an ISO 14001:2004 certified company that provide high quality customer service. We believe in Responsible Recycling - No Exceptions

INNOVA Industries has a depth of experience in meeting the metal fabrication needs of some of the Midwest's largest OEMs, and are considered a premier supplier to companies such as Case New Holland, Bobcat, Nilfisk-Advance and JLG.

Dick and Jeff Young bring a long history of working in the metal fabrication manufacturing industry in Minnesota and the Western Dakotas. They have developed a manufacturing, management, sales and customer service team that prides itself on a strong mid-western work ethic and is committed to a healthy and safe work environment that supports customer success and growth. They place a high priority on delivering the type of customer service they would want to receive. The Innova team knows manufacturing inside and out, bringing years of OEM design, purchasing, manufacturing, quality and sales experience into their roles at INNOVA.

## Minnesota Manufacturers Summit:

Minnesota Manufacturers in a World Economy: What does it take to compete?

**FREE tickets  
available!**

**TSMA is a Silver Sponsor  
of this event!**

## Minnesota Manufacturers Summit October 26, 2011

8:30 AM - 3:00 PM

Doubletree Bloomington - Minneapolis South

Join business and industry leaders from across Minnesota in a salute to the contributions of manufacturers! The eighth annual Minnesota Manufacturers Summit, brought to you by the Minnesota Manufacturers Coalition, will feature leaders from manufacturing, higher education, and government. Jay Timmons, president/CEO of the National Association of Manufacturers, is confirmed as a keynote speaker.

The Summit will also feature practical, hands on breakout sessions on topics of interest to manufacturers. Complete details about the summit, including an itinerary and registration information, will be available soon.

### FREE Tickets Available to TSMA Members!

As an event sponsor, Tri-State Manufacturers' Association has ten complimentary tickets available to the membership on a first-come, first-serve basis. Limit one free ticket per company. Call or email the office to make your request.

For information pertaining to featured speakers, registration information, and more - watch your e-mail or go to [www.mnchamber.com](http://www.mnchamber.com).



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## New Member Corner

*A welcome is extended to the newest members of Tri-State Manufacturers' Association...*

# Welcome!

### Massman Automation Designs, LLC

1010 E. Lake St., PO Box 84  
Villard, MN 56385

Chuck Gaffaney, Production Manager

[chuck.gaffaney@massmanllc.com](mailto:chuck.gaffaney@massmanllc.com)  
[www.massmanllc.com](http://www.massmanllc.com)

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### Dakota Automation

501 Pheasant Ridge Dr  
Watertown, SD 57201

Dave Groom, Shop Manager  
[dgroom@dakotaautomation.com](mailto:dgroom@dakotaautomation.com)  
[www.dakotaautomation.com](http://www.dakotaautomation.com)

Custom automation, contract manufacturing, CNC machining, swiss turning.

### Insight Insurance

410 37th Ave N, Suite 2  
St. Cloud, MN 56303

Dave Toeben, Owner  
[dave@look2insight.com](mailto:dave@look2insight.com)  
[www.look2insight.com](http://www.look2insight.com)

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### The Competitive Edge

324 Broadway, Suite 202  
Alexandria, MN 56308

Barb Ostrander, Partner/Consultant  
[barbo@thecompedge.com](mailto:barbo@thecompedge.com)  
[www.thecompedge.com](http://www.thecompedge.com)

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[ickler@ickler.com](mailto:ickler@ickler.com)

# Dream !t. Do !t.

[www.dreamit-doit.com/mn](http://www.dreamit-doit.com/mn)



## Visit the New and Improved TSMA Website!

[www.tsma.org](http://www.tsma.org)

The TSMA website has been redesigned to provide a fresh look and make the site more user friendly. Use the website to get up-to-date information on TSMA events and meetings. Access the newsletter archive, rules and regulations pertaining to the scholarship program, details about the TriFac program, and more. Members - post your job openings on the TSMA website at no cost!

All TSMA members are listed on the site, including hot links to each members' email and website address. Please note, the "member capability" section is still in development.

Is there something you think the website is missing? Let us know.

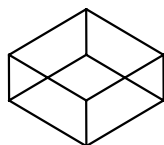
Visit [www.tsma.org](http://www.tsma.org) today!



## TSMA Website Offers Online Meeting Payments

The TSMA website contains a link for online payment for meetings and events. Register and pay for your meeting 100% online. You will find the link located on the events page. Payments are processed using PayPal.

[www.tsma.org](http://www.tsma.org)



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## Scholarship Opportunity



Deadline:  
**November  
18**

**\$2,000**

Could be awarded to you!

## TSMA Scholarship Program

Nov. 18 Deadline

All TSMA members should have received an email notification about the 2012 scholarship application process. The email included a poster that can be printed and displayed in your employee lunch room, etc.

Upon recommendation from the TSMA Youth Committee, the TSMA board of directors adopted a new policy regarding the association's Scholarship Program. TSMA scholarship funds will now be used to assist only those students who are enrolled in a manufacturing-related program.

A second change to the program provides a contingency option in the event that the application process doesn't draw a qualified pool of applicants. In any given year, all or a portion of the budgeted

program amount may be disbursed to students enrolled in designated manufacturing programs at member schools (currently, Alexandria Technical & Community College, MState, and North Dakota State College of Science). Unlike the award winners garnered from the application process, the college-generated award winners are not likely to have a direct association with a member of Tri-State Manufacturers' Association.

A deadline of November 18, 2011, has been implemented for the next round of scholarship applications. The awards will be disbursed in January 2012 to assist with Spring Semester 2012 tuition. Again this year, TSMA has committed \$5,000 towards the Scholarship Program; proceeds from the Golf Social help support this program each year.

## TSMA Financial Reports

### Tri-State Manufacturers' Association Balance Sheet September 30, 2011

ASSETS	
Petty Cash	100
Cash	95,143
Investment/CVI	1,000
Accounts Receivable	675
Total Assets	<u>96,918</u>
LIABILITIES	
Liabilities	1,105
FUND BALANCE	
Fund Balance	93,183
Revenue Over (Under) Exp.	2,630
Total Fund Balance	<u>95,813</u>
Total Liabilities and Fund Bal.	<u>96,918</u>

### Tri-State Manufacturers' Association Statement of Activity For The Nine Months Ending 9/30/2011

REVENUE	
Advertising Income	1,739
Golf Income	7,955
Membership Dues	28,350
Meeting Income	3,511
Misc. Income	-26
Total Revenue	<u>41,530</u>
EXPENSES	
Golf Expense	4,129
Insurance	1,185
Meeting Expense	2,899
Misc. Expense	1,512
MMA Dues	3,988
Staff Time	16,193
Office Supplies/Postage	775
Sponsorships	2,500
Travel & Training -Staff	707
Workforce Dev/Scholarship	5,013
Total Expense	<u>38,900</u>
Revenue Over (Under) Exp	<u>2,630</u>

## State-wide Tour of Manufacturing

Saturday,  
October 29  
9 AM – 3 PM  
(alternate times possible)

### Nearly 50 manufacturers in Minnesota to host an Open House

Minnesota Manufacturers Week is just around the corner, with a full week of activities to be capped off by a brand-new event on Saturday, October 29, 2011. Nearly 50 companies throughout Minnesota have agreed to open their doors to the public for the first-ever statewide Tour of Manufacturing.

Modeled after the "Parade of Homes" concept, manufacturers will open their facilities for public tours. Students, parents, neighbors, employee family members, the general public --- all are encouraged to come and see first-hand what goes on in the high-tech world of manufacturing today. The goal of the event is to change perceptions about the industry and increase awareness of the high skill, high wage jobs available in manufacturing. Attendees can visit one manufacturing plant or half a dozen (or more!), depending on their location and level of interest.

A local Tour of Manufacturing event held in the St. Cloud region in 2009 garnered some 5,000 visits. The Alexandria/Glenwood region logged nearly 2,500 visits during their local event last October 30, while the Mankato region hosted a successful

event on that same date. From these early successes, the idea for a state-wide Tour of Manufacturing was born.

Midwest Manufacturers' Association, representing AMFA, CMMMA, MDMA, and TSMA, teamed up with the Minnesota Precision Mfg. Association (MPMA) to foster the state-wide project. The 360° Center of Excellence, Bemidji, has taken the lead in marketing the event to the K-12 school system and to the general public with print, radio and facebook advertising.

Readers of this newsletter, tell your friends and family to access [www.tourofmanufacturingmn.com](http://www.tourofmanufacturingmn.com) to learn the location of the manufacturing tours available on October 29, 2011. Check out a tour location or two in your neighborhood!

Manufacturers – it's not too late to get involved! Call the MMA office at 800-654-5773 for information about how to participate in the state-wide Tour of Manufacturing. Help influence your future workforce!

[www.tourofmanufacturingmn.com](http://www.tourofmanufacturingmn.com)

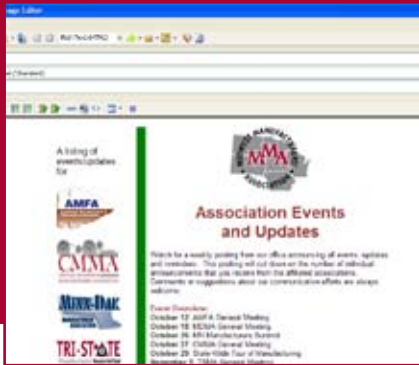
## Interested in Sponsoring a Meeting?

Promote your company's products/service to potential customers in the region. TSMA is looking for companies that would like to sponsor a meeting. Meeting sponsorships are available at a rate of just \$50/meeting. The meeting sponsor is invited to:

- Do a 5-minute presentation about your company during the business meeting
- Distribute brochures/promotional items, etc. to each meeting participant
- Include your company name/logo on the meeting announcement/newsletter

TSMA meetings are held on the first Tuesday of the month in various locations. To inquire about available sponsorship dates and locations, contact Lee-Ann at 800-654-5774 or [leeannr@runestone.net](mailto:leeannr@runestone.net)

# MMA Introduces Consolidated Email Announcements



In response to member feedback regarding the significant amount of email generated by the Association office, a new procedure was implemented earlier this month. Weekly, all events and announcements related to any of the four affiliates of the MMA office are now briefly outlined in an email distribution labeled "Association Events and Updates." Links to the respective websites are included in the email to provide additional detail on any event that is of particular interest.

Specific events are still announced in a separate email that's distributed to the respective association list. For example, an invitation to the TSMA general meeting on November 1 was issued directly to the TSMA email distribution list. However, TSMA members will no longer receive a specific email directly related to upcoming

meetings for AMFA, CMMA, or MDMA. (Information pertaining to these meetings is captured in the weekly update.)

As always, the office welcomes comments from the membership on ways we can better meet your needs. On the subject of email lists, please note ... are there others from your organization who would like to receive notice of TSMA events, the Network News, and other industry announcements? If so, call or email the office with the names/email addresses of those who have an interest in staying connected to TSMA.

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## TSMA 2011 Holiday Celebration

**Note: New Date!**

**Monday, December 5**

5:30 Social Hour

6:30 Dinner

Knotty Pine

Elbow Lake, MN

Watch your email for more information.



## Highlights of the TSMA October Board Meeting

The Tri-State Manufacturers' Association Board of Directors met on October 6, 2011, at The Travelers Inn Restaurant, Alexandria, MN.

The consent agenda was approved, including August meeting minutes, September financial reports, and updates on: the video link, Dream It. Do It., Tour of Manufacturing, Focus Group and manufacturers' appreciation breakfasts.

The nomination process for the board of director election was reviewed, including an evaluation of recently active members who may be interested in serving on the board. The nomination deadline has been extended until October 14, 2011. There are four, two year positions up for election.

Program Committee:

- Discussion was heard regarding the recent bus trip to tour the Bobcat plant in Gwinner, ND. It was agreed this trip might be of interest to the members every three years or so. It was agreed to try and schedule a bus trip/significant tour every fall if locations of interest can be identified within a reasonable distance.
- The recent "tour day" with MN DEED Commissioner Mark Phillips was evaluated and deemed worthwhile in getting the word out to government officials.
- It was agreed to continue promotion of a 3 or 4-year rotation regarding hosting of the Tabletop Trade Show. AMFA hosted the event in September 2011; CMMA will be invited to host in 2012.

- TSMA November 1st meeting will include a 4:00 PM tour of Innova Industries; folks will be reminded to bring safety glasses. Elroy and Kevin will check into promotional safety glasses.
- The board established a budget for use by the Program Committee in securing entertainment for the December 5th Christmas Party.
- A speaker and tour location were identified for the Annual meeting on January 3, 2012.

Discussion was heard regarding an upgraded TSMA website that would enable a search function related to member capability. Discussion will continue at the next meeting.

The board confirmed the opportunity for area high schools to be eligible for financial rewards if they participate at TSMA meetings/events. Lakes Country Service Cooperative will help facilitate communication with the K-12 system.

TSMA sponsorship of and attendance at the Minnesota Manufacturers Summit was discussed.

The board approved sponsorship of the Tour of Manufacturing Fergus Falls/Wahpeton scheduled on April 21, 2012.

The next board meeting is scheduled at 3:00 PM at Innova Industries in Fergus Falls in conjunction with the general meeting on November 1, 2011. Board meetings are open to the membership.

# 10-Hour OSHA General Industry Course

December 15 & 16 in St. Cloud

## *About the Course*

Employees at every level in a manufacturing company, from production staff to management, will benefit from this comprehensive introductory course. Learn about the scope and application of OSHA standards to workplace safety and health. Emphasis is placed on using the 29 CFR Part 1910 general industry standards to identify and recommend abatement for the greatest safety and health hazards. Special emphasis will be placed on recognizing Minnesota-specific regulations. Participants have an opportunity to increase hazard awareness and avoidance using OSHA standard as a guideline, and **earn a general industry OSHA 10-Hour Course Completion Card.**

## *About the Presenter*

**Scott Huberty**, Loss Control Supervisor

**Meadowbrook Insurance Group** provides a variety of traditional and alternative risk management and insurance services. In Minnesota, Meadowbrook serves as the TPA (Third Party Administrator) for self-insurance groups, including the Trifac Workers Compensation Fund, which is available to members of: Arrowhead Manufacturers & Fabricators Association, Central Minnesota Manufacturers Association, and Tri-State Manufacturers' Association.

**Scott Huberty**, Loss Control Supervisor for the organization, is an authorized outreach trainer qualified to lead the 10-hour OSHA General Industry Course. TSMA members have appreciated Scott's relaxed yet informative training style at past workshops.



**Ten hours of training offered in a one and one-half day format.**

### **Day One: December 15, 2011**

10:30 - 11:00 AM Registration

11:00 - 12:00 PM Morning Session

Noon - 12:30 PM Lunch Onsite

12:30 - 5:00 PM Afternoon Session

### **Day Two: December 16, 2011**

7:30 - 8:00 AM Full Breakfast

8:00 - 12:30 PM Training Session

## *Location*

### **St. Augusta Legion**

1894 247th Street, St. Augusta, MN 56301

## *Cost*

**AMFA/CMMA/TSMA Members: \$125/person**

**NonMembers: \$175/person**

Price includes: Training manual, lunch, and refreshments on day one. Full breakfast and refreshments on day two.

## *Registration*

**Class size limited to 30 people.**

**Registration Deadline: December 9, 2011**

Contact TSMA Office for Registration information.

**TSMA**

**PO Box 150**

**Elbow Lake, MN 56531**

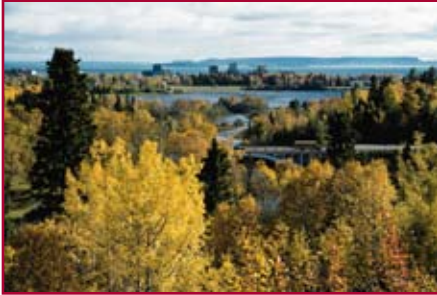
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## MMA Explores Thunder Bay



On September 20, 2011, a contingent of folks from Minnesota traveled to Thunder Bay, Ontario, to explore the potential for building relationships that could benefit manufacturers on both sides of the border. The Consulate General of Canada (Minneapolis office) worked closely with FedNor representatives in Ontario to develop an encompassing itinerary for the three-day excursion. MMA was represented by Sandy Kashmark, Executive Director of Midwest Manufacturers Association and Dan Larson (owner, HydroSolutions of Duluth) MMA and AMFA Board member.

The trip was scheduled to coincide with the Prosperity Northwest conference, an annual event designed to connect local and regional business leaders in northwestern Ontario. The conference provided a convenient venue for the MMA delegation to connect with government, business and educational leaders from throughout northern Ontario without posing undue travel requirements.

The conference encompassed health sciences, forest products, transportation, and more ... with economic development opportunities in mining receiving the most attention. It was revealed that the "Ring of Fire," a chromite deposit discovered in northern Ontario in 2007, along with precious metals in the region, have a potential economic impact of \$54 billion – with many variables impacting the region's ability to take advantage of this incredible economic opportunity.

In addition to the conference, the schedule was jam-packed with additional networking opportunities, including dinner with FedNor officials, breakfast with the Innovation Centre (for the purpose of exploring advanced manufacturing), the Chamber of Commerce Business After Hours event, and a hospitality suite hosted by the Northwestern Ontario Development Network.

Last but certainly not least, the MMA delegation met with representatives of the Thunder Bay Metal Fabricators Association (TBMFA). Originally founded as the Oil Sands Consortium, the TBMFA was re-configured in 2009 with a mission to develop markets for the metal trade industry in Thunder Bay. The TBMFA is structured with

five lead companies and over 40 associate members offering capability and capacity relating to the design, manufacture, repair, and installation of a broad range of products fabricated from metal.

John Jurcik, owner of Venshore Mechanical Ltd and Chairman of the TBMFA, explained that the impetus for forming the new manufacturers' association was directly related to changing economic conditions in the city. As recently as 2005, the backbone of Thunder Bay's manufacturing industry was wood products. The city was home to no less than six saw mills; only one remains in operation today. Although many factors were at work, the decline of the U.S. housing market was cited as a significant reason for the failed wood industry in Thunder Bay.

TBMFA is primarily focused on developing new markets for the local manufacturing industry. However, association leadership is also interested in learning about other strategies that will enable the association to strengthen the industry. The MMA delegation shared insights regarding the 20-year history, structure, services and collaboration of the four affiliates of Midwest Manufacturers' Association. Delegates from both sides of the border expressed a desire for continued dialog.

One of the goals of continued dialog would be for association members to increase their knowledge concerning the supply chain and customer base in both countries. Networking opportunities hosted in both countries could potentially provide a venue for developing customer and supply chain relationships that could advance member businesses and impact the regions' economies in the process.

Our organizations are fortunate to have the support of the Consulate General of Canada in facilitating this open discussion. On behalf of the Minnesota delegation, thank you to Kate Saba and Mike Flaherty from the Canadian Consulate, Minneapolis, for their role in initiating dialog between the manufacturing communities in Minnesota and Thunder Bay. Stay tuned for an updated report on this issue in the coming months!



## DEED Commissioner Visits Manufacturers in West Central Minnesota

On October 4, TSMA provided an opportunity for the MN DEED Commissioner and area legislators to learn more about the manufacturing environment in West Central Minnesota.

Mark Phillips, Commissioner of the Minnesota Department of Employment & Economic Development since January of this year, joined TSMA Board members and staff for a day-long exploration that included tours of four manufacturing facilities, a networking lunch and dinner, and a guest speaker presentation at the TSMA general meeting that evening.

Along the way, three local legislators joined the proceedings as their schedules allowed. On behalf of the TSMA membership, thank you to Senators Gretchen Hoffman and Bill Ingebrigtsen and Representative Bud Norness for taking the time to better understand the operations, challenges, successes, and employment opportunities of your constituents in manufacturing.

A sincere thank you also goes out to the Tri-State members who opened their doors to the entourage on October 4: Innova Industries and StoneL in Fergus Falls, Voyager Aluminum in Brandon, and Donnelly Custom Manufacturing in Alexandria. Throughout the tours, the group was exposed to technology and automation, marketing strategies, supply chain requirements, and internal controls that contribute to ongoing success at these facilities. Equally as important, at each location the owner/managers also shared personal insight as to what the state of Minnesota can do to impact continued success of the industry. The need for skilled workers was voiced loud and clear at each stop, including an immediate need for skilled works and an anticipated need due to the impending retirement of an aging workforce.

Kudos to Tri-State Board members Elroy Vesta (EJ Enterprises) and Tyler Wirth (The Work Connection) for volunteering as hosts throughout the day.

## Link Your Site to TSMA.org

Add [www.tsma.org](http://www.tsma.org) to your website. Adding a link to TSMA can help you stay current on upcoming events by allowing you to easily access the site. Adding a link may also help your ranking on search engines such as Google.





### CNC Milling Processes

**When:** October 25 & 27  
**Time:** 1:00-5:00 pm  
**Where:** ATCC Room 210  
 1601 Jefferson Stree  
 Alexandria, MN 56308  
**Fee:** \$199 per person

**Registration:** For registration go to, [www.alextech.edu/customizedtraining](http://www.alextech.edu/customizedtraining).

**Primary Goals of Training:** This course is designed to take the learner through the concepts and technologies necessary to operate and setup most types of CNC mill equipment.

### CNC Programming

**When:** November 10, 15, 16  
**Time:** 1:00-5:00 pm  
**Where:** ATCC Room 211  
 1601 Jefferson Stree  
 Alexandria, MN 56308  
**Fee:** \$299 per person

**Registration:** For registration go to, [www.alextech.edu/customizedtraining](http://www.alextech.edu/customizedtraining).

**Primary Goals of Training:** This course is designed for the individual with a basic understanding of CNC Mill and CNC Lathe program language.

## Upcoming Member Events

## TSMA Tours Bobcat Facility

Are there other tour sites of interest?

Nearly 50 people traveled via charter bus to the small town of Gwinner, ND, for a tour of the Bobcat facility on September 13, 2011. Of interest, the population of Gwinner is just over 700 people, while the local Bobcat plant employs some 1,200 people. Founded in Gwinner in 1947, Bobcat is now North Dakota's largest manufacturer. The tour encompassed a walk-through of much of the 100,000 square foot facility, where participants were able to see dozen of automated lines and robotic production cells in action.

On behalf of the TSMA membership, thank you to event sponsors State Bank & Trust and Innova Industries, Inc. If interest warrants, the TSMA Program Committee has suggested repeating the "Bus to Bobcat" event every three years.

In fact, we'd like to explore offering a "bus tour" each fall, with other locations added in between the years we visit Bobcat. Please call or email the office with your thoughts on a manufacturing facility that might be of interest for a TSMA-sponsored "bus tour."

## Advertising Rates

### TSMA Member Rates

	one month	six months	twelve months
1/8 page	\$20	\$100	\$180
1/4 page	\$35	\$175	\$315
1/2 page	\$60	\$300	\$540
Full page	\$100	\$500	\$900

Contact LeeAnn Rostberg at the TSMA office for more information:  
 Phone: 800-654-5773  
 Email: [leeannr@runestone.net](mailto:leeannr@runestone.net)



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Contributed By:  
**Brad Stevens**, Relationship  
Manager

## Is Your Debt Properly Structured

*Brad Stevens is a Relationship Manager with Alerus Financial, a full service commercial bank serving in your best interest. With over twenty years experience, Brad works closely with business owners to provide advice and financial solutions amongst the ever-changing market cycles. Contact Brad at 651.746.6153 to discuss fresh, innovative financial strategies for your business.*

Your balance sheet is a reflection of your business. The easy definition that everyone knows is that assets equal Liabilities plus equity. But a deeper look will show whether your balance sheet structure is actually in balance. This is a concept that will tell you whether your banker is working for you or is an order taker that maybe allowing you and your company to get into an unhealthy position.

The key to keeping a properly structured balance sheet is to match the debt you have outstanding with the assets that are supporting that debt. Essentially keeping long term debt tied to long term assets and short term debt to short term assets. An example would be the use of your line of credit. The outstanding balance should be tied to your short term assets, basically a percentage of the level of accounts receivable you have outstanding as well as the inventory you have on hand. If your line balance exceeds this amount, in the short term, the question you have to ask is how can I pay this back in the time allowed? The line should always be paid back by the collection of the receivables and liquidation of inventory through sales. If you or your banker allowed you to put the purchase of a long term assets or to cover operating losses, on your line of credit, your balance sheet is out of alignment.

While short term debt is to be repaid from conversion of short term assets, long term debt should always be paid with cash flow over time, essentially the production

from pieces of profitable equipment. Prior to purchasing a piece of equipment you as well as your banker should calculate the break even point on the production of the machine under consideration. How many widgets being produced at what profit margin over a period of time that will allow the debt payments to be serviced? Obviously the length of the loan should never be longer than the expected life of the piece of equipment. Likewise, it should also not be significantly shorter than the estimated break even of the equipment unless your company is highly profitable with significant cash flow from other unencumbered machines.

One area where business owners get into trouble and where many bankers allow their clients to get into trouble is short term bullet financing. This is where the owner is facing a cash shortage to meet upcoming payments. Typically this will occur when sales are flagging or unexpected expenses overwhelmed the firm. The owner heads to the bank with a request for a short term loan to tide things over until business gets back to normal. Typically this will be anywhere from \$20,000 to \$60,000. Sadly this hardly ever works, the short term assets are not there to support this loan, particularly if you are already over exposed on your line of credit. This type of request needs to be financed by equity not debt or have a clear agreed upon repayment source.

Keeping your balance sheet structured properly will keep you out of trouble and your banking relationship on healthy stand.

## Upcoming Events

Date	Location	Event/Speaker/Topic
Oct. 26	Bloomington	MN Manufacturers Summit
Oct. 29	Statewide	Tour of Manufacturing
Nov. 1	Fergus Falls	TSMA General Meeting
Dec. 5	Elbow Lake	TSMA Holiday Celebration
Dec. 15/16	St. Cloud	10-Hour OSHA Training

Would you like your company featured as

**Company of the Month**  
in the *Network News*?  
Contact the TSMA office at  
800-654-5773 or  
[midwest@runestone.net](mailto:midwest@runestone.net)

## Reality Check



What salary would you like to have?  
What does it cost to live in your city of choice?

More importantly, what career will give you the lifestyle that you want?

How about a website that lets your high school student explore careers and tally the costs to get the skills that get the job? As they explore careers they'll be led to think about what it will cost to provide for the basic needs such as food, shelter, transportation, and health care. In other words, they'll get a Reality Check.

Reality Check is a new interactive tool on iSEEK.com, Minnesota's career, education, and jobs resource. There are three ways to use Reality Check.

**1. You don't know how much money you will need to earn in the future and don't know which occupation to choose.** You'll be walked through choosing where in the state you want to live, whether at home (for free) or in a house (prices reflect location); how often you'll eat out;

the cost of a cell phone, internet access and lattes. Reality Check will give an estimate of annual earnings needed to support the lifestyle choices selected.

**2. You know how much money you want to earn—you can get information on which occupations pay that much.** If you set an annual income goal, say \$46k, and you want to live in Duluth, are committing to earning a four-year degree, Reality Check lists the occupations in your career area that will get you there.

**3. You already know which occupation you want to pursue but you want to find out how much you can buy with the salary you will earn in your chosen occupation.** Say you want to be a machinist in Rochester. Reality Check calculates your salary and shows you the lifestyle you can have there.

If your high school student is making career decisions now, be sure to send them the link [www.iseek.org](http://www.iseek.org).



## Meeting Update: \$100 Cash Drawing, and Thank You

Remember to turn in your business card at each Tri-State meeting for a chance to win \$100 at a future meeting! One business card will be drawn from "the hat" each month; the person named on the card must be present to win.

At the Bobcat tour the name of **Matthew Woodlee**, US Commercial Services, was drawn. Matthew was not present and \$100 was donated to the TSMA Scholarship Fund.

At the October TSMA meeting the name of **Steve Lorshbough**, Productive Alternatives, was drawn. Steve was not present and \$100 was donated to the TSMA Scholarship Fund.

## Thank You

A special Thank you to Bobcat for opening their facility. Also, Thank You to all the participants who took part in the tour.

We also want to thank **Tim DeJong**, DeJong & Associates, Inc. and **Mark Phillips**, DEED Commissioner, for their presentations at the TSMA October meeting.

# Manufacturing - America's National Pastime? (part 1)

Contributed By:  
**Brent Terhaar, LarsonAllen**

What's more American than baseball? Hot dogs or apple pie? How about manufacturing? Manufacturing certainly belongs in this category. Manufacturing is what built this country, the backbone of our economy, and the industry that will be the driving force to rebuilding our economy.

While there's no question that baseball is our country's "national pastime," I'd argue that manufacturing should be our country's "national industry." With the baseball pennant races in full swing, I can't help but think of the correlation between top performing baseball teams and top performing manufacturers. Here are some things our "national industry" can learn from our "national pastime."

### **The Farm System**

Branch Rickey, the storied general manager of the St. Louis Cardinals and Brooklyn Dodgers, recognized the challenges of finding and affording young talent coming through the ranks for his team. Rather than paying a premium and fighting other teams for the best talent, he tried something new. He responded by creating a team-owned farm system to develop players specifically for his organization. This resulted in a lasting pipeline of talented players for his teams and unparalleled success. This new idea ultimately changed the landscape of how Major League teams build their organizations, and it continues to be the primary pipeline for developing the next generation of Major League players.

The same is true in manufacturing. Companies are struggling to find talented craftsmen to join their shops. There is a lack of skilled labor entering the workplace. Companies that are most successful in developing young talent aren't waiting for those people to apply. They are being proactive by raising awareness at the high school, technical school, and college ranks to attract and recruit talented employees. They are going back to their own farm system concept – building up their intern and apprentice programs and generating the talent pool within their organization. Having this internal farm system helps these successful manufacturing companies control their own destiny to ensure they are building the next generation of employees.

### **The Utility Player**

Every team has that one player that can do just about everything. They play outfield one

day, first base the next, and pinch run when they need some speed on the bases. These players are affectionately referred to as utility players. The utility player isn't typically the highest paid player or the most famous. However, ask any team manager, and they will repeatedly sing their praises and talk about how valuable these utility players are. Why is that? A utility player can take on a number of different roles and be productive. This gives the manager flexibility when tough situations arise. Teams' need this flexibility when there is an injury or a unique game situation. There's no question that having a strong utility player is an essential piece of a successful baseball team's puzzle.

The same is true in manufacturing. Organizations that build operations based on flexibility are the ones that can react quickly to the ever-changing business environment. Having work centers that are quick-change and multi-functional allows business owners to deploy resources to take advantage of new opportunities. The same is true for employees. Building a team that is open to change and willing to wear a number of hats typically results in a more productive and energetic workforce. Manufacturing companies that build this flexibility and culture into their organizations are better positioned for short-term and long-term success.

The correlation between successful baseball teams and successful manufacturing companies runs deep. As we watch our favorite teams fight to make the playoffs, keep in mind what made these teams successful, and think about how you can incorporate those same principles into your manufacturing organization.

### **About the Author:**

Brent Terhaar is a Principal in the Manufacturing and Distribution group of LarsonAllen. Brent can be reached at 888.529.2648 or [bterhaar@larsonallen.com](mailto:bterhaar@larsonallen.com).

To learn more about LarsonAllen, visit [www.larsonallen.com](http://www.larsonallen.com).

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## TSMA Core Values

1. Tri-State Manufacturers' Association is committed to developing people and companies by providing opportunities for members to acquire industry relevant knowledge or skills.
2. Integrity and trust are guiding principals for Tri-State Manufacturers' Association.
3. Tri-State Manufacturers' Association believes that open, accurate and timely communication is important to accomplishing its mission.

## TSMA Standing Committees

Tri-State members are invited to join a committee at any point throughout the year. Contact the TSMA office or the committee chair directly.

**Membership Committee, chair:**  
Todd Peterson, TS&L Properties / 3M

**Program Committee, co-chairs:**  
Kevin Schutz, OECS, Inc.  
Elroy Vesta, EJ Enterprises

**Special Events Committee, chair:**  
Don Leapaldt, State Bank & Trust

**Youth Involvement Committee, co-chairs:**  
Bob Grove, Cosmos Enterprises  
Todd Peterson, TS&L Properties / 3M

**Government Relations Committee, co-chairs:**  
Don Leapaldt, State Bank & Trust  
Mike Westergard, StoneL Corporation

## TSMA Membership Dues

The TSMA Membership Dues Structure is identical for manufacturing and associate members. Dues are based on number of employees.

No. of Employees	Annual Dues
1 person shop.....	\$ 75
2 to 5.....	\$ 125
6 to 15.....	\$ 175
16 to 30.....	\$ 200
31 to 50.....	\$ 250
51 to 99.....	\$ 275
100 to 199.....	\$ 325
200 or more.....	\$ 350

## TSMA Mission Statement

Tri-State Manufacturers' Association assists manufacturing related companies by providing advocacy, education, networking, and programs to enhance the success of members and their communities.



Membership Plaques are presented to current members at TSMA networking events. Several TSMA members collaborated with the Machine Technology students at North Dakota State College of Science to produce the plaques.