For readers who are familiar with TV programs like “How It’s Made” or “Made in America” … you may be in agreement that food manufacturing is a fascinating industry. TSMA’s September Company of the Month completely reinforces this perception. You can’t help but be amazed watching 32,500 bagels/hour move through the production process at National Choice Bakery in South St. Paul.

Originally founded as Twin City Bagel (the DBA name change occurred in 2004), National Choice Bakery has been producing bagels in Minnesota for more than two decades. The company was launched when Simon Harosh and Michel Rouache had a vision to produce bagels that could be shipped fresh daily to outlets in the Twin Cities. Both founders had a history in the baking industry – Harosh worked his way through college at his brother’s bakery in Isreal, while Rouache worked in sales and marketing at a bakery in Canada. The popularity of bagels had been steadily increasing in this country for several decades; the unique “roll with a hole” seemed to gain significant popularity in the Midwest in the early 1990s. Founded in a 3,000 square foot facility in 1990, Twin City Bagel had no competition at the time as a distributor of fresh bagels in the Twin Cities market.

Eventually, of course, competitors emerged. Harosh and Rouache explored different options for the company in the face of new competition, eventually deciding to retain the focus as
National Choice Bakery

Continued from page 1

a wholesale supplier. Then and now, the company is a contract manufacturer producing bagels for private label customers. The customer base has grown to include major brand and store brands throughout the United States. Chances are you’ve eaten a bagel that was manufactured by National Choice Bakery without even knowing it.

In 2000, the company built a 35,000 square foot facility in South St. Paul capable of producing 1,000,000 bagels a day. A 40,000 square foot addition to the state-of-the-art facility was completed in 2004.

The raw materials for bagel production include flour, corn syrup, yeast, sugar, and more – all of which are purchased on the commodities market and arrive in bulk quantities. For example - twin silos located in a climate controlled room store 250,000 pounds of flour that can be delivered into the production process in excess of 120 pounds per minute.

National Choice Bakery expanded again in 2008 with the addition of a second production facility in Pageland, South Carolina. The decision regarding location of the new facility was impacted by proximity to an existing anchor customer and the availability of a 65,000 square foot “shell building” in the community. The Pageland operation is very similar to the one in Minnesota – both are highly automated plants employing about 125 people in the production of bagels almost around the clock.

The process of manufacturing bagels begins with mixing. At National Choice Bakery, a 1,200 pound dough mixer combines flour, yeast, water, sugar, corn syrup, and any “specialty” ingredients, depending on the particular recipe being used for that batch. A lifter transports a large “log” of dough into the chunker, which automatically divides the dough into strips large enough to make one bagel. Three conveyor lines move the small strips of dough to the forming tubes, which roll the dough around and mesh the ends together to form the bagel shape. The indexing system arranges the formed bagels onto large boards that travel (via conveyor) to the proofing area. The bagels spend about 2 hours in the proofer, where they are subjected to heat to activate the yeast and allow the flavors to mingle. After a cooling off period, the bagels are then dropped into a kettle where they spend about 60 seconds in a boiling water/malt combination. (Boiling ensures differentiation between the crust and the soft chewy center – a true artisan bagel.) The next step is baking, which takes seven to ten minutes in the 100’ continuous hearth plate oven. The bagels then spiral through one of two 16’ foot fan-activated cooling towers to bring the bagels to room temperature, a process that takes about 45 minutes. Four high-speed packaging line are set up to insert six or twelve bagels into a bag.

Some recipes are delivered fresh, so the shipping schedule accommodates immediate shipment. Others are frozen and may spend a day in the warehouse freezer before shipment occurs. Company policy requires delivery with 48 hours of production. National Choice Bakery currently delivers to 26 states in the U.S. A bar-coded inventory system provides up-to-the-minute inventory location.

Where recipes are concerned, bagel retailers typically offer five basic flavors: plain, cinnamon raisin, blueberry, whole wheat, and onion. National Choice Bakery has developed a reputation of working with major brands to introduce new products from time to time. Their research and development department will experiment with a recipe, running small batches through the system to test for shelf life, consistency, and taste. This process has led to the introduction of health and wellness options (Omega 3, whole grain wheat, etc) and a premium line that includes flavors like French toast, orange cranberry, and lemon poppy seed.

As one might expect from a leader in the food industry, quality is of utmost importance to National Choice Bakery. The company is subjected to a number of annual inspections by different organizations, auditors, and major customers. The Global Food Safety Initiative (GFSI) – a new quality system (that resembles ISO) for the food industry – recently certified the company and awarded the highest grade (A).

The next time you reach for a “role with a hole,” you’ll want to check the packaging to see if it was manufactured by your fellow TSMA member. For more information and interesting photos depicting the production process, go to www.nationchoicebakery.com.
Is this the best or worst of times? This may seem to you a strange question. I had just completed a full week of work following vacation when LeeAnn sent a reminder with a question, “Can we expect something from you for the newsletter?” I did not answer since I figured she knew my response would be “Yes.” But in my mind I pondered – HOW?

In the midst of these thoughts I did some Google time and found that September’s birthstone is sapphire, which means “clear thinking.” Clear thinking may be one of the great challenges in life. Is it not easy for our thinking to be muddled, cloudy or confused? I did not hear what you said. What you said did not connect with my thoughts at the time, so I am confused. Whatever the case … now is time to think clearly. Only four months remain to another year end. How are you coming on your goals?

Recently, the TSMA Board of Directors determined that its goals for the year have been completed. One member said, “We made them too easy.” Perhaps, but from my vantage point we took the goals seriously, set our minds to the task, and worked hard to be certain we completed what we started. Thank you, board members, for a job done well!

For many this time of year is the best of times. Routines will be established. Children will return to school. More people will be on board at work since vacations will have been taken and each will assume their own place to keep things moving forward. In these times, consider thinking about the goals you will set for a new year. One organization I work with selects an annual focus that is part of their mission statement. The leaders have begun planning for 2013.

The best of times may include football – perhaps you already selected your fantasy team and now await outcomes. Just a thought: for most participants it will not be the best of times!

Most of us remember September 11 – a part of our history that was truly among the worst of times. The events of that day and the changes that followed presented challenges that will last for a long time. Many have fewer people they will trust. Because of that day, we live and work differently. I believe some of the changes to which we have adapted can lead to us being more effective, allowing us to discover that the worst of times can lead to better times.

On this late August day I write to invite you to do some thinking – about the best and the worst. Allow the best to bring you confidence to work and serve and the worst to be motivation for improvement.

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**E Says…**

Elroy Vesta, TSMA President

EJ Enterprises, Fergus Falls

**Pondering – Is it the best or the worst?**

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**Upcoming Events**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Event/Speaker/Topic</th>
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<tbody>
<tr>
<td>Sept. 13</td>
<td>St. Cloud Area</td>
<td>Get on the Bus</td>
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<tr>
<td>Sept. 20</td>
<td>Whitefish Golf Club</td>
<td>MMA Autumn Golf Social</td>
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<tr>
<td>Oct. 2</td>
<td>Alexandria</td>
<td>TSMA General Meeting</td>
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<tr>
<td>Oct. 10&amp;24</td>
<td>TBD</td>
<td>Velocity Leadership Dev.</td>
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<tr>
<td>Oct. 23</td>
<td>Minneapolis</td>
<td>MN Manufacturers Summit</td>
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<tr>
<td>Oct. 21-27</td>
<td>Minnesota</td>
<td>Statewide Tour of Mfg.</td>
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**Is your website LINKED?**

www.tsma.org

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
Thursday, September 13

DCI, Inc., St. Cloud
DCI Inc. is a world leader in manufacturing and servicing of both shop and field fabricated storage and processing tanks and vessels. Proudly serving the pharmaceutical, bioscience, chemical, cosmetic, food, dairy, beverage, and brewing industries, DCI has remained true to our commitment to quality since 1955 through our design and fabrication services.

DCI offers ASME code certification, CRN registration, mechanical and electropolished product contact surfaces, Clean-in-Place (CIP) sprayball testing with required validation/documentation, mixers/agitators designed for specific applications, Computer-Aided Design (CAD), as well as many other services.

DCI also has a joint venture company whose products are manufactured in the facility and will be part of the tour – DCI-Biolafitte, LLC. (www.dci-bio.com)

Built from two of the leading biotechnology equipment designers and manufacturer, DCI, Inc. and Pierre Guerin, SAS. DCI-Biolafitte provides customers with the finest, fully supported biotech equipment and solutions.

Columbia Gear, Avon
The Columbia Gear Facility is 225,000 square feet with one building dedicated to machining and one dedicated to assembly; we will tour both.

Columbia Gear is an integrated supplier of custom gearing and power transmission products including internal and external precision spur and helical gears, slined gears and shafts, complete gearbox assemblies and related mechanical transmission products.

From preliminary design development through final assembly, Columbia Gear’s fully integrated manufacturing capabilities enhance overall project quality and reliability. They’ve covered it all — everything from automated machining and precision gear grinding (as high as AGMA Level 15) to component sourcing, assembly, testing and inspection. Their goal is to provide complete support in a total solutions package, and ultimately, to deliver overall project efficiency and value.

Schedule:

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>Noon</td>
<td>Depart Fergus Falls (Walmart parking lot)</td>
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<tr>
<td>12:50</td>
<td>Depart Alexandria (location TBD)</td>
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<tr>
<td>2:15</td>
<td>Tour DCI, Inc.</td>
</tr>
<tr>
<td>4:00</td>
<td>Tour Columbia Gear</td>
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<tr>
<td>6:15</td>
<td>Arrive back in Alexandria</td>
</tr>
<tr>
<td>7:00</td>
<td>Arrive back in Fergus Falls</td>
</tr>
</tbody>
</table>

Regulations and Safety Requirements:

- Closed toe, non-slip shoes
- Safety glasses. Bring your own, or TSMA can provide
- Hearing protection available upon request
- Taking pictures is NOT allowed

Cost: $20/person (Includes a box supper)

Space is limited to first 50 registrations. AMFA, CMMA, and TSMA Members will receive first priority.

In lieu of this event, there will be no TSMA general meeting in Sept.
MMA Autumn Golf Social

Thursday, September 20
Whitefish Golf Club
near Pequot Lakes, north of Brainerd
www.whitefishgolf.com

12:30 PM  Registration
1:00 PM  Shot Gun Start
5:30 PM  Social & Dinner

$55/Person
includes green fees, shared cart and dinner
18 hole 4-person scramble

This golf social is open to members, friends, and guests of:
- Arrowhead Manufacturers & Fabricators Association
- Central Minnesota Manufacturers Association
- Tri-State Manufacturers’ Association

This is NOT a fundraising event, but rather, an opportunity for members of the “sister associations” to network and develop relationships.

Donations that can be used as prizes at the event are welcome and encouraged.

Come and network with others sharing an interest in manufacturing!

Name: ________________________________
Company: ________________________________
Phone: ________________________________
Email: ________________________________

I prefer to golf with:
________________________________________
________________________________________

Dinner Only, $20 enclosed

Mail registration form by: September 3 along with $55 per person

Discover, Mastercard, and Visa Accepted
Credit Card Holder’s Signature
________________________________________
Print Name______________________________
Card Number____________________________
Expiration Date____________________________
Amount____________________________

Still Accepting Registrations!
MMA
PO Box 150
Elbow Lake MN 56531

Phone: 800-654-5773  midwest@runestone.net  Fax: 218-685-5397
Minnesota Manufacturers Week is a time to publicly acknowledge and celebrate the significant economic impact of manufacturing in our state and communities. It’s also a fitting time to educate your community about who you are and what you do. The statewide Tour of Manufacturing provides an opportunity for you to do just that.

Last year, the first-annual statewide event encouraged manufacturers to open their doors on Saturday of Manufacturers Week, knowing the intended audience would be difficult to attract during weekday business hours. While Saturday hours are still considered a prime option for attracting the public, the reality is that some manufacturers simply cannot accommodate a weekend tour.

After listening to feedback from the 2011 event, the planning committee has introduced a new format this year. The entire week will be promoted as “Tour of Manufacturing Week.” Manufacturers can choose any date or series of dates between October 21 and October 27, 2012 to host a tour. For tours that are held on a weekday, the company is strongly encouraged to include “after business” hours in the schedule – hosting a tour from 4:00 to 8:00 PM on Tuesday evening, for example.

Any and all manufacturers in Minnesota are invited to participate in the statewide Tour of Manufacturing at no cost. How does it work? Modeled after the “Parade of Homes,” manufacturers open their facility for public tours. Students, parents, neighbors, employee family members, the general public --- all are encouraged to come and see first-hand what goes on inside your doors. 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.

The planning committee will assist with informing companies about tours being planned in the same geographic location so that complimentary dates/timing can be arranged to maximize attendance.

Certain regions in Minnesota, including Brainerd and Mankato, are undertaking specific efforts to stage a coordinated Tour of Manufacturing event in their respective communities. Kudos to these regions! The statewide event is envisioned as a project that allows any manufacturer in any community the opportunity to provide a public tour — whether or not there is a coordinated local effort underway.

Midwest Manufacturers’ Association, representing AMFA, CMMA, and TSMA, has teamed up with 360° Center of Excellence and the Minnesota Precision Mfg. Association (MPMA) to foster the statewide project. The public can access www.tourofmanufacturingmn.com to learn about all manufacturing tours available from October 21-27, 2012. Manufacturers - call the MMA office at 800-654-5773 for information about how to participate in the statewide Tour of Manufacturing.
Velocity Leadership Development
Set the speed and direction of your organization through leadership

The Competitive Edge provides training that is results oriented, interactive and fun. Participants consistently say that the training is the best they have ever experienced. The approach is customized to fit the unique situation of the manufacturing industry with discussions that bring clarity to real issues and challenges.

Participants benefit from a process of self-evaluation, thought provoking ideas, engaging activities and the creation of individual excellence plans. It is training that drives results that are impacting and sustainable.

In an attempt to make the training attainable for the small to mid-sized manufacturer, TSMA has partnered with The Competitive Edge to offer the training in a format that involves simultaneous training for a number of companies.

<table>
<thead>
<tr>
<th>Day 1: Wednesday, Oct 10. 8:30am – 4:30pm (lunch provided)</th>
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<tbody>
<tr>
<td><strong>Session 1: Great Leaders</strong></td>
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<tr>
<td>Leaders set the speed and direction of a company and this session sets the foundation for great leadership. In this foundational session you will focus on understanding the importance of servant leadership developed through character and competence; explain the importance of leadership and management skills, demonstrate how to communicate a shared vision, identify how to develop and engage talent, explain how to effectively execute priorities, and envision your leadership legacy.</td>
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<tr>
<th>Day 2: Wednesday, Oct 24. 8:30am – 4:30pm (lunch provided)</th>
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<tr>
<td><strong>Session 2: Managing Performance</strong></td>
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<tr>
<td>Develop leaders to effectively set, communicate and work with employees to achieve their goals and expectations. Participants will understand the benefits and challenges of managing performance, provide effective performance planning, communicate and track performance expectations and goals, give positive and re-directive feedback to help ensure successful achievement of goals and provide performance appraisals that drive results.</td>
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<tr>
<td><strong>Session 3: Managing Conflict through Crucial Conversations</strong></td>
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<tr>
<td>To better prepare and equip leadership with approaches, methods, strategies and experience in dealing with various levels of conflict for themselves, within the team and the organization, this session will help determine your individual conflict management style and how to adjust it based on the conflict situation.</td>
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<tr>
<td><strong>Session 4: Employee Engagement</strong></td>
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<tr>
<td>Employees want to know that they make a difference and when they are fully engaged, this is achieved. Understand the impact of engagement on organizational success and assess your personal level of energy and engagement. Understand Maslow’s Hierarchy of Needs and factors that motivate employees. Identify strategies to increase engagement and build team energy.</td>
</tr>
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$400 per person for the series of four sessions delivered in two days. $360/person TSMA Members (10% Discount)

Velocity Leadership Development is delivered by The Competitive Edge, Inc. www.thecompedge.com 320.762.2515

Phone: 800-654-5773 midwest@runestone.net Fax: 218-685-5397
The three-year-old Dream It. Do It. campaign in west central Minnesota tried a new approach for “getting the word out” this summer. On August 4, Dream It. Do It. was the official race night sponsor at Viking Speedway in Alexandria, MN. In addition to viewing the race from VIP sky box seats, volunteers handed out flyers and erasable highlighters promoting the [www.dreamit-doit.com/mn](http://www.dreamit-doit.com/mn) website. A 4’ x 8’ billboard was on display that evening and for the remainder of the racing season. Sponsor names are printed on the poster that outlines the racing schedule for the season – which is widely distributed in Minnesota and North and South Dakota. Last but not least, various facts and antidotes about the Minnesota manufacturing industry were announced throughout the evening.

Dream It Do It helped spread the word about high tech, high wage careers in manufacturing as a “race night” sponsor at Viking Speedway.
The Greater Lakes Area Safety and Health Council (GLASH) has been developed to assist area safety and health professionals in improving safety and health performance at their location. GLASH actively seeks to partner with any company (private sector/public sector/nonprofit) in West Central Minnesota that desires assistance in improving safety and health performance. GLASH has been developed to assist area safety and health professionals.

The program operates in partnership with more than 50 local and regional chambers of commerce and conducts regular retention visits with close to 1,000 Minnesota companies each year – thanking them for operating in Minnesota and, when necessary, providing direct assistance to help them succeed and grow in Minnesota. TSMA has not signed on as a “full partner” but rather, as a champion of the program to help raise visibility in the manufacturing community.

Watch for a Network News column to be introduced next month containing insights and statistics drawn from the thousands of site visits the program has recorded over the years. Benchmark your company against what others in the state are reporting on specific issues.

If you are interested in hosting a site visit, or would like to learn more about Grow Minnesota! – give the TSMA office a call.

Some recent topics:
- Dec. - Remember Charlie Video
- Nov. - Lockout/Tagout
- Oct. - Safety Flooring
- Sep. - Annual Networking Lunch
- Aug. - Safety Footwear
- July - OSHA Enforcement updates
- June - DOT Truck Inspection
- May - Safety First Camp
- Apr. - Generational Differences
- Mar. - OSHA Consultation
- Feb. - Drug Awareness
- Jan. - Distracted Driving

Each member is encouraged to bring a guest that may benefit from GLASH meetings and networking events.

**Annual Networking Luncheon**
Tuesday, September 11th
Holiday Inn 5637 State Hwy. 29 S • Alexandria, MN
Lunch & Networking begin at 11:30 a.m.

RSVP to Ben Bomstad
benb@alextech.edu
320.762.4553

The Greater Lakes Area Safety and Health Council has been developed to assist area safety and health professionals stay current on critical safety and health issues. GLASH actively seeks to partner with any company (private sector/public sector/nonprofit) in West Central Minnesota that desires assistance in improving safety and health performance at their location.
Fisher Leasing Corporation is a 23-year old equipment leasing and sales company based in Fargo, North Dakota. We have been providing tailored leasing and financial solutions to our customers in the region with a dedicated team that averages over 25 years of experience in the financial services industry. Let us help you:

Conserve Capital: Free up your working capital for more productive uses.
Preserve Credit: Keep your bank lines of credit open.
100% Financing: No down payments typically required.
Fixed Interest Rates: Protects you from rising interest rates.
Tax Advantages: Defers some costs over the lease term (discuss these benefits with your tax advisor).
Purchase or Renewal Options: Off-balance sheet financing may work for you.

If you need to close an important piece of business and need a quick financial solution, call us. We’ll find the right solution!

Nominations are being accepted through Friday, October 12, 2012, for director positions on the Tri-State Manufacturers’ Association Board of Directors.

TSMA is governed by an eight-member volunteer Board of Directors. Four two-year positions are up for election each year. Terms ending in December 2012 include: Don Leapaldt (State Bank & Trust), Kevin Schutz (OECS, Inc.), Elroy Vesta (EJ Enterprises), and Tyler Wirth (The Work Connection).

Please consider nominating yourself, one of your employees, or a fellow TSMA member to serve as a director. All owners and employees of TSMA member companies are eligible to serve. Board meetings are typically held monthly in a location convenient to the existing directors. Nominations will be accepted through October 12th and ballots will be distributed to all Tri-State members in October.

Email or call the office at 800-654-5773 to make a nomination(s) or to inquire about the responsibilities of serving as a director of Tri-State Manufacturers’ Association. You’ll find that membership in the association provides more value to your company when you get involved!

Aluminum Die Castings
From concept to finished product, Technical Die-Casting is committed to Total Customer Satisfaction. A devoted workforce and proven Quality Management System allows us to continually meet the needs of our Customers. TD offers service, technology, quality, competitive pricing, and on-time delivery.

Quality Driven & Customer Focused Since 1975

Technical Die-Casting, Inc.
Stockton, MN 800-525-3168
www.tech-die-casting.com
In August 2011, the TSMA office sent out an online survey to the membership asking for feedback specific to the QCI Network and ICeBerG. The respondents were asked to rank various topics related to quality/continuous improvement and “becoming greener”. Although there were not a large number of members who responded, those that did ranked the following ICeBerg topics as most important to them: Engaging employees in becoming “greener”, Enhanced recycling options, and Increased energy efficiency (motors, drives, lighting, etc.).

This summer, Industrial Distribution magazine (www.inddist.com) published the results of a survey which was conducted by their sister magazine, IMPO (Industrial Maintenance & Plant Operation). This survey was sent out to its 38,000 online readers "to get a better feel for their purchasing intentions when it comes to energy efficient or "green" products". (Note - IMPO’s readership is comprised of plant and maintenance management personnel in medium to large sized manufacturing facilities in North America).

Listed below is a summary of the key survey questions, reader responses and the Industrial Distribution article author’s concluding statements:

Are you looking to purchase new equipment based on energy efficiency in the next six months?
----- Yes - 62.3%   No - 37.7%

Of your existing equipment categories, which are you looking to upgrade to more "green" or energy efficient models?

- Plant environment (HVAC, fans, lighting) ---- 59.9%
- Motors and drives, (AC/DC motors, belt or chain drives, gearmotors) ---- 47.4%
- Pneumatics (air compressors, pumps, valves) ---- 31.4%
- Not looking to upgrade any existing equipment ---- 18.2%
- MRO items and consumables (cleaning equipment, lubricants, adhesives, chemicals, cleaners/degreasers) ---- 12.4%
- Fluid handling (pumps, valves, filtration ---- 11.7%
- Material handling (conveyors, trucks, forklifts) ---- 8.0%
- Other ---- 6.6%

"When it comes down to the energy “hogs” within a plant, the usual suspects have emerged. For many survey respondents, things like air compressors, pumps, and valves, as well as general plant environment-type products (HVAC, fans, lighting, etc.) take top billing when it comes to energy efficiency concerns. While these two categories shared the spotlight, motors and drives were not far behind in terms of what survey respondents considered to be their least energy efficient".

"Ultimately, the majority of our reader group looks for an ROI (including energy savings) of one to two years, which may influence their desire to replace some of their more expensive or complex equipment in favor of a more efficient model. Only 7 percent say they have not purchased any equipment recently. Of the rest, 69 percent said their recent purchases were based - in part - on their energy efficiency, with nearly 10 percent saying these purchases were “wholly” based on this, and 14 percent saying “not at all”. Of those who have purchased any equipment recently, half said it was in motors and drives. Another 48 percent spent money on plant environment-type equipment, 33 percent on pneumatics, and 21 percent on fluid handling. - From a capital equipment standpoint, 60 percent of respondents say that they are looking to upgrade to “greener” models of their plant environment equipment - cited previously as a problem area. Motors and drives came in second, followed by pneumatics."

As you can see from the results of both the TSMA and IMPO magazine surveys, there certainly appears to be a shared interest in “green” technologies - especially those that address increasing plant equipment operating and energy efficiency. In response to that interest, I will be featuring various categories of energy efficient plant equipment alternatives in future ICeBerG articles, starting with “motors and drives” next month. - As always, I will welcome your “green” success stories, suggestions for future articles, and feedback.
Midwest Manufacturers' Association, the “shared office” serving AMFA, CMMA and TSMA, is excited to unveil a new promotional opportunity for members: Midwest Manufacturing Connection. In response to numerous requests from current members to promote a particular product or service to the entire membership, the board developed two promotional options, or packages – available to members only.

Members interested in the Midwest Manufacturing Connection will pay an annual fee in exchange for promoting their product/service to the membership. The package includes:

- Exposure to over 400 companies
- Display advertising options, including assistance with design/layout
- Website promotion
- Corporate Golf Sponsorship
- Membership Directory option

Call Sandy Kashmark at 800-654-5773 to learn more, or access details on the website at www.tsma.org.

Veterans Job Fair in Detroit Lakes

Why Hire a Veteran?

- **Fast learning curve and transferable skills.** Veterans can quickly learn new skills and concepts, many of which transfer to civilian jobs.
- **Experience with advanced technology.** The high-tech modern military prepares recent veterans for working with the most advanced information technology.
- **Leadership.** The military trains people how to lead, especially under difficult circumstances.
- **Teamwork.** Veterans know how to blend individual talents into a productive group.
- **Ability to work well under pressure** and triumph over adversity. Veterans know how to meet tight deadlines, even with limited resources. They have experience overcoming difficult situations, achieving goals through strength and determination.

The first Northern Minnesota Veterans Job Fair, set for Saturday, September 22, on the M-State campus in Detroit Lakes, MN, is seeking employers who will consider hiring veterans.

Veterans of all eras are being notified of the event, which hopes to connect hiring employers with good job candidates. Employers who have current openings and issue W-2s are encouraged to have a presence and support this effort.

Meetings

**Meeting Update:**

$100 Cash Drawing

**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.

A Cost Effective way to Reach a Broad Manufacturing Audience.

Why Hire a Veteran?

- **Fast learning curve and transferable skills.** Veterans can quickly learn new skills and concepts, many of which transfer to civilian jobs.
- **Experience with advanced technology.** The high-tech modern military prepares recent veterans for working with the most advanced information technology.
- **Leadership.** The military trains people how to lead, especially under difficult circumstances.
- **Teamwork.** Veterans know how to blend individual talents into a productive group.
- **Ability to work well under pressure** and triumph over adversity. Veterans know how to meet tight deadlines, even with limited resources. They have experience overcoming difficult situations, achieving goals through strength and determination.

To download an exhibitor registration form, go to the Minnesota Department of Employment & Economic Development (DEED) website, www.positivelyminnesota.com, and look under the Events tab for “Career Events for Veterans.”

For more information, contact DEED Business Service Specialists Steve Retzer at (218) 236-2303 or Rick Schara at (218)739-7560.
Tri-State Manufacturers’ Association hosted its first-ever Legislative Symposium, featuring state and national legislators from the region, on August 14, 2012. While attendance was light, the issues discussed were not — and those in attendance agreed that opportunities for dialogue between the manufacturing industry and our elected officials should be continued. A second annual Legislative Symposium is anticipated next summer.

Of the 16 legislators invited to participate, five were on hand to sit on the panel. Attending were Senator Bill Ingbrigtsen; Representatives Bud Norness, Mary Fransen, and Torrey Westrom; and Congressman Colin Peterson staff-member Sharon Josephson.

Long time TSMA member Ed Bolas served as moderator of the event. Bolas is the controller at Dycast Specialties, a Starbuck, MN, manufacturer of zinc and aluminum die castings. He is also a member of TSMA Government Affairs Committee.

Following self-introductions by all panel members, Bolas initiated a series of questions on issues the membership had identified as “important” via a pre-event survey. The identified issues were healthcare, tax reform and the skills gap.

Regarding healthcare, Josephson stated the “Uncertainty is the thing people are finding it hard to live with.” Fransen is pushing for legislation called Charity Care, which would ease regulations and give doctors the option to provide services on a charity basis. Fransen also spoke in favor of open insurance markets that would drive competition between states.

When asked specifically about the future of the tax credit for those who purchase Long Term Care Insurance of $100,000 or more, Westrom expressed support for increasing this incentive, saying in the long run the state saves $4 for every $1 spent on this program. Norness agreed the credit needs to be increased.

When asked about the potential for legislation that would include naturapathic care as an insurance health care service, Norness expressed concern about the cost of premiums rising in relation to the scope of coverage rising. Fransen suggested opening the insurance market so that consumers can purchase the coverage they need.

Tax reform was next up for discussion, starting with a plea to make sales tax on capital equipment an up-front exemption for manufacturers. Ingbrigtsen reported that the state coffers benefit from the structure of the current law to the tune of $70 million a year that goes un-refunded — which is paid for in the end in the form of higher prices paid by consumers.

Final discussion, before the event came to a close, was centered around, “What is happening to promote manufacturing?”

• Fransen would like to encourage more women to be involved in manufacturing.

• Norness talked about the apparent success of the Angel Tax Credit.

• Ingbrigtsen gave credit to Governor Dayton for working with interested parties to reform the permitting process for industry.

• Josephson commented that the emphasis on renewable energy is “not there the way it was five years ago” - making it difficult to predict the future of ethanol regulation.

A thank you is extended to members of the TSMA Government Relations Committee for their work in coordinating and facilitating the Legislative Symposium: Brent Cochran (R/C Machining), Ed Bolas (Dycast Specialties), Don Leapaldt (State Bank & Trust) and Tyler Wirth (The Work Connection). If you have suggestions on how to make the event “bigger and better” next year, you are invited to join the 2013 planning committee … give the TSMA office a call.
The Tri-State Manufacturers’ Association Board of Directors met on August 16, 2012, at the Traveler’s Inn in Alexandria, MN.

The consent agenda was approved, including June meeting minutes, July financial reports, and updates on tax exempt status, promotional postcard, website, management training, Grow Minnesota! program, and Tour of Manufacturing Detroit Lakes/Perham.

The Golf Committee reported on the 2012 event; the rotation moves to Tipsinah Mounds in 2013.

Despite low turnout this year, it was agreed to host a second annual Legislative Symposium next August. The venue next year will include a more central location and a focused effort to cover all of the featured issues in the allotted time.

TSMA agreed to provide financial support to expand the Dream It. Do It. campaign across the state of Minnesota (versus the previous concentrated effort in West Central Minnesota only).

TSMA agreed to partner with MPMA and others as a co-host of the Grandview Conference, which will be held in the spring of 2013.

Four positions on the TSMA board of directors are up for election; nominations will be accepted through October 12, 2012.

The TSMA Youth Involvement Committee is scheduled to make a presentation at an Administrator’s Forum in September; the presentation is designed to change perceptions amongst high school administrators regarding careers in manufacturing.

TSMA will again co-sponsor the Minnesota Manufacturers Summit, scheduled on October 23rd in Minneapolis. Ten free registrations will be made available to TSMA members.

The deadline to nominate a company as TSMA Member of the Year is November 30, 2012.

The board confirmed that the goals established for 2012 have been accomplished.

The next board meeting is scheduled on September 25th from 8:00 – 9:30 AM at Café 116 in Fergus Falls, MN. Board meetings are open to the membership.

Minneapolis Manufacturers Summit:
October 23, 2012
Minneapolis St. Paul Hilton/Airport – Mall of America

Join business and industry leaders from across Minnesota in a salute to the contributions of manufacturers! The ninth annual Minnesota Manufacturers Summit, brought to you by the Minnesota Manufacturers Coalition, will feature leaders from manufacturing, higher education, and government.

Karen Kurek, national manufacturing and distribution practice leader, McGladrey, will share findings from their national survey of manufacturers and distributors. Chancellor Steven Rosenstone, Minnesota State Colleges and Universities is confirmed to participate, sharing the feedback from the manufacturing workforce assessment meetings and his perspective on MnSCU’s role in closing the skills gap.

Complete details about the summit will be available soon at www.tsma.org.

FREE Tickets Available to TSMA Members!

As an event sponsor, TSMA is offering TEN complimentary tickets to TSMA members on a first-come, first-serve basis. Limit one free ticket per company. Call or email the office to make a request.
All TSMA members should have received an email notification about the 2013 scholarship application process. The email included a poster that can be printed and displayed in your employee lunch room, etc.

TSMA scholarship funds will be used to assist only those students who are enrolled in a manufacturing-related program.

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 16, 2012, has been implemented for the next round of scholarship applications. The awards will be disbursed in January 2013 to assist with Spring Semester 2013 tuition. Again this year, TSMA has committed $5,000 towards the Scholarship Program; proceeds from the Golf Social help support the Scholarship Program each year.

**New Member Corner**

**Vector Windows**
1020 International Dr.
Fergus Falls, MN 56537

Bob Erickson
bob@vectorwindows.com

www.vectorwindows.com

Manufacturer of vinyl windows and doors for the residential and light commercial industry as well as remodeling and replacement applications.

**Carlos Creek Winery**
6693 County Rd 34 NW
Alexandria, MN 56308

Kim Bredeson
ccwinery@carloscreekwinery.com

www.carloscreekwinery.com

Produce wine.

**TSMA 2012 Holiday Celebration**

**Tuesday, December 4**
5:30 Social Hour
6:30 Dinner

Knotty Pine
Elbow Lake, MN

Watch your email for more information.

**Mark your calendar!**
The TSMA Board of Directors is excited to nominate in recognition for active members of Tri-State Manufacturers’ Association. At the TSMA annual meeting in January 2013, the “TSMA Member of the Year” will be acknowledged.

Please call or email the office with your nomination—nominate your own company or a fellow member. All members-in-good-standing are eligible, including service providers. The award will be issued to a company, not an individual.

The selection process will take the following criteria into account.

1. Regular attendance at TSMA meetings and events.
2. Extra effort to assist TSMA with its goals. Examples: participate on a committee, support workforce development activities, sponsor the golf social, promote the TSMA scholarship program, advertise in the newsletter or directory, sponsor a meeting, host a tour, provide a guest speaker, submit articles for the newsletter, etc.
3. Effort to promote TSMA to others. Bring a guest to a meeting, submit the names of potential members, share the membership directory, provide a link to the TSMA website, etc.

The deadline for nominations for 2012 Member of the Year is December 3, 2012. Call or email the office to request a nomination form, or download the form, located on the home page at www.tsma.org. Help us acknowledge our deserving members!

Call with your nomination!

### Advertising Rates

<table>
<thead>
<tr>
<th>Rate</th>
<th>One Month</th>
<th>Six Months</th>
<th>Twelve Months</th>
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<tr>
<td>1/8 page</td>
<td>$20</td>
<td>$100</td>
<td>$180</td>
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<tr>
<td>1/4 page</td>
<td>$35</td>
<td>$175</td>
<td>$315</td>
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<tr>
<td>1/2 page</td>
<td>$60</td>
<td>$300</td>
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<tr>
<td>Full page</td>
<td>$100</td>
<td>$500</td>
<td>$900</td>
</tr>
</tbody>
</table>

Contact LeeAnn at the TSMA office for more information:

Phone: 800-654-5773
Email: leeannr@runestone.net

### Midwest U.S.-Japan Association Conference

Sept. 16-18
Minneapolis Hilton Hotel

The Mid-West U.S.-Japan Conference will focus on strengthening economic and political ties between Midwestern states and Japan. Six U.S. governors are scheduled to speak, including Gov. Mark Dayton, who will welcome the group to Minnesota. Hundreds of corporate executives and government officials are expected to attend this blockbuster international trade event, so this is an extraordinary opportunity to promote your business. This will be the first time that the conference has been held in Minnesota in 27 years, so let’s give them a warm welcome!

The conference is an opportunity for companies interested in doing business in Japan to make contacts or develop relationships locally and abroad, or for businesses already operating in Japan to build on existing partnerships. Registrations are being accepted through Sept. 7 at the following link: [www.midwest-japan.org/pages/register.aspx](http://www.midwest-japan.org/pages/register.aspx).

Eligible small businesses will be offered a 50% discount off the registration fee through a grant from the U.S. Small Business Administration administered by the Minnesota Trade Office.

Contact: Jennifer Kocs
[jennifer.kocs@state.mn.us](mailto:jennifer.kocs@state.mn.us)
651-259-7488
Couldn’t attend the TSMA Legislative Symposium? No problem, visit www.tsma.org to watch the video.

Experience the Difference.

Your success is our number one priority. We work with you and your business team to help transform your challenges into possibilities—and goals into reality.

Call today to learn more.

Phone: 800-654-5773 Fax: 218-685-5397

Link Your Site to TSMA.org
Add www.tsma.org to your website and become more visible on search engines such as Google™.

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Insuring Metalworkers is Sentry’s Business.

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The Competitive Edge
324 Broadway, Suite 202
Alexandria, MN 56308
320-762-2515

Experience the Difference.
### Tri-State Manufacturers' Association

#### Statement of Activity

For Eight Months Ending 8/31/2012

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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**LIABILITIES**

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<tr>
<td>Liabilities</td>
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**FUND BALANCE**

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<tr>
<td>Revenue Over (Under) Exp.</td>
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<td><strong>Total Fund Balance</strong></td>
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**Total Liabilities and Fund Bal.**

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<th>Amount</th>
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<td>91,600</td>
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**REVENUE**

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<th>Description</th>
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<tbody>
<tr>
<td>Advertising Income</td>
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<tr>
<td>Golf Income</td>
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<tr>
<td>Meeting Income</td>
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<td>Membership Dues</td>
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<tr>
<td>Misc. Income</td>
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<tr>
<td><strong>Total Revenue</strong></td>
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**EXPENSES**

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<td>Insurance</td>
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<td>Meeting Expense</td>
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<tr>
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<td><strong>Total Expense</strong></td>
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**Revenue Over (Under) Exp.**

<table>
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<tr>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>-10,824</td>
</tr>
</tbody>
</table>

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**TSMA Financial Reports**

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**WE SALUTE YOU!**

**MN Manufacturers Week**
October 21-27, 2012
Cash flow is likely one of the most difficult topics to discuss as well as understand. Sadly it is one of those items in your business that is crucial, has to be managed and if you do not have a good understanding, will kill your business even when your sales are growing.

There are two cash flow calculations that are generally accepted in business. If you have a loan with a bank, your banker should have discussed the cash flow expectations of the business with you. The term “Traditional Cash Flow” was likely used. The definition of Traditional Cash Flow is simply a calculation based on the following. Net income for the period, plus depreciation less any distributions divided by the current maturities of the debt payments for that period. On an average condition company this ratio should be between 1.20 to 1.30. Any number higher indicates a strong cash flow company, any number between 1.05 and 1.15 is struggling and any number under 1.0 is in real trouble.

There is also a Uniform Credit Analysis Cash Flow which takes a mix of the balance sheet as well as the income statement to determine a firm's cash flow. This calculation is quite involved and honestly, is used more in credit analysis than it is in the real world. For most business purposes, the Traditional Cash Flow formula is the best.

Why is cash flow so important? Cash Flow Repays Debt, period. Loans are not repaid with deposits, not repaid with collateral, nor with personal cash that has been pulled out of the company. Deposits come and go. What is deposited on Monday is likely spent during the next run of checks. If you have to sell the collateral backing the loan to repay it, you have no way of continuing your business. If you have pulled money out of the business there was a reason, likely you had another investment in mind leaving the funds used and unavailable for the business debt.

Cash flow from the ongoing operations of the business is the best source to repay the debt that has been incurred or considered. Over the period of a year, your cash flow cycles of purchasing inventory, processing it into final goods, selling it and collecting the receivables should have been completed a number of times. The net income from the completion of the sales, for the most part should have been collected and reflected in your net income. Adding back the non-cash expense of depreciation gives you a good feel for how much money you should have over a year that would or is available to service the principal payments on your debt. Interest expense is not included as that amount is already taken out of the net income.

Taking the cash flow figure, backing into a cash flow coverage ratio, typically 1.25, then backing into a loan amount using the right interest rate and amortization, you can figure out how much financing your firm can afford, before you go to talk to your banker. Remember, it is cash flow that repays debt. Let me know if you need more information on cash flow or need help calculating your ratio.
### TSMA Board of Directors

**President:**
Elroy Vesta  
EJ Enterprises  
Fergus Falls MN  
218-739-9677  
ejv@prtel.com

**Vice President:**
Evan Westra  
West Tool & Design  
Fergus Falls MN  
218-739-4990  
evans@westtoollf.com

**Secretary/Treasurer:**
Bob Grove  
Cosmos Enterprises  
Elbow Lake MN  
218-685-4403  
rgrove@cosmos-enterprises.com

**Director Emeritus**
Clint Grove, retired  
Elbow Lake MN  
218-685-5230

**Directors:**
Don Leapaldt  
State Bank & Trust  
Fergus Falls MN  
218-739-6075  
dleapaldt@statebanks.com

Tom Mastellar  
Kendeco  
St. Cloud MN  
320-253-1020  
tomm@kendeco.com

Kevin Schutz  
OECS, Inc.  
Golden Valley MN  
763-417-9599  
kevin@oeccsomply.com

Tyler Wirth  
The Work Connection  
Alexandria MN  
320-762-2001  
twirth@theworkconnection.com

Mike Westergard  
StoneL  
Fergus Falls MN  
218-739-5774  
mwestergard@stonel.com

### TSMA Standing Committees

**Membership Committee, chair:**
Mike Westergard, StoneL

**Program Committee, chair:**
Elroy Vesta, EJ Enterprises

**Special Events Committee, co-chairs:**
Tom Mastellar, Kendeco  
Kevin Schutz, OECS

**Youth Involvement Committee, co-chairs:**
Bob Grove, Cosmos Enterprises  
Evan Westra, West Tool & Design

**Government Relations Committee, co-chairs:**
Don Leapaldt, State Bank & Trust  
Tyler Wirth, The Work Connection

### TSMA Membership Dues

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

<table>
<thead>
<tr>
<th>No. of Employees</th>
<th>Annual Dues</th>
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<tbody>
<tr>
<td>1 person shop</td>
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<tr>
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<td>6 to 15</td>
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<td>$200</td>
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<td>31 to 50</td>
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<tr>
<td>51 to 99</td>
<td>$275</td>
</tr>
<tr>
<td>100 to 199</td>
<td>$325</td>
</tr>
<tr>
<td>200 or more</td>
<td>$350</td>
</tr>
</tbody>
</table>

### 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.

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**The Network News** is edited and published at the Midwest Manufacturers’ Association office located at 117 Central Avenue North, PO Box 150, Elbow Lake, MN 56531. MMA/TSMA phone 218-685-5356. Fax 218-685-5397. Toll-free 800-654-5773. Email: midwest@runestone.net. Office hours are 8:30 AM to 5:00 PM Monday through Friday. However, messages can be left on the answering machine at any time.