

"Safety First" Attitude At ITW Paslode Leads To Video Production

The TMEP is breaking new ground in the services it provides to Tennessee manufacturers.

ITW Paslode
Covington, Tennessee
901-476-3414
www.paslode.com

The TMEP is ready to help you produce custom safety videos or video programs on other issues in your plant. For more information, call us at (615) 532-8657 or toll-free at (888) 763-7439.

When ITW Paslode, a division of Illinois Tool Works, looked for ways to improve its safety training program, the company turned to the TMEP for a creative solution.

Paslode manufactures collated fasteners for cordless and pneumatic fastener systems (nail guns) used in construction and industrial work. Due to the nature of its business and the loud, potentially dangerous work done in the plant, Paslode had already established a strong safety program. But, the company wanted a creative way to ensure that anyone entering the plant for the first time would be well acquainted with the company's safety guidelines.

After assessing Paslode's needs, TMEP safety consultant Bryan Lane suggested that the company consider a customized safety video. By creating a video that presented all the company's safety requirements and emergency procedures, Paslode could be sure that new employees and visitors received a consistent orientation.

To get started, Paslode provided Lane copies of its employee handbook and safety rules. Then, TMEP staff developed a script to emphasize the critical points of Paslode's safety program. In the video, an actor tours the manufacturer's plant and presents the company's safety policies. A professional videographer from The University of Tennessee shot the footage. The end result was three videos that were customized to Paslode's target audiences: new employees, contractors and visitors.

Janet Casey, human resources manager for Paslode, says the videos are a big success. "There has been nothing but positive comments about the videos. Many people have said they were very impressed. When the Paslode safety team reviewed the film, they were very pleased at the quality."

Thanks to the TMEP-produced videos, ITW Paslode has a safer workplace for its employees, contractors and visitors. ■

FOCUS ON MANUFACTURING



Helping Tennessee companies achieve a sustainable competitive advantage

Winter 2001

There's No Business Like eBusiness

But it's more than a web site

It seems as though everything today begins with an "e." E-mail, eCommerce, eStrategy, ePersonnel. You're most likely finding it difficult to sort out all the information necessary to determine your company's access route into the digital economy.

Any eBusiness strategy results from long-range, multi-dimensional business decisions. It isn't just putting your catalog on the web. It's re-thinking and re-working your core business practices to function at the speed of the new technology. For smaller companies, eBusiness is as much about buying as it is about selling. You must take into consideration not only

your customers, but your suppliers, service contractors and employees. Plus, you need the proper foundation ... of hardware and software; of an effective, fully integrated business information system; and of employees trained to work with your electronic operations for seamless implementation. It's a complex and often long-term process. Unfortunately, many companies are forced to rely on the only experts they know: the vendors who sell the hardware and software.

With so much media attention directed at the dot-coms and their lack of profitability, *Focus on Manufacturing* interviewed **Walt Williams**, TMEP eBusiness Consultant, to get his thoughts on implementing eBusiness in a

manufacturing environment – where profits are mandatory.

Many companies have been using EDI to transfer documents between their business partners. Is EDI different from eBusiness?

EDI, or Electronic Data Interchange, was an early stage in the development of eBusiness. EDI evolved into eCommerce, which is the buying and selling of information, products and services via computer networks.

eBusiness is a more comprehensive term. We define eBusiness as a business design that exploits the combined power of the Internet and information technology to fundamentally transform key business strategies and processes.

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eBusiness, continued from page 1

The eBusiness B's

If you read and listen to enough eBusiness coverage, eventually you will encounter these acronyms:

B2B: Business to Business. Commerce activities conducted between businesses that do not involve a consumer. It includes Supply Chain Management, marketing, purchasing and scheduling. Examples: automotive suppliers, online information support services

B2C: Business to Consumer. Commerce activities conducted between companies and individuals or consumers. Example: retail stores, Amazon.com

B2E: Business to Employees. Knowledge management tools for your employees. Example: intranet.

B2G: Business to Government. Commerce activities between a business and a government agency. Example: electronic filing of forms or tax returns.

Is implementing an eBusiness strategy that different from using other management tools?

Most of the press talks about participating in the digital economy and implying the fear of being left behind. The "project" of eBusiness is a major and significant step, a true paradigm. It dwarfs all previous business programs such as MRP, EDI, TQIP, Management by Objectives, Focused Factory and all of the other management buzzwords of previous decades. I truly believe eBusiness, or the Information Revolution, ranks in the magnitude of the Industrial Revolution.

What problems can a company expect in implementing an eBusiness strategy?

Many managers are used to applying a set methodology such as ISO registration, Six Sigma or lean manufacturing. But eBusiness is a process without standards or structure; it's a floating target. The basic problem is the so-called "back office" that needs to be in place prior to entry into the eBusiness arena. Many companies do not have the internal business systems into which the external interface could be made.

What kind of internal business systems do you mean?

The flow of information and products through the supply chain – how you take a customer's order and transmit that to a production order, ship it and invoice the customer. This affects inventory accuracy, production scheduling and forecasting and therefore, the ability to deliver a quality product on-time and at the best price.

If eBusiness is a process without standards or structure, how does a company start?

Our approach is to assess their internal business system and install or revise a package that

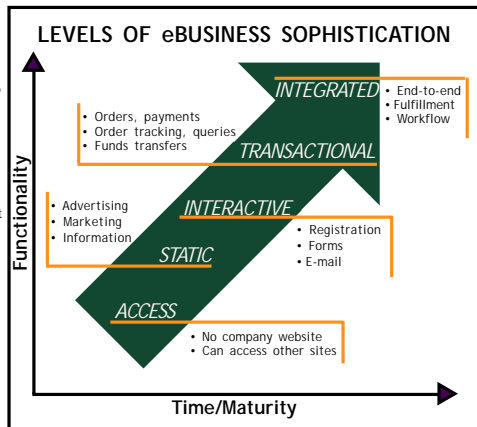
could be integrated to the outside via eBusiness. The level of sophistication that exists in the current state of the organization helps determine the implementation process.

When we help a company select its business system software, the first step is to develop the requirements for that system. This enables us to write a Request For Proposal (RFP) that clearly defines the necessities and the "nice-to-haves." We develop procedures for vendor demonstrations, source and evaluate add-on software for special needs, and create a vendor analysis matrix. We can help with negotiations and with software implementation.

What should a company look for in a business systems software vendor?

The same things you look for in any vendor – honesty, fairness, quality, price and service. There's nothing wrong with buying "bells and whistles" as long as you know they are "bells and whistles" and the product does what you need it to do. ■

If you would like to talk with Walt about his comments, or you have more questions, contact him at walt1will@utk.edu or 865-974-8712.



2001 Conferences and Workshops

Educational and special events of interest to Tennessee firms

Date	Event	Location	For more info
2001 Conference Calendar			
January 23,24	Industrial eBusiness Conference	Nashville	615-741-2626
February 26,27	Tennessee Quality Conference	Franklin	1-800-453-6474
April 9 - 11	Automotive News New American Manufacturing Conference	Nashville	1-877-576-9933
May 9-11	Solid & Hazardous Waste Conference	Gatlinburg	1-800-424-3905
May 15-19	Black Enterprise/ Bank of America Entrepreneurs Conference	Nashville	1-800-543-6786
July 22 - 25	TOSHA Safety Congress	Nashville	www.tnsafetycongress.org

TMEP Workshops

On-site courses: Available in your plant!

Quality Management

- Transition to ISO 9001: 2000
- ISO 9001 Internal Auditor
- ISO/QS 9000 Internal Auditor
- QS9000/ ISO 14000 Internal Auditor

Lean Manufacturing

- Lean Manufacturing Overview
- Value Stream Mapping
- Quick Changeover/ Set-up Reduction
- Pull Systems
- Workplace Organization & Visual Controls
- Standardized Work
- Cellular Manufacturing

Environmental Management

- ISO 14001 Implementation
- ISO 14001 Internal Auditor
- Environmental Regulatory Overview

The TMEP also offers numerous courses on topics such as team building, leadership and supervisory skills, and safety compliance. We are also offering a number of courses offsite. Call (888) 763-7439 for a course catalog, or visit our web site at www.tmep.utk.edu for more information.

Focus On Manufacturing is published quarterly by the Tennessee Manufacturing Extension Program (TMEP), Tennessee's industrial extension service. The TMEP is a joint program of The University of Tennessee Center for Industrial Services and the Tennessee Department of Economic and Community Development.

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For more information about services and assistance available to Tennessee manufacturers, contact:

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TMEP Partner Profile: Tennessee Department of Economic & Community Development, Business Services Group



Amy Bunton
Director of Manufacturing Services,
Existing Industry Services Division

The TMEP is a joint effort by The University of Tennessee Center for Industrial Services (UT-CIS) and the Tennessee Department of Economic and Community Development (TECD) to help Tennessee manufacturers become more productive, more competitive and more profitable. This interview with **Amy Bunton**, Director of Manufacturing Services in TECD's Existing Industry Services division, provides some insight into the role that the department plays in TMEP.

FOM: Amy, let's start with the basics. What does your agency do?

Bunton: The TECD Business Services group provides the help communities and employers need to attract, maintain and increase jobs in Tennessee. We work with a network of organizations all over the state to help assure the success of existing businesses and to encourage their expansion. The Business Services group is divided into three areas: Manufacturing Services, which I direct; Small Business Services, headed by Kelly Durham; and the Office of Minority Business Enterprise, led by John Birdsong.

FOM: What types of services do you provide to existing industries?

Bunton: We are the first lines of defense when a Tennessee manufacturer has problems or wants to expand. We help them with workforce training and development, export assistance, grants and incentives, and technical assistance. Typically, we don't actually provide the service – we help them find problem solvers like TMEP.

We currently have three main initiatives:

- 1) Manufacturing for the New Millennium
- 2) Manufacturing Means Jobs
- 3) Tennessee Manufacturing Extension Program

FOM: Can you give some more details?

Bunton: Sure!

Manufacturing for the New Millennium (MNM) is a special, multi-faceted public awareness campaign designed to promote the growing importance of high tech manufacturing in our state. MNM's partners include Dell Computer, Oak Ridge Centers for Manufacturing Technology and the TMEP.

Manufacturing Means Jobs (MMJ) is a cooperative effort among TECD, TMEP, Tennessee Board of Regents institutions and the Oak Ridge Centers for Manufacturing Technology. MMJ streamlines the delivery of support services from these groups to Tennessee manufacturers.

And, of course, you know about the **Tennessee Manufacturing Extension Program (TMEP)**!

FOM: Sounds like a lot of activity. What staff do you have to work with Tennessee companies?

Bunton: We have a great staff of professionals across the state. They work hard to make sure our companies are taking advantage of all the assistance available, whether it's training, tax incentives, financial assistance or TMEP.

FOM: How can a company contact you?

Bunton: Any manufacturer in Tennessee that wants to know more about what TECD can do for their business should call 1-800-872-7201 or visit our web page, www.soundsgood.org.

Michael Dell Has Some Advice for Old-Line Manufacturers: Change Your Business Model

The reason Dell Computer is so successful, says its founder Michael Dell, is because it has completely bypassed middlemen and deals directly with customers. "Much of what we have learned has come directly from our customers," says Dell. "The fact that we deal directly with our customers means that we have perfect information about what they want to buy."

In the early 1990s, Dell started offering technical assistance to customers via an FTP site. The response "was overwhelming," says Dell. The company naturally embraced the Internet to provide technical support, and later for direct sales to customers. Dell has just achieved its goal of 50 percent of sales coming via the Internet, or about

\$40 million a day, "seven days a week, 365 days a year including holidays," says Dell. "In fact, Dell.com all by itself – our online business – is the size of a Fortune 100 company."

Yet only 40 percent of all businesses in the United States have tried selling their product online and most are still wrestling with an Internet strategy, Dell told reporters at the National Press club in Washington on June 8. But the Internet will soon change drastically. Over the next four years, telecommunications companies plan to spend \$400 billion worldwide improving network infrastructure, bringing high-speed data transfer to a vast majority of businesses.

"It's really a challenge of combining bits and atoms, the digital information and the physical world, and building that into every aspect of a business," says Dell.

Dell Computer has 40 million individual visitors to its website every quarter. It would be impossible to have that many people going into Dell Computer stores throughout the world. "But in our case, the online orders flow very seamlessly from our online system to our order entry system to our manufacturing system," he says. "We don't have to carry

huge amounts of inventory and we never build a system until it's ordered." The company shipped almost 12 million computers last year to 150 countries.

"The Internet has become not only a competitive weapon but an essential tool for dealing with the volumes and the complexity of our business in an efficient manner," he adds.

Dell is using the Internet to gather a great deal more information from its customers. The company is constantly honing in on what its customers want simply by assessing their choices of components

for the systems they buy. "Physical assets like inventory are being replaced for information assets," he points out. The data the company receives from customers

"gives us a fundamental edge and this content really becomes the foundation for a successful online business."

The company is further cementing its relations with its customers by offering interactive services on its Web site. It has created a Web site (www.support.dell.com) that provides every customer with information about the individual computer they purchased or intend to purchase. "This allows us to solve their problems in a more efficient manner, and cultivate online communities." The company has established www.delltalk.com, a site that plays host to hundreds of thousands of people who share ideas and solutions to common problems.

"Imagine the convenience of ordering and configuring a car exactly to your specifications," Dell told the reporters. The automobile companies are already reducing the number of subcomponents, systems and assemblies within their vehicles. A direct business model is bound to emerge and "that value would be ultimately returned to customers and shareholders," says Dell.

"The auto industry today has a return on

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Websites cited in this article:

www.support.dell.com

www.delltalk.com

Visit the main Dell website at:

www.dell.com



Rules

Fax a copy of the completed poll to TMEP at 615-532-4937, Attention: Ken Hardison

Or, email your responses to: khardison@utk.edu

All responses received by 5:00 pm CST, March 1, 2001 will be eligible for a UT prize pack!

Take our poll! Win a UT prize pack!

Review the graph on page 2 (Levels of eBusiness Sophistication) and answer the following questions:

1. On the functionality scale (from Access to Integrated), rate these organizations as of January 2001:

_____ Your company

_____ Your biggest competitor

2. On the same scale, what is the desired rating for your organization as of January 2003?

3. When do you think you will reach a rating of Integrated? _____

Name _____

Company _____

Phone Number _____

Michael Dell, *continued from page 3*

invested capital of about 13 to 14 percent, which is roughly equivalent to their cost of capital," he notes. "But their return on invested capital could easily be 35 to 40 percent. Dell's by way of example, is now 292 percent in our last quarter."

Dell believes the Internet will drive further "deverticalization" of industry. "Companies in the past often collected large numbers of functions inside their own business, but now, as the cost of interactions and transactions comes down, they can connect themselves together," he says. "In fact, it would have been impossible for Dell to build a \$30-plus billion company in 16 years if we had not connected ourselves extremely efficiently using information from our customers and with our suppliers."

The Internet will also change the face of research and development, making it possible for the old Bell Labs model to survive. "In a new faster world, companies need to virtually integrate and cooperatively develop new technology through partnership or investments with other

companies," he notes.

By the same token, the Internet will further increase the rate of change and the intensity of competition facing every business enterprise. "The cycle of testing, failing, learning and succeeding is critical to success and whatever you could do to compress that, the better off you are," he notes. "The businesses that succeed would be those that cultivate this type of environment and compress the cycle to the smallest possible point."

The advice Dell gives budding entrepreneurs is not to copy somebody else's idea. "Look for something new," he says. "Look for something different. Look for some unmet need that hasn't been fulfilled, or at least a better way of doing something that hasn't already been done. And be willing to experiment and make mistakes. You know you only learn when you're making mistakes and you have to make a lot of them very, very quickly and correct, based on that feedback, to be able to come up with the right answer. All this technology provides enormous opportunity for new businesses." ■

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eBusiness: What is it? Is my company ready? Will it matter?

Answers to these and more eBusiness questions are available through TMEP seminars and assistance services - on-site!

• eBusiness Strategic Opportunities

Participate in a detailed review of how small and medium sized businesses can define eBusiness. Review the need and priority of developing a strategy for taking advantage of eBusiness opportunities. Discover potential opportunities provided by Internet technologies and the overall process of developing an eBusiness strategy.

This workshop is designed for owners, CEOs and senior management with no previous experience in eBusiness strategy or technologies. Participants should exit the workshop with the necessary understanding to develop and/or manage their eBusiness opportunities.

Course length: 2 hours
Prerequisites: None required

• eBusiness Fundamentals

Gain insight from an overview on how businesses are getting eBusiness ready. Introduces participants to fundamental business information about the Internet and eBusiness technologies. Provides a modular plan on how to mobilize and utilize these resources from implementing realistic eBusiness solutions.

This workshop is designed for owners, CEOs and senior management with no experience with computer or Internet technologies. Participants should exit the workshop with a modular plan to understand and/or manage the implementation of an eBusiness strategy and technologies.

Course length: 4 hours
Prerequisites: eBusiness Strategic Opportunities would be beneficial.

TMEP eBUSINESS SERVICES TO HELP YOU MAKE YOUR PLACE IN THE DIGITAL FUTURE:

ASSESSMENTS

- Gap analysis
- Software audits
- Inventory accuracy

BUSINESS SYSTEM EVALUATION AND

SELECTION

- Developing business system requirements (RFPs)
- Evaluating and selecting software
- Sourcing and evaluating add-on software modules for special needs
- Developing procedures for software vendor demonstrations
- Creating a vendor analysis matrix
- Negotiating with vendors for software purchase
- Developing and overseeing software implementation plans

INTERNET FOR YOUR BUSINESS

- Selecting your Internet service provider
- Planning your Internet strategy
- Considerations for web site and/or application design
- Web enablement design
- Interpreting "techno-speak"

TRAINING

- Inventory control
- Cycle counting
- PC workstation training
- Productive use of the Internet
- Purchasing over the Internet
- Competitive intelligence
- Beginning Internet
- How to use e-mail effectively