



The advocate

Addressing the Needs of Philadelphia's Manufacturing Sector

a project of the: Urban Industry Initiative



I Have an Idea for a New Product, but Now What?

By: Jim Usery

Do you have an idea for an electronic product, the next must-have gadget, music or video system, time saver, or the greatest problem-solving device that was ever invented? Before you begin designing the product, there are a number of tasks that you must complete and issues that you must resolve before you have an actual product design that can be produced, marketed, and sold. This article will provide you with some guidelines to assist you in getting your idea turned into a successful design. Other issues, such as whether or not to apply for a patent for your product idea and in detail how a particular product should be advertised or marketed will not be addressed in this article.



Many great product ideas were turned into fully functional electronic devices but never made their way successfully to the marketplace because the product was not easy to use, the target market or niche market where the product could be sold successfully was not accurately identified or targeted, the product advertising was not successful, an unattractive or non-identifiable name was applied to the product, the product pricing was too expensive, the product was provided in unattractive packaging, the product as manufactured was unreliable, or the wrong sales distribution model was chosen. There are a lot of minefields to dance in before you have a successful product that meets or exceeds your sales expectations.

Initially you must identify the following to determine if your product idea is valid:

- Who would buy this new product?
- How much would they be willing to pay for it?
- Can you produce the product and make the required profit margins at the anticipated sales price?
- How do you get the product in front of the customers so that they can buy the product?
- Can you provide warranty and service functions for the product?
- Will your design require product compliance testing for any applicable FCC or UL regulations?
- Will the product have to meet RoHS requirements (such as lead-free for

components and soldering) for overseas (European Union, China, Japan, Korea, etc.) and domestic (California) markets?

- Would this product infringe on any existing patents?

To answer the above questions, you should document your product idea in the form of a product specification document that describes which systems that the product could interface with. It should also identify all of the various functions the product should perform, describe how the product should be packaged esthetically and physically for size and shape, and define how the device will be powered.

continued on page 2

INSIDE

Sections

- Government Watch pg. 4
- Upcoming Events pg. 3

Articles

- I Have An Idea For A New Product, But What Now? pg. 1
- Cost of Employee Turnover pg. 3
- Philadelphia Manufacturing Gets LinkedIn! pg. 3
- Philadelphia Foreign Trade Zone pg. 6
- Bid Your Contract pg. 6
- Questions Adieu pg. 6

“Make your own recovery the first priority in your life.”

-Robin Norwood

the advocate is published four times each year by the Manufacturing Alliance of Philadelphia and is intended to assist Philadelphia manufacturers, promote this sector of our economy and provide it with timely information on matters of interest. It is distributed to all manufacturers within the city.

Inquiries should be made to the **Manufacturing Alliance of Philadelphia**
1401 Arch Street 6th Floor
Philadelphia, PA 19102
Phone: 215-683-2144
email: map@uiiphilly.org

UII/MAP Board of Directors

Board Chair: Roger Nielsen President Abbey Group Companies	Board Members: Andrew Altman Deputy Mayor for Planning & Economic Development/ Commerce Director	Reese Hartey President Mayfair Community Development Corporation	John MacDonald President and General Manager Impact Services Corporation
Vice Chair: Francis X. McGorry President The Phila. Coca-Cola Bottling Co.	Louis Eni President Dietz & Watson, Inc.	David Keiser Executive Vice President Tioga Pipe & Supply Company, Inc.	Michael F. Savage, Jr. Executive Vice President PTR Baler & Compactor Co.
		Andrea Levin President Penn Scale Manufacturing Co.	Stephen F. Jurash President & CEO

I Have an Idea for a New Product, but Now What?

continued from front page

The product specification document should also describe how the user would interface with the product, such as by an equipped keypad, pushbuttons, a rotary dial switch, touch screen, by an external link to a personal computer, PDA, or one of the newer sophisticated cell phones. You must also consider how the unit will display information to the user with options including an LCD character display, light emitting diodes or LEDs either singly or in an array, a graphics capable display in monochrome or color, or by audible tones.

Once the initial product specification document is completed, a marketing study should be initiated that identifies the optimum target market or market niche, and the product's preferable name choices, including a primary name choice and some alternate name choices. The marketing study should provide options for selling the product both directly and through sales distribution, including who would actually stock, sell, and support the product in each scenario. The marketing study should also include the product's anticipated pricing range such as the anticipated MSRP or manufacturers suggested retail price at the upper end and the discounted pricing where you would really be able to sell large quantities of the product at different volume levels and different margin

levels at the lower end.

When the marketing study is completed, it should be reviewed against the original product specification document and changes made as required to either or both documents to fully identify the product requirements. Once this review is completed, the electronics and mechanical packaging design processes can begin based on the parameters established by the review of the product specification document and the results of the marketing study. In order to optimize the design, the product designers must know what functions the product should perform, what the product should look like, and how much the product should cost to be manufactured and packaged ready for sale. Product logo designs and product labeling requirements should also be identified as they can have an impact on the physical package designs and the overall appearance of the product.

With this information available, you are now prepared to either design the product yourself; utilize other internal resources to design the product, or to contract the design activities with an outside source. You will need access to the following functional skill sets to have your idea turned into a working product:

- Electronics hardware designer(s) with the analog and/or digital design expertise required for your design idea application.
- Printed circuit board layout designer with an applicable

pcb CAD package.

- A software designer with the required programming expertise and software tools.
- A mechanical packaging specialist.
- An electronics assembly resource to populate the printed circuit boards, to solder the components to the boards, and to assemble the finished prototype product.

Even if all of these resources are available within your own company, they may not be available to you in the timeframe your product introduction requires due to scheduling conflicts with other internal projects. This is the point in the project where it can make economic and scheduling sense to make use of the resources from outside entities. Sometimes all of these resources can be outsourced from an electronics manufacturing service provider or EMS, or you may find an engineering resource to provide the initial design services and an EMS to assemble the product. Be sure to have an appropriate Non-Disclosure Agreement in place with any and all parties that are involved in this process to protect your intellectual property.

About the Author: Jim Usery is the Sales and Marketing Director at Innovative Circuits Inc. (311A S Parkway St; Corinth, MS 38834) If you're interested in new product development, contact Steve Jurash at MAP. MAP can help you with marketing, design, production or engineering information.

Use The Resource:

www.uiiphilly.org

Find other Philly manufacturers, legislative news, bulletin board (used equipment, property, etc), gov't. programs, certified vendors, **help!...**

Manufacturing Alliance of Philadelphia has launched its redesigned **Manufacturer Search!** Use this resource to search through over 1300 manufacturers throughout the City by product or description. It is a quick and simple resource to find local suppliers, competitors, and possible customers by registering online. Search for the product you are looking for at www.uiiphilly.org and click on the **Find a Local Manufacturer** button at the bottom of the page. Buy and Sell through local Philadelphia Manufacturers!



The hidden costs associated with not hiring right the first time.

Manufacturers are getting slammed by costs associated with employee turnover in the company. Unfortunately, many do not consider all the factors that go into calculating those costs.

We have provided you with a comprehensive checklist of items to include when calculating the cost of turnover in any organization. Because of its length, we have included it on MAP's web site (www.uiiphilly.org) for you to download. To determine the costs, have the hourly and weekly cost of fully loaded payroll (i.e. salary plus benefits) of the vacant position, the

management staff, the recruitment staff and others ready to plug into the calculations on the checklist.

The costs of time and lost productivity are no less important or real than the costs associated with paying cash to vendors for services such as advertising or temporary staff. These are all very real costs to the employer.

These calculations will easily reach 150% of the employee's annual compensation figure. The cost will be significantly higher (200% to 250% of annual compensation) for managerial and sales positions.

To put this into perspective, let's assume the average salary of employees in a given company is \$50,000 per year. Taking the cost of turnover at 150% of salary, the cost of turnover is then \$75,000 per employee who leaves the company.

- For the small company of 50 employees who has a 10% annual rate of turnover, the annual cost of turnover is \$375,000!
- For the mid-sized company of 1,000 employees who has a 10% annual rate of turnover, the annual

cost of turnover is \$7.5 million!

Do you know any CEO who would not want to add \$7.5 million to their revenue? And, by the way, most of that figure would be carried over to the profit line as well.

As you will see if you go to the calculations page on our website, calculating and adding all these costs, given our original example of the \$50,000 per person can easily reach \$75,000 to replace them. As you can see, the costs and impact associated with an employee who leaves the company can be quite significant. This is not to say that all turnover should be eliminated. However, given the high cost and impact on running a business, a well thought out program designed to higher and retain the right employee may easily pay for itself in a very short period of time.

This article was based upon calculations prepared by William G. Bliss, President of Bliss & Associates Inc., a Wayne, NJ consulting firm providing advisory services to entrepreneurial companies.

Philadelphia Manufacturing Gets LinkedIn!

by Josh Balascak, MAP Staff

The Manufacturing Alliance of Philadelphia has just joined LinkedIn! For those that don't know, LinkedIn is the world's largest and most established business-oriented social networking website. LinkedIn boasts almost 40 million users from all over the world, from all types of businesses, and with all kinds of professional backgrounds.

Your ability to maintain a strong network of business professionals can have a direct impact on your business. LinkedIn makes it easy to maintain an online network, find out about new opportunities, and make new contacts. There are literally over 100 ways to use LinkedIn to improve your business. Linked Intelligence is a great blog which collects over user-generated suggestions on how LinkedIn can help your business and your career. Visit www.linkedinintelligence.com and browse through their 100+ Smart Ways to Use LinkedIn for some great ideas on how to use the program.

The primary way many users are benefiting from LinkedIn is in their job search. A developed LinkedIn profile can serve as an important tool to present to prospective employers. Your profile essentially serves as an inter-active

resume that can be recommended by those within your network. A good profile will highlight your past job descriptions, important skills, recommendations from former employers or coworkers, and contain a large network of associates within your industry. Use LinkedIn's twitter-like function to let people know what your latest project is. Convert your profile to a PDF or print it for a quick and easy résumé.

The search function and network are also great tools for you to find quality employees to fill your open positions. Research prospective employees before their interview to get a complete picture of their work experience.

MAP uses LinkedIn as a resource to connect local manufacturing professionals with each other, highlight and discuss important issues, and make manufacturers aware of our most recent efforts. We'd like to encourage a dialog between our members about the problems they face, potential solutions, new business opportunities, open positions, and other ways in which Philadelphia manufacturers can help each other. There is no other forum for manufacturers in the City to communicate in such an easy and effective way!

Visit LinkedIn at www.linkedin.com and create a profile for yourself. Then join the Manufacturing Alliance of Philadelphia's group and meet other members, find news about manufacturing in Philadelphia, and make new connections.



Government Watch

If you have an issue you'd like us to look into or for more information about legislation, contact Ned Rauch-Mannino at MAP: ned.rauch-mannino@phila.gov 215.683.2140. Also, visit the MAP web site at www.uiiphilly.org and click on the "News You Can Use" tab at the top.

Issues and Legislation

Paid Sick Days Proposed in Congress?

First the Employee Free Choice Act, and now this. New England congress members Ed Kennedy and Rosa DeLauro have proposed the Healthy Families Act, (S. 1152 and H.R. 2460, Senate and House respectively). This bill would mandate that employers provide their employees with up to 56 hours of sick leave each year. This would be a forced requirement, limiting an employer's flexibility to manage his or her workforce and design leave and benefits as seen fit. Failure to immediately comply with this rule would result in heavy penalties.

This is identical in principle to the Philadelphia Councilman Darrell Clarke's paid sick days bill, which the Manufacturing Alliance of Philadelphia

strategically and successfully opposed. To voice your concern for the Federal proposal, please contact your Congress members today. Need their information? Contact MAP.

Ed Kennedy's other business-busting project, the Employee Free Choice Act (S. 560, H.R. 1409), still sits in Congress unlikely to pass with several Democrat Congress members joining Republicans, who are already blocking the bill.

Budget Proposals

The dust is settling in both Philadelphia's City Hall and our State Capitol. In response to the effects the poor economy has had on the city and state, legislators have been working tirelessly to balance their budgets. Philadelphia and Pennsylvania face deficits, and to meet these deficits tough decisions are being made.

In Philadelphia, Mayor Michael Nutter and City Council have agreed to temporarily raise the sales tax one percentage, from 7% to 8%, while altering pension payments and making cuts to a number of programs and departments. These measures, dependent on State approval, will be taken to prevent losing core services, like police and fire, and preserve our business tax environment.

The State's future is less clear. With a budget process that lasts much longer into the summer, there have been few proposals universally agreed upon. Take note, there are suggestions to raise taxes and most noteworthy is Governor Ed Rendell's proposal to raise the state income tax; cited as a temporary increase, the proposal calls for a 16% raise, bringing the state income tax from 3.07% to 3.57%.

ADVERTISE WITH US!

Manufacturing companies may submit articles of interest, items for sale, products needed, etc., and we will be happy to post them to the web site and publish them in "the Advocate." Companies may advertise according to the following rate schedule:

Size	Member	Non-Member
<i>1/4 page</i>	<i>\$150</i>	<i>\$300</i>
<i>1/2 page</i>	<i>\$375</i>	<i>\$750</i>
<i>Full Page</i>	<i>\$500</i>	<i>\$1000</i>
<i>Articles</i>	<i>No charge if used for publication.</i>	

For more information please call 215.683.2147



This special category features Associate members who have met detailed performance criteria and have agreed to adhere to specific standards in delivering their products or services to Philadelphia manufacturers. In other words, we have checked them out! Perhaps, just as important is that each of these vendors has a product or service to offer that is specifically tailored to manufacturing. They are familiar with your needs and the unique requirements you have. This can make a world of difference in your getting the performance you deserve out of a vendor, particularly when it comes to service.

STEPHANO SLACK LLC
ACCOUNTANTS AND TAX ADVISORS

Certified Public Accountant

A CPA firm specializing in middle-market manufacturing and distribution companies. Our commitment is to provide privately owned manufacturers with timely, reliable financial information, as well as creative business and tax advice necessary for manufacturers to achieve their goals.

Blake Chapman, CPA 610-696-4400
www.stephanoslack.com

OBERMAYER
REBMAN MAXWELL & HIPPEL LLP
Attorneys At Law

**Trusted Advisors in
Employment & Human Resources Law**

Cost-Effective, Practical Legal Advice & Solutions
Assisting Employers with:

- Union elections, ULP charges, negotiations, arbitrations
- Wage and hour issues: overtime and "exempt" classifications
- Defending employment discrimination/harassment lawsuits
 - Conducting management and employee HR training
 - Creating/reviewing employee handbooks

Jason Reisman, Esq. 215-665-3251
JR@Obermayer.com

H.R. Benjamin, Inc.

Electrical Contractors

Electrical construction, renovation, service, and lighting work since 1983. Their fleet of fully stocked trucks (including bucket/auger trucks) and team of electricians can service your needs, large or small. Extensive experience with new construction, renovation, design/build, site lighting, power distribution, and many other types of electrical projects. They can provide turnkey projects with engineered drawings complete from start to finish. Licensed in PA, NJ & DE.

Rich Hoffman 215-535-5200 www.hrbelec.com

COLMEN Turnarounds, Investment
Banking, Business Advisory

They have significant Manufacturing expertise and they focus on both Mergers and Acquisitions and Corporate Finance. Their Turnaround Group has a standout performance history, successfully re-positioning numerous companies experiencing a broad range of business difficulties. Their menu of services include Strategic Planning, Business Plan Development, Process Re-Engineering, Expansion Planning, and Ownership Transition.

Ted LeBow 610-694-9020 x110
www.colmengroup.com

Video Production & Software Technology

VideoNet, Inc. is a full service video production company designed to provide your company with the highest quality communication tools available. Their goal is to help you develop your business, capture new markets, expand your advertising, and explore new ways to inform and educate your team using software technologies. With over 15 years of broadcast television experience, they can tailor any project to fit the needs of your business.

Ron Strobel 610-647-3242 www.videonetinc.com



International Freight Forwarder

For over 39 years, SBA's professional staff and freight shipping experts are fully trained to meet your transport logistics needs. As an international freight forwarder, they are able to offer a full range of domestic and international freight forwarding services including air, ocean, ground, and customs clearance in a timely manner.

Neil Gross 610-586-5050 www.servicebyair.com

Tangerine Strategies Marketing Services

Founded on the basis of helping businesses increase their marketing impact while simultaneously reducing related costs. They offer the flexibility of on-site and virtual programs that meet client specific needs. Clients are directly supported by a seasoned, "Strategic Marketing Professional" who possess an intense passion for perfect planning, execution and the Client's success.

Dennis Paris 609-501-6147

Advertise in the Advocate

The *only* publication that will reach
over 1300

Philadelphia Manufacturers

Low Rates

For More Information Contact:

Josh Balascak 215.683.2147

MAP MEMBERS

Philadelphia Lighting and Maintenance
Philadelphia Pipe Bending Company
Philadelphia Regional Port Authority
Philly Coke

Plastic Manufacturing, Inc.
Port Richmond Tool & Dye
Prebelli Industries
PTR Baler & Compactor Co

Regal International Leathers
S.D. Richmond & Sons
Sandmeyer Steel Company
Stevenson-Cooper Inc

Stockwell Elastomerics, Inc.
Sunoco
Tasty Baking Company
Theme Factory of Philadelphia

New General Purpose Foreign Trade Zone for Philadelphia

The Philadelphia Regional Port Authority and 5K Logistics, Inc. are pleased to announce the opening of a new General Purpose Foreign Trade Zone serving the Greater Philadelphia area. The facility is now open in Bensalem, Pennsylvania, which is on I-95, just minutes north of the Port of Philadelphia.

The Foreign Trade Zone Program is a US Federal government initiative to promote US manufacturing. It creates a special area on US territory, outside US Customs jurisdiction, giving businesses a way to reduce or delay customs duties and to facilitate quota limits. The General Purpose FTZ is designed to benefit all shippers and manufacturers, especially small and mid-sized companies, and can assist with such services as specialized processing, export packing and labeling.

Approval for the Zone was recently granted to 5K Logistics by US Customs and Border Protection and the National Association of Foreign Trade Zones. The new facility is located in an 80,000 square foot warehouse. Philadelphia

shippers and manufacturers can now benefit from this important Federal program, which saves companies money on customs duties and can improve logistics chains.

The new warehouse offers the following services:

- Foreign Trade Zone
- Ocean Freight / Air Freight
- NVOCC / IATA
- Freight Forwarding Documentation
- Project Logistics – Over dimensional
- Distribution Center
- Warehouse
- Export Packing and Crating
- Trucking
- International Network – global network of contacts and resources
- Detailed letters of credit
- Critical “in the trenches” shipping knowledge with shipping lines, airlines, truckers, port authorities, banks, and government entities

For more information, please contact the Philadelphia Regional Port Authority (215-426-2600) or 5K Logistics, Inc. (215-674-4820).

Bid Your Contract Questions Adieu

The government has needs, and you need to take advantage of them. Government contract opportunities can be a valuable source of revenue for Philadelphia manufacturers. Problem is, it's a complicated network to monitor, and if you're not familiar with the process it can be intimidating.

Today, the majority of government contract opportunities are listed online. Simply put, it's simpler for everyone involved. The Federal government hosts a variety of websites listing possible opportunities across all departments and agencies; given this vast network it's important to take time to review your options. The State of Pennsylvania is more organized, listing their business opportunities in one source with a simple walk through. You can search contracts at <http://www.emarketplace.state.pa.us/>. And think you can ship to another state? Don't forget to watch other State governments, too.

The City of Philadelphia, like the State, has its opportunities in order. Visit <http://www.phila.gov/contracts/> for a detailed listing of all contract opportunities available in the city. Each includes instructions on how and when to make your bid.

But to truly be successful you'll need to know more than where to find the contract information. Keep in mind the steps below and stay diligent; remember, while the information is easily found the process isn't necessarily so. Negligent or

weak owners might see the work required and shy away from the process. Be a strong owner and take advantage of it.

Check the listings; constantly and consistently. City, State and Federal agencies continuously update their needs. Any day could present the contract that will keep your company afloat, but you're only going to find out about it if you're reviewing the many contract websites. Designate someone in your office to review opportunities weekly and follow-up on possible leads.

Know the government. Once you've identified a prospective contract, take a moment to look into the agency it's for. Can you get an idea of what it can afford, or specifics it's seeking that you can list to make your bid more attractive?

Know your competition. It would be impractical to assume your company is the only one applying. Look at market rates for your product, highlight areas where you know you exceed the competition, and look for information that would give you an edge over your neighbors (or some company from overseas).

Explore what you don't know. Have questions about the process? Not too sure about what the agency is looking for? Contact them. It is better to get the information correct rather than waste time (yours and theirs). Also, there are commercial contract services that do the work for you – but keep in mind some are more legitimate than others.

Choose wisely.



MAP's Edge

*A Brief Summary of
what MAP has Accomplished
for some of its Members...*

- Found **1** company a **\$10,000** grant to purchase new machinery to increase their sales.
- Assisted **4** manufacturer's in finding over **\$67,000** in grant money fo **training in supervisory, lean, and other training programs.**
- **Filled 31 positions for 12 companies** looking for new employees.
- Assisted **1** company in finding **available industrial space** so they could expand their operations.
- Helped **3** companies navigate the **City's bidding process for new contracts** and connected them with the appropriate people.
- **Found 6 new customers for 3 companies, resulting in a total of \$273,151 in new sales.**
- Renegotiated **incorrect bills** with the **water department** for **3 companies, resulting a total savings of over \$73,000.**
- **Helped 2 companies find new markets in which to sell their products.**
- **Made introductions for 2 companies to their city council** person to resolve issues.
- **Found new positions for 8 workers laid-off**



New MAP Members

- **Brite Star Manufacturing** (Holiday Decorations, Ornaments, and Lighting)
www.britestar.com
- **Kingsbury, Inc.** (High Quality Bearings and Lubrication for Rotating Machines)
www.kingsbury.com
- **Edward J. Darby & Sons Inc.** (Wire and Wire Cloth Products)
www.darbywire.com
- **Hood/Penn Maid** (Dairy Products including cheeses, creams, and dips)
www.pennmaid.com
- **Manufactured Plastics Corporation** (Custom Vacuum Formed Plastic Products)
www.manufacturedplastics.com



Poor Bob. He still doesn't get it. He's not positioned to take advantage of the recovery when it comes because he's done nothing to change anything. MAP is still waiting for you to call Bob....



Strategic Planning

The MAP team begins working on a 3 year plan. Also present, Board Member, Mike Savage, PTR Baler & Compactor Co.



May Manufacturers Meeting

Companies have the opportunity to exchange ideas and learn. In this case, LEAN is discussed during a presentation by ADVENT Design.

Mark Your Calendar for These Upcoming Events!

Join Us for MAP's 3rd Annual

Day at Eagles Training Camp

Lehigh University, Monday, August 10th

Sponsored By
Philly's Own:



Catch the morning full contact practice... Catch some lunch and be home by early afternoon!

Cost: \$50 MAP members \$65 non-members

Luxury coach to Lehigh and back, VIP tent & on field access to practice. Catered lunch included and autograph session with Eagles player.

RSVP by July 24th to reserve your space (extremely limited!)

Register & Pay Online at www.uiiphilly.org or, for more information contact Meghan Smyth at 215.683.2116

Back By Popular Demand!

Manufacturer's Meeting

THE BI-MONTHLY MEETING OF ALL CITY MANUFACTURERS!

When: Wednesday September 2nd 8:30 am.

Where: To Be Announced

Primary Topics: To Be Announced

Please check our web site:
www.uiiphilly.org for updates

Cost: Free to Members, \$20 Non-Members



For More Information,

Contact Josh Balascak at 215-683-2147

or josh.balascak@phila.gov.

