

ANNUAL **REPORT**

2016-2017



**Canadian
Manufacturers &
Exporters**

LEAN & PRODUCTIVITY

1286

participants, **156**
companies engaged in
LEAN training and signature
events

59

companies, **217**
employees engaged in core
LEAN training (Level I,II,III, LEAN for
Leaders, etc.)

57

companies, **757**
employees engaged with
LEAN support (consortia, consulting,
etc.)

177

LEAN graduates; **87** Level 1
and **90** Greenbelt

The Royal Canadian Mint invests in LEAN

As Canada emerged as a nation in its own right, its need for coinage increased. A Canadian branch of the Royal Mint was first proposed in 1890 and later opened in Ottawa, on January 2, 1908. In 1931, Canada achieved greater independence from Britain and the Royal Mint's Canadian operations were transformed into the Royal Canadian Mint. Coin demand rose in tandem with the rapid growth of Canada's commerce and population and in 1976, the Mint opened its Winnipeg facility to manufacture all of Canada's circulation coins, as well help foreign countries manufacture their own high quality coins.

With nearly 50 years as a Canadian Crown Corporation; however, the market at home and abroad continues to change. Rising global competition for coin production, the environmental impact of manufacturing and the evolution of alternative forms of electronic payments continue to shape the future of circulation coins.

As a leader in global coinage production, the Mint is responding to these pressures with an eye to the future. LEAN will allow the Winnipeg operation to respond with flexibility and agility to the demands of the new marketplace.

By taking advantage of the learning and sharing opportunities afforded through CME Manitoba's consortia, the Mint has introduced key concepts like Visual Management and One Piece Flow. The Mint is fortunate to have 30 CME-trained LEAN Yellowbelts, 5 Greenbelts and 2 Blackbelts on staff that are positioned to help steer the organization on course. With the support of CME through LEAN Kaizens and coaching, and Mint employee participation at CME sponsored Learning Workshops and Consortia Plant Tours, the Mint is further building a culture of employee engagement and continuous improvement.

The Mint has seen a substantial decrease in Work in Process in the areas where LEAN tools have been implemented, which has led to real improvements in quality, cost and delivery.

Despite a rapidly changing marketplace and 21st century demands – for the Royal Canadian Mint's Winnipeg plant – the future looks bright as a newly minted coin.

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- » 465 LEAN speaker series events attendees and 42 expert speakers
 - » 55 consortia meetings held across Manitoba
 - » 81 companies and 183 employees participated in 14 best practice tours
 - » 5 dedicated LEAN experts including 2 master blackbelts to serve members
 - » 18 presentations to funders, supporters, and other organizations

LEADERSHIP & EXECUTIVE SUPPORT

Brunswick Steel operates on the leading edge

A family business founded in 1970, Brunswick Enterprises started in building demolition and reclaimed materials sales to local businesses and the farming community. In the 1980s the company pivoted to steel supply, selling 'as-is' steel and processed steel goods to OEMs, fabricators, welding and machine shops. Today, Brunswick Steel continues to distribute steel and specializes in producing high-quality processed goods quickly, efficiently and affordably. You can count on Brunswick Steel to produce components to the highest quality standards in the quickest timeline.

But the road on Brunswick's journey hasn't always been smooth. As the company was passed down through the generations, it narrowed its focus and business model. The learning curve for Brunswick's leadership was at times, very steep.

Enter CME programs and services designed to support growing companies as they reach and surpass key milestones; including CME's Manufacturers' Executive Councils (MECs) – facilitated, peer-group learning for owners and senior managers in manufacturing.

Not only has MEC participation enabled Brunswick's general manager and owner, Justin Copp, to accelerate his own journey as a leader – CME services have helped grow other members of Brunswick's management team. Justin attributes his own race to the top with the maturity and mindfulness to take advantage of the experiences of others, acknowledging that there's power in the network and actively identifying areas to grow and become stronger as a leader.

Justin credits MECs for helping solve day-to-day leadership challenges and for insights into improving sales productivity. Having access to other business leaders (who have become friends) to learn from, has become invaluable. And the advice he would give his younger self? Work hard, keep your word, and always look for a better way to get things done. And most of all? Join a MEC!

25 companies engaged in a MEC

30 MEC meetings, representing **1,200 hours** private sector time investment

20 companies received **one-on-one coaching** and advice

32 companies provided with **connections** to service providers, funders through CME as a hub

47 senior leader, business to business **connections**

35

senior executives received **one-on-one** coaching and advice

19

firms are investing significantly in technology to **improve business** as a result of CME support

6

partnership events held (i.e. joint with ITC, RRC, CIC, etc) with **280+** attendees in total

16

senior leader, business to business connections on advanced manufacturing

- » 9 companies provided with connections to service providers and funders through CME as a hub
- » 4 companies received support through Canada Makes' Metal Additive Manufacturing Demonstration Program funded by NRC-IRAP.
- » 13 Canadian companies received metal 3D printed parts built by Manitoba's Precision ADM with the Metal Additive Manufacturing Demonstration Program

ADVANCED MANUFACTURING & INNOVATION

Clearline Technologies builds a factory of the future

It started with a modular rooftop walkway system. Soon followed by a rooftop equipment support system made from recycled rubber tires – C-Port – Clearline Technologies was quickly distributing across North America. Today, Clearline connects major players in the engineering marketplace with innovative approaches to traditional methods of construction.

Competing as an SME is unique and presents its own challenges and advantages. A focus on ROI, smart spending and the need to innovate by step changes – testing, producing and selling in cycles – prevents some companies from making the jump to world-class competitors. But not Clearline.

Recognizing the need to take the business to the next level, president Neil Krovatz determined it was high time to go LEAN and raise Clearline's national and international profile. A new facility would allow Clearline to grow from 10,000 to 55,000+ square feet of operating space (28,000 in use today); enhance the brand and set the stage for next-gen automation, innovation and integration – truly a factory of the future.

Neil turned to his CME membership to accelerate Clearline's journey. Kevin Lusk, Senior Executive Leadership and Advanced Manufacturing Champion, provided valuable strategic advice. Kevin served as a sounding board and was instrumental in connecting Clearline to the right people – from innovation to robotics to a potential joint applied robotics partnership with Red River College.

CME experts on LEAN processes (Brett Hiscock, Master Blackbelt and Warren Peters) provided one-on-one consulting services to support a plant layout and factory setup that would maximize LEAN potential. Membership in CME's Manufacturers' Executive Council (MEC) helped Neil fine tune and enhance his vision. Fellow MEC participants helped by providing insights and sharing solutions on similar manufacturing issues, concerns and challenges that others have faced along the way; a bench strength that is unique to MEC.

Clearline opened the doors to the new plant this past December. The factory is in full operation right now, with plans to bring robotics online right around the corner. As a result of the move, production has increased by 50 per cent and is expected to double with the introduction of the robotics line.

Finding a way to introduce the same technology as industry heavy hitters while operating as an SME is a challenge that requires creative, collaborative thinking and partnerships to execute. CME is here to help.

HUMAN RESOURCES & SKILLS DEVELOPMENT (INCLUDING FUTURE WORKFORCE)

Loewen Windows champions frontline leaders

According to CME's annual Management Issues Survey, nearly 60 per cent of manufacturers believe that attracting and retaining skilled labour will be one of the biggest challenges to success. From skills and labour shortages to changing demographics, regulatory regimes and more; manufacturers are faced with human resource obstacles at all levels of the organization.

Among the many CME Human Resource supports (HR Toolkit, network groups, youth programs aimed at promoting manufacturing careers, regional and national labour market information, engagement with government and education to address HR concerns and more); the Leadership Development Program stands out. Designed by manufacturers, for manufacturers, the program is helping companies improve retention and engagement every day.

Loewen Windows was among the program's earliest adopters. After evaluating a range of industry training, CME's Leadership Development Program emerged the hands-down choice. According to Loewen executive and CME board member Todd Leroy, "The program was filled with very useful and simple to use leadership tools. Participants liked the flow of the course and follow-up by the instructor. One of my favorite components of the program was the mentorship aspect. The program had a very defined process for following up with participants and ensuring they were utilizing the new tools they had learned in the program. All of us have participated in a learning event where we were very excited about what we learned and then soon forgot about it the instant we got back to work and were caught up in the day to day business. The mentorship element of this program allows organizations to fully leverage what participants have learned." Todd credits Loewen's participation in the program to an increase in retention, improved morale and an overall uptick in employee engagement in departments that participated in training.

This year, 49 participants (leaders) and 32 mentors have participated in the program. Nearly half of the companies who attend valued the training so much that they enrolled leaders in subsequent sessions in the same year. In the same way that CME's LEAN programming has become the industry gold standard for manufacturing productivity, the Leadership Development Program is poised to do the same for front-line leaders.

81

participants in the newly-launched **Leadership Development Program**

20

youth scholarships granted

100+

meetings with **government** and **educators**

2100+

students connected to manufacturing through Discovery programming

- » 20 senior-level HR information sessions
- » 3 LMI reports
- » 25+ companies received one-on-one coaching and advice
- » 14 schools with 84 students participated in Discovery program
- » 2000 students participated at Career Discovery
- » 7 schools with 64 students participated in Youth in Manufacturing programming

ADVOCACY & INTELLIGENCE

The voice of manufacturing in Manitoba

Manufacturing is the backbone of the Manitoba economy. More than ten per cent of the provincial labour force is employed in the industry. Moreover, manufacturing is either directly or indirectly responsible for nearly 30 per cent of the province's jobs, including supporting sectors like transportation, energy and IT.

Alone, manufacturers may struggle to raise concerns and ensure issues key to industry success are on the table. But there's nothing more powerful than a united voice and together we can move mountains. The power of the network was demonstrated time and time again this year. Whether informing government positions on carbon tax, representing manufacturers to address regulatory or oversight challenges (i.e. Office of the Fire Commissioner, red tape reduction commission, LEAN government initiative), identifying and escalating issues that require public-private sector dialogue (Provincial Nominee Program) or working with our partners in government to ensure the needs of manufacturers are heard and addressed, CME is here. Beyond government, CME also works with partners in education to influence skills development in secondary and post-secondary institutions.

From Crystal City's Phiber Manufacturing, to Steinbach's Barkman Concrete to Southern Manitoba's Decor Cabinets to multinational Boeing – every cross section of industry was represented through CME's enhanced advocacy efforts in 2016/17. Moreover, CME's presence on social and traditional media is helping remind the public about the sector's importance and improve manufacturing's share of voice.

CME is pleased to maintain collaborative and productive relationships with our partners at each level of government. Provincial ministers and senior government representatives attended the majority of CME events this year, including the Premier's first official speaking engagement upon his election. Federally, CME secured a seat as one of only four industry voices on the official NAFTA renegotiation committee. As well, the federal budget saw the inclusion of significant initiatives identified and pushed for as a result of this year's national Industry 2030 roundtable consultations; including 30-day cross border permits, skills support and more.

Through our role as the voice of the manufacturing industry, we are able to ensure that the concerns of all manufacturers are heard – from industry giants to rural SMEs.

135

advocacy meetings with government, educators, community and business groups

7

Industry 2030 sessions attending by **70 participants** representing all sectors and sizes in manufacturing

25+

CME in the news, including 2 Winnipeg Free Press Op Eds.

+

multiple situational interventions on specific **issues and opportunities** (e.g. grant funding, border issues)

58

comprehensive manufacturing **industry reports** provided to senior government officials, including CME's Budget Submission, Barriers to Investment Report, Carbon Tax Report and Industrie 2030 reports.

SAFETY

Conviron shapes a healthy and safe workplace culture

A world leader in the design, manufacture, and installation of controlled environment systems for plant science and agricultural biotechnology research, Conviron exports to more than 90 countries. Customers include everyone from small start-ups to the world's most prestigious research institutions.

Conviron's booming business means big pressure to attract high quality employees and stay ahead of the global competition. Like many Canadian manufacturers, attracting and retaining a skilled workforce is key to Conviron's continued success.

But times are changing and the face of manufacturing is too. An aging workforce (the median age in manufacturing is 44), the demands of multiple generations working side by side and challenges integrating diverse employee groups (e.g. EAL) all represent difficulties on the horizon.

The leadership team at Conviron realized a need to be proactive; identifying key elements of high-performing workplaces and actively working to shape a safe and healthy workplace culture that would best support business objectives going forward.

Made Safe training programs go beyond ergonomics and equipment. Designed by manufacturers, for manufacturers, the program's robust offerings provide comprehensive supports for a healthy and safe workplace. Most Made Safe courses and services are offered to members at no additional fee. As part of their focus on culture, Conviron's Human Resources, Health and Safety and other key business units engaged the experts at Made Safe to facilitate healthy workplace training for each Conviron worker. Everyone from the shop floor to the C-Suite participated – 165 in total.

As employees have been trained, Conviron has seen a change in the conversation with a renewed comfort level in speaking up about how everyone can contribute in continuing to improve the workplace. As a result, Conviron reinforced their industry-wide reputation as an employer of choice.

545 Made Safe member companies, representing **55 per cent** industry engagement by payroll

120 companies and **2,500 employees** participated in training

252 training courses held, representing **1,512 hours** (approx.)

160 consulting services/sessions performed

- » 38 events held, with 465 employees attending
- » 100 per cent membership from 14 WCB rate codes representing \$1.3 billion in payroll
- » Aligned with 40 more rate codes representing another \$1.3 billion in payroll
- » 14 companies registered for SAFE Work Certification by Made Safe
- » 10 staff dedicated to supporting manufacturing safety

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TRADE & BUSINESS DEVELOPMENT

M. & C. Commodities achieves rapid growth and exports

When MCC president Carlos Melo started his business in rural Manitoba serving the animal feed market, he never imagined he would experience such significant growth, including sales across Canada and around the world.

Many SMEs struggle to identify their true north and can't effectively align their staff and clients with their vision. MCC was no exception. Not only did Carlos want to move the company from an animal product to a human grade, food-certified commodity; he wanted to do it with a focus on quality in pursuit of global markets. But where to start?

Carlos reached out to CME, engaging with Gustavo Zentner, Business Growth Champion, to use the newly launched Enhanced Business Service. Under this confidential program, Carlos was able to develop a holistic business strategy that included working internally with employees to build and support a growth culture. The plan also helped external stakeholders and suppliers attain the certifications needed to compete in the new market segment and in new geographic markets. Access to Gustavo and other CME resources also gave Carlos the senior-level guidance and coaching he needed to secure government funding for specific R&D and business expansion programs.

Carlos has since expanded his operations with an entirely new marketing campaign, resulting in significant exposure to customers in many countries. CME support has been fundamental in identifying market segments and distribution channels for MCC, including business participation at trade shows and conferences in Canada and abroad. Production capacity doubled through a manufacturing outline that allowed the plant to produce three different kinds of commodities, compared to only one product just twelve months ago.

Carlos knows there is still much work to do. With new trading patterns and export markets, MCC needs to be able to switch product lines to meet export opportunities and to capitalize on changing geo-politics and new free trade agreements. CME is here to help manufacturers like Carlos grow.

- » 16 EEC meetings, representing 960 hours of private sector time investment
- » 7 ECN graduates with advanced assessment on sales and exports into the EU market
- » 6 senior leader, business to business connections
- » 4 companies completed applications for the GET Commercialization program for trade shows abroad
- » 3 significant foreign direct investment opportunities presented through CME networks

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15

companies engaged through Export Executive Councils (EEC)

23

companies received **one-on-one coaching** and advice

18

manufacturers connected to additional sources of funding support through **CME as a central hub**

7

events with nearly **200 employees participating** on CME supported initiatives and events

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