



The Voice of over 1,600 Manufacturers in the 12-County Alamo Region

3rd Quarter Issue 2012

SAMA POWER PROGRAMS

July 10 - SAMA Luncheon

**Leadership in Building
a Program**

Lynn Hickey
Asst VP Director of Intercollegiate Athletics
UTSA

July 19 & 20 - SAMA Seminar

**10 Hour OSHA/Safety
Certification Program**

Forrest Richardson - Fit-for-Work
Michael Hogan - Comprehensive
Safety Resources

August 7 - SAMA Luncheon

Lean Manufacturing

Mike McIver
VP of Operations
Pressure Systems International

August 16 - SAMA Seminar

Inventory 101

Sean Clark
Association for Operations Management

September 6 - SAMA Luncheon

**San Antonio Economy -
Post Recession**

Dr. Keith Phillips
Sr. Economist & Policy Advisor
Federal Reserve Bank of Dallas

September 20- SAMA Seminar

Achieving Excellence

Gary Arnold - Integrated Peak Solutions
Mike McIver - Pressure Systems
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San Antonio Manufacturers
Association (SAMA)*

Kiobassa reveals secret for making ‘best tasting sausage’



“KPC’s growth over the last 20 years has been substantial, and we couldn’t have accomplished it without the support of organizations like SAMA.”

Michael Kiobassa
*President
Kiobassa Provision Company*

Mix old-fashioned values with latest and best industry standards, equipment, and practices

Kiobassa Provision Company (KPC) is a third generation sausage manufacturer. Located in San Antonio, KPC was started in 1949 by Rufus and Juanita Kiobassa, and is now one of the largest regional sausage manufacturers in Texas.

KPC operates a 25,000 square foot manufacturing plant, has approximately 130 full-time employees, and distributes throughout the United States and Mexico in select grocery, club stores, and food service outlets.

KPC’s mission is to make the highest quality sausage products available. According to company President, Michael Kiobassa, the secret to their success lies in making hand-crafted, authentic sausage the old-fashioned way without

many of the additives that most processed meats contain. “Our products are made with the highest quality and freshest cuts of beef and pork, never frozen. Then add fresh spices that give our sausage a texture and flavor found only in small butcher shops. We naturally smoke and cook our products over real hickory and mesquite and never use artificial or liquid smoke. The result is a sausage that many people say is the best sausage that they have ever eaten.”

To maintain their high quality standard, KPC has fully implemented Hazard Analysis and Critical Control Point (HACCP) and Safe Quality Food (SQF) programs for all of their products as well as ongoing Sanitation Standard

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“Re-shoring” Made in America

Why U.S. manufacturers are bringing jobs back home

Great companies are forged in the harshest of economic climates. Inspired by challenges, they thrive through innovation and best practices, displaying the flexibility to respond to changing conditions. A trend that exemplifies this approach is re-shoring—the repatriation of manufacturing to America from offshore—which has been growing for about three years.

For several decades, factories (and the manufacturing jobs that go with them) had been moving abroad to countries where labor and materials were cheaper. This trend has been reversing,

as companies are building new factories in the U.S. or updating and reopening existing factories. The movement of manufacturing out of the U.S. was called off-shoring, which is the basis for the term re-shoring to describe the current phenomenon.

American companies began producing goods abroad because the costs of materials and labor were lower. Due to changes in the global marketplace and the difficulties involved in doing business from a great distance, these advantages are vanishing. Prices have increased in almost every facet of manufacturing,

including raw materials, transportation, and labor. Low or inconsistent product quality also has compromised companies’ profits. In addition, the U.S. government is offering financial incentives (such as tax breaks) for companies that do business in America.

“The U.S. government is offering financial incentives (such as tax breaks) for companies that do business in America.”

Doug Carlberg
*Founder and CEO
M2 Global*



Chairman's Report



"In the famous words of author Walt Kelly and the comic strip character Pogo, 'We have met the enemy and he is us'."

Mike McIver

Vice President of Manufacturing
Pressure Systems International

SAMA Chair calls out to local manufacturing "all hands on deck!" 2012 Chair challenges local manufactures to solve manufacturing issues

Did you know that including Bexar County and our neighboring counties, we have approximately 1,600 manufacturers in our midst? With such a large pool of manufacturers, one might ascertain that the San Antonio Manufacturers Association (SAMA) membership would be higher than 425 members, half of which are not manufacturers. Why is that?

First of all, let me clarify a few key points. The San Antonio Manufacturers Association is indeed a premier organization. SAMA has been in existence since 1914 and its membership drives this organization behind a dedicated team of employees from the SAMA office, primarily, Past President Michael

Harris, current CEO and President Rey Chavez, Office Manager Debbie Santos, and Office Assistant Mindy Nichols.

SAMA is often the template for start-up organizations or agencies in their infant stages of development. I think it is safe to say the notoriety and performance of SAMA is not the source of this discrepancy in its membership. So where is the breakdown? In essence, Walt Kelly's quote is apropos, "we have met the enemy, and he is us."

It is this Chair's opinion that the reluctance of manufacturers to commit to this organization is one of the reasons we are lacking in a skilled workforce. Manufacturing is unwilling to commit. Not the

200 plus manufacturers that are members but the 1,300 that are not yet involved. Not the ITM's, the Kelly Aviations, or the Toyotas of San Antonio, but the *silent majority*.

The big boys on the block will get their fill of a skilled workforce. If you are lacking in acquiring a skilled workforce, join us. Commit with us as a SAMA member. Help us develop short term solutions to a long term problem.

In the case of the bacon and egg breakfast, the chicken is a participant but the pig is committed. Be that pig!

We say to those that are involved in manufacturing and those who support manufacturing, it's time for all manufacturers to rally and we cry out "all hands on deck!"

Small- and medium-size businesses are easy target for hackers

Steps to protecting your electronic data from cyber attack *Devi Mazumdar, CMIT Solutions*

A recent report indicates that small- and medium-size businesses (SMBs) are increasingly targeted by cyber criminals due to the perception that SMBs employ less robust IT security measures than large corporations.

Though the SMBs generally have less money in their accounts than larger companies, hackers view them as easy targets.

Compounding the problem, the proliferation of easy to use hacking toolkits allows even novice cyber criminals to do what were once limited to highly skilled hackers.

A multi-layered approach is much better than simply having an anti-virus program.

Here are four additional steps businesses can take to protect their data.

Install a business-class firewall - A firewall sits between your network and the Internet and is the "doorman" for your infrastructure. Everything that goes in or out of your network passes through the firewall. Properly configured, a firewall keeps your data and sensitive information safely within your network, while keeping unauthorized intruders out.

Install spyware scanner and removal tool - Spyware are small applications or cookies that reside on your computer and report on your activities to a third party. Spyware may watch for which websites you visit or what you're shopping for and may even redirect you to websites you don't intend to visit. More nefarious versions may log your passwords. Spyware removal tools compare the files on your computer to a long list of known spyware, identify suspicious items, and wipe them from

your computer. Like A/V programs, these tools work best only when updated to the most recent list spyware definitions.

Have an acceptable use policy - Acceptable use policies (AUPs) address the biggest security risk of all—the human sitting in front of the computer. An AUP consists of a set of guidelines and procedures that you and your employees must follow to avoid compromising your network's security. AUPs may include rules about connecting personal devices such as cell phones or USB drives to the company's network, protocols for choosing secure passwords, and/or reminders not to inadvertently reveal sensitive information to hackers using social engineering.

Perform a network risk assessment at least twice a year to identify vulnerabilities in your network.

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OSHA Inspection Process: Essential Elements for Pre-Planning

Forrest Richardson, *Fit for Work, LLC*

It's recommended to have a regulatory inspection procedure or plan in place prior to their arrival.

The essential elements are the Opening Conference, Walk-Around Inspection, and Closing Conference.

Understand your inspection rights to minimize disruption to production, and unnecessary fines quickly corrected. *Employer & Employee Rights at: <http://www.osha.gov/workers.html>.*

Assign personnel to handle catastrophic events and inspections.

Team members should work together to answer inspector questions, research requested records and conduct "On-the-Spot" corrections.

Complete job hazard assessments by position. Ensure insurance and

third party inspections items are completed. Document frequent workplace inspections to provide evidence of employer "Good Faith" efforts.

Review required safety programs. Prioritize by plans and training by your specific hazards and applicable OSHA National and Regional Emphasis Programs. *NEP's & REP's located at: <http://www.osha.gov/depl/index.html>.*

Ensure training documentation for each safety process is up to date and accessible within 4 hours of request. Ensure machines and equipment are in proper working order and preventive maintenance programs based on manufacturer recommendations are current.

Pre-plan meeting rooms and routes to take during the Opening

Conference and Walk-Around phases away from production areas. Remember, the "Plain View" doctrine applies, if they see alleged violations, they can cite you for it.

OSHA's "look back" period is 5 years to help determine potential for alleged violations and fines. *Check your organizations citation history at <http://www.osha.gov/pls/imis/establishment.html>.*

The Closing Conference is the time to discuss your appeal rights, clarify recommendations for corrective actions, and request copies of documents.

Most states require abatement of violations within 15 working days from receipt via certified mail. State plans may differ on abatement suspense dates and appeal procedures. Check with your local area office.



Kiobassa *continued from page 1*

without affecting the product.

Kiobassa says KPC's growth over the last 20 years has been substantial, and adds "we couldn't have accomplished it without the support of organizations like the San Antonio Manufacturers Association (SAMA)."

KPC plant manager, Ismail Jaber, says "SAMA's contribution has been truly invaluable. I've personally benefited from the lean manufacturing lectures and applications that other San Antonio companies have implemented."

With the help of SAMA, KPC has implemented many Lean Manufacturing principles, including 5S, to cope with growth while being constrained with space limitations. KPC's leadership

team regularly attends SAMA workshops and webinars, and say they benefit particularly from those associated with inventory control and scheduling. Kiobassa adds: "These workshops carry tremendous value for us as they are on-point and local which saves us the time and cost of travel."

KPC is about making "the best tasting sausage you'll ever eat while passionately taking care of our customers, team, and community." Kiobassa says giving back has been part of their culture since his grandfather started the company. "We donate product to churches, schools, and clubs, to help offset some of their costs. We're grateful to do this, as our community has been a huge part of our success."

FACTS ABOUT MANUFACTURING IN OUR AREA

Manufacturing generates \$14.1 billion annually to San Antonio economy

Employs over 53,000 people in the region

Wages are 13% higher than San Antonio average

Manufacturers pay for training, higher education, and advancement through certifications

Stable employment and excellent benefit packages

Clean, safe work environments

Demand for skilled workforce is projected to increase

"San Antonio is home to some of the nation's top, cutting edge manufacturing operations. The San Antonio Manufacturers Association and The Chamber are working together daily to help grow this industry and to ensure a qualified, capable workforce for the future."

Richard Perez
President and CEO
The Greater San Antonio Chamber of Commerce

Operating Procedures and Good Manufacturing Practices programs.

Although KPC's focus is on old-fashioned craftsmanship, their plant is recognized among the most efficient and modern in the industry.

In 2009, KPC installed a state-of-the-art packaging machine that was one of the first of its kind in North America. Their investment in quality equipment is guided by a simple principle: It must improve the process

**San Antonio Manufacturers
Association**

*The Voice of Over 1,600
Manufacturers in the
12-County Alamo Region*

ADVOCACY

**Manufacturing's Voice to
Local Government
& Regulatory Agencies**

**Assuring the Next Generation
of Skilled Trades**

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Career exploration program nets students higher paying jobs
Pioneer program results show 20% placement rate and 35% wage increase

The Alliance for Technology Education in Advanced Manufacturing (ATEAM) recently partnered with the Alamo Area Council of Governments (AACOG), and Junior Achievement of South Texas to develop an eight week career exploration program to introduce area high school students to the high-skill, high-wage careers in advanced manufacturing.

Fifteen students from the New Braunfels and Seguin area participated in the inaugural 8-week program.

Weekly sessions included the Junior Achievement's Success Skills Program that teaches necessary workplace skills such as communication, teamwork, and problem-solving.

In addition, weekly tours were conducted at several advanced manufacturing facilities in the 12-county Alamo region including Cox Manufacturing, Texas Power Systems, Coca-Cola, Innovation Technology Machinery (ITM), Lockheed Martin, Toyota, and

Xytronics.

As a result, two students were offered employment with Texas Power Systems and are now earning 35% higher wages than at their previous employment at a day care facility.

A third student, previously employed at a fast food pizza restaurant, has been hired by Continental in New Braunfels.

ATEAM's mission is to create clear educational pathways toward careers in advanced manufacturing and related industries. According to Bill Cox, ATEAM Director, "By engaging students on tours of local manufacturing operations, students gain insight about the industry, and learn first-hand about career opportunities and the skills and training needed to prepare for their future."

ATEAM is looking for corporate sponsors to help fund the program and continue to help students succeed in the Advanced Manufacturing field. *For more information email info@ateamsa.org.*

Career Exploration Program Results

- 87% completion rate
- 100% completion rate for females
- 81% total attendance
- 20% placement rate during program
- 38% placement rate for females
- 13% placement rate at tour sites



"By engaging students on tours of local manufacturing operations, students gain insight about the industry, and learn first-hand about career opportunities."

**Bill Cox, President
Cox Manufacturing
Director, ATEAM**

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