

Neighborhood Manufacturing

Innovation

It's becoming an old story: off-shoring challenging the viability of the U.S. manufacturing sector. And it wasn't any different for Neighborhood Manufacturing when this near-west-side division of Superior Tools realized things were going from bad to worse. Turnover was high; morale was low. But Howard Garfinkel wasn't about to lie down for it.

Instead of crying foul as he watched the traditional market for his services drop by 50% Howard decided to focus on the idea of creating, with a lot of help, a "walk-to-work" company that would provide jobs for neighborhood residents. He started by replacing the traditional piecework model with a "lean manufacturing" incentive compensation plan that uses cells instead of an assembly line. He set up a 401(k) plan for all employees—and taught some of them to read.

At the same time he added assembly work to their packaging functions, diversified the customer base, and restructured his processes to be more flexible and able to handle more products in smaller volumes. With finished goods inventory that turns over 40 times, the company depends heavily on its IT (they use Fourth Shift software for their e-commerce).

Happily able to rely on parent company Superior Tools for services like accounting, trucking, and more, Neighborhood has become a prototype for similar facilities in Northeast Ohio. They were very proud to receive a NorTech Award for Innovation in 2001.

Howard shares some thoughts with other manufacturers: You might be surprised at how much workers embrace education and how it stabilizes the workforce. He says let's not throw away our manufacturing base—or else our industrial base will be next. Let's have a meaningful dialogue. Don't assume that "forces" are in control; act and perceive differently.