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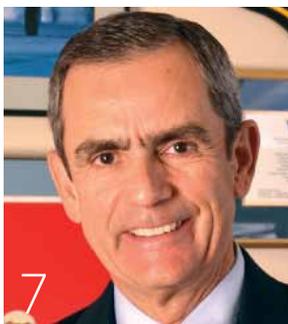
How to project a 'too big to fail' persona



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BRAVING NEW WORLDS

Lisa Jennings translates
PMC SMART Solutions' strengths
into a new market venture

BY LAURA KRETZ | CEOINTERVIEW@SBNONLINE.COM
INTERVIEWED BY GREGORY JONES

Lisa Jennings and her team at PMC SMART Solutions LLC are the latest group to build on the long legacy of manufacturing quality high-temperature plastic materials and precise molded parts for the automotive industry.

Though the company has a long history of success operating in this market, industry challenges have regularly spurred the company to break new ground.

"Being an 84-year-old company, we've obviously had to continually reinvent ourselves many times over the years to stay relevant in whatever industry we were serving," says Jennings, the company's president and CEO. "And then what we would do is we would become the leader in the special niche space each time."

The fourth-generation family business, founded during the Great Depression in Cincinnati, was the first company in the 1920s to use thermoset plastics, polymer materials that are malleable at low temperatures and at high temperatures can change irreversibly to become hard.

Thom Gerdes and Lisa Jennings, two generations of PMC SMART Solutions.

“Being an 84-year-old company, we’ve obviously had to continually reinvent ourselves many times over the years to stay relevant in whatever industry we were serving.”

—LISA JENNINGS, PRESIDENT AND CEO, PMC SMART SOLUTIONS LLC



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PMC also led the charge in converting metal parts to plastic for weight savings and other efficiencies when more electronics were introduced to the automotive industry in the 1980s.

While PMC had proven its ability to thrive in the automotive industry, its tough regulation process encouraged the company to begin exploring other opportunities. PMC broke into the medical implant device manufacturing industry shortly before the Great

Recession, working against larger market challenges, much like when it was founded.

But unlike the past, when new ventures proved to be short-lived, the company had hopes that this one would be both successful and sustainable.

Help from friends

Time and again, PMC’s focus on high-quality standards has allowed it to succeed. And its close watch of broader

industry trends has helped it find complementary technological capabilities it could develop.

That outward eye paid off when an advisory board member with experience in plastics observed growth in that industry and encouraged PMC to move into the medical device market.

“He was so confident that because of our skill set and the quality systems and the manufacturing systems we had in place to serve this highly regulated and safety oriented segment of automotive,

we would blow away many of the people that were in the medical device industry,” Jennings says.

But there was reason to be cautious. In the past, PMC explored the telecommunications market, making housings for cell phones and other devices. That market soon shifted offshore to Asia, creating an imbalance of business growth for PMC.

The company was given confidence to overcome its hesitation when a customer said PMC could excel in the medical device industry. Though PMC had not yet dipped its toes in that pool, this customer had faith and moved forward with PMC during its journey.

This included identifying relevant business segments and building quality systems.

“The biggest challenge and opportunity is how do we take this amazing business with the very special talents that we have, find the right places in the medical device industry to focus those and then pursue new customer relationships and new application areas to focus in,” Jennings says.

Utilizing its strength in narrowly defined niches, PMC had the benefit of being a company with more highly valued and targeted capabilities versus broad, commoditized parts. The company, however, still had lots of work ahead of it.

Before pursuing medical device customers, PMC made a significant investment in its plant, putting in a state-of-the-art clean room and manufacturing equipment.

“That’s a big step for somebody to take and commitment for somebody to make,” Jennings says. “But the credibility that it lent when we brought the first customers in was phenomenal. It showed the commitment that we were serious.”

Play to your strength

For PMC, its specialty is specialization. It knew that attacking the entire medical device market was not realistic, so the



THE JENNINGS FILE

NAME: LISA JENNINGS

TITLE: PRESIDENT AND CEO

COMPANY: PMC SMART SOLUTIONS LLC

Birthplace: Cincinnati

Education: Bachelor’s degree in business administration and elementary education at DePauw University in Indiana; master’s degree in business administration in finance at Washington University in St. Louis.

What was your first job and what did you learn from it? Lifeguard and swim team coach at a local pool during the summer. It was a fantastic experience because I was trained on how to motivate kids and families while having fun. A lot of organizing and strategy went into my coaching. At that age, it was a lot to take on but I had a really great experience and one I’ll remember for a long time.

What is the best business advice you ever received? Surround yourself with the best, capable people of the highest integrity. A company’s success is not built on one person or even two, but a group of people. It’s the people that make everything else happen.

Who’s somebody that you’ve always looked up to in business? My father. He’s been supportive of me through everything in life. He’s an extremely successful business person, both at PMC SMART Solutions LLC and other business ventures, as well as in the community. I just feel that I have had an amazing mentor along the way with no pressure to come into the business. He has taught me lots about life and the balance of life between personal and work and how to be successful all the way around.

company focused on leveraging what it already did well.

“A big reason for our success was we knew we were highly experienced in high-temperature materials,” Jennings says. “And because of that, we made a decision to go straight into implant molding, so we actually mold screws and nails and things that are used in sports medicine and orthopedic procedures.”

Not only did its philosophy of specialization pay off, but its experience in automotive went a long way to ease the concerns customers might have had with a new player in the market.

“Most of our medical device customers view our long history and experience and the type of parts we do in automotive as a huge advantage,” Jennings says. “And now some of the processes that we used to validate parts, we can apply those into

the medical device industry.”

Setting in place those building blocks paid off. According to Jennings, most molders avoid medical implant molding because of the risks associated with implants staying in the body, making PMC an industry leader shortly after entering this new market.

“We knew because of our experience, that (medical implant molding) was a niche place where we could truly show off technology that wasn’t even really being used in some cases in the medical industry,” says Jennings.

Currently, PMC is exploring new electrosurgery and cardiovascular market segments. The company is also looking at technology development and new application areas, initiatives that Jennings feels PMC can truly innovate in the medical space.

“The biggest challenge and opportunity is how do we take this amazing business with the very special talents that we have, find the right places in the medical device industry to focus those and then pursue new customer relationships and new application areas to focus in.”

—LISA JENNINGS, PRESIDENT AND CEO, PMC SMART SOLUTIONS LLC

Takeaways >>

Build high standards from the beginning.

Do thorough research before entering a new marketplace.

Stay true to your company’s strengths.



Staying focused

Maintaining the success of its automotive business while growing the new medical device department had its challenges. Annually deciding where investments should go always remains a priority for Jennings, though she is pleased that PMC’s investments have led to growth in both departments.

PMC, despite the challenge, has had success both winning new medical device customers and winning respect from its automotive customers. Knowing that PMC has another market to serve, automotive customers viewed this growth as a positive sign of PMC’s overall health.

“We have tremendous capabilities beyond our size,” Jennings says. “We’ll be at about a 15 percent growth rate, which in the manufacturing space, in these markets, is fantastic.”

Doing what is best for her customers is nothing new for Jennings. Encouraged by both automotive and medical customers, PMC earned a Women’s Business Enterprise certification. In turn, this presented opportunities for business growth for both PMC and its customers.

“If we can do something to help our customers with their needs to fulfill their

obligations and at the same time we can leverage that to grow our business, that’s really been why we’ve done it and how I believe it’s going (to) contribute to the continued significant growth,” she says.

Know yourself

Jennings and her team were successful in establishing a new department for the company because they were able to recognize the company’s strengths. That’s why Jennings says it’s important to have a good group of advisers who have experience in the field. They can assist the company in understanding potential markets by researching the competition.

Asking critical questions is also central to exploring new market opportunities. It’s essential to determine, “Is there room for another player?” “If the market is expanding, are those customers still open to bringing on new suppliers?” and “What would your company need to do in order to be relevant?”

Answers to those questions can only be realized if the company and its leaders are true to themselves. That comes as a result of knowing the company’s strengths and making the most of its assets.

“Look at the businesses that you’re already in ... identify what your true differentiators are and the things that are really the essence of your success,” Jennings says.

Investing in experts can take the uncertainty out of entering a new market space, so it’s helpful to bring in outside experienced talent to further educate your team. Training employees helps them share in the new business opportunity, assisting them to grow and thrive within the company.

“As the leadership of the company, the first balance you have to strike is internally with your people,” Jennings says. “So lots of communication, lots of work internally with the team to have them cross-pollinate ideas and to feel that we’re truly operating as one business.” ●

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