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INNOVATION

RIMES earning high marks for aiding manufacturers

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Few, if any, investors would snub a 42 to 1 positive rate of return on an investment.

That's the rate of return a federal agency reports during the last year for the Rhode Island Manufacturing Extension Services (RIMES), a nonprofit organization that works with small- and medium-sized manufacturers

in the state to improve operations, increase efficiency and whenever possible raise the all-important bottom line representing profits.

According to the National Institute of Standards and Technology, RIMES yielded a positive 42 to 1 return on \$450,256 in annual funding from the federal technology agency, meaning in the simplest terms that \$42 in increased efficiency and operations resulted from every \$1 in federal funds RIMES spent.

Unlike other continuous-improvement consulting firms, "we must provide a qualitative and quantitative return on investment for our client's dollar. The client's ROI is the way we maintain our federal funding," explained Leslie W. Taito, CEO of RIMES.

Chet Sutphen, president of Neocorp Inc., a cord and webbing manufacturer in Pawtucket, said "The Neocorp team has already seen benefits to our bottom line and our work force," by working with RIMES on a training program. "The highest costs associated with lean [initiatives] are only those of egos and old habits."

Rhode Island Manufacturing Extension Services scorecard for 2007 and 2008 fiscal years:

2007	2008
Jobs created: 129	Jobs created: 25
Jobs retained: 206	Jobs retained: 137
Increased sales: \$2.75 million	Increased sales: \$2.49 million
Cost savings: \$710,000	Cost savings: \$4.4 million
Investments in manufacturing: \$8.39 million	Investments in manufacturing: \$3.69 million

SOURCES: RIMES AND NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Based at the R.I. Economic Development Corporation headquarters at the American Locomotive Works Development complex on Valley Street in Providence, RIMES works with an average of 60 companies per year, receives no state funds and is reliant on federal dollars and client fees.

Companies that use RIMES' services are required to submit to a survey on RIMES' performance at least one year after a project is completed, Taito said. The survey is conducted by an independent third party firm with results sent to the National Institute of Standards and Technology, RIMES' federal funding partner, on a quarterly basis. RIMES must maintain a certain minimal score to retain federal funding, she said.

For the last year, for example, the survey said the Rhode Island small- and mid-sized manufacturers that RIMES worked with increased sales by \$2,497,439, retained sales of \$5,392,439 and achieved a cost savings of \$4,427,975.

The survey results gave RIMES a rating of 4.5 out of 5 for customer satisfaction, the national group said.

"The RIMES-assisted lean training and implementation program has allowed for a fundamental change in the way we approach problem-solving," said Kurt Hague, vice president of corporate development for ChemArt in Lincoln, a company that designs and manufactures photo-chemically-etched ornaments and collectibles. "Decisions are now based upon teamwork, gaining consensus and buy-in from the managers and employees. As a result, the company is more flexible and adaptable."

Hague said the lean initiative has seen non-management workers "develop and utilize problem-solving and management skills" that they would not normally be called upon to use. "It has inspired our employees to push themselves out of their comfort zones and to take leadership roles within our company," he said.

"We're doing very well," Taito said of RIMES. "I'm very pleased with the quality of the work the folks on staff do, and the quantity." The RIMES staff consists of seven employees, the majority of whom have at least 20 years experience in manufacturing, and all receive training at the national and regional levels, according to Taito.

Each state, along with Puerto Rico, has a manufacturing extension partnership agency like RIMES, she said.