

November/December 2009



Increasing the Value of ACIL Membership

by ACIL Chairman John Molloy

For those of you who were unable to attend the ACIL Annual Meeting in Nashville last month, you missed a terrific event. Fortunately, ACIL's Adrienne Bush has captured the highlights of the meeting in this issue of our newsletter - so enjoy. ACIL's commitment to real change created quite a buzz, and set the stage for a very positive 2010. Thanks to the hard work of the Board and members who attended the meeting, we were able to refine and enhance the ACIL "value proposition," and demonstrate our commitment to adapting to the evolving marketplace.

ACIL exists to provide advocacy, education, service and mutual support for our members, and thereby enhance the independent testing community. To support this mission and provide you with more value than ever before, we have planned the following for 2010.

On advocacy, you will see targeted and well-funded section and committee activities. For the first time ever, the ACIL board has committed substantial dollars specifically dedicated to underwrite the work and advance the advocacy agenda of the sections and committees, backed by rock solid staff support. Specifically, the:

- Food Sciences Section (formerly MAC) will have the support of a

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Intertek Rejoins ACIL

A testament to the positive momentum created by ACIL's new management team, Intertek has rejoined ACIL, immediately taking advantage of ACIL's advocacy on the body armor issue. "Now that ACIL has a strong management team in place to support the implementation of ACIL policies and procedures, we are thrilled to rejoin," said Joan Sterling, Intertek Director of Government Relations. Welcome back to Intertek as ACIL continues its drive to bring back former members.

ACIL Moves to New Location

In ever-increasing effort to maximize member value and allow for contraction and expansion, on Friday, October 30, we moved our

food and drug lobbyist to give us a powerful voice in food safety legislation and regulation.

- ESS will have the support of a retired EPA official to reach NELAC goals and strengthen our relationships with EPA and other Federal agencies. He will also help ACIL engage related non-governmental organizations.
- CMET will implement their NACLA agenda to reduce duplication and redundancy in accreditation among DOT, FAA and the Army Corps of Engineers, and hold training sessions to support member laboratory accreditation requirements. ACIL will fund these activities, in part, by serving as the NACLA Secretariat in 2010.
- CAS will continue their standards newsletter and PT program. In addition, the section will work with the Hill on their newly launched standards investigation, focus on trade matters with the Department of Commerce and the Office of the U.S. Trade Representative and continue to promote the value of third party testing and certification to regulators and specifiers.
- Government Affairs will create and implement a Congressional Action Program designed to educate Congress and their staffs on the laboratory industry and the true value of independent testing, starting with Hill visits at the ACIL Mid-Winter meeting.

On education, ACIL plans to roll out regional meetings at our instrument manufacturer members' facilities. Their customers are our members and prospective members, so this is a "win-win" all around. The educational platform for these 1-day meetings will be based on member feedback from the 2009 Annual Meeting. For example, we are investigating holding sessions to study how laboratories can better partner with their customers. These meetings also will be an avenue for membership

headquarters to 1050 17th Street, NW, Suite 1000, Washington, DC 20036. Telephone and fax numbers remain the same.

Save the Date!

ACIL's 2010 Mid-Winter Meeting

February 21 -
ACIL Board Meeting

February 22 - Plenary and
Section Meetings

February 23 -
Hill Visits and NACLA
Training

February 24 - NACLA
Training

NACLA Training

This December, NACLA hosts ISO/IEC 17025 training with separate breakouts for Uncertainty of Measurement or AASHTO R18 Comparison.

ISO/IEC 17025 Auditor
Training Course
Holiday Inn Harbourside
Indian Rocks Beach, FL
December 1 & 2, 2009

In Memoriam

ACIL lost long-time
member Leroy Jacobs

development and retention.

On service and mutual support, we are committed to enhanced member communication through our newsletter. We are overhauling our database, so that we can properly direct our message. ACIL will create platforms for member-to-member communication. We will also tackle the obviously overdue revision to our web site. All these moves are directed at improving communication, providing better service and creating conduits for mutual support. Once again, the Annual Meeting will incorporate strong elements of Business Practices that made Nashville such a success.

ACIL is much stronger and more influential when it is supported by a well managed and effective team of professionals. For the first time in a very long time, we now have the internal structure and leadership in place that will drive the "new" value proposition for ACIL. I am exceedingly pleased with the Bush-Bright team and confident that we will move far beyond an excellent beginning.

From the Editor

Below are brief presentation synopses from the ACIL 72nd Annual Meeting in Nashville. At the end of each article is a link for members to the speakers' visual aids.

Horizon Planning

Contemplating a business exit strategy? Tom Chiappetti explained how to increase the value of your business to maximize your harvest. His key points: begin planning 5 - 7 years in advance, and heed the advice of your Horizon Advisor Team, your attorney, accountant and insurance broker. In just 1 day, you and your team can develop your horizon plan.

Remember, you must delegate to achieve value to others, so identify key employees to carry on when you are no longer involved. Create incentives to keep these employees interested and focused (e.g., holdbacks, deferrals). Use insurance to

(Wyoming Analytical Labs). Also, condolences to Ray Klouda (Elite Electronic Engineering), who lost his wife, Joyce.

Congrats to Our Golfers

Winners at the Gaylord Springs Golf Course, competing at the 72nd ACIL Annual Meeting in Nashville, were:

Winning Team - Steve Vanderboom, Ron Harris and Greg Schmidt

Second Place Team - Tom Zierenberg, Richard Bright, James Nokes and Debra Hicks

Longest Drive, Female - Debra Hicks

Longest Drive, Male - James Nokes

Nearest to Pin - Matt Macy

Atlantic Testing (ATL) Honored for Safety

ATL operated without a lost time accident for over 1 million hours, earning recognition from the National Safety Council in September for this significant achievement. ATL provides testing and other professional services to architectural, engineering, commercial and industrial clients; contractors; and federal, state and government entities.

plan for risk, such as health issues or losing an owner or key employee. Keep access to outside capital to support your business in hard times, remembering that the highest rate of return is in your business.

Other components that increase the value of your business include having a strategy for growth, documented procedures, adequate cash flow, a specialized niche and a diverse client base. To access more information on this presentation, [click here](#).

Survival in The New Economy

Denys Oberman provided tons of ideas on ways to develop business in this recessionary economy, both from new sources and from current clients. Oberman suggested leveraging current clients to sell them more and minimize the huge investment required to win new clients. "Reset" your business approach to determine and meet your clients' perception of value, so you can partner with customers; instead of taking orders, help clients solve problems.

Take your core competencies and develop new products to sell to your current clients. Package ideas into products, which can be sold at the front end or mid-stream points in the client organization. For example, organizations are downsizing, especially in G&A. This lack of depth creates risk. Laboratories could assist these organizations with scenario planning.

New markets for laboratories mentioned in this presentation include emerging countries concerned with public health, future money from the 2009 American Recovery and Reinvestment Act, testing related to sustainability (e.g., LEED certification for construction of public buildings), food testing to trace genetically-modified organisms and upcoming testing for nanotechnology and toys. Also, to be viable, make sure your laboratory is involved in at least three different markets.

PerkinElmer Releases New Application Notes

To access PerkinElmer's latest library of Application Notes released on October 28, 2009, [click here](#). The notes cover applications for children's product safety, environmental, food and beverage and semi-conductor applications.

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Pace Analytical Services,
Inc.

PerkElmer

Retlif Testing Laboratories

To view Oberman's complete presentation, [click here](#).

Generate Profit with B2B Credit

Abe Walking Bear Sanchez provided an amusing account of how to use credit to improve your profits. His novel approach treats credit as a sales function, analyzing customers in arrears to identify those who deserve to be extended additional credit versus those who are likely to result in a loss.

He recommends having sales people acquire credit information to minimize redundancy. To understand your customer, and make an educated decision about whether to extend credit, have your sales force learn how your customer does business. Create flexible terms to approve the largest number of customers and expand your business.

If you have unused capacity, loosen credit to attract more customers. Price your services to make more profit on riskier sales. This compensates for any additional losses incurred and improves your bottom line.

Typically, 70% of customers are in arrears due to systems problems, which slow down payment. Keep selling to these customers. But send customers with serious financial problems or those simply avoiding payment to your collection agency or attorney.

For additional information on this presentation, [click here](#).

Social Networking

Using Twitter, Facebook, Linked In, e-zines and blogging can enhance your marketing efforts and increase your company's exposure. In August 2009, according Lauren Klouda (Elite Electronic Engineering), Google changed their algorithm, so that your company's optimization will improve if you link your website to social networking sites. This is

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true of other search engines as well.

While Brad Dawson from LTV Dynamics found that most ACIL members were already using Linked In and Facebook, the goal is to use as many platforms as possible to maximize branding and get your audience engaged. Identify which links in your message are clicked, so that you can learn what interests your prospects and begin a dialogue with them. Well received messages have over a 30% open rate.

Another way to engage your audience, ask for a response when blogging. Keep your blogging active, so that people can find you. Use provocative titles to improve response to your electronic messages, and send no more than two messages per month. For stronger distribution, use e-zines to deliver your message.

According to Hans Keil from PerkinElmer, who has used Internet marketing since 1995, future customers will expect social networking. But you need rules to engage to ensure that your company is properly represented. To look at sample rules from SESCO, [click here](#). Keil also recommended using Google Analytics on your site to measure referrals. Using Google Trends, you can learn how often people search certain subjects.

Mike Violette (Washington Laboratories) moved to social networking when his e-mail messages began receiving fewer responses. He is using video messaging to help with branding. Inviting customers to be videotaped, helps with marketing. Look for a future ACIL program on allocating resources to get the most out of social networking.

To view individual presentations on this topic, click on [Brad Dawson](#), [Hans Keil](#) or [Mike Violette](#).

Employee Morale and Motivation

According to Joel Cullum from SESCO, the employee-supervisor relationship determines morale, while motivation is

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internal. Good morale does not ensure productivity, but poor morale leads to low productivity in the long run. Since the relationship with the supervisor is the main quality that the company can control, train supervisors to minimize turnover and keep morale high.

On motivation, businesses must establish the environment to enable motivation, since we cannot motivate others. Specifically, honesty is the top quality employees want from a leader, competency is second. If you use personality profiles to make hiring decisions, Cullum recommends Inscape DISC instead of Myers Briggs.

To view Joel Cullum's presentation, [click here](#).

A CFO's Perspective

UL's response to the recession included keeping their workforce, and continuing to invest in their business and focus on growth in 2009, according to CFO Michael Saltzman. They planned for the worst, controlled spending and communicated openly with their employees, which kept morale high.

Saltzman thought the laboratory business fared well in this economy, outperforming others. The industry has good cash flows, strong organic growth rates and attracts private equity investment due to its diversity. Acquisition has slowed because it's difficult for buyers and sellers to agree on company value in this economic climate.

He sees room for consolidation and a role for smaller companies moving forward, but does not expect high growth in 2010 and questions looking at projections greater than 3 years. He divides the testing business into commodities for simple tests, and services for complex tests requiring complex interpretations.

Laboratory Modernization

Dave Kliber (S-F Analytical Laboratories)

upgraded his facilities and saved money in the process. His new laboratory tripled its throughput, doubled its room for employees and reduced energy costs while only increasing square footage by 30%. This resulted in their best year ever with sales up 7%.

Other benefits included an improved location, scalable rooms to accommodate future testing, separation of air between departments to improve testing integrity and increased media exposure. Kliber was even able to negotiate reduced real estate taxes with his locality. His advice: allow customers to drive the construction and develop a plan to remain operational during construction. For more information on this presentation, [click here](#).

Wellness

In response to rising health insurance premiums, Minnesota Valley Testing Laboratories (MVTL) embarked on a wellness program resulting in only a 6% rise in premiums with 80% enrollment from employees. Wellness programs focus on lifestyle changes to help prevent chronic illnesses, which comprise 50% of health care costs.

Colleen Skillings (MVTL) detailed the MVTL program, which involved paying for health screenings for employees and spouses as well as \$20 incentives to get screened and have blood work done. Results were reported to the company in aggregate terms to ensure privacy. MVTL also formed a Wellness Committee, which planned events like a Turkey Trot to support the program.

Disaster Preparation

After his military customers began asking Walter Poggi (Retlif Testing) if he was prepared for a pandemic, he decided to create a plan that covers a multitude of disasters. He hired Strategic Planning Partners (SPP) and 14 months later completed the plan. According to Poggi, be sure to prepare your employees (e.g., test the plan) and do not depend on police

assistance.

You may be able to negotiate an insurance premium deduction if you have a disaster plan in place. You can even use the plan as a marketing tool to differentiate your laboratory from others. Also, investigate your business interruption insurance policy. Most plans only cover a complete shut down. Ask questions to learn if the coverage is enough to carry you, or covers a partial disruption in operations.

To view Walter Poggi's presentation, [click here](#).

Committees and Sections

Environmental Sciences Section (ESS)

At the Nashville meeting the ESS reviewed its working group's strategic vision for the section, drafted a new strategic plan and action plan to implement the strategic plan. Final adoption will happen at the November 18th teleconference at 11 a.m. EST to give everyone an opportunity to review and comment on the draft plans. The section discussed ACIL's important long standing participation on EPA's Environmental Laboratory Advisory Board (ELAB). An article will be prepared for the next ACIL newsletter describing ACIL's participation in ELAB. In addition, Steven Vincent (Columbia Analytical) identified a new issue with Department of Transportation rules, effective January 1, 2010, that seems to make it more difficult to send water collection containers containing acid by air to field sampling teams. ACIL will investigate this issue and report back to the section.

Construction Materials (CMET) Section

Also meeting in Nashville, the CMET Section discussed their 2010 work plan with Chair Jim Kuhn (Atlantic Testing Laboratories) to lead the strategic plan development for the section. Section members will update ACIL laboratory specification and other documents to applicable current standards. The section

continues to focus on outreach to federal agencies including the Federal Aviation Administration, the Army Corp of Engineers and the National Institute for Certification in Engineering Technologies, and is planning meetings in conjunction with the ACIL Mid-Winter Meeting in February. NACLA will conduct a construction materials workshop at its training course December 1 and 2, 2009 at Indian Rocks Beach, Florida sponsored by the Laboratory Accreditation Bureau. Find more information and a [link to registration for this course](#) in this issue of the newsletter. The next scheduled section teleconference is December 9, 2009 at 2:00 p.m. EST.

Food Sciences Section (formerly MAC)

Highlights from the section meeting in Nashville included a review of 2009 achievements and, in particular, the section input to House bill HR 2749 on food safety, which passed earlier in the year and was endorsed by the section. Once the Senate begins to focus on the Durbin bill, the section will provide additional input. The section will devote its 2010 work plan to food safety activity. At the next teleconference on December 16, 2009 at 3:00 p.m. EST, the section will discuss the Senate hearings on funding for FDA and the state laboratories.

Conformity Assessment (CAS) Section

In Nashville, the section reviewed 2009 achievements, including revitalizing the PT program and publishing the e-newsletter "EMC Standards Alert." To accelerate the new PT Program, all EMC members of the CAS will receive one free PT. The York CNE III artifact will be used for the round robin. As part of the CAS 2010 work plan a web-based interface for data entry from PT round robins will be developed. The section will also pursue a calibration discount program for members for calibration of antennas and other EMC-related equipment. This will be discussed further at upcoming teleconferences. The next one is November 25 at 11 a.m. EST. A survey is under consideration for laboratories to determine what products they are testing as part of the outreach to

the TCB.

Note: *The CAS members would like to acknowledge Don Sweeney of DLS Electronic Systems, Inc. for his generous sponsorship of the first six issues of "EMC Standards Alert."*

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