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2021 Annual Report

Guiding THE WAY

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Guiding THE WAY

AREA EMPLOYERS SHARE LESSONS IN LEADERSHIP



"Don't Give Up the Ship."

It's one of the most iconic flags in U.S. history but also a symbol of pride for those who live and grew up in Erie, Pennsylvania, home of the Brig Niagara.

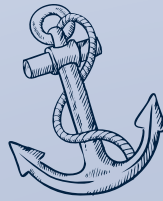
This dramatic rallying cry was reportedly the last utterance of Captain James Lawrence as he lay dying aboard the U.S. frigate Chesapeake during the War of 1812.

Most notably, his friend and fellow commander, Oliver Hazard Perry, made this personal battle flag during the 1813 Battle of Lake Erie.

Perry became known as the "Hero of Lake Erie" for leading American forces in a decisive naval victory over the British. His leadership aided the successful outcomes of all nine Lake Erie military campaign victories, and the victory was a turning point in the battle for the west in the war.

Now, more than 200 years later, the Flagship City is not only recognized for its rich maritime history but also for its ties to manufacturing and industry, which led to the founding of the Manufacturer & Business Association in 1905. Today, Erie's thriving business sector includes everything from technology and manufacturing companies to insurance and health care, banking and more.

In this year's Annual Report, the *Business Magazine* talks with several "captains" of industry and MBA members on the lessons they've learned when it comes to their leadership journey and organizational success — and how it guides the way.



Learning to Lead

The path to leadership isn't always smooth sailing and from what we've heard from our area leaders, they couldn't agree more. Some were inspired at an early age, while others gradually gravitated to leadership roles, cultivating their own leadership styles.

Take, for instance, John Pellegrino Sr., P.E., one the most respected leaders in manufacturing in northwest Pennsylvania and president and CEO of North East, Pennsylvania-based Ridg-U-Rak, Inc., which is one of the largest pallet rack and storage rack manufacturers in the United States. Pellegrino who grew up in the Warren-Forest County area was inspired to become an engineer while watching his father and grandfather build the railways that would support the logging industry in rural Pennsylvania. When he spotted an engineer surveying a project, and clearly standing out among the laborers, he knew it was the job for him — and passionately pursued his studies to achieve his goal.

Today, Pellegrino and his management lead by setting an example. "The key to success of any organization begins with owners and executives who clearly and consistently embrace and emphasize the desired workplace culture. It is critical to lead by example. It starts at the top," he says. "It all begins by hiring bright people with personal traits that 'fit' the company culture, exhibit positive attitudes and strong work ethic, and a willingness to listen and learn."

One person who fits such a role is Mark Rose, director of Aerospace Operations for Parker LORD, a diversified technology and manufacturing company with locations in northwest Pennsylvania that develops adhesives, coatings, motion management devices and sensing technologies. Growing up, Rose always had an interest in math and science — and how things were made. He took wood shop and cabinet making in high school at Fort LeBoeuf, which spurred his enthusiasm and future as a "technical" leader. "I felt like there would be a point in time in my career where I could lead technical kinds of projects and provide mentorship," he says. "But early on in my career, I never really envisioned that I would lead a manufacturing operation on a broader scale."

Rose says that his leadership journey evolved over time.

He initially was very hands-on in his career, and it gave him the chance to understand the company's products and processes, and gain a better understanding of the employees' role in production. "It also helped me establish relationships with people and allow them to understand that I cared about them, our products and our processes," he says. "I've always considered myself as being engaged or participative. I have more of a balance now between still staying engaged, but also trying to develop others and allow them to get that hands-on experience."

Then, there's Jim Berlin, founder and CEO of Logistics Plus, a global logistics and supply chain solutions provider that he started in Erie with three employees and a \$120,000 purchase order from General Electric in 1996. Berlin describes himself as always being a bit "unique," although not necessarily always a leader. "Many times I was 'the man behind the man with the gun,' which is a great place to interact with leaders to see/learn how things work out," he says, "and to help develop your own leadership style by watching what works and what doesn't."

Known for his unorthodox-yet-effective leadership style, Berlin states, "I'm more of a big picture guy than a micro-manager. I believe that it's best to find good people, set the right tone and culture, and give them the freedom to be themselves. It's about setting the mission, not telling them how to achieve it."

In fact, the idea of being a "leader" wasn't even on Gary Schneider's radar growing up. The CEO of Howard Industries, an architectural sign manufacturer based in Fairview Township, says he never really considered the word "leadership" at all during the time he worked with his dad (Howard Schneider) at his sign shop or later with his dad and brother (Larry). "I simply knew I wanted to have a business and grow it as best I could," he says.

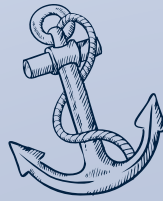
In the early days, as with most new businesses, Schneider says it wasn't so much "leading" as it was "surviving." "Each day that was the focus, gain more business, hire more employees, make payroll, pay the bills, along with managing the up and down periods all business owners experience at times, as recently evidenced this past 18 months during the pandemic,"



"The key to success of any organization begins with owners and executives who clearly and consistently embrace and emphasize the desired workplace culture. It is critical to lead by example. It starts at the top."

— John B. Pellegrino Sr., P.E.
Ridg-U-Rak, Inc.





“Communication, honesty and being true to your word — those are indispensable. But, besides that, I think it is assembling a group of people who enjoy what they are doing, and who they are doing it with, and just laying out the vision and the motivation.”

— Jim Berlin
Logistics Plus, Inc.



he explains. “My leadership style is to guide a team of even better leaders than me — who contribute their individual skills and attributes for the betterment of the company.”

Jim Stevenson, regional president for PNC in northwest Pennsylvania, considers himself fortunate to have had teachers and coaches who helped put him in positions where he could develop his skill sets, including leadership. “I’m certainly thankful to every one of those individuals who saw something in me that I didn’t necessarily see at that time,” he says.

Over the years, Stevenson has been exposed to many leadership styles, but describes his and PNC’s as “servant leadership” — putting the needs of employees first and helping people develop and perform as highly as possible. “We are there to really support and help our colleagues in whatever way is necessary to help the bank and those individuals do their best,” he adds. “At the end of the day, what I believe in terms of leadership is, if you attract the right people, provide them with the tools and training to succeed, and build an organization in which collaboration and teamwork are encouraged and promoted, individuals and teams can then flourish.”

For many leaders, cultivating leadership began well before they started their careers. MacDonald Illig Jones & Britton Managing Partner Russ Warner, for one, had a close-knit extended family, and everyone was encouraged to do their best in every endeavor. “My father would tell all of us: ‘It doesn’t matter what you end up doing for a living, if you become a ditch digger, then you should try to be the best ditch digger you can be every day.’ That emphasis on seeking excellence in everything you do led all of us to have leadership roles later in life.”

In his leadership role at MacDonald Illig, one of the largest law firms in northwest Pennsylvania, Warner sees his goals to be a consensus builder; to support others and help them achieve their potential; and to foster a culture where teamwork and excellence (both in the organization and as individuals) are highly valued. “I work at trying to be a good example, and to show respect and compassion for all those around me, regardless of whatever is their station or role in the organization or life,” he says. “I try to learn from my mistakes. And I look for the good in others; I’m an optimist at heart.”

Good to Great Leaders

Experts agree that effective leaders are the anchors of any great organization, often possessing a powerful mix of humility and ambition — not for themselves, but for their organizations. The area leaders we spoke to share other qualities as well.

“Communication, honesty and being true to your word — those are indispensable,” says Berlin. “But, besides that, I think it is assembling a group of people who enjoy what they are doing, and who they are doing it with, and just laying out the vision and the motivation.”

For 30 years, Berlin has been sharing a Thought for the Day of people who inspire him — everyone from Socrates to Dr. Seuss. “I work with, and have worked with, some very smart people,” he explains. “I try to learn from all of them. I watch how folks like Dan Lynch at GE, and Fred Rizzuto or Gretchen Seth at Logistics Plus dealt with a person, or an issue, and learn from that. But I’ve also worked with some very dumb people and, honestly, I try to learn from them too.”

As many leaders can attest, part of being a great leader is also being a great listener. “I think that allows you to hear the concerns of your employees, to hear the concerns of your customers, to hear the concerns of your suppliers,” explains Rose. “You can weigh ideas, input, and make a better informed decision. You also need to be patient, not indecisive, but weigh the facts, and then make a decision in the best interest of the business at hand.”

Rose says he was inspired by Bernie Farabaugh, a retired LORD plant manager. “He was a great mentor, a great sounding board, and very experienced. He taught me lots of things — how to listen, how to get people engaged, how to communicate — and it had a big influence on me.”

Being knowledgeable in whatever field you’re working in is certainly important to any leadership role too. “You don’t necessarily have to be the smartest person or the most technically sound, but you have to be knowledgeable,” adds Stevenson. “I think particularly in today’s environment, the ability to promote a culture of inclusivity where diversity of thought is valued also is a critical piece. But in my view, probably the most important consideration is the manner in which a leader deals with adversity on both an individual



and a team basis, because the folks around you are going to notice. So how you conduct yourself, how you manage through those more challenging periods, speaks to ultimately how a leader is viewed.”

At PNC, Stevenson has been fortunate to be inspired by mentors, including Marlene Mosco who led the northwest PA market for 16 years prior to him assuming the role in 2016. He also points to PNC President and CEO Bill Demchack, who has led the bank through strategic acquisitions and technological innovation by being inclusive in which everyone’s views are valued.

As an athlete, Stevenson also was inspired by Boston Celtics’ legend Larry Bird. “He’s not the most athletic player, but he overcame some of his shortcomings and positioned himself and his teammates in the most challenging and on the biggest of stages to perform at the highest level,” he says. “We could still learn a lot from what and how he conducted himself, how he handled himself and how he can engage with his teammates.”

As Warner suggests, a great leader is one who earns people’s trust and respect, has integrity and puts the interests of others above their own. A great leader requires teamwork and is a team player himself/herself. Equally important: Being a mentor, a coach, and a friend; having emotional intelligence.

Warner says Bob Miller, the founder of Better Baked Foods in North East, was a great inspiration to him and everyone lucky enough to get to know him. “One of his mottos was: ‘Do one more — one more kind deed, run one more mile, one more push-up, give one more minute, one more hug, one more kiss. Go above and beyond what is expected.’ Bob’s enthusiasm, drive, and positive outlook, combined with his compassion for others, was truly contagious and motivated everyone around him to want to do their best,” he says.

Schneider knows the value of perseverance and recognizing other leaders when it comes to leadership. “You can’t run a business alone,” he says. “You need skilled and invested employees who are focused on adding value to the company and, in turn, receiving value from their efforts. I’ve always tried to apply the adage, ‘surround myself with people more talented and smarter than me.’”

Schneider admires how entrepreneur Paul Ackers started his own small business and as a means to grow and solve his companies many challenges, applied the concepts of Lean Manufacturing and Toyota Production System (TPS) as a solution. “As a result, he became an expert in Lean and has gone on to have an equally successful career as an author and teacher of Lean processes and as a Lean consultant,” he says.

In his experience, Pellegrino believes good leaders exhibit a relentless focus on customer service and operational integrity. “This is critical to long-term success,” he says. “Embracing positive attitudes, emphasizing effective ‘we’ teamwork, treating people with respect, recognizing, and sharing in the success of the company and providing the support and tools employees need to be effective are the foundation to building an outstanding workplace culture.”

Pellegrino who served his country proudly during the Korean War, has many inspirations when it comes to leadership, but has cited General Douglas MacArthur, one of the greatest leaders of all time. Douglas said, “A true leader has the confidence to stand alone, the courage to make tough decisions, and the compassion to listen to the needs of others. He does not set out to be a leader, but becomes one by the equality of his actions and the integrity of his intent.”

Lessons Learned

Being a leader is bound to bring challenges, but leadership during difficult times — or rough seas — brings its own unique set of obstacles and lessons. As American businessman John D. Rockefeller said, “I do not think that there is any other quality so essential to success of any kind as the quality of perseverance.”

During the pandemic of 2020, government restrictions forced the majority of businesses to shutter or limit in-person operations. For many, the experience tested the limits of leadership unthinkable a year earlier.

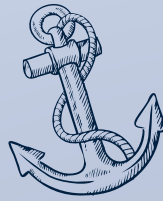
Berlin, whose Logistics Plus team helped get personal protective equipment to front-line workers and area businesses, rallied alongside them, unloading planes and packing trucks to get equipment to where it needed to go.



“Nobody could have predicted what necessarily has transpired, but the flexibility to adjust is critical, as is empathy. In addition to a changing work environment, a lot of folks dealt with real challenges on a personal level. As leaders, I think it was critical to demonstrate a level of understanding as we supported our colleagues and teammates during such an unprecedented time.”

— Jim Stevenson
PNC





"I had a mantra to focus on the positive. Let's look at the blessing we do have. Let's look at what is going well, and let's celebrate and appreciate that."

— Mark Rose
Parker LORD Corporation



"Something I remember that Jack Welch said once, during the economic downturn in 2008-2009, was, 'You can crawl under the bed and suck your thumb, or you can deal with it.' That struck home then and rang in my head when the pandemic hit," Berlin says. "Jack Welch has provided me with lots of leadership lessons over the years."

At Parker LORD, Rose said his focus was to set the tone for his team. "I had a mantra to focus on the positive. Let's look at the blessings we do have. Let's look at what is going well, and let's celebrate and appreciate that. But through COVID, we had to be consistent," he says. "As a leader, I had to set expectations to be safe. If that meant we're going to clean our workstation, wipe it down at the end of every day, then that's what we had to do, and I had to do that."

"If that meant we wear masks with no exceptions, that meant I wear a mask with no exceptions. If we socially distance in the lunchroom and we do one chair per table, I need to follow that. I need to set an example. We took many, many safety precautions, and by and large I think all were well followed and well respected."

Rose acknowledges that some of things weren't always popular, "but I think if you explain why and then you demonstrate it and you set the example, that people appreciate it."

At MacDonald Illig, Warner says one of the biggest lessons was, "How so many people do truly rise to the occasion in times of great crisis, and how much they can accomplish and overcome — even during the worst crisis — when they work together, maintain some flexibility and patience, and keep their focus during the storm."

As Schneider points out, a good leader needs a great team to support them. "That support will allow a business to adjust, adapt and implement the change needed to address whatever daily challenges are placed in front of you," he says.

Stevenson echoes those sentiments. "Nobody could have predicted what necessarily has transpired, but the flexibility to adjust is critical, as is empathy," he says. "In addition to a changing work environment, a lot of folks dealt with real challenges on a personal level. As leaders, I think it was critical to demonstrate a level of understanding as we supported our colleagues and teammates during such an unprecedented time."

Pellegrino, like many of his counterparts, was proud Ridg-U-Rak was able offer some economic stability to the community during the pandemic — as it always has.

At Ridg-U-Rak, "We are focused on our business one day at a time... but with a keen eye to our future and a willingness to adjust and adapt, as the winds of change evolve as they have for many years."

Developing the Next Generation of Leaders

Many area leaders agree that a perfect storm or crisis, such as COVID-19, can reveal the strength of leadership in an organization. But it can also highlight what is needed in the next generation of leadership as well.

According to Berlin, when Logistics Plus looks for leaders, it looks for those who excel in communication skills, problem solving and being good with people.

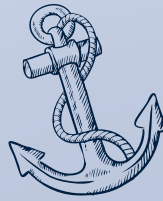
"It's not via resume or degree," states Berlin. "We have leaders in our company who manage \$30, \$40, \$50 million dollar 'businesses' under the LP umbrella. Almost none



"In a small business, it's not hard to see who offers/contributes something more than is expected or who shows more interest, offers more time, or applies more effort. It does not matter gender, age or experience, that 'more' indicates the potential of an individual's character for leadership waiting to be developed."

— Gary Schneider
Howard Industries





“Be a lifetime learner. A very wise person once told me: ‘If you’re the smartest person in the room, then you’re in the wrong room.’”

— Russ Warner
MacDonald Illig Jones & Britton, LLP



of them have MBAs. (They do have PhDs though — poor, hungry, driven).”

Berlin explains that several of Logistics Plus’ leaders came from food service industry (and they were store managers, waitresses or bartenders not executives). Why? “Because one thing I have learned in life is that business, in the end, is all about people, especially a service business like we are in,” Berlin says. “And what better lesson in dealing with people and communicating and making friends, than working at a bar, or resolving a customer’s issue who thinks their steak is too well done ... You learn how to solve problems and to make the customer happy, or at least feel like their problem was addressed.”

Berlin’s advice to future leaders: Communication and learning. “The service business should be easy. You solve people’s problems with courtesy and respect, but it is so rare these days,” he says. “Just doing that will win you customers and fans, and by doing that others will follow your lead (thereby making you a leader).”

When it comes to identifying future leaders, Parker LORD has a more formal process tied to its succession planning. Monthly meetings are held to review new and emerging leaders — those who are up and coming talent. It’s an established frequency of review, and gives people visibility at higher levels of leadership. They are typically engaged and communicate well, and carry projects from start to finish.

Rose’s advice to those potential leaders: Listen well. Be eager to learn. Volunteer or take on a project or be part of a project to learn something. “The more skills you acquire and the more experience you get, the more engaged you are,” he says. “There is a wealth of knowledge, especially if you can gain that knowledge from individuals that could be retiring or could be transitioning into a new role. It gives you an opportunity to take on skills that you can display next week, next month, next year in your own career.”

At Howard Industries, the company utilizes a standard performance review process for gauging potential leaders. “However, in a small business, it’s not hard to see who offers/ contributes something more than is expected or who shows more interest, offers more time, or applies more effort,” says Schneider. “It does not matter gender, age or experience, that

‘more’ indicates the potential of an individual’s character for leadership waiting to be developed.”

His advice to the next generation of leaders: “Be open to doing more than is expected of you, and you will stand out to others and succeed in all you do.”

At Ridg-U-Rak, continued success is accomplished by creating a positive work environment and emphasizing continuous high-performance levels to its customers. “Through investment back into the company, coupled with a positive culture and empowered employees, you have the foundation for success,” says Pellegrino. “Now, leaders can set goals and objectives, get out of the way and watch success happen.”

At PNC, Stevenson says he is looking for individuals who are excellent in their performance in their current functions and how those same individuals engage with colleagues and clients within and outside their business teams and units. Equally important is self-awareness in how they carry themselves, both within the bank and outside of the bank, and how they do in terms of leading either small groups or accepting and managing tasks when given additional responsibilities.

Stevenson’s advice for future leaders: “Strive for excellence. Actively seek and identify others in leadership positions whose styles and approaches may appeal to you. Engage with people whose backgrounds and experiences are different than yours and be thoughtful around identifying core principles that will guide you during both good and challenging periods. Stay true to yourself because teammates and colleagues will and do notice.”

As Warner explains, MacDonald Illig identifies future leaders by putting them in roles and situations where they will have the opportunity to learn, grow and be challenged. “Expose them to good role models and to a variety of new and more difficult experiences, and empower them by giving them more responsibility in an incremental way.”

Warner’s advice to the next generation of leaders: “Do the right thing — even when it is the most difficult thing (which it often is).” He adds, “Be a lifetime learner. A very wise person once told me: ‘If you’re the smartest person in the room, then you’re in the wrong room.’”

And, much like Oliver Hazard Perry: Don’t give up the ship! ■