

LEADERSHIP PROFILE

Frank Falatyn
President, FALA Technologies

A Life in Manu



HV Mfg sat down with Frank Falatyn, president of FALA Technologies, to discuss leadership and workforce development as well as the challenges and opportunities faced by his, and other, advanced manufacturing firms in the region.

HV Mfg: You have been involved in manufacturing for a long time, most recently as owner and president of FALA Technologies; how did you get started in manufacturing?

FF: I have lived in a manufacturing world my entire life. My earliest memories are of playing with toy soldiers and this huge wooden fort at my grandmother's house and being told that my father made them. As I grew up, my dad told me stories and showed me the various places around Kingston where he worked – first making those toys and then, during WWII, while still in high school, making all kinds of metal machined parts.

Despite his being only 16 years old, two men much older than he was recognized his talents and asked him to join them in starting a manufacturing company to be called Ulster Tool and Die. I grew up

hearing all these wonderful stories about how they started the company, borrowed money from family members, put every cent they earned back into the business and built a company. They were the startup entrepreneurs of their day. And they worked hard. Not just at the shop, but also at home. When something broke, my dad fixed it. Without really thinking about it, I became that kid in the neighborhood who could fix things—all my friends brought their bikes to me to repair—and I took pride in that. Then, as I got older, I started working at my dad's shop after school and during the summer. While I never planned to be in the family business long-term, I did find out early that I liked to make things.

HV Mfg: Sounds like there were a number of people who played a positive role early in your life. Aside from your father, are there any others who stand out?

Yes, so many great people influenced me. One of the most significant

facturing



was Doug Whittaker, my boyhood Scoutmaster. Doug and the scouting program taught me important life skills by “doing”. As a young scout they taught me how to plan and get organized for a campout or a hike. Then they taught me how to work together with others as a team—they called them patrols—to overcome problems when camping or hiking. Next, I got to lead others by being the head of a patrol and then, later, of the entire troop. All along the way, while I thought I was doing it because it was just fun, Doug was teaching me how to be a leader. My dad and Doug had a profound influence on my life. I use what they taught me every day here at FALA.

HV Mfg: Your degree is in chemical engineering; did you always want to be an engineer?

It may be hard to believe but, from a very young age, I always wanted to be an engineer. My grandmother told me that when the men who asked my father to start the company with them came to the house to ask my grandfather’s permission, my grandfather said yes, but on one condition...

they had to let my dad get his engineering degree. And he did. If my dad and my grandfather said engineering was important, then that’s what I wanted to do. As a kid, the way you make decisions is not always the best way, but in this case it was. I went to Kingston High School and did pretty well in math and science classes but really took a liking to chemistry so, when the time came, I went to Lehigh University to study Chemical Engineering. After I got over the initial shock of how difficult it was, compared to high school, I did pretty well.

HV Mfg: Don’t be shy; by pretty well you mean what?

Well, I finished first in my class, which opened some doors for me with the faculty and co-ops and such. My professors liked me and they all were asking me to be their research assistant. I kept turning them down and said that I really wanted to work in manufacturing. The head of the department then helped me get a co-op assignment with Dow Chemical, which allowed me to switch, each semester, between working and going to school. I loved it. I got to work in R&D one time, in equipment engineering the next, and my last assignment was helping to run a chemical manufacturing plant. When I graduated college, I knew that was what I wanted to do, run a chemical manufacturing plant. And I did, I made plastics for GE in Indiana. It was a great job. However, living in Indiana is not the same as living in the Hudson Valley. I really missed all the outdoor and cultural activities of living here. So I came home and joined the family business.

HV Mfg: Tell us about your company. How did Ulster Tool & Die become FALA Technologies?

Our company has had several near death experiences in its almost 70 years of doing business. The best way to explain how we got to where we are today is to talk about those experiences. When my father started the company, they named it Ulster Tool and Die because making tools and dies was the hardest, most precise work you could do. Coupled with my dad’s engineering background, the company became known for doing development work and hard-to-do jobs for customers up and down the Hudson Valley. In the 60’s and 70’s, as IBM grew in the Valley, the company essentially became an extension of IBM’s tool room. Each time IBM developed new processes for making semiconductor chips, we helped them make equipment to do their R&D and build their custom production equipment.

Then, in the mid 1980’s, my father suddenly passed away from a heart attack. My brother John and I took over the company just as things were getting very difficult in the industry. John and I were both engineers and we both worked in the shop. At that time, computers were just starting to be used to control equipment and we were running these new machines. We both knew how to make stuff, but knew nothing about running a business. We didn’t know how to price jobs or schedule work or anything. It was a sink or swim way to learn how to run a business. Fortunately, some of the folks at IBM were very patient with us and helped us stay afloat. Working day and night, we kept the company going. We learned fast.

The second near death experience came a few years later, when IBM downsized in the early 90’s. At the time, IBM was 80 percent of our business and, almost overnight, they became next to zero. To stay in business, my brother and I decided to reinvent our company. We could not survive anymore as just a machine shop making parts from IBM prints. IBM got rid of most of their design engineers and demanded that their suppliers provide everything from design to builds to equipment startup. We dropped our old “Tool and Die” name and rebranded our company as FALA Technologies. We bought an empty IBM warehouse

“I look for people who have a passion to make things, who like to do something different every day, who like to learn, who “own” and take pride in what they make.”



in Kingston that was four times the size of our old shop and built out an engineering and assembly area, including a cleanroom. We started making parts from FALA prints, working with IBM and others in the semiconductor industry to improve their equipment, and we diversified into other industry sectors as well.

Finally, a few years after all this happened, my brother John passed away. He was the sales and marketing guy for FALA, sort of the “outside” guy to me being the “inside” guy. With him gone, I needed to step up and keep that side of the business going. It was hard on many levels, but people here were counting on me, so you just make it happen.

HV Mfg: Like you, John was a good friend of the Council of Industry. He was on our Board when he passed away and you ended up replacing him on our Board.

You have heard me tell this story many times, and it is true. After my brother’s funeral and after my meetings with staff and customers, my next call was to the Council of Industry. I knew that taking his place on the board was my best way to work with others in manufacturing. I needed to know what they knew. Those first years on the Board I learned a lot and received a lot of support. And that is why I still stay very active with the Council. Manufacturing is a life of constant change.

HV Mfg: What do you look for in a manager or, for that matter, any employee? What type of person do you want on the FALA team?

I look for people who have a passion to make things, who like to do something different every day, who like to learn, who “own” and take pride in what they make. I like people who are technically proficient —like to roll up their sleeves to work on projects—but also aren’t afraid to lead others to do the same.

HV Mfg: What do you think makes a good leader?

Well, pretty simply, it’s recognizing what needs to be done and getting people to do it. For me that means recognizing my own strengths and weaknesses, holding on to the roles that play to my strengths and delegating the things that play to my weaknesses. With that said, it is important to have a team in place with a broad range of talents and put them in situations where they can be successful.

HV Mfg: Looking ahead to the near future, what are your biggest challenges?

Workforce: finding skilled workers and people who like to work with their hands and minds to solve problems. I have terrific people working for me, but they are getting older and I can’t keep them here forever. We need to develop a pool of talent to work in our small manufacturing companies or we will be forced to move, or outsource, or even close. FALA competes with companies that are located all over the world, 40 percent of our business is overseas. We compete with firms in countries with very different cost structures than ours. Our people are our edge. If we lose that edge we can’t compete.

HV Mfg: What are the opportunities?

There are opportunities for companies like ours that are capable of custom manufacturing complex electro-mechanical parts, products and complete machines. I have recently re-missioned FALA to be the company customers go to for “manufacturing excellence” solutions. I am very afraid that our country is, in general, losing its manufacturing ability. The quality of work we get from our subcontractors, many of whom we have worked with for 30-40 years, is getting worse each year. The older generation has a wealth of manufacturing know-how that is not being transferred to the next generation. That is bad for FALA and bad for this country.

HV Mfg: You speak with a great deal of passion about developing the next generation of manufacturing workers. You are Chairman of the Ulster County Workforce Investment Board, Chairman of the Council of Industry's Workforce Development Committee; you are on the Hudson Valley Pathways Academy (our local P-TECH) steering committee. What drives this passion? Are you seeing any progress?

I guess survival can be a powerful motivator. I truly fear for the future of my company if we do not cultivate new talent. If we don't get young people in soon to work alongside my current workers – who I consider to be extremely skilled and talented – we will lose all their accumulated knowledge. I got my start—I'll never forget this—I got my start working alongside a gentleman by the name of Lou Napolitano in my father's shop. Lou was a brilliant machinist, he could make machines sing. I learned so much just watching him work his magic. How can FALA be the epitome of manufacturing excellence without excellent manufacturing workers?

Am I seeing progress? Yes, I am. It is rewarding to see so many people in academia and government and the not-for-profit sector recognizing the problem and coming together to try to solve it. The Council, P-TECH and BOCES, the Community College, the County Executive, our state and federal reps are all starting to work on the problem. But I think that we small manufacturers are doing a better job of getting out into the community and taking a leadership role on this issue. We need to tell people what we need if we expect them to deliver it and we're starting to do that.

HV Mfg: You have had a long and interesting career in manufacturing; any thoughts of retirement?

Folks like me, who love manufacturing, I don't think will ever retire. I have a few toolmakers in their late 60's and early 70's who are still working part time at FALA. Not because they have to, but because they truly enjoy making things, they take pride in their work and they want to pass it on to others. If there is one thing that I would like to accomplish it would be to find other folks— students, part-timers, those who are not satisfied with what they are doing and want to change careers—who have that same desire to make things and be good at it. They are out there. We need to find them, train them and make them into our next generation of manufacturers.

HV Mfg: You have been involved with the Council of Industry for many years. You serve on our Board and were President of the Board a few years back. What is the Council good at, what can we do better for our members?

The Council has been a great resource for FALA and for me personally. The first thing that immediately comes to mind is the knowledge that I'm not alone; I guess you would call that networking. Knowing that there are other small manufacturers facing the same issues is comforting, and the Council has been great at getting us all to work toward common goals. I guess we call that advocacy. The Council's work to form P-TECH, the training and energy consortiums we do, and formation of the Statewide Manufacturers Alliance—which has brought us an even stronger voice in Albany and Washington DC—these are things that make a positive difference for FALA.

What can the Council do better? I'm going to say we need to reach out to get more of the manufacturers in the region on board with what we are doing, build our strength in numbers so that our voice is even louder when we speak and act on policy issues like workforce development.

DUTCHESS COMMUNITY COLLEGE



WORKFORCE TRAINING SOLUTIONS

- Computer Training • Management Development
- Organizational Improvement • Technical Programs

*Join the many businesses –
that have relied on DCC to provide quality,
affordable, customized employee training services.*

Call Virginia Stoeffel at (845) 431-8908 or visit
www.sunydutchess.edu/continuingeducation/training/

Hand Hygiene Where You Need it

Healthy skin and productivity go hand in hand.



PRO-LINK® Skin Care Products

- From mild cleansers
to heavy duty scrubs



PURELL ES™ Everywhere System

- Designed to fit your world



©2015. GOJO Industries, Inc. All rights reserved.



**A relationship built
on integrity and trust**

FIRST NIAGARA COMMERCIAL BANKING

You have the vision. Now you need a banking partner who can provide the necessary capital, insight, and commitment, to help you turn your brilliant idea into a shining example. From financing growth to purchasing assets to opening a new location, with First Niagara as that banking partner we can provide banking, lending and treasury management solutions customized to meet your specific needs. Your business will also enjoy the benefits of swift, responsive action, from a nimble neighborhood bank that knows the area as well as it knows the industry. So, let's do something great. Together. Today.

***For more information on Commercial Banking with First Niagara,
visit us at www.firstniagara.com/CommercialBanking
or contact Steven Hoffman, Business Banking Team Leader at 845-353-7461.***



MEMBER FDIC
First Niagara Bank, N.A.



**FIRST
NIAGARA**
Commercial Finance

BANK / BORROW / INVEST / PROTECT

Greenwich Excellence Award winner in small business and middle market banking. Based on the 2013 Greenwich Associates Commercial Banking Study, which conducted over 17,000 interviews with U.S. small businesses (sales of \$1-10 million) and nearly 14,000 interviews with U.S. middle market businesses (sales of \$10-500 million).