

Hazlow on right track with Alstom Signaling

The firm has more than doubled its workforce over the past four years

By VELVET SPICER

Alma Crain has doubled her staff since earning Alstom Signaling Inc.'s business. And she could not be happier about the arrangement.

"I can't begin to say what they've done for us," said the president of Hazlow Electronics Inc. about her nearly four-year relationship with the manufacturer of signaling products for railroads.

Hazlow, a Rochester company that provides engineering products such as wire harnesses, printed circuit boards and electronic assemblies, has grown from some 20 employees four years ago to just under 50. Most of that is a result of the Alstom business.

"When we first started doing jobs for Alstom, we'd never done transportation cables, harnesses and trays, and they're very difficult. They're very complex and very expensive parts that go into that," Crain said.

But to earn Alstom's business, Crain first had to file for Disadvantaged Business Enterprise certification through the New York City area's Metropolitan Transportation Authority, and then demonstrate to Alstom that she and her staff were willing to learn more about the signaling company's products and the quality standards required within its industry.

It was not an easy process.

"I first went to Alstom in Hornell and they had jobs for me, but I didn't have the certification," Crain recalled. "I waited many years for (the DBE certification), which should have taken 90 days or less."

The DBE program is a federally regulated program that is required on all federally assisted contracts. The program is overseen by the U.S. Department of Transportation and is designed to remedy ongoing discrimination and the continuing effects of past discrimination in federally assisted highway, transit and airport contracts nationwide.

The primary goal and objective of the DBE program is to level the playing field by providing small businesses owned and controlled by socially and economically disadvantaged individuals a fair opportunity to compete for federally funded transportation contracts.

The State Department of Transportation and the MTA are recipients of



Photo by Kate Melton

Alma Crain, president of Hazlow Electronics, has seen her business grow since working with Joshua Sanchez and Alstom Signaling.

federal funds and administer the DBE program on all federally funded transportation contracts. Alstom, whose customers include state and local transit authorities, seeks to meet or exceed the agencies' DBE goals by employing as many local DBEs as possible when seeking suppliers.

Ultimately, Crain went to New York City, where the MTA has its headquarters, and discussed the situation with leadership there. She received her DBE certification the next day, posted it to her company's website and was awarded the work with Alstom.

Joshua Sanchez serves as the supplier product quality development manager for Alstom's signaling business. It is his job to vet suppliers and ensure they follow Alstom's high-quality standards.

"I ensure that once they've taken the particular product that they're going to be building that all the checks and balances of the quality product are put into place," Sanchez said. "Then I ensure that systems are in line with the way we do business."

And while Sanchez finds many DBEs are willing and eager to work with Alstom, many do not have the skill-sets to meet the company's strict quality standards.

"I've taken a vested interest in DBEs because of how much we use them," Sanchez said. "One thing I've done is gone offsite and assessed their quality standards, and what I've done is make improvements to them to make

sure they meet what's needed for the contract."

A non-DBE supplier may have the skill-sets to meet Alstom's standards simply because the company has the funds to hire the right people, Sanchez said, but often he finds DBEs do not possess those skills. That was the case with Hazlow, he said.

"They do well making the product but because they're making this product for a safety environment, such as transit systems, there were a bit more steps that need to be followed," he said.

An audit of Hazlow's business found some areas in which the small company could improve its processes.

"The auditor from Alstom made suggestions. That was the best audit I ever had, even though I was scared to death," Crain said with a laugh. "We didn't have much in place and he gave us almost a year to implement some of these things."

Sanchez worked with Hazlow's quality group and established some points of continuous improvement on the inspection side of the business, including additional training and courses at Rochester Institute of Technology.

When Alstom and Hazlow first established a relationship, Sanchez spent three to four days per week at Hazlow's downtown facility coaching and training staffers on quality standards.

"I spent a lot of time coaching their quality manager when they came in," Sanchez said. "So it's pretty extensive

how much we have to work with a particular DBE. Once you've established a DBE and you've put this much time into them, you want to get that back. We want to make sure we profit from that."

What used to take days now takes just a couple of hours to accomplish, Sanchez said.

"That's how much their efficiency has grown in the last year and a half to two years," he added.

Alstom works with both DBEs and Minority and Women-Owned Business Enterprises. Like the federally operated DBE program, Empire State Development operates the MWBE program to encourage and assist state agencies to award a fair share of contracts to MWBEs.

"For rail car tracks that have state funding, the state would like to see that 30 percent of the work is executed by minority and women business enterprises," said Michelle Stein, Alstom's North American communications director. "The goal is to level the playing field of smaller enterprises who would otherwise have a disadvantage competing with larger, established firms."

The goal is important for Alstom, Stein said, because in addition to meeting state goals, the firm likes to work with local businesses and give back to the community.

One benefit of Alstom's work with MWBEs and DBEs is the smaller firms' ability to garner more outside work as a result of the improved standards and quality training that Alstom has provided.

Hazlow took part in IPC training on Sanchez's suggestion. IPC—formerly known as the Institute for Printed Circuits and now known as the Association Connecting Electronics Industries—is a trade association whose aim is to standardize the assembly and production requirements of electronic equipment and assemblies.

"There were two other companies that required IPC before Alstom, and I didn't have it and I lost one of them because of that," Crain recalled. "I can use this with other customers because I can prove that (employees) know what they're doing."

While Crain did not divulge revenues, she said the company has grown by roughly 50 percent since connecting with the signaling company, and some 40 to 50 percent of its business is with Alstom.

"I'm very excited about what we've done. It benefits the supplier to want to work with us," Sanchez said of the relationship Alstom develops with its DBEs and MWBEs. "Sometimes other companies benefit as well. Giving back to our community is extremely important. It's essential to who we are."

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