

FOCUS: SMALL BUSINESS

crain's small business

awards



Husky L.L.C./ Roseville

It takes hard work for a small business to succeed, especially when the odds of failing are so high.

One-third of new small businesses do not survive beyond two years, and about half do not survive past four years, according to the **U.S. Small Business Administration**.

The seven winners of *Crain's* 2006 Small Business Awards know about those odds, and about beating them.

These companies stood out among about 30 nominations because they had compelling stories about what they do, offer or have achieved.

For example, the president of Roseville-based **Husky L.L.C.** used his background in sales — earning commissions, to be exact — to come up with a way to increase efficiency: paying his tool-and-die employees bonuses for surpassing their goals.

Crain's will host an awards breakfast honoring the winners from 8-10 a.m., Wednesday at the Detroit Athletic Club, 241 Madison Ave., in downtown Detroit. Tickets are \$30 a person. For reservations, visit www.crainsdetroit.com.

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FOCUS: SMALL BUSINESS

Husky L.L.C./Roseville

Commissions for tool workers help profits

Richard Seleno, president of Husky L.L.C., has found an uncommon way to make his tool-and-die employees more productive — paying them commissions.

Roseville-based Husky makes parts for assembly-line robots and other machines. Since the company opened in 1997, Husky has used its "gain sharing incentive program" to track employee efficiency and pay bonuses to workers who exceed the company's goals.



Seleno

For instance, if an employee does a job in nine hours that usually takes 10 hours to complete, that worker

would receive extra money in his or her paycheck, Seleno said.

HOW-TO TIP: MAKING EMPLOYEES MORE PRODUCTIVE

Husky L.L.C. President Richard Seleno said it's important to create company goals that employees can strive to reach.

"Make sure the people involved in doing that job understand what the target is," Seleno said. "Then people can start to be innovative and suggest ways to achieve those results."

Make sure to provide incentives for employees who help the company meet its objectives, Seleno said.

"People want to do well individually," Seleno said.

Seleno said he got the idea for gain sharing from previous sales jobs where he was paid commissions. The program has helped weed out inefficient workers and retain employees who strive to do their best, he said.

"It helps us attract the .400 hitters, the guys that can outperform the majority of people in their trade," said Seleno, whose company has 18 employees and generated \$3.5 million in 2005 revenue.

Since 2001, Husky's productivity has increased by 18 percent and revenue has grown by 321 percent, which Seleno attributes in part to Husky's incentive program.

"It's made a huge difference," Seleno said. "We started with a marginal productivity factor. Right now, we feel that we have

one of the most efficient shops in the area."

The program also has become a sales tool for Husky, allowing the company to show customers how long it takes to complete a job and quote accurate costs for each project.

"Gain sharing, from a sales perspective, allows us to demonstrate with hard numbers that we're efficient, and it gives confidence that we're going to charge a fair price," Seleno said.

Despite the benefits of gain sharing, Seleno said it's Husky's employees who have made the company successful.

"They're the franchise," Seleno said. "I don't take any credit for how well we do other than putting a culture together that can achieve goals."

— Sheena Harrison

OPINION

Lighting competitive fires

Since 2001, a Roseville tool-and-die shop has increased revenue by 321 percent.

How? Richard Seleno, founder and president of Husky L.L.C., outlined the formula last week at Crain's Small Business Awards breakfast: He made each machinist accountable for his or her work, and if productivity and quality increased, so did the paycheck.

"We have report cards for each machinist," Seleno said in a panel discussion of award winners. Since adopting the "gain-sharing" model in 2001, productivity is up 18 percent, leading to the surge in revenue.

Now, the best machinists in the area are checking Husky out, Seleno said. But in adopting the new approach, his staff turned over 100 percent. "A lot of people aren't interested in being accountable," he said. "And some people walked out of their job interviews when we told them about our structure."

Imagine if Seleno's model spread to other shops or was embraced by unionized shops. Once individual employees are accountable for their production and competitive juices start flowing, could other companies see the same kind of results?