PHOTOS BY MARK MULVILLE

Buffalo Business First Made in Western NY Event at the Admiral Room in Buffalo on Wednesday, October 22, 2025.

Entrepreneurial mindset helps manufacturers hurdle challenges

The transformation underway in Western New York's manufacturing sector is giving industry leaders much confidence in the region.

Buffalo Business First gathered four such leaders to address their expectations of what that area of the economy will deliver in the coming years.

Panelists were:

- Elliott Ehrenreich, partner and co-leader of manufacturing industry team, Phillips Lytle LLP
- Elizabeth Galanis-Miller, president and COO, Sealing Devices
- Jacob Muller, market lead equipment, Stark Tech
- Gregory Urban, partner, tax advisory group, Dopkins & Company, LLP

Benjamin Rand, president of Insyte Consulting, moderated the discussion.

Manufacturing is a major economic cog in the engine in Western New York. There are about 1,500 manufacturers across the five counties in Western New York. About two-thirds of them are small, with 20 or fewer employees.

The higher growth areas include the computers and electronics sectors, where employment is up 40% and is expected to continue as semiconductor chip plants are built in New York state. Also growing is food processing manufacturing, which has grown in double digits, and chemical manufacturing.

Western New York manufacturers employ almost 65,000 direct workers in the five counties, an increase of 5% since 2020 at the height of the pandemic.

The data is skewed toward Erie and Niagara counties, however. Manufacturing employment in the past five years has lost ground in Chautauqua, Cattaraugus and Allegany counties, where manufacturing is a large segment of the economy.

Finding workers will continue to be a challenge. According to the State Department of Labor there will be demand for machine operators, industrial engineers and welders, among others.

"We've got over 10,000 baby boomers retiring every day in this country," Rand said, "so we're losing a lot of ground and experience, and it's been a struggle for manufacturers."

WORK FORCE STRATEGIES

Stark Tech's manufacturing clients are all struggling for welders, machine operators and other skilled workers, Muller said, and its own work force could use more field service technicians.

So the company developed individualized training plans that lay out a road map for the technicians' development and progression into their career. The company also leans on its marketing and sales teams to promote the interesting projects workers there are engaged in, Muller said. Its manufacturing clients do much the same, he said.

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Sealing Devices employs 240 and could use 20-plus more, Galanis-Miller said, but looked to reorganize its workforce rather than relying solely on hiring.

Company leaders took a closer look at its workforce and found that there were many skilled workers engaged in unskilled tasks. So they adopted the cellular manufacturing model and grouped skilled and unskilled workers into cells, and in doing so increased throughput by 40% just by changing the way manufacturing was done, she said.

Toward employee retention, the company opened a training center with a dedicated staff where new hires go through mock training and learn how to use a router and enterprise resource planning system and learn how to run a job.

"Then when they go to the floor they feel much more comfortable," she said.

Company culture also is a focus.

"We're a family business, and we have a very good culture. We want to make sure people want to be there," Galanis-Miller said. "When you look at the statistics number one among the last two generations say they just want to feel like they want to be there. It's actually above pay and time off. So we are really looking at how do we tailor to those generations."

The company works closely with area training programs such as those at the Northland Training Center, Ormsby Educational Center and high schools with manufacturing hubs, which have recently

turned-out eager recruits looking for a career path, Galanis-Miller said.

Rand referenced Dream It, Do It, Western New York, a program that is building an early pipeline of talent into Erie, Niagara, Allegany, Cattaraugus and Chautauqua counties by connecting middle and high school students with hands-on learning, career, exploration, industry-recognized certifications and pathways to rewarding manufacturing carers.

"This is not your grandfather's assembly line," he said. "The technology in these plants is off the charts. It's something very exciting for the next generation."

The most successful recruiting program will not serve the company unless it is paired with a robust retention program.

Ehrenreich said there is no one-size-fits-all approach. Beyond offering an attractive salary, companies should consider how they differentiate themselves from their competitors, he said.

"If you look at the private equity space that's coming in, those sorts of companies will not do deals without some sort of employee incentive option, whether that is profits interest, whether it is stock options and so forth," he said. "It is going to be different for every company. That might not be an option for some companies that are family-owned or start-ups."

He echoed Galanis-Miller's point about establishing a positive company culture as

PANELISTS

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partner and co-leader of manufacturing industry team
Phillips Lytle LLP

ELIZABETH GALANIS-MILLER
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MODERATOR

BENJAMIN RAND
president
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part of retention. Be entrepreneurial in your thinking, he said.

"All companies do various things for employees, recognitions and so forth, but how do we take that to the next level," Ehrenreich said.

He said public-spirited companies have taken greater effort toward growing area assets and building up the economy with such programs as giving employees a few extra days of PTO to donate time to community efforts.

Such volunteerism, in addition to aiding the community, can foster a sense of family spirit and belonging in the company, he said.

He added that while programs such as "summer Fridays" – when workers can end the day an hour earlier at 4 p.m. – can be a challenge for manufacturers, that is the type of entrepreneurial thinking that can engender loyalty in the workforce.

"It is a way to really create that sense of, 'I wouldn't want to leave this company. I'm here and I value it," Ehrenreich said.

REGULATORY ENVIRONMENT

Key provisions of the Big Beautiful Bill offer various ways to capitalize a company and incentivize manufacturers to invest in their facilities and bring more activity back within the United States.

The bill also supports workforce-development programs, such as company partnerships with colleges, trade associations and chambers of commerce.

The bill portends increased innovative research and development activity in Western New York, Urban said. It does away with the inability to deduct research expenses.

"I think it incentivizes companies to go ahead and spend those dollars on research and development," Urban said. "We see a lot of activity in this in the manufacturing sector as it relates to the research and development tax credit. That is still a tax credit that is very lucrative. In my mind the bill provided major changes that helped to incentivize the research and development expenses, and specifically I think it helps to enhance cash flow of companies locally that are doing that work."

RETHINKING SUPPLY CHAIN

Things along supply chains are running

a little more smoothly than during the pandemic, when lead times took nearly three times longer, shooting up to 30 to 40 weeks.

The experience forced companies to get creative.

"I think companies did a little bit of learning during that time, especially with the shortages. We saw shortages on everything from high-end, precision equipment to brackets that hold pieces in place. So I think companies learned a lot about their general sourcing practices," Muller said. "They got a little more diverse and started sourcing from other companies, and that's helped them become nimble in this post-Covid market."

Sealing Devices minimized its supplier base since the pandemic, changing a practice to go to, say, 10 different sources for 10 different items, Galanis-Miller said. The company now goes to the most reliable, best source and puts in one purchase order and gets all the product needed.

"We have done a lot with re-sourcing some of the components we can," she said. "We take it on ourselves. Anything that we can handle and control, we do."

TARIFF IMPACTS

There can't be a discussion about manufacturing without the impact of the tariffs imposed by the current administration.

Galanis-Miller said she has seen the tariffs work so far with customers who sought lower prices overseas now returning to stateside suppliers.

However, the onset of the tariffs was chaotic and unpredictable and caused prices of manufactured goods to triple immediately and without notice, said Muller, whose company Stark Tech, provides tech-enabled building and energy applications,

"We took a step back and looked at the lay of the land and tried to come up with a balanced approach," Muller said. "Any pricing that went out had an escalator on it to cover the tariff increases. We have been able to stabilize things just taking that balanced approach and applying it to all our materials as opposed to trying to pick which ones were posting increases."

Another effect of the tariffs: modeling. Companies have had to model the effect of tariffs in various scenarios to understand how business and profitability will be impacted, Urban said. Running the models takes a lot of manpower, and Dopkins has been engaged with clients to interpret different models, he said.

PRODUCTION CREDITS

One of the incentives of the bill is the advanced manufacturing production credits for made-in-the-U.S. content.

It is typical to see a requirement that 40% of the balance of the materials that go into things are being produced domestically, Urban said. The advanced manufacturing tax credit applies to steel, iron and the like that are sourced in the United States.

"It's been a process of planning up front, working with the supply chain, understanding the sourcing of the materials that are coming into the process," Urban said. "That's been the biggest change."

Complications can arise because there are industry-specific aspects to the new rules, which change the analysis, Ehrenreich said.

"We need to make sure that our clients are getting good information on that," he said. "With the tariffs, if you have some long-standing supply agreement, make sure that this is a pass-through charge that you're obligated to pay pursuant to your supply agreement or whether it can be added on going out the door. Don't just take things for granted."

PROTECTING IP

Manufacturers need to protect their intellectual property, especially in an era of high employee turnover.

They need to frequently review policies and procedures as they appear in the employee handbook to make sure that all work-for-hire is owned by the company, not the employee who created it, Ehrenreich said.

When Ehrenreich works with clients pursuing a large order, supply agreement or purchase agreement with another party, he makes it imperative to establish protections of company technology and its people so their employees don't get poached.

"We want to make sure that any intellectual property protections are in place and work hard to make sure there are anti-solicitation provisions of employees. Your people, the people that you've invested in, they are going to be dealing with your customers, your suppliers on a daily basis," Ehrenreich said. "You have to make sure that they can't just think the grass is greener and they can come on over without some sort of penalty. It's a common thing to address. I encourage everyone to give that some thought when they're working with their suppliers and customers."

ENERGY EFFICIENCY

Companies are investing in new technologies, whether it is advanced CNC machining, AI or compressor technology going from on-off staging to variable speed controls, and they are trying to fuel those technologies in the most efficient way.

"We are just trying to drive down the amount of electricity required to deliver the same capacity. Our building controls division is trying to develop sequences that are more efficient," Muller said. "There is a big focus on operational efficiency, bringing down those costs. The equipment and controls that go with them are driving towards that as well."