

### **What was your path to get to where you are now?**

So it's kind of odd, I was at UB and I needed 2 classes to take to graduate. I decided I would take 2 classes over the summer and my brother was working at Science Kit at the time, which is a company that sells science supplies (biology / chemistry / physics / earth science) and they would go to schools across the US and Canada. I thought, he's been working there and he likes it, I'll work there over the summer and when I graduate I'll go get a real job. So I took a job there...

### **What were you going to school for?**

I started off as a MIS major, I did that for a year, decided that was too boring; that was another hobby of mine, I would build computers from scratch. Then I decided to try pharmacy school since I really like chemistry. I did a year of pharmacy school with my sister; she loved it. I decided that having worked at a pharmacy, I didn't want to work pharmacist hours. I went to my guidance counselor after my second year, and I said "I want to graduate, what can I take to graduate?" And they said, well, you can take 5 psychology classes because you've taken a few already as electives, you can graduate with a psychology degree. So I took those 5 but still needed 2 more classes to graduate.

So I was taking them over the summer, and working at Science Kit, and I took a job on the dock as a stock person. They realized that my analytical skills were better than everyone else's and I pulled orders way faster because I did it a different way. They thought, well there are 2 things we need, a more efficient way to pull orders - like the way you do it, since I was getting 2x as many SKU's out as everyone else - I was pulling by location and they were pulling by SKU. So they said, we need somebody to run our receiving department, maybe you can streamline / make that more efficient - which I did.

I took my 2 classes at the same time, graduated, and they immediately had an opportunity in the office in the quotations department - which was more sales

but also analytical. So I started to do that, but over in the procurement side, which was right next to mine, they would always call me over when they had something complicated or they were doing procurement and needed to figure out a EOQ - and they knew I was good at math. That turned into asking me to look at their computer program to help them order more efficiently. So I took a look at their program and realized they hadn't factored in seasonality to their procurement, so their inventory turnover ratio was way lower than it should be. They would turn over their inventory like .5 a year, and they had like \$6M in inventory and were doing \$20M in sales, something like that, it was ridiculous. So I looked at their formulas, I restructured and added seasonality and they got their inventory from \$6M down to \$1.5M.

Soon after they created a new position in procurement, called Inventory Control Specialist, and said here's the National Association of Purchasing Management (Now ISM Buffalo), might have some people there and you can figure out best practices. I went to my first meeting there in 1997 and started talking to people there, and there were a lot of people way more informed and very good at this stuff than I was. So I talked to them and thought, alright, the first thing you want to do is standardize all the SKU's in your warehouse to make sure you're not ordering redundant items. We had already increased inventory turns because of the EOQ program. Now we started looking at all the SKU's and kind of used the UNSPSC codes. I came up with that, I found a good way to organize, we re-named all of our parts, and there were a lot of parts at the time. I realized that about 25% of our parts were redundant, because not only did we have a retail business, we had a kit business. The kit business has duplicate item number for 50% of their parts that we already carried for retail. So I re-did the SKU's and then I programmed the computer that they ordered a kit number that started with a 2, it would automatically pull from the 6 number. Then we re-did the EOQ formula to take into account all kit business, at least projections, and all the regular retail stuff. So I could walk on water at this point, now I've

knocked inventory down another \$500K, so now we're down to \$1M. By that time sales were up to about \$25M, so you can do the math there, we're doing great.

So I thought, I really like business, I got this psychology degree that I'm really not using, I'm going to go back to school and take the classes I need for a business degree. I went back to UB and found out I had to take 7 business classes to graduate with a business degree. I took 6 classes and I said, hey is there anything around here that's really been bugging you guys, that I can do as a 3 credit internship. They said yeah, you know what's been bothering us, our shipping charges seem to be higher than other places like us pay. We've done some benchmarking, can you take a look at it? So I took a look and said, well, I'll talk to a lot of people. I benchmarked big companies like us but not in the science supply business and found out that they had contracts with each of the transportation suppliers, both inbound and outbound. So we did the same thing, we negotiated contracts with each of the major carriers; at the time it was like Yellow, Roadway, etc, a lot have disappeared over the years. So then I mapped out an average shipment, a pallet and then a couple of UPS-type shipments. We started with the big pallets, and we figured what it would cost on our current contracts to both bring raw material in and then finished goods out. I figured out what the most efficient and least expensive cost would be for the average skid for all the regions of the US plus taking into account all of our discounts by region for all of the suppliers. I mathematically calculated what would be the best inbound and outbound options and knocked another \$1M off our expense, just re-organizing how we ship things. A lot of that got passed on to the customer, but we looked great because our shipping charges were now a lot lower than our competition - so if we were bidding on a NYS contract and you had to include freight, well we were able to do that.

And then we took UPS and FedEx and did the same project, for real life, not as part of the internship as I had just graduated. We took that a step further, I

thought, we're looking at the big picture, what if we decided to look at each of the individual component parts, for each supplier, for each region, for each weight size, compare them side to side, call the lowest price we find the market price, and then whichever supplier we choose, as long as they're paying us that market price or less, we know we're competitive. So we would take the higher supplier, take their cost and make the high amount that was bid upon, the low cost would be our top market cost, subtract 5% from that and set a target bottom market cost, giving us a 5% window. We'd now go back to both suppliers and say, here's the market rate, it's what we're willing to pay, what can you come back with? Sure enough both companies came down significantly and I've been doing that on my strategic sourcing projects now for every product line. So in my mind, I've got a set procedure on how to do it, put all the prices in, get as granular as you can, figure out the granulated cost, make your synthetic cost - aka market rate, and I'd say 9 times out of 10 they come in to the market rate. So whatever your current cost is, if you've been buying from a supplier for 5 years or more, you'll save 30%. You've been buying 3 years or less, you'll probably only save 15% and if you've already gone through the process twice you're probably only going to get 3%, but 3% of \$1M is \$30K.

**Interesting, I don't know that've I've ever heard something like that before...**

Well that's why you're talking to people to get the real way it works, the best practices, I've been doing this a long time.

So I'm over at this science supply company, they decided, we're going to move to Florida, but before we do that we want a backup factory in China because the Chinese would come in to steal our product ideas. So we'd have a great new product that would last 3 years, China would come in and undercut our price. We came up with a plan, we'll have our own factory in China, we'll make it and sell at the same price the Chinese are paying, people will

still buy it from us because of inertia, but they'll be paying the China price. Well a couple years later China would decrease their price somewhere that we couldn't make money even with our own factory, so then we would discontinue the product. Which was great because I always had 25 new products coming out. We tried to work out our math so that all the science supply items, new products would account for 50% of our sales at any given time - but we had to be religious about coming up with new products. I would do all of the national sales calls, because I invented them I was the best person to show all the details. Basically to invent a product, we would take a look at what's out there, figure out what's great about it, keep that, and either make it for less money or you add features and keep the price the same.

In 2008 they decided to move down to Florida, they had already built the factory in China, and it was kinda funny, I had to learn Mandarin to help the Chinese, to get the QC all up and running in Chinese (*Bruce speaks Mandarin that I'll be damned if I caught*). They offered me 6 figures to move down with them to Florida. I said, you know what, you guys are doing a transition, I don't really want to move to Florida, I will help you guys out for 6 months. So they paid me to work there for 6 months to make sure everything was up and running and production would work.

One thing I forgot to mention, in 2000 we bought a company out in Michigan that makes planetariums, both digital and analog - so we had to figure out how to make all that stuff. We also bought a company in Michigan called WildLife Supply Company that manufactured large environmental testing equipment for the EPA; water bottles, dredges, all cool engineering things, where someone would call up and say "I need a water bottle, it's got to drop to 20ft, caps have to close, and I have to know how much fluid is in there. So we'd do the calculus, I still remembered it at the time, figured out all the volumes you would need, we standardized on 4 liter, 2 liter, 1.2 liter and that became the standard. So now most environmental testing for water uses the WildLife Supply products, and they've been in use for so long

and they've got the trademarks on the name that they keep buying that product.

So I've had to learn product development, engineering, drawings, strategic sourcing, I had to learn all that stuff. Eventually at the science supply company I became the Plant Manager in charge of engineering and all the other things, because I had worn so many hats that I was really good at it, but I had to learn to delegate to the engineering group. Once I got that burden off then I said alright, they can help out in the shop now instead of me going out there to help set up lathes and mills and all that, and I could read the literature and come up with new product ideas or new material or easier to machine materials.

So they move down to Florida, it's 2009, there's no jobs to be found anywhere, the economy has tanked, I was out of work for 10 months, although I was paid for 6 of those. 4 months I was collecting unemployment and couldn't find anything in my field at all, there was just nothing out there. So I have a couple of side businesses; I have a science supply business - which is still running today, the sales pretty much run themselves, and my cousin has the warehouse, he ships everything. It markets itself; we do nothing other than shipping and collecting the profits. So I started another family business that does yard games, so on the weekend you can find me doing new product development, but it's yard games like cornhole, yardzee, left right and center, we started to dabble in the giant sized jenga, and all those kinda cool things you can play in the backyard.

I found out M&T Bank was looking for someone in their strategic sourcing department, but they were really looking for somebody that had computer and data experience. I interviewed with them and it turned out the manager there was LinkedIn friends with 2 of my fraternity brothers. I got connected and brought in for an interview, he found out I was good on computers, and said, we have an antiquated database, and we don't really know what we spend our money on because we haven't been able to

consolidate everything / pull in all the data from different databases, figuring out what our true spend by category is. I worked with another guy, he built an Access database that brought in all the disparate data, sliced it and diced it and spit out our annual sales by every vendor. We were then able to decide which groups around the bank to look at as a strategic sourcing project. Once we figured out the spend, and took the top 20 spend items by category, we tackled those using the same strategic sourcing and synthetic pricing that I had learned already elsewhere. We made that a process; there's probably 108 pieces to that process, but we got it down to where whatever group around the bank that wants something purchased, software / materials / services, we do the same process, same vendor selection, same scoring - we have some pretty cool scoring mechanisms for all the projects, built them as off-the-shelf items. We took our RFP's and segmented those so if you want a RFP, you'd pick and choose which piece you want to go out, streamlined all that.

I worked at M&T for 5 years when they decided to create a new group called Data Management and they needed someone to run that. They would do all the RFP side by side analysis for all the different projects, but it was also reporting for expenses bank-wide. There are 91 Senior Vice Presidents and they wanted us to figure out what they spend bank-wide. We built another Access database and pulled in the spend. We had a database for personnel reporting, and cost centers and G/L's, so we made reports that were pretty much automated by the time I left that would pull all of the expense spend. Someone could go and look at all their expense reports, say here's all my employee's spend, here's what they spent it on, and I would leave notes where they were higher than industry average and where the benchmarks with other banks are.

The data team ran for 2 years, they restructured and I moved back into strategic sourcing. My first project was on credit card processing, I saved us \$11.2Million, my goal for the year was \$3Million, so

my first project within 3 months of being there saved is 11.2, my second project was 1.5, so I saved us ~\$13Million just in the 3 months I was back.

I then ended up taking a job at the NFTA. I loved banking, it was cool, we had done all of the RFP's for all the low-hanging fruit. We had gone through every category twice, so we were down to that, if you're lucky you'll break even or save 3%. There were a few categories they would never let us touch, like benefits and marketing, which we could have saved a ton of money using the same process.

Over at the NFTA I wear many hats, I do project work on RFP's, the cool one I'm on now is setting MBE, WBE and SDVOB goals for the environmental review work for the expansion of the train from South Campus out to North Campus out to Cross Point. We're doing the environmental studies and the RFP, that's all out and should come back in a few weeks and we'll start the analysis on that.

**I don't even have any follow-up questions; I think you have more of an interesting story on the first question than anyone I've talked to...**

So what I'm really good at is the strategic sourcing process, I trained all the new people coming in at M&T. No matter what the product or service was, I can show you the tricks how to do it, at least on paper. After you do it the first time and you're successful, it's like wow, that was great. Never give away the secret sauce; never share this information with anyone outside of the purchasing association. It will move your career faster, you're going to say "really, I could have been making \$20k more if I had talked to this guy 5 years ago, what was I thinking?!"