

a NIST | Network
MEP | Affiliate

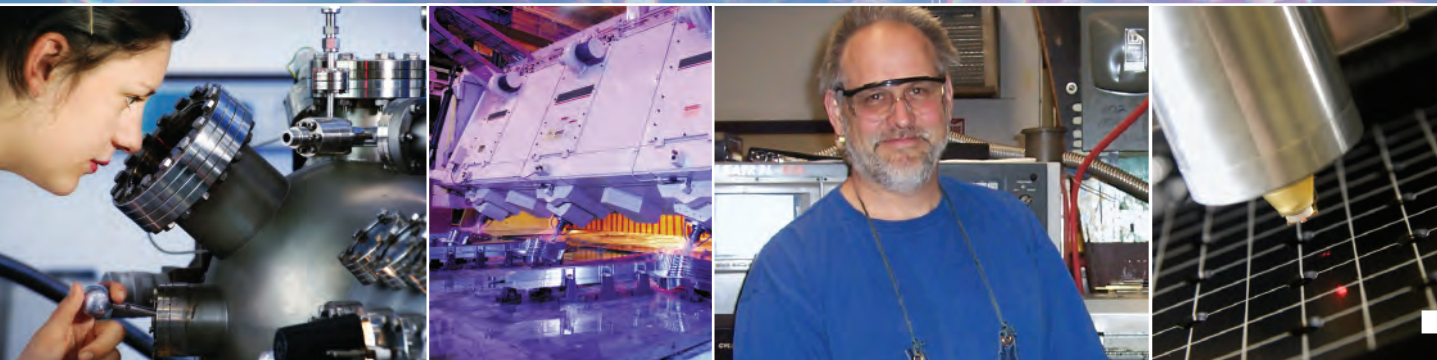
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CREATE

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2007 Impact Report



The Best Resource for Vermont Manufacturers



IMPLEMENTERS OF STRATEGIC,
MANUFACTURING AND GROWTH
SOLUTIONS SINCE 1996

www.vmec.org

2008 VMEC ADVISORY BOARD

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The VMEC Board is an elected board of experienced manufacturers and other leaders with manufacturing interests who serve without compensation for a minimum of two years. The Board works with the center's director to help set basic policies and directions to enable VMEC to fulfill its mission.

The Vermont Manufacturing Extension Center (VMEC) is a not-for-profit center that provides assistance and training to help manufacturers improve their manufacturing and business processes, adopt advanced technologies, increase productivity, reduce costs and improve competitiveness.

VMEC's Primary Mission

To improve manufacturing in Vermont and strengthen the global competitiveness of the state's manufacturers.

The VMEC Advantage

- We implement solutions for success and growth.
- Our goal is to improve bottom lines. We look at the whole business.
- Our experienced staff has a proven track record of success.
- As an affiliate of the nationwide Hollings Manufacturing Extension Partnership (MEP), a program of the National Institute of Standards and Technology (NIST), VMEC has access to numerous local, regional, and national resources.



“It’s great to know that when we need quality services, we can pick up the phone and call VMEC.”

— MILLIE NAULT-GERO
COLUMBIA FOREST PRODUCTS
NORTH DERBY

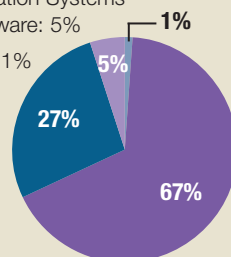
“Outstanding services resulting in efficiency gains, material savings, and improvement of business processes.”

— JEFF DEZOTELL
PRODUCT MANAGER
DYNAPOWER
SOUTH BURLINGTON

Partial Impact of VMEC: July 2006 - June 2007

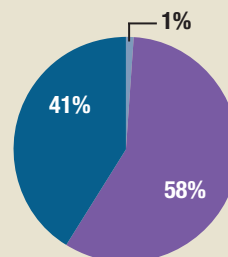
CLIENT-REPORTED INVESTMENT IN MODERNIZATION \$11,050,000

- Plant & Equipment: 67%
- Workforce Practices and Employee Skills: 27%
- Information Systems & Software: 5%
- Other: 1%



HOW WE ASSISTED FIRMS

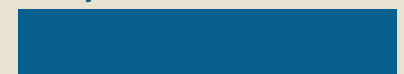
- Technical Assistance: 58%
- Training & Education: 41%
- Assessment: 1%



TOTAL IMPACT ON VERMONT ECONOMY¹

Includes the direct client impact reported by clients via third-party survey, the indirect impact generated when clients firms increase their purchases from suppliers, and the induced impact caused by increased household expenditures generated by direct and indirect effects.

\$430,964,745
January 1997 - June 2007



\$173,537,950
July 2006 - June 2007

¹ Reported impacts are modeled using IMPLAN Professional 2.0 Software and Vermont 2001 State data package.

We Get Results!

NUMBER OF MANUFACTURERS SERVED: 774

- VMEC served more than 774 of Vermont's approximately 2,000 manufacturers from January 1997 through June 2007.
- VMEC served 124 companies from July 2006 through June 2007.

CUSTOMER SATISFACTION: > 93%

More than 93 percent of VMEC clients reported being "satisfied" or "very satisfied."

THREE-YEAR AVERAGE ROI PER COMPANY - 114:1

Based on company reported impact data, as a *direct result* of VMEC services, every \$1 invested in VMEC assistance and services returned \$114 to the company on its investment. 114:1 is the three-year, average return on investment for the period July 2004 through June 2007.

PUBLIC & ON-SITE WORKSHOPS AND TRAINING PROVIDED IN 2007

More than 3,300 manufacturing employees from 74 companies participated in public workshops and on-site training across Vermont from July 1, 2006 through June 30, 2007.

- | | |
|--------------------------------------|---|
| ■ Lean Manufacturing 101 | ■ Training Within Industries (TWI) |
| ■ Lean Executive Overview | ■ Supply Chain Management |
| ■ The 5S Visual System | ■ Stage-Gate Product Development |
| ■ Set-Up Reduction | ■ Strategic Performance Measures for Lean Manufacturing |
| ■ Strategy Deployment | ■ Introduction to Lean Accounting |
| ■ Total Productive Maintenance (TPM) | |
| ■ Lean Office 101 | |
| ■ Office Value Stream Mapping | |



PARTIAL VMEC IMPACT

- Jobs Created/Retained: 267*
- Additional Jobs Created/Retained: 963**
- Client Investment in Modernization: \$11,050,000*
- Cost Savings: \$7,263,000
- Additional Sales: \$106,160,000
- Total Increased Vermont Tax Revenues (est.): \$13,929,229**
- Additional Labor Compensation: \$38,583,044**
- Additional Indirect Business Taxes: \$3,668,379**
- Total Value Added (Gross State Product): \$63,675,490**

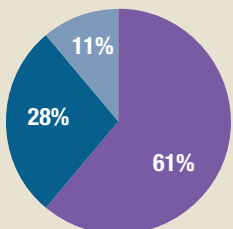
This data reflects the results of VMEC client projects from July 2006 through June 2007. The data is from formal surveys conducted by a third party under contract to the National Institute of Standards and Technology (NIST), Hollings Manufacturing Extension Partnership (MEP). Clients surveyed represent only 23 percent of all Vermont clients served by VMEC during the period.

* Client-reported impact as a direct result of VMEC assistance.

** Results of input-output analysis (IMPLAN modeling) conducted by Myra Heins, Operations Analyst, MassMEP, based on results from the 23 percent of clients surveyed.

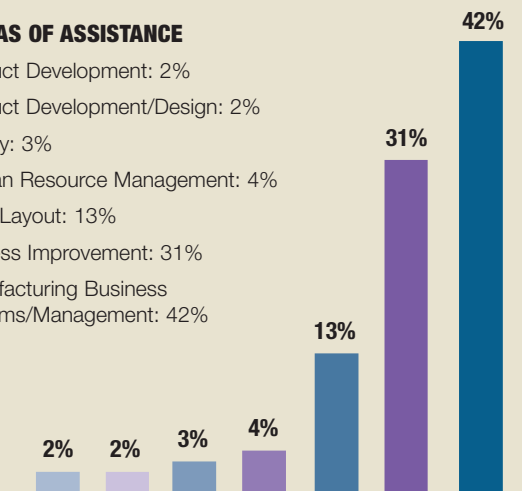
COST SAVINGS IMPACT \$7,263,000

- Direct Cost Savings: 61%
- Savings on Investments: 28%
- Avoiding Unnecessary Investments: 11%



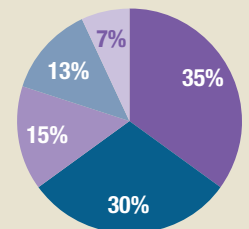
TOP AREAS OF ASSISTANCE

- Product Development: 2%
- Product Development/Design: 2%
- Quality: 3%
- Human Resource Management: 4%
- Plant Layout: 13%
- Process Improvement: 31%
- Manufacturing Business Systems/Management: 42%



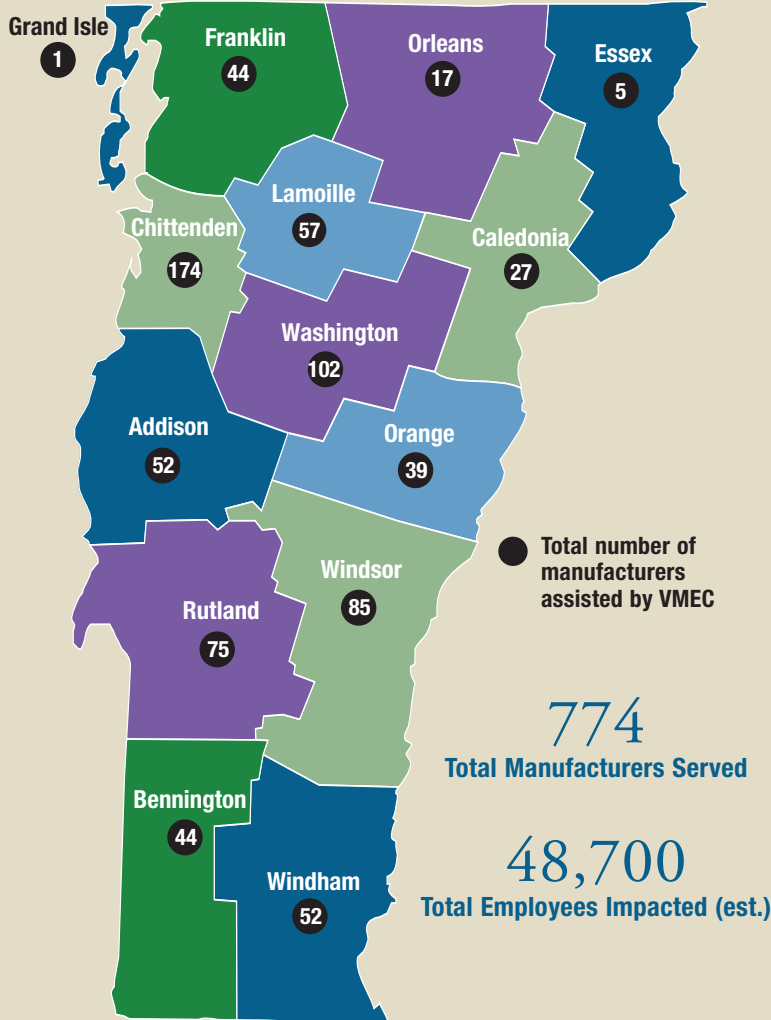
SIZE OF FIRMS SERVED (BY NUMBER OF EMPLOYEES)

- 1-9 Employees: 13%
- 10-50: 30%
- 51-100: 15%
- 101-500: 35%
- Over 500: 7%



VMEC Assistance by County

January 1996 – June 2007



“VMEC is an invaluable resource for Vermont businesses.”

— TONY DUNE
SALES MANAGER
ABSOLUTE PRECISION
MORRISVILLE

“VMEC is an effective, hard-working team of folks working hard to keep Vermont competitive. They helped our business connect with other Vermont-based firms to establish subcontracting agreements, keeping the work local.”

— DANIEL HOLT-GOSSELIN
AREA OPERATIONS MANAGER
EWA GOVERNMENT SYSTEMS INC.
MONTPELIER



Vermont Manufacturing Extension Center

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