

Vermont Manufacturing Extension Center
2009 Impact Report

a NIST | Network
MEP | Affiliate

2009

“The Best Resource for Vermont
Manufacturers, Process Improvement
and Growth Strategies”



Implementers of Strategic, Manufacturing
and Growth Solutions Since 1995

The Vermont Manufacturing Extension Center (VMEC) is a statewide, not-for-profit center that provides assistance and training to help manufacturers grow, improve their manufacturing and business strategies and 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.

Additionally, in early 2006, VMEC launched the Process Strategies Group (PSG) as a specialized business unit within the Center to bring its vast Lean process improvement experience and strategy expertise to selected non-manufacturing sectors. This impact report does *not* include any client project impact results from VMEC PSG.



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.

The Vermont Innovation Marketplace

www.vermontinnovation.org

Designed to accelerate "Open Innovation" Connections between People and Companies WHO HAVE Innovations and Ideas for Growth and those THAT NEED Ideas for Profitable Growth. This web-based service was launched in April 2009 by VMEC and the U.S. Department of Commerce. It is a subset of the USA National Innovation Marketplace and part of the larger Planet Eureka! International Network of Innovation Marketplaces. The Vermont Innovation Marketplace is a valuable tool and resource for Inventors, Licensees, Investors, Entrepreneurs, Distributors and Researchers.

"It has been a pleasure to work with the VMEC team to further our knowledge in process improvement, 5S training, strategic planning, problem solving and product development training. VMEC has consistently followed up with our team to ensure our success on the journey to be a more efficient manufacturer."

— JAMES VIGEANT, PRODUCTION TEAM LEADER, CLASSIC DESIGNS

2010 VMEC Advisory Board

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Director/CEO, VMEC

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.



We Get Results!

NUMBER OF MANUFACTURERS SERVED: 825

- VMEC served more than 825 of Vermont's approximately 2,000 manufacturers from January 1996 through June 2009.
- VMEC served 125 companies from July 2008 through June 2009.

CUSTOMER SATISFACTION: > 99%

More than 99 percent of VMEC clients reported being "satisfied" or "very satisfied."

THREE-YEAR AVERAGE ROI PER COMPANY – 148:1

Based on company reported impact data, as a *direct result* of VMEC services, every \$1 invested in VMEC assistance and services returned \$148 to the company on its investment. 148:1 is the three-year, average return on investment for the period July 2006 through June 2009.

PUBLIC & ON-SITE WORKSHOPS AND TRAINING PROVIDED BY VMEC IN 2009

Over 1,946 manufacturing employees from 89 companies participated in public workshops and onsite manufacturing training in Vermont from July 1, 2008 through June 30, 2009.

VERMONT MANUFACTURERS FORUMS

Approximately 342 manufacturing employees from 40 companies participated in eight Vermont Manufacturers Forums held throughout Vermont at various plant sites of companies committed to continuous improvement, Lean thinking and/or Lean manufacturing.

PARTIAL VMEC IMPACT

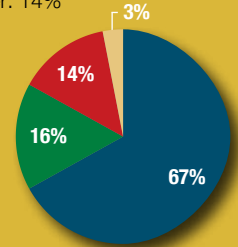
- Jobs created that otherwise would not have existed: **59***
- Jobs retained: **362***
- Additional jobs created/retained: **1,318**** that paid a total of **\$48.4 million** in employer wages and benefits
- Client investment in modernization: **\$4,959,002***
- Cost savings: **\$7,993,903***
- Increased and retained sales: **\$11,754,000***
- Total increased tax revenues (est.): **\$18,853,000**** including **\$6.54 million** at the state and local levels
- Additional labor compensation: **\$52,940,000****
- Additional indirect business taxes: **\$4,518,000****
- Total value added (gross state product): **\$82,883,000****

This data reflects the results of VMEC client projects from July 2008 through June 2009. 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 35 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 MassMEP, based on results from VMEC clients surveyed.

Partial Impact of VMEC: July 2008 – June 2009

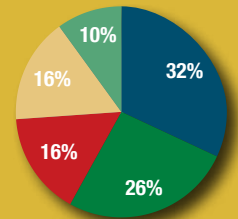
CLIENT-REPORTED INVESTMENT IN MODERNIZATION: \$4,959,002

- Plant & Equipment: 67%
- Workforce Practices and Employee Skills: 16%
- Information Systems & Software: 3%
- Other: 14%



SIZE OF FIRMS SERVED BY VMEC (BY NUMBER OF EMPLOYEES)

- 1–9: 16%
- 10–50: 26%
- 51–100: 16%
- 101–500: 32%
- 500+: 10%



Manufacturing Really Matters in Vermont

- Next to Government, Manufacturing contributes more to Vermont economically than any other sector.
- Manufacturing contributed \$2.83 billion to Vermont in 2007.
- Manufacturing provides about 30,000 jobs that are high skill and high wages. Each manufacturing dollar generates approximately \$1.37 in additional economic activity.
- Approximately 60% of Vermont's 2,000 manufacturers have fewer than 10 employees, and about 87% have 50 or fewer employees.
- Manufacturing remains the engine of American technology development and innovation.

VERMONT'S STATE GROSS DOMESTIC PRODUCT (GDP)

		2007 Level (\$mil)	2007 Share	Average Growth 2001-07
	Total GDP	\$24,543		2.0%
1.	Government	\$3,373	13.7%	0.8%
2.	Manufacturing	\$2,826	11.5%	2.5%
3.	Health Care	\$2,443	10.0%	3.3%
4.	Retail	\$2,031	8.3%	3.8%
5.	Prof/Tech/Admin	\$1,953	8.0%	4.5%
6.	Finance	\$1,442	5.9%	1.7%
7.	Wholesale	\$1,167	4.8%	0.0%
8.	Construction	\$1,111	4.5%	-3.1%
9.	Hotel/Restaurant	\$1,092	4.4%	0.4%
10.	Information	\$997	4.1%	6.7%
11.	Utilities	\$733	3.0%	4.1%
12.	Transportation	\$521	2.1%	2.1%
13.	Private Education	\$527	1.7%	0.9%
14.	Agriculture	\$375	1.5%	1.6%



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.

\$833,770,341

January 1996 – June 2009

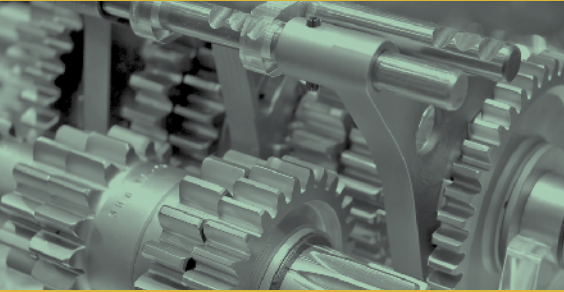
\$246,779,356

July 2008 – June 2009

¹ Reported impacts are modeled using IMPLAN Professional 2.0 Software and Vermont 2007 State data package.

“VMEC and Revision Eyewear have been partners for well over two years in numerous projects throughout the business, most recently to help select a new ERP software solution. We were extremely impressed with their team and project management skills. VMEC proves time after time to be a value-added partner for Revision Eyewear.”

— DEBRA L. ROYCE, CFO
REVISION EYEWEAR

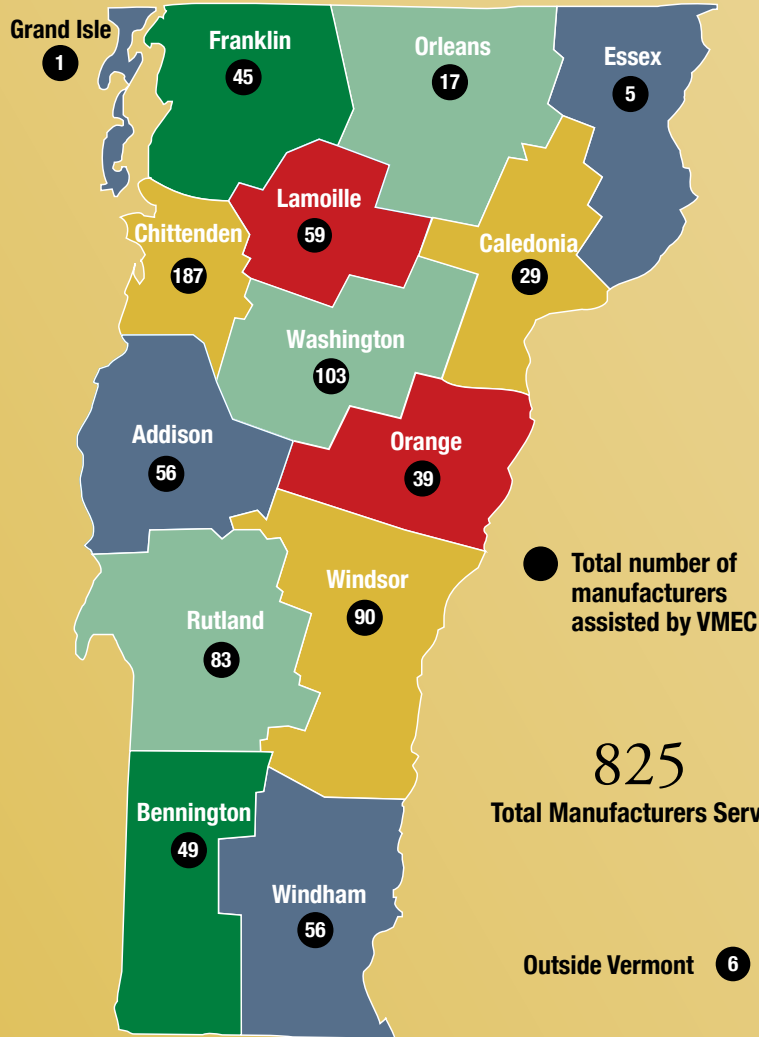


“Logic Supply has experienced extraordinary growth. VMEC is a valued partner in the planning of our facility layout and improving the flow in our manufacturing and business operations that make this growth possible. VMEC continues to find ways to prepare our people for challenges and opportunities in the future.”

— LISA GROENEVELD,
PRESIDENT, LOGIC SUPPLY, INC.

VMEC Assistance by County

January 1996 – June 2009



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VMEC Host Since 1995

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