

WHAT OUR CLIENTS HAVE TO SAY

NEPIRC stands ready to do whatever they can to assure training needs are met. Their staff responds quickly to all questions and identifies ways to improve training within our company.
- *GenTex Corporation*

NEPIRC was flexible and willing to customize their program to our specific needs. Their services were a valuable asset during this time of slimming profit margins.
- *Calex Logistics*

NEPIRC's services were critical to our organization's welfare.
- *Indalex, Inc.*

All the staff at NEPIRC are extremely helpful with supporting our business. They maintain continuous contact with their clients throughout the year.
- *Quadrant*

NEPIRC's staff is professional, knowledgeable and easy to work with. They examine all options to fulfill our needs.
- *A. Rifkin Company*

We really appreciated the customized delivery of our Solutions Selling training.
- *Hatfield Quality Meats*

NEPIRC STAFF

NEPIRC's strength comes from its staff which is comprised of a team of experts and visionaries who deliver superior services and solutions. These individuals provide cutting-edge, contemporary services that are directly integrated into our client's operations, allowing them to remain competitive, better serve the mission of their companies and reduce costs.

William J. Desciak
Executive Director

Eric Joseph Esoda, CPA
Managing Director

Robert Zaruta
Director / Palladium
Business Growth Services

Karen Davis
Marketing Coordinator

Antoinette DeAngelo
Administrative Assistant

Jayne F. Evans
Accountant & Office Manager

Leo Gilroy
Business Growth Services

Gerald Giza
Manager, Continuous
Improvement Services

Keith Harry
Business Solutions Advisor

Anthony J. Manorek
Engineering & Technology
Director

Nancy Markovich
Seminar & Training
Program Coordinator

Maureen Mulcahy
Project Manager
Lean Enterprise

Patrick Murphy
Business Solutions Advisor

Donald A. Olszewski
Manager, Quality Services

Paul Peter Olszewski
Information Technology
Consultant

Cindy L. Smith
Client Communications,
Contracting & Reporting

Charles Vaccaro
Manager,
Client Relations

BOARD OF DIRECTORS

NEPIRC is led by a knowledgeable and experienced Board. It includes representatives from industry, education and community backgrounds. Their diversity and expertise brings perspective and guidance to our organization. The members of the Board of Directors are:

President
Gary Reinhardt
President
J.A. Reinhardt & Co., Inc.

Vice President
John Pullo
Vice President
GenTex Corporation

Treasurer
Peter R. Butler
Engineering Manager
Procter & Gamble

Secretary
Louis E. Valentas
Vice President
PNC Bank

Richard Beasley
Regional Community
Relations Director
PPL

William Cockerill
AFL-CIO
Community Services
Liason Scr. Central Labor Union

Bruce Daniels
Controller
Action Lift
Medico Industries, Inc.

James J. Flaherty
Vice President/
General Manager
General Dynamics OTS

John Graham
Former President
Comfort Designs, Inc.

Karen Kosydar
President
Corey Associates, Inc.

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Former Executive VP
Offset Paperback Mfg..

Sandy McLauchlin
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Air Products and Chemicals, Inc.

Thomas A. Medico
President
Medico Industries, Inc.

W. Kevin O'Donnell
Executive Vice President
Can-Do, Inc.

William Shergalis, Ph.D.
President
MMI Preparatory School

Jim Teeple
Vice President
Global Operations
Weiler Corporation

George M. Yura
Director of Operations
Bridon American

2007/08 Annual Report

Committed to
improving the
performance of
companies
throughout
northeastern
Pennsylvania

*Growth through Product, Process
and People Innovation*



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An ISO 9001 Registered Company



OUR SUCCESS IS BUILT ON A FOUNDATION OF QUALITY, SERVICE, MUTUAL TRUST, AND INTEGRITY

PRESIDENT'S MESSAGE

As the chairman of the NEPIRC Board of Directors, it is my privilege to submit this Fiscal Year 2007/08 Annual Report for your review. This report contains a summary of our organization's accomplishments for the past year. It also provides me the opportunity to step back and fully evaluate our efforts.

This is a difficult, and stressful time for our country and the financial climate is changing at an ever-increasing rate. But there are some things that will always remain the same. The key to continued viability in the region's manufacturing sector is through innovation. There must be renewed commitment to fundamental innovation, be it in technology, new products, or new business models. During this year, NEPIRC, significantly strengthened its services and offerings to help northeastern Pennsylvania companies innovate, grow, and become more competitive. We hope these services will add momentum to the critical efforts to revitalize our regional and national economy. As we look back over our first 20 years we are proud of our impact numbers and we aim to multiply that impressive economic impact during the next 20 years.

I extend a deep gratitude and heartfelt thanks for the privilege of helping NEPIRC shape its course, sharpen its focus and increase its impact on Pennsylvania small and mid-size manufacturers. It was my honor to serve as Chairman of the Board and I look forward to contributing to the continued progress that NEPIRC is making in fulfilling its mission of making Pennsylvania businesses competitive on a global scale.

Gary Reinhardt

Chairman, NEPIRC Board of Directors

FROM THE EXECUTIVE DIRECTOR

During my twenty years as Executive Director, I have been proud of the successful efforts of NEPIRC, which has clearly been a benefit to our state and its economy. In 2007/2008, we saw the results of our years of experience and hard work. In July, we announced that our efforts had pushed us above and beyond any recorded impact before to a historic \$107,706,582. Your trust in our vision of building a better environment for manufacturing in northeastern Pennsylvania has created a culture of continuous improvement without limits. Within this Annual Report, you will see the impact of our efforts on our community and within the state. Our goal is to elevate Pennsylvania manufacturing to be the best in the world and deliver results in every action we take. We are well on our way, but there still is much work to be done.

William J. Desciak

Executive Director

COMPANY PROFILE

Since its inception in 1988, NEPIRC has been helping small to mid-sized companies increase their productivity, profitability and competitiveness in the regional and global marketplace. NEPIRC's services allow their clients to efficiently and effectively implement the same business concepts, emerging technologies, process methodologies and success tools that only larger companies once had access to.

AREAS OF EXPERTISE

Companies today need a trained and educated workforce that can adapt to new business models, innovative practices, and shifting priorities. NEPIRC offers the following services to meet their client needs:

PRODUCTIVITY IMPROVEMENT

Lean/Six Sigma
Quality Systems
Training Within Industry
Web Development
Information Technology
Succession Planning

BUSINESS GROWTH

Strategic Planning
Solution Selling®
Eureka! Winning Ways®
Marketing Assistance
Loan Programs

WORKFORCE

Leadership Development
Supervisory Skills
Technical Skills
HR Services

WHO WE SERVE

NEPIRC is proud to provide assistance to companies located in the following eleven counties of northeastern Pennsylvania: Bradford, Columbia, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne & Wyoming.

OUR PARTNERS AND AFFILIATES

The Industrial Resource Center (IRC) Network is supported by the Commonwealth of Pennsylvania through the Department of Community and Economic Development (DCED), Office of Policy and Technology and an affiliate of the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership.

NEPIRC partners with regional economic development organizations, institutes of higher education, governmental units and similar entities as a way to leverage resources:

Ben Franklin Technology Partnership
Pennsylvania Technical Assistance Program
Northeastern Pennsylvania Alliance
Northern Tier Regional Planning & Development Commission
Northern Tier Industry & Education Consortium
King's College Family Business Forum
Governor's Action Team and Team PA
Local Small Business Development Center
Carbondale Technology Transfer Center
Hazleton & Berwick Industrial Development Associations
Regional & Statewide Workforce Investment Boards
Manufacturer's Association of Northeastern Pennsylvania

IMPACT



Our clients reported
\$107,706,582
in economic benefits from cost savings and sales increases as a result of NEPIRC's assistance.

Our commitment to the manufacturing and business community has produced profound results.

PROJECT COMPLETIONS:

During FY 2007/2008 NEPIRC Completed 219 Projects

\$1,464,835.....	Total Dollar Value
\$1,053,574.....	Company Cash Outlay
\$6,689.....	Average Dollar Value
117.....	Projects Involving NEPIRC Staff
136.....	Number of Companies Involved
48.....	Number of New Companies Involved

PROJECT ACQUISITIONS:

During FY 2007/2008 NEPIRC Acquired 248 Discrete Projects

\$1,784,570.....	Total Dollar Value
\$1,404,848.....	Company Cash Outlay
\$7,196.....	Aggregate Average Dollar Value
131.....	Projects Involving NEPIRC Staff
\$7,314.....	NEPIRC Average Dollar Value
149.....	Number of Companies Involved
54.....	Number of New Companies Involved

PROJECT IMPACT REPORTED BY CLIENTS:

Using Data Provided by Synovate, NEPIRC Measures:

89.7%	% of Companies Completing the Survey
75.6%.....	% Reporting Impact from Projects
\$107,706,582	Total Dollar-Value Impact Reported
\$1,825,535.....	Average Impact Per Respondent
\$69,270,000.....	Top-Line Impact (New & Retained Sales)
\$7,239,630	Cost-Savings Impact

DISTRIBUTION OF SERVICES BY COMPANY SIZE:

1-20	Employees	27.2 %
21-50	Employees	13.7 %
51-100	Employees	17.5 %
101-250	Employees	23.4 %
251-500	Employees	12.7 %
501+	Employees	5.5 %

DISTRIBUTION OF SERVICES BY COUNTY:

County	% of Companies
Luzerne	42.7 %
Lackawanna.....	19.1 %
Monroe	8.8 %
Columbia	7.4 %
Tioga.....	5.2 %
Bradford.....	2.2 %
Susquehanna.....	2.2 %
Wayne	2.2 %
Wyoming	1.0 %
Pike.....	1.0 %
Sullivan.....	- %
Other	8.2 %

CLIENT SATISFACTION:

In 2007/2008 NEPIRC maintained a client satisfaction rate of **4.52** on a scale of 1 to 5.

2007/2008 HIGHLIGHTS

PRODUCTIVITY IMPROVEMENT

During the past year, NEPIRC has worked hard to keep up with the changing demands faced by companies today. NEPIRC continues to be a leader in the expansion of Lean Enterprise by providing advanced Lean Enterprise engagements to companies allowing them to "move up the ladder" of Lean Enterprise and help them achieve overall workforce knowledge of Lean Enterprise. NEPIRC's Lean Level 1 Certification program provides training in all basic and intermediate Lean Enterprise topics, as well as advanced topics and Kaizen event training. The program features guided independent study and roundtable discussions designed to help attendees pass the Bronze Level Shingo Exam for Lean Enterprise.

NEPIRC client, Tobyhanna Army Depot achieved the Shingo Gold Medallion Prize for Lean Enterprise implementation within a production area re engineered through NEPIRC's assistance using the tools of Lean Enterprise.

BUSINESS GROWTH SERVICES

In fiscal year 2007/2008 Business Growth Projects accounted for 28% of NEPIRC's completed projects with 38 different companies participating in a top-line growth project.

NEPIRC's most recent initiative was to add Eureka! Winning Ways® to its portfolio of BGS services. Eureka! Winning Ways® enables companies to develop practical ideas for growth and see them through to implementation. Growth Coaches at NEPIRC have been trained to facilitate the delivery of the program. At this time, NEPIRC leads the nation in single-center sales of Eureka! Winning Ways®.

Solution Selling® has become increasingly popular among NEPIRC clients, with several electing to have Solution Selling® customized to their needs and delivered on-site. NEPIRC is the only IRC in the state licensed for the delivery Solution Selling®.

NEPIRC has had great success partnering its Business Growth Services with its Productivity Improvement (Lean) services. During the 2007/2008 fiscal year, NEPIRC began incorporating a Strategic Plan review into its proposals of Lean Enterprise implementations to insure that clients Strategic Plans were supportive of a Lean Enterprise implementation.

ENERGY/ENVIRONMENTAL ISSUES

In response to increasing concern with reducing energy costs and environment protection, NEPIRC educated companies on ways to implement solutions that reduce energy costs and improve their bottom line. These cost effective, environmentally friendly technologies provide hard dollar savings directly related to energy costs and help reduce maintenance and equipment replacement costs through free Energy Assessments Audits to local companies.

MISSION STATEMENT To assist companies in northeastern Pennsylvania to improve their competitive performance through process improvement, waste reduction, market diversification, product line expansion, workforce development and other forms of effective business strategies.

CELEBRATING 20 YEARS OF SERVICE