2017 IMPACT REPORT

Providing Systems and Solutions to Help Vermont Manufacturers Innovate, Plan, Perform and Grow

vmec.org

802.728.1432
The Vermont Manufacturing Extension Center (VMEC) has operated statewide as a not-for-profit Center since 1995, collaborating with public and private partners in business, government and education to bring world-class assistance and resources to Vermont manufacturers and other enterprises of all sizes, helping them overcome ever-changing challenges, become more competitive and grow their profitability. A valuable local Resource and Trusted Advisor, VMEC has a 22-year track record of achieving measured results and quantified impact for its clients, with a high average Return on Investment (ROI) reported by clients as a direct result of VMEC assistance.

The VMEC Team brings expertise in consulting, coaching, hands-on implementation, continuing support, and training and education for leaders and workers — helping them to innovate, plan, perform and accelerate profitable growth in ways that drive increasing enterprise value. The VMEC Team provides proven systems and solutions focused on Strategies, Processes, Products, Technologies and People.

CLIENT PROFILE

Caledonia Spirits  Hardwick, VT

CALEDONIA SPIRITS, AN ARTISANAL, DISTILLED SPIRITS COMPANY based in Hardwick, Vermont, was founded on a vision to support working landscapes and local agriculture by making their craft spirits from regional raw materials. When the company decided to bring their native Vermont flavors to an international audience, they turned to VMEC for help.

Aminta “Minty” Conant, CFO, saw a chance to grow export sales with the tools and techniques they would learn from VMEC’s ExporTech™ training. They were looking for basic guidance in all segments of exporting. ExporTech™ offered training on all of the components central to exporting and assistance with methodical execution. This fit perfectly with their needs.

“We never knew there were so many resources available,” Minty says. Caledonia walked out of ExporTech™ with an exhaustive list of resources to begin researching for strategy changes, and another list of foreign tradeshows to join.

“ExporTech” opened our eyes to a more measured approach to exporting our products. It provided us with a wealth of resources that have helped us focus our plans for exporting and to evaluate not only export markets, but domestic.”

MINTY CONANT, CHIEF FINANCIAL OFFICER

VMEC IMPACTS

Partial Impact of VMEC in Vermont

- Jobs created that otherwise would not have existed: 67*
  Last three years: 266
- Jobs retained: 156 / Last three years: 388
- Total jobs created (direct, indirect and induced): 595** that paid a total of $24.9 million** in employer wages and benefits
- Client investment in modernization: $12,627,000*
  Last three years: $45,590,000
- Cost savings: $14,216,000*
  Last three years: $30,043,000
- Increased and retained sales: $76,700,000*
  Last three years: $214,863,000
- Additional labor compensation: $38,199,000**
- Total value added (gross state product): $45,218,000**

* Client-reported impact as a direct result of VMEC assistance.
** Results of input-output analysis (IMPLAN modeling) based on results from VMEC clients surveyed.

Multiplier Impacts of Manufacturing

Economic Multiplier

Every $1 in manufactured goods generates an estimated $1.37 worth of additional economic activity—the highest of any other economic sector.

Source: Bureau of Economic Analysis, Industry Input-Output Tables (2013)

Employment Multiplier

Each manufacturing job supports an additional 1.6 jobs, and each “Advanced Manufacturing” job supports as many as 4.9 other jobs.

Mike Rainville crafted a lifelong passion for woodworking that led him to open Maple Landmark Woodcraft in 1979. Today the company occupies a 28,000-square-foot facility in Middlebury, Vermont, making eco-friendly, educational wooden toys, games and gifts.

Mike first started working with VMEC in 1996, just after the company moved to its larger facility with an exploding product line. “We had a lot of challenges to solve,” Mike says. “I didn’t know what I didn’t know, and VMEC helped with that.” Maple Landmark has worked with VMEC on a number of projects, including a product study and consultations on production flow. Most recently VMEC conducted a series of internal trainings, starting with Lean Manufacturing and moving into supervisory training. “In the last 20 years, virtually all of our peers in this industry have disappeared domestically,” Mike says. “I give VMEC much credit for our continued existence.”

“...I am always reminded how much VMEC understands manufacturing and that so many of our issues are common to other companies. They know how to cross-pollinate when everything might seem to be unique circumstances.”

Mike Rainville, President and Owner
2017 Vermont Small Business Person of the Year

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**How VMEC Assists Companies and Organizations**

**Resources for Vermont Manufacturers**
Manufacturers need quick access to information and resources for wide-ranging needs. The VMEC team is comprised of a highly experienced group of professionals with many years of combined experience in all aspects of manufacturing and enterprise growth. When necessary, we have ready access and established relationships with State of Vermont and private resources, plus MEP National Network consultants and numerous other resources across the nation through VMEC’s longstanding affiliation with federal stakeholder partner, the Hollings National Institute of Standards & Technology (NIST) Manufacturing Extension Partnership (MEP).

- Representative of the MEP National Network in Vermont
- Value-added Partnerships and Experts
- Vermont CoreValue Agency

**Innovation, Growth and Technology Acceleration**
Vermont Manufacturers are asking for help to develop new products and increase sales to new markets. Spanning the innovation continuum, VMEC can help plan, accelerate and implement strategies to integrate advanced manufacturing technologies into profitable new Products & Services, Processes and Business Models for systemic excellence and sustainable growth. VMEC is a licensed member of the growing global Innovation Engineering Network of practitioners.

- Innovation Engineering
- Marketing and Branding
- Product Development
- Supply Chain
- Industry 4.0
- Cybersecurity
- Export Planning and Growth

**Operational Excellence and Continuous Improvement**
Ongoing continuous improvement, cost reduction strategies and operational excellence remain among the top needs we hear from manufacturers. VMEC can recommend and support systems and solutions to identify and systematically drive out waste in all of its forms, transform office/administrative and plant processes, solve problems, lower costs, improve quality, increase customer and employee satisfaction, manage talent and train employees, and grow a culture of continuous improvement.

- Trusted Advising and Executive Coaching
- Lean Manufacturing
- Administrative Lean
- Cost Reduction
- Quality Management Systems
- Six Sigma
- Strategy Development and Deployment

**Workforce Strategies and Talent Development**
Developing a highly skilled workforce is critical to Vermont’s manufacturers. VMEC offers a variety of networking and training opportunities through its basic and advanced public and on-site Workshops, Vermont Manufacturing Forums held at local plants, and focused Special Events.

- Workshops and Training
- Forums and Networking
- Workforce and Leader Development

**Size of Manufacturing Firms Served by VMEC, by Number of Employees**

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*For the period July 2016 - June 2017*

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WHEN TOM PARENT JOINED HAYWARD TYLER IN 2012, he brought a piece of knowledge that proved to be crucial to the organization. “I’d had experience working with VMEC at a previous place of employment, and I knew they could help us,” he says. Hayward Tyler has made its name designing, manufacturing and servicing fluid-filled electric motors and pumps for the global energy industry. But as their work grew, so did their need for improved productivity. That’s where VMEC came in.

“They introduced Lean concepts to our organization and emphasized the importance of getting management’s buy-in,” Tom says. “They led training sessions for the entire company and worked with us on developing a curriculum that made sense for our needs.” Just a few results of VMEC’s involvement, over a five-year period, include: improving productivity by reducing project lead time from 25.5 weeks to 7 weeks, improving on-time delivery of products from 45% to 90% of the time, and growing the number of units built each year from 51 to 69.

“VMEC’s depth of knowledge and breadth of services are an incredible asset to manufacturing businesses in Vermont. They’ve provided a tangible and significant Return on Investment for us.”

“Clients served include manufacturers from a variety of sectors, including electronics, aerospace, agriculture, and renewable energy. VMEC helps these companies improve productivity, increase revenue, and reduce costs. The center’s impact on Vermont’s economy is estimated at $1,961,385,000 from January 1996 through June 2017, with $134,923,000 from July 2016 to June 2017. These impacts include 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. Reported impacts are modeled using IMPLAN 3.1 Software and Vermont 2016 State data package.”

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Executive Director, Springfield Regional Development Corp.

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LISA GROENEVELD
COO & Co-owner, Logic Supply

TOMMY HARMON
CEO/Owner, Sonnax Industries

GREG MAGUIRE
Senior Director of Government and Legal Affairs, Revision Military

ED TOWNLEY
President and CEO, Agri-Mark/Cabot Creamery, Inc.

STEVE WILDERMUTH
Vice President, FAB Operations, GlobalFoundries

BOB ZIDER
Director/CEO, VMEC

VMEC has a strong history of serving Vermont manufacturers with enterprise assessments and education events, helping to improve productivity, reduce costs, and drive innovation. VMEC’s Total Impact on Vermont’s Economy includes:

$1,961,385,000
January 1996 – June 2017

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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 five highest-ranking strategic challenges reported by VMEC clients include the following (based on client surveys completed October 2016-September 2017 by an independent third party under contract to NIST MEP):

- Continuous Improvement and Cost Reduction: 74%
- Product Innovation and Development: 60%
- Employee Recruitment and Retention: 52%
- Growth Opportunities: 48%
- Managing Partners and Suppliers: 24%

Challenges to Manufacturing Growth in Vermont

Manufacturers Served
VMEC served more than 918 of Vermont’s approximately 1,200 manufacturers from January 1996 through June 2017, with 78 served in the last year.

VMEC Forums and Education Events
62 employees from 20 companies participated in VMEC Vermont Manufacturers Forums and/or Education Events held across the state last year, including at plant sites of companies committed to continuous improvement, Lean manufacturing and innovation-led growth.

Employees Trained
More than 728 manufacturing employees from 45 companies participated in public workshops and onsite manufacturing training in Vermont from July 1, 2016 through June 30, 2017.

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TOM PARENT, DIRECTOR OF HUMAN RESOURCES & INFORMATION TECHNOLOGY

2018 VMEC Advisory Board

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