

ForwardFocus

www.mtmanufacturingcenter.com

Montana Manufacturing Center

University Technical Assistance Program

Late Winter 2007

Inside this Issue:

- 3 What's Up WIRED
- 5 It's the Numbers
- 10 Manufacturing News

Plus

**2007 OUTLOOK
Manufacturing**

Growing with the Brand at Allegra

By Deborah Nash, MMEC

The owners of Allegra Print and Imaging in Helena, Toni and Clark Broadbent, historically ride the cusp of change in the industry. Today, the increasing pulse of the operation is in the flow of ink, whirring presses and busy bindery equipment located in the lower level of its downtown location. Streams of activity are visible in design, copy service and the unique retail sales areas on the main floor as well.

To better meet changing customer demand and reach a new niche in the highly competitive printing industry, Allegra recently made a million dollar investment in a state-of-the-art Ryobi sheet-fed press along with other equipment upgrades and improved plant layout.

Back in 1982, the Broadbents opened their print business as an Insty-Prints, the first shop of its kind in Helena to offer the then revolutionary desktop publishing, overnight print services, high speed and engineering copies. In 1992, the owners moved press production to the top floor of the Eaton Building on Last Chance Gulch, adding another 5000 sq. ft. to the operation. In 1997, they merged with two other local printers and moved to the historic Carriage House, location of an early-day livery stable and the former Grimes Motors building. Change has not stop there.

"The best part of being in a competitive industry is working for a company like Allegra. It's a fantastic place to work, especially because Toni and Clark re-invest in new technology and keep

the equipment in tip top condition all the time," says Trevor Parrish, who is Allegra's general manager and has been with the company for 11 years.

Gaining with Lean

Over the past several years, Parrish has been working to implement Lean Manufacturing techniques learned at an MMEC workshop. Driving these changes is print communications becoming more intertwined with binding, according to Parrish.

"I started concentrating on workflow with Todd Daniels from MMEC for better utilization of space about a year and a half ago. We actually flipped the press and bindery areas for better flow and to reduce material handling," Parrish said.

He started applying Lean's just-in-time concepts because he wanted to better manage a huge inventory and liked the idea of improving on the visual controls that were in use. That effort has led to even greater gains from re-configuring the press room and bind-

ery, making space in the burgeoning business for more advanced equipment, including the Ryobi press. Less efficient presses and equipment have been sold while keeping workhorses and several revered early-day Heidelberg presses: a 1950 sheet-fed Quick Master and one

pre-electric era 1895 model that uses cast dies. It was converted for electricity long ago. Each of these is still used for specialty printing and unique business cards.

Another interesting piece is an Halm Jet Envelope Press capable of printing 50,000 pieces an hour. While not old, it has history as the only press still being manufactured in the USA, according to Parrish.

And typical for a growing company, "space

was an issue when I got started," he said. "It still is."

Thinking Through 5-S

"My involvement started out along the lines of helping Trevor with 5-S

(continued on page 4)



Layout changes make room for November delivery of Ryobi press.

HOME OFFICE

2310 University Way, Bldg. 2
P.O. Box 174255
Montana State University
Bozeman, MT 59717
(800) MEP-4MFG
(406) 994-3812
Fax: (406) 994-3391
mmec@coe.montana.edu

FIELD OFFICES**Billings**

Dale Detrick
Big Sky EDA
(406) 869-8414
ddetrick@coe.montana.edu

Bozeman

Mark Shyne
UTAP-MSU
(406) 994-3813
marks@coe.montana.edu

Al Deibert, MilTech
MSU TechLink
(406) 994-7732
aldeibert@coe.montana.edu

Helena

Todd Daniels
MT Department of Commerce
(406) 841-2745
tdaniels@mt.gov

Jim Haider, WIRED
406-461-8543
jhaider@coe.montana.edu

Kalispell

Bill Nicholson
Flathead Regional Business Center
(406) 756-8329
bnicholson@coe.montana.edu

Paddy Fleming, MilTech
Flathead Regional Business Center
(406) 756-0207
pfleming@coe.montana.edu

Missoula

Kreg Worrest
School of Business Administration
University of Montana
(406) 243-6613
kworrest@coe.montana.edu

Drop Your Line In for Real Opportunity

My recent participation in a trade mission to Italy rekindled the conviction that opportunities to expand markets internationally are very real for Montana companies.



Did you know that 97% of U.S. exporters are "small and medium-size enterprises" (SME's, having fewer than 500 employees)? What's relevant here is that 70 percent of those exporting actually have fewer than 20 employees, not unlike Montana where 84 percent of manufacturers employ fewer than 20.

Two-thirds of SME's that export currently sell to just one foreign market, and nearly half to just four. Similarly, in Montana, four markets attract most of the export business, with Canada at roughly 50 percent followed by Japan and Germany each with 10 percent and Taiwan at 6 percent. A real window for capturing market share around the world is in the offing as domestic demand surges in many developing nations and skyrocket in China. Just think; 95 percent of the world's consumers live outside of the U.S.

The administration's 2006 National Export Strategy report speculates that a robust domestic market has kept export levels fairly constant in recent years, but it also says companies are missing out, and here's why. First, escalating use of Internet and email, better travel connections and landline technology have significantly improved global communications. Second, tariffs in industrial countries have dropped from more than 38 percent to just 4 percent as a result of multilateral trade negotiations since 1947. And third, recent negotiations are breaking down other barriers as well. The report cautions that too much home-market emphasis may keep firms from recognizing the onset of new com-

petition until it is too late.

Emerging markets in Asia and the transitional economies of Eastern and Central Europe are projected to experience the fastest growth. This made the recent trade mission to the Lombardy region of Italy particularly timely. The trip was organized by Congressman Denny Rehberg and the Montana World Trade Center, responding to private sector interest in exploring its robust economic environment for new markets.

The national report, by the Trade Promotion Coordinating Committee (TPCC), finds that among U.S. manufacturers who do not export, about 30 percent would if they had more help getting information about markets, customers, and export procedures. It found the perception of high risk and concerns over financing and shipping paperwork also play a significant role in the decision not to export.

It recommended more effort through public/private partnerships to "demystify the process."

That's where trade missions fit in. Traveling with a contingent made up of an official from government and knowledgeable organizers who pre-arrange and vet local connections for key meetings maximizes every minute of the trip. Combining governmental meetings, company visits and university ties is a real ice breaker in foreign lands where establishing relationships comes before business deals.

Trade missions help bridge this gap in several important ways:

1. Identify opportunities so our companies can take advantage of them;
2. Help develop important relationships that lead to business deals;
3. Enable wise use of time and money by prearranging meetings with potential customers;

(continued on page 10)



What's Happening with WIRED



At a time when the U.S. is seeking alternative fuels to reduce its dependence on foreign oil, Montana is poised to take advantage of a developing market in bio-fuels and other alternative energy. Thanks to Governor Brian Schweitzer's "New Homestead Act," enabled by a national Workforce Innovation in Regional Economic Development Program (WIRED) grant, the region that consists of 32 counties and six of the seven Indian reservations in Montana (see map, figure 1) will receive assistance from a variety of agencies and institutions to further agro-energy and other bio-product endeavors.

The Governor's WIRED application was one of 13 approved out of over 90 submissions nationwide in 2006. The Montana program is focused on developing the bio-products industry and general job creation in the designated area that has been ravaged by the impacts of drought, out-migration, business closures and economic stagnation. A report in the "Eye on Business," the Montana Chamber of Commerce newsletter, cites a 2005 *The Economist* report that says eight of the 20 poorest counties in the U.S. are in Montana's WIRED region.

The vision for Montana is to shift the region's agricultural base from being a predominantly cash crop economy to one that is boosted by a higher level of agricultural processing including biofuels. This will enable the region to become economically viable over time and to compete more successfully in global markets.

More about Bio-fuels

Because of Montana's agricultural and forestry heritage, most people understand the idea of adding value in food processing such as sugar from sugar beets, cooking oil from safflower



Fig. 1: Workforce Innovation and Regional Economic Development

WIRED Region
Balance of the State
Indian Reservation

Source: Montana Governor's Office; "Created by Census & Economic Information Center, Montana Department of Commerce, 2006"

seed or making secondary products from timber. But when it comes to bio-fuels less is understood.

Biofuels are a renewable energy source produced from organic materials, or biomass. A biomass conversion chart (see figure 2) that appears on the Web site of the European Biomass Industry Association (EUBIA, <http://www.eubia.org>) may help to visualize some of the possibilities and the types of technology behind them. Simple biomass, agro-resources such as wood, straw, manure and other organic waste, sugar beets, cereals and

seeds can be converted to direct heat or bio-fuel products. Different conversion processes are applied, dependent on the resource. And through those, either direct heat or bio-fuels are derived that can then be marketed in a variety of ways. These include heat, electricity, transportation fuels, and the chemical industry. The four basic categories of conversion technology, according to EUBIA, are direct combustion, thermo-chemical conversion processes (pyrolysis, gasification), bio-chemical processes (digestion, fermentation) and physico-chemical.

Beyond Bio-fuels

Some of the applicable technologies are still too costly or are still developing; others are being pursued by Montana companies today. And the bioproducts industry extends beyond the fuel making capability to enhanced agricultural products, food products, timber related products, aquaculture, and much more; things manufactured from renewable resources," says Jim Haider, the MMEC field engineer working with manufacturers through the WIRED initiative.

Five Firms Moving Forward

This winter five Montana companies were awarded more than \$1.3 million-dollars in grants through the WIRED

(continued on page 9)

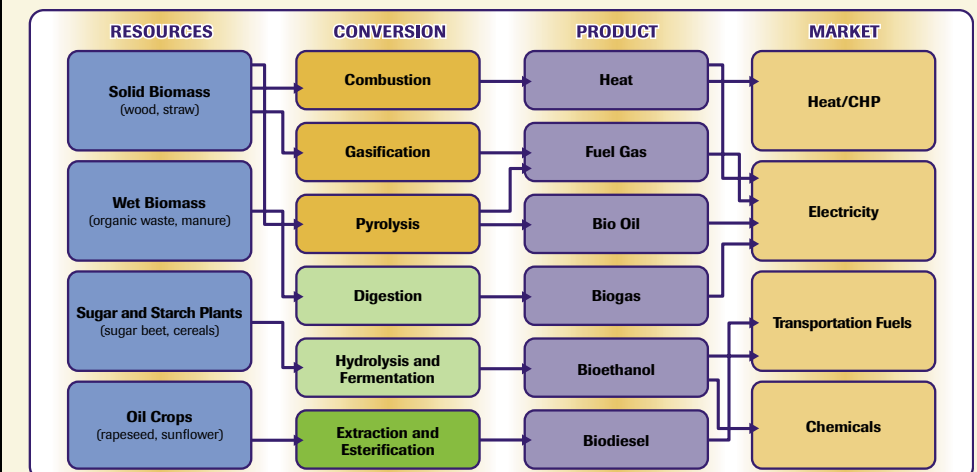


Figure 2: Biomass Conversion Chart: courtesy of EUBIA. This chart shows progression from resource to market; not all possibilities are illustrated.

Growing with the Brand at Allegra (continued from cover)

(sort, set in order, shine, standardize, sustain),” said MMEC Field Engineer Todd Daniels, “along with a general look at layout in a visit right after the 101 class. I drew up a couple of quick



Trevor Parrish with busy pressman Wes Dess operating state-of-the-art press at Allegra

layout possibilities, for major flow of materials when Trevor wanted to explore improving the bindery layout. It was a first step.”

Later, when Parrish was seeking space for a new folding machine, Daniels suggested reducing the old paper storage area and to consider using space where older equipment was being stored for potential sale. Daniels recalls looking at stored inventory and asking, “Have you taken anything off those shelves in the last year?” The honest answer — several years.

“I told him, ‘Get rid of it.’ I also challenged him to do away with the 20-some tables and the shelving,” Daniels said.

To assist Parrish with thinking that kind of change through, Daniels created several Microsoft Visio® versions of the floor plan, one with suggested equipment layout and moveable icons of tables and shelves off to the side. These enabled Parrish and his staff to play with options for a future layout (future state) and how to function within it.

“I checked back six months later, and things had really changed,” Daniels said. “Where space was gained sat the

new Ryobi, and the tables were gone!”

The Effects of Change

What Parrish accomplished was a conversion to Lean’s point-of-use storage concept to reduce materials handling and gain space. The 22 tables and shelf storage had been replaced with handy custom-made job carts. And paper stock that arrives on pallets stays palletized. Then, using a pallet jack suggested by Daniels, the material is situated near the appropriate press. With each pallet weighing up to 2,000 pounds loaded, this step alone has worked very well to minimize handling, Parrish said.

Thinking Lean, Parrish envisioned the cart approach to improve material handling but admits he resisted converting to them at first. “I was afraid they would become catch-alls.” Instead, he applied Lean workplace organization to their use and says, “Now, we just don’t do that.”

He had the carts custom made to be “employee friendly at a height for less bending and fewer carries to next station,” he said. “What we found is a cleaner work environment, more pleasant and safer.”

Machines were moved around for better movement through the area and to fit in new equipment. “Essentially, we configured more of a production line, even in bindery,” Parrish said. He estimates that materials handling has decreased by at least two-thirds.

“We have really valued Todd’s input. I trust and use his advice. When he doesn’t have the answer, he talks to others, takes photographs for ideas and helps me work through it,” Parrish said of the relationship with Daniels at MMEC.

“At Allegra, we think of Todd at MMEC as a partner in our growth,” added Toni Broadbent. “He has seen us through a lot of changes through the years. We now have one-third more employees and growing every year; most of equipment we had has now been replaced.”

“We think of Todd at MMEC as a partner in our growth.”

New Technology, New Opportunity

The November installation of the Ryobi four-color, press is just one example of the evolution from a revolutionary quick-print shop in the early 1980s to a full-service print shop today.

When asked why the switch from German-made Heidelberg presses, a long-time industry standard, to the Japanese Ryobi, Parrish said, “At first, we looked at an older Heidelberg but decided we don’t want to go backward in technology.”

In his opinion, the German products have not adapted as fast to changing technologies. And for Allegra, the Ryobi offers self loading and self cleaning features and auto color register for easy, fast, and better printing. These features, coupled with a sheet size of 25x40 inches and the ability to print half sizes,

have positioned the company to cultivate an underserved “in-between” market.

“It’s enabled us to enter a market

(continued on page 9)



1895 era press was converted for electricity; still has uses today.

Business Health – The Numbers Tell the Story

By Guest Writer, John Vander Laan, SCORE

Is your business succeeding? You may think so, but the reality may be quite different.

Good sales and happy customers are not necessarily indicators of a health business.

No doubt you’ve read about seemingly prosperous businesses that suddenly shut down without notice. Those businesses may well have closed because the owner did not understand the company’s true financial health.

Accounting and financial figures can provide you with the information you need to gauge the health of your business and where it’s heading. If you’re unfamiliar with balance sheets and profit and loss statements, you may think they are nothing more than just pages with a bunch of numbers. Actually, they are very valuable tools that can provide you with the information necessary to make good decisions regarding sales, expenses and profits.

Let’s start with the balance sheet. Think of it as a snapshot of your business at a given point in time. The amount of capital distributed over the various accounts in the business and the surplus of assets over liabilities shows profitability. If the snapshot shows liabilities greater than assets, you see a loss position for the company at that time. Even more important are trends over time.

How to Spot Trends

A company may have a month with high expenses that result in a loss for the period. The trends, however, may show five months of profitability. The net of the six months may show profitability even though one month showed a loss. If three months showed a loss it would be cause for more concern, and you must decide how to overcome the

negative cash position.

Comparing balance sheets over a period of time helps you gain an understanding of your assets and liabilities. Let’s say you review your quarterly balance sheets over several years. By comparing these on an item-by-item basis you can spot trends. You are now beginning to gain a real understanding of the overall financial picture of your company. For example, seeing larger quantities of inventory on hand from one period to another may be a reflection of a decision to buy ahead because of special pricing OR ARE YOU carrying too much inventory? Receivables may show a continuing upward trend when collection of outstanding accounts is not pushed for collection within 30 days. Debts may run higher when there is expansion OR ARE YOU spending too much? The trend analysis provides you with the information necessary to make prudent and fiscally sound decisions for the operation of your business.

The profit and loss statement (P&L) is another valuable tool in ascertaining the company’s performance for a give period of time. The P&L will show sales volume, costs incurred and the amount of profit or loss. Comparing the P&L of succeeding periods monthly or quarterly can yield a ton of information. Why was there a lower gross profit for each of several quarters? Did price cuts decrease per-sale profitability? Was a higher portion of sales spent on operating costs such as personnel, rent or insurance? Are overhead costs increasing? The answers are there, and you need to know what they are.

Although your accountant should be able to give you advice and guidance, you should also have a clear understanding of how to read, interpret and act on financial information. As the decision maker, you need to know what effect your decisions have had on profit in the past and what decisions need to be made to control costs, increase profits and improve cash flow. The flow and use of money in your business is critical. Your salary and the continued profitability of your business depend upon you and your ability to make sound financial decisions.

A great resource for help is SCORE – Counselors to America’s Small Business. SCORE provides free and confidential business counseling, including information and assistance on how to interpret balance sheets and profit and loss statements. SCORE is a nonprofit organization dedicated to the formation, growth and success of small business. SCORE volunteers are real-world professionals with time-tested knowledge who donate thousands of hours to help small businesses succeed. Counselors are experts in such areas as accounting, finance, marketing, management and business plan preparation.

SCORE has eight Montana chapters located in Billings, Bozeman, Butte, Great Falls, Havre, Helena, Kalispell and Missoula. More than 190 volunteer business counselors are available to assist you in starting a new business or getting through some rough times in an existing business. SCORE is a national, nonprofit, organization and a resource partner of the U. S. Small Business Administration. It is now easier than ever for you to contact SCORE. Check out the Web site <http://www.montanascor.org> for chapter information, individual counseling skills, workshop schedules and more.

John Vander Laan is a member of Northwest Montana SCORE.



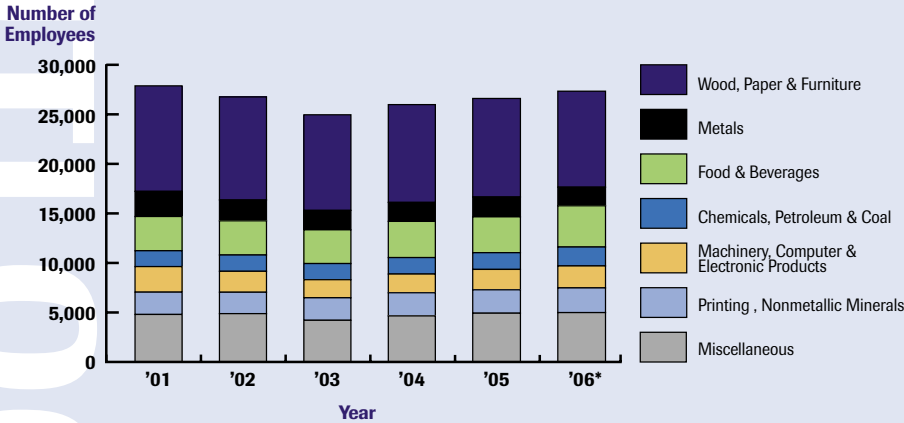
Illustration: Jason King

SPECIAL FEATURE



THE 2007 ECONOMIC OUTLOOK FOR MONTANA'S MANUFACTURING INDUSTRY

Figure 1
Montana Manufacturing Employment, 2001-2006



* Estimate
Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Table 1
Employment and Labor Income in Montana's Manufacturing Sectors, 2001 and 2006

Manufacturing Sector	Labor Income [thousands 2004\$]		Employment	
	2001	2006*	2001	2006*
Wood, Paper & Furniture	\$432	404	10,631	9,690
Metals	117	115	2,546	2,059
Food & Beverages	116	135	3,400	4,133
Chemicals, Petroleum & Coal	191	233	1,598	1,929
Machinery, Computer, & Electronic Products	110	107	2,610	2,204
Printing, Nonmetallic Minerals	81	88	2,323	2,480
Miscellaneous	115	136	4,681	4,959
TOTAL	\$1,162	\$1,218	27,789	27,453

* Estimate
Sources: Bureau of Business and Economic Research, Bureau of Economic Analysis, U.S. Department of Commerce.

Montana's Manufacturing Industry

(Reprinted with permission from BBER 2007 Outlook publication)

by Charles E. Keegan III, Thale Dillon, Laurie Toomey

Montana's manufacturing industry had increased sales, employment, and worker earnings in 2006 building on improvement both in 2004 and 2005.

The sector in 2006 produced approximately \$8 billion in product output, employed close to 27,500 people who earned \$1.2 billion in labor income. The manufacturing sector accounted for over 20 percent of Montana's economic base.

Manufacturing employment has shown steady increases in the past three years (10 percent), and income to workers rose commensurately. Three years of declines have now been followed by three years of consistent increases in Montana manufacturing output and employment.

With the exception of the wood products sector the continued improved conditions in 2006 were broad based. Nearly 60 percent of surveyed Montana manufacturing firms reported increased profits in 2006; sales were up for nearly two-thirds, and production increased for 61 percent.

The continued increase in manufacturing activity in 2006 can be attributed to a strong global economy which spurred demand even as growth rates in the U.S. economy slowed. This resulted in high prices for a number of base commodities (such as petroleum and metals) as well as high technology products.

Also, positively impacting some Montana manufacturers was the continued growth of the economy in Montana and adjacent states.



In 2006, Montana's manufacturing sector produced \$8 billion in product output and paid \$1.2 billion in labor income.



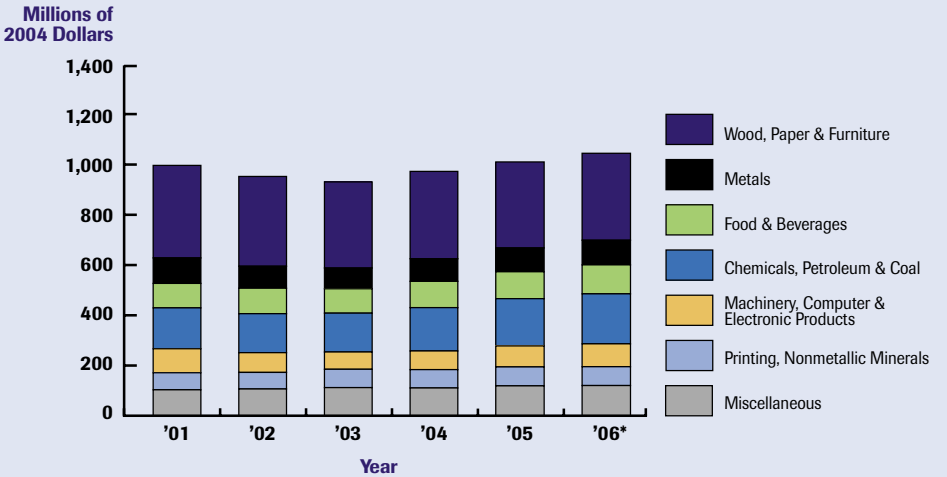
Table 2
Manufacturing Employment and Labor Income Among Montana Counties, 2004

County	2004 Manufacturing Employment*	% of State's Manufacturing Employment	2004 Manufacturing Labor Income [thousands 2004\$]*	% of State's Manufacturing Labor Income
Yellowstone	3,778	17%	\$253,363	25%
Flathead	3,456	15%	\$156,230	15%
Missoula	3,168	14%	\$144,570	14%
Gallatin	2,535	11%	\$119,032	12%
Ravalli	1,216	5%	\$43,243	4%
Cascade	949	4%	\$44,808	4%
Lake	949	4%	\$30,367	3%
Lewis & Clark	853	4%	\$41,402	4%
Lincoln	562	2%	\$31,018	3%
Silver Bow	487	2%	\$17,228	2%
Remaining 46 Counties	4,653	21%	\$143,860	14%
Montana Total	22,606	100%	\$ 1,025,121	100%

*County-level estimates do not include logging and forest management industries, which would add more than 2,500 jobs and over \$109 million in labor income.

Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 2
Labor Income in Montana Manufacturing Industries, 2001-2006



* Estimate
Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Outlook: 2007 and Beyond

The U.S. economy is projected to slow further in 2007 as are Japan and most European economies. However, continued strong economic performances in China and India will help maintain global economic activity. A weakening U.S. dollar should help U.S. exports and make imported products less competitive in the U.S. market. Lower interest rates and lower energy prices could stimulate business and consumer spending as 2007 progresses.

Montana manufacturers who responded to our annual survey are surprisingly optimistic in the face of a slowing U.S. economy. Forty-five percent still foresee improved conditions for 2007, and 43 percent think 2007 will turn out about the same as 2006. Only 12 percent expect worsening conditions. Over half of manufacturing respondents expect to keep their work force at the same level in 2007, while well over onethird foresee an increase.

When manufacturers were asked to rate a list of issues in terms of general importance to their business (Table 3), 78 percent of respondents rated health insurance cost as very important, followed by the availability of qualified workers (73 percent), and workers' compensation rates (64 percent). Energy costs and raw material availability and cost were very important to just over 50 percent of respondents.



Table 3
Ranking of Issues Deemed Important to Manufacturers*

Issue	Percent Responding "Very Important"	Ranking 2006	Ranking 2005
Health Insurance Costs	78%	1	2
Availability of Qualified Workers	73%	2	3
Workers' Compensation Rates	64%	3	4
Cost of Energy	52%	4	1
Raw Material Availability	52%	4	5
Workers' Compensation Rules	45%	6	6
Cost of Workforce Development	24%	7	7
Foreign Competition	21%	8	8

* Estimate
Sources: Bureau of Business and Economic Research, Bureau of Economic Analysis, U.S. Department of Commerce.



Growing with the Brand at Allegra (continued from page 4)

we've never been in with very quick turn around. We are now niched in between a quick print and a high volume commercial option," he said. Management expects 10 percent growth this year as a result of new printing options.

Re-branding Is Important

In the continuing evolution to a full service, higher volume print communications center, the Broadbents have not only chosen to take advantage of the latest printing technologies, they also consolidated off-site operations and re-branded the business under Allegra Print & Imaging in 2004.

The shop now has a team of 27 highly motivated professionals and the largest physical plant in the nation for Allegra branded stores. But becoming branded as Allegra was no easy task.

"The certification process included improving the way we do business all around and took over two years," says Toni. "Qualifying our processes has given us new capability and much more speed to meet the demand of the marketplace."

The next step, according to Toni, is to make press and bindery areas more of a show place for customers and a more pleasant environment for employees by adding some color and art like that enjoyed at ground level.



Parrish with early-day Heidelberg press used for specialty printing.

What's Happening with WIRED (continued from page 3)

program. Grant recipients include Sustainable Systems, LLC; Fort Peck Tribes; Peaks and Prairies, LLC; Western Bio-Products Innovation Center; and Ethanol Producers and Consumers of Montana, Inc (EPAC).

"These WIRED awards are helping fund cutting edge operations in Montana's bio-product industry," said Governor Schweitzer. "All of the recipients are devoted to expanding the economic base of bio-products in Eastern Montana, and these grants will allow Montana to advance to the next level."

Last summer, the Montana Manufacturing Extension Center was one of the first WIRED grant recipients to enable MMEC to use its knowledge base and field resources to assist new and existing bioproduct companies to improve efficiencies and provide customized training to workers. Additionally, companies may receive assistance for a proportionate cost of equipment and inventory used in that training.

Through related program grants to other Montana organizations, WIRED funds can also be used for curriculum development, intern and apprenticeship

programs and school-to-work opportunities to help citizens with skill sets they will need in the bio-based workplace.

"Businesses involved in the support or production of bio-products in the WIRED region may be eligible

for assistance from MMEC," Haider said, noting that other Montana firms that support bio-product development should also feel free to give MMEC a call. Haider can be reached through his office in Helena at 406-461-8543 or jhaider@coe.montana.edu.

Choices Health Insurance Program Tops 6,000

The Montana Chamber of Commerce rang in the New Year with the news that they had more than doubled enrollment in Chamber Choices, its group health insurance offering, since the beginning of last year. Enrollment has topped over 5,000 lives with more than 400 employers involved. By February enrollment had climbed to 6,000.

"Even better, about 60% of our lives covered previously had no insurance," noted Webb Brown, Montana Chamber President/CEO. "We're finding solutions for a major problem facing employers."

Montana Chamber Choices started in May 2004 as a group health insurance plan. It is available to members of the state chamber and/or 41 local chambers of commerce. The program continues to grow with over 50 employers signing up this past November alone.

More information is available at the program's website, www.chamberchoices.com, or by calling the Montana Chamber at 888-442-MONT (6668), Blue Cross at 800-447-7828 ext. 8965, or Associated Benefits of Montana at 877-799-2225.

Manufacturing News

Rail Improvements to Provide Jobs

BNSF Railway Co. plans to spend 54.4 million in Montana on capital improvement projects, increasing its workforce by 100. A total of 300 employees will work through next fall to complete rail and tie replacement and track surfacing projects. Upgrades are being prompted by record amounts of freight. —*BSBJ hotsheet news, Feb 5, 07*

UPS Looks to Boeing

Atlanta-based **UPS** announced that it is adding 27 Boeing 767s to its fleet with delivery expected between 2009 and 2012. The order will keep the 767 production line in Everett, Wash., running for several more years while Boeing seeks a \$100 billion contract to replace hundreds of aging Air Force refueling planes, possibly with 767s, according to a Seattle Times Business & Technology report. *http://seattletimes.nwsources.com*

Growth Projections for Aerospace Firm

Sonju Industrial, Inc., (*www.anodizecoating.com*) an aerospace component manufacturer in Kalispell, has projected workforce growth from 37 employees to 150 over the next two years as a result of diversification and current efforts to complete AS9100 quality system certification. A final registration audit is scheduled in March. *News story by Lynnette Hintze, Daily Inter Lake, Feb. 11, 2007.*

Pipe Manufacturer Expands Operations

Poly Warehouse, Inc. in Stevensville expanded operations to a newly built 12,000-square-foot facility over the New Year. Further expansion is planned as a result of an equity investment through InvestAmerica, a private equity management group based in Cedar Rapids, Iowa. Founding owner and CEO Neil Sheldon was assisted in locating financing by the Montana Community Development Corporation. *News story by Tyler Christensen, Missoulian archives, Dec. 20, 2006 (www.missoulian.com)*

Made in Montana Marketplace

The annual **Made in Montana Marketplace** convened at the Mansfield Convention Center in the Great Falls Civic Center for a two-day food and gift trade show on March 2 and 3. The event is strategically timed to connect exhibitors with buyers looking to purchase for coming spring and summer season. Watch for information about 2008 at *www.ci.great-falls.mt.us/events/madeinmontana/index.htm*

ForwardFocus is a Newsletter for Montana Manufacturers
Published Quarterly

SEND NEWS BRIEFS

**For the
MFG NEWS!**

Feel free to contact MMEC about manufacturing topics or issues that concern you and send your company news briefs to dnash@coe.montana.edu

Call MMEC 406-994-3812 or 1-800-MEP-4MFG

Drop Your Line (continued from page 2)

4. Offer opportunity to become familiar with and adapt to cultural differences so future business deals work better;
5. Interact with local resources that can help reduce the learning curve, with answers to: What are the paperwork requirements? How do I get paid? How do I ship my product? Will I have to pay tariffs? Will my intellectual property be protected?

Since it can take as long as two years for a novice firm to successfully complete its first export transaction, the investment of time and resources to further relationships through participation in a trade mission offers real value.

And such trade missions do yield results. This was my third mission with the Congressman, and previous trips have delivered at least \$20 million in new revenue for Montana businesses so far.

While the Lombardy region is much smaller than Montana geographically, it has more people. However, it is similar to Montana in a number of ways. Manufacturing firms are mostly small family-run firms. There is a broad mix of manufacturing sectors. And it attracts the eco-oriented potential of many Montana businesses, according MWTC.

MSE Technologies of Butte had a representative on the mission; and outdoor products from three Bozeman companies, several from Missoula and one from Stevensville were among the Montana-made items that delegates pitched while we were in Italy. The Montana Wheat and Barley Commtee, the Governor's Office of Economic Opportunity and the Office of International Programs also participated.

I recall this key comment before the mission by Jeff Ruffner from MSE (*www.mse-ta.com*):

"You have to drop a line in the water in order to catch a fish."

Steve Holland, MMEC Director

MMEC Clients Report \$88M Impact in FY2006

From July 2005 through June 2006, Montana Manufacturing Center (MMEC) clients reported nearly \$88 million of positive economic impact. The companies were surveyed by an independent survey house that collects data quarterly to assess the effectiveness of MMEC services in delivering measurable returns to clients and investors.

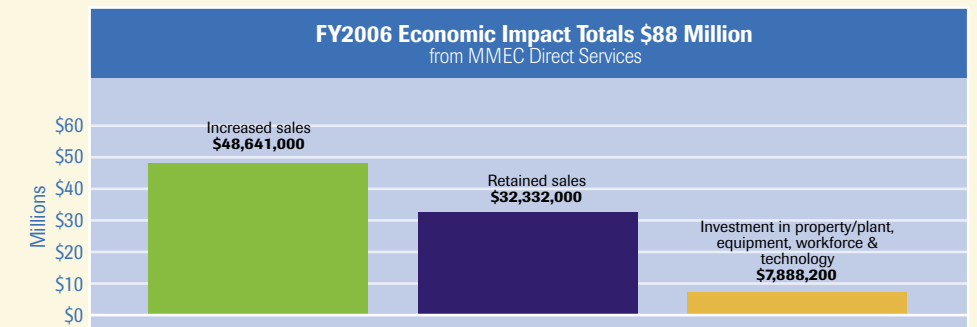
Clients also reported that direct services resulted in an increase of 169 jobs and retention of 150 positions. The survey results indicate that MMEC clients are modernizing, investing in their people, increasing sales, saving money and becoming more productive and competitive.

"Montana manufacturers are benefiting from strategies to boost competitiveness, and those gains are having a very positive impact on their bottom lines and on our state economy," said Steve Holland, MMEC director.

Survey respondents also indicated that they were highly satisfied with MMEC services, giving the center a rating of 4.73 out of a possible 5. MMEC Field Engineers are based in Bozeman, Billings, Missoula, Kalispell and Helena to provide technical, engineering and professional

business management assistance as well as training and information to manufactur-

ers across the state. The Center has been assisting companies since 1996.



Select data from Synovate survey of MMEC clients. Synovate is independently contracted by NIST/MEP.

Rapid Growth for Clean Energy Predicted

Clean Edge, a research firm, predicts rapid growth in clean energy markets by 2015. Wind power will expand from \$11.8 billion in 2005 to \$48.5 billion in 2015. Solar photovoltaics will grow from an \$11.2 billion industry in 2005 to \$51.1 billion by 2015. And fuel cell and distributed hydrogen market will grow from \$1.2 billion in 2005 to \$15.1 billion by 2015. These four, clean-energy technologies, which equaled \$40 billion in 2005, will grow fourfold to \$167 billion within the coming decade. See *http://www.cleandedge.com*.

(courtesy of THE NACFAM WEEKLY, an Information Service of the National Council for Advanced Manufacturing on Federal Policies and National Trends in Manufacturing, Nov. 13, 2006, v14:45)

MMEC Advisory Board Members

Steve Anderson
President
Artisan Doors of MT
Kalispell, MT

Evan Barrett
Governor's Office of Economic Opportunity
Helena, MT

Robin Béquet
President
Béquet Confections
Bozeman, MT

Bob Bergren*
State Representative
Havre, MT

Neal Blossom
Technical Director
American Chemet
East Helena, MT

Robert Gibson
Director of Operations
Simms Fishing Products
Bozeman, MT

Kim Gillan*
State Senator
Billings, MT

Ken Green, Board Chair
President
Timberline Tool
Whitefish, MT

Larry Hall
President
S&K Electronics
Ronan, MT

Susan Humble
President
Anderson Steel Supply
Great Falls, MT

Chuck Keegan
Director of Forest Industry Research
BBER/School of Business Administration
Missoula, MT

Jim Markel
President
Red Oxx Manufacturing
Billings, MT

Joe McClure
Executive Director
Big Sky EDA
Billings, MT

Jerry McConnell
President
Spectrum Products
Missoula, MT

Mary Moe
Dean
MSU College of Technology
Great Falls, MT

John David Pickering Sr.
CEO
Technical Systems Integrators (TSI)
Missoula, MT

Andy Poole
Deputy Director
MT Dept. of Commerce
Helena, MT

Brad Reid
Diversified Plastics
Missoula, MT

John Sinrud*
State Representative
Bozeman, MT

Loren Smith
Owner/CEO
Prairie Kraft Specialties
Great Falls, MT

Tom Spika
President
Spika Welding & Manufacturing
Moccasin, MT

Corey Stapleton*
State Senator
Billings, MT

Joe Unterreiner
President
Kalispell Area Chamber of Commerce
Kalispell, MT

**pending final board vote*

MMEC Support Staff

Steve Holland
Director

Margie Jensen
Administrative Assistant

Deborah Nash
Newsletter Editor
Public Relations

Stacey Scott
Business Manager

G. August Uhl
Event Coordinator [WIRED]

UTAP Staff

Clint Finlayson, Engineer

Matthew West, Engineer

Paul Stickel, Engineering Intern

Matthew Hume, Engineering Intern

Carl Coletti, Marketing

Sabrina Burton, Marketing

MMEC Mission

To Help Manufacturers To Be
More Successful

To Visit Your Area MMEC Field Engineer
Call 406-994-3812

We Can Help!

Practical & Powerful ISO 9001-2000

INTERNAL QUALITY AUDITOR TRAINING WORKSHOP

BONUS: Hands-on auditing
experience at ILX
LIGHTWAVE in Bozeman

THREE DAYS: April 3-4-5, 2007
MMEC Conference Room
2310 University Way, Bozeman

*Includes valuable ISO 9001-2000
Standards – a \$100 value*

Internal Audits Drive Your Continuous Improvement!

- Learn principles & practices of quality system auditing.
- Gain solid understanding of ISO 9001/2000.
- Conduct a live audit using workshop tools & tips.
- Develop reporting and follow-up skills.
- Get your team of internal auditors fully qualified.
- Receive effective, constructive tips for your audit program.

Who Should Attend? Quality managers, process engineers, process improvement consultants and those seeking to become qualified Internal Quality Auditors within a company.

Cost is \$750 for 3 days including lunches & refreshments.

Pre-register online at www.mtmanufacturingcenter.com or call 406-994-4507.

APRIL 3-4-5, 2007 • MMEC CONFERENCE ROOM • 406-994-4507



Montana State University
2310 University Way, Bldg 2
P.O. Box 174255
Bozeman, MT 59717-4255
RETURN SERVICE REQUESTED

Please Route To:

- ☐ CEO
- ☐ Owner
- ☐ Production Manager
- ☐ Development Officer
- ☐ Quality Manager
- ☐ Sales Manager
- ☐ Safety Officer
- ☐ Office Supervisor
- ☐
- ☐

Nonprofit Organization
U.S. Postage
PAID
Permit No. 66
Great Falls, MT 59403

a NIST | Network
MEP | Affiliate