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STATE MANUFACTURING PROGRAM IS GENERATING RESULTS

87 percent of projects increased sales and gross margin this year

HARRISBURG – Manufacturers across Pennsylvania are reporting a stronger potential for growth and a confidence in building their workforce due to the assistance from the state-supported Industrial Resource Centers or IRCs, Department of Community and Economic Development Secretary Dennis Yablonsky reported today.

“Recognizing the value of the IRC network to Pennsylvania’s manufacturers, Governor Edward G. Rendell directed a 50 percent increase in funding the past two years,” Yablonsky said. “This additional state support has allowed the IRCs to extend their inventive consulting and direct service programs to more small and medium sized manufacturers, helping them to compete and grow in the global marketplace.”

The IRC Network represents seven private, non-profit organizations that have been established throughout the commonwealth to help small- and medium-sized manufacturing enterprises respond to changing markets, new technology and the competitive pressures of today’s global economy. Since 2003, the commonwealth has dedicated \$55.8 million to support the mission of the IRCs.

The IRCs have assembled a team of business growth consultants that help manufacturers implement strategies in the areas of new markets and customers, product and service development, sales development, and new business models and strategy. This team has completed 727 projects for 591 companies since 2004. Recently, they conducted a survey of their clients and learned:

- 87 percent expect to increase both sales and gross margins
- More than 65 percent now have at least one new product in development
- 90 percent feel they now have a better trained sales staff
- More than 45 percent plan to enter at least two new markets in the next two years

For example, as a direct result of IRC assistance, the Susquehanna County-based Masters Concrete is thriving in the pre-cast decorative landscaping concrete business. Masters had sustained a ready-mixed concrete business for more than fifty years primarily on word-of-mouth advertising, but realized they would need additional sales and marketing skills to enter the pre-cast market.

“The Northeastern IRC guided us through forming a sales and marketing strategy which gave us a solid plan of action to follow as we looked for new customers,” said company president Rick Masters. “With hands on sales training and solid marketing material, we were able to confidently pursue new clients and ultimately secure their business.”

Masters estimates the coaching and strategies provided by the IRC has resulted in securing 50 new distributors, five new products under development, and increased sales of 20 percent.

“Today’s focus must be expanded beyond just cost savings strategies to include revenue generation and the creation of sustainable value through consistent innovation,” Yablonsky said.

“By putting this broader perspective into practice, Pennsylvania manufacturers, with assistance from the IRCs, can continue to increase revenues and accelerate their return. This flexibility lowers the risk for companies competing in the global economy.”

For more information on Governor Rendell’s manufacturing programs or other DCED programs, visit www.newpa.com or call 1-866-466-3972.

For more information about the IRC Network, visit www.pairc.net.

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