



HELPING MISSOURI BUSINESSES  
**SUCCEED**



2006 ANNUAL REPORT



**MISSOURI<sup>TM</sup>  
ENTERPRISE**  
**2006 ANNUAL REPORT**

## OUR MISSION

To Help Missouri Businesses Succeed!

## OUR VISION

To be the preferred source of hands-on business optimization services in Missouri, delivered by the highest quality staff and a comprehensive network of public and private partners.

1706 East 10th Street • Rolla, Missouri 65401

800-956-2682

[www.missourienterprise.org](http://www.missourienterprise.org)

FY2006: July 1, 2005 - June 30, 2006

Cape Girardeau • Columbia • Fort Leonard Wood • Kansas City  
Kirksville • Park Hills • Rolla • Springfield • St. Louis

a NIST | Network  
MEP | Affiliate

Missouri Enterprise is supported by the State of Missouri Department of Economic Development.



# POSITIONING MISSOURI MANUFACTURERS FOR GROWTH



**Mary Dean**  
President and Chief Executive Officer

Since its selection by the U.S. Department of Commerce as one of the nation's earliest National Institute of Standards and Technology's Manufacturing Extension Partnership (MEP) Centers, Missouri Enterprise has developed into the state's prime resource for Missouri manufacturers and an important public advocate for these companies.

We have logged an impressive record of helping Missouri manufacturing businesses succeed over the years and, as you will see when you read this report, this past year was another productive one.

Missouri Enterprise has helped all manner of Missouri companies by building a staff dedicated to client services and continuous improvement and fostering a commitment to professional development among them.

Our high quality technical services have included such industry best practices as "Lean Enterprise," quality management, product design, information technology and marketing.

We plan to continue to offer these foundational services. Looking to the future, we understand that to help position Missouri manufacturers for further growth, we must add new dimensions to the services we provide.

To help sustain and improve the strength of manufacturing and our global leadership and competitiveness, we must help Missouri manufacturers develop and implement effective growth strategies including understanding customer requirements, competitive intelligence, product positioning, business model evaluation, better management of product development, product lifecycles and marketing.

As a member of the NIST MEP Innovation Services Steering Group, I am very excited about the direction the national network is taking. I look forward to the new tools that we, as an MEP center, will have to

help our Missouri manufacturers prosper and contribute to our state economy and the well being of those who live here.

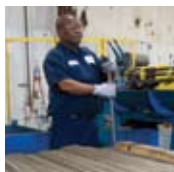
I would like to thank the Missouri Enterprise Board of Directors, our federal and state partners, our staff and our clients for making my first year as Missouri Enterprise President and Chief Executive Officer one of significant organizational growth and great professional satisfaction.

Sincerely,

Mary Dean



**Missouri Enterprise President and Chief Executive Officer Mary Dean with Chief Operating Officer Dan Medley (left) and Chief Financial Officer Bob Thompson.**



# LET'S SET THE RECORD STRAIGHT

## MANUFACTURING'S IMPORTANT...

### ...To America

- Across America, some 20.3 million or 11 percent of employed men and women work in manufacturing or manufacturing-related activities. They are responsible for some 12 percent of the U.S. Gross Domestic Product. In fact, if the U.S. manufacturing sector were a country by itself, it would be the world's eighth largest economy.
- Manufacturing drives exports. In 2005, more than 62 percent of the \$900+ billion in U.S. exports were manufactured goods.
- America cannot depend on foreign suppliers as the sole source of the new technologies and equipment essential to our military and homeland security. American manufacturers hold critical positions in the defense procurement supply chain.

### ...To Missouri

- Some 15 percent of the Missouri's Gross State Product comes from manufacturing, which employs more than 300,000 Missourians.

- Manufacturing contributes more than \$31 billion to the Missouri economy.
- Manufacturers and their employees pay millions of dollars in taxes each year, supporting schools, law enforcement, emergency preparedness, public works and other essential services.
- Manufacturers alone pay one-third of all corporate taxes collected by state and local governments.

### ...To Our Citizens

- Manufacturing jobs provide wages and benefits that, when added together, are some 23 percent higher than jobs in many other sectors.
- Manufacturing jobs enable families to realize the dreams of owning a home, sending a child to college and enjoying a secure retirement.
- In our rural areas, manufacturing jobs support and make possible traditional family farm/agricultural-based lifestyles.

To paraphrase the famous Missourian, Samuel Clemens,  
"Reports of the Death of Manufacturing Are Greatly Exaggerated."





## CREATING INNOVATIVE GROWTH STRATEGIES

As one of the premier providers of business optimization services in Missouri, we provide a comprehensive range of technical assistance through a coordinated, interrelated set of programs, delivered by a skilled group of manufacturing and business specialists and our university, community college and industry partners.

In addition, as a member of the U.S. Department of Commerce's Manufacturing Extension Partnership system, we can help our clients with access to a nationwide network of similarly qualified and dedicated experts.

Our experienced "been there, done that," manufacturing and business experts "get inside their clients' heads" to carefully evaluate their processes and their operations and to help them develop well grounded and sound growth strategies.

Often, these strategies call for product and process innovation, staff training and implementation of industry "best practices."

We help our clients in all of these efforts, and we measure our success by how successful they are in:

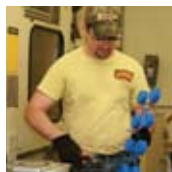
- improving productivity;
- expanding production;
- introducing new products and refreshing existing ones;
- increasing sales; and
- enhancing profitability.

Last year, our clients received a 33 to 1 return on investment on actual Missouri Enterprise projects as reported to an independent third party research firm.

### 2006 CLIENT REPORTED IMPACT

Compiled from actual client surveys conducted by an independent third party

<b>Total Economic Impact</b> .....	<b>\$298,283,576</b>
<small>sales + savings + investment</small>	
<b>Sales Increased/Retained</b> .....	<b>\$235,186,013</b>
<b>Cost Savings</b> .....	<b>\$ 38,993,384</b>
<b>Capital Investment</b> .....	<b>\$ 24,104,179</b>
<b>Bottom Line Impact</b> .....	<b>\$ 74,271,285</b>
<small>15% of sales increase + 100% of cost saving</small>	
<b>Jobs Created/Retained</b> .....	<b>679</b>
<b>Client Satisfaction Rating</b> .....	<b>4.68 out of 5</b>





## WHO ARE MISSOURI ENTERPRISE CLIENTS?

A roster of our clients would stretch from Iowa to Arkansas and from St. Louis to Kansas City. It would include small manufacturing companies in pastoral rural areas to their much larger cousins in the midst of bustling cities.

It would include companies that have embarked on their “Lean Enterprise” journey, those that are seeking certification for their quality management systems, and others who need help in controlling energy use and other costs that impact significantly on manufacturing.

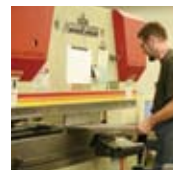
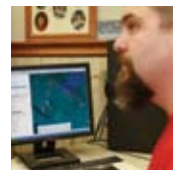
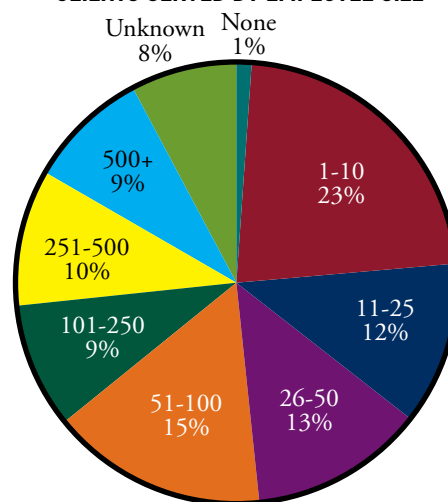
Many of our clients supply parts to large multinational companies, and others produce goods that are commonly seen on store shelves. We have helped companies like these evaluate product lifecycles, design new products and find better ways to produce them.

Some are agricultural producer groups whom we have assisted by finding new uses for their products and helping them compete globally for consumer food dollars. Others are technology-based businesses that have taken advantage of our position as one of Missouri’s Innovation Centers and our years of technology

transfer experience to profitably move an idea from the laboratory to the marketplace.

The following pages in this report profile just a few of our clients’ successes. We are happy to share them with you.

**CLIENTS SERVED BY EMPLOYEE SIZE**



# CLIENT SUCCESSES



## American Tool & Plastics Company Poplar Bluff

American Tool & Plastics Company, a Poplar Bluff manufacturer of machined and fabricated parts and injection molded plastic products, decided to pursue ISO 9001:2000 registration in order to maintain their business position and product quality and in order to enter new markets where registration is a prerequisite for consideration.

The company, which does general tooling, plastic injection molding, mold building and mold repair for customers in the automotive, aerospace and consumer products industries, asked Missouri Enterprise to assist during the registration process.

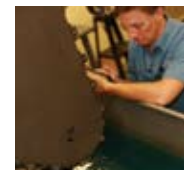
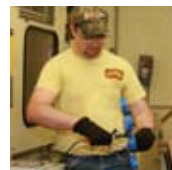
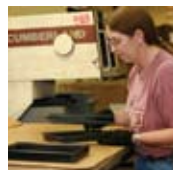
Company co-owner Stacy Atkinson said that American Tool & Plastics Company is committed to meeting and exceeding all customer requirements and expectations and to continually improving quality management.

“We serve a broad range of customers in many sectors, and our products are of critical importance to them,” Atkinson said, “so our quality standards have to be very high.”

During the registration process, Missouri Enterprise provided American Tool & Plastics Company with training, documentation preparation, and implementation assistance, auditing and on-site support.

“Working with a skilled, dedicated organization like Missouri Enterprise helped us understand the registration process, so we were able to avoid false starts, unnecessary work and delays,” Atkinson said.

Based on the company’s successful registration, American Tool & Plastics Company reported some \$300,000 in increased sales; an investment of more than \$100,000 in new equipment; and the creation of several new jobs.





## Current River Die Sinking, Inc.

[www.crdie.com](http://www.crdie.com) • Doniphan

In early 2004, Current River Die Sinking, Inc., a 23-year-old manufacturer of forging dies, press dies, cross wedge rolling dies and related tooling for a variety of industries, including automotive, agriculture and mining, recognized its need to earn ISO 9001:2000 registration for its quality management system.

As a small company, Current River Die Sinking, Inc. did not have the internal resources necessary to undertake the process unaided, so it sought project management, training, documentation preparation, implementation assistance, auditing and on-site support from Missouri Enterprise.

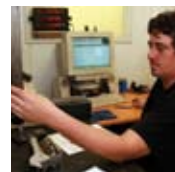
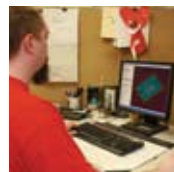
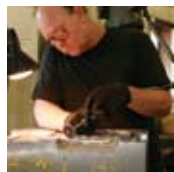
Due to the company's size and demanding production schedule, it was recognized that progress toward the goal of registration would be uneven and would require Missouri Enterprise to build considerable flexibility into the company's journey toward registration.

Some two years later, in early 2006, Current River Die Sinking, Inc. reached its goal, passed its independent audit and was awarded its ISO 9001:2000 registration.

Allen Beale, company vice president, said he expects significant impact from the project since Current River Die Sinking, Inc. is now able to compete for work in new markets where registration is a prerequisite for consideration.

As a result of the project, Current River Die Sinking, Inc. has reported increased and retained sales of some \$400,000 and cost savings in excess of \$80,000. It is also estimated that seven jobs were created or retained.

"Working with Missouri Enterprise, we were able to make the best use of our internal resources and still achieve our goals," Beale said.





## DACA Machine & Tool Company

[www.dacemachine.com](http://www.dacemachine.com) • Dutzow

DACA Machine & Tool Company has been owned by Phil and Norma Pecaut since 1975. It offers a wide range of machining, assembly and sheet metal fabrication services to the aerospace industry and has grown to just over 60 employees.

As part of the company's journey to world class manufacturing status, it was awarded a contract to produce some 300 helicopter engine filter boxes in mid 2004.

To assist DACA Machine & Tool Company in meeting the tight schedule required by this contract, Missouri Enterprise introduced DACA Machine & Tool Company to "Cellular Manufacturing" principles and soon identified the filter box assembly as an ideal application candidate. Missouri Enterprise worked with DACA Machine & Tool Company management and shop floor personnel to provide training and hands-on application of the cellular concepts.

The cellular concept worked! The order was filled ahead of schedule and since then, DACA Machine & Tool Company has launched a company-wide series of initiatives designed to further their culture of continuous improvement.

As a result of their efforts, the company's sales and staff have continued to grow. It has been a participant in DOD Mentor-Protégé Program for the U.S. Navy and received the coveted Nunn-Perry Award for the results attained.

The company, also with assistance from Missouri Enterprise, recently received its AS 9100 (B) registration, the current aerospace industry quality management system standard.

Even with these major accomplishments, the company's management and employees remain aggressively committed to the culture of continuous improvement that they have created.





## deVan Sealants, Inc.

[www.devansealants.com](http://www.devansealants.com) • St. Louis

deVan Sealants, Inc. was founded in 1949 as a manufacturer of oil based caulking, putty and glazing compounds. Currently, the company manufactures and supplies sealant products to a variety of manufacturers of metal buildings, windows, truck/bus bodies, HVAC equipment, monuments, floral industry products and telecommunications gear.

In 2004, one of deVan Sealants' customers, a national manufacturer of commercial and residential windows, announced that to retain preferred status, a supplier would have to be either ISO compliant or registered. Management knew the company had to meet this requirement, but was unsure whether to work toward compliance or registration.

There were three steps in deVan Sealants' ISO journey.

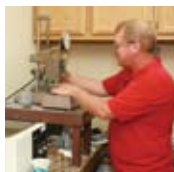
First, in an executive overview of the process, Missouri Enterprise explained what compliance or registration would require.

Next, Missouri Enterprise worked with company officials to perform a thorough gap analysis of the current state of the deVan Sealants' quality management system. Since deVan Sealants, Inc. had a relatively good system in place, management decided to work toward ISO 9001:2000 registration.

Finally, Missouri Enterprise provided training and implementation assistance to help the company prepare for its registration audit. The audit was held in April, 2006, and the company passed with flying colors.

"Missouri Enterprise's approach demonstrated their professionalism and their understanding of requirements of the registration process, and it really helped keep us on track," said Company President John Abrams.

Abrams says that being ISO registered will enable the company to retain its preferred status and sales that could have otherwise been lost. Management anticipates that substantial new sales will be generated from markets where registration is a prerequisite for consideration.





## DIT-MCO International

[www.ditmco.com](http://www.ditmco.com) • Kansas City

DIT-MCO International was founded in 1948 as Drive-In Theater Manufacturing Company to make equipment for drive-in theaters.

As that market diminished, DIT-MCO International reinvented itself and has evolved into a nationally recognized leader in the design and manufacture of high voltage electronic testing equipment and complex wiring harnesses for the aerospace industry.

Its equipment has been used on Atlas, Polaris and Titan missiles, the Mercury, Gemini and Apollo spacecraft, the space shuttle and nearly every aircraft used by the military.

Recently, DIT-MCO International formed an EMMS Division (Electrical, Mechanical Manufacturing Services) for contract manufacturing. With their years of experience in wire testing and high quality manufacturing, they now offer those services to the aircraft and aerospace markets.

This includes manufacturing cables, harnesses, panels, electro-mechanical assemblies and fiber optics.

DIT-MCO International, a high tech industry leader that responds to customer needs and changing markets, understands the importance of an ongoing commitment to continuous improvement.

As part of the commitment, DIT-MCO selected Missouri Enterprise to assist in a “Lean Enterprise” continuous improvement program for its business unit that makes electric wiring harnesses and panels for the airline/aerospace industry.

The first part of that program, the creation of current and future state Value Stream Maps, has been completed. The future state map is guiding improvement of the unit’s processes from order entry to product shipment. Currently, Missouri Enterprise is providing additional “Lean Enterprise” Kaizen events and process facilitation support.

While it’s too early to quantify results completely, the company has already seen significant cost savings, creation of several new jobs and “a very good process that has helped us with our continuous improvement efforts,” said Ralph Taylor, company vice president – engineering.





## Duke Manufacturing Company

[www.dukemfg.com](http://www.dukemfg.com) • St. Louis and Sedalia

Duke Manufacturing Company designs, builds and distributes a comprehensive line of food service equipment and systems that meet the ever changing buying habits, frequently updated menus and merchandising display needs of its broad national customer base.

Among the equipment that Duke Manufacturing Company makes at plants in St. Louis and Sedalia are food warmers, sinks, salad bars, buffet units, conveyors, work tables, dish tables and serving systems.

Customers include local restaurants, schools, hospitals and other institutions, as well as national brands and chains including Campbell's, Burger King, TCBY and Subway.

For the last several years, Missouri Enterprise has worked with company employees in both the St. Louis and Sedalia locations to support an ongoing continuous manufacturing process improvement program.

These efforts, which include both employee training and implementation assistance, have helped the company create more

efficient plant layouts, reduce machine set up time, institute Kanban systems and enhance the quality management/control.

In another series of projects, Missouri Enterprise helped Duke Manufacturing Company create and implement a New Product Development system that is enabling the company to design and bring new products to market much more quickly than ever before.

During the course of its assistance to Duke Manufacturing Company, Missouri Enterprise helped the company record hundreds of thousands of dollars in retained and increased sales and cost savings. Dozens of jobs have been created or retained due to the effects of the company's continuous manufacturing improvement and new product development programs.

"Missouri Enterprise is a very important resource to a company like ours that has diverse needs, demanding production schedules and intense competition," said Paul Rusk, vice president of manufacturing and engineering.





## ECAP, Inc.

### Laddonia

In 2000, a group of forward-thinking east central Missouri corn producers saw an opportunity to create a new generation cooperative and to add value to their products.

They created the East Central Agricultural Producers, Inc. (ECAP) cooperative and selected Missouri Enterprise to assist the board of directors with feasibility and marketing studies for construction and operation of an ethanol plant in east central Missouri.

ECAP, Inc. is now a 584-member, farmer-owned cooperative, according to ECAP, Inc. President David Vogt.

The studies showed that the project was feasible, and the group decided to move forward. The ECAP, Inc. Board then asked Missouri Enterprise to provide project management services throughout the design and fund raising for the project to be located on Highway 54 near Laddonia.

Missouri Enterprise also assisted ECAP, Inc. in meeting regulatory requirements and in securing the necessary permits.

ECAP, Inc., in partnership with another cooperative, Northeast Missouri Grain LLC and with Broin Companies, the second largest national producer in the ethanol industry, held a groundbreaking ceremony in November 2005, for the Missouri Ethanol LLC Plant.

The plant, which commenced operations with the fall 2006 harvest, has an annual capacity to produce 45 million gallons of ethanol and 134,000 tons of distiller grain (a high protein animal feed). It will process more than 17 million bushels of corn from the region. Approximately 40 people work at the plant.

“It was very important, especially in the difficult stages of the project, to have Missouri Enterprise on our team,” Vogt said. “They really helped us through the rough spots.”





## K & S Wire Products, Inc.

[www.kandswire.com](http://www.kandswire.com) • Neosho

K & S Wire Products, Inc. manufactures CNC wire forms, grills, grates, display units and custom products for a variety of industries.

The company is extremely well managed, but since it is essentially a contract manufacturer making parts used in many products, intense overseas competition began to take a toll on sales and profits in the last several years.

In response to this competition and with funding from the federal Trade Adjustment Assistance for Firms Program, the company selected Missouri Enterprise to help create a “Lean Enterprise” culture of continuous improvement. The resulting multi-phase program introduced employees to “Lean Enterprise” principles and focused on hands-on implementation assistance of industry “best practices” and techniques to enhance productivity in order to compete with low cost producer countries.

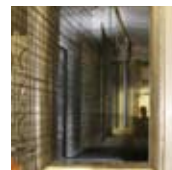
In addition, it included development of current and future state Value Stream Maps, an extensive 5S project, implementation of

improved plant layout/visual flow techniques and a series of continuous improvement Kaizen events.

According to K & S Wire Products President Gene Schwartz, Sr., the commitment to continuous improvement has yielded exceptional results, already including more than \$2.5 million in sales retained or increased.

In February, 2006, K & S Wire Products, Inc. recorded another important milestone in its “Lean” journey when the company sealed and sent a container of some 111,000 wire frames to China. The company’s newest division, Neosho Powder Painting Company, is also meeting foreign competition and recently won an order to paint 857,000 parts which was originally planned for overseas completion.

“Working with Missouri Enterprise’s experienced manufacturing professionals helped us to create a culture of continuous improvement and to maintain and strengthen that culture,” said Schwartz.





## Laciny Brothers, Inc.

[www.lacinybros.com](http://www.lacinybros.com) • St. Louis

Laciny Brothers, Inc. is a custom metal fabricator that specializes in designing and building manufacturing equipment including tanks, hoppers, process components, packaging, material handling and conveying machinery. The family owned and managed company has been in business for more than 85 years.

Approximately 38 people work at Laciny Brothers, Inc.

Their primary customers in the food processing, pharmaceutical, medical equipment and chemical industries frequently have extremely complex requirements and exacting specifications.

Laciny Brothers, Inc. utilizes the latest in AutoCAD software and has extensive experience in the fabrication industry to help design the most cost effective solutions for client needs.

To quickly respond to customer orders, Laciny Brothers, Inc. maintains a large inventory of stainless steel, aluminum and carbon steel as well as pipe, fittings, fasteners and miscellaneous hardware.

Its products for the food processing and pharmaceutical industries

are especially geared to help customers meet sanitation and safety standards and are designed for easy cleaning and maintenance.

In late 2005, Laciny Brothers, Inc. began to experience a dramatic increase in its business, both from existing and new customers. This increase in business required additional product design capacity and engineering support.

Rather than ramp up their internal staff, Laciny Brothers, Inc. asked Missouri Enterprise to provide design capacity/engineering support on an ongoing, as-needed basis.

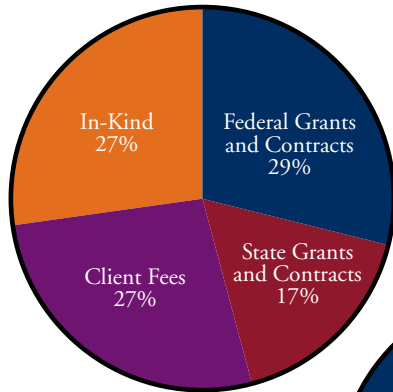
Since the beginning of the relationship, Missouri Enterprise has helped Laciny Brothers, Inc. design/build automated pick and place devices for clients in the pharmaceutical and battery charging industries.

“This has allowed us to deploy internal resources in other areas and still be extremely responsive to our customer needs,” said Company President Bob Laciny.

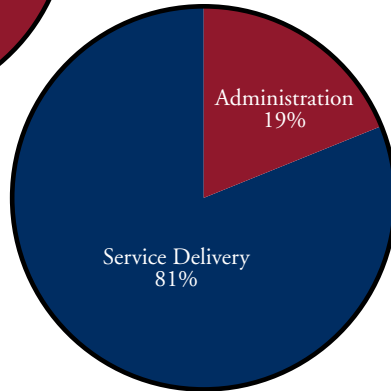


# FY 2006 FINANCIAL RESULTS

**SOURCE OF FUNDS**



**USE OF FUNDS**



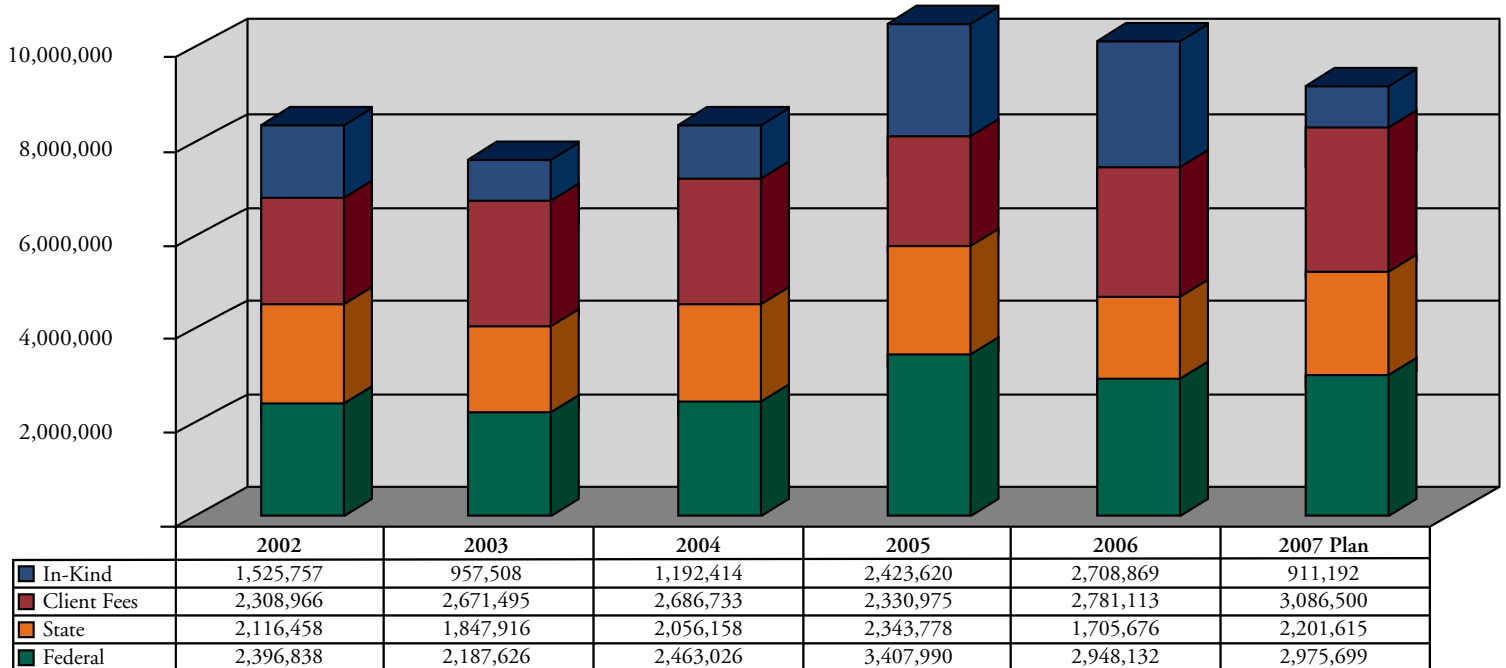
## INDEPENDENT AUDITOR'S REPORT

We have audited the statement of financial position of Missouri Incutech Foundation, dba Missouri Enterprise (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses and cash flows for the year ended. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missouri Enterprise, as of June 30, 2006, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Huskstep & Associates, LLC**  
 Springfield, MO 65807  
 August 18, 2006

Missouri Enterprise is proud of its record of sound financial management, stewardship of stakeholder investments and its high return on investment.

**FUNDING HISTORY**



# DIRECTORS, PARTNERS AND STAKEHOLDERS

## BOARD OF DIRECTORS

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Waynesville Technical Academy

**Paul Stigall, Ph.D., Vice President\***  
University of Missouri – Rolla

**Bill Marshall, Treasurer\***  
Phelps County Bank

**Steve Bowles, Secretary\***  
Hebbeler Bottling Company

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Chancellor – University of Missouri – Rolla

**Floyd Ferrell**  
Ferrell Associates

**Jim Fleming**  
Tacony Corporation

**Jack O. Kearbey**  
USDA Rural Development

**Dr. Randy Moss**  
University of Missouri – Rolla

**Dr. John Park**  
University of Missouri – Rolla

**Gene Schwartz, Sr.**  
K & S Wire Products, Inc.

**Dr. Michael VanDeMark**  
University of Missouri - Rolla

**Randy Verkamp**  
Phelps County Presiding Commissioner

**Mike Woessner**  
Investment Realty

\*Member Executive/Finance Committee

## MISSOURI ENTERPRISE PARTNERS

### OUR MAJOR FUNDING PARTNERS

U.S. Department of Commerce, National Institute of Standards and Technology, Manufacturing Extension Partnership

U.S. Department of Labor

U.S. Department of Agriculture

Missouri Department of Economic Development

### OUR STRATEGIC PARTNERS

The University of Missouri System including:

University of Missouri – Rolla

University of Missouri – Kansas City

University of Missouri – St. Louis

University of Missouri – Columbia

University of Missouri – Extension

Missouri State University

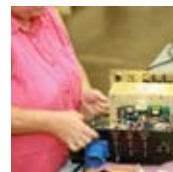
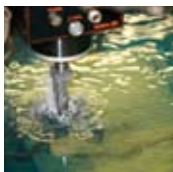
Southeast Missouri State University

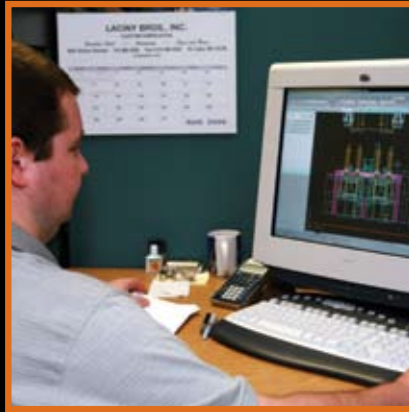
Truman State University

Missouri Department of Elementary and Secondary Education



Members of the Missouri Enterprise Board of Directors Executive/Finance Committee (from left) Steve Bowles, Dr. Robert Chapman, Dr. Paul Stigall and Bill Marshall.





Whether you are a manufacturing company, a producer of agricultural-based products or an entrepreneur with an idea for a new and better product, find out how Missouri Enterprise can help you.



[info@missourienterprise.org](mailto:info@missourienterprise.org)  
[www.missourienterprise.org](http://www.missourienterprise.org)

**800-956-2682**