Partners + Performance = Economic Impact

1,090 jobs created or retained

$48,000,000 in economic impact

99% approval rating
PennTAP Clients, Partners, and Colleagues:

Hi!

Thank you for making my first year as director both enjoyable and successful. I’m delighted to report that in 2006 PennTAP had an economic impact in excess of $48 million and created or saved more than 1,000 jobs. With a 99 percent satisfaction rating and a 93 percent agreement that clients feel better off thanks to working with a PennTAP specialist, we believe this was a banner year.

In the pages that follow, we’ll outline some of the specific stories that demonstrate the impact PennTAP has had on the economic strength of Pennsylvania. However, I want to reflect on three key elements that have contributed to this successful year.

Of course, you are the first essential element. Approximately 60 percent of the referrals that PennTAP specialists receive come from our partners. Just as we value the expertise you offer throughout the Commonwealth, we also value your support and the relationships we have developed. With your support we will continue to focus on our mission of helping Pennsylvania businesses compete and grow.

Second, we recognize the expertise, knowledge, and skill of our technical specialists. Whether dealing with an environmental issue, a technical systems problem, or something completely out of the ordinary, they are the driving force behind both our success stories and our outcomes.

Finally, and perhaps most important, we celebrate our collaborations. Together, we have a broad range of skills on which to draw—we can pick just the right tool from our combined toolbox to meet the specific needs of clients. Together, we can accomplish more for the Commonwealth, for our business community, and for the citizens of Pennsylvania than would be possible individually.

We are delighted to report that our initiatives have been recognized by the National Pollution Prevention Roundtable, the University Economic Development Association, and the Pennsylvania Environmental Council. We see this recognition as validation of the role PennTAP plays in advancing the economic health of the state through improved productivity, the application of technology to increase competitiveness, and the creation or retention of jobs.

Wayne Figurelle
Director
Over the last five years PennTAP has provided more than 3,600 cases of technology assistance across all sixty-seven Pennsylvania counties.

Economic Impact
Over the last five years PennTAP clients have reported more than $180 million in economic benefits as a result of its assistance.

Jobs Created or Retained
Over the last five years PennTAP clients have reported more than 3,670 jobs created or retained as a result of its assistance.

PennTAP Facts
PennTAP supports technology-based economic development by giving hands-on technical assistance directly to Pennsylvania businesses, using a statewide network of technology specialists.

- 610 cases of technical assistance
- 260 cases in distressed counties
- 570 clients
- 67 counties
- $48,000,000 in economic benefits
- $11,000,000 in distressed counties
- 1,090 jobs created or retained
- 335 jobs in distressed counties
- 93% felt they were better off
- 99% client satisfaction

Fifty percent of its clients come from referrals.
Value-added assistance connects 60 percent of its cases to other resources for follow-on assistance.
“Hot Pepper Wax reported $50,000 in increased sales and almost $70,000 in total economic impact.”

“Hot Pepper Wax…$5,200 worth of existing labels, ...retained $500,000 in sales, and kept fifteen local jobs.”

According to Ed Michael, RHC’s president, “the intern was a good investment in researching various EMR vendors and their capabilities. Several responses from the questionnaire that the intern developed … were very helpful in our direction of pursuing an EMR system.” So far, RHC has realized more than $26,000 in cost savings and cost avoidance, which should increase dramatically once a system is fully operational.

PennTAP was able to assist RHC by performing initial research, linking the company to a faculty expert from Penn State, and facilitating the student project and internship. As a result, rural clients can look forward to better and faster service now that their medical records are available across the RHC system.

PennTAP assisted RHC with research on electronic medical records systems. Understanding the benefits of Penn State resources, Christina linked RHC to a group of students from Penn State Lehigh Valley, who assisted with the project.

Through PennTAP, Jane Noel, instructor in information sciences and technology at Penn State Lehigh Valley, and her students were asked to do a capstone research project on EMRs. After completion of their research and presentation of their findings and recommendations, PennTAP helped secure a Penn State intern for the summer of 2006 to do additional work on the project. The intern documented work flows, evaluated forms, and gathered planning data for the EMR project.

Bugs and varmints trying to feast on fruits and vegetables protected by environmentally friendly Hot Pepper Wax products really get a mouthful. The insect and animal repellants produced by Hot Pepper Wax of Greenville, Pennsylvania, provide a biodegradable defense shield that delivers a mouthful of fiery heat to any pest that tries to take a bite.

Thanks to the Internet, much of the company’s business has been done at a distance. Because the Web is so crucial to business, one of PennTAP’s many partners, Penn-Northwest, referred Hot Pepper Wax to Don LeGoullon, a PennTAP senior information technology specialist.
specialist, who began to work on a request for assistance in rebuilding the company’s Web site to reflect its “hot” products.

Using Penn State students studying state-of-the-art Web development techniques and their own research, PennTAP took a critical, unbiased look at the Web site, examining the navigation, usability, content, image use, load times, broken links, information architecture, search engine optimization effectiveness, and more. Hot Pepper Wax also received search engine optimization training from PennTAP; the company used it in a campaign to achieve better rankings in search engine result pages.

As a result of PennTAP’s assistance, Hot Pepper Wax reported $50,000 in increased sales and almost $70,000 in total economic impact. Jeff Thurston of Hot Pepper Wax said, “The information received helped improve our Web presence … customer sales have increased.”

North Central Wood Products

Using Waste as Renewable Biofuel Saves Big

Brownlee Lumber Company in Jefferson County produces hardwood lumber. As with most companies, it is constantly striving to produce its product in the most cost-effective way possible. With the recent spike in energy costs, the company wanted to determine whether alternate sources of energy—in particular, wood residue generated on-site—were viable options for them.

Like many companies, Brownlee Lumber had been using a #2 fuel oil boiler to generate steam for the lumber-drying kilns. In addition, waste sawdust and shavings that were generated from producing lumber were being sold at a nominal fee to local farmers for use as animal bedding. The company was eager to see whether it could use the waste materials to meet its energy needs and reduce its energy costs.

Initially, Brownlee Lumber contacted the Penn State School of Forest Resources. Contacts there referred Brownlee to PennTAP and John Pletcher, a PennTAP senior forest products specialist.

PennTAP analyzed the characteristics and quantity of the waste being generated in lumber production, then determined the current and future energy needs for the existing kilns, plus kilns planned for a later expansion. Pletcher concluded that Brownlee’s operations produced enough waste sawdust and shavings to meet the current and future drying and heating needs, as well as allow for continued sales to farmers. PennTAP also researched wood-fired boilers that would meet Brownlee’s energy needs. Finally, Pletcher provided information on the forms required by the Department of Environmental Protection for the installation of new industrial boilers.

Upon installation of a reconditioned wood-fired boiler, Brownlee Lumber was able to report an economic benefit in excess of $373,000—$120,000 of which was from not having to purchase fuel oil.

As with many DOD manufacturers, the need to diversify the company into nontactical shelters is a critical success factor for company growth. Gichner contacted Garry Miller, a PennTAP senior technology transfer and infusion specialist, for assistance. During the market research PennTAP found that for tactical shelters the government was planning to switch from the honeycomb material–based design, a staple of Gichner’s product line, to composites. This further convinced the company that market diversity, in other potential shelter segments, was important.

Through interviews with the technical staff and a review of plant operations, Garry conducted an assessment of Gichner’s core competencies. PennTAP concluded that nontactical shelters—such as hospitals, housing, and sanitation facilities—would be a natural transition.

Garry connected Gichner to three very distinct opportunities: working with a Baltimore-based company developing a unique pallet technology that could lead to opportunities in manufacturing or technology acquisition; working with a large Pittsburgh-based company testing a new ballistic technology that could add value to Gichner shelters and lead to other new opportunities; and identifying possible joint projects with the Pennsylvania College of Technology’s manufactured housing center, as well as gaining access to several contacts in the manufactured housing market.

In assisting Gichner, PennTAP not only outlined potential changes in the market, but also facilitated discussions and identified network and market opportunities that may lead to expansion opportunities for the company. Excited about the possibilities, Gichner has invested more than $700,000 in technology to help it in the potential new markets.
“Gichner has invested more than $700,000 in technology to help in the new markets.”

“So far, RHC has realized more than $26,000 in cost savings and cost avoidance, which should increase dramatically once a system is fully operational.”

On a subsequent visit to Augustine’s, McConnell was able to review the company’s operation and manufacturing process as well as the ingredient labels. He then obtained additional nutritional details for several of Augustine’s ingredients. And, with time running short, he helped to draft a request to the FDA for an extension and made sure that it was filed in time to avoid any penalties or disruption in business.

As a result, all of Augustine’s product labels were brought into full compliance with the new FDA labeling requirements. McConnell also connected the pizza manufacturer to a private consultant, who completed a full revision of all the “Nutrition Facts” panels in a timely manner and at a reasonable cost. Finally, McConnell reviewed all of Augustine’s label proofs before they went to the printer, providing the owner with some very real “peace of mind.”

Frank Augustine credits PennTAP with “keeping [his] family business in operation” and says he was “able to sleep at night knowing that [his] products had proper labeling information and were in compliance with regulations.” The company was able to modify and use more than $5,200 worth of existing labels that had been destined for the dumpster, retained $500,000 in sales, and kept fifteen local jobs going without a hitch.

American Tube of Nazareth, Pennsylvania, has been manufacturing small-diameter welded stainless steel tubing for more than twenty-five years.
However, with the passage of the new chromium standard under OSHA, American Tube faced a challenge. They wanted to be sure that they were in compliance with the regulations, but, even more, they wanted to ensure that their employees were safe from harmful chromium.

Thanks to a long-standing relationship with Bill Paletski, a PennTAP environmental health and safety specialist, company representatives knew where to find immediate answers. Paletski quickly met with them and did research that determined they were maintaining a safe working environment.

Paletski went the extra mile by assisting the client in selecting an air-testing lab so that they could verify the amount of chromium emitted during maximum operations. The testing lab took samples and verified that the chromium levels were well below the permissible exposure limit established in the OSHA regulation. The cost to American Tube was minimal because PennTAP had already laid out the specific air pollutant to test for, and the reason for testing.

Thanks to the experienced PennTAP specialist, the client was able to save thirty days of potential downtime, and for an investment of $1,000 the company avoided spending $70,000 for a variety of compliance tests.

“We now know we are operating properly within the new OSHA regulations,” said William French, president of American Tube.
PennTAP Services
We provide assistance regarding:

Environmental Issues
Food-Processing Industry
Forest Products Industry
Health Care Information Technology
Information Technology
Occupational Safety and Health
Product Development
Recycling Market
SBIR/STTR
Technology Transfer and Commercialization

“Our business is on a limited budget; the amount of time PennTAP provided made the difference between staying in business and closing up shop.”
Dick Moss, N. N. Moss Company

“PennTAP has given our current employees the opportunity to advance, which has led them to a greater sense of self-worth. In addition, they are proud to accomplish tasks that previously we paid a consulting team to do, thus saving us money.”
Wendy Berger, Maria Joseph Continuing Care

“PennTAP was extremely helpful in connecting us with a strong set of partners. We continue to value these contacts and would strongly recommend that others avail themselves of PennTAP services.”
Todd Griffith, Discovery Machine

“As the sole proprietor of a female-owned minority business, I found PennTAP to be an enormous help. PennTAP guided me every step of the way. The cost savings were immense.”
Marianne Bolling, Welllife Services

“The professionalism and information provided in PennTAP’s safety assessment saved us over one year in man hours.”
Tim Harris, Altoona Pipe & Steel Supply Co.

“The information provided by PennTAP gave us the ability to launch a great new product.”
William Chirdon, Bell & Evans Farmers Pride

“As a small manufacturing company, our resources are limited; the assistance and guidance PennTAP provided was extremely helpful.”
Gail Buerkel, Applied Energy Systems

“PennTAP has helped out so much that it allows other objectives to go smoothly without hassle.”
Doug Schloegel, Dirt Bike Doug Industries