



Whitcraft LLC

Whitcraft applauds the efforts of the State of CT to reduce spending in an effort to close the budget gap. We feel that reducing government costs will ultimately reduce the economic load borne by the private sector, allowing small businesses like us to be more competitive and be in a stronger position to grow.

We know what the State of CT is going through. We purchased Whitcraft in Eastford in 1998, right at the peak of an aerospace cycle. As demand dropped, our largest customers demanded price reductions. Year over year price reductions of 1-6% followed and there is no end in sight. If we don't meet their demands the OEMs are prepared to move the work to locations around the world including Eastern Europe, Mexico, India, and China. One of our largest customers has questioned our "CT centric" strategy because of CT's relatively high costs. In addition to relentless pricing pressure, our commodity costs go up, government regulation and unfunded mandates add cost, and our employees expect raises and bonuses every year.

So how is QVCC part of our response to this challenging environment?

The essence of our business strategy is to:

1. Continuously improve everything we do.
2. Decentralize decision-making to increase speed and effectiveness.
3. Provide employees with relevant information on a timely basis so they can make better decisions.
4. Develop a flexible workforce able to respond quickly to shifts in customers' demands and market forces.

To execute this strategy, we have developed some internal training programs to improve the technical skills of our workforce. However, we are not professional educators and knew we needed help in a broader effort to improve the effectiveness of our workforce. Today QVCC is an integral part of our ability to execute these elements of our business strategy at Whitcraft.

QVCC addresses a broad range of educational and training needs including Lean Manufacturing, computer courses, Supervisory Development Series, shop math, and blueprint interpretation. In addition QVCC has customized courses for our needs. Most of these classes are taught on site in our Eastford facility.

We also benefit from QVCC's access to talented individuals who are highly motivated to improve themselves and the organizations they work in. Through a co-op program, Whitcraft and QVCC students have the opportunity to mutually evaluate "fit" before committing to permanent employment. QVCC is the only institution in northeast CT that provides many of our workforce development courses and is an important source of new talent in the region.

Through years of relentless continuous improvement, capital investment, and workforce development programs we have grown our Eastford business from \$19.5 M in sales to expected sales of more than \$45 M this year. A 33% increase in people generated a 136% increase in sales over 13 years. The bad news is that most of the productivity improvement benefited our customers (via price reductions); **the good news is that last year we added roughly 40 new jobs in our Eastford facility.**

Our growth has come from improved productivity derived from the skills, knowledge, and abilities of our flexible workforce. Most all of our workforce development training has come from QVCC and offers a great example of how collaborative business-education partnerships can foster job growth.

- Jeffrey Paul, President, Whitcraft LLC