



# Manufacturing and Distribution Industry Group Alert



## DID YOU KNOW...?

The manufacturing sector is composed of more than 25 different industries, from industrial and medical products to printing.

Growing manufacturing sectors in Western Pennsylvania include film, health products, and engineering.

According to the World Bank, Pennsylvania has the 17<sup>th</sup>-largest economy in the world with \$450 billion in gross domestic product.

Pennsylvania was ranked 11<sup>th</sup> among U.S. states in exports in 2007, with almost one-third of products going to Canadian purchasers. (Source: [www.buyusa.gov/pittsburgh](http://www.buyusa.gov/pittsburgh))

Ohio ranks third in the U.S. for the number of industrial jobs. (Source: Cleveland Plain Dealer)

According to the 2009 Ohio Manufacturers directory, industrial employment in the state of Ohio dropped 2.7% over the past 12 months. Ohio's losses are in line with those seen across the Midwest and Mid-Atlantic. MNI reports that Indiana's industrial employment is down 2.2%, Michigan's 5%, Pennsylvania's 1.2%, and West Virginia's 1.3%.

## WHAT'S YOUR NEW YEAR'S RESOLUTION?

As 2009 begins, businesses find themselves trying to navigate the current climate. What's your company's plan? The last three months have created unprecedented uncertainty for the global economy — including US-based manufacturers. With approximately one in every 10 jobs in the US related to manufacturing, this sector has been significantly affected by the financial crisis and recession. Nonetheless, it's not all bad news. There are some growth industries.

How is your business addressing the current climate? Now is the perfect time to set new goals and revisit existing plans in order to ensure that you are ready to meet the challenges ahead. Here are some ideas to consider as you make your New Year's resolutions.

### 1. Review Your Strategic Options

- Evaluate your company's financial health
- Where is the company headed?
- What resources are available? Do you have proper financing in place?
- What barriers are blocking the way?
- Are there growth opportunities or strategic partners available?
- What is the plan for maximizing business value?

### 2. Review Your Processes

- What are the current operational issues?
- How can your company streamline operations to reduce costs?
- How can your company eliminate redundancy in administrative and manufacturing processes?
- What will need to change for the company to meet its goals?

### 3. Review Your Plan and Your Progress

- Is the company positioning itself for the future?
- How is the current environment impacting its plan?
- How is the company adapting its plan for changes in the marketplace?

In difficult economic times, asking these questions can be an important initial step toward preparing for the challenges the future may bring. At Schneider Downs, we are available and interested in working with you to meet these challenges. Whether it's an informal phone call or we perform a strategic options evaluation, we're prepared to help. Contact your Schneider Downs representative with any questions you have about your New Year's resolutions.

## Schneider Downs' Manufacturing and Distribution Industry Group

Our manufacturing and distribution industry group includes professionals from our audit, tax, technology, wealth management, and advisory practice disciplines. Our professionals have a wide range of experience in manufacturing environments, and such diversity delivers exceptional value to clients by offering different perspectives and thoughtful consideration of how today's environment has changed the playing field for manufacturers and distributors. We provide valuable insight into what companies are doing to navigate this new environment.

## MANUFACTURING AND DISTRIBUTION INDUSTRY GROUP

At Schneider Downs, our business is to provide you with the highest level of personalized service and expertise available to reach your strategic goals. Whether you are experiencing growth or feeling the effects of an unproductive work process, Schneider Downs can provide the services you need as you continue to develop and streamline your operations.



**DONALD B. APPLGARTH, CPA**  
dapplegarth@schneiderdowns.com

Don is a shareholder and chairman of the firm's Manufacturing Industry Group. He provides audit, consulting and transaction services to clients. Additionally, Don is a member of the firm's Assurance Technical Advisory Committee and leads the firm's quality control program in Pittsburgh.



**MARY D. RICHTER, CPA**  
mrichter@schneiderdowns.com

Mary is a tax shareholder who provides federal, state, domestic and international tax planning, tax credit studies and specific transaction planning and implementation to clients in North and South America, Western Europe and Asia Pacific.



**DAVID E. KOLAN, CPA**  
dkolan@schneiderdowns.com

Dave is a shareholder and member of Schneider Downs' Manufacturing Industry Group. Dave's extensive experience in the manufacturing industry enhances his delivery of accounting, tax and general business advisory services to manufacturing companies.



**TIMOTHY J. HAMMER, CPA**  
thammer@schneiderdowns.com

As a shareholder and member of the firm's Manufacturing Industry Group, Tim's extensive experience in the manufacturing industry enhances his delivery of accounting, auditing, tax and consulting services.

## A LEADER IN PROVIDING SERVICES TO THE MANUFACTURING AND DISTRIBUTION INDUSTRIES

### Process Reengineering

A company's success is measured in terms of volume produced and profits earned. At Schneider Downs Technology Advisors, our experienced productivity improvement consultants can develop cost containment methods through management control systems to help improve your company's productivity and profitability.

By examining all current work processes through our comprehensive "brown paper" study, which graphically illustrates, step-by-step, the way your business operates, we can help you eliminate lost time, redundancy, errors and poor communication.



**RICHARD X. MCKENNA**  
rmckenna@schneiderdowns.com

Rich is responsible for delivering all project management, process reengineering consulting services and implementation services for select human resources and payroll software applications. Rich has managed several large ERP implementations, as well as numerous human resources and payroll software implementations. Rich has also successfully completed process improvement engagements in the following industries: manufacturing, building products, software development, wholesale food distribution, plastics processing and others.