

Highlights



Sorensen Systems Sets Billings Record

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PARKER STORE LOCATIONS

- Bangor ME
- Portland ME
- Manchester NH
- Fitchburg MA
- Cranston RI

HEADQUARTERS LOCATION

- Northboro MA

EMERGENCY SERVICE PHONE

- 978-345-2200

WEBSITES

www.thehopegroup.com

www.hopeair.com

www.sorensensystems.com

Sorensen Systems, a member company of THG Corporation, had a recent record breaking month for billings reaching nearly \$1 million, according to Mike Gardella, Engineering and Manufacturing Manager. Accounting for the impressive billing results in October were projects for Test Devices of Hudson, MA, Morgan Construction Company of Worcester, MA and the California Department of Water Resources.

Test Devices of Hudson MA needed a *power unit and control system* for a spin chamber that tests jet engine turbine blades. Morgan Construction needed a *power unit and manifold stands* for an overseas steel mill. Alameda County California



Hydraulic power unit and manifold stands

needs to increase its public water drinking supply and is relying on a \$2 million contract with Sorensen Systems for a *power unit and control system*, including four 3-foot diameter ball valves and actuators. Together, these three projects accounted for nearly \$1 million in billings in October.

"It's satisfying to see the hard work of the sales team, engineering team, technicians, fabricators and all the support teams as we bring contracts to conclusion and ship to the customers," said Gardella. "October was a great month for billings, but real satisfaction comes with seeing everyone's hard work payoff with solutions for the customer," he added.

NEWS TO ME

Aluminum is the New Copper

By Jim Levesque
Hope Air Systems Service Mgr

For as long as anyone can remember, as soon as an industrial air compressor was ready for installation, someone was told to call the plumber. For many years the plumber has had the expertise and the material

of choice for industrial air compressor installation: copper pipe. Today, you are just as likely to hear a call go out to "piping specialists" offering an important new alternative to copper: aluminum.



Aluminum Piping

Aluminum has been around for a long time and is famous for its strength and light weight. It has also been famous for its high cost. But aluminum has increasingly become the preferred material of choice for modern air compressor applications. When you study the benefits of aluminum over other materials, it's easy to understand why this change is taking place.

Out of the box, aluminum is now less expensive than copper. Also, modern aluminum piping is easier to install. The material is lighter, so it's easier to maneuver, especially

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Kaizen Korner

THG Joins eBay to Help Move Out Excess Inventory

By Jon Mitton
Kaizen Core Team Leader

Today, you can buy that Baldor electric motor or NoShok gauge direct from The Hope Group via eBay. Thanks to a brilliant effort started a few months ago by Donna Tibbetts in our Portland office, many stocked items, which have become excess inventory for one reason or another, now have an outlet to turn into cash for the company.



the result of a HELP suggestion submitted by Donna Tibbetts. The HELP form is a mechanism for an employee to identify a challenge and offer the immediate

solution. Donna stated that the excess inventory was a good candidate for eBay auctions. Eventually, the HELP matured into an RIE (rapid improvement event) to fully organize the effort. The RIE team consisted of Donna, Jon Mitton, Randy Roy and Dennis Boragine.



“eBay has become a common-place feature in many homes, as people discover ways to sell off excess items in an auction setting,” said Donna Tibbetts. “But, the indirect result of eBay’s success for consumers is that everything can be bought and sold on eBay today, including the industrial supply products featured by The Hope Group, The Leen Company and Bosworth Fluid Connectors,” said Donna. The idea of selling on eBay was

After an assessment was completed of eligible excess inventory, the eBay team created accurate written descriptions and took digital photographs of about 100 items to get the ball rolling. These were uploaded into the eBay store and according to early reports the effort has already netted \$8,000 in cash. If you want something, be sure to bid early and often!

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Counter & Credit Card Sales Posed Kaizen Challenge

The Hope Group computer system has many virtues as well as a few well documented vices. Among the vices was the inability to have a customer-friendly credit card purchase at our store counters. Interaction with the company computer required an almost gymnastic or acrobatic range of activities to get the order rung up and the customer on their way.



The credit card authorizations and processing will be as quick and painless as those at the typical grocery store. The receipt will be familiar and customer-friendly. The software running the system allows the store managers and our accounting department to get better information, faster and in a format that allows them to manage the stores better.

Thanks to a diligent effort through an RIE (rapid improvement event), our counter sales will be a lot less painful. Changes between now and the end of the year will implement a direct swipe system.

Thanks to Jay Hannon, Fritz Zuegg, Donna Tibbetts, Sherri Roberts and Jon Mitton, The Hope Group can expect to swipe its way to more happy customers and more sales.

Hope Group News

The Hope Group Earns Diamond Team Award

By Richard Wright
Marketing Manager

The Hope Group was honored recently by the Fluid Connector Group of Parker Hannifin Corporation with its Diamond Team Award for 2006, according to Anthony Cantone, President.

“The Hope Group has once again achieved a significant milestone in the partnership with Parker Hannifin by successfully fulfilling all the requirements for the Fluid Connectors Group Diamond Team Award for fiscal year 2006,” said George Altmeyer, Regional Sales Manager.

According to Tony Cantone, the award recognized the achievement of 108.8 percent of the volume goals established by Parker for the past fiscal year. “We met our goals and exceeded them

with the help of our entire outside and inside sales team, our engineering and technical team and our customer service and administrative team,” said Cantone.



Cantone said that The Hope Group was also recognized for exceeding its goal among selected target accounts by \$144,400, which was 45 percent above goal. “I’m very proud of the effort made to penetrate new accounts and encourage growth among existing accounts for fluid connectors,” said Cantone. “Combined with the overall volume goal, these two successful results speak highly of the dedication and talent of our sales, fabrication and support teams,” he added.

Old Dominion Freight Line Now On Board

By Jon Mitton
Facilities Manager

A new contract has been established to bring Old Dominion Freight Line on board as our exclusive shipping agent for inbound and outbound freight hauling.



Email and letters of notification have been sent to everyone that needs to be informed about this important change and it expected that the transition from the current shipper to Old Dominion Freight Line will take about six to eight weeks to fully implement. New routing instructions have been posted on The Hope Group website (www.thehopegroup.com/routing).

The decision to change freight carriers was motivated by several quality and service concerns. Old Dominion Freight Line is one of the largest and most forward-thinking freight haulers in the country. Their reputation preceded them as some of our own largest customers have switched to Old Dominion and suggested we investigate the benefits of making a change.

For instance, Old Dominion has created a rack system for its trailers that permit the separation of loads in a manner that lets them pack a truck fully, but at the same time protects the cargo from damage. Be sure to read about the changes on our website.

Successful Audit Earns ISO 9000 Recertification

By Joe DeMarco
Director of Quality

In order to remain ISO 9000 certified, the company must go through a quality system recertification every three years. This past June, we participated in a recertification audit by Quality Management International. The audit was conducted by an external auditor hired by QMI for the purpose.

Over a two day period, the auditor reviewed all aspects of our quality system. The auditor's task was to review our quality system for conformance to ISO 9001:2000. While there were some interesting recommendations for improvement, there were no quality system nonconformances.

To see our new certificate, open a browser and type <http://neptune> in the address bar. Click on the ISO 9000 Documents link in the left pane. At the bottom of the right pane will be a link to the Northboro ISO 9000 certificate. Portland's recertification audit will occur on November 14 and 15, 2006.



Measurements On Line

One of the requirements of ISO 9000 is for the company to establish quality objectives, and to measure its ability to achieve those objectives. In the past, objectives have been tracked by spreadsheets, and charts indicating how well we are accomplishing our objectives were placed on a wall in the Northboro facility. While they were visible to people in the facility, they were not widely visible to the rest of the company.

Now these charts, and charts showing key company performance indicators such as sales and gross margin performance, are available on line. To access the measurements page, you simply open a browser, and in the address bar type <http://neptune>. When the page appears, click on the Measurements link in the left browser pane.

Aluminum is the New Copper

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in overhead installations. In general, no specialized trades are needed. That means you don't have to pay the going rate for a plumber. There is no threading, welding or brazing pipe involved. That is why the cost of a skilled tradesman is avoided.

Other cost-saving aspects of modern aluminum piping are the simplicity of mounting and connecting hardware. Typically, the quick-disconnect design means easy, secure

and adjustable connections during installation. And when it comes time to make a change to a piping layout, the aluminum pipe is easy to modify. Also, it won't rust, the surfaces are smooth and will not get rough, which might contribute to pressure drop and accumulated contaminants. Whether your application is compressed air, vacuum or inert gas applications, such as nitrogen generators, the benefits of modern aluminum piping far outweigh the cost disadvantage compared to other materials.

Carey's Corner

Record Setting Month Brings Thoughts About Our Success

During October 2006 the company posted its largest individual month in billings since the company was founded. The \$3.8 million in total sales across all profit centers was a direct result of outstanding performance from The Hope Group, Hope Air Systems and Sorensen Systems during the month. Total billings for October 2006 were 70 percent higher than billings in the same month a year ago. This was exciting news and we are proud of efforts everyone made to achieve this record.

Pizza for Everyone

To celebrate this milestone, join us on Monday, November 20, 2006 when we will have a small celebration with a company sponsored "pizza lunch" for all employees at all locations, including Bangor, Portland, Manchester, Fitchburg, Northboro and Cranston. A milestone such as a record setting month for sales is something we like to pause and recognize.



Tangible Recognition

Earlier this year we announced that the company would be making a more tangible response to improved employee performance during the past fiscal year by increasing the company match for 401K contributions. The company has raised its contribution from 25 cents to 50 cents for each eligible dollar the employee sets aside into his or her 401K account. Congratulations to the entire THG team for their achievements this past year.

- Carey Rhoten