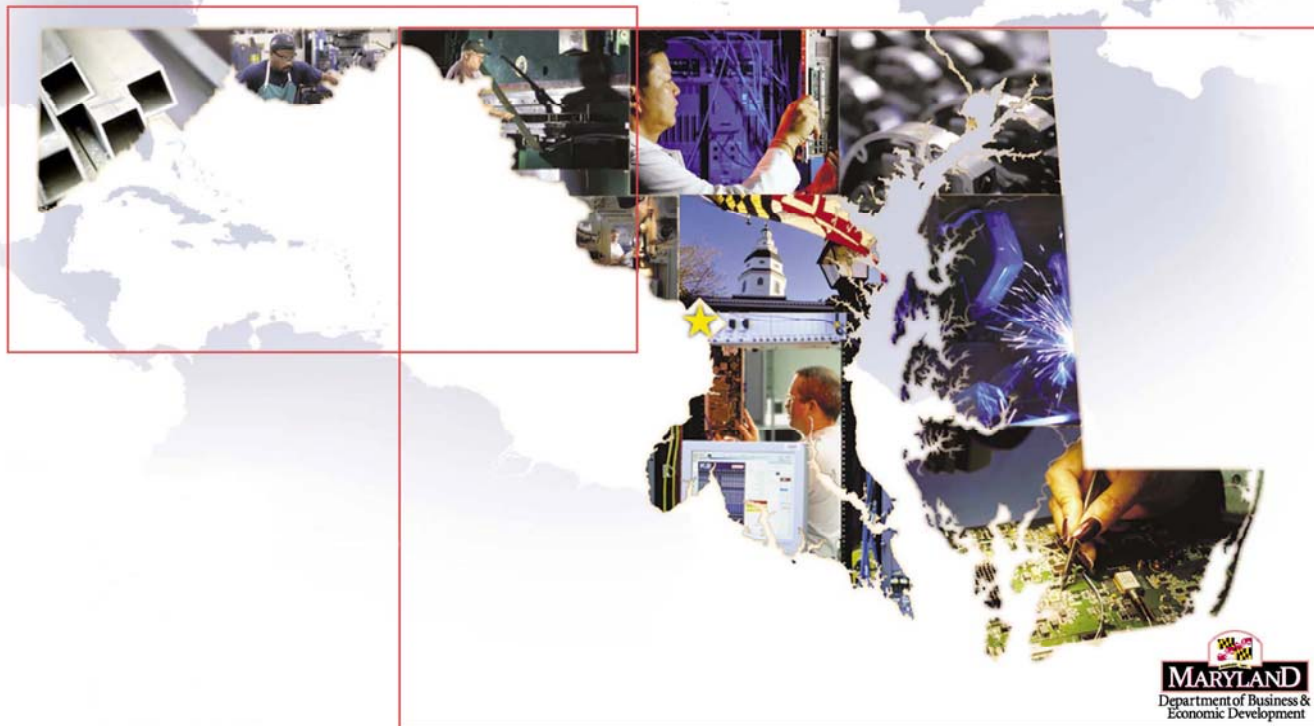


Partnership for Workforce Quality

Staying Competitive By Investing In Workers

Annual Report

July 1, 2006 — June 30, 2006



Investing in Maryland Companies

The Partnership for Workforce Quality Program encourages companies to invest in their most valuable resource — their workforces.

Maryland's broad-based economy, access to global markets and outstanding quality of life are often cited as reasons why companies come to and stay in Maryland. Foremost among the assets that attract businesses, though, is the state's highly skilled workforce, which sets Maryland apart from other states.

A key element in maintaining the quality of the state's workforce — which consistently ranks among the top tier in the U.S. — is the Partnership for Workforce Quality (PWQ). Established by legislation in 1989 and administered by the Department of Business and Economic Development (DBED), the PWQ Program encourages companies to invest in training for employees.

The Partnership for Workforce Quality provides reimbursable grants that match (1:1) the investments of Maryland's manufacturing and technology companies in employee training, thus helping the companies improve their efficiency, develop quality management practices, modernize operations, and upgrade manufacturing processes. As a result, companies are better equipped to expand in Maryland — and to compete in a global marketplace.

As an economic development resource, the PWQ Program builds goodwill with the business community and fosters partnerships with chambers of commerce and business associations, local economic development

organizations and regional councils, community colleges and proprietary training companies. These relationships strengthen the State's competitive position and ensure that Maryland has the skilled workers necessary to attract and retain businesses.

Investments in Maryland Businesses

Funded annually through specific line item appropriations, the Partnership for Workforce Quality helps participating companies develop and implement training systems to improve business competitiveness and worker productivity, upgrade the skills of workers to accommodate new technologies and production processes, and promote employment stability.

In a survey of PWQ companies, 100 percent of respondents indicated that the Partnership for Workforce Quality improved their company's ability to compete in the marketplace.

Investing in Maryland Companies

PWQ investments in Maryland companies — primarily manufacturing and technology companies with 150 or fewer employees — help these companies access:

- Training in manufacturing, professional, scientific and technical services;
- Job-specific training; training to upgrade or retain existing employees; and
- Training related to strategic goals and objectives of a company.

To keep pace with companies' ongoing need for the most productive workers, DBED's business development specialists encourage companies to invest in training to upgrade employees' skills through the Partnership for Workforce Quality program. The business development representatives meet with companies throughout the State to identify needs, match businesses with appropriate state and local resources, and qualify candidates for the PWQ program.

The Partnership for Workforce Quality includes aggressive business growth strategies — payroll increase, capital investment, employee retention, and additional new hires, for example — as benchmarks in its contracts with participating companies. By including

“We were able to expose our technical team to new skills that have proven to be beneficial in working with our clients.”

— Mike Gooch
SoftMed Systems, Inc.

such business growth benchmarks, the PWQ program serves as an effective resource for business development. It is the only public program in Maryland that helps Maryland companies combine employee training with measured business growth.

In FY 06, DBED awarded Partnership for Workforce Quality grants totaling \$1.6 million to 122 Maryland companies that — with matching funds from participating companies — funded 4,840 employee training slots. Since the program's inception in 1989, the PWQ program has invested nearly \$34 million in training for more than 89,000 employees in Maryland companies.

Distribution of PWQ Grant Awards by Region Fiscal Year 2006

<i>Greater Baltimore Region</i>	<i>\$640,793.00</i>
<i>Capital Region</i>	<i>\$487,522.00</i>
<i>Rural Region</i>	<i>\$496,796.00</i>
<i>Total</i>	<i>\$1,625,111.00</i>

Investing through Cluster Grants

Through “cluster” training grants, the Partnership for Workforce Quality helps small companies access training opportunities that are typically out of reach for them. By participating in PWQ’s cluster grant training, small businesses are able to collaborate with other companies to identify shared critical skill needs. Training programs may then be developed to address the needs, and training is provided to these “clusters” of companies.

This unique training concept helps Maryland’s small businesses prepare their employees for the commercialization of company products. PWQ’s cluster training:

- Addresses specific workforce needs;
- Is relevant to the industry, trade or job;
- Enhances the skills of current employees;
- Addresses training needs of participating companies; and
- Is linked to the strategic goals and objectives of participating companies.

The Partnership for Workforce Quality funded one cluster training grant in FY 06. To accelerate the rate of commercialization of products produced by Maryland’s early-stage technology companies, the PWQ program awarded a \$2,000 grant to the Center for Business and Technology Development (NeoTech Incubator) in Columbia, Md., to provide these companies with intensive training on successfully commercializing new products.

Company principals participated in customized training that addressed the specific needs of individual companies. Two half-day sessions created an interactive environment, presented relevant case studies, employed hands-on participation, and delivered practical applications. Three one-hour

sessions provided personalized training support, during which particular issues and concerns could be addressed.

Upon completion of the training program, participants were equipped to:

- Discriminate between technology-based and market-based approaches and understand which approach to employ and when to employ each;
- Effectively move between the mental processes necessary for day-to-day business management to those required for strategic marketplace issues;
- Harness the major elements necessary to build commercial success;
- Weigh the impact of today’s decisions on the likelihood for tomorrow’s success in the marketplace;
- Employ processes that help guide today’s decisions to deliver tomorrow’s commercial success.

Up to eight companies — each with two or three principals — were eligible to participate in the training and support through the PWQ cluster grant.

“The state’s PWQ assistance provided a great opportunity to access programs which the companies could not afford on their own.”

— Carol Morrison
Director, NeoTech Incubator

Company Profile: Shire Pharmaceuticals

“The training provided through the Partnership for Workforce Quality has helped Shire become a more efficient and productive operation. Most importantly, the work we do here in Owings Mills impacts the lives of patients and their families around the world.”

*— Matthew Emmens
CEO, Shire Pharmaceuticals*

Since acquiring Owings Mills-based Atlantic Pharmaceuticals in 2002, Shire Pharmaceuticals has tripled its workforce, growing from 100 employees to more than 300 in its Owings Mills facilities. Based in the United Kingdom, Shire develops medicines that treat attention deficit and hyperactivity disorder (ADHD), human genetic therapies (HGT), gastrointestinal (GI) and renal diseases. The Owings Mills plant produces CARBATROL®, an epilepsy treatment; PENTASA, a medication to treat ulcerative colitis; and ADDERALL XR®, a leading ADHD treatment.

Shire Pharmaceuticals has invested more than \$65 million in the Owings Mills operation — including \$6 million to build and outfit a new Pharmaceutical Technology Center adjacent to the manufacturing plant — and has relocated its testing and product validation process to the center. The new facility allows Shire to develop robust processes for the manufacture of new products and to optimize current manufacturing processes to produce better yields and more consistent product.

Through a Partnership for Workforce Quality investment, Shire was able to train more than 30 employees in computer systems administration and other professional development processes, thus equipping the employees to operate and manage the company’s state-of-the-art Pharmaceutical Technology Center. Thus, the PWQ program helped the company grow and also benefited the state, as Shire contributes an estimated \$21 million in payroll taxes to Maryland’s economy.

Company Profile: Infotech Enterprises America

“Through the Partnership for Workforce Quality program, Infotech trained employees on the latest software applications, which in turn ensures that our company can provide cutting-edge services to our customers.”

*— Gregory B. Tilley
President—Geospatial Solutions Division
Infotech Enterprises America*

Outstanding quality assurance processes – ensuring delivery on time, on budget and up to quality specifications – keep Infotech Enterprises America’s customers content. Formerly known as VARGIS LLC, Infotech is a global geospatial consulting and professional services firm with expertise ranging from photogrammetry to software development, system integration, and consulting. The company’s mapping production facility in Frostburg, Md., produces complete mapping and GIS solutions at competitive rates for commercial and government clients across North America.

Recent contract awards have spurred rapid growth. Infotech has doubled its Frostburg workforce, growing from just five employees to 11 fulltime employees in only four months.

New employees undergo an intensive eight-week training program using state-of-the-art, high-end workstations with the most current mapping software. Training is performed iteratively – using repeated routines in a loop as part of a computer program – and reinforced by working on actual projects, with each new training topic building on the previous topic. A six- to eight-month, one-on-one mentoring fully prepares new employees to meet the high quality production standards for which Infotech is known.

Through a Partnership for Workforce Quality grant, Infotech trained its workforce in such software applications as Visual Acuity for Stereo Compilation, Microstation Base Software Platform and ImageStation Aerial Triangulation, as well as DTM collection theory and methodology and project handling and execution methods.

Company Profile: Glass Distributors, Inc.

“Through the Partnership for Workforce Quality, GDI equipped employees to operate a new computer system and state-of-the-art manufacturing equipment. Our participation in the Partnership for Workforce Quality helped expand our market and streamline our operations.”

*— Stephen M. Bouchard
President
Glass Distributors, Inc.*

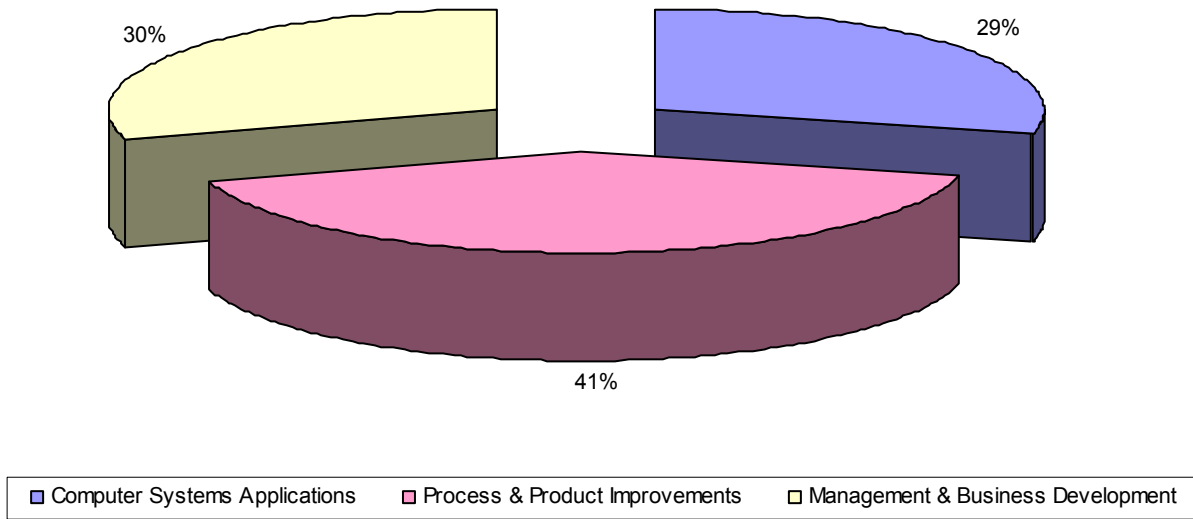
In a company known for distributing and fabricating glass, plastics, glazing supplies, and glazed building products and supplies, it should come as no surprise that things are running as smoothly as glass at Glass Distributors, Inc., (GDI). Headquartered in Bladensburg, Md., Glass Distributors has extended its market beyond the glass and glazing industry to the building and manufacturing industries.

With more than 50 years in business, GDI remains competitive by embracing technology and adopting new techniques to streamline operations and control costs. Through a referral from the Maryland Department of Business and Economic Development, the company obtained guidance from the Maryland Technology Extension Service. As a result, Glass Distributors acquired a new computer operating system, which allows the company to manage the flow of business from order entry to loading dock to general ledger, thus eliminating redundancy in record-keeping.

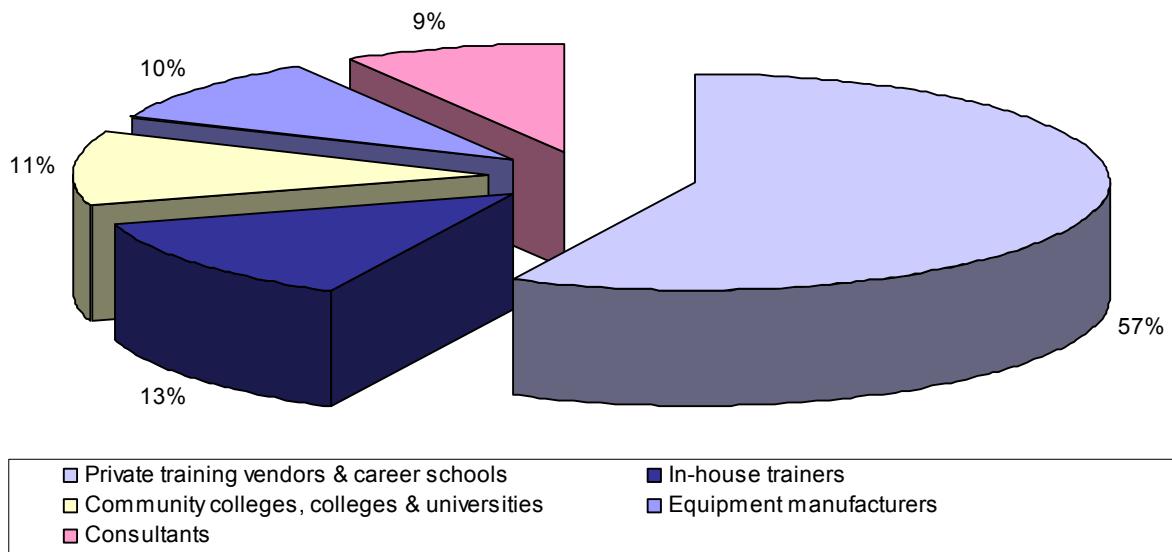
Through the Partnership for Workforce Quality, GDI trained employees on the computer operating system and new computerized manufacturing equipment. The grant provided training for 12 employees.

The new computer system has enabled GDI to develop a website that is already generating nationwide sales previously unattainable. And the new manufacturing equipment — designed for glass cutting and polishing — improved the company’s quality and throughput processing rates.

Types of Training



Training Providers



Summary

In today's technology-driven economy, the demand for a highly-trained, highly-skilled workforce is great. Here in Maryland, the workforce includes the highest concentration of professional and technical workers in the U.S. and the second highest concentration of doctoral scientists and engineers. With more than 34 percent of the population over age 25 holding a bachelor's degree or better, and more than 15 percent of the same population holding a graduate or professional degree, Maryland boasts a labor force that consistently ranks in the top tier in the U.S.

Companies move to and stay where they have access to a pool of qualified workers. Thus, the quality of Maryland's workforce is an important resource in attracting businesses to Maryland and in helping Maryland businesses expand here. With as many as 60,000 Department of Defense, defense contractor and contingent jobs coming to Maryland as a result of the recent Base Realignment and Closure (BRAC) process, demand for skilled workers will continue to grow. Programs like the Partnership for Workforce Quality help to ensure that Maryland's workforce remains among the best in the nation.

By investing the majority of its funds in individual companies in Maryland, the PWQ program maximizes the companies' ability to develop and enhance the skills

of their workforces. By providing access to an array of high-end expertise and customized training options, the PWQ program helps Maryland businesses keep pace with global competition. By helping Maryland companies become more productive and more efficient, the PWQ program also helps them become more competitive.

Through matching grants and technical services, the Partnership for Workforce Quality diversifies the state's manufacturing and technology sectors and encourages companies to adopt "lean" techniques, develop progressive leadership and embrace cutting-edge technology. Moreover, the PWQ program is also a revenue-generating program for the State of Maryland – a 2002 study by The Jacob France Institute of the University of Baltimore determined that for every dollar invested in the program, the Partnership for Workforce Quality returned \$3.88 to state and local governments.

As an economic development tool, the Partnership for Workforce Quality is one of the most valuable resources DBED offers to Maryland businesses, stimulating the growth and expansion of Maryland companies. As an investment in the State's economic development – and as a workforce training tool – the Partnership for Workforce Quality is crucial to ensuring that the state remains competitive in attracting and retaining businesses in Maryland.

PWQ companies reported the Partnership for Workforce Quality helped their companies:

- *Improve employee skills (91%);*
- *Improve employee productivity (81%);*
- *Increase revenue (17%) and*
- *Increase sales (9%).*

Individual Company Grants

Company	Amount	Project Category	County
Superfos Packaging Inc.	\$25,000.00	Process improvement, professional development	Allegany
Vargis LLC	\$9,718.00	Business and information systems	Allegany
Cyberlock Consulting Inc.	\$7,071.00	Computer programming and languages, process improvement, professional development, research and development	Anne Arundel
MarCal Medical Inc.	\$7,130.13	Regulatory compliance	Anne Arundel
Praxis Engineering Technologies Inc.	\$11,051.09	Process improvement, professional development, software development	Anne Arundel
Force 3 Inc.	\$24,581.00	Computer applications, programming and languages; professional development	Anne Arundel
Atlas Container Corporation	\$16,156.97	Computer applications, equipment upgrade, human resources management, professional development, quality inspection	Anne Arundel
Kop-Flex, Inc. a Division of Emerson Power Transmission	\$11,166.00	Process improvement, professional development	Anne Arundel
Mac Machine Company Inc.	\$23,230.54	Computer applications, process improvement, quality/inspection, manual to automated equipment	Baltimore
Reactive Nanotechnologies	\$18,317.00	Process improvement, professional development, quality/inspection, regulatory compliance	Baltimore
Jarrett Industries Inc.	\$12,995.50	Business and information systems, inventory management, business development	Baltimore
Unlimited System Support Inc.	\$1,492.50	Computer systems administration, professional development	Baltimore
Shire US Manufacturing Inc.	\$32,351.50	Business and information systems, process improvement, professional development, quality/inspection	Baltimore
Pharmaceutics International Inc.	\$6,885.04	Business and information systems, professional development, quality/inspection, regulatory compliance	Baltimore
Logical Consulting Group Inc.	\$6,059.00	Computer applications, project management	Baltimore
Crown Cork & Seal Company USA	\$3,379.00	Process improvement, equipment training	Baltimore
Plexus Installations Inc.	\$8,483.50	Process improvement, professional development	Baltimore
The Victory Racing Plate Company	\$2,990.00	Business and information systems, professional development	Baltimore
In Vitro Technologies Inc.	\$3,952.00	Business and information systems, professional development, quality/inspection	Baltimore
Production Services Management Inc.	\$3,399.00	Computer applications, Lean manufacturing	Baltimore

Individual Company Grants

Company	Amount	Project Category	County
Parthenon Installation Inc., T/A Architectural Columns and Railing Systems	\$8,030.00	Process improvement, computer applications, equipment training	Baltimore
Lentigen Corporation	\$3,663.00	Professional development, quality/inspection, process improvement	Baltimore
Diageo North America Inc.	\$10,836.00	Business and information systems	Baltimore
Gann Safety/Mutual Industries Inc.	\$10,000.00	Equipment training, quality control	Baltimore City
Baltimore Dredges LLC	\$5,250.00	Computer programming and languages	Baltimore City
Berry Plastics Corporation (Poly-Seal Corporation)	\$25,000.00	Computer applications, equipment upgrade, process improvement, professional development	Baltimore City
Baltimore Tool Works Inc.	\$8,200.00	Equipment training	Baltimore City
Rolling Frito-Lay Sales LP	\$12,750.00	Equipment training	Baltimore City
Under Armour Inc.	\$50,000.00	Computer applications	Baltimore City
Oles Envelope Corporation	\$11,645.00	Professional development, process improvement	Baltimore City
CPM Fastools Inc.	\$12,500.00	Equipment training	Calvert
Batching Systems	\$10,325.00	Computer applications, strategic marketing, process improvement	Calvert
Tanglewood Conservatories Ltd.	\$3,109.00	Computer applications, process improvement	Caroline
Yale Sportswear Corporation	\$1,470.00	Computer applications, process improvement	Caroline
Intellitech Inc.	\$4,413.70	Professional development, process improvement	Carroll
Fairlawn Tool and Die Company Inc.	\$6,122.00	Computer applications	Carroll
Marada Industries Inc.	\$13,760.00	Process improvement, professional development	Carroll
Chaney Enterprises	\$10,000.00	Process improvement, professional development	Charles
Solid Rock Company	\$4,875.00	Equipment training, process improvement	Charles
Wildes-Spirit Design & Printing	\$3,729.00	Computer systems administration, equipment upgrade, process improvement	Charles
POK of North America Inc.	\$13,860.00	Process improvement, equipment training	Dorchester

Individual Company Grants

Company	Amount	Project Category	County
Airpax Corporation LLC	\$23,032.50	Computer applications, professional development	Dorchester
Stulz Air Technology Systems Inc.	\$9,571.00	Computer applications, manual to automated equipment, process improvement	Frederick
Structural Systems Inc.	\$11,803.00	Computer applications, professional development	Frederick
Morningstar Foods Inc.	\$6,114.50	Computer applications, equipment upgrade, human resource management, process improvement, quality/inspection, regulatory compliance	Frederick
A Routzahn LLC/Ashley Home Store	\$4,524.00	Process improvement, quality/inspection	Frederick
Rolling Frito-Lay Sales LP	\$17,250.00	Equipment training, process improvement	Frederick
Canam Steel Corporation	\$3,548.04	Equipment upgrade, human resource management, process improvement, quality/inspection	Frederick
Redland Brick Inc.	\$13,675.00	Equipment upgrade, professional development	Frederick
Engineering Systems Solutions Inc.	\$943.00	Human resource management	Frederick
RMS Direct Inc.	\$19,606.00	Process improvement	Frederick
Dynamic Market Services L.L.C., dba Deep Creek Lake Design Studio	\$2,354.00	Computer applications, professional development	Garrett
Embedded Systems Design Inc.	\$12,020.84	Computer applications, computer programming and languages, process improvement, professional development	Howard
Hawk Technical Solutions LLC	\$100.00	Computer applications, project management, computer programming, professional development	Howard
Data Computer Corporation of America	\$13,337.50	Computer programming and languages	Howard
Prism Communications Inc.	\$5,804.50	Business and information systems, computer applications	Howard
ISP Pharma Systems LLC	\$10,980.23	Business and information systems, process improvement, professional development, quality/inspection, regulatory compliance	Howard
Bowles Fluidics Corporation	\$4,261.00	Process Improvement	Howard
Detica Inc.	\$6,639.00	Professional development	Howard
Data Processing Solutions Inc.	\$2,982.00	Business and information systems, professional development	Howard
EVI Technology LLC, dba EDO-EVI	\$27,322.00	Business and information systems, computer programming and languages, environmental, professional development	Howard

Individual Company Grants

Company	Amount	Project Category	County
Gasch Printing LLC	\$4,000.00	Professional development	Howard
Consulting & Engineering for the Next Generation Networks, CenGen Inc.	\$7,314.00	Computer applications & systems administration, professional development, strategic planning	Howard
Honeywell Technology Solutions Inc.	\$23,700.00	Professional development	Howard
Earth Resources Technology Inc.	\$3,938.00	Computer applications, environmental, professional development	Howard
Howard County Economic Development Authority (NeoTech Incubator)	\$2,000.00	Strategic planning, product development	Howard
Benchworks Inc.	\$1,000.00	Business and information systems	Kent
Dixon Valve & Coupling Company	\$9,247.00	Business and information systems	Kent
Kirkegaard & Perry Labs Inc. (KPL)	\$12,211.92	Business and information systems, computer applications, financial planning, human resource management, process improvement, research and development	Montgomery
Corporate Network Services Inc.	\$2,271.92	Computer applications & systems administration	Montgomery
Video Networks Inc.	\$10,546.00	Process improvement, professional development, regulatory compliance, project management	Montgomery
MaxCyte Inc.	\$7,180.00	Computer programming and languages, process improvement, professional development, research and development	Montgomery
SoftMed Systems Inc.	\$9,020.00	Computer programming and languages	Montgomery
Spirent Communications	\$25,671.00	Computer systems administration, process improvement	Montgomery
Client Network Services Inc.	\$20,545.00	Business and information systems, computer applications	Montgomery
MDA Federal Inc.	\$33,474.00	Business and information systems; computer applications, programming, languages, systems administration; human resource management; process improvement; professional development, regulatory compliance	Montgomery
Supernus Pharmaceuticals Inc.	\$6,367.05	Computer applications, process improvement, product development, regulatory, research and development	Montgomery
Human Genome Sciences Inc.	\$48,226.15	Computer applications, process improvement, product development, professional development, research and development	Montgomery
Wilcoxon Research Inc.	\$3,515.00	CAD/CAM/CAE/ProE, computer applications, professional development	Montgomery

Individual Company Grants

Company	Amount	Project Category	County
Digital Receiver Technology Inc.	\$5,166.00	Business and information systems, computer applications, process improvement	Montgomery
Host International Inc.	\$18,578.00	Process improvement	Montgomery
Computer Temporaries Inc.	\$7,592.50	Computer applications, human resource management, professional development	Prince George's
Caldwell Technology Solutions	\$6,787.50	Computer systems administration	Prince George's
Eight O'Clock Coffee Company	\$25,269.00	Process improvement	Prince George's
Avid Technology Professionals LLC	\$3,810.00	Computer programming, languages, systems administration	Prince George's
Ingenium Corporation	\$6,182.00	Computer applications, financial planning, professional development	Prince George's
Jem Engineering LLC	\$1,043.75	Process improvement, product improvement, regulatory	Prince George's
Environmental, Engineering & Construction Inc.	\$4,466.00	Computer applications, financial planning	Prince George's
Eaton Aerospace LLC	\$10,544.00	Computer applications, process improvement, quality/inspection	Prince George's
Glass Distributors Inc.	\$5,210.00	Business and information systems, manual to automated equipment	Prince George's
Norwood Marble & Granite Inc.	\$10,000.00	Equipment training	Prince George's
Wood Consulting Services Inc.	\$4,475.50	Business and information systems, computer applications & systems administration, human resource management, professional development	Prince George's
Wyle Laboratories Inc.	\$23,189.00	Professional development, strategic marketing	Saint Mary's
The Prometheus Company Inc.	\$715.00	Professional development	Saint Mary's
Innovative Solutions Consulting Inc.	\$4,485.00	Computer applications, process improvement, professional development	Saint Mary's
Sailing Specialties	\$15,840.00	Computer systems administration	Saint Mary's
Smartronix	\$5,713.00	Computer applications, financial planning, professional development, project management	Saint Mary's
ODDI USA LLC	\$25,280.00	Equipment upgrade	Somerset
Konsyl Pharmaceuticals Inc.	\$2,080.00	Computer applications	Talbot
Redland Brick Inc.	\$12,920.00	Computer programming & languages, process improvement, product & professional development	Washington

Individual Company Grants

Company	Amount	Project Category	County
Jamison Door Company	\$16,593.00	Business and information systems, computer applications, programming and languages, financial planning, human resource management	Washington
The Stationery House Inc.	\$15,073.00	Computer applications, programming, languages and systems administration; equipment upgrade, process and product improvement; strategic marketing	Washington
Americom Government Services Inc.	\$7,457.00	Computer applications & systems administration, process improvement, strategic planning	Washington
Rayloc, Division of Genuine Parts Company	\$10,111.00	Process improvement, professional development	Washington
Fleetwood Travel Trailers of Maryland Inc.	\$16,732.50	Process improvement, professional development	Washington
EarthData Aviation LLC	\$9,488.95	Business and information systems, equipment upgrade, product development, quality/inspection	Washington
Fil-Tec Inc.	\$7,638.56	Business and information systems, computer applications, financial planning, process improvement, strategic marketing	Washington
M. S. Johnston Company Inc.	\$2,072.00	Computer applications, equipment upgrade, process improvement, product development	Washington
HK Engine Components LLC	\$2,689.12	Computer applications, human resource management, process improvement	Washington
The Herald-Mail Company	\$20,000.00	Computer systems administration, project management	Washington
Lippincott, Williams & Wilkins	\$15,485.00	Computer applications, human resource management, product development, process improvement	Washington
Merkle Response Services Inc.	\$8,567.00	Computer applications, human resource management, process improvement	Washington
Aviation Resources DE Inc.	\$10,381.00	Process improvement, product development	Washington
Plymouth Tube Company	\$5,000.00	Process improvement	Wicomico
Filtronic Comtek Inc.	\$11,184.00	Business and information systems; computer applications, programming and languages; product development	Wicomico
US Marine Inc.	\$10,240.15	Equipment upgrade, process improvement, professional development	Wicomico
Harvard Custom Manufacturing Inc.	\$15,137.50	Computer applications, process improvement	Wicomico
Relcomm Technologies Inc.	\$9,562.00	Process improvement	Wicomico
Lorch Microwave	\$9,439.00	Equipment upgrade, product development	Wicomico
Bel-Art Products	\$5,645.16	Computer applications, equipment upgrade, process improvement, quality/inspection	Worcester

MARYLAND PARTNERSHIP FOR WORKFORCE QUALITY

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