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## President's CORNER



Let me first thank you for the opportunity to provide you with our services. Your continued patronage is vital to our business.

This year has been full of opportunities and challenges. We have seen great success in our Construction and Service divisions and had the exciting opportunity to launch our Home Services division. Our goal is always to get a "Wow!" from our customers, and based on the number of complimentary cards and letters we have received about Home Services, it looks like we're on the right track with this new division.

Another big opportunity is the creation of our Three-Year Strategic Plan. We have five specific goals that we will be working on over the next three years, and we are happy to report that everyone is in place and ready to play their specific role to successfully implement the Plan.

On the other hand, the biggest challenge in our company – one that is probably shared by everyone in business – is "to do more with less." Like you, we are trying to improve our services and maximize efficiency despite the fact that many costs are increasing.

Early on in my business career, my father told me: "Hey kid, never forget. You can be the busiest supermarket on the corner and still not make a dime." I think of my dad's wisdom every day and firmly believe that we can successfully hold the line on costs and boost efficiency while still doing a "Wow!" job.

This past summer, I went on a trip that, like business, was full of opportunities and challenges. My youngest daughter, Kaeleigh, and I traveled to Newfoundland, "The Alaska of the East." What an opportunity to see spectacular sights, meet the

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## Outwit. Outplay. Outlast. Outsource!

Most people are familiar with the first three words in this title: "Outwit. Outplay. Outlast." This is the motto of the TV hit "Survivor" which pits contestants against one another in a series of physical and mental competitions. The game requires teamwork and much strategizing. Interestingly, it is not pure physical or mental prowess that wins the game.

(Although it certainly helps if one can perform well in the challenges.) The winner of

"Survivor" is always a person who is able to work well with others and has formed mutually beneficial arrangements known as "alliances." He or she has made a conscious effort not to "go it alone" but to work with others.

The business climate we are facing today is just as challenging as any "Survivor" set and requires similar strategizing. Like the TV show contestants, businesses must not only perform their core activities well and work together as a team, they must be able to work with and depend on outsiders. To accomplish this, winning competitors in the business world have formed their own kinds of "alliances." These alliances involve the use of third parties in a practice known as "outsourcing" or labor support.

### What is Outsourcing?

Any time a company uses third-party labor to perform an in-house service instead of using its own employees, it is engaged in outsourcing.

Outsourcing is different than off-shoring. Although both involve hiring third parties as support labor, off-shoring specifically involves the hiring of international workers who actually perform the job in a different country. Outsourcing involves the use of local labor and, simply put, is the provision



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# Recycling Heat Saves Green – By Ron Trentini

When Delta Electronics contacted us to evaluate the high internal heat load at their site, Cranney Companies was ready for the assessment. Knowing that their current heat load was due to existing computerized lathes and that additional lathes already en route would only add more heat, we carefully considered options to best benefit our customer's needs.


**By coordinating carefully with the owner, Cranney HVAC sheet metal technicians were able to complete the installation without any loss in customer production. This was accomplished despite the requirement to remove existing equipment while replacing it with new systems.**

Under consideration were two possible solutions to address the heat load. At the customer's request, Cranney HVAC made a comparative analysis between exhaust versus total A/C systems. This evaluation compared total install costs, operating costs and shutdown time between the two systems.

## Heat Reclamation

After reviewing our findings, Delta Electronics decided on a High Efficiency A/C System despite higher initial costs to install. Their decision proved to be prudent because of the combined electric energy savings and the ability to reclaim internal heat during colder months.

By coordinating carefully with the owner, Cranney HVAC sheet metal technicians were able to complete the installation without any loss in customer production. This was accomplished despite the requirement to remove existing equipment while replacing it with new systems.

Partnering on this project was a win-win for both companies. Now, Delta has a "green system" that harvests internal heat loads during winter, and addresses both environmental and financial goals. 



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*friendliest people in the world and encounter incredible wildlife! There were lots of "Wows!" like 100-foot-high icebergs, whales and moose. (There are more moose in Newfoundland than people, and one important tip I can give you is don't drive at night unless you have a good friend in the auto body business!)*

*One challenge on the trip was the lack of Internet service. At first it seemed like the end of the world to my thirteen-year-old daughter, but she turned it into an opportunity to complete her summer*

*reading assignments and kick her father's butt in Gin Rummy!*

*There are lots of ways to get a "Wow!"- an amazing trip, a great experience with a trained home services technician, or having peace of mind because a huge job at your facility is being coordinated by our One Team -Total Solutions (OTTS) approach. Thank you again for entrusting us with the privilege of being a service provider to you and your company.*

— Brian Cranney, President

**\$200.00** DISCOUNT

**on our whole-house generator system**

- Not applicable toward minimum service fee
- One-time use only
- Not valid with any other offer



**CRANNEY HOME SERVICES**  
Parting • Heating • Cooling • Electrical

CNL1207

**\$50.00** DISCOUNT

**on a tune-up of your heating system**

- Not applicable toward minimum service fee
- One-time use only
- Not valid with any other offer



**CRANNEY HOME SERVICES**  
Parting • Heating • Cooling • Electrical

CNL1207

**\$50.00** DISCOUNT

**on any plumbing, electrical, heating or air conditioning service**

- Not applicable toward minimum service fee
- One-time use only
- Not valid with any other offer



**CRANNEY HOME SERVICES**  
Parting • Heating • Cooling • Electrical

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# Cranney Labor Support Lifts the Load – By Dave Sanborn

**How familiar is this scenario - a critical machine update is due with a fixed-end startup date, and your labor resources are operating at maximum workload to keep daily operations in check?**

Multi-Color Corporation had such a commitment and is utilizing Cranney Companies' labor support to ensure meeting deadline completions.

Cranney electrical support, provided daily and under the direction of Multi-Color Corporation supervision, started the complex job of disconnecting an eight-color press, relocating the critical sections and updating to an eleven-color press. Meanwhile, Cranney HVAC support is providing the unique welded ductwork interconnections between the dryers and the press that need to be coordinated as each color section is completed.

**What additional benefits has Multi-Color Corporation seen by outsourcing with Cranney labor support?**

- Selecting Cranney team members familiar with this type of work and a lead person who stays with the project until



- completion provides the assurance of Cranney accountability.
- Daily time slips detailing Cranney team labor hours and each day's progress provides continual updates, eliminating guesswork on project status.
- As the need for additional electrical support arose, Cranney personnel arrived onsite the next day, giving the assurance of our expertise on short notice.
- When Multi-Color Corporation wanted to shut down the project due to delays in material delivery, the Cranney team demobilized that day, immediately eliminating inefficient labor costs.
- Once the project resumed operation a month later, the original Cranney team quickly remobilized in one day, ensuring project consistency.

Outsourcing with Cranney Companies can ease the burdens of tight deadlines compounded by a needed expertise. With Cranney labor support, we specialize in lifting the load from our

customers by meeting their unique requirements and helping them to achieve project objectives well within their constraints. ©

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of “bodies and tools” to work within the framework of an existing operation.

In a recent article by PricewaterhouseCoopers (PwC), “Key Trends in Human Capital, a Global Perspective - 2006,”<sup>1</sup> outsourcing was identified as a key factor that can significantly enhance a corporation's competitiveness. More and more businesses are now using third parties to deliver high-level services, and these third parties are better equipped than ever to perform them. Decisions to outsource are now seen as major strategic issues.

## What Are the Benefits of Outsourcing?

PwC predicts that an increasing number of jobs will shift to external suppliers over the next three years. According to the article, there will be a 6-10% increase in the outsourcing of lower-skilled jobs and a 4-7% increase in knowledge-based work.<sup>1</sup>

Why is this? The increased use of outsourced labor is due to an increased awareness of its many benefits. Outsourcing has become increasingly important to managers facing hiring freezes, cuts in training budgets, aging workforces and hard-to-find skilled labor pools. It is used by companies trying to cut costs yet maintain or improve their bottom line.<sup>2</sup>

- **Outsourcing reduces labor costs** – It can be less expensive to hire a third party to do certain work depending on wage levels, the cost of benefits and the status of salaried employees.
- **Outsourcing provides a flexible and available workforce** – It has become more difficult for companies to recruit and retain sufficient numbers of suitably qualified individuals due to greater competition and rising wage levels. The outsourcing labor pool is a limitless and steady source of trained workers who are “up to speed” and ready to perform.
- **Outsourcing reduces the need to hire and train specialized staff** – Companies no longer need to have every type of expert on staff.
- **Outsourcing enables budget flexibility** – Businesses can outsource for limited periods of time – when there is great demand or when they have a particular need. Or they can outsource limited portions of a job or project. By selectively outsourcing, companies pay only for the services they need when they need them.<sup>3</sup>
- **Outsourcing frees personnel to focus on core competencies** – Outsourcing the non-essential company activities permits employees to concentrate on the key elements of the business

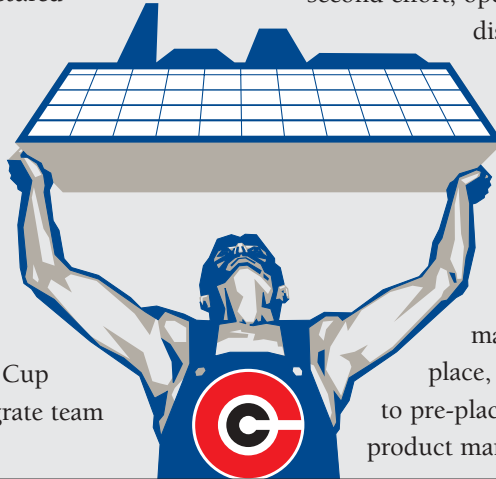
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# Equipment Relocation Done with OTTS Muscle

Solo Cup needs to relocate several injection molding machines from an off-site location to their main facility in North Andover. Here is a typical project that screams for the Cranney Companies' unique OTTS Program because it involves multiple trade coordination, a condensed timeline and minimal machine downtime, yet needs to be completely structured within budget.

## Single Point of Contact

All that was needed of Solo Cup was to provide the Cranney team with their spreadsheet timeline that maps the progress points to completion. Now underway, the project is running smoothly as the selected Cranney single point of contact coordinates all the Cranney team efforts while seamlessly working with Solo Cup management and other contractors to integrate team responsibilities.




## Multiple Disciplines Required

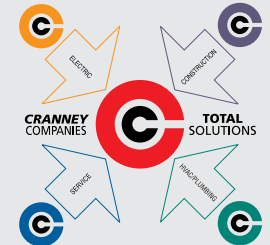
This two-fold project consists of first preparing the North Andover facility with electrical, process water, chilled water and compressed air requirements necessary to receive the relocated equipment and to ensure minimal production downtime. The second effort, operating simultaneously, involves the

disassembly of production and facility equipment to allow rigging for the move to the new location.

These efforts climax as each machine is slid into

place, reassembled without error, final connections to pre-placed utilities are made, and most importantly, product manufacturing resumes. 

## One Team • Total Solutions




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instead of incidental or support functions. They can focus on the issues and projects that are critical to making the company competitive.

- **Outsourcing frees personnel for training and enhancement of skills and talents** – Employees who are not responsible for non-essential issues generally have more time for extra training, which leads to improved skills and innovative thinking.
- **Outsourcing brings in expertise from the outside** – The third-party contractor may have knowledge or experience that is superior to that of the in-house staff. Many have resources that are otherwise unavailable.
- **Outsourcing permits companies to allocate resources to key activities** – Like employees, equipment and assets can be devoted to more critical areas of business.

## Outsourcing Is A Winning Strategy!

There are many excellent reasons why outsourcing – the use of labor support – can be the best option for a company. From saving money to gaining expertise and freeing people and resources for more critical tasks, outsourcing can give companies an invaluable competitive edge.

Like the winner in “Survivor” who has formed alliances to avoid elimination, the winner in the business world today will be the company who has learned to form alliances with outside labor through outsourcing. 

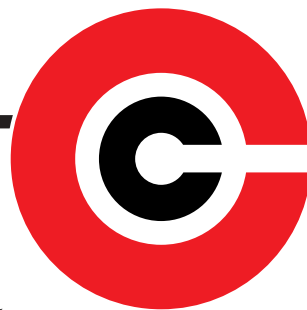
### Footnotes:

1. PricewaterhouseCoopers, “Key Trends in Human Capital, a Global Perspective - 2006”
2. Stephen C. Welch, “Should You Outsource Your Production Maintenance?”, [www.impomag.com](http://www.impomag.com)
3. Bruce Olive, “The Benefits of Maintenance Outsourcing”, [www.PlantServices.com](http://www.PlantServices.com)

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