

President's Message



Hello Ladies!

I hope everyone is looking forward to a beautiful spring Easter weekend with loved ones. I remember when our children were little anticipating the Easter Bunny's arrival, donning their new Easter outfits for church and then driving to

Grandma's for the big Easter egg hunt. Where has the time gone? Many of you now have little ones anticipating this same excitement -- savor every moment of these precious times or you will blink and they will be 24 and 27. Spring is also a sign that tax season is just about over. As I write this, only two more Saturdays to work – Woo-Hoo!!

We had such a wonderful meeting last month at the Humana firm night. Jana Davison and her co-workers did a fantastic job hosting us. We were treated to a great meal and were provided with useful information on knowing our insurance benefits enough to enable us to buy a new pair of shoes. We also enjoyed the company of the amazing ladies that make up the Knoxville Chapter, along with three guests. Just when I think we can't top the previous month's meeting, by golly we do it! April's meeting will be no exception. Remember that the April meeting will be our **annual Scholarship/Executive meeting**. Please get this on your executive's calendar so they will be able to see firsthand this very important part of what we do with our fundraising dollars. The meeting will be on Tuesday, April 20th at Cherokee Country Club and both our EWISP and ASIST winners will be recognized.

Don't forget to turn in your ballot at the April meeting to vote for the Applause, Up and Comer and if applicable the President's award.

LOCAL BOARD

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Linda Austin,
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Bailey International Corp.

Terrye Whitaker,
Advisor/Philanthropy
National College of Business &
Technology

These ballots were tallied from your nominations last month. Now you, our chapter, and past presidents will vote on who is deserving of these three awards. The winners will be announced at the May meeting.

Can you believe it – the June golf tournament is just two months away. Please contact Val Beers or Linda Austin if you can work the tournament. They will have sign-ups for all day, morning or afternoon flights. Also, do you know of golfers that might be interested in participating in our awesome tournament? If so, let Val or Linda know their names. Two flights is our goal, so let's get the word out quickly.

Connie shared with us a couple of fundraisers she will implement at the May and July meetings. If you were unable to attend the March meeting, be certain to get with her so you can sign-up. She will explain about our scarf silent auction in May and our "summer fun item" auction for the July meeting. These fundraising events should be enjoyable and were ideas that Terrye and I discovered a couple of the other Tennessee Chapters do for fundraising/fun meeting activities. We will not have a ticket donation item at our April or June meetings due to those being full evenings.

In addition, it is not too soon to think about inviting guests to the auction on Tuesday, August 17th. Send out a "Save the Date" to your friends, family, neighbors or anyone you think might enjoy our event. Reserve your table early!

Our next board meeting will be held on Monday, April 19th at 11:30 a.m. at LBMC. Even if you are not a board member, you are always welcome to bring your lunch and attend.

I look forward to seeing you all on scholarship night.

Have a Blessed Easter,

Sandy

Happy
Easter



MEETING SCHEDULE

Tuesday, April 20
Scholarship Night
Cherokee Country Club
 5138 Lyons View Pike
 Knoxville, TN 37919-6415
 (865) 584-2491
 Evening 5:30 pm

May 18, 2010
 Business Meeting
 Lunch 11:30 am

June 7, 2010
 Golf Tournament
 Gettysvue Country Club
 Evening 5:30 pm

July 20, 2010
 Fun Night
 Volunteer Princess
 Evening 5:30 pm

August 17, 2010
 Auction
 Bearden Banquet Hall
 Evening 5:30 pm

September 21, 2010
 Board Installation
 Hunter Valley Farms
 Evening 5:30pm

October 19, 2010
 Firm Night
 Home Federal Bank of TN
 Evening 5:30 pm

November 16, 2010
 Breakfast 7:30 am

December 14, 2010
 Ornament Exchange
 Lunch 11:30 am

March Meeting Summary

As Sandy says in her message, we had a great meeting last month at the Humana Guidance Center. Jana Davison and Penny Collins gave a very informative presentation on the importance of knowing the terms of your health insurance plans in order to optimize your benefits. Penny and Jana provided several good ideas on how to save money on your health insurance and prescription drugs. Enough to buy a new pair of shoes!



Penny Collins and Jana Davison

The chapter has decided to pay the costs for three representatives to attend LCAM in September. Ballots were handed out at the meeting for the membership to vote on each award. The membership will vote again at the April meeting from the top three in each award category - Applause Award, Up and Comer Award, and the President's Award.



Sherry Ellis and Sandy Richards

Sandy inducted Sherry Ellis, Home Federal Bank of TN, as the new Treasurer. Thanks to Sherry for serving in this important role.

Kim Alt discussed the membership campaign - 1 for 1. The goal is for each member to successfully recruit one new member firm. The Corporate Board is tracking the recruiting efforts of EWI members from October 1, 2009 to September 1, 2010. Awards will be given to the top recruiters. The Grand Prize award is payment of Chapter and Corporate dues and \$100 cash. The Second Prize is payment of Chapter and Corporate dues and \$50 cash. Both prizes include special recognition in Corporate Connect and at LCAM.



TN Chapter Presidents and Corporate Board Representatives

Tennessee Chapter Forum

Sandy and Terrye Whitaker attended the Tennessee Chapter Forum on February 26-27 in Nashville. The conference provided a great opportunity to meet representatives from the other Tennessee chapters and to share ideas. The conference focused on the core EWI purpose - Connections, Careers, and Community. The group brainstormed for ideas for the scholarship and Reading Rally programs which are a major concentration at the chapter and corporate levels. The group plans to make this an annual event for the leaders and board members of each Tennessee chapter.



Representatives attending the Tennessee Forum in Nashville

Upcoming Events

EWI of Memphis will host a Spring Conference on April 22-24. The theme is Leadership – The Power of Relationships. Attached is a copy of the agenda. Cost is \$290. More information can be found at ewiconnect.com.

EWI of Richmond, Virginia will host a Women's Symposium on June 12, 2010 at the Hilton Richmond Hotel & Spa. The theme of the symposium will be Redefining Success in Today's Economy. Lori Giovannoni will lead the symposium and the Luncheon Keynote Speaker will be Maureen McDonnell, the First Lady of Virginia. The registration form and agenda are attached.

The Leadership and Annual Conference (LCAM) will be September 23-26 in Kansas City.

Philanthropy

Our philanthropy donation for February was to a local Domestic Violence Shelter. We would like to continue our support of the shelter at the April meeting by collecting new and used cell phones again. In addition, the shelter continues to need toiletries and other items for women and children. Items needed are:

- Feminine products, pads, tampons, and liners, (heavy to light) fresh sprays and even douches are welcome.
- Tooth brushes for all ages from infant to adult.
- Tooth paste (kids and adult).
- All sizes of underwear and bras are needed.
- Shampoos and conditioners (small sizes to give to each person are great but big bottles are very welcome as well).
- Tissue paper, paper towels and toilet paper are in grave need.
- Diapers
- First aid things such as band aids, gauze, first aid kits.
- Cell phones - Please bring to March meeting – new or used
- Games and things for children to keep them entertained and to provide comfort.

May Silent Auction

We will have a Scarf Silent Auction at the May meeting. If you signed up to donate a scarf, please bring to the April meeting or contact Connie Leggett.

Golfers Needed in June

The Golf Committee is looking for sponsors and golfers for the Golf Tournament on June 7. The tournament raises funds for Knox Youth Sports and is the source of funding for our chapter's scholarship program. If you know of any individuals or businesses that may be interested in being a sponsor or golfer, please send their name and contact information to Valorie Beers at vebeers@bwsc.net.

July Silent Auction

We will have a silent auction for fun summer items at the July meeting. If you signed up to donate items, please get those to Connie Leggett as soon as possible.

Auction Items Needed Now

The Auction Committee has sent letters to past and prospective donors soliciting items for the 2010 Auction. If you know of any individuals or businesses that might donate items, please send their name and contact information to Connie Leggett at clegett@lbmc.com. When you eat at restaurants or shop at your favorite places, please ask for donations to our auction. Items, gift cards, or gift certificates are great.

Members in the News

We had two member firms profiled in the news media in March.

In10sity Interactive was profiled in a feature story in the Knoxville Business Journal on March 15. Ross Croley, In10sity founder, was interviewed about their recent purchase of a competing firm and how they have been able to use the recession as an opportunity to keep growing. See the next pages for the complete article from the Knoxville Business Journal.



Russ Croley in his In10sity offices

Bailey International Corporation was profiled in an article in the Knoxville News Sentinel on March 25. The article focused on Bailey's recent consolidation of their operations in the United States. Kevin Bailey, owner, says they have found that it is more advantageous to manufacture products in the U.S. rather than abroad. See the next pages for the complete article from the Knoxville News Sentinel.



A welder works on the manufacturing line at Bailey International Corp.

Member Spotlight

Sherry Ellis reports that as of December, 2009, Home Federal Bank of Tennessee joins with fewer than 10% of the nation's banks with 71 consecutive quarters of being named a Five-Star SUPERIOR Rated Bank by Bauer Financial, Inc. Bauer Financial is an independent rating service that examines financial data for U.S. Banks on a quarterly basis and then awards their rating for financial soundness.



Home Federal is also rated a Five-Star SUPERIOR bank by the Safe & Sound® rating system from Bankrate.com which is used to rate the level of safety and soundness of commercial banks, savings institutions and credit unions.



You are invited to visit their website at www.homefederaltn.com for lots of interesting information, including links to services, rates, retirement and loan calculators, local news and weather. You can even test drive online banking!





Ross Croley located his Web development firm In10sity in two houses that sit on six acres in Lenoir City, foregoing a visible West Knoxville office for less expensive overhead.

Web site developer In10sity Interactive has used the recession as an opportunity to continue growing, in part through the purchase of competitors, the most recently acquiring MediaPulse, a 15-year-old Knoxville-based firm.

“I’m telling you, the recession helped us tremendously,” says Ross Croley, who founded the company in 1997.

MediaPulse founder and president Scott Spaid, who will join In10sity as a partner, says he’s long eyed acquisition as a potential exit strategy, and current economic conditions helped spur him in that direction.

MediaPulse has remained profitable, Spaid says, but he’s seen a shift in the local market as more traditional advertising and public relations agencies — which used to partner with MediaPulse — have developed in-house Web capabilities.

“I’ve known Ross for 10 years at least,” Spaid says. “We have competed to a degree over time, and we’ve stayed in touch and chatted. He’s done a fantastic job with his company and saw some problems for my company as far as having more resources and offering more to my clients. ... I believe this market’s very cluttered, and consolidation is a matter of course when industries get more mature.”

MediaPulse will keep its name, its four employees and, for now, its studio on Cogdill Road in West Knoxville, Spaid says.

In10sity will gain more access to local customers, while MediaPulse will be able to offer additional services, including Windows-based programming. The firms will also further expand into niche markets, including economic development, where MediaPulse has a foothold.

“Really nothing’s going to change except for the good,” Spaid says.

The Web development business is a continually moving target as companies and consumers adopt new ways to use the Internet, say Croley and Spade, and the recession is shaking up the industry.

In10sity has hit its own bumps in the road, notably a sharp decline in business in 2002, following the Sept. 11, 2001 terrorist attacks, Croley says.

“It was the first year we had a decline in business, and it really was an eye opener for us,” he says.

The company trimmed its approximately 10-employee roster in half and determined to diversify.

“We made some critical decisions then that really impacted our growth going forward,” he says. “We said, ‘We want to be a regional and a national competitor.’ That’s why I think we’ve really flown under the radar. I’ve had competitors tell me, ‘I’ve never heard of you before.’ ”

Since then, In10sity has maintained 20 to 25 percent growth year over year, Croley says, by establishing in-house expertise on all things digital and focusing on a personal connection with clients.

Because the company's business is largely based on content management software developed in-house that can be tweaked for a variety of clients, In10sity has hired a cadre of full-time employees rather than relying on contractors.

"We've developed a very strong software package that we leverage, and we can't outsource that. It's our proprietary system," Croley says.

Where the firm saves money is in reduced development time that would be consumed by creating custom software for each customer — typical of the contractor-based model, he says.

The company headed into this recession on the offensive.

"We had a little saying that we weren't going to participate in the economic recession," he says. "We were able to find some undervalued companies and were able to help take advantage of opportunities. ... What we really looked at in the recession was, we need to sell. Put more money into it because we knew it was going to be tough."

In addition to MediaPulse, In10sity has purchased New York-based Vision Marketing, an addition that has helped the company gain access to a broad set of manufacturers in the Northeast. Acquisition of Florida-based firm BCS Webs brought 175 clients that provide recurring revenues and a base for growth in Southwest Florida.

With the acquisitions, Croley says the company now serves an active roster of more than 950 customers.

Croley attributes the company's success to the fact that he doesn't approach the business as an expert in the field.

"Most companies that do what we do were started by a graphic designer that needed a job and it got to be a little bit bigger," he says. "I'm not a programmer and I'm not a

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March 15, 2010

designer. I'm a business person. I've always approached this company from a strategic and business perspective."

Even location of the company's headquarters, in two Lenoir City houses on six acres on Highway 11 in Lenoir City, reflects that approach.

Tired of paying \$3,000 per month for office space in West Knoxville's Cedar Bluff area, Croley sought out real estate that would serve the company's present needs and be a good long-term investment.

"For us, location is kind of irrelevant because we go to our customers so much," he says. "The whole corner could eventually be a retail development or something else."

Bailey International consolidates its operations

Business gets rid of overseas plant to make more products in U.S.



Knoxville-based Bailey International Corp. has consolidated its operations in a new complex at WestBridge Business Park and divested itself of an overseas plant as it moves to produce more of its products in the United States.

"There is a new buzzword of 're-shoring,' " said Kevin Bailey, who owns the company with parents Adrian and Mary Bailey.

For a variety of reasons, some U.S. companies, including Bailey International, are realizing that it's more advantageous to produce in the United States rather than abroad, Kevin Bailey said.

"We have been looking at actually making manufacturing improvements here domestically, and plan to produce more cylinders domestically than overseas going forward," Bailey said.

The company, which makes hydraulic cylinders for equipment, had operated two facilities in Knoxville and one in Chennai, India, but sold the overseas operation to cut costs and as a step toward re-shoring.

About six months ago, the company moved its sales, corporate and manufacturing operations from two facilities on Baum Drive to a 60,000-square-foot building at 2527 Westcott Blvd. in WestBridge Business Park off Hardin Valley Road. The move, which had been planned before the recession hit, provided a facility with more production space, but even more importantly, greater flexibility to lay out production operations for best efficiency, said Ken Baker, chief operating officer.

"The timing has worked out well," Bailey said. "In hindsight, it was a bit scary with the economy the way it was and us making a big decision to move, but it has been great for us."

Founded in 1976, Bailey International makes hydraulic cylinders, cylinder components and hydraulic power units, offering a basic line of cylinder models plus the ability to produce custom cylinders on quick turnaround. Its cylinders and power units are found on equipment in agriculture, construction, forestry, food processing, trucking, mining, waste management and other industries.

While the company was not untouched by the recession - Baker said sales were down about 13 percent- it has not suffered as badly as some companies. Bailey said it has helped that the bulk of the company's products go to agricultural customers - a segment of the economy that has been more stable than others. Construction seems to have been hurt the worst, Baker said.

"Some of our construction customers have seen business drop as much as 90 percent," he said.

Bailey International Corp. has a work force of about 80 and has hired four people as it moved into its new location and has begun shifting production back to Knox County. About half of the company's business is custom work and it had been relying on its Chennai plant plus sources in China and elsewhere for components to its standard cylinders. But conditions have been changing, Bailey said.

"Costs are increasing in places like India and China so the cost gap between America and those places is closing," he said.

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March 25, 2010

Then, there often turn out to be hidden costs in operating overseas, driven by different sets of laws, rules and customs. Quality control is difficult and transportation adds to costs and reduces flexibility.

"The farther away the plant is from the customer, the more difficult it is going to be to service the customer well," Bailey said. "Having production closer to where our base is offers a huge improvement to our service to the customer."

Nationally, three manufacturing trade associations are advocating for re-shoring and have organized a trade fair May 12 in Irvine, Calif. The National Tooling and Machining Association, Precision Metalforming Association and Association for Manufacturing Technology have teamed to offer the 2010 NTMA/PMA Contract Manufacturing Purchasing Fair: Re-Shoring to Bring U.S. Manufacturing Jobs Back Home.

"The move to re-shore production has grown increasingly popular in the U. S. in the face of higher transportation and fuel costs, higher wage rates and reject rates (quality control) in developing countries," a press release for the event reads.