



The Rockland Group, Inc.

**Driving the Profitable Growth of Tech and
Manufacturing Companies in Challenging
Environments**

November 19, 2008





Driving the Profitable Growth of Technology and Manufacturing CompaniesSM

We Help You Successfully Address These Key Issues by Analyzing, Optimizing, and Aligning the Following:

- * Growth Strategy ***
- * Market Strategy ***
- * Product Development ***
- * Technology Commercialization ***
- * Operations Strategy ***
- * Profitability ***

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Pro Source™

- Mechanical Engineering
- CAD Design
- Project Outsourcing
- Serving MA and NH since 1984
- Perm Placement
- Project Staffing



A Little Perspective



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Gas Crisis - 1973



Gas Crisis - 1979



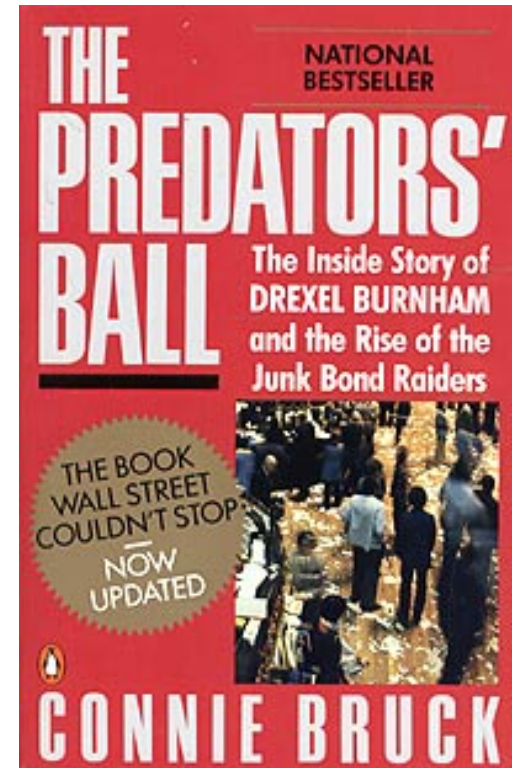
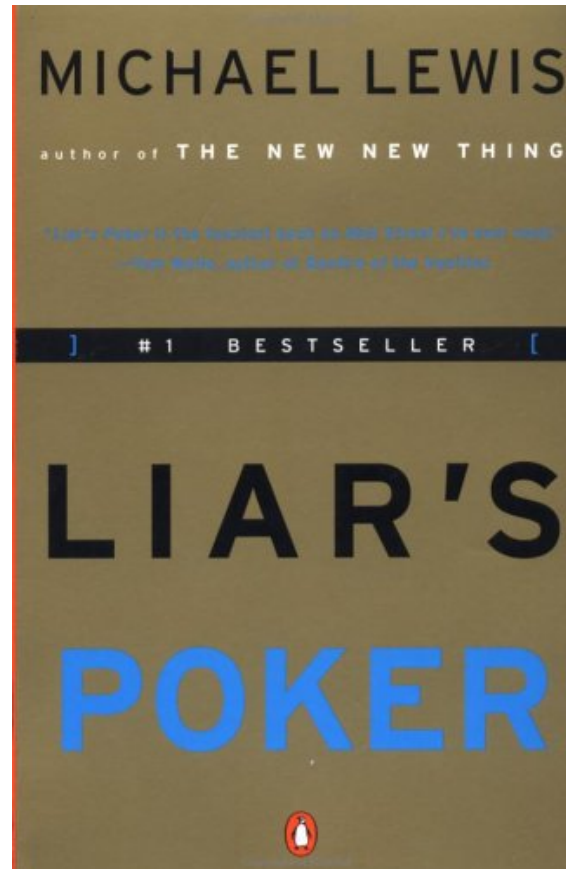
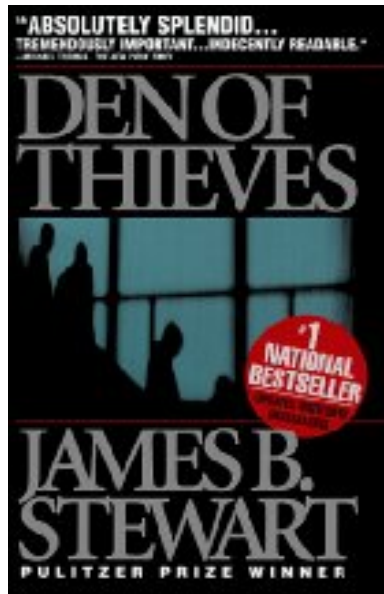
Gordon Gekko – Wall Street - 1987



Michael Milken – Drexel Burnham Lambert - 1989



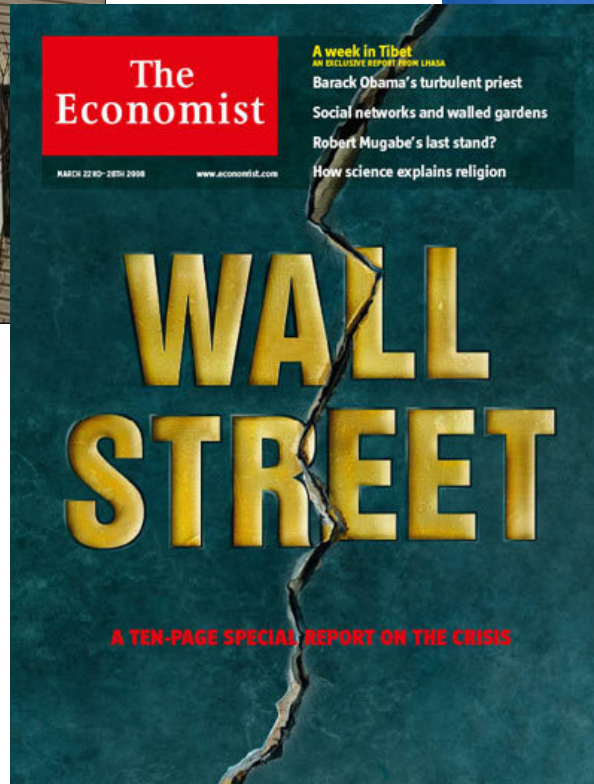
Wall Street Junk Bond Scandal - 1990



Gas Crisis - 2008



Global Financial Crisis - 2008



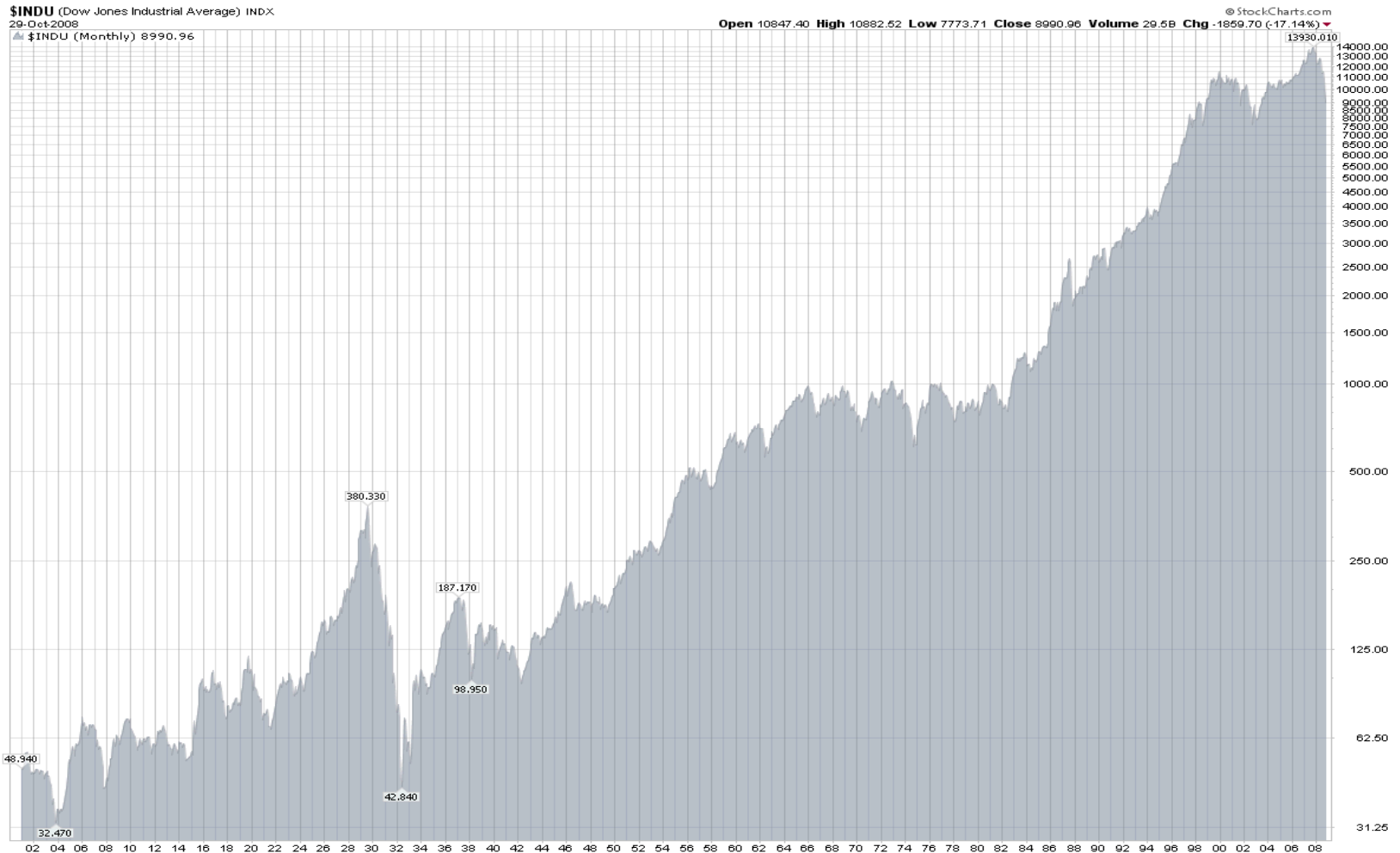
Oil Price (1970 – 2005)

Quarterly price of West Texas Intermediate crude oil in 2005 dollars per barrel



What if you chased the oil spikes in 1973 and 1979?

Dow Jones Industrial Average (1901 – 2008)



From this altitude can you see the crisis events other than the Great Depression?



My Point

- None of what is happening today is new
- It is just different
- Be careful of extremes...they often reverse
 - Oil spikes
 - Market spikes

What is a Major Difference?



The Internet

Differences in the Internet Age

- Continuously bombarded with real-time global information
- Highly automated inventory control and production systems
- Ability to achieve a truly integrated global economy
- Global systems now have very high sensitivity
 - Response time to ramp up/ramp down

Strategies To Weather The Storm



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1 - Don't Panic

- Step back, take a deep breath and analyze the current environment
 - Look for historical evidence of previous cycles or patterns to help put today's events in perspective
 - Will help determine potential future movements
 - Seek OBJECTIVE input and advice
 - Validate before making major direction changes
 - You cannot afford to just slash costs and hunker down – “denial”

1 - Don't Panic (cont.)

- Ask yourself:
 - What is REALLY going on in the global market?
 - In your market?
 - With your customers?
 - What is NOT going on?
 - What do I need to revise based on new conditions?
 - What should be left alone?
 - What does not affect my business?

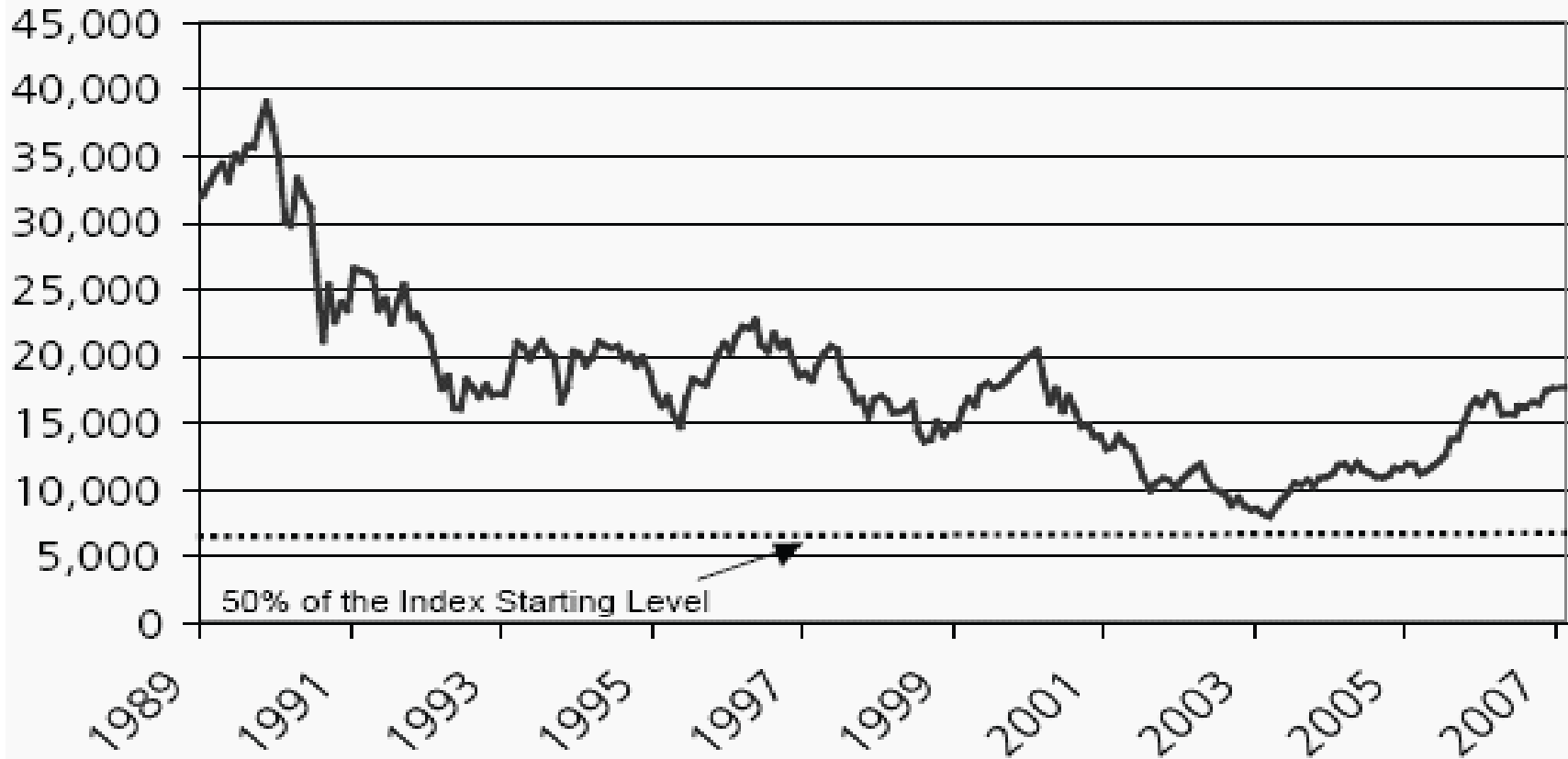
2 - Look for Opportunities

- Challenging times like this always create new business opportunities
- Competitors may be paralyzed, crippled or severely cutting back in key areas
- New market opportunities are being created in your industry
- Don't just look at the negatives
- Look for changes in customer psychology, strategy, or financial status
- “A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.” - Wayne Gretzky

2 - Look for Opportunities (cont.)

- Some key opportunity areas:
 - US should rebound first - emerging markets will take longer to recover
 - Most mature and stable financial and governmental systems
 - Most innovative financial and business solutions being applied
 - US population has high tolerance for change and innovation
 - The lessons of Japan (Nikkei 225 stock index has never recovered due to cultural conservatism and pride)
 - Remember higher sensitivity
 - Liquidity crisis is now really a confidence crisis
 - Rockland Trust Company example – timely marketing message
 - Local beats global
 - Safety

2 - Look for Opportunities (cont.)



Nikkei 225 Stock Index
Japan has still never recovered

2 - Look for Opportunities (cont.)



Strength and Security — these are two qualities everyone wants to find in their bank. At Rockland Trust, we offer both. Since 1907 we have been providing consistent, reliable, and personalized service to each of our customers.

Why Choose Rockland Trust?

With more than 60 branches located throughout southeastern Massachusetts, including the SouthCoast and Cape Cod — and over \$3.4 billion in assets — you can count on the safety and stability of Rockland Trust.

- We are the largest publicly traded commercial bank headquartered in Massachusetts, and continually perform well, even in today's troubled economy.
- We've been consistently rated as "investment grade" by Fitch Ratings, and have been awarded the *Blue Ribbon Commendation of Excellence* by VERIBANC, an independent rating service that reports on bank safety.

- Rockland Trust offers **FDIC-insured CDs up to \$50 million** through our membership in the CDARS program*.
- We offer an array of banking and financial services that will help you meet all of your business and personal needs.

To learn more about Rockland Trust, go to www.RocklandTrust.com, call **800.222.2299** or visit your local branch.

Come find out why Rockland Trust is the bank where each relationship matters.

* Certificate of Deposit Account Registry Service (CDARS) CDs are available for personal, business and public funds. Funds may be submitted only after a depositor has signed a CDARS Deposit Placement Agreement with Rockland Trust. CDARS CDs are subject to early withdrawal penalty.



ROCKLAND TRUST Where Each Relationship Matters®

STILL STANDING
Despite recent wave of bank mergers, Rockland Trust keeps its independence

The Patriot Ledger
Rockland Trust expanding its reach
Acquisition of Slade's Ferry Bancorp expands coverage area

The Enterprise
WEATHERING THE CRISIS
Rockland Trust CEO steers clear of the crisis

Cultural fit: Rockland Trust CEO sees room to grow

BANKER & TRADESMAN
ESTABLISHED 1872
THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

Rockland Trust Celebrates Past While Making Plans for Future

Solid as a rock:
Rockland Trust remains strong in trying times for US economy

We're making headlines — for all the right reasons.

2 - Look for Opportunities (cont.)

- Some key opportunity areas (cont.):
 - Oil and gas price plunge is like an immediate stimulus package
 - Higher dollar – double edged sword
 - Imports are cheaper/exports are more expensive
 - Strategic partnerships/licensing
 - Bartering
 - Key resources cost less and are more available
 - Employees
 - Advertising
 - Transportation
 - Consultants
 - Leverage core competence
 - Move upstream
 - Diversify into a emerging or growing markets

3 - Develop an Effective Short-Term Strategy

- The best defense to a reactionary mindset is to be busy executing a strategy
- Don't leave idle time to be constantly distracted
 - Develop an effective strategy based on the above two bullet points and focus your entire team on its execution
 - Your team needs something to focus on
 - 9/11 – Rick Rescorla (Morgan Stanley)
 - See The [Rockland Group November newsletter](#)
- Focus on execution but retain flexibility
- Limit strategy shifts and investment until a long term trend can be confirmed
 - i.e. product extensions vs. new products
 - Temporary sales offers
 - Marketing is one of the most effective and efficient weapons



4 - Align Your Core Processes

- Resources are limited and precious to every company, but they are vital to a smaller one
- Make sure all your company's core processes are in line and focused on the same goal
- Start at the top – leadership
 - Business strategy
 - Market strategy
 - Sales strategy
 - Product strategy
 - Operations strategy
 - Profitability
- Communicate, communicate, communicate
- You cannot afford lost opportunity costs

5 - Keep Your Eye on the Horizon

- While your team is busy executing your current strategy
 - Keep your eye on developing macro and micro economic and market conditions
 - Do not fall victim to “tunnel vision”
 - This will allow you to tweak your strategy and position your company to be ready for the upturn when it develops
- Keep the improvements forever
 - Stay prepared - don't revert back during the good times
 - Keep your company in fighting trim

Q&A

