History and Mission

In an effort to improve economic development in the state of Alabama, the Alabama Productivity Center was established on January 1, 1986, on The University of Alabama campus. The mission of the APC is to focus research and educational resources on the enhancement of productivity and quality within Alabama businesses and the state's industry. The Alabama Productivity Center, a nonprofit organization, is an outcome of a 1983 joint venture of The University of Alabama and General Motors to save a Tuscaloosa GM plant from closing. The positive experience utilizing university faculty and students to save Alabama jobs led to the establishment and sponsorship by Alabama Power Company and The University of Alabama.

In 1996, APC became home to Region 3 of the Alabama Technology Network (ATN), the Manufacturing Extension Partnership program of the National Institute of Standards and Technology (NIST) for the state of Alabama. Headquartered in Montgomery, the ATN brings together a set of sixteen regional centers covering the entire state and serving the technical assistance and workforce development needs of small- and medium-sized manufacturing firms. The APC's accomplishments, such as recognition by the National Council for Urban Development and the U.S. Economic Development Administration as an “innovative” and “imaginative” program, demonstrate that the APC is a valuable resource for Alabama businesses.

The mission of the Alabama Productivity Center is to enhance economic development in Alabama using UA resources to increase productivity in organizations by solving real-world problems while providing positive experiences for students.

Message from the Executive Director

With the release of the Annual Report for Fiscal Year 2023, I would like to take a moment of your time and reflect on the remarkable milestones achieved by the Alabama Productivity Center. Over the past year, the APC has had a successful financial year with revenues reaching $1.4 million while allocating $533,000 to students in the form of pay and benefits. This marks our dedication to providing students with opportunities that surpass other forms of employment. The measure of experiential learning is priceless for our graduates moving into their careers and to the organizations that are hiring these talented individuals.

Through our continued support of Alabama’s Accelerate Alabama 2.0 Strategic Plan, we have created more than $45 million in growth impacts for targeted industries. Partnerships with these organizations have given our program the opportunity to support continuous improvement projects that created or retained jobs for Alabama workers, have led to investments in technology, and supported the overall sustainability of the business. At the heart of all this is the APC staff who have dedicated their time and efforts to supporting our student interns and industry clients to ensure success.

Looking ahead, the strategic priorities outlined for the upcoming year include a deliberate focus on customer growth, continued investment in student internships, and a commitment to sustaining business in rural Alabama. Supported by the APC Advisory Board, Culverhouse College of Business, The University of Alabama, and other state partners, APC is poised to build on our achievements and embrace the opportunities that lie ahead.

Thank you for your continued support, dedication, and commitment to the Alabama Productivity Center. Your guidance remains pivotal to our success.

Best regards,

[Signature]

Alan Hill, Executive Director
Financial Overview and Management

The fiscal year of 2023 marked a period of sustained financial resilience and strategic resource management for the APC. Through smart financial planning and resource allocation, we fortified our financial standing, ensuring the efficient delivery of our diverse range of services and programs.

Expenditures Breakdown

During the fiscal year 2023, expenditure management was a cornerstone of our financial strategy. The allocation of funds was directed purposefully: $540,000 was allocated to staff payroll and $124,000 was allocated to staff benefits, underlining our commitment to retaining skilled and dedicated personnel.

Our investment in the student community was also noteworthy, with $466,000 designated for student payroll and $67,000 for student benefits. This allocation not only supported our program but provided financial stability to students while they seek higher education.

Operational efficiency was a focal point, reflected in the allocation of $70,000 for operating expenses and $130,000 was allocated for indirect costs.

Revenue Streams and Funding Sources

In the pursuit of our mission, the APC successfully secured various revenue streams, further strengthening our financial foundation. The revenue breakdown for the fiscal year included $315,000 from UA Internal funding, demonstrating the support and recognition of our endeavors within the university community.

External funding sources played a pivotal role, with $137,650 obtained from ATN Federal Grant funding and an additional $175,000 secured from ATN State Grant funding. These external grants underscore our commitment to seeking and leveraging external partnerships to enhance our initiatives.

The APC's commitment to sustainability and growth was evident in the $772,350 generated from Fees-for-Service. This revenue stream not only substantiated our value proposition but also showcased our capacity to provide sought-after services, contributing significantly to our operational budget of $1.4 million.
Project Highlights

Regional Impact

In the fiscal year 2023, the APC extended its support across many regions, positively impacting thirteen Alabama counties. Supporting its commitment to the advisory board and regional development, APC initiated an effort to broaden its presence in rural Alabama. This effort included proactive engagement in Greene, Talladega, Fayette, Randolph, Coffee, and Dallas counties, reflecting our dedication to fostering growth in underserved regions.

Additionally, the APC’s outreach expanded beyond state borders to Union County, Mississippi, and Lancaster County, South Carolina, where projects directly linked to Alabama-based businesses were supported. This regional outreach highlights our commitment to fostering cross-state collaborations.

Collaboration

Our commitment to collaboration is evident in our partnerships with the Small Business Development Coalition and the Office of Research and Economic Development. These collaborations have significantly boosted APC’s ability to support Alabama’s business and industry. They demonstrate our dedication to creating partnerships that foster innovation, economic growth, and professional development in the state.

Furthermore, the Alabama Productivity Center (APC) has teamed up with leading higher education institutions such as The University of Alabama (UA), Auburn University, The University of Alabama at Huntsville, Athens State University, The University of Alabama at Birmingham, The University of South Alabama, Calhoun Community College, The University of Mississippi, Purdue University and Alabama A&M University. These partnerships bridge the gap between academia and industry, using the universities’ resources to help business. Together, we offer valuable learning experiences for students and cutting-edge solutions for businesses.

Through collaboration the APC can proudly report a total of 87 internship projects and 26 professional services projects during FY23. These numbers are some of the highest numbers reported in a single fiscal year further demonstrating APC’s commitment to growth and collaboration.
Industry Sectors Served

In the past fiscal year, APC has actively pursued a strategy of diversification and expansion.

Following in tried and true fashion, the automotive industry is our leading sector of client with 57 projects over the last fiscal year. In the automotive sector, Mazda Toyota Manufacturing and Mercedes-Benz U.S. Inc., prove to be our largest benefactors.

Following the automotive industry is the Advanced Manufacturing/Metals industry with 24 projects; Information Technology with 13 projects, and various other industries close out the ranks.

Additions to our industry partners include Forestry Products, Agricultural/Food Production, Logistics and Distributions, as well as Corporate Operations.

Internship Program Information

APC Names Director of Internship Program

We are thrilled to share a significant milestone within the Alabama Productivity Center. This past year, Jan Ingenrieth achieved a well-deserved recognition. In light of her unwavering dedication, exceptional leadership, and relentless pursuit of excellence, Jan has been rightfully named the Director of the APC Internship Program.

Under Jan's capable leadership, the APC Internship Program has flourished, creating a system where interns thrive and contribute meaningfully to our organization's objectives. We look forward to witnessing continued success under Jan's guidance and express our heartfelt congratulations on this well-deserved achievement.

Student Success

APC is proud to share that after taking part in our internship program, 83% of students decided to stay in Alabama once they graduated. This impressive outcome is thanks to our team's efforts to keep students in the state and the valuable experiences provided by our industry partners. The teamwork between our staff and industry partners creates an environment where students not only do well during their internships but also choose to build their careers in Alabama after graduation.

As we celebrate this success, it shows our commitment to providing students with valuable experiences that go beyond just an internship. It sets the groundwork for a strong and growing workforce in Alabama. Our industry partners, by actively helping interns develop, play a key role in shaping Alabama's future workforce.
**Student Degrees**

In the academic year, the Alabama Productivity Center actively engaged students from various disciplines, contributing to a total of 87 participants in our vibrant and diverse internship program. This initiative serves as a dynamic platform for students pursuing degrees in various fields.

This comprehensive range of disciplines highlights APC's commitment to providing a collaborative and multidisciplinary environment for experiential learning and professional development. The program's success lies not only in its numerical representation but in the rich tapestry of academic backgrounds, fostering an inclusive space where students from various fields can contribute, learn, and grow together.

**Degrees by Interns for Fiscal Year 2023**

<table>
<thead>
<tr>
<th>Degree</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Management (BS &amp; MS)</td>
<td>12</td>
</tr>
<tr>
<td>Mechanical Engineering (BS &amp; MS)</td>
<td>10</td>
</tr>
<tr>
<td>Management Information Systems (BS &amp; MS)</td>
<td>12</td>
</tr>
<tr>
<td>Electrical Engineering (BS)</td>
<td>1</td>
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<tr>
<td>Finance (BS &amp; MS)</td>
<td>2</td>
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<tr>
<td>Business Management (BS)</td>
<td>12</td>
</tr>
<tr>
<td>Marketing (BS &amp; MS)</td>
<td>2</td>
</tr>
<tr>
<td>Industrial &amp; System Engineering (BS)</td>
<td>17</td>
</tr>
<tr>
<td>Accounting (BS)</td>
<td>4</td>
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<tr>
<td>Community College</td>
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<tr>
<td>Aerospace Engineering (BS)</td>
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<td>Communication and Information Science (BS)</td>
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<td>Computer Science (BS)</td>
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<tr>
<td>Studio Art (BS)</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87</strong></td>
</tr>
</tbody>
</table>

**Other News and Successes**

**New Staff Members**

APC would like to welcome two outstanding individuals who have joined our team during Fiscal Year 2023. Susan Maples and Ben Baxter have both come on board this fiscal year, each bringing a wealth of expertise and experience to our organization. Susan holds a B.S. in Electrical Engineering from The University of Kentucky, while Ben Baxter holds a B.S in Industrial Engineering from The University of Alabama and a MBA from Troy University.

In their roles as Productivity Engineer, we anticipate that their diverse skill sets and fresh perspectives will significantly contribute to our ongoing initiatives. Both individuals share a passion for student and industry success and sustainability, aligning seamlessly with the APC Mission.
St. James Hotel – Selma, AL – Internship Project

The St. James Hotel in Selma, Alabama, is a historic landmark that stands witness to significant events in Alabama history. Constructed in 1837 and located in the heart of Selma's historic district, it gained particular prominence during the 1960s when it served as a meeting place for civil rights leaders. Selma itself was a focal point for the struggle for African American voting rights, and the St. James Hotel became a hub for discussions and strategies.

In the summer of 2023, the St. James Hotel and the APC joined forces for the St. James Internship Project. Focused on operational improvement, the hotel sought to explore Lean Hospitality principles for refining processes to be more productive and streamlined. Guided by APC Intern Aysia Young, a comprehensive strategy was devised. The goal was to introduce the Kaizen philosophy, identify areas for optimization, and facilitate collaborative efforts for transformative changes.

Before delving into the project, the St. James team ensured a comprehensive understanding by familiarizing themselves with Kaizen and receiving a specialized Lean Hospitality training from APC. Young, equipped with this knowledge, underwent a month-long immersion within the St. James Hotel, gaining insights into its workings.

Following the Kaizen training, the team applied their knowledge to a housekeeping closet on the second floor, implementing 5S principles to optimize functionality and creating an inventory system. The practical modifications enhanced efficiency and workflow.

The inaugural Kaizen event was successful right out of the gate, with Young spearheading subsequent events throughout her internship. The impacts of this project were tangible—$1.7 million in cost savings, 1 job created, and 3 jobs retained.

St. James Hotel's General Manager, Tina Jones, praised Aysia's "can-do" attitude and thanked APC for the valuable investment. While reflecting on her experience, Young expressed gratitude for real-world experiences. The St. James Internship and Kaizen Event Summer 2023 served as a transformative journey, showcasing the power of collaboration, dedication, and a commitment to perpetual enhancement in achieving enduring outcomes in the hospitality industry.