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2003 YEAR END HIGHLIGHTS

NESC CONSULTANTS IN ACTION: THREE CASE HISTORIES

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NESC provides assistance to a wide variety of non-profits in the New York, New Jersey and Connecticut regions. Charts showing the last five years activity appear in the special Year End summary section on page 2.

The following three highlighted case histories (City University of New York, New York City Police Museum and the United Spinal Association) show the depth and breadth of both NESC clients – from relatively new non-profits to long-established ones - and the services – board governance to cost reduction plans - provided them.

For more information on how NESC can help you, call Ira Schwartz, Executive Vice President, at 212-269-1234 Ext. 105 or email him at Ischwartz@nesc.org.



City University of New York

“NESC went beyond our contracted arrangements and achieved great success in exposing, and then solving a long standing administrative problem, at a very low cost to the University” Ronald Spalter, Deputy Chief Operating Officer City University of New York

CITY UNIVERSITY OF NEW YORK (CUNY) was looking for ways to minimize their costs and maximize their budget allocations. After discussions between CUNY and NESC, it was decided that NESC would look into the feasibility of creating a regional purchasing system for three CUNY campuses located in the Bronx: Lehman College; Bronx Community College; and Hostos Community College.

Each CUNY College has its own purchasing system that operates under university, State and City procurement guidelines. To test the viability of combining the purchasing for the three Bronx institutions, NESC studied the current purchasing systems and procedures for each of the three colleges, including the quantity and cost of supplies and equipment purchased.

Based upon the conclusions of this first phase, NESC studied the feasibility of setting up a regional purchasing system for the three colleges including how the system would operate and what costs savings would be realized from a regional system.

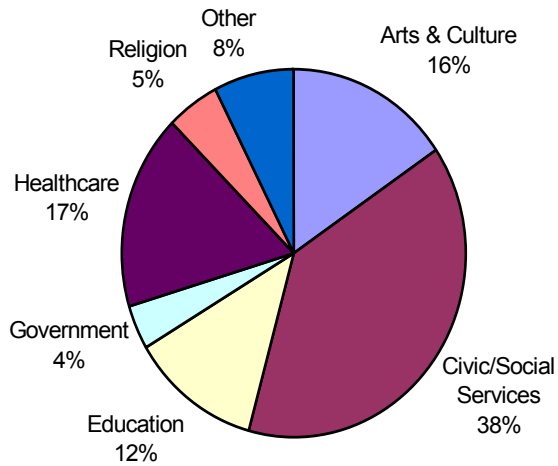
The results of this consultancy projected that by combining the purchasing and by changing current practices, hundreds of thousands of dollars could be saved annually by CUNY – in the Bronx alone.

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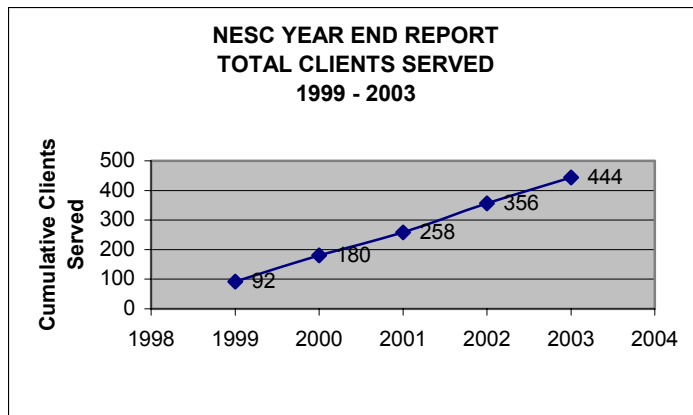
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NESC FIVE YEAR SNAPSHOTS



Clients by Type of Non-Profit 1999-2003



Nature of Completed Consultancies 1999-2003



CONTRIBUTORS TO NESC IN 2003

\$200,000 Plus

John S. and James L. Knight
Foundation*

\$100,000 – \$199,999

The Starr Foundation*

\$50,000 – \$99,999

Altman Foundation
Booth Ferris Foundation
The Clark Foundation
The Hearst Foundation
The J.P. Morgan Chase Foundation*
SI Bank & Trust Foundation

\$15,000 - \$49,999

Bristol-Myers Squibb Foundation, Inc.
Charlotte-Mecklenburg Community
Foundation
Geraldine R. Dodge Foundation
Eleanor Holtzman
The Horace W. Goldsmith Foundation*
NYSE Foundation, Inc.

\$5,000 - \$14,999

Altria Group, Inc.
American Express Foundation
Marvin Berenblum
Ernst & Young LLP
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Christina A. Gold
Gerald Levy
LLL Foundation Inc.
The Frank Pace Jr. Foundation Inc.
Ms. Paula L. Pace
Reiss Family Foundation
Marc J. Reiss
May and Samuel Rudin Family
Foundation, Inc.
Textron, Inc.
U.S. Trust Company of New York

\$1,000 - \$4,999

AT&T Foundation
Compton Foundation, Inc.
John W. Culligan
Lucy W. Benson
James J. Bigham

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John M. Reiss
David H. Fater
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Harold Davis
Johnson & Johnson
Macy's East (Federated Stores Foundation)
John F. McGillicuddy
Minnie Parker Charitable Trust
Roy C. J. Normen
Public Service Electric & Gas Company
Gerald Schiller
Fred Schriever
Nathaniel Sutton
Carroll R. Wetzel
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Under \$1,000

Edward Adler
Eugene D. Alexander
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Joseph Benincasa
Mac Berk
Thomas Berkel
Edward E. Blakeslee
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Harmon Butler
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Mildred Caplow
C. Meade Chamberlin
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Gordon Clark
Harold Collins
Daniel Cooper
Helen V. Dixon
Alberta Edwards
Robert Ehinger
Winthrop Eldredge
Carol Feinman
Hart Fessenden
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Margean V. Gladysz
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Jewish Communal Fund
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Don Lebell
Midred Robbins Leet
Betty Lefferts
Arthur Lerner
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Harry and Phyllis Manko Family Foundation
Harry H. Manko
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Beverly Rimer
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Pietro Spanu
James Sperber
Donald Straus
Burton Strauss
Charles Toder
Judy Vernon
David S. Wachsman
Geoffrey Weiner
Bernard Werner
Milton Woll
Jura Zibas
Wave Systems

Matching Gifts

Altria Group, Inc.
PBG Foundation, Inc.
Pfizer Inc.

In-Kind Gifts and Services

Honeywell
MDRC
Microsoft Corporation
Morgan Stanley
Philip Holzer & Associates

* Two-year grant

* Three-year grant

CASE STUDIES ...CONTINUED FROM PAGE 1...



The New York City Police Museum

“The Strategic Plan that NESC developed for The New York City Police Museum activated the Board of Directors, provided a road-map for planning purposes and an action plan for full accreditation of the Museum” — Ninfa Segarra, Executive Director.

The New York City Police Museum was established in 1929 as part of the Police Department. In 1998 the Museum was incorporated as an independent entity with a Board of Trustees, and in 2002 the Museum opened at 100 Old Slip in lower Manhattan.

These changes provided a set of new opportunities for the Museum, and NESC was engaged to do an operational review to gain an understanding of what special needs for improvements should be addressed in the planning process and to develop a five year strategic/business plan for moving the Museum forward.

As part of its review, NESC consultants conducted detailed interviews with staff and Board Members. Recommendations from the consulting team ranged from restructuring of the Board to gain better participation to updating the mission statement to better reflect the goals and orientation of the new operation.

A five-year strategic/business plan was developed. The plan included recommendations in the following activity areas: exhibits, audience development, fund raising and development, education, community relations and outreach, Museum shop, publications, research and archival access, and other potential activities.

In addition, the museum through NESC Executive Search Department has secured two professionals, in development and education to help move the Museum’s plans forward.

OPERATING OFFICERS

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Paul Barrett
SVP, Executive Search

Leslie K. Brown
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Betty Lefferts
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VP & Regional Dir., LI

John Moore
VP & Regional Dir., Central CT



United Spinal Association

“NESC was so effective in improving our operation that USA has no further need for additional consulting services at this time, but wouldn’t hesitate to call NESC when it does”

— Joseph Stein, Controller.

The United Spinal Association approached NESC for assistance in growing its wheelchair repair service. In order to help them, NESC consultants looked into the areas of #1 costing and #2 marketing.

Before recommending a marketing strategy, both NESC and the United Spinal Association (USA) agreed that they needed to understand the wheelchair repair services business model. Therefore, NESC undertook studies aimed at analyzing the cost per hour of delivering wheel chair repair services.

The consulting team steeped itself in the business by: touring the facility on two different occasions; interviewing employees and clients; and, particularly, studying the divisions accounting system. The team devised a final calculation to

ascertain the actual cost of delivering the services, and then tested its hypotheses on an existing contract.

Next the team approached the marketing assignment by looking at current business and opportunities outside of the veteran community. The team prepared three likely scenarios to evaluate the profitability of the three market opportunities that the team had identified using the cost accounting methods developed in the first part of the assignment.

The use of costing and profit analysis provided management with a focus point for its decision-making to grow the business. NESC’ work also enabled USA to implement the construction and alteration functions on their own, thereby saving precious funds.