



*Lafayette College
Technology Clinic
Final Report
May 3, 1996*

**The Lafayette College Technology Clinic
Final Report
for
Hasker Textiles Inc. and Roseto Borough**

May 3, 1996

Susan Garner Garille '96

Patrick Fairbank O'Meara '97

John Richard Pineda '96

Jennifer Letitia Smith '96

Brenda Jean Toma '96

Ivanna Roumenova Vladkova '96

Faculty Advisors:

**James DeVault, Ph.D.
Professor of Economics**

**Nancy Mills, Ph.D.
Professor of Electrical Engineering**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	2
PROJECT STATEMENT	4
RESEARCH AND INVESTIGATION	5
● Updating the Slate Belt Survey:	
Meeting with Professor David Pearson	5
● Tourism: Meeting with Professor Carlo Rotella	7
● Meeting with Robert Thomson	7
● Dinner with the Confalones	8
● Borough Council Meeting	8
● The Baths and LeDonne's Bakery	9
FINISHED PRODUCTS:	
● Assessment of Hasker Textiles, Inc.	11
● Business Resource Manual	12
● Tourism in Roseto	
<i>The Marketing Kit</i>	13
<i>The Home Page</i>	14
CONCLUSION	14

EXECUTIVE SUMMARY

The Roseto Technology Clinic is a two-semester long exercise in facilitating community and economic development in the Borough of Roseto, PA. Roseto is a community that has weathered several difficult economic transitions over the years and currently faces another. The goal of the six students who participate in the Roseto Technology Clinic is to examine Roseto's economic situation by focusing on the resources of the community and on the small, successful business of Hasker Textiles, Inc. After two semesters of research and investigation, we were able to narrow our focus and identify several projects that we could undertake to promote economic growth in Roseto. The first of these projects is the business assessment of Hasker Textiles, Inc. which takes a look at where the company was, where it is, and where it is going. The assessment has a narrow audience due to the confidentiality of the information. The second project is the Northampton County Small Business Resource Manual, containing information on consulting, educational, and financial resources available to both start-up and existing small businesses in the area. For our third project we developed a sample Marketing Kit and Home Page for use in promoting tourism to Roseto.

INTRODUCTION

The Lafayette College Catalogue defines the Technology Clinic as the following:

Technology Clinic. A small group of selected students work together with faculty mentors to solve a real-world problem proposed by an industry or government sponsor. The year-long study addresses social, technological, and economic factors relevant to a successful solution. Students work on campus as a team and at times independently and on-site with the sponsors.

The Roseto Technology Clinic seeks to preserve and enhance the economic base of Roseto, a community of some 1500 residents located in northeastern Pennsylvania. The Roseto Clinic is comprised of six students; five seniors and one junior and two faculty mentors. The students include:

Susan Garille, '96: Susan is a Mathematics major and a member of the McKelvy House living group. She will pursue a Ph.D. in Mathematics at the University of Maryland after graduation.

Patrick O'Meara, '97: Patrick is a Mechanical Engineering major and an English minor. He is also a Marquis Scholar and a Resident Advisor.

John Pineda, '96: John is a double major in Mechanical Engineering and Economics and Business. He is a Marquis Scholar who has conducted research on recent economic and industrial changes in the Lehigh Valley. He will be joining Anderson Consulting in November.

Jennifer Smith, '96: Jennifer is a double major in English and Anthropology and Sociology, a Writing Associate, and a member of the Crew Club. She is the Head Resident Advisor of Watson Hall. Jennifer plans to pursue a degree in Higher Education at Columbia University in '97.

Brenda Toma, '96: Brenda is an Anthropology and Sociology major. She is captain of the Lafayette College Track and Field Team and a Peer Counselor. After graduation Brenda will start working toward her Masters Degree in Folk Life at George Washington University.

Ivanna Vladkova, '96: Ivanna is a double major in International Affairs and Economics and Business. She is a Writing Associate and will be pursuing her Ph.D. in Economics at George Washington University in the fall.

These students were selected as a result of an initial nomination by a faculty member followed by an interview with a selection committee. The committee also considered the qualities students would bring to the team and the team chemistry they would help form. The team is grouped with two faculty members, one technically oriented and one non-technically oriented, who have experience or knowledge relevant to the project. The faculty mentors for the Roseto Clinic are:

James DeVault, Ph.D., 1989: James has been an Assistant Professor of Economics and Business at Lafayette since 1989. He received his Ph.D. from the University of Wisconsin and specializes in international economics.

Nancy Mills, Ph.D.: Nancy is a visiting Associate Professor at Lafayette College this year to work with the A.B. in Engineering program. Her background includes ten years of experience as an engineering educator.

Technology Clinic projects are usually brought to the team either from the follow-up projects of previous Technology Clinics or projects solicited by the Tech Clinic coordinator, Professor Dan Bauer, Ph.D. The contact for this project came about in a different manner. The project was brought to the Tech Clinic by Victor Rodite, Vice-President of Michael Cabot Associates, Inc. After reading an article by James DeVault on NAFTA and its impact on U.S. industries, Mr. Rodite took the initiative to call James DeVault to discuss possible solutions for industries that have been affected negatively by treaties like NAFTA. Specifically, Mr. Rodite wanted to address the current economic situation in Roseto, which has been created in part by the decline of industries hurt by import competition. James DeVault referred Victor Rodite to Dan Bauer. They discussed the Slate Belt's economic background. The Slate Belt area has experienced several business cycles. When the slate industry began to decline in the 1940's, textile mills become the primary source of employment. A decline in textile production

was followed by the emergence of apparel manufacturers in the Slate Belt. Now most of the apparel firms have closed. Once there were 20-30 small contractors of women's apparel located throughout the borough, but they have all gone out of business. Rodite asked that the Clinic focus its attention on a local elastic manufacturing company, Hasker Textiles, Inc., in an effort to understand the reasons for its success and perhaps carry them over to other businesses in the area.

The Technology Clinic is a two semester project. The first semester is used to build the team, master problem solving techniques, define the specific problem, and identify possible solutions. The second semester focuses on evaluating the feasibility of ideas developed in the first semester.

PROJECT STATEMENT

The Roseto Technology Clinic serves two clients: the borough of Roseto and Hasker Textiles, Inc. Hasker Textiles, Inc. is one of the few remaining textile producers in Roseto. We have been asked to determine whether the success of this business has any implications for other businesses in the area, thus furthering our second and more general goal of preserving and enhancing the economic base for Roseto and the surrounding Slate Belt communities. Our purpose is to provide Roseto and the Slate Belt community with suggestions for broadening its tax base and improving its economic future without compromising the identity, integrity or heritage of the borough.

At the close of our mid-year report on December 12, 1995 we presented three specific goals for the second semester work of our Technology Clinic. Our first goal was to learn more

about the ideas Rosetans had for new businesses. Our hope was to identify people who could use some of the resources we identified during the first semester of our project. Our second goal, as defined by the Ben Franklin Technology Center at Lehigh University, was to continue our meetings with Hasker Textiles to determine its goals and explore options for realizing these goals in currently available technology and new markets. Our final goal was to investigate the potential to develop tourism in Roseto. In conjunction with these three goals, we also wanted to encourage businesses of Roseto to make better use of the resources available in the Lehigh Valley, such as the colleges and universities, fiber optic cable for Internet connection purposes, and economic development agencies.

RESEARCH AND INVESTIGATION

After researching various possibilities, we narrowed down our project goals and focused on producing four tangible products: the Hasker Textiles Assessment, the Roseto Sample Marketing Kit, the Business Resource Manual, and the Final Report. We focused our second semester work on producing these items. Prior to identifying our three specific products, we researched a number of options. Some of them manifested themselves in our final products while others did not.

Updating the Slate Belt Survey: Meeting with Professor David Pearson

Professor David Pearson is an Assistant Professor of Sociology at Lafayette College who specializes in survey techniques. We invited him to our weekly meeting to discuss our ideas for updating the 1990 Slate Belt Survey. The Slate Belt Survey is valuable because it is a

compilation of demographic data relating to existing job skills in the area, but we thought a more thorough survey might be helpful. An updated and enhanced survey would provide more useable information for those interested in Roseto as a place to reside, work, and develop businesses. The idea to update the survey originated in our Mid-Year Report where we discussed the possibility. Professor Pearson identified a number of steps necessary for conducting a successful survey. We have outlined his suggestions below should this option be pursued in the future:

- 1) Determine the target population. How big and how broad do we want to go? Local, regional, or countywide?
- 2) What does Roseto want? The formation of focus groups. Focus groups are small groups that represent the target population. The person or persons conducting the survey will need to spend significant amounts of time with the focus groups identifying questions and problems to be addressed in the survey.
- 3) Restructure Slate Belt Survey questions so the results are more effective. The 1990 Survey contained the question "Would you be willing to work closer to home if a job suitable to your training and experience would be available?". In response to this question, 81% of those surveyed replied "Yes" and 19% said "No." However, there were no follow-up questions asking, for example, "If the respondents answered 'Yes', why have they not moved?" This kind of question provides the surveyor with more useful information.
- 4) Determine the most effective method of distribution: either through schools, businesses, churches, door-to-door, or through the mail.
- 5) If Roseto (population 1,555) is chosen as the target population, a minimum of three hundred surveys will need to be returned to the surveyor for effective result tabulation.

Although Professor Pearson's suggestions would have helped us develop an effective survey, we decided not to follow this route for two main reasons. First, conducting the survey and monitoring the response would have consumed all of our time and efforts. Second, we would

not have been able to effectively analyze the effects of the survey by the time of our final presentation. We would like to suggest that another Technology Clinic could pick up where we have left off, and update the Slate Belt Survey in the future.

Tourism: Meeting With Professor Carlo Rotella

Professor Carlo Rotella is an Assistant Professor of English and American Studies at Lafayette College. As a follow-up to suggestions made in our Mid-Year Report, we met with Professor Rotella to discuss bolstering tourism in Roseto. He has a vested interest in urban renewal and is closely following the City of Easton's efforts. He suggested that we look at tourism in Roseto within the context of the general revival of urban centers in the Lehigh Valley and focus on highlighting Roseto as a day trip from Easton. We used some of his suggestions in the sample Marketing Kit and the Home Page described later.

Meeting With Robert Thomson

Part of the funding for our project comes from the Ben Franklin Technology Center, directed by Robert Thomson, at Lehigh University. The funding is in the form of a grant that was contingent upon our agreeing to prepare a business assessment of Hasker Textiles, Inc. In our Mid-Year Report we discussed exploring the feasibility of incorporating Hasker Textiles in a business incubator. However, Mr. Thomson, who has had experience with business incubators in the Lehigh Valley, convinced us that pursuing this avenue would not be worthwhile. Instead he suggested we develop an assessment of the company. The assessment represents a service for the Ben Franklin Technology Center, and provides specific

recommendations that we hope will be useful to Hasker Textiles, Inc.

Dinner with the Confalones

On February 25, we were invited to eat a traditional pasta dinner at the home of Mr. and Mrs. Confalone. We were given a taste of real Italian hospitality and cooking. Although we were invited for pleasure, we discussed business over dessert. We presented Mr. Confalone with the information gathered via the Internet on pasta-related businesses, journals, and suppliers. We also discussed our ideas for promoting tourism in Roseto and asked Mr. and Mrs. Confalone to suggest possible tourist attractions. The illuminating details of this conversation are found in the sample Marketing Kit, one of the supplements to this report.

Borough Council Meeting

A letter to the editor was sent to local papers in December 1995 and invited community members to become involved in our project. Because our letter solicited only two responses, we needed a way to reach a larger number of people as part of our goal of consulting with Rosetans. Borough Council President Daniel Confalone suggested that we introduce ourselves and our project at the Council meeting on February 12, 1996. We spoke briefly about our goals and ideas, and emphasized the need for local involvement and suggestions. It was at this meeting that we were introduced to Robert and Connie Bath. The Baths showed interest in our project and were eager to discuss with us both their plan to buy LeDonne's Bakery and a suggestion for a Pasta Factory.

The Baths and LeDonne's Bakery

From the many discussions we have had with the Baths since we were first introduced to them at the Borough Council Meeting, we have learned a great deal about the steps they took to buy a business. The Baths are buying LeDonne's Bakery and hope to have it running under its new ownership by May 1, 1996.

Sometime in early January, Connie heard that the bakery was for sale, and upon discussing the matter with her husband, they decided to buy it. The couple's connection with the Tech Clinic started when they read the article in the Morning Call titled "Pastabilities." Connie realized that the Tech Clinic could be a great resource to help them start their business, and possibly even expand their entrepreneurial goals to include a pasta factory.

The Baths were hoping to purchase the bakery from Paul LeDonne, son of one of the original owners. However, the bakery needed several improvements in order to comply with current health and safety codes, such as installing a fire door and repairing the oven, before the state would allow its continuing operation. Due to the work that needed to be done on the bakery and personal ties to the business, Paul LeDonne decided that he wanted first lien on the bakery. Because of this demand, the Baths were in a peculiar, and difficult situation.

The Baths originally went to the Ben Franklin Technology Center of Lehigh University, but none of the low interest loans suggested by the Ben Franklin Technology Center were feasible. Although facing several financial questions, the Baths were extremely excited when they heard of the Tech Clinic's project and especially the Tech Clinic's idea of a pasta factory. In addition to sowing the seed of an idea, the Tech Clinic provided the Baths with a wealth of information from the Internet and the World Wide Web. This included information about other

start-up pasta factories, equipment suppliers, and even The National Pasta Association. We also gave them a sneak preview of the Small Business Resource Manual described later.

Due to Paul LeDonne's possession of first lien, the Baths have not yet been able to use any of the Tech Clinic's suggestions for funding and are instead pursuing private/independent means of funding. If the Baths decide to explore the possibility of a separate pasta business, on the other hand, several of the Tech Clinic's suggestions may be useful. Although the couple would like to first secure the bakery's financial footing before they expand, they continue to be very positive about the idea of a future pasta business.

The Baths are aware that the bakery needs several improvements before they can even consider the possibility of a pasta business. After they begin to define their new hours of operation and broaden their client base to include several Lehigh Valley supermarkets, the plan is to move to the second floor. Now used only as a storage space, the second floor has easy access to the bakery's parking lot and could be readily improved for use as a store front. Once they have rearranged the bakery's layout, the Baths say they can then consider putting in a pasta machine. Having already researched the details, the Tech Clinic provided the Baths with the name of a former pasta business owner who has a machine that makes pasta which currently is only used once or twice a year. Although any discussion of machine rental or lease is in the future, the Baths are excited by the pasta business's potential.

FINISHED PRODUCTS

Assessment of Hasker Textiles, Inc.

Hasker Textiles, Inc. is a small business that custom manufactures narrow fabric, elastic, and trimmings. It is a successful business despite the decline of the textile industry in Roseto. It is a small family-run company that is not cost competitive with larger elastic manufacturing companies. However, it compensates for this by providing superior service (variety, flexibility, quality, and quick delivery to its customers).

Our goal with Hasker Textiles, Inc. was to assess the operation of the business. Our assessment describes the current status of the company and is used as a basis for recommending changes that might help Hasker Textiles, Inc. in the future. It may also provide insight into why Hasker Textiles, Inc. has been successful. Copies of the assessment were provided to the Ben Franklin Technology Center and Rodney and Bonnie Hasker only.

Rodney and Bonnie Hasker agreed to allow us to assess their business when we first met with them during the first semester. After this initial meeting we met several times with the Haskers to establish a personal connection, hear their business concerns and tour their factory. In Dec. 1995/Jan. 1996, we had dinner with the Haskers and discussed their operation in more detail. On February 9, 1996, we discussed the business atmosphere in Roseto and future plans for Hasker Textiles, Inc. We also discussed current methods of bookkeeping, accessing information, and communicating with clients. On February 21, 1996, Brenda Toma spent the afternoon with the Haskers to follow the daily routine of their operation.

We found that controlled growth is the main objective of Hasker Textiles, Inc. The Haskers are striving toward new product lines and product/client diversification for the future

while maintaining the superior service and quality that has been the key to their success. The Haskers would like to see their entire inventory computerized soon. Since our first meeting they have already begun to implement some of our suggestions. For example, they are now using spreadsheets for bookkeeping. Now they would like to continue the trend and computerize the inventory and distribution of the company's products.

The Roseto Technology Clinic suggests possible ways in which Hasker Textiles, Inc. can realize some other goals. One way is to help identify new markets and product lines. There may also be a possibility for Hasker to export his product through services provided by organizations such as Pennsylvania Export Partnership (PEP), or International Trade Development Program (ITDP). It may also be a possibility for Hasker to expand his own facilities through services provided by Northampton County Development Corporation (NCDC).

Business Resource Manual

During our conversation with the Baths, we found out from Connie Bath that the Roseto Borough did not have a list of resources available to entrepreneurs in the area. We also realized that we had gathered a wealth of information on development agencies in the Lehigh Valley (including the Northampton County Development Corporation, the Small Business Development Corporation, the Pennsylvania Business Operations and Resource Guide, the Lehigh Valley Business Resource Directory, etc.) but we did not have a manual specifically designed to aid small businesses in Roseto. The Lehigh Valley Business Resource Directory focused on local needs, yet has not been recently updated. This prompted us to compile the information we had accumulated into a manual that would be useful to either new or existing small businesses. The

manual, which is presented as a supplement to this report, contains information on consulting assistance, funding sources, and informational services in Northampton County. It specifically focuses on programs available to small businesses in Roseto and nearby communities. We plan to distribute this manual to local development agencies and businesses.

Tourism in Roseto

The Marketing Kit

In our investigation of options for tourism in Roseto, we consulted with the Confalone family, the Bath family, and Borough Council secretary Cathy Martino. They all shared with us what they thought to be special about Roseto. To cite just one of the many examples of Rosetan appeal, we know that Roseto is an Italian-American community with a strong emphasis on family values and tradition. These characteristics are becoming such a rarity in the United States that a visit to Roseto is a treasured experience in a fast paced and impersonal society.

Initially, we wanted to compile a distributable publication that would do justice to all the unique attributes of Roseto. After contacting graphic designer Susan Berka of Multi-Media Designs through Lafayette student Anne Mary Wood, we were presented with several options. The option we liked best was a mock-up of a "Marketing Kit". A marketing kit, in general, highlights all the marketable qualities of a given client. We discussed how we could make the marketing kit model work for Roseto, and our ideas are presented in the sample Marketing Kit that is also one of the supplements to this report.

508-6956

The Home Page

As part of our continuing goal of promoting and connecting Roseto to as wide an audience as possible, we decided to create a Home Page for the Borough. Given the increasing and widespread use of the Internet, we felt it was necessary to be "online." The sample Marketing Kit is effective in promoting Roseto, but has a limited distribution. The Internet, on the other hand, can reach audiences with computer access everywhere.

CONCLUSION

After being selected to participate in the Roseto Technology Clinic, we travelled to Roseto. When we arrived, we knew nothing about what our project would be like. We knew, somehow, it would involve the Borough of Roseto and Hasker Textiles, Inc. By September 1995, we still hadn't identified specific goals, clients, or problems. Unlike traditional Technology Clinics, which work with an industry or company and are given more clearly defined problems to solve, the Roseto Technology Clinic had loosely defined goals and multiple clients. We only knew that our work with the Borough of Roseto and Hasker Textiles would involve economic development. With that knowledge, we had to define the problem before we could begin to develop solutions.

The first semester was spent gathering information and determining possibilities. We met with Victor Rodite, Vice-President of Michael Cabot Associates; Daniel Confalone, Roseto Borough Council President; Rodney and Bonnie Hasker from Hasker Textiles, Inc.; Jack Cook of Northampton County Development Corporation; and Frank Russo, Chairman of the Slate Belt Chamber of Commerce and President of Filtration Engineering. We also attended a Borough

Council meeting to familiarize ourselves with the issues that affect the town. As a result, at the end of the semester we had a clearer vision of our project. We also developed a list of possibilities for Roseto and Hasker Textiles that we could explore during the second semester.

At the beginning of the second semester we were more focused and, therefore, better able to act on our first semester suggestions. Once again, we drew upon the expertise of people involved in the community. We met with Robert Thomson from the Ben Franklin Technology Center at Lehigh University; we attended another Borough Council meeting; we visited Mr and Mrs Daniel Confalone at their house for a traditional Italian meal; we revisited Mr and Mrs Hasker; and we met Mr and Mrs Bath. In addition, we discussed aspects of our project with Professor David Pearson and Professor Carlo Rotella from Lafayette College and Susan Berka from Multi-Media Designs.

The valuable information gleaned from these meetings and our work sessions allowed us to narrow down our project into five parts: the development of a sample Marketing Kit, a World-Wide Web Home Page for Roseto, the compilation of the Northampton County Small Business Resource Manual, the Assessment of Hasker Textiles, Inc., and our Final Report. The value of the Marketing Kit, the Home Page, and the Business Manual lies in their potential to benefit Roseto today and in the future. In their current form, the Business Manual and the Assessment of Hasker Textiles can serve the needs of small businesses in Roseto and other Slate Belt communities. The Marketing Kit and the Home Page are examples of two approaches to promotion of the Borough that can be done with existing technology. We hope that in showing the possibilities, we have paved the way for the promotion and growth of Roseto.

It is not just Roseto that will benefit from this project. All of us feel that we have gained

from the experience. The exposure to a "real world" problem and the interaction of varying disciplines has allowed all of us to challenge ourselves and to succeed beyond our expectations. We all feel a deep affinity for Roseto and her people and hope that our work will help this community in the future.