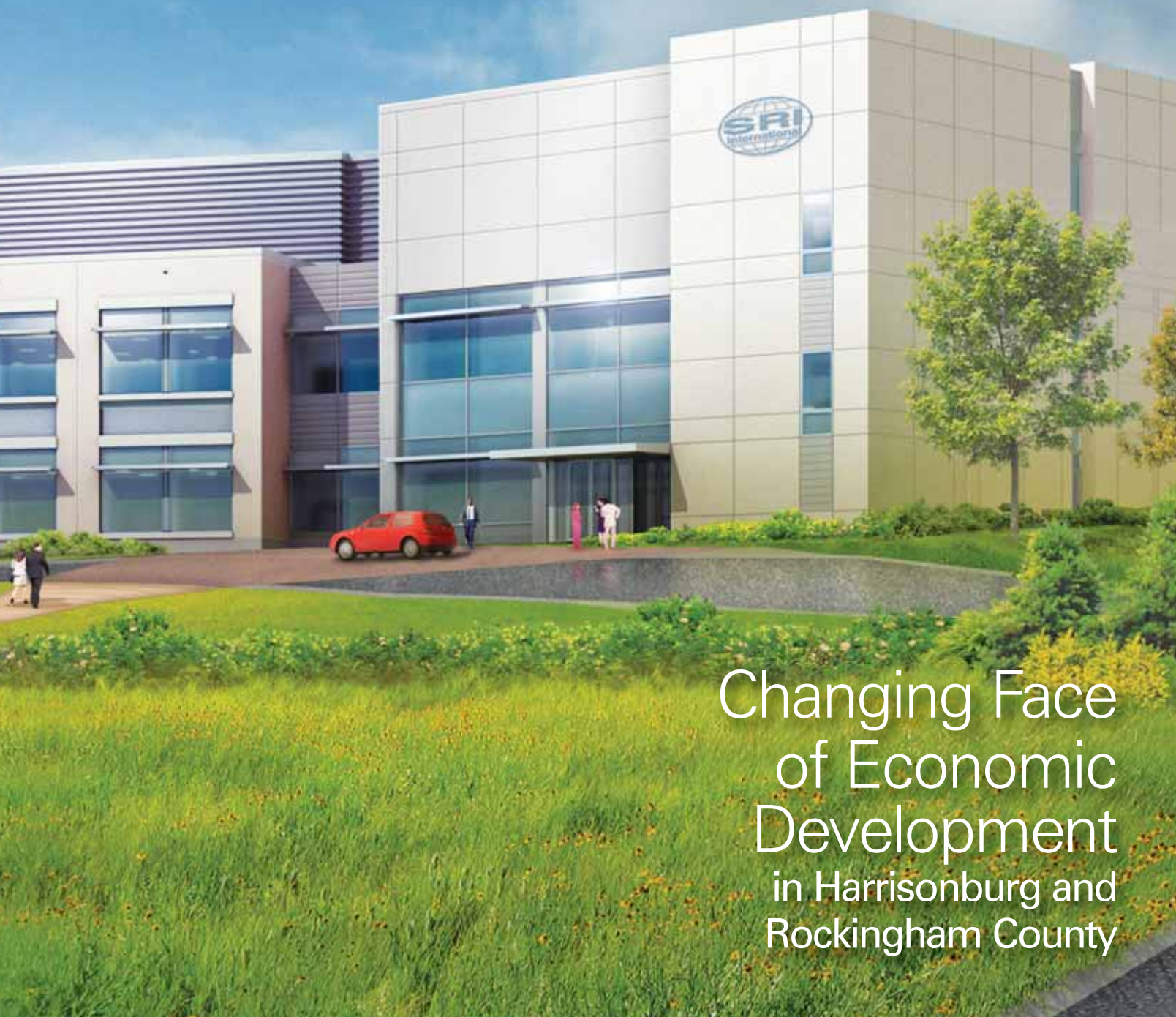


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Changing Face
of Economic
Development
in Harrisonburg and
Rockingham County



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Welcome to the spring 2008 issue of *Inside Nielsen*. This marks the fifth edition of the magazine. The support of our advertisers makes this publication possible. We would like to thank them for their continuing support. We take pride in sharing this publication with our employees, our clients and our community partners.

This issue focuses on technology. We have seen unprecedented change in our communities, in our workplaces and here at Nielsen. Technology changes so rapidly, it is often difficult to comprehend. We have taken a look at how technology has impacted our lives and businesses.

Nielsen has worked with numerous business and industrial clients during its long 100-year history. We are pleased to add high-tech businesses, such as SRI, Comcast and Rosetta Stone, to our long list of clients. Nielsen's flexibility and resourcefulness help us stay abreast of technology innovations and changes. We are confident that we will continue to be successful with new clients as we begin our second 100 years of service to our customers.

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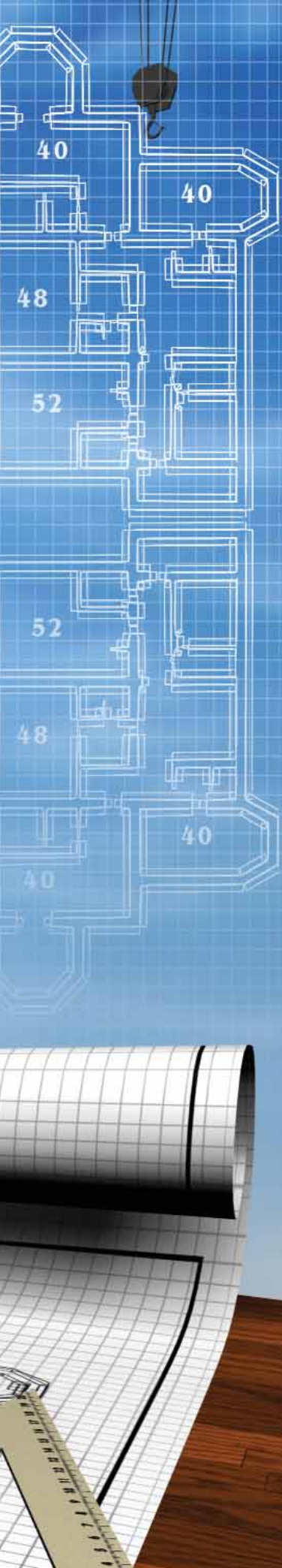
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The Impact of Changing Technology

The construction industry has been thriving since man built his first dwelling eons ago. Hard physical labor and methodical attention to detail are still hallmarks of the industry. However, improved technology has impacted the construction industry, even as it has impacted every area of modern life.

Fax Machine Introduced



Jim DeLucas

Nielsen Chief Development Officer Jim DeLucas remembers that there were no fax machines when he started with the company in 1988. The accounting department had one computer. He recalls that all the project managers wrote out their meeting minutes and correspondence, and one secretary typed everything. Revenue in that year was \$18 million, compared to \$160 million last year.



Tony Biller

President Tony Biller remembers that Nielsen installed its first fax machine on his first day of work. "I remember the old roll of fax machine paper. It was shiny and glossy and had to be cut. The cut pieces would roll up and not stay flat. It almost seemed like they had disappearing ink — the words would fade away over time."

Mr. DeLucas says bids were turned in via phone and mail. "In fact," he says, "we just recently modified the contract to take out the word 'telegram.' Bids used to be sent in by telegram."

The introduction of the fax machine allowed subcontractors to fax their quotes. Faxing quotes allowed subcontractors to be more detailed in their scopes than in the past. Fax machines are still the primary method of subcontractor estimate delivery; however, some estimates are starting to arrive by e-mail.

Bid Day Processes Improved

Mr. Biller remembers bid day with lots of pencils and paper and an adding machine. He says, "John Neff was the bid guy. He would write everything down by hand, then erase as necessary and total the numbers up. He would finish the bid by 1, then include an 'adjustment sheet' for additions or deductions to the bid." The estimating software used today allows the estimating department more time for more precision during the bid process. Changes are calculated instantly, providing more precise information for the estimating department, as well as providing them more time to discuss issues and strategize approaches.

"Project managers used to carry with them three-ring binders that contained all the project information," Mr. DeLucas says. By the mid '90s, custom software, Ntech, was developed by Nielsen to help project managers organize their documents electronically. This software was used until 2007, when the project managers began to use Timberline software, which allowed them to link into accounting and estimating. Now all new jobs are set up in the Timberline system, integrating all information for estimating, accounting and project management.

Scheduling has also become more automated. In the past, scheduling was done by hand, and, once completed, was modified only if needed. Today's software allows the project team to update the schedule as required. When a change occurs, the software automatically changes all activities that are affected. The schedule can be viewed and adjusted by people in several different locations.



E-Mail, Cell Phone Communication Begins

Mr. DeLucas also talked about the introduction of e-mail. "I'm still not sure about e-mail communication," he says. "It's great for mass communications, but not very good for problem-solving." Picking up the phone and talking through a situation is often more effective for resolving issues.

Another technological breakthrough is the laptop computer that allows the project manager and superintendent in the field to network into the main server. The managers can access their desktops from their personal computers; they don't have to physically travel to the office to obtain critical information.

"Probably one of the most significant advances was the cell phone," Mr. DeLucas notes. Nielsen purchased its first bag phone in 1992. It soon morphed into an in-car phone, then an in-car handheld. To use the phone, the caller needed to be physically near the car. Today, all superintendents have cell phones.



Jacob Hull

Mr. Biller says, "Cell phones make us more productive. If there's something on your mind, you can take care of it right away." Project Manager Jacob Hull thinks cell phones have been the biggest improvement. He'd like to see everyone have camera phones. "That way, if there's a question, the superintendent can take a picture and send it out electronically so everyone involved can actually see it, and the issue can be resolved."

Mr. Hull has seen other improvements out in the field. "Today, a group of people at different locations can be electronically networked and review the same drawing at the same time. We can have the project manager, the architect, the engineer and the steel supplier in a virtual meeting. Questions can be answered, saving time and eliminating confusion."



Scott Baxter

Scott Baxter, project manager for the JMU Performing Arts Center, has seen many changes in his 19 years of construction experience. He says, "Throughout my career, I have seen many changes that have improved today's industry. These include improvements in safety, equipment and the tools we use, as well as improvements in actual construction methods and materials. Because our industry is always advancing, we are constantly learning new and challenging techniques and systems."

"But the most significant change that has impacted our industry is the explosion of information technology. When I entered the construction industry, detailing was done with pencil and paper, and computer-aided design (CAD) was just beginning. With the prevalence of computer technology, we are entering a new era in the way information is managed and how it flows from the design team to the field employees."

Mr. Baxter goes on to mention the difficulty in finding qualified employees. "Finding competent detailers and designers with actual field experience is a challenge. It's also a problem finding young workers, who grew up with computers, who are eager to work with their hands. Finding and recruiting skilled craftsmen is our industry's next major challenge."

Future Trends

New technology still on the horizon includes a dramatic new approach to designing and constructing buildings: building information modeling, or BIM, in which blueprints and other two-dimensional documents are replaced by 3-D computer models, with each element of the design filled with information about its real-world properties, such as how much weight a steel beam can hold.

3-D modeling will allow the building to be "built" electronically before the first brick is laid. Problems and challenges can be solved quickly and economically, with the team reviewing the 3-D model before it's built.

Mr. DeLucas says, "No matter how much technology becomes more widely used, construction still comes down to bricks and mortar. We still require quality people; nothing can really take the place of skilled employees."

Leadership Outlook

Part 1

Changing Face of Economic Development in Harrisonburg and Rockingham County

Local economic development officials share their vision. This is the first in a series of articles highlighting different communities in our region.

KURT HODGEN



Kurt Hodgen, Harrisonburg city manager, took over his post in mid-2007. He had served as assistant city manager for six years prior to that. He says, "I have only been back in the valley for the past seven years, but I have seen a change toward a focus on technology-oriented new business development. The

phenomenal growth of Fairfield Technologies [now known as Rosetta Stone] downtown has attracted large numbers of young professionals to the city. That in turn, I believe, has helped draw the interest of other new technology-based firms to the area."

He adds, "In addition, the city has established a technology zone downtown that provides incentives to companies to locate there. I think that all of these things, combined with the energy and enthusiasm that the 'technology generation' brings, creates a very bright future for the area."

This special downtown technology zone was created about seven years ago, and it offers tax incentives to businesses locating there. Many small firms, some headed by recent JMU graduates, have moved to downtown Harrisonburg since the tax-incentive zone was established.

When asked about the impact of SRI, Mr. Hodgen notes that a significant impact of the SRI project will be the types of employees that SRI will attract from outside the community as well as the retention of many of the local college graduates. Additionally, potential "spin-off" businesses have historically resulted from the presence of SRI in a community.

"One of the great strengths of the economy of Harrisonburg and Rockingham County is its diversity," he says. Harrisonburg isn't solely dependent upon one or two particular segments. Harrisonburg still has a strong manufacturing base and includes service-oriented professions such as education and health care. Mr. Hodgen looks forward to a stronger, more vibrant community in the future.



BRIAN SHULL



Brian Shull, economic development director for Harrisonburg, has worked in economic development for 19 years, with the last 10 in Harrisonburg. He has seen a number of changes during the years in regard to economic development.

Years ago, prospects would focus on site and buildings. "We would try to build a shell building initially to show people," he says. Now, it's a given that you have sites, permits, etc. Prospects now want to know how fast you can get it moving.

Another change noted by Mr. Shull is that at one time, prospects were interested in how close the community was to interstate and rail. "Businesses today are interested in being close to a university," he says. He added that almost every prospect he talks to wants to be close to a university. These businesses want to develop relationships with the faculty, tap into students for internships and summer jobs and have access to university research.

This area has typically had a very low unemployment rate. In the past, discussion centered on the number of workers. Now the discussion is more about skills — what workforce skills do people possess? Mr. Shull says it's important to have information handy on the quality of the workforce.

"Our number-one target is technology developers. We've had good success with SRI and DBT Data, as JMU continues to help in efforts to locate firms here," he says.

Harrisonburg Downtown Renaissance started about four years ago. It is helping to attract businesses here. With the passage of the historic district designation, tax credits were made available, an added incentive to businesses considering locating downtown.

Harrisonburg/Rockingham County was recently named an MSA (metropolitan statistical area). The 2000 census indicates a population more than 100,000, which puts the community in a new category. With this MSA designation, a great deal more information is available, and the community is now ranked against 179 metro communities across the nation. Mr. Shull saw a significant increase in business attention after the new designation. He also says consultants have begun to recommend the area more to new businesses.

When asked about his vision for the future, Mr. Shull replies, "In 20 years, Harrisonburg will be a strong cluster of technology development firms servicing the D.C. market." He says he believes Harrisonburg/Rockingham County is unique in that it can sustain its own identity. It's far enough away from Washington to preclude it from becoming an outgrowth of the D.C. metro area. This community still values a strong quality of life and offers great job opportunities for local residents.

Leadership Outlook

Part 1 *cont...*

JOE PAXTON



Rockingham County Administrator Joe Paxton has seen numerous changes during the past 30 years. "I'm a 1974 JMU graduate. I've seen the growth of JMU, as well as Bridgewater College and EMU. I believe our local colleges and universities are the driving force behind the technological changes here in the valley."

He notes that technology is emphasized at all levels of education. FIRST LEGO League and Destination ImagiNation are a few technology-based programs offered at the elementary and middle school levels. "We need to ensure a workforce that is technology-savvy," he says.

Mr. Paxton says the partnership with SRI is key to transitioning the economy into more of a technology-based economy. SRI is a key element in positioning the Shenandoah Valley for future job growth.

"We changed the focus of our industrial park to more of a technology-based focus," he says. The original name for the park was the Rockingham County Industrial and Technology Park. Because of the shift in focus, it was rechristened the Rockingham Center for Research and Technology.

The evolution into a more tech-based focus can be seen in the creation of the South Fork Technology Zone, which includes Merck and Coors, as well as the Aviation Technology Zone, encompassing Dynamic Aviation. Coors recently opened a new multi-million-dollar brewery expansion, which only added eight new jobs. Merck is currently transitioning from older pharmaceutical technologies to newer vaccine development.

RR Donnelley is working to develop further the digital component of the print business, and White Wave is transitioning from traditional dairy processes to technology-driven soy production.

Mr. Paxton says, "Every industry is transforming itself through the use of technology. It is critical for us to stay in front of it."

A focus on technology results in many benefits, including job growth, creation of new businesses and recruitment of talented employees, which adds to the stability of the region. Mr. Paxton believes another strength of the area is its diversity. "Fifteen years from today, I hope to see a community similar to what we see now, with many cultures together, taking advantage of opportunities, whether technology or manufacturing or agriculture," he says.

Maintaining a diverse economy will provide solid educational and employment opportunities as well as ensure the continuation of a high quality of life. Mr. Paxton believes the challenge is "to balance growth with maintaining a sense of the environment and history, while protecting our resources."



BILLY VAUGHN



Billy Vaughn, community development director for Rockingham County since 1994, has seen numerous economic changes in the community. The most apparent is the increase in the number, variety and quality of retail businesses. This is a major shopping hub for an eight-county area. With the increase in choices and higher-quality merchandise, residents are more likely to shop here instead of traveling to other communities.

He says, "I see more job opportunities across the entire employment spectrum. In the '70s, a number of county residents worked on the farm or traveled to seek employment in manufacturing facilities in the area. We were basically an exporter of workers to other communities. Today, there are numerous job opportunities in all employment sectors throughout the metro area."

He says, "I see more job opportunities across the entire employment spectrum. In the '70s, a number of county residents worked on the farm or traveled to seek employment in manufacturing facilities in the area. We were basically an exporter of workers to other communities. Today, there are numerous job opportunities in all employment sectors throughout the metro area."

He went on to say, "As with the past efforts, we target the same industry sectors but with an expanded scope. Manufacturing is still a key player. However, equal focus has been placed on other sectors, such as services, food processing and research, with recent emphasis on high-tech companies."

All industries have become more efficient and productive during the past 10 to 20 years. He adds that Coors opened here nearly 25 years ago and was highly labor-intensive. The recent expansion to a full brewery added minimal jobs, yet increased output significantly due to high-tech manufacturing processes being implemented. Manufacturing plants have had to gain efficiencies and increase productivity to survive in today's markets.

Rockingham County is still the number-one agricultural county in the state. He notes that poultry production remains an integral component of the local economy. It is more technologically advanced and efficient with controlled environments rather than the traditional method of raising birds as free-range animals.

Mr. Vaughn believes a critical element to the success of the metro area's economy is its employment diversity. The metro area doesn't rely on one single industry; rather, it relies on a broad spectrum of industries that make up the building blocks of the local economic structure.

The new MSA designation ranked the Harrisonburg/Rockingham County community as 16th in the nation among small metro communities with a population of less than 200,000. The community is also ranked as the number-one metro area in concentration of high-tech companies.

Mr. Vaughn says he believes in-migration is changing the face of our community. Our population growth is impacted more by those individuals moving to the area than from natural births. Some new residents are relocating from more urbanized areas. They desire opportunities and amenities similar to those in the community where they previously lived. This desire changes the complexion of shopping amenities, as well as employment and housing opportunities.

He says of SRI coming here, "This is a wonderful opportunity for our community. SRI's presence will attract new companies to the area. In fact, we've had a number of companies show interest after the SRI project was announced in December." SRI is the first tenant in Rockingham County's 365-acre Center for Research and Technology.



Arts and a Thriving

What is one of the first things a prospective employee looks for in a new community? Many would say it is a thriving arts and cultural community.

Arts Council of the Valley Executive Director Kai Degner knows how important arts are to a community, not only in terms of aesthetically enhancing the community, but also in terms of economic impact.

The arts industry has a huge financial impact on a community. A myriad of different businesses rely on creativity, such as:

- Design
- Sales
- Video
- Entertainment
- Restaurants
- Theaters

The arts industry generates both jobs and tax revenue. Special arts events create a ripple effect. The event attracts people, who stay in the community and spend money on lodging, meals and perhaps other entertainment.

In Harrisonburg and Rockingham County, the Arts Council and Court Square Theater provide an economic impact of more than \$1 million, according to the Americans for the Arts Economic Impact Calculator.

Many times, business development follows artists. This trend can be seen in localities like Austin and San Francisco. Often, arts are the first thing to revitalize a downtown in decline. The opening of Court Square Theater in downtown Harrisonburg kicked off a revitalization effort that is still going strong today.

ving Community

Arts Important in Attracting Business



Kai Degner

Mr. Degner says, "Arts are helpful in attracting businesses and employers. The presence of an arts community may not make the decision, but lack of the arts could break it." Thriving communities traditionally feature a robust and healthy arts and culture environment.

Research indicates that high-tech employees consider the arts to be more of a priority than

employees in other industries. Having an arts community that is alive and growing speaks volumes about the quality of life in a particular area.

Why are the arts so important? "Going through the creative experience in arts causes you to think differently. New ways of problem solving can be transferred to solving other problems in the workplace," Mr. Degner says.

Immersing individuals in the arts is a method of training people to broaden their outlooks, to keep their minds sharp. Art allows one to approach problems in a new way. Mr. Degner says he believes companies are facing more complex problems today, which "can't be solved using the same level of thinking used to create the problems. The artistic process gives individuals the challenge to use all parts of their minds, which results in an employee with higher-quality problem-solving skills."

He adds, "Arts feed the creative process. It's so personal; once you put yourself into it as an artist, it becomes part of you. In fact, if you're used to being creative, and you don't continue it, you will recognize the void." People who are accustomed to participating in a culture rich in the arts need to continue nourishing their passion.

Mr. Degner explains people today live in a very consumption-oriented culture. The arts is one area where people can

create something unique and personal. "For some people, there's not a lot of opportunity to be heard," he says. Art offers that opportunity to be in control and to share one's vision. For many people, creating artwork engenders confidence so they can share their thoughts, opinions and ideas.

Peter Yates, editor and general manager of the *Daily News Record*, says, "The Arts Council of the Valley provides a much needed clearinghouse for ideas, information and all forms of support for the arts in Harrisonburg and Rockingham County. As our community grows and changes, the Arts Council becomes an even more valuable asset for improving the cultural opportunities available to all citizens."

The Arts Council of the Valley was founded in 2000. It is funded by the city of Harrisonburg, Rockingham County, the Virginia Commission for the Arts, and many local businesses and individuals. The arts council manages Court Square Theater, the only non-profit theater downtown serving as a community commons for art, film, music and dialogue for many segments of the community. The council also provides mini grants to local artists to support and encourage the growth and vitality of the arts in the community.

(Nielsen CEO John Neff was the founding chairperson of the Arts Council of the Valley.)





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SRI International

A RICH HERITAGE OF INNOVATION

SRI International may be a relatively new member of the Shenandoah Valley community, but the independent, non-profit research institute has been making important contributions to business and society for more than 60 years. In fact, hardly a day goes by that we don't touch an SRI innovation. For example, every time you use a computer or write a check, you're relying on technology invented at SRI.

SRI was founded by Stanford University and area business leaders in 1946 to help stimulate the post-World War II economy in the western United States. Independent since 1970, the Silicon Valley-based organization has major offices across the country, including Arlington, Va., and also in Tokyo, Japan. The institute's founding mission holds true today: SRI is committed to discovery and to the application of science and technology for knowledge, commerce, prosperity and peace.

For its government, commercial and private foundation clients, SRI's 1,500-plus staff members focus their extensive R&D capabilities on nearly every area of industry, medicine, education and government. SRI works in wide-ranging areas such as banking, robotics, entertainment, special education studies, atmospheric research, national defense, homeland security and much more. Along the way, SRI's innovations have created new industries, billions of dollars in market value and lasting benefits to people around the globe.

Early Breakthroughs

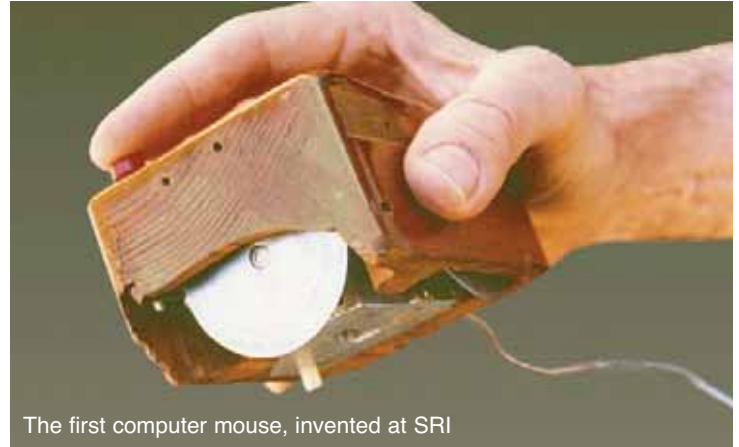
SRI hit the ground running in 1946. The institute's very first research project was an investigation of improvement of the guayule plant as a source of rubber. In 1949, the institute held the nation's first symposium on air pollution. In the early 1950s, Walt Disney chose SRI to recommend the site for his first theme park — Disneyland. SRI selected Anaheim, Calif., for the park, which is enjoyed today by millions from around the globe.

That was just the beginning. By the mid-1950s, SRI was providing research and economic consulting services on an international level. In 1955, it conceived the National Council for Applied Economic Research for India; and in 1957, co-sponsored the first International Industrial Conference, a summit held every four years that brought together hundreds of world leaders and CEOs from 50 countries — an important event SRI went on to co-sponsor for 40 years.

SRI also developed several breakthrough technologies in the 1950s. The Electronic Recording Machine, Accounting (ERMA) and magnetic ink character recognition (MICR), developed for Bank of America, revolutionized banking and inaugurated business process automation by enabling automatic check processing to replace laborious manual record keeping. You see MICR today on every bank check — it's those little numbers printed in a "computer"-style font across the bottom. Another breakthrough product, the Technicolor® electronic printing timer, reduced the time and expense of producing movie prints, allowing the film industry to bring color movies to audiences much faster. SRI and Technicolor® shared an Academy Award for this innovation.

Pioneering Robotics and Communications

SRI breakthroughs in the 1960s in computing, robotics and communications locked in its position as a worldwide innovation leader. The start of the decade saw the first man in space, and by end of the decade, another man had walked on the moon. SRI supported the growing interest in the upper



The first computer mouse, invented at SRI

atmosphere and outer space — for example, by building and operating for the U.S. government a 150-foot radio reflector antenna located in the hills above Stanford University. Known locally as "The Dish," the antenna is used today for satellite calibrations and spacecraft communications.

More recently, SRI launched a new age in atmospheric research when it built the Advanced Modular Incoherent Scatter Radar (AMISR) — a relocatable radar array about the size of a football field in Poker Flat, Ala. — for the National Science Foundation. Researchers around the world can use it to study the complex upper atmosphere and space weather events, which can affect satellite and electronic communications.

SRI also laid the foundation for the personal computer revolution in the 1960s. SRI invented the computer mouse in 1964 and, in 1968, first publicly demonstrated the concept of "windows," hypertext and videoconferencing, all of which have advanced how people work, learn and communicate.

Also in the 1960s, the then-new science of robotics was also greatly influenced by SRI expertise — in the institute's renowned Artificial Intelligence Center, researchers developed Shakey, the first mobile robot with the ability to reason about its surroundings. The institute was also instrumental in another first — in 1969, SRI was one of the first four

computer nodes on the ARPANET, the small government computer network that preceded the Internet. Seven years later, SRI established the first connection among dissimilar networks — the wired ARPANET, SRI's mobile packet radio network and the Atlantic packet satellite network — which has been described as the first true inter-networked computer connection.

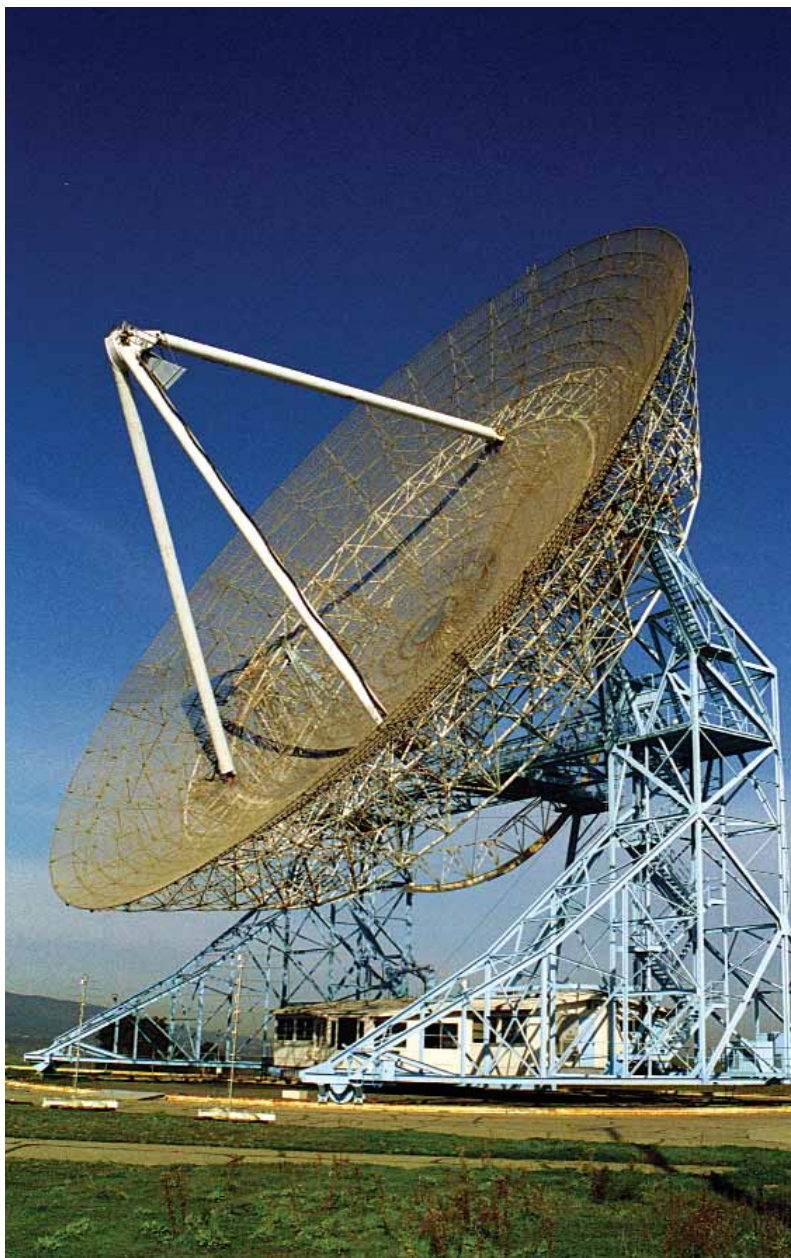
Connecting people and places has continued to be a key focus. Until 1992, the institute served as the Network Information Center (NIC), the clearinghouse and support center for all computer hosts connecting to ARPANET and the Internet. SRI also developed a nationally used telecommunication system, called DEAFNET, for the hearing impaired. Today, SRI is recognized for its leadership in breakthrough technologies for network security.

Life-Saving Drugs

Since the 1960s, drug discovery and health care have also benefited from SRI innovations. In the 1970s, SRI discovered Halofantrine, a malaria treatment used by the U.S. Army and World Health Organization to save countless lives. In the 1980s, SRI made pioneering developments in ultrasound that made it practical for clinical use. Today, SRI has several new drugs in development. In 2007, SRI established the Center for Advanced Drug Research (CADRE) in its Shenandoah Valley location. The Center's scientific research is focused on the detection and treatment of infectious disease and countermeasures to bioterror threats.

An Emmy-Winning Subsidiary

In 1987, SRI acquired the David Sarnoff Research Center (formerly the RCA Laboratories) from General Electric. Sarnoff Corporation, as it is now called, delivers vision, video and semiconductor technology innovations that empower government and commercial clients to see/sense, understand and control complex environments. Located in Princeton, N.J., Sarnoff makes continuous breakthroughs in real-time video processing for defense, security and surveillance; integrated circuits, lasers, imaging and sensing devices;



"The Dish," a 150-foot radio reflector antenna located near Stanford University

high-performance networking; and wireless communications. Sarnoff has won 10 Emmy Awards for its contributions to television technology, including for setting the U.S. standard for high-definition television (HDTV).

Tackling Today's Challenges

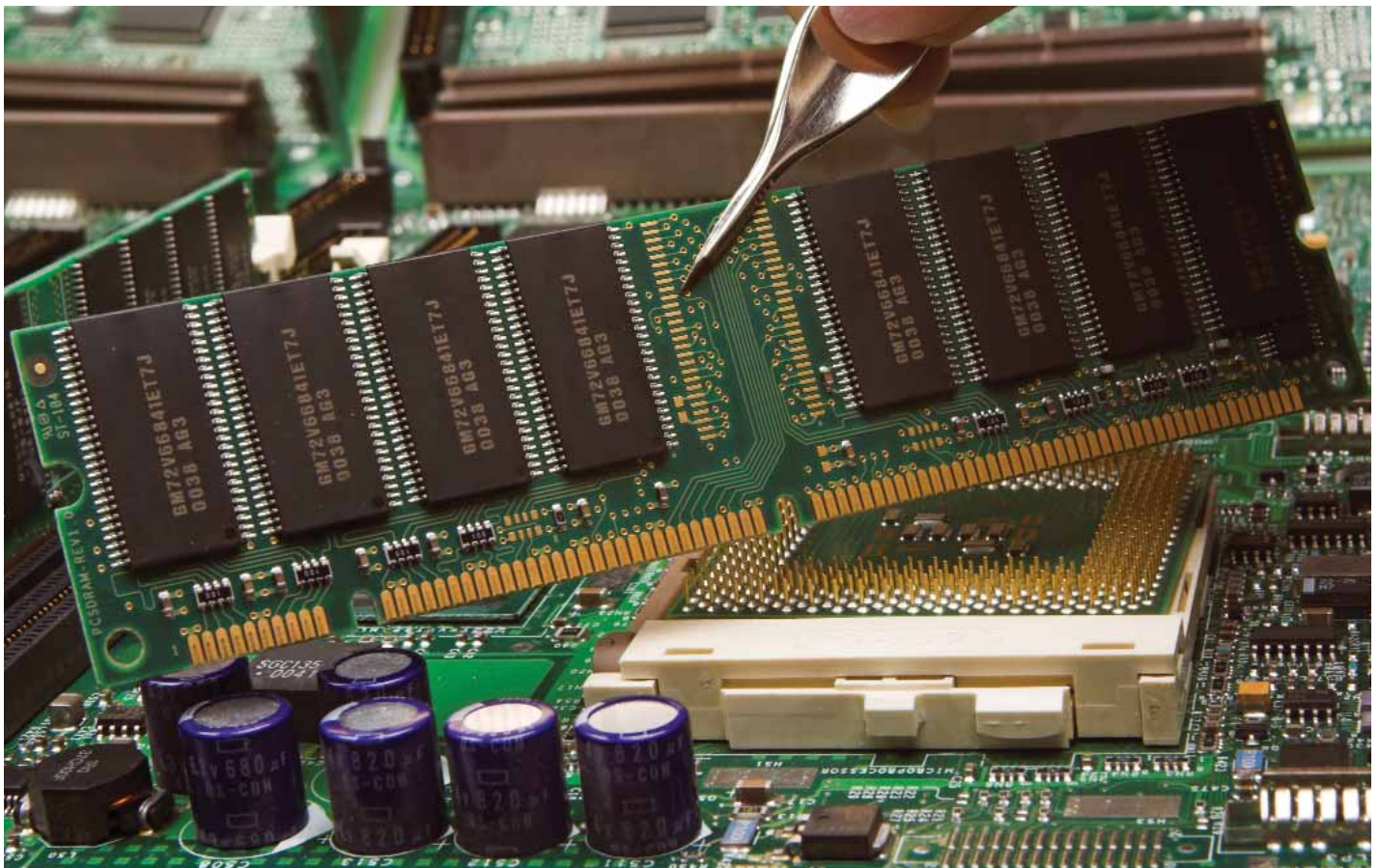
The 1990s saw SRI innovations in education, as well as continuing work in many other areas. Under sponsorship by the National Science Foundation, SRI developed TAPPED IN® — a virtual meeting place for educators that has allowed more than 16,000 teachers and other users to collaborate online. Developments such as electroactive polymer “artificial muscle” for efficient energy generation have helped put SRI at the leading edge of tremendous advances in science and technology.

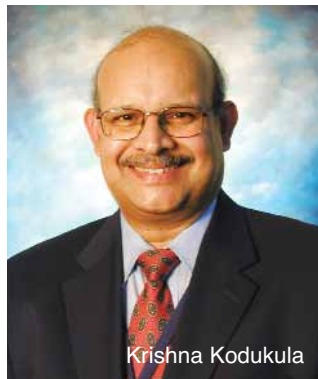
In the new millennium, SRI has continued in its role as a premier research and development organization. As part of its mission, the organization helps the U.S. government meet imperative homeland security and national defense needs. SRI speech technology is enabling U.S. soldiers overseas to communicate in real time with local citizens. The Centibots, descendants of Shakey, are an SRI-designed team of

autonomous mobile robots that can explore, map and survey unknown environments. SRI is also helping the National Guard prepare soldiers for combat through a novel integration of live-virtual-constructive training systems.

SRI and Sarnoff also bring new technologies and products to market through technology licenses and spin-off ventures. Together, the organizations have created more than two dozen spin-offs, including three publicly-traded companies. One of these is Intuitive Surgical, which commercialized SRI's novel, minimally invasive surgical robotics technology. Surgeons throughout the U.S., Europe and Asia use Intuitive's da Vinci® Surgical System to help patients recover faster, with less pain and fewer complications.

For more than 60 years, government agencies, commercial businesses and private foundations have turned to SRI for solutions to their most important problems. Applying a disciplined approach to innovation to succeed on every project it undertakes, SRI International has worked toward — and will continue to work toward — improving quality of life around the world and right here in the Shenandoah Valley.





Krishna Kodukula

An Interview with Krishna Kodukula, SRI

Executive Director, Center for Advanced Drug Research (CADRE), SRI's Newest Facility Locating to Rockingham County

Inside Nielsen: Why did SRI want to build a facility on the East Coast?

Kodukula: SRI Shenandoah Valley offered us geographic access to our major government clients and partners such as the National Institute of Allergy and Infectious Diseases, the Department of Defense, the Department of Homeland Security and the U.S. Army Medical Research Institute of Infectious Diseases. The region is also near the world's third-largest biotech cluster in metro Washington, D.C.

Inside Nielsen: How was Harrisonburg selected?

Kodukula: Harrisonburg offers many benefits including quality of life. It is also a vibrant community. By building in this region, we are also offered a base for growth in strategically important business areas in close proximity to world-class research centers in the greater Washington, D.C., metropolitan area.

The new facility is also relatively close to our office in Arlington, Va. We have had a D.C. presence for more than 50 years.

Inside Nielsen: It's been reported that JMU and SRI have similar cultures — can you explain what this means?

Kodukula: The amount of undergraduate research in the sciences at JMU has been described as peerless, while SRI has a proven reputation for providing innovative solutions to its customers' most difficult problems. That is a powerful combination, and we have synergistic capabilities in biotechnology and drug research. We expect to continue exploring collaborations with JMU and other Virginia academic institutions in areas such as homeland security, engineering, nanotechnology, energy, information technology and education research.

Also, SRI is not new to university collaborations — we have had many in our 60-

year history. We believe strongly in teaming with the best partners, and our university collaborations include MIT, Carnegie-Mellon, several campuses of the University of California and a very long list of others. We were founded by Stanford University in 1946, and they remain one of our collaborators.

Inside Nielsen: Harrisonburg/Rockingham County have historically been agriculturally based communities. How do you think SRI will change the culture of the area?

Kodukula: SRI is now a part of a thriving and well-established community. So we don't anticipate changing the culture or community.

We do believe that SRI's expansion into Shenandoah Valley offers new opportunities for innovation and collaboration with local organizations, universities and businesses.

We anticipate that we'll have a beneficial impact on the region by serving as an investment magnet and a catalyst for a new biosciences and R&D cluster.

Inside Nielsen: What do you see for the future of SRI in the Shenandoah Valley?

Kodukula: Our work in Shenandoah Valley shows that there is real power in partnership. Working together, we are unleashing that power to advance scientific knowledge to create new opportunities and to make positive contributions to addressing important societal challenges — locally, nationally and globally.

Over 10 years, we anticipate that SRI Shenandoah Valley will directly create 140 new jobs and an estimated 400 indirect jobs. It is estimated that the SRI Shenandoah Valley will infuse the local economy with more than \$160 million through the local spending and investing by the new workforce.

Inside Nielsen: What exactly will you be doing in the new facility?

Kodukula: The work we will do in our new facility has the potential to anchor an emerging life sciences industry in the region, creating new jobs and opportunities for the community. Our research focuses on finding new diagnostics, therapies and potential vaccines for debilitating diseases like flu, dengue fever, TB, malaria, leishmaniasis and many other infectious and neglected diseases.

In addition to critical life-saving bioscience research, SRI Shenandoah Valley is bringing SRI's education policy research to the region. A new local workforce training initiative, the Shenandoah Valley Transitions Project, has been launched to inventory the region's education and training systems. New workforce development collaborations among local business, community and government organizations will help the region adapt as the market changes in response to research-based and high-technology economic development.

Finally, research in alternative sources of energy, biofuels for example, is another area that will be added to our efforts here in the valley.

Inside Nielsen: Do you have anything you'd like to add?

Kodukula: SRI Shenandoah Valley is a Virginia research institution. Support of SRI Shenandoah Valley is an investment in Virginia and its institutions for research and higher learning. SRI Shenandoah Valley is building on Virginia's existing research base so that it has a greater economic impact, creates a regional R&D cluster and enhances Virginia's reputation as a source of important world-class research. In addition, SRI has had an office in Virginia for many years.

SRI Unveils Workforce

The availability of particular workforce skills and knowledge oftentimes drives a company's decision on whether to locate in a particular area. Companies today need more complex talents than were needed in the past. Technology is changing at an ever more rapid pace, and organizations need workers who are flexible and willing to engage in lifelong learning in order to keep up with the whitewater rate of change. So many jobs are becoming technology-enabled; this phenomenon penetrates everywhere.



Sharon Johnson

SRI Senior Associate Sharon Johnson was tasked with leading a team effort to learn more about the workforce readiness of the employees in the Shenandoah Valley region. She says Nancy Adelman, who was principal investigator on this project, sparked the project's inception. In fact, Dr. Adelman worked in northern Virginia before development was rampant in that part of the commonwealth.

She saw similar changes in development and the introduction of different industries occurring in the Shenandoah Valley and wanted the region to be in front of the changes and respond in a proactive manner. Hence, the Transitions Project was begun, which considers how employees can remain competitive in technology-enabled manufacturing and agriculture and includes a knowledge economy, with research and technology at the forefront. Ms. Johnson says that most of SRI is focused on hard sciences; Transitions is located in the Policy Division and is focused on the people side.

Two Key Elements

Ms. Johnson explains that the project has two key elements: taking a holistic view and being collaborative in nature. Although some research had been done in the Shenandoah Valley regarding workforce readiness and economic development, certain segments of the community weren't included, such as community and faith-based organizations, city and county representatives and elected officials.

What else makes Transitions different from other research projects? It was done in a methodical and strategic way. The project was documented with specific tools, making it relatively easy to expand in other areas.

Transitions was designed to broaden the scope of existing research. The Transitions team reviewed economic and education data in the region in order to determine the current

status. From April 2007 to September 2007, SRI also interviewed more than 160 leaders in local businesses, government, education, workforce, economic development and community organizations.

The interviews included focus groups in all sectors. Researchers collected qualitative data as well as quantitative data to support the ideas.

Identifying Common Threads

The investigators studied the data, looking for common threads. Seven themes were initially identified. Two senior management groups consisting of college presidents, school superintendents, chief executive officers and executive directors gathered to review the findings, identify priority areas and suggest action steps. The groups selected four priority areas on which to focus:

1. Enhancing high school student work readiness
2. Supporting worker advancement
3. Enhancing youth after-school hours
4. Supporting business retention and expansion

The report was shared with the public in January. Phase 2 of the project is actual implementation, which will occur with the designation of a task force for each priority area. Each task force is charged with identifying three initiatives to address its priority area. Ms. Johnson notes that



Transitions Project

these initiatives must be manageable and realistic.

She says, "The local response to this project has been overwhelming. People are volunteering and want to become engaged." The Shenandoah Valley Partnership is the regional lead agency on this, with tremendous support from stakeholder partners.

The market area for the project is currently Augusta and Rockingham counties, and the cities of Harrisonburg, Waynesboro and Staunton. The goal is to expand the project for a more regional approach by adding Rockbridge, Page and Shenandoah counties.

"We're already seeing exciting things happen," Ms. Johnson says. SRI was invited to a U.S. Department of Labor transformation forum in March 2008. She adds, "Only 20 teams from across the nation were invited to this conference, which showcased workforce innovations and best practices."

The Department of Labor connection gives SRI access to experts as well as a liaison for two years. Transitions is in the midst of developing a two-year plan, which will be reviewed and critiqued by the labor department.

"We have wonderful opportunities for proactive regional initiatives. It's exciting and can be overwhelming, too," Ms. Johnson says. As the project is implemented, she predicts the visibility will grow, providing a springboard to expand into other areas. She adds, "The rest of Virginia is looking at this as a model. There is really no other project in the state that is as comprehensive and collaborative."

Shenandoah Valley 21st Century Workforce Transitions Project

In December 2006, with support from the Commonwealth of Virginia, SRI International established SRI Shenandoah Valley and its Center for Advanced Drug Research (CADRE) in Rockingham County, Va. In 2007, SRI Shenandoah Valley expanded its programs to bring SRI's education and workforce development expertise to the region.

In this context, SRI Shenandoah Valley is partnering with JMU on a project to inventory the education and training systems in the Shenandoah Valley region and assess the adequacy of the systems to meet the long-term needs of the area as the local job market changes and grows through research-based and high-tech economic development. The project assumes that existing local industries (e.g., commercial distribution centers, agriculture, health care) and the new businesses that will come to the soon-to-be-built Rockingham County Research and Technology Park will require a local workforce with solid 21st-century skills. The project's result will be a strategic plan, developed by the Shenandoah Valley research partnership and regional stakeholder groups to ensure planned and parallel development of citizens prepared to undertake new jobs.

PHASE I

The Shenandoah Valley 21st-Century Workforce Transitions Project will initially focus specifically on strategies to ensure that the education and training systems are designed to support and retain youth and young adults until they have attained the skills they need for successful employment in 21st-century jobs. Research tells us that too many young people tend to become "lost" from the systems at key transition points (e.g., between middle school and high school, after ninth or 10th grade) or view a high school diploma as the stopping point in their education. Other young people begin post-secondary education or training but, for a multitude of reasons, drop out and find it difficult to get back on track when they are ready to do so. The Transitions Project will examine all of these factors and develop a plan for addressing problem areas.

PHASE II

Phase II establishes a volunteer Board of Directors and two task forces that will develop, coordinate and execute new strategies to address identified strategic priorities. Staff members from SRI will work in collaboration with the Board and the task forces to provide additional support during future implementation activities.

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JAMES MADISON UNIVERSITY HELPS CEM



One reason that SRI International selected the Harrisonburg Rockingham community in which to locate its East Coast facility was because of the proximity of several universities, particularly James Madison University.



Dr. John Noftsinger

Dr. John Noftsinger, vice provost, JMU, was the first JMU representative to become involved in the SRI project. He recalls one of the earliest meetings with SRI International. The December 2005 meeting in Richmond included Virginia Secretary of Commerce and Trade Michael Schewel and representatives from the city, county and state, the Shenandoah Valley Partnership and SRI.

Why Harrisonburg/ Rockingham County?

When asked by Secretary Schewel why SRI should choose Harrisonburg instead of Blacksburg or Charlottesville, Dr. Noftsinger replied, "JMU works closely with Virginia Tech and the University of Virginia. If SRI chooses to locate in Blacksburg or Charlottesville, it will be one of many research organizations. If SRI locates in Harrisonburg, it

will be the primary research organization. The nature of the relationship would be quite different."

He recalls that, at the time, he knew answering this question correctly was critical. He wanted to reinforce the message that Harrisonburg/Rockingham County was the ideal choice for SRI's new Center for Advanced Drug Research.

JMU President Dr. Linwood Rose and JMU Provost Doug Brown were heavily involved with the SRI project from the beginning. They knew that SRI was very knowledgeable about communities and universities throughout the country. The JMU leaders knew that their culture and approach matched that of SRI.

Match Between JMU and SRI

Dr. Noftsinger says, "It became clear early on that there was a philosophy and program match between James Madison University and SRI. We bonded immediately and

ENT SRI DEAL

forged an active partnership in negotiations from the beginning." JMU was an integral part of the team.

The partnership team met for at least a year to work through the process. JMU President Dr. Linwood Rose worked closely with state legislators during the negotiations. Gov. Tim Kaine appropriated money for the project, earmarking \$4 million for an "economic development" project in western Virginia.

The official announcement was made in December 2006, when Gov. Kaine held press conferences in Richmond and at JMU in Harrisonburg. At the time, the governor speculated this was the most significant event to happen during his term.

Dr. Noftsinger says, "It was an intensive and thorough process. Everyone was able to talk about what this region and community could bring to this project." He says that, from the beginning, everyone had trust, which is a critical component of any successful relationship.

When describing how SRI and JMU are similar, Dr. Noftsinger notes that the two entities share a "philosophy of trying to solve human problems with an interdisciplinary problem-based approach to science and technology."

Since the December 2006 announcement, SRI researchers have been working in Burruss Hall on the JMU campus. Groundbreaking for the SRI facility was held in December 2007; the building will be completed by July 2009.

SRI's partnership with JMU will be ongoing. Currently, several faculty members are working on research projects with SRI. SRI plans to hire JMU graduates. This relationship has been mutually beneficial for both SRI and JMU.

In addition to the research and employment opportunities, SRI and JMU have partnered on several biosciences grant applications. These STEM (science, technology, engineering, math) grants would provide funds for workforce development in high-tech arenas.

Timing Is Everything

Dr. Noftsinger thinks a number of different elements came together at the right time to ensure the SRI project would succeed. He says, "You work your whole life to see things come together. Fifteen years ago, community leaders created the Shenandoah Valley Partnership, and JMU agreed to host it. SVP and Robin Sullenberger were instrumental in the realization of the SRI project. Events came together in an unusual moment."

A number of different entities worked together in a very collaborative, regional approach to persuade SRI to locate in this community. Rockingham County was completing its research and technology park on the north side of Harrisonburg. JMU was immersed in similar types of technology-based research. Harrisonburg was encouraging technology-based companies to locate in the downtown area. Shenandoah Valley Partnership was working diligently to showcase the region as an excellent location for high-tech companies.

Community Amenities

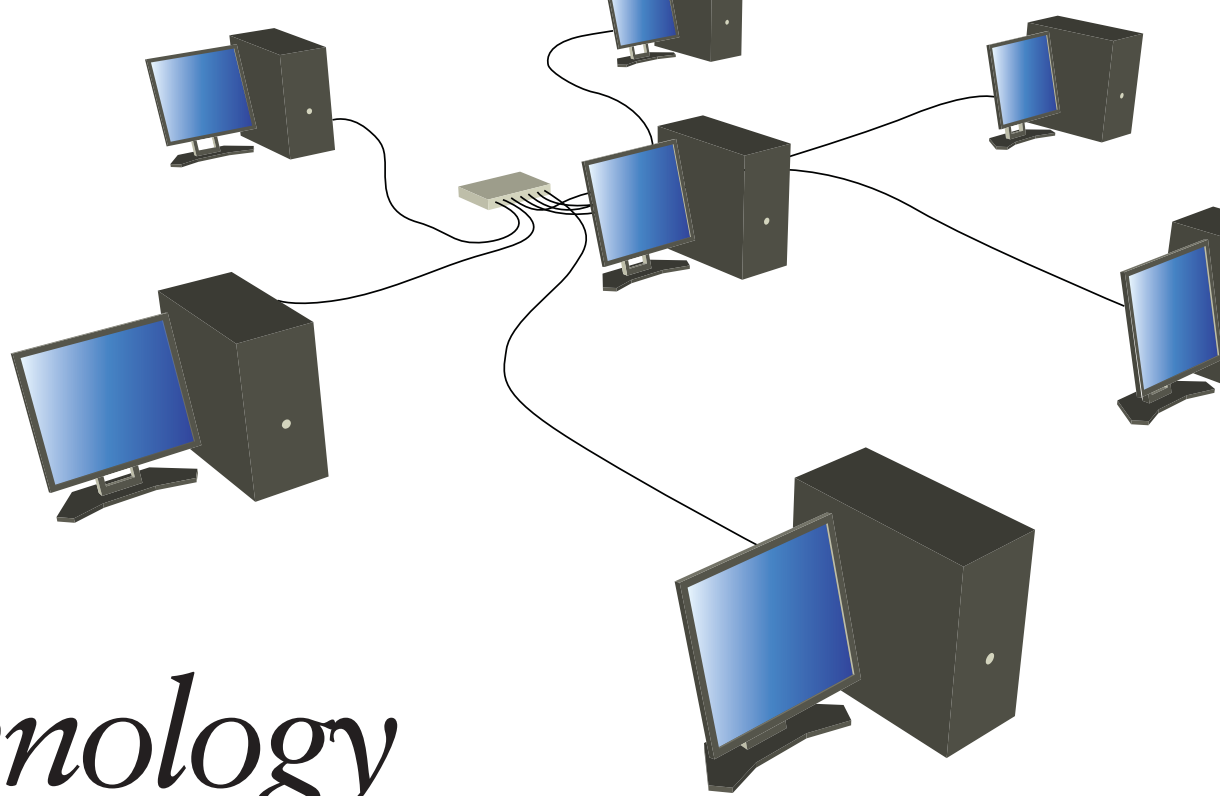
Perhaps jokingly, SRI wanted to know how many Starbucks were located in the community, Dr. Noftsinger says. "I told them there was one Starbucks, but more were slated to open within the next year."

He thinks that other "quality-of-life" features helped to sell the area, such as cultural amenities, outdoor activities, parks and quality of school systems.

"SRI will help to transform our region," he says, adding, "SRI will enhance the diversity of our community by bringing in new employees, new ideas and new approaches to research."

Dr. Noftsinger sums it up by saying, "Convincing SRI to locate in this area has been one of the highlights of my career. Sometimes we get so busy that we don't take time to celebrate. This is definitely a time to celebrate. For all the partners who worked so hard for so long, I think for many of us SRI has been the most important thing we did together in our careers."

by Patricia L. May



Technology Hub of the Future?

Shenandoah Valley

Jim Barnes, assistant economic director for technology development for the city of Harrisonburg, is diligently working to position the region as an attractive location for high-tech companies. He illustrates some of the changes occurring in Harrisonburg as a model of change that could occur throughout the Shenandoah Valley.



Jim Barnes

Mr. Barnes helped establish the Technology Advisory Council, which includes representatives from SI, SVP, SRI, JMU, SVTC, VEDP, Bridge-

water College, Nielsen, EMU and the Virginia Secretary of Technology. This council is intended to help facilitate technology growth in the Shenandoah Valley region.

One success story of the council is the number of high-tech firms in

downtown Harrisonburg. The council focuses on a number of strategies to encourage the growth of high-tech industries, including how to help entrepreneurial JMU students and alums. The council also considers ways to connect small spin-off companies with northern Virginia companies. Mr. Barnes says, "A defense contractor needs 30 to 40 partners. We want to help connect local companies with these contractors."

Harrisonburg Technology Zone

Harrisonburg has created a "technology zone" in the downtown

area, which offers tax credits to companies that choose to locate there. He notes that language-learning giant Rosetta Stone is the anchor of high-tech companies in downtown Harrisonburg. In addition to Rosetta Stone, there are 10 high-tech companies downtown. These information and technology companies are clean industries that don't require a great deal of space.

Other services provided by the technology council include an entrepreneurial roundtable that facilitates the flow of

ideas, developing mentorship programs and dispensing advice and leads to interested parties. Monthly programs include topics such as starting a new business, implementing sound financial policies and learning

“Our goal is to make Harrisonburg a model for smart tech in building construction.”

to navigate through federal government regulations, including participating in the GSA schedule. Some individuals have great product ideas with excellent market potential; however, they don't possess the business sense to make the product successful. The technology council provides much-needed technical support to these fledgling companies.

The council recently inaugurated their first-ever internship and career fair at JMU that featured only Shenandoah Valley businesses. Many graduating seniors are not aware of the job opportunities available locally. Eight companies shared their information with 120 interested students during the fair.

Although the technology council currently focuses on Harrisonburg, it plans to work with communities throughout the Shenandoah Valley to encourage and support the growth of high-tech companies. Mr. Barnes says, “We are dealing with the Harrisonburg community from a global perspective.”

Location, Location, Location

Defense contractors today need a facility outside the blast zone or at least 100 to 125 miles beyond Washington, D.C. These companies need to ensure continuity of operations.

In terms of geography and infrastructure, according to Mr. Barnes, “We are it.” He notes that north and south of Washington, D.C., are too

congested and the east is bounded by the Chesapeake Bay. Going straight west into West Virginia isn't a good option because the communications infrastructure doesn't exist there. In fact, he says, Harrisonburg has more unused fiber than any other location in Virginia. Harrisonburg is currently looking at IPV6, new Internet protocol, which makes the area even more attractive in terms of communications infrastructure.

He compares the Harrisonburg/Rockingham community to Austin, Texas, in the early '80s. The president of the University of Texas set out to make UT *the* research university. As a result, numerous computer and microelectric companies relocated to Austin. The university built office space for these spin-off research companies. Michael Dell started one such company.

In Austin, growth occurred in the northwest corridor, which morphed into a high-tech corridor. Mr. Barnes sees the northwest corridor of Harrisonburg/Rockingham County presenting the same sort of opportunity.

The announcement that SRI would locate in the Shenandoah Valley has already generated interest with other companies that want to locate in close proximity to SRI. Other high-tech companies that are currently in the valley or plan to locate here include the Blue Ridge Data Center (formerly Criticon) and SI. Mr. Barnes predicts a boom in construction during the next 15 years. “The northwest part of Harrisonburg is a gold mine, ripe for growth. By managing this growth properly, our entire region will benefit.”

He adds, “There is a tremendous opportunity here. We would like to look at growth and LEED (Leadership in Energy and Environmental Design). Our goal is to make Harrisonburg a model for smart tech in building construction.”

by Patricia L. May

Technology Firms in Downtown Harrisonburg

Blue Key Web Design

Digico

Eren Corporation

eValley

Gravity Group

High Speed Link

Immerge Technologies, Inc.

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Rosetta Stone

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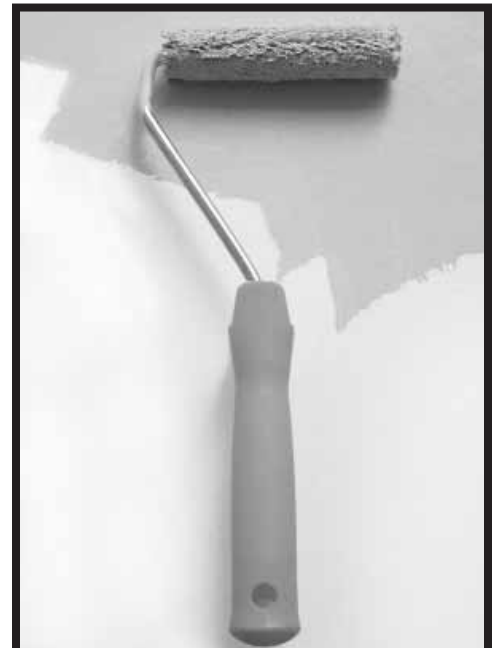
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ROSETTA STONE

Language Learning Joins Hands with Technology

Rosetta Stone leads the way in high-tech companies in the Shenandoah Valley. The language learning company started 17 years ago, when JMU Computer Science Professor John Fairfield and his brother-in-law, Allen Stoltzfus, were discussing the difficulties in learning a new language. Allen, a world traveler, had always picked up languages very easily. When he tried to learn a new language in a classroom situation, however, he had problems.



Mr. Fairfield wondered about language learning from a technological standpoint. He thought there must be a way to incorporate computers into language learning. He knew that CD-ROM technology was on the horizon, and this new technology could provide constant interaction with a user. The two brothers joined forces and created the prototype software in the early '90s.



Pamela Mulder

"When we first learn language, it's a natural process. We deduced meaning as we learned new words. We intuitively learn that way," she says.

Rosetta Stone has developed a method of teaching that approximates the way we initially learn language. The company uses the voices of native speakers, along with capturing images of everyday objects and people. The appropriate sequencing is determined, i.e., when to introduce vocabulary, sentence structure and grammar to facilitate ease of learning. People learn language the same way, regardless of their native language.

Since languages evolve and change over time, the voicer must live in the target country now or within the past two years.

The quality of the sound is critical to maintaining the integrity of the product. The company flies in the voicers from all over the world or travels to them if necessary. Since languages evolve and change over time, the voicer must live in the target country now or within the past two years. Languages morph over time into many different dialects; the challenge for Rosetta Stone is to choose the modern standard with the appropriate accent.

The founders of the company chose to incorporate technology only if it aided in the learning process. They didn't use new technology just because it was new or interesting. If they needed new technology to improve the learning process, they sought it out.

In fact, as the product was enhanced and improved, Rosetta began to look for speech-recognition software that could be

incorporated into the system. This type of software was not available anywhere; it had to be created. Rosetta's development team in Boulder, Colo., gathered voice samples from all over the world and developed the new speech-recognition software internally.

The speech-recognition software was necessary in the creation of this new generation of software, which includes a unique characteristic — the learner must produce new language. This is the only language-learning product with that feature. Learners deduce words and phrases from previous lessons and are asked to create new language.

Individuals Clamor for Product

Shortly after the company was started, Ms. Mulder says the company focused first on the education market, and then broadened its reach into the government market. The software became popular with these groups very quickly. About five years ago, individuals expressed interest in Rosetta's highly regarded software, so the company began to market to individuals, as well as continuing its marketing to businesses.

When asked why individuals wanted to learn a new language, she explains that there are several reasons. "Some people simply love learning and want to improve themselves, while others seek to learn the language of their ancestors," she says.

There is also the phenomenon of inter-language marriages. Every year, marriages between different cultures increase in number. Spouses want to learn the language and culture of their partners so they can communicate with extended family, as well as pass on the language to their children.

Growth and Expansion

This private company has enjoyed double-digit growth during the past several years. In 2004, all 206 employees worked in downtown Harrisonburg. Today, there are more than 900 employees who are stationed in offices around the globe, including London and Tokyo.

Rosetta Stone advertises in virtually all the airline magazines, as well as the *Atlantic Monthly*. Several retailers, including Amazon, Border, and Barnes & Noble, carry the Rosetta Stone software. The company has a huge online presence and sells and ships to countries around the globe.

In fact, says Ms. Mulder, the brand recognition of Rosetta Stone outpaces that of former language-learning leader Berlitz. As few as four years ago, brand awareness was in the single digits; today, it has increased dramatically.



Nielsen employee Larry Hensley studies Spanish.

This private company has enjoyed double-digit growth during the past several years.

Ms. Mulder says the heart and roots of the company are here in the Shenandoah Valley. "This is where it all started. Our research and development team is here." In fact, all production is done here in Harrisonburg. She adds that managing the company is becoming more challenging as it is spread around the globe.



Tom Adams

Company culture is extremely important to senior management. Focus is on creating and maintaining a culture and company values that all employees may embrace. "We strive to maintain a company culture similar to that of a great learning environment," says Tom Adams, chief executive officer of Rosetta Stone. "One that is open — never intimidating — and encourages people to feel comfortable speaking out and sharing new ideas. We work together in an open and collaborative environment, consistently looking for ways to innovate. Our culture is further nurtured by a set of values authored by employees that help us best serve our customers, our shareholders and each other."

Plans for the future include a focus on research and new product development. Rosetta Stone plans to stay focused on goals and move ahead, while still remembering and treasuring the past. The story of Rosetta Stone and its founders is a remarkable story of entrepreneurial success and may provide a blueprint for countless others with innovative ideas, a strong work ethic and unwavering perseverance.

(Nielsen recently offered its employees the opportunity to use Rosetta Stone software to learn Spanish. There was an overwhelming response. Twenty-five employees are currently engaged in online learning; there are several more employees on the waiting list.)

by Patricia L. May

Reason for Success

Ms. Mulder outlined several reasons for the success of Rosetta Stone. "With this program, students learn on their own schedules. The program is much less expensive than traditional language-learning programs. In fact, Rosetta Stone is designed to include the shortest possible time in which to learn language and structure. It is designed to give learners a framework; the students then go out and use the language, learning more and more vocabulary as they become more immersed in the language."

This interactive software teaches four key language skills — listening, reading, writing and speaking. Currently, Rosetta offers 31 languages and is in the midst of launching a new language — Gaelic.

Shenandoah Valley Roots

Ms. Mulder notes that Rosetta Stone is working now to reconnect to the local community. She says with the growth and expansion of the company, it was difficult to slow down enough to become engaged in the community. In addition to constant hiring and training of new employees, the company has just released its newest software version and opened up international operations.

Hiring has included local people, as well as people from all over the country. JMU has been a huge feeder for the company. She notes that Rosetta is growing at a faster rate than the local employment pool can support.





ROSETTA STONE OVERVIEW

As the residents of the United States continue to change from predominately English-speaking to non-English speaking, the need for a program that will teach other world languages is in high demand. A quick, easy and effective tool for immersing into another culture and language is exactly what Rosetta Stone offers.

Named by *Inc.* magazine as one of the 500 fastest-growing companies in the United States and one of the fastest-growing companies in Virginia, Rosetta Stone is the leading provider of language-learning software. A revolutionary program with more than 30 teachable languages in more than 150 countries has made Rosetta Stone Software the key to language-learning success and acclaimed for its speed, power and effectiveness.

Based out of Harrisonburg, Va., Rosetta Stone was founded by the life experiences shared by three brothers: Allen Stoltzfus; his brother, Eugene Stoltzfus; and his brother-in-law, John Fairfield. As an adult, Allen tried to begin learning Russian but immediately became frustrated by the traditional learning methods. Recalling a trip to Germany in college, he remembered how familiar he became with the German language after being immersed into it.

His international travels and education sparked the idea for the Rosetta Stone Dynamic Immersion method. Wanting to create a technological, self-learning system, he called up his brother-in-law, a computer science PhD, John Fairfield. Together, they formed Fairfield Language Technologies, employing their family members to start the business. Soon, Allen's brother, Eugene Stoltzfus, left his architectural firm in Washington, D.C., to become the company's president and chairman of the Board.

When CD-ROM technology became available in 1992, they began the Rosetta Stone software program for learning a new language, incorporating everyday words and experiences into pictures and phrases for users to learn creatively and successfully. In 2002, as the company was receiving national recognition by its customers, NASA and the U.S. State Department, Allen passed away. The search for a new leader began. Swedish national Tom Adams was named CEO in 2003.

The company was sold to ABS Capital Partners and Northwest Equity Partners in 2006 and renamed "Rosetta Stone." **Rosetta Stone** refers to the stone containing two languages, Egyptian and Greek, and three scripts, hieroglyphic, demotic and Greek. Carved in 196 B.C., the Rosetta Stone was written by Egyptian priests listing the things that the pharaoh had done for them and the people of Egypt. After being found by French soldiers in the Egyptian village Rosetta, it was deciphered, revealing secrets of the Egyptian hieroglyphics.

Built on two core principles, Rosetta Stone believes the natural way people learn languages as children is one of the most successful methods to learning a new language, and interactive CD-ROM and online technology recreate their immersion method universally and powerfully.

Rosetta Stone is the number-one language-learning program used by millions learning languages daily, including individuals, educators, businesses and the government. It has even been used to teach Olympic swimmers Michael Phelps, Ian Crocker and Katie Hoff the Chinese language for the upcoming August 2008 Summer Olympics in Beijing, China.

Rosetta Stone helps develop language proficiently and naturally through the connection of words, grammar and images. With beautiful images, photography and its technological dynamics of connecting language with real-life situations and contexts, Rosetta Stone will develop key language skills, speaking, reading and writing, listening comprehension and pronunciation.

Its interactive solution to learning a language is sequenced for each personal user so that learners are able to develop a natural niche for the language. With various levels of software, Rosetta Stone is available online and through CD-ROM. Prices typically range from \$100 to \$500. Information can be obtained through www.rosettastone.com.

Because of the diverse society we live in, learning other languages has become vital for communication, making new friends, international traveling or getting a job. Rosetta Stone makes this possible through its outstanding technology that makes learning a new language fun and simple. It connects people to cultures and languages and forms new relationships, one person at a time, through the implementation of its immersion method.

Rosetta Stone is driven by making learning a language anything but repetitive memorization and drills. Through patterns of vocabulary, reading words and sentences, listening to other native speakers and then practicing them, the Rosetta Stone immerses the learner into a complete visual and audio way of learning a new language, as if they are learning to communicate for the first time.

by Katie Gast, Bridgewater College

(Nielsen has worked with Rosetta Stone for several years, upgrading and modernizing the facility, which is located in downtown Harrisonburg.)

Shenandoah Valley Partnership

An Interview with Chief Executive Officer Robin Sullenberger
and Board Chair Neal Menefee

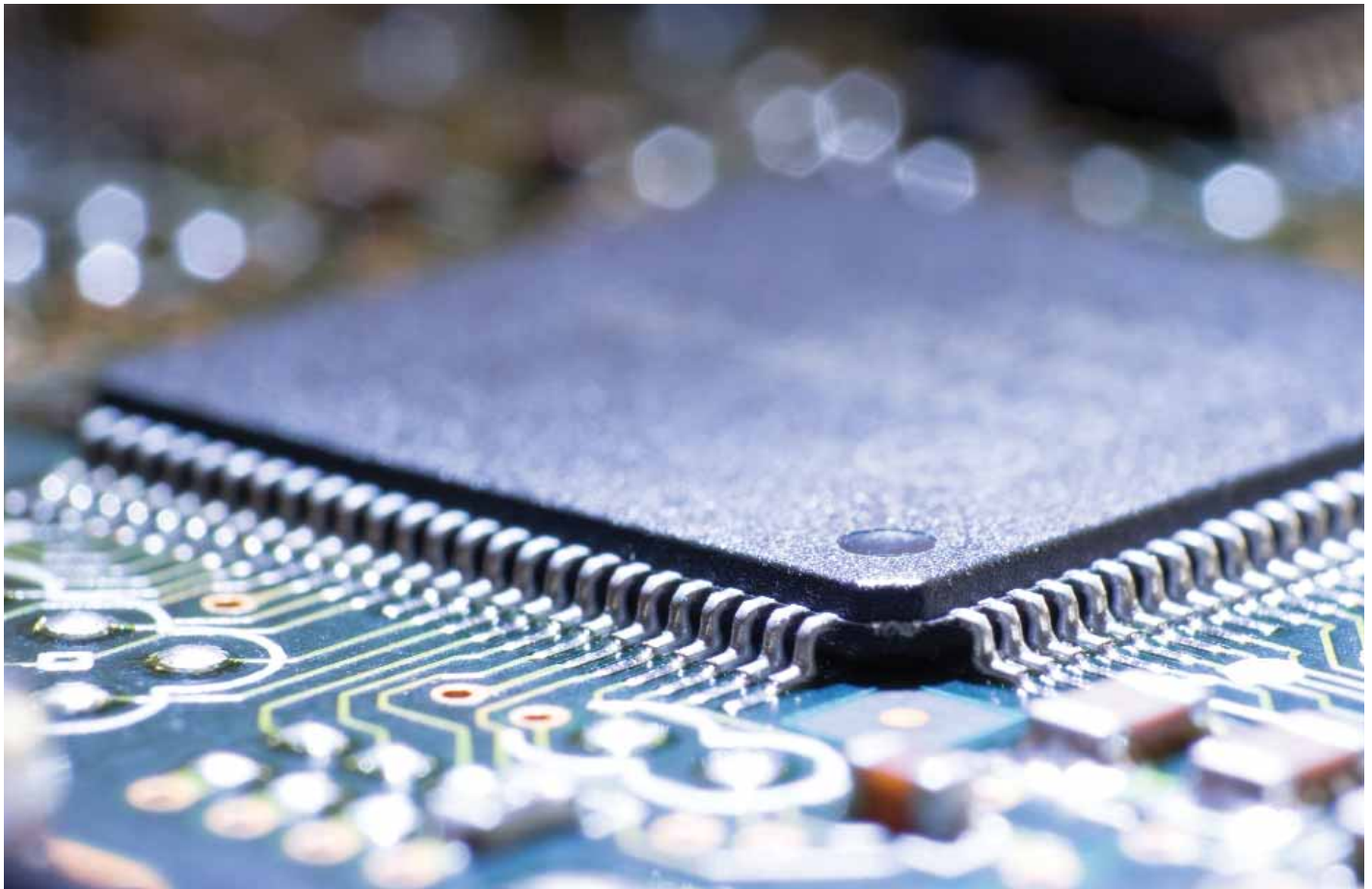


Robin Sullenberger



Neal Menefee





The Shenandoah Valley is slowly becoming a destination location for high-technology companies. There are a number of reasons why this area is attractive for cutting-edge companies, including:

- Proximity to Washington, D.C.
- Arrival of SRI
- Growth and prominence of JMU
- Quality of post-secondary programs at local colleges
- Proximity to UVA and Virginia Tech
- Willingness to become more prepared, to prepare workforce and to build the infrastructure conducive to a tech-oriented business

Inside Nielsen recently talked to Shenandoah Valley Partnership Chief Executive Officer Robin Sullenberger and Board Chair Neal Menefee to learn more about why this region appeals to high-technology companies.

Inside Nielsen: Why do you think the Valley is becoming a destination location?

Neal Menefee: Our existing employers are a catalyst in growth and expansion, e.g., Coors, Merck and Donnelley. Rockingham County recently opened its new research and technology park. We have created a good climate for business, along with a contemporary tech infrastructure and strong educational opportunities.

We have a vibrant and attractive environment here, and that attracts attention from prospective new businesses.

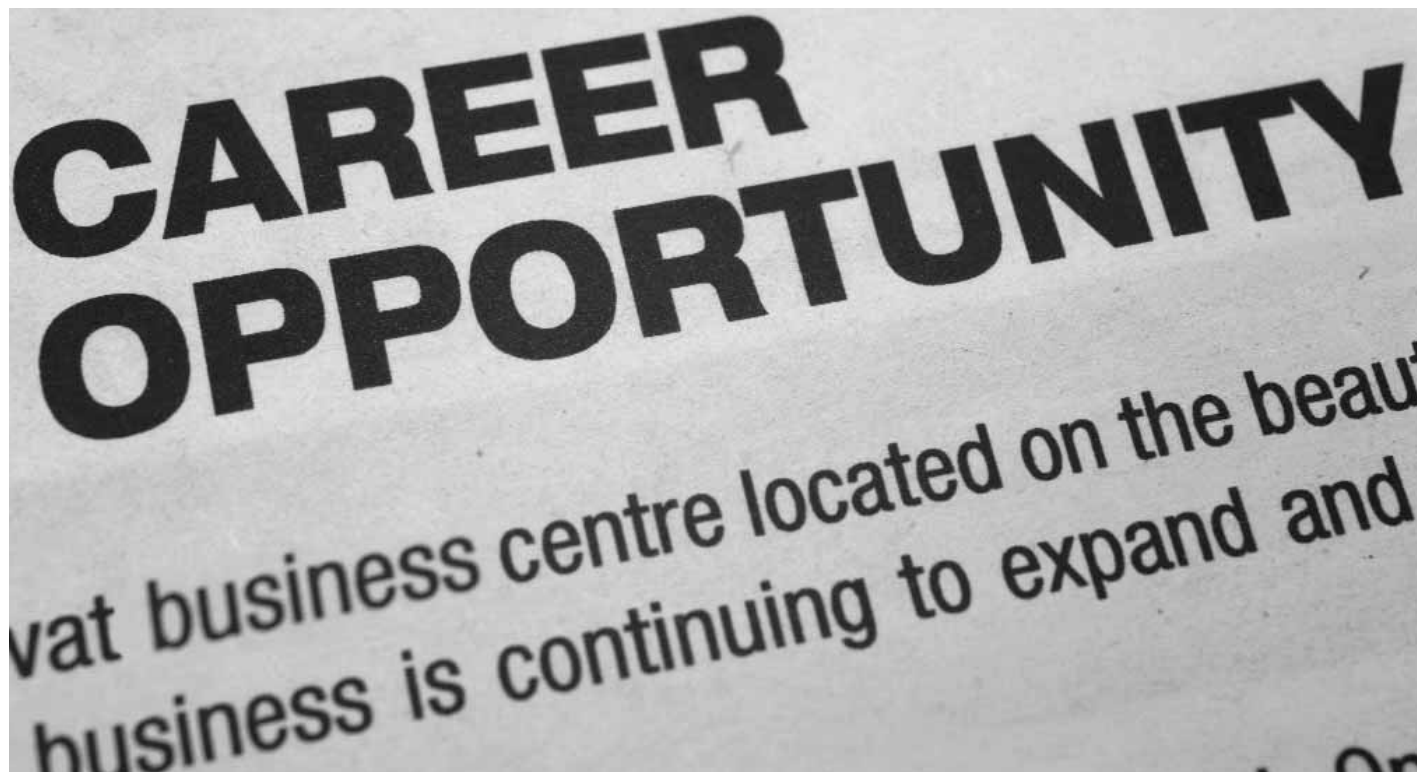
This is a good area for technology, not simply for new businesses, but for existing businesses as well. In fact, 75 to 80 percent of growth in our community comes from existing business. This growth is driven by both new technology investment and expenditures for replacement of existing technology.

As we ramp up the investment in technology, it presents many opportunities and challenges to our area.

We have been blessed with low unemployment in this area. This can result in improvement in the quality and level of jobs, but that means we must reinvest in the existing workforce in order for that to happen. For growth to occur along with low unemployment, we are constantly challenged to look for ways to keep the best and brightest workers in our region.

Robin Sullenberger: We have a wonderful combination of education and trainability. This is born of a strong work ethic and self-sufficiency. I believe our economy is strong because of diversity.

We've had affluency compared to other parts of the state. Other regions of the state admire our ability to prosper without reliance on outside assistance.



There are nine colleges and universities in this region, which gives us an excellent education base. All schools have shown an interest in high technology, as it affects economic development.

We have broadband and electric available. Many data centers can't find suitable locations due to their need for an abundance of electricity. This area can generally fulfill those power needs.

Inside Nielsen: What are some of the challenges that face our region?

Menefee: In terms of economic development, we have to ask ourselves the question: Where are we going to get workers? We're growing them here; we're creating a new workforce each year with a large number of college graduates. However, too many of them leave the area because they do not see good opportunities available here.

I feel that we are on the brink of something exciting, but it will not just happen on its own. We need to work hard to challenge the current perspective when it comes to business development and education policies. We need to work together and take advantage of the opportunities we are afforded. If we do so, I feel we could have an interesting and bright future.

That is why I am reminded of the old adage: "There is no greater responsibility than good opportunities."

Sullenberger: One challenge is managing resources well. We'll continue to get opportunities. Are we well-prepared and organized enough to take advantage of these opportunities?

For instance, do we let our diverse student body grow into an advantage or become a drag on the community? We need to change some perspectives. We need resources to turn this opportunity into something we can use to promote the area.

An additional challenge we have is that the name "Shenandoah" is not typically thought to connote business. Rather, it brings to mind the local natural beauty of the area. We need to transition into a more harmonious relationship between business development and maintaining quality of life.

Employers now rank availability of workers as their number-one priority. Our goal is to keep people here by increasing job availability without losing our rural character.

Inside Nielsen: How can we meet these challenges?

Menefee: We shouldn't take our economic future for granted; rather, we

should continue to work to keep it attractive. We need to be careful about becoming too complacent due to our long history of success.

We need to embrace change in both our business and education communities. I believe we need to invest more time and effort in our broad-based ability to use technology ... both hardware and software. We must better prepare and train workers to be knowledge-based.

We need to continue to stay abreast of issues and opportunities associated with the world economy, which clearly has a growing impact upon us.

One key to success is to retain the best students. We need to change the attitude in our local institutions. One challenge with educators is that sometimes they believe grads must leave the area in order to find opportunities and make a difference. With their global perspective, they want to graduate the students and then send them off to a distant location to conquer the world. In order to protect our economy, we need to be sending a message to our educational institutions that a significant number of their graduates can stay right here in our community, enjoy a fulfilling, challenging career and have real impact.

We are blessed to work with SRI and the Transitions workforce development project. This is a once-in-a-lifetime opportunity that we need to take advantage of. We need to protect the economic future of the Shenandoah Valley. I challenge our area to be more imaginative and innovative — to seize the opportunity.

Sullenberger: We need to help the top leadership in business, education and government to plan better for the future by providing them with better information.

Local governments have competing interest for resources. We need visionary people in leadership roles, and I see that happening more and more.

One issue we face is the possibility of losing the heritage of the valley. We have a strong tradition of agriculture here. We want to do more to support modern agriculture through such means as integration of more clean energy technology.

Actually, a technology-driven economy is more compatible with agriculture. It can be nurtured simultaneously along with agriculture. We don't want to give up on agriculture.

Inside Nielsen: How do you see the area changing?

Menefee: We know we need to transition from a strictly agriculturally based economy to a more diverse economy. We need the ability to project what the future might look like and then work to create it. We need to be attractive not only to folks already here but also to those we want to come here. We need to work on regional collaboration that includes alignment with established priorities.

Perhaps most importantly, we need to be a player from a technology-driven perspective. There is no doubt that technology is driving the world economy and vice versa.

This is a good community now. It can be an even better place in the future, but I think that sometimes there is a tendency toward complacency here. This is a good place to live and work, and we take it for granted.

Our world is changing; we need to be prepared. We face many challenges and threats as we move to a world economy.

We are affected by world economics. I believe the impact of technology has been and will continue to be a driver of dramatic change in our world economy.

Sullenberger: Coors is moving into high-technology manufacturing. Although we are seeing an influx of new high-technology companies into our community, we aren't abandoning manufacturing; rather, we are enhancing it. There has been a lot of capital investment and not a huge increase in jobs. Industries are becoming more efficient and stronger through the use of technology.

Inside Nielsen: What impact will SRI have on the area?

Menefee: The Transitions (workforce development) project is well structured. SRI is good at processes, procedures and plans. We need to be careful that Transitions isn't seen as a panacea. The region has to decide to implement the recommendations that SRI has brought forward.

With SRI coming to our area, technology-based firms are taking note of this region; we're on their radar screen. We anticipate the development of several spin-off companies after SRI becomes operational, and we need to be preparing for that.

SRI is a test case. The competition for high-technology companies is intense. If we're not ready to prepare for the future, there are plenty of other localities that will quickly step in to replace us.

SRI has presented a wonderful opportunity for us to impress companies that will be making decisions on where to invest and locate new facilities. We can showcase what we do. We have a cooperative spirit; we can show our progress. We know how to get the right people together and react quickly.

With SRI coming in, we may see a potential boomerang effect — that is — people who went to school here and



left or who grew up here and left who may want to come back, just like I did. If the opportunity is here, many would come back. We need good people who want to live and work here.

Inside Nielsen: How will Transitions help with workforce development?

Sullenberger: The community colleges are a critical component. They are a key player from the education side. Community colleges can offer technical-type training for future jobs that will require more technical skills.

Menefee: In our area, from the K-12 school system, 40 percent plan to go right into the workforce. The statewide number is 12 percent. The key message we need to get out to those students is that a four-year college degree is not necessarily needed, but something beyond high school is. In fact, many types of good alternate education programs are available that may be more appropriate for today's job opportunities.

From an education standpoint, only one-quarter of today's jobs require a traditional college education. One big issue is that parents don't understand career paths. Within the year, hopefully, career coaches will be in all high schools in our areas. These coaches are different from traditional guidance counselors. The coaches will help guide students on the appropriate path from education to gainful employment.

Inside Nielsen: Is there anything you'd like to add?

Sullenberger: A few years ago, the Shenandoah Valley Partnership commissioned a study. Everything reported in that study has come to pass. This includes the growth of JMU and the emergence of new approaches to homeland security relative to Washington, D.C.

This CHABIN report listed the advantages of the Shenandoah Valley, giving us a new perspective. They saw the opportunities for technology-based companies such as SRI to come to the valley.

When the Shenandoah Valley Partnership focused on these new ideas and became more aware of its own potential, it created energy. In fact, things we thought we couldn't do, we did.

One missing component that is critical to future success, especially as we see spin-offs and entrepreneurial ventures, is access to capital. We are exploring a variety of ways to do this, including angel investors, venture capitalists and strengthening relationships with traditional banking organizations.

Menefee: Technology-oriented employees look for certain things in a community to show it is diverse and sophisticated. Is the library comprehensive? Are the arts alive? Is there live theater available? In fact, one location expert told me that an indicator of culture that he's used in communities across the country is whether

there is a used bookstore in the community because it demonstrated a level of community sophistication.

Is there a children's museum in the area? Assets like the Harrisonburg Children's Museum have a much greater impact than people realize. These cultural amenities are important features of a thriving, attractive community and are important to prospective new companies. It is an expectation by them that in a university community all of those things will be available.

We haven't talked about transportation, but it is critically important to the valley and a growing challenge as you look at I-81.

If we create or encourage more technology-based development, it will help provide economic growth that is less dependent on transportation. I do, however, predict that food processing and distribution will continue to do well, since this area is so convenient to a large majority of the nation's population.

All things considered, there is no reason we should not look forward to even more of a thriving, diverse economy in the years ahead.

(Neal Menefee is president of Rockingham Group, a property and casualty insurance company headquartered in Harrisonburg, Va.)

by Patricia L. May

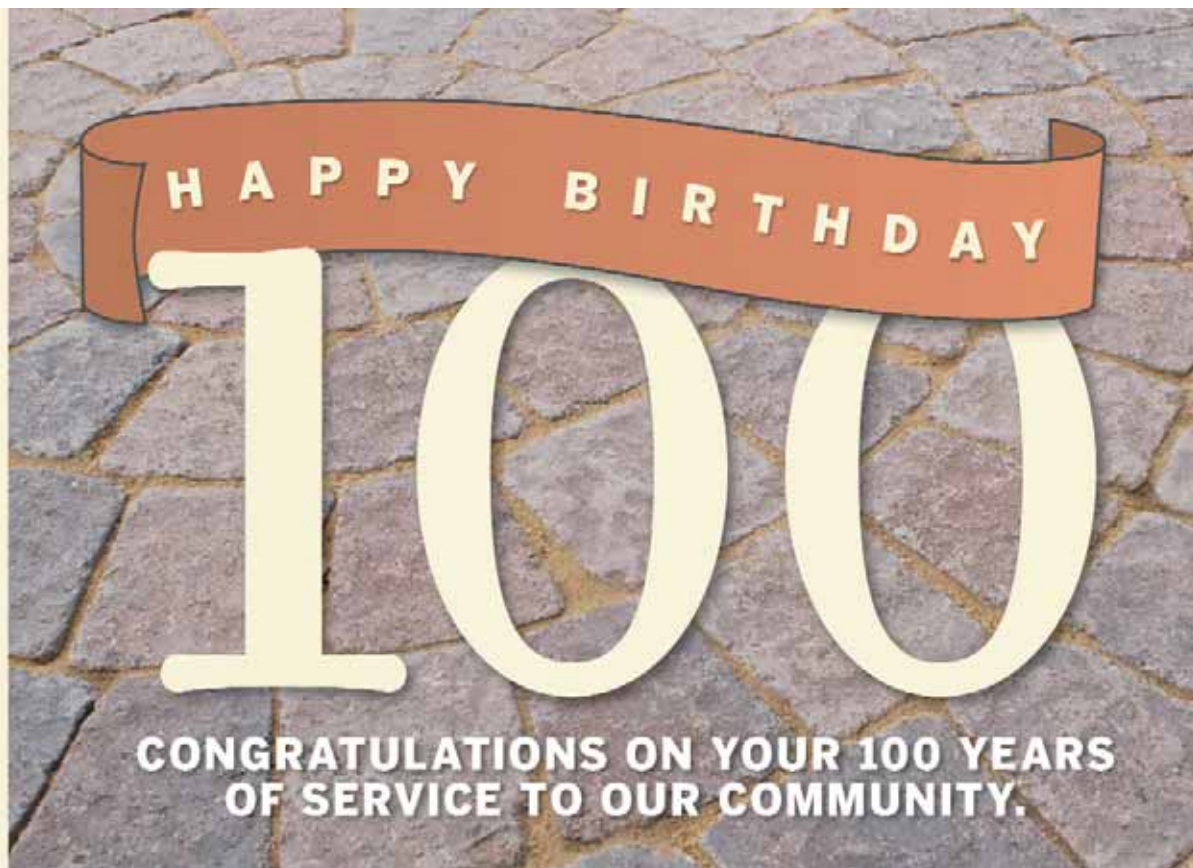
SHENANDOAH VALLEY PARTNERSHIP



The Shenandoah Valley Partnership (SVP) is a public/private partnership providing marketing and business assistance for the Shenandoah Valley region. Through regional cooperation, the SVP brings together business, government and education leaders to promote new investment, strengthen existing business and guide labor force development to ensure a healthy economic future for the region. Nielsen Builders, Inc., is a charter member of the SVP.

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Nielsen Celebrates 100 Years of Construction Excellence





Joseph Nielsen started J. Nielsen and Company in 1908, which means this year, 2008, is Nielsen's 100th year in business. With that in mind, the Nielsen centennial committee

has planned several special activities throughout the year to showcase and celebrate this milestone anniversary:

- A special 100-year anniversary logo, which is pictured above, has been developed and will be used throughout the year.
- All employees will receive several different items that feature the centennial logo:
 - ❖ Centennial shirts
 - ❖ Centennial hats
 - ❖ Centennial hard hat stickers
 - ❖ Centennial static stickers
- Special luncheons are being held at all job sites.
- Nielsen is holding a centennial history trivia contest during 2008. Each month, two history trivia questions are included

in employee paychecks. Prizes are awarded to the winning employee each month.

- A special golf tournament is scheduled for May 2008 to help celebrate the centennial.
- The 100-year anniversary picnic will be held on Friday, Aug. 1, 2008, at Grand Caverns. This picnic will have numerous new activities and events in honor of the centennial.

Nielsen employees can take great pride in the fact that Nielsen has been in business for 100 years. Nielsen has grown and expanded during the years, so that, today, it is a well-respected business in the community, with dedicated, hard-working employees with countless years of expertise and experience in the construction industry. From a small, one-man shop in 1908, Nielsen has grown to a company employing 230 people and doing millions of dollars of business in a variety of construction projects.

Nielsen — "Celebrating 100 Years of Construction Excellence"

Tilt-Up Concrete Association and the Virginia Contractors Group Award Safety Recognition to Nielsen

Nielsen Builders, Inc., recently received two safety recognitions. The Tilt-Up Concrete Association presented the Safety Certificate of Recognition to Nielsen, and the Virginia Contractors Group Self Insurance Association (VACO) named Nielsen a Gold Award Winner for an outstanding safety program in the general contractors category.

Tilt-up construction is efficient and cost-effective. Panels are cast as near to their final position as possible. Wall panels are cast on a horizontal base, cured, tilted into a vertical position and moved into place with a mobile crane. Nielsen recently finished several tilt-up projects in the Shenandoah Valley, including the Railside Enterprises facility in Weyers Cave.

The **Tilt-Up Concrete Association** was founded in 1986 by a dedicated group of contractors, professionals and manufacturers with the interest of improving the quality and acceptance of tilt-up construction. The mission of the Tilt-Up Concrete Association is to expand and improve the use of tilt-up as the preferred construction method by providing education and resources that enhance quality and performance. With 450 members today, the Tilt-Up Concrete Association works with companies around the globe.

VACO provides workers' compensation and employers' liability coverage to its contractor members. This non-profit group pays any surplus and investment income to its members and is not affiliated with any contractor association to which it must pay an override percentage.

Inside Nielsen Magazine Named Gold Summit Award Winner by Blue Ridge Chapter, Public Relations Society of America

Nielsen's biannual magazine, *Inside Nielsen*, was recognized as a Gold Summit Award Winner in the magazine category at the Blue Ridge Chapter of the Public Relations Society of America's awards banquet on November 2, 2007, in Roanoke. The PRSA Blue Ridge Chapter's Summit Awards banquet is held each year to recognize and celebrate outstanding work in the field of public relations from the central and southwestern regions of Virginia.

In the magazine category, the judges look for publications designed to provide in-depth information about an organization or topic on a

regular basis. Consecutive issues of the magazine are submitted for consideration. *Inside Nielsen* was first published in spring 2006 in an effort to help inform customers, employees, and local leaders about Nielsen's ongoing projects and accomplishments.

The Blue Ridge Chapter of the PRSA is a professional association serving central and southwest Virginia public relations practitioners. Since 1992, the chapter has strived to bring professionals together to enhance the practice, provide an exchange of experiences and ideals and promote professional development.



Nielsen Hosts Soles 4 Souls



Nielsen employee Marie Rippel with donated shoes



Nielsen held a "Soles 4 Souls" shoe drive during the month of February. Through this shoe drive, which was open to employees and the community, numerous people generously donated new and used shoes to needy people around the world. Close to 400 pairs of shoes were donated during the drive.

Based out of Nashville, Tenn., Soles 4 Souls is a recognized charity formed by Wayne Elsey in late 2006. With the simple mission statement, "To impact as many lives as possible with the gift of shoes," Soles 4 Souls aids in the distribution of new and used footwear across the globe. Originally operating as katrinashoes.org, their organized relief efforts for

the Asian Tsunami and hurricanes Katrina and Rita brought more than 900,000 donated shoes to those affected by these disasters. Since then, they have become formally recognized, sharing shoes with those in need in more than 40 countries and on five continents.

Churches, schools, footwear companies, non-profit groups and individuals can help make a difference by donating new and used shoes, checks or money to Soles 4 Souls. It is small way for one to give back something that is taken for granted every day. For more information about this cause, please visit www.soles4souls.org and make a positive change.

Nielsen employees **Marie Rippel** and **Kim Sheffer** spearheaded this successful outreach effort.

Hires and Promotions

Jeff Deavers Promoted to Director of Estimating



Jeff Deavers has been promoted to the position of director of estimating, reporting to the chief development officer. This promotion expands the duties and responsibilities that Mr. Deavers was performing as senior estimator. Mr. Deavers' responsibilities include supervising the solicitation of subcontractors and suppliers for the budget and bid proposals on the projects, preparing takeoff and estimates for self-performed

work, and evaluating project estimates during and after completion of all phases of the project. Mr. Deavers, a graduate of Bridgewater College, has been with Nielsen for four years. He has 16 years of construction experience. The Deavers family lives in Broadway, Va.

Nielsen Welcomes Jeffrey Farmer



Nielsen is pleased to welcome **Jeffrey Farmer** as project engineer. He will be working with Andy Yowell on the VMI Third Barracks project. Mr. Farmer recently returned from Iraq, where he managed a number of different construction projects. He graduated from James Madison University with a B.S. in kinesiology. He also earned a master's of education from the

University of Virginia. Mr. Farmer, his wife and three daughters live in Hot Springs, Va.

Beverly London Joins Nielsen



Nielsen is pleased to announce the hire of **Beverly London**, who joined its team Feb. 18 as a senior estimator. Ms. London has 31 years of experience in commercial and institutional construction. She has held a variety of positions during the years, including manager, project estimator and, most recently, director of estimating services for The Hine Group. She

attended Churchman Business College in Easton, Pa., earning an associate's degree in business management and accounting. She and her family live in New Market.

Gary McBride Named VP of AGC Virginia



Gary McBride was recently named first vice president for the Associated General Contractors of Virginia Valley District. He will serve a one-year term. The Associated General Contractors of Virginia is a statewide construction trade association serving more than 820 members of Virginia's construction industry. The association's members

construct the majority of the commercial, building, industrial, institutional and utility projects in the commonwealth.

Pam Rosen Promoted to Controller



Pam Rosen has been promoted to the position of controller, reporting to the chief financial officer. This promotion expands the duties and responsibilities that Ms. Rosen was performing as accounting supervisor. Ms. Rosen's responsibilities include supervising the accounting of all material and subcontractor invoices, disbursing payments

to vendors, processing client and subcontractor change orders, and preparing monthly billings for clients. A graduate of James Madison University with a bachelor's degree in business administration, Ms. Rosen has been with Nielsen for 11 years. She worked for R.E. Lee for two years prior to coming to Nielsen. She and her family live in Stuarts Draft, Va.

Nielsen Welcomes Rebecca Taylor



Nielsen is pleased to welcome **Rebecca Taylor** as project engineer for the JMU Performing Arts Center. Ms. Taylor most recently worked for Mather Architects as a project manager. Prior to that, she worked for Blackwell Engineering as a civil designer. She earned her A.A.S. in mechanical design from Blue Ridge Community College.

She also studied drafting at Valley Vocational Technical Center. The Taylor family lives in Broadway.

Amy Wooddell Promoted to Project Engineer



Nielsen is pleased to announce the promotion of **Amy Wooddell** to project engineer for the VMI New Barracks Construction. Ms. Wooddell has 13 years of construction experience, including eight years with Nielsen as project coordinator. Prior to that, she worked for Gilbane Construction Management Group as a senior contract documentation manager. She also

spent one year with LA Lacy Inc. (mechanical and HVAC contractor). As project engineer, Ms. Wooddell will be responsible for the planning, organizing and coordinating of commercial construction projects. She has completed both the OSHA 10-hour and 30-hour certifications. The Wooddell family lives in Mt. Solon.



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SPOTLIGHT

on Pedro Reyes



Hailing from Oaxaca, Mexico, Pedro Reyes has been in the United States since 1993. He originally moved here to follow his parents and siblings. He worked at a variety of poultry companies until he came to Nielsen Builders five years ago. He started out as a general laborer and moved up to carpenter. “I like to build things, and I like working for Nielsen,” he says. In Mexico, he had worked for a concrete company but never actually for a construction company.

His first project with Nielsen was at Sunnyside Retirement Communities. His next job was at the Kate Collins Middle School in Waynesboro. He moved on to the CISAT Library and is currently helping to complete that project. When asked where his next project would be, Mr. Reyes pointed at Superintendent Roy Spitzer and said, “Wherever that man tells me to go.”

Mr. Reyes could not speak English at all when he first moved to this area. “It was very hard,” he says. “Imagine moving to a new area where you don’t know anyone, you don’t have a job, and you don’t know the culture. It would be like some-

one from here who didn’t speak Spanish moving to Mexico.”

He basically taught himself to speak English with the help of English-speaking friends. He is currently taking an English grammar class two times a week at James Madison University. He has plans to continue his education.

Mr. Reyes’ father is still living in the area, although his mother has moved back to Mexico. He has one sister and one brother living in the area. He also has a 7-year-old daughter, Maya, who lives in Harrisonburg.

He says, “This area is very similar to where I came from in Mexico, with lots of mountains surrounding the town.” He would like to return to Mexico someday, but Mr. Reyes wants to stay in this area while his daughter is growing up. “I would like to continue to advance within the company,” he says. With his bright, optimistic outlook, Mr. Reyes will continue to gain new skills and knowledge and be even more successful in his career with Nielsen.



SPOTLIGHT on Tracey Veney

August 2008 will mark 14 years as a Nielsen employee for Tracey Veney. She currently serves as the information systems manager. Ms. Veney began her career with Nielsen as a receptionist, followed by an accounts payable and billing position. She eventually fell into an information systems career after taking an interest in Nielsen's own technology setup; although her first love was accounting.

She was anxious and excited to begin working in the IS department, "I was in need of a new challenge and the opportunity prevailed itself." She says that working in the information systems department at Nielsen has presented great challenges. Each day, she conquers a different issue that requires problem-solving, whether it is making sure that computers are running up to speed and date, servers are working or just helping everything run smoothly. She loves her job at Nielsen not only because of the tests she is faced with each day, but also because of the continuing opportunity to learn, the company, what it represents and the people she works with.

It is part of the challenge and thrill of the job to perform a different task each day. She gives a synopsis of her day-to-day schedule, saying that this morning she traveled to JMU to correct something at a job site and now is back working in her office. On some days, she travels "over the mountain" to the Charlottesville office

to make sure that they are connected properly. She wants to be sure that the company is constantly running efficiently.

Technology has certainly changed since the beginning of her career at Nielsen. She recalls her earlier days of working as the front office receptionist, with one of the only computers onsite. At that time, she had to type everything for the project managers and daily process items. Now, she says everything has "gone from small to big!" Everyone has their own computer, with computer software appropriate for their job.

Her greatest accomplishment and favorite project at Nielsen has been updating technology. She was able to set up a new server for everyone to be able to access Nielsen data.

Ms. Veney grew up in Grottoes, Va., but moved to Harrisonburg about eight and a half years ago. She is an active and involved member of her church and com-

munity, a supporter for the March of Dimes and coordinator for the survivor reception of the American Cancer Society Relay for Life. She enjoys spending time with her family and friends. In her spare time, she is a Mary Kay representative.

Even though she stays busy with work and all of her activities, she still finds time to take classes at Blue Ridge Community College. She says she is always looking to increase her knowledge by taking more information systems classes. She already earned two associate's degrees from Blue Ridge in accounting and information systems while working as a cashier at the Super Dollar Store and an office assistant at the Waynesboro Chamber of Commerce.

She loves her job at Nielsen because of its excellent reputation and the good relations she has created through the company.

by Katie Gast, Bridgewater College

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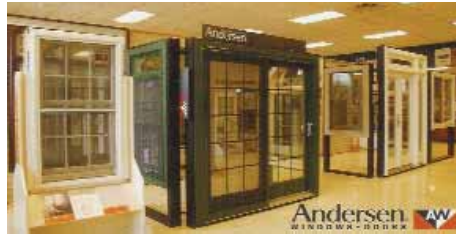
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