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Raymond Company in the Chips Thanks to Maine MEP

RAYMOND – Officials at CHIPCO International of Raymond recently decided to lay the company’s cards on the table and aggressively seek to expand its share of the international gaming industry by producing a better poker chip.

Company officials knew they had a good product, plenty of history to support their effort and a global market that was absolutely in need of what they had to sell. However, those officials – led by CHIPCO president John Kendall – were concerned about where to begin.

So Kendall called the Maine Manufacturing Extension Partnership (Maine MEP) and asked for help. It came quickly, professionally and competently. Kendall couldn’t be happier.

“I knew all the pieces were right in front of us,” Kendall said, while pointing out he wasn’t exactly sure what to do with those pieces.

“The project managers at Maine MEP gave us the clarity and focus to put the pieces together,” Kendall said. “Now we see clearly where CHIPCO is going and growing, and what resources it will take for us to get there fast.”

CHIPCO was formerly known as the Burt Company of Portland. In the early 1900s, the company – primarily a manufacturer of billiard balls – invented what has become known as the American-style poker chip.

Business boomed and the company quickly found a leading manufacturer of poker chips for the American and international market. The company still produces about 25 percent of all poker chips used throughout the world.

However, while the gambling industry has expanded during the past 35 years, the need for betting chips has declined. The reason is simple: games that use chips (black jack, roulette, baccarat and poker) require dealers, security and take up valuable space in a casino.

The casinos would rather put that space to better use by bringing in more automated slot machines.

“The situation for CHIPCO is interesting,” said Rod Rodrigue, president of the Maine MEP. “Here is the gambling industry expanding all over the globe, but betting chips are being used less and less.”

Plus the fact CHIPCO’s main competition (the European-based Paul Son Gaming Co.) had cornered 80 percent of the chip market, was cause for alarm for Kendall and the 40 employees at the Raymond manufacturing facility.

The MEP project manager, Patrick Martin, immediately performed a strategic business and technology assessment of the company. This assessment determined that CHIPCO held a strong competitive technology advantage capable of reversing the market share with its main competitor.

At the same time, the assessment provided Kendall with important insights into his operation and the company’s management capabilities that will require extensive training and staff augmentation as the company grows.

“The Maine MEP High Skills Training Program will support CHIPCO’s executive and engineering training efforts during the coming months,” Kendall said, “because we believe CHIPCO can capture 80 percent of the world’s poker chip business within 24 months.”

The reason for that optimism lies in the fact CHIPCO now makes a high-tech poker chip. Almost unbelievably, CHIPCO’s gaming chips now come embedded with a radio frequency identification (RFID) inlay that makes them the most secure chip in the global market.

By using the new chips at newly designed tables, casinos know immediately what amount each player at each table is betting, how much money has been won or lost by each player and, more importantly, the casino can easily determine which players are so-called ‘high rollers.’

“Until now, it was almost impossible to keep track of individual players unless they were playing slot machines,” Kendall said. “With CHIPCO’S Intelligent Chip System, the casinos know which players at the tables deserve special attention and, perhaps, complimentary upgrades of rooms, meals and so forth.”

Company officials are excited about the future and have committed \$200,000 for employee training and recently hired 16 new technicians to keep up with its expanding global opportunity.

“Everyone involved with CHIPCO has the right to be proud of the company’s success,” said Rodrigue. “They have an exciting product, an unbelievable design team that produces some of the most beautiful betting chips in the world and a potential for growth that a few months ago could hardly have seemed possible.

“The application of RFID technology has the potential to positively impact Maine in several ways during the next several months and years,” Rodrigue said.

The Maine MEP is an affiliate of the NIST under the U.S. Department of Commerce. The national MEP is a network of manufacturing extension centers that provide business and technical assistance to smaller manufacturers in all 50 states, the District of Columbia and Puerto Rico. Through MEP, manufacturers have access to more than 2000 manufacturing and business “coaches” whose job is to help firms make changes that lead to greater productivity, increased profits, and enhanced global competitiveness. For more information on the Maine MEP program call 1-800-637-4634.