

Great Grizzly Times

NORTH CENTRAL INDUSTRIES, INC. MARCH 2006 VOLUME 1, ISSUE 7



A Message From The President, Richard B. Shields: Ever Changing Fireworks Business In China

Since my last newsletter I have been to China at least four times. Each time I return I learn more information about changes to the fireworks business from my last visit. The business is evolving in China for several reasons. First, costs in China continue to rise. Secondly, basic item prices are still cheaper than costs paid in importers in the late 80 to early 90's. And thirdly, domestic sales and production is taking away from export producers. Add in the fact that the Chinese government has gotten serious about explosions and factories with poor safety records. Expect costs to rise modestly for the next several years on products such as firecrackers, bottle rockets, snappers and general basic low cost items in our fireworks trade. Domestic sales and production is at an all time high. Multiply this by the tremendous size of China's population and the general improvement in their disposable incomes and you will see while this is an important issue. Domestic products generally sell for more money and profit than products made for export. Payment is quicker and prices are higher to the factories. Not hard to imagine why this is going to affect our market now and for years to come.

The only factors that have kept the prices artificially low are the fact that there is tremendous competition for the export business for the European and U.S. markets. This alone counts the minimal increases for the past few years. To maintain the same quality as we have now come to expect prices will and should increase. Factories specializing in items such as firecrackers will see more dramatic increases since this item sells for a higher price in the domestic market and is time consuming and tedious to manufacture. Factories are more profitable producing the larger 500 grams fountains and mine & shells items. Stands to reason that their focus is to sell and produce these items. I believe shortages will start to be felt this year and coming years even as prices rise for these basic items.

I believe the relationships that we have made in the past 25 years will be the important factor in who will have good supplies and who will not. My search for new products always begins with the long time suppliers that we have used for many years. I will visit a certain number of new potential suppliers each year. Most will not be able to match the quality and pricing that our current suppliers provide. I expect that the Chinese exporters and factories always have the edge in responding to changes the quickest. They are there every week and know what is taking place first hand. Change is inevitable and those prepared for it always fare the best. Such is why we will continue to visit China on a regular basis and to cultivate sound business relationships with our trusted suppliers. To enhance our business in China our Great Grizzly Group now has an office in Guangzhou, China. Mr. Freddie Chen is our representative. His job is to travel with us and to inspect and review all new products coming to market each season. Mr. Chen has extensive experience with fireworks manufacturing in China as he worked more than five years for one of the largest fireworks exporters. This June will mark one year of his tenure with our group. Even with several months left in our first year I would not hesitate to tout the success of having a local person in China dealing with our issues and arranging our trips ect.... Another example of how we needed to change from the old ways to doing business in China. I look forward to giving you my inside view of China in our next newsletter or on line at www.greatgrizzly.com.

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31st Season!

Stacey R. Smith
Office Manager
13th Season!

Lori Y. Crespo
Editor/Drop Shipments
2nd Season!

Nicole E. Werner
Graphic Designer
2nd Season!

LuAnn Teter
Accounts Payable
1st Season!

Jesse Barrerra
National Sales Manager
2nd Season!

Charlie Phipps
Warehouse Manager
21st Season!

Sean Alexander
Warehouse Asst. Manager
9th Season!

Jack Miller
Production Manager
19th Season!

Brenda Said
Production Assistant
10th Season!

Dear Boomer,



(A Table of Contents with a twist!)

With a year as office mgr. under her belt, how's she doing now?

FIND OUT IN STACEY'S ARTICLE ON PAGE 2!

What other tasks has Lori taken on?

FIND OUT IN HER ARTICLE ON PAGE 2!

You missed out on Nicole last year, what is she doing this year?

FIND OUT IN NICOLE'S ARTICLE ON PAGE 3!

Who's answering the phone now?!

MEET LUANN IN HER ARTICLE ON PAGE 3!

In Jack's own words...

HEAR ABOUT OUR PRODUCTION LINES IN HIS ARTICLE ON PAGE 4!

What's New?

FIND OUT ON PAGE 4!

Upcoming Industry Events

Indiana Fireworks Distributors Association (IFDA)

Dues are now being accepted for 2006 membership. If you are interested in becoming a member please contact IFUA/IFDA Executive Director Steve Graves at (800) 535 - 7477.

International Symposium on Fireworks Society

The 9th International Symposium on Fireworks is scheduled to be held April 3rd - 7th in Berlin, Germany. The Symposium will present information from the CHAF research project. For more information, please visit their web site at www.isifireworks.com.

Pyrotechnics Guild International (PGI)

2006 Convention

The 2006 Pyrotechnics Guild International, Inc. annual convention will be held from August 5th - 11th at Wisconsin International Raceway near Appleton, Wisconsin. For more information, please check their web site at www.pgi.org.

National Fireworks Association Trade Exposition

NFA Expo 2006 will once again be held in Fon du Lac, Wisconsin on September 7th - 9th. For more information, please visit their web site at www.nationalfireworks.org.

American Pyrotechnics Association (APA)

2006 Conference

The 58th Annual Meeting & Convention is scheduled to be held in Nashville, TN September 12th - 16th. For more information, contact the APA at (301) 907 - 8181 or www.americanpyro.com.

So many projects, so little time...

By Stacey Smith

As I sit here and reflect back over the last year there have been many changes in my position at North Central. For 11 years my primary job focused on the accounting aspect of NCI. A year later I find myself placing the orders with our brokers (with Richard's guidance), tracking shipments from the time they are shipped until the time they arrive in our warehouse, updating and entering new items into our databases, keeping track of all wholesale orders placed so that they are pulled and shipped in a timely manner, putting together production mixes for Jack so that our inventory of assortments do not run out, and the most important change has been the transition from employee to supervisor of our office staff.

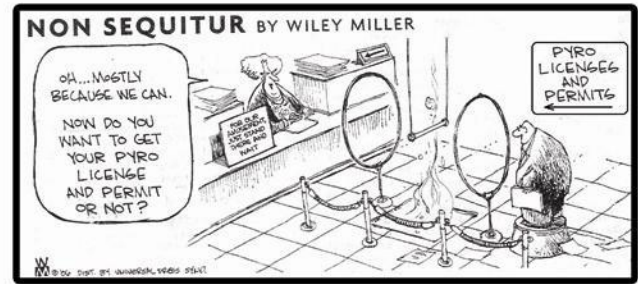
We have been blessed to have found 3 amazing girls to work for us and they make my job so much easier because they are always willing to help out whenever needed. Lori has been my right hand girl in that she has picked up the fireworks products really fast and can therefore help answer customers' questions when I am working on another project. Nicole has been my left hand girl in that she has amazing talent when it comes to designing new artwork for new items along with focusing her attention on producing a new DVD for this year. LuAnn is our newest member and has shown a tremendous ability to step right in and give me 110% on any task that I give her. I just want to let these girls know what a great job they've done because without them, I could not have made the transition to where I am today. Nice job little ladies!!! I also cannot thank Richard enough for placing his confidence in me to help run his company on a day to day basis. Its one thing to look at a business from an employee's perspective, but it's another thing to look at it from an employer's perspective. Sometimes it can be very challenging but we all work together and push forward and together we've all made this last year a true success!!

In February 2006 I attended the APA Winter Conference in Las Vegas with Richard, Lori, and Nicole. In case you didn't know it, I LOVE TO GAMBLE!!!! What a lovely sound to walk into the airport and hear "Wheel.....of.....FORTUNE"! Along with the gambling it was also nice to see and talk to all the fireworks people again. I'd like to thank Tom Callaway for the awesome tickets to the Celine Dion concert. It was an amazing concert and something I'll never forget! I'd also like to thank Larry Cornellier Jr. for showing us all a great time! After 4 days in Vegas it was time to go home. It was hard to pull myself away from the slot machines but I am happy to report that I came home with about \$500 more than what I went with! CHAAAA CHING!!!

I am already looking forward to the APA Convention in September 2006 which will be held in Nashville, TN. I hope to see you all there!! As we look ahead to the 2006 season I'd like to wish you all a safe and prosperous selling season!!! Talk to y'all real soon!!

Until next time, may God bless us all!

Stacey



KEEP ON TRUCKIN'

By Lori Crespo

I am now going into my 2nd season here at North Central and I can't believe how the time does fly! Since the last time I wrote to all of you I was just beginning to learn the particulars of this industry. While there will always be much more to learn, I am so excited to have a better understanding of everything that goes on here and how to prepare for the fast paced fireworks season.

As most of you know by now, I have taken over Drop Shipment orders as well as handling the freight and ensuring that you will always get the best rates possible. I also manage the company payroll and the invoicing of orders. If you are a member of the Indiana Fireworks Distributors Association, I handle all of those dues and applications, if you have any questions regarding membership you can contact me, Richard, or Steve Graves of the IFUA. Right now I am working with Centrex publishing company to put together a full color catalog of our items as well as keeping our website updated. All of this keeps me pretty busy during the season and in our 'off time!'

In September 2005 I attended my very first APA convention in San Francisco. I had an amazing time and never ran out of things to do or see! In the most recent conference in Las Vegas, Tom Calloway of Uncle Sam's Fireworks generously gave us tickets to see Celine Dion. It was by far the best performance that I have ever seen. Thanks Tom! We also were able to see David Spade's comedy act and an off the wall Broadway Musical called Avenue Q, both were hilarious. Most importantly I received my certificate of completion for APA's 8-hour Hazardous Training Program taught by Gregg Smith. It was quite a learning experience and I am glad to have had the opportunity to meet so many of you during the APA events. Everyone is so welcoming and a true pleasure to be around. I look forward to a wonderful season for all of us, take care!

Lori



Pictured: NCI Employees & guests at '06 APA Convention in Las Vegas.

"Get your dachshund sausages!"

July is National Hot Dog Month!
During the July 4th weekend alone,
155 million will be downed!



Have you ever wondered where the term 'hot dog' came from?

It is credited to sports cartoonist Tad Dorgan. At a 1901 baseball game in New York, vendors began selling hot dachshund sausages in rolls yelling, "Get your dachshund sausages while they're red hot!" He sketched a cartoon to show the scene but wasn't sure how to spell "dachshund" so he called them simply, "hot dogs." And the rest ...is history....

MUSICAL CHAIRS

By Nicole Werner

Hello to all of our great customers! I will soon be finishing up my first year here at North Central. It has been a very transitional, crazy year. I started out at the front desk, answering phones, taking orders, etc. With the departure of one of our employees, I took over Accounts Payable. I have now switched over to Insurance and Trucking. Throughout the year, I took on all of these various tasks while maintaining several Graphic Design projects. There is never a dull moment at North Central!

On top of all that, I also traveled to both San Francisco and Las Vegas for the APA Conventions. The meetings I attended during these conventions were very informative. I personally found the transportation workshops to be the most helpful. These workshops have given me a better understanding of the trucking field. It was really nice to have these educational experiences in such wonderful cities!

I look forward to starting a new year with North Central. 4th of July is right around the corner. I will be here to answer any of your questions and to take your orders. Until then, take care!

Nicole



Pictured: Fireworks Show @ APA convention in San Francisco, CA

Good Morning, North Central...

By LuAnn Teter

Hi! My name is Luann and I am the newest person here at NCI. I have 6 kids and lots of grandkids. My family and my job are very important to me, which was why I was so excited to be offered the position here this past November. At NCI they are a family themselves and they brought me into that by making the transition as a new person very effortless and natural. I feel like I have been part of their family for years.

My responsibilities include dealing with our accounts payable. I spend most of my time entering invoices from our vendors and paying those bills. I also work on some things involving our inventory receiving by releasing containers as they come in. I also do a lot of odd-n-end things for Richard and I answer the phone so when you call in you will probably get to talk with me. Please bear with me because I am still new on getting to know our entire inventory, I know the item numbers but I am still learning each items performance. When you call in and talk with me please let me know what some of your favorites are so I can try them out. I am very excited about the new season coming up and plan on being here for a long time!

LuAnn

The Top 13 Signs You Hired the Wrong Fireworks Expert ...

13. Business card reads, "Sponsored by St. Luke's Burn Unit."
 12. His degree, from the Wile E. Coyote Demolition Academy, is an *honorary* degree.
 11. Teaches the kids to free up their hands by lighting fireworks in their mouth.
 10. His grand finale involves pork & beans and a Bic lighter.
 9. Wants to synchronize the 4th of July display to Jimmy Buffett's "Cheeseburger in Paradise."
 8. The punk he keeps trying to light has orange hair & a nose ring.
 7. Asks if he should shoot off Quaker Puffed Rice or Oats when the 1812 Overture begins.
 6. He finally shows up on July 6th smelling like a refinery.
 5. Theme of the fireworks display: "The Jihad against the Beer Swilling Pigs Begins"
 4. He tied a monkey to a skyrocket "so's I can get me a grant from NASA!"
 3. He wants to know if he can "borrow" your dog for finale.
 2. Insists on humming the "Mission Impossible" theme every time he lights a fuse.
- And the # 1 Sign You Hired the Wrong Fireworks Expert...**
1. For kicks, he sticks a roman candle in empty eye socket and chases kids around.



FUN FACTS

The American national anthem, the "Star-Spangled Banner," is set to the tune of an English drinking song ("To Anacreon in Heaven").

Uncle Sam was first popularized during the War of 1812, when the term appeared on supply containers. \$164.2 million worth of fireworks were imported from China in 2004, representing the bulk of all U.S. fireworks imports (\$172.5 million)

America is celebrating its 230th birthday this year!

A Word from our Production Lines... An Interview with Jack Miller, Production Manager

Q: What brought you to NCI 19 years ago?

A: I was inbetween jobs and needed some work. I think when I was hired I was told that it would last 3 - 4 months.

Q: What is your typical day like?

A: It starts between 7 and 8am. I come in and make sure the machines are turned on and heated up, to start running production. I make sure that everyone is here and on time. Then we get started on whatever is lined up for the day.

Q: What is your favorite aspect of your job?

A: I think my favorite part of my job is the challenge of getting [the mixes] we started, finished by the end of the day.

Q: How was your experience in China in 2000?

A: I look at my trip to China as a very good experience. I had always wanted to go there since I started working here. It gives you a lot of respect for the Chinese people. They seem to put a lot of hard work into what they do. It is also nice to see how they can take the simplest things and make life so easy... I would like to go back someday.

Q: Have you noticed any changes over the past years in consumer fireworks?

A: Yes, I have noticed a lot of changes in consumer fireworks. A couple of them are that they look a lot better and seem to be safer than they used to be.

Q: What are your favorite firework items?

A: It's funny, most people like the things that go way up and make a lot of noise. I like them but I remember when I was young, I used to go to all of the stands just to get Ground Bloom Flower Spinners.



2006 NEW ITEMS

By Lori Crespo

This year will be our best yet with more hot new items to add to our inventory for the 2006 season. We are introducing many quality items this year that are sure to draw some attention! The pictured items above include lots of aerals like Headliner 20shots, Sure Thing 19shots; Power House Artillery Shell with 6 pieces; Double Deal a 500Gram Ftn; & a couple 500 Gram Cakes called Basic Instinct 16shots and Hi-Tech Pyro Show 100shots. Not to mention our expanding line of Brothers, Dragon Star, and Glorious Items!

Here are just a few more names to look out for this season: Crazy Things, Red Storm, Rock the Block, Simply Unbelievable, It's Out There, Raptors Revenge, So Terribly Good (all aerial repeaters); Party Tonight (fountain); Jumping Jupiter (500Gram cake). We also have new designs on some of our great signs and bunting, & GG T-shirts! There are just way too many newbies to list so be sure to check out our updated website at www.greatgrizzly.com for a complete list of old favorites and new items!



NEED INSURANCE?

Fireworks insurance policies are still provided by NCI for Premise (trip & fall) and Product (misuse of product or any product malfunctions). Your product insurance is not billed on promotional items, freight, or other insurance - only to fireworks. If you should be in need of a policy please contact Nicole Werner. This is her first year handling the insurance so please be patient and she will do her best to help you. Policies cannot be back dated so please call ahead!

\$500,000 Premise = \$150 per month of coverage
\$1,000,000 Premise = \$195 per month of coverage
\$1,000,000 Product = 2% of sales, excluding promo items, freight, insurance.

*If you are interested in \$2,000,000 Premise, please call Nicole and she can discuss that with you.