



A Message from Billy



Today, it is much easier for people to see the relevance of servant leadership. There is general agreement that leaders have two basic roles in business: one of vision and the other of implementation.

In the visionary role, leaders define direction. They must communicate the vision, values and beliefs the organization aspires to for its people. They need to communicate what the organization stands for and how organizational values encompass the individual values of its members.

Once people understand where they are going, an effective leader's role switches to the implementation. How do you make the idea happen? The traditional way of managing people is to direct, control and supervise their activities and to play the role of judge, critic and evaluator. This kind of leadership isn't as effective as it once was. Today when people see you as a judge or critic, they spend most of their time trying to please you rather than to accomplish the organization's goals.

A servant leader feels that once the direction is clear, their role is to help people achieve personal goals. The servant leader seeks to help people win through teaching and coaching. The servant leader is constantly trying to find out what his or her people need to be successful.

So how do managers become servant leaders? Don't let ego get in the way. Managers don't need to be the center of the work.

Servant leadership is supporting individuals in the organization. We need to support and help individuals in the organization to win. The concept of servant leadership is a wonderful way of symbolizing what the manager of today and of the future needs to practice to be successful.

Respectfully,

Billy Harper

Donohoo Appointed Harper Industries VP Operations

Mike Donohoo, Chief Executive Officer of Morsej Constructors has been named vice president, operations for Harper Industries in Paducah, Ky.



Donohoo was named president and chief executive officer of Morsej in 1994. He recently appointed Jason Siener as president of the company, but will remain C.E.O. of the firm, while also assuming the new leadership duties at Harper Industries. He will relocate to the Harper Industries offices in Paducah, Ky.

Under Donohoo's direction, Morsej has experienced dramatic growth, quadrupling revenues, and becoming a leading contractor of industrial services throughout the Southeast. He has served as a director for the Western Kentucky Construction Association for a total of 10 years and is currently serving in that capacity through 2007. Additionally, he has been President of the Paducah Area Construction Advancement Foundation for six years and is also serving on the board of directors. He is also on the Board of Directors for Harper Industries.

COMPANY SPOTLIGHT

Three Simple Values, Keys to Vanguard Success



With both government and private contracts in areas as far flung as Puerto Rico, Arkansas, Texas, Maryland, Alabama, Louisiana, and, of course, Kentucky, managing a global concern like Vanguard Contractors, Inc. would seem to be a complex task. However, President/CEO Craig Guess and the crew at Vanguard have developed some simple company values:

- Do the right thing.
- Take pride in what you do.
- Lead by example.

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Three Simple Values, Keys to Vanguard Success *(cont'd from page 1)*

"The Big Three" as they've come to be known, are posted in both common areas and individual offices at Vanguard.

Starting with "nine quality initiatives", the group identified the characteristics that make up a team player: professionalism, teamwork, business-like communications, pride, accountability, proper business etiquette, acting as a goodwill ambassador, responsibility, and an adherence to policy. "From there, we were able to distill our philosophy into the three core values says Guess, "And we're serious about living up to them every day."

Guess further explains, "We really strive to achieve a consistent attitude of service from the inside out. That means treating your co-workers with the same dignity and respect as we treat our customers," states Guess. "We've worked hard at setting ourselves apart by establishing a higher level of quality and service."

North Carolina native and Langley, Virginia Project Manager Joe Houska agrees. "I've been in the construction business for 35 years and with Vanguard for the last four of those years. I've never

worked with a more professional and friendly group of people that communicate so well."

Joel Guess, Vice President and Project Manager in charge of government projects said, "It's really about respect and dignity through teamwork. I think Vanguard employees have really taken ownership of the Big Three, which is why so many of us have them posted in our work spaces."

Joel estimates 80% of Vanguard's contracts are awarded between July and September 30, "This is definitely our busiest time of year", he adds. Still, each weekly meeting with the Estimating and Project Management Departments begins with the discussion of one of the quality initiatives.

"This is a fast-paced competitive business, but we realize it's important to take the time to identify, focus on and stay in touch with our core values," states Joel.

At Vanguard, it's as simple as one, two, three.

Where Are They Now? Harper Companies Relocate

You may have noticed that Harper Industries' offices aren't where they used to be; nor are Vanguard Contractors' or for that matter, neither is Morsey accounting. In a flurry of recent relocation activity, each has moved to a new location.



Vanguard Contractors

The corporate offices of Harper Industries, located at 616 Northview in Paducah, Ky since the mid-1970s outgrew the location and moved to 960 North H.C. Mathis Drive in Paducah. Simultaneously, Vanguard Contractors, who were housed at the location where



Harper Industries

Harper Industries now is, renovated a historical building located in downtown Paducah located at 218 North 5th street. Shortly thereafter, the accounting operation at Morsey Constructors moved from the Calvert City, Ky., location and are now headquartered in the rear of the Harper Industries facility at 960 North H.C. Mathis Drive.

As the companies continue to grow and prosper, who knows who will go where and when next? Stay tuned.

Harper Industries Reports Record Year

Harper Industries wrapped up a record year for fiscal 2006 ended September 30, 2006. The holding company reported record revenue and operating profits fueled by record performances at some of the individual operating divisions.

Revenue for the year was \$236.1 million, an increase of 24.5 percent versus the 2005 threshold of \$189.6 million. Revenue from construction operations comprised 53 percent of the total, with 47 percent coming from the ready mix companies. In 2005, the revenue mix was 52 percent ready mix versus 48 percent construction.



The firm invested heavily in equipment and technology throughout the year, including the expansion into sand and gravel operations in Texas.

People on the Move



Stacie Hatton has been promoted to the position of office manager/executive secretary. Stacie joined Harper Industries, Inc. as receptionist on July 10, 2006. She graduated from WKCTC in December 2002 with an Associates Degree, three diplomas and four certificates, achieved the Dean's List every semester, was a Student Ambassador and tutored persons with disabilities.

Stacie previously served at Paducah Head Start and Pomeroy IT Solutions in Lexington. At Paducah Head Start, she was the MicroComputer Technician who maintained the software, hardware, and upgrades of computers at six Head Start sites. With Pomeroy IT Solutions, Stacie was contracted with the State of Kentucky to maintain and service software in the Kentucky Adult Education/Council on Post Secondary Education program.



LaQuella Pryor has joined the Harper Industries team. She will perform the duties of receptionist. Laquella attended West Kentucky Community and Technical College where she earned an Associate of Applied Science Degree, along with a Legal Administrative Diploma, an Integrated

Office Certificate and a Legal Receptionist Certificate. She is presently attending Mid-Continent College where she is working on completing her Bachelor of Science degree in Business Management.

Prior to joining Harper Industries, she worked at Comcast Cable as a customer service representative and at Bell South as a National Directory Service assistant supervisor.

Harper Industries Ranked Nationally In Largest Contractor Survey

Paducah, Ky.- based Harper Industries has, once again, made the list of America's leading construction organizations in a recent survey conducted by Engineering News-Record magazine.

The annual survey lists the top 400 general contracting companies in the nation based on annual revenues. Harper ranked 280th in the 2006 poll which includes behemoth construction firms like Bechtel, Fluor and Peter Kiewit Sons', Inc.

The rankings are based upon 2005 revenues. Harper industries reported record results for 2006 which bodes well for an even higher ranking when the 2007 poll comes out in May. Congratulations to Morse Constructors, Vanguard Contractors, Precision Steel, Federal Materials, Metro Ready Mix, Harper Construction, Frontier Aggregates and Frontier Materials for making it possible!

ENR
Engineering News-Record



Harper University Announces Schedule For Continuing Education

Employees of Harper Industries and their operating companies now have the opportunity to go back to school...at Harper University. The university, currently housed at Harper Industries offices in Paducah, opened its doors for its first students January 18th with an Effective Communication Skills course. A "freshman" class of 13 employees participated in the inaugural six-hour session.



Harper University (HU) was developed as a resource to provide employees a wide range of opportunities to get additional job training and develop new skills to help them in their current jobs and to prepare them for positions of greater responsibility in the future.

Currently HU is offering a series of general training courses. These courses are offered in collaboration with West Kentucky Community and Technical College (WKCTC) and by completing a course employees can earn college credit.

To register for a course an employee must first obtain approval from his/her immediate supervisor. Then, simply e-mail Bill Mogan at bmogan@harper1.com or call 270-442-2753, Ext.1716 indicating which course or courses you would like to attend. A list of course descriptions and Certificate of Achievement opportunities are listed on the Harper Industries website at www.harper1.com. Certification programs require completion of a set of core courses within a specific skill area such as Basic Supervision or Information Technology. The certificates are recognized by Harper Industries and WKCTC.

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SPECIAL RECOGNITION



Congratulations
Margee Shuemaker

Harper Industries recognizes
28 years of dedicated work!

New Benefit For Harper Employees

If you have been thinking about buying a new computer, then reading this article is going to save you money.

Harper Industries has just unveiled a new Employee Purchase Program, in partnership with Dell Computer Systems, that enables all associates within the Harper Industries family to purchase Dell equipment and software for personal use at the H.I. corporate discount rate, which is a significant savings versus paying full retail. The discount applies to printers, cameras and scanners as well!

Dell Computer Corporation is the world's top ranked computer systems company and is a premier provider of products and services required for customers to build their information-technology and Internet infrastructures. For information on how to order, please contact your HR or IT department.



Human Resources Serving Others – A Servant Mentality – by Ronda Hays

The employment relationship—the melding of the organization and its human resources—long has been the focus of efforts to enhance organizational success. Human Resources professionals are called upon to support the organization in two ways: helping re-engineer its business processes and delivering services to its employees. This is the art of serving others.

Where better in organizations can this “serving” be achieved than in Human Resources? All positions within an organization have the opportunity to serve someone in some capacity. Human Resource professionals serve as employee champions. As employee champions, HR professionals are focused on facilitating employee contributions and creating a supportive environment. HR ensures that the employees’ voices are heard in decision-making processes

and that resources are made available that will make it possible for employees to grow and improve.

Over the last decade, the function of human resources has changed. The role of the HR professional has migrated from an isolated back office, and occasionally bureaucratic function, to one that helps organizations achieve strategic business objectives and improve competitiveness. In this migration, Human Resources professionals have discovered better ways to serve employees.

A person with a servant mentality is one who feels the need to support others. Experts say employees who feel supported and involved in decisions that affect their well-being are generally more satisfied with their employment. Having satisfied employees reduces turnover, boosts efficiency and morale.

Harper University Announces Schedule For Continuing Education

(cont'd from page 3)

A course schedule for July through December will be available soon and in the near future, industry and job specific training and development opportunities will be offered. Other HU offerings coming soon will include web-based training programs. Training and development opportunities are being initiated for Harper employees in Texas and Tennessee as well.

Upcoming Harper University courses and dates include:

- February 22nd – Moving up to Supervisor
(for new or soon to be Supervisors)
- February 27th – Microsoft Power Point
- March 6th -8th – Basic Leadership Skills
(for experienced Managers)
- March 20th – Microsoft Excel
- March 28th - Managing Change
- April 11th-12th – Problem Solving/Root Cause Analysis
- April 24th – Microsoft Outlook
- April 25th – Working in Teams
- May 2nd – 3rd – Finance for Non-Financial Managers
- May 16th – Negotiation Skills
- June 6th – Time Management
- June 20th – Conflict Resolution

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