



NFRC's 2010 Annual Report to the Board of Directors

To: NFRC Board of Directors
From: James C. Benney, CEO
Subject: 2010 Annual Report

While 2010 posed many unprecedented challenges, it also presented many opportunities. Striving to resolve these challenges has led to a greater awareness of the critical role energy efficiency plays in our economy. In fact, President Barack Obama recently said, "One of the fastest, easiest, and cheapest ways to make our economy stronger and cleaner is to make energy more efficient."

More than ever, the public is embracing its responsibility to use energy efficiently, and more than ever the public needs an organization like NFRC. By providing education and facilitating programs that meet consumer demand for more energy efficient fenestration products, NFRC did its part to make our economy stronger throughout 2010.

As the authority for information on rating and labeling the energy performance of fenestration products, NFRC's many achievements during 2010 have helped raise awareness of the importance of energy efficiency, facilitate energy efficiency programs, and strengthen compliance with building energy codes across the country and around the globe.

Furthermore, throughout 2010, NFRC delivered strategic information to highly targeted audiences, which encouraged the adoption and implementation of new technologies and gave rise to innovative ways of improving advanced fenestration systems to create more energy efficient homes and buildings.

While NFRC successfully navigated the uncertainties prevalent in today's rapidly changing business climate and accomplished great strides during 2010, we realize that many formidable challenges still lie ahead. By strategically utilizing our resources I am sure that this organization will achieve the kind of collaboration that will lead us to even greater success during 2011.

Sincerely,

James C. Benney
Chief Executive Officer



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Program Activity and Successes

2010 Budget

The 2010 budget provided for a proposed deficit of \$730,000 to help pay for the development of new programs including the Component Modeling Program and Fenestration Attachment Program. Fortunately, through increased federal (DOE) funding, increased program participation (via ARRA), a new culture of pay-as-you-go, and a growing membership, NFRC was able to actually break even in 2010, allowing its strategic reserve to remain at \$1.6 million.

Product Certification Program (PCP)

The PCP achieved its annual program goals and objectives (including revenues, expenses and increasing participants). In addition, the PCP Program achieved the following successes:

- Helped to ensure the successful implementation of the IG Certification Program (including initial and second extension request)
- Provided support for the development of the EPA Blind Verification Program
- Revised all internal manuals for PCP processes
- With the support of the Board; we are now governing NFRC 600 and have established a “pay as you go” mentality for CPD related requests and improvements

Certification Agency Program (CAP)

In addition to achieving its annual program goals and objectives, the CAP Program assisted in the successful implementation of the IG Certification Program, increased program efficiency by implementing an online inspection process, and updated and revised both the IA Operations Manual and other CAP documents.

Laboratory Accreditation Program (LAP)

In addition to achieving its annual program goals and objectives, the LAP Program improved the LAP operations by introducing and implementing an online inspection process (for simulators) and online workshops, as well as establishing a new report format to ensure that inspection reports are completed within 30 days (the LAP Operating Manual was updated to document these new operations). In addition, four new simulation labs were accredited (including one in the Philippines).

Component Modeling Approach Program (CMA)

The CMA Program did not achieve all of its annual program goals and objectives, especially in terms of revenues; however, it exhibited its success through the following:

- Total CMAST users to-date now number over 400 (exponentially higher than budgeted).
- The establishment of seven ACE Organizations and some 90 ACE Individuals.



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Technical Procedures

NFRC staff helped facilitate the successful revision of NFRC technical documents as required – 100, 102, 200, etc.

Stakeholder Outreach Program

A new program in 2010, the Stakeholder Outreach Program had a lofty goal of increasing its outreach activities by 30 percent from 2009. I am pleased to report that NFRC, through its implementation of this new program, increased its outreach by some 45 percent over last year. This program goal is to enhance NFRC's image as the leading authority on rating the energy performance of fenestration products.

International Program

In addition to achieving its annual program goals and objectives, NFRC's International Program achieved considerable progress in promoting worldwide fenestration harmonization with its rating and certification program. The team accomplished its goals by engaging in discussions in Australia, India, Kuwait, Jordan, South Korea, Japan, Romania, Southeast Asia, and South Africa. In addition, the International Program was successful in more than doubling its DOE funding

Communications & Marketing

NFRC's reputation and public image was enhanced by exhibiting at 18 industry events and routinely disseminating relevant and timely industry-related information to its employees, stakeholders, and the public (including some 136 bulletins and news releases). This initiative made NFRC more visible to more people and ultimately provided members and the public with a sense of involvement in NFRC's mission and vision. Specific successes included the use of social networking tools including FaceBook, Blogs and twitter.

Meetings

The NFRC meetings department had a number of successes in 2010, including:

- Implemented an electronic/interactive voting system to expedite meeting processes and ensure voting integrity.
- NFRC held its inaugural Virtual Committee Week in July (a huge success).
- NFRC's Spring Membership Meeting boasted the largest group to gather in the last seven years: (one hundred and fifty registrants).

NFRC Membership Program

The NFRC Membership Program had considerable success in 2010, including: It added 34 new members and retained over 90 percent of existing members. In addition, it exceeded its revenue goals by \$100,000.



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NFRC Staff Vision

NFRC staff approved a new vision – “NFRC’s staff works in an open and collaborative environment where creativity and innovation are encouraged. As a team of professionals, we espouse a work ethic exemplified by honesty, responsibility, accountability, and a commitment to excellence. We support and inspire one another to provide unparalleled customer service, embrace challenges, and seek solutions in pursuit of NFRC’s mission.”

Conclusion

This 2010 annual report describes NFRC’s accomplishment by department. I am confident you will find the information complete and comprehensive. Please, however, let me know if you require additional information or have any questions about the content of this annual report.

A complete listing of program accomplishments is available at the following site:
<http://www.nfrc.org/about.aspx>