



On-Time Delivery Improvements

November 29, 2011

Dear Customer:

You should have noticed key improvements at Scan-Pac Manufacturing during the past 2-3 months. Scan-Pac has dramatically improved on-time delivery performance. At the same time, the company has managed to reduce lead-times for most product groups.

These delivery improvements are due to a dedicated, companywide focus on improving on-time delivery and overall customer satisfaction. As a result, we are pleased to report that our on-time delivery is now above 90% for all customers.

The improvements are a result of adding two new CNCs that have more than doubled the speed of the ones used in the past. In addition, we purchased another new CNC gantry router that we will begin using in early 2012. We also rebuilt a number of presses and purchased several new ones.

Scan-Pac's new work order system/shop floor data collection gives us a better understanding of the jobs that are being scheduled throughout the shop. It also allows our customer service representatives the option to look at a specific job and see where it is in the manufacturing process. This technology helps us provide a faster and more accurate ship date for customers inquiring about their orders.

Training and development of new employees at Scan-Pac has also contributed to better on-time delivery performance. Regular training across all three shifts has led to increased throughput that in turn resulted in delivery improvements. We are dedicated to this ongoing training and will continue to make strides toward shipping on-time 100% of the time.

Thank you for your business and continued support!

Regards,

Jeff Lichey
Sales & Marketing Manager