

Supplier Keynote



Joseph F. Jahn

President and CEO, Vaupell, Inc.

Joseph Jahn is a senior executive with over 36 years in the plastics industry. Mr. Jahn's background leading to general management responsibilities was operations including Director of Engineering, Plant Management, and VP of Operations at several major, nationally recognized companies. Mr. Jahn joined Vaupell as President and CEO of Vaupell in October of 1998 and has a seat on the Board of Directors. In 2004 he led the Vaupell acquisition of the operating units of Scitech Plastics. This acquisition tripled the size of Vaupell while adding medical molding and assembly, precision machining, internal tool construction, and rapid prototyping to the company's core competencies.





Vaupell

SEA Keynote Presentation

June 16, 2010



Corporate Overview



Founded in 1948 Vaupell is the Leading global supplier of plastics interior assemblies to the commercial aerospace industry.

Vaupell, Inc.

Providers of advanced, integrated solutions to select customers in niche Medical, Aerospace, Defense, Electronics and Transportation markets. Headquartered in Seattle, WA

*5 U.S. facilities, 1 China facility
515 employees
\$ 96 million in sales*

Subsidiary of



Operations & Facilities

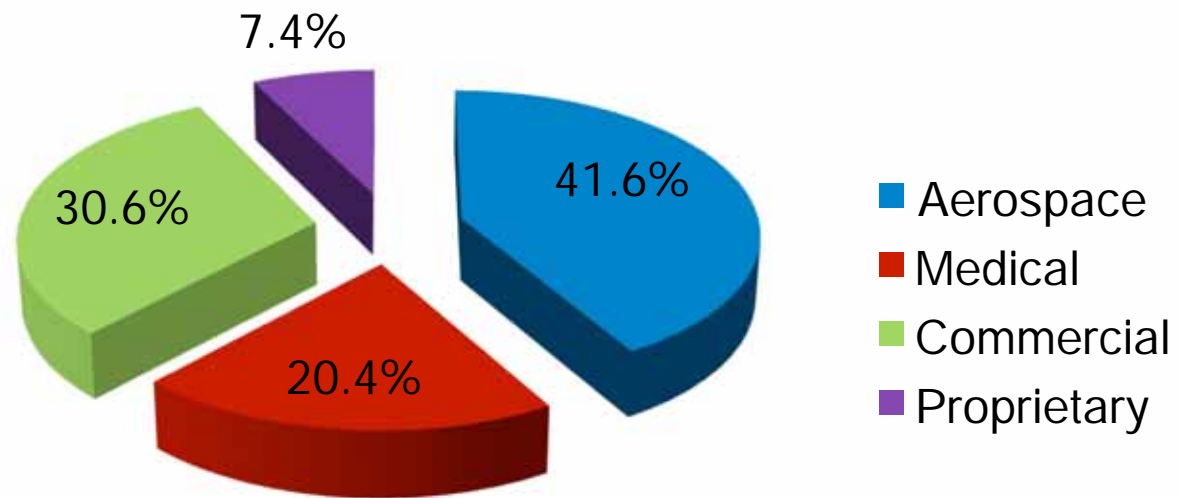


- Hudson, NH
- Agawam, MA
- Constantine, MI
- Sanger, TX
- Seattle, WA*
- Shenzhen, CHINA

* Corporate Headquarters



Markets



Aerospace Customers





Vaupell Lean Maturity-January 2009

- ✓ No defined Lean model at any division
- ✓ No coherent standardization within the corporation
- ✓ Little corporate support and involvement (sponsorship)
- ✓ Lack of objective evidence of lean processes in many divisions
- ✓ Lean is perceived as an operating issue in all division & at Corp.
- ✓ Few trained and experienced Lean practitioners at any division
- ✓ Little Lean measurement in place to drive improvement
- ✓ No industry benchmarking or assessment vs. "World Class"
- ✓ No supply chain integration model or practical implementation
- ✓ Some evidence of value streams in selected divisions
- ✓ Some 5S practices in evidence at some divisions
- ✓ Insufficient Corporate vision, direction, or allocation of resources





Vaupell/SEA Engagement

- ✓ Initiated engagement in January 2009
- ✓ Leadership & Strategic Planning for most of Q1
- ✓ Workforce Development during Q1 and Q2
- ✓ Kaizens started in June at one/month through December
- ✓ Processes identified and documentation confirmed Q2 & Q3
- ✓ Training for Process Owners & Subject Matter Experts Q3
- ✓ Business results reporting to SEA throughout 2009
- ✓ Pre-audit performed with SEA - February 2010
- ✓ Audit completed & Certified to Stage 1 - March 2010



Measurable Results ⁽¹⁾

Results	Before (Apr 2009)	After (Mar 2010)	Delta
On-time Delivery	86%	98.5%	11% Improvement
Quality (DPPM)	3643	1830	50% Improvement
Inventory Turns	3.3	4.6	39% Improvement
Sales per Employee	\$148k	\$162k	9% Improvement

(1) Reflect results of aerospace value stream lines at Vaupell Northwest Division





Vaupell Lean Maturity-Current State

- ✓ Defined, standardized Lean model at all divisions
- ✓ Coherent standardization within the corporation
- ✓ Corporate support and involvement (sponsorship)
- ✓ Objective evidence of lean processes in our divisions (audits, certs, etc.)
- ✓ Lean is perceived as an imperative issue in all divisions & at Corp.
- ✓ Workforce Development ensures trained personnel & Leaders
- ✓ Lean measurement in place to drive improvement
- ✓ Industry benchmarking and assessment vs. "World Class"
- ✓ Supply chain integration model and practical implementation
- ✓ Value streams, Kaizens, visual factory all components of the Roadmap
- ✓ 6S practices imbedded in Roadmap
- ✓ Corporate vision and planning is the first step in the process



Features of SEA Process

Overall System Features

- Proven success with small & mid-size companies
- Utilizes a comprehensive roadmap
- Delivers proven performance improvement at all levels
- Projects to high return on investment vs. other plans investigated

Our Customers' Benefits

- Proven viable for supplier development
- Certification provides objective evidence of Vaupell's Lean competency
- Collaboration with supply chain leadership
- Frank, helpful dialogue between suppliers and customers

Our Suppliers' Benefits

- Opportunity to improve business performance
- Opportunity to learn from other suppliers
- Exposure to current and future customers
- Networking with peers





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Thank You

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