

RES MANUFACTURING COMPANY

ISD/TS 16949:2002

SINCE 1907

The ProgRESsive

Mission

"Our mission is to be the best-in-class provider of precision metal stampings, assemblies and value-added services. Res will operate safely, ethically and profitably to benefit its customers, associates, share-holders, and suppliers."

Res Manufacturing is a contract manufacturer of metal components for SHAPE CRITICAL SURFACE CRITICAL and HIGH STRENGTH applications.

We specialize in:

- ♦ PROGRESSIVE DIE STAMPINGS
- ♦ DESIGN ASSISTANCE
- ◆ PROTOTYPES
- TOOL BUILD
- HEAT TREATING, WELDING, TAP-PING, MACHINING
- ♦ AUTOMATED ASSEMBLY





MANAGEMENT VIEWS

Company Culture and Change

During a recent meeting with one of our key customer's the issue of maintaining a company's culture during periods of rapid sales growth and change was discussed. Our customer is planning to expand their production facilities and hire a significant number of new associates much like Res has over the last few years. Interestingly our customer considers the protection of their culture during this rapid growth to be one of their key issues. This is also of great importance to Res. I was very fortunate to inherit an extremely positive culture when I joined Res in 2002 thanks to the direction and actions of our owner and leadership team. My challenge was to maintain and build on this culture as we launched into a future of growth and change.

Res' leadership group spent considerable time reviewing and refining our stated values and beliefs. Of course it was very important we did not fall in to the trap of believing all we need to do is have a "feel good" off site meeting and hand out these statements sheathed in plastic. The leadership team has to be seen to live our values

and beliefs in every action. "Do what I say not what I do" creates a very negative and cynical culture. Remember we operate in a gold fish bowl.....any compromise in stated standards are instantly observed and widely communicated.

Res' Values and Beliefs were condensed and stated as follows:

HONESTY AND INTEGRITY—there can be no compromise to these critical values.

RELIABILITY—develop trust over a period of time by consistency and predictability of our everyday behavior.

RESPECT AND SENSI-TIVITY FOR THE INDI-VIDUAL—everyone will be treated with respect and dignity

COMMITTED TO WIN-NING—overcoming challenges and competition to achieve agreed goals and objectives

BELIEF IN TEAMWORK

—teamwork results in an amplification of an individual's contribution and effectiveness APPRECIATION AND RECOGNITION—
recognition of the contribution all associates make to the success of Res.

A W A R E N E S S O F SAFETY AND WELL-NESS—proactive approach to safety in the workplace and the well being of all associates.

This set of standards applies to every Res associate's behavior and actions as we interact with colleagues, customers, suppliers and the community at large.

Our hiring process is structured to ensure that our new associates are aware of our culture and share similar values. Maintaining culture through change requires energy and consistency of message...but most importantly it requires leaders, both formal and informal, to provide inspiration and courage to challenge the expedient option.

Life and business decisions are rarely black and white in their clarity. We are usually faced with a range of options and gray areas. When an associate at Res asks for my opinion on one of these gray areas I suggest we take

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a look at our values and that will guide us to the right course.

Although 2006 is still not over the fact that we are in the 2007 budget process reminds me of how quickly time flies particularly for us baby boomers! So I do want to say a big thank you to all our great associates, valued customers and supportive suppliers - thanks for yesterday, today and especially tomorrow.

Dr. John Ormerod, President

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A Century of Excellence!

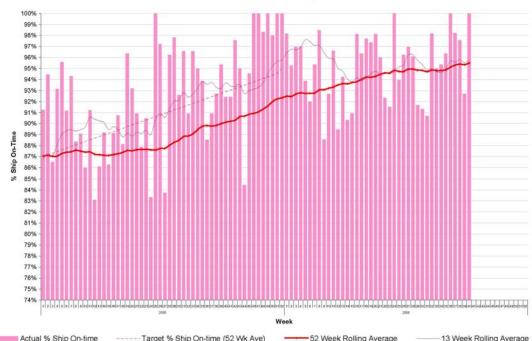
100 years and counting—Res will be celebrating our 100th anniversary in 2007. Besides our continuing goal of being the best-in-class manufacturer of progressive die metal stamped components and sub-assemblies, Res' goal in 2007 is to get you, the customer or prospective customer, into our plant for a tour. Only by walking the floors here at Res can you get the panoramic view of what Res has to offer after 100 years of accumulated history and knowledge. Contact one of our Market Segment Managers and schedule a visit.

Look for a historical look back at the past 100 years to be presented by Scott Moon, CEO, DLSM in our Spring, 2007 edition of *Management Views*.

New Look—Same Quality and Performance

In 2006, Res introduced a new corporate image that better communicates our diversification and expanded value-adding abilities with just a little more color and pizzazz. Visit our updated website at www.resmfg.com.

On-Time Delivery



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In the past 2 years, Res has improved its on-time delivery 52-week rolling average by 8%. Our ultimate goal is 100% on-time delivery without compromising quality and service.

