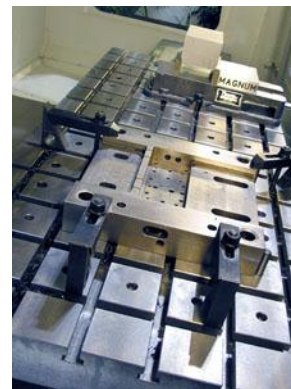


Phillips A&E introduces 1st Part Process Development

	1st Part Process	Turnkey
<u>Rapid Development</u>	<u>Yes</u>	No
<u>Affordability</u>	<u>Yes</u>	No
<u>Easy Administration</u>	<u>Yes</u>	No/yes
<u>Guaranteed Price</u>	Yes	Yes
<u>Need for Technical Knowledge</u>	Minimal	Minimal
<u>Engineering Assistance</u>	<u>Yes</u>	No
<u>Transfer of Knowledge</u>	<u>Yes</u>	No
<u>Ability to capitalize on emerging technology</u> (after project completion)	<u>Yes</u>	No



1st Part Process Development advantages over turnkeys

	1st Part Process	Turnkey
<u>Rapid Development</u> 1 st Part Process development allows production to start quickly. We work on the process prior to arriving at your facility. When appropriate we set the job up offsite to minimize shop floor disturbances. No offsite long term runoffs means production is running faster in your facility. We teach your people the process as well as general machine shop practices (when appropriate). We analyze your organization and incorporate your company's practices with the latest technologies and our technical expertise. This blending assures easy adoption on the shop floor while enhancing your efficiencies.	<u>Yes</u>	No
<u>Affordability</u> Turnkeys are restrictive contracts (all responsibility for success resides with the provider) that cause providers to charge higher rates to cover even the remotest possible occurrence. 1 st Part Process is a partnering, allowing for free flow of information and less costs. Responsibilities are shared between Phillips A&E and your company. The shared responsibility insures mutual success.	<u>Yes</u>	No
<u>Easy Administration</u> 1 st Part Process and turnkeys give in-house personnel a single source on which to rely. However, project updates are not always readily available from turnkey providers due to their work schedules, etc. Updates on a 1 st Part Process project can easily be retrieved because the liaison/learner is an employee of your company. The liaison/learner will have regular contact with our 1 st Part Process engineer.	<u>Yes</u>	No/yes
<u>Guaranteed Price</u> Both processes have a guaranteed contract price.	Yes	Yes

1st Part Process Development advantages over turnkeys (cont'd)

	1st Part Process	Turnkey
<u>Need for Technical Knowledge</u> In both cases, minimal base knowledge is needed.	Minimal	Minimal
<u>Engineering Assistance</u> There are times when a part design can be altered to enhance the manufacturing process without affecting its functionality. Turnkey providers focus on making a part as designed and typically do not review the design for manufacturing ease. 1 st Part Process partnering lends itself to reviewing the entire process for maximum customer productivity. We will work with your staff & your customer's engineers (if appropriate), to help reduce costs for all involved.	<u>Yes</u>	No
<u>Transfer of Knowledge</u> 1 st Part Process works with your liaison/learner to assure they not only know the process but the development decision tree. The knowledge transfer is not simply unload/load parts, oil here, etc., but a comprehensive transfer of process knowledge and current technologies.	<u>Yes</u>	No
<u>Ability to capitalize on emerging technology</u> (after project completion) 1 st Part Process transfers knowledge so that as new technologies are developed over time, your liaison/learner can use the newer technology to enhance your productivity and help your profits grow.	<u>Yes</u>	No

“Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.” (Author Unknown)