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March 2009

Volume 2, Issue 4

A message from our President & Chief Operating Officer **Sustaining a Competitive Advantage**

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<http://www.accu-tec.com>

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Accu-tec International has been made stronger, wiser, and more focused than ever in its twenty-one year old history during the economic challenges that all businesses have faced these past 15 months. We have been blessed with excellent people and resources to not only survive, but succeed in 2009. We are strengthening our cash position and through quality initiatives continue to improve our contribution margins in all of our facilities. We have reduced costs in those areas of subjective waste and followed *Six Sigma* governance of lean manufacturing concepts, to this date, never before been achieved.

Our strategy taps our key strengths from the past and makes them relevant to a new era in how we operate our business units. We have three key tactical factors that are the basis of our focus:

- Build Relationships** We are a *Customer Intimate* company. This continues to drive the essence of understanding the customer's need and requirements to succeed in their business. We know that in every case we are critical to our customers accomplishing their goals. This is driven into the work ethic of every Accu-tec employee.
- Drive Innovation** Our engineering and manufacturing expertise continue to be strong assets. We have encountered just about every possible scenario of customer requirement. This data base of intellectual knowledge is invaluable in providing solutions that adds calculated value of efficiency and performance. That value of streamline performance serves our customers with results of high expectation and accomplishment.
- Leverage Strengths**: Our core processes are centered on operating excellence and leadership development. Despite the challenges of the economy, we continue to invest in our people through certifications to advanced graduate degrees. Our strength has always been in our people. We believe that our strength will be in how we transform a customer's challenge into our customer's solution.

This is an opportunity to reset our position of strength and experience to a higher level. We have improved our ability to build relationships, drive innovation, and leverage our strengths. This is how we will meet the inimitable challenges of these times and assist each customer to their desire of success and prosperity.

We continue to make great strides and avoid timidity in our far reaching efforts to be the very best. I look forward to anyone's input and make myself readily available to listen to your suggestions and/or comments. Please do not hesitate to contact me. Our commitment is to transform our promises into a customer's reality! My e-mail address is shomola@accu-tec.com.

Accu-tec shall be an integral part of each customer's success!

Stephen J. Homola
President/Chief Operating Officer
Accu-tec International
shomola@accu-tec.com





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The Personality of Accu-tec

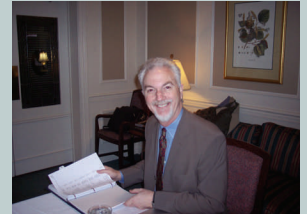
I have been writing the last few months on the personality of businesses and of individuals. There is a pronounced affect on the stability, growth, effectiveness and profitability of all businesses based on the mix of personalities within a business and the personality of the business itself. In the current economic situation this is even more pronounced. Customers do not have the luxury of paying for what you want to sell them. They have to purchase what they need and in the way they need it. A business that is designed to help the customer figure that out and deliver that custom solution has a personality that is called Customer Intimate.

- Accu-tec has spent more than a decade working on being a Customer Intimate Company. One that tailors the solutions it provides its customers to the specific needs of that customer.
- Accu-tec's warehouse and production facilities are not conveniently placed for our need; they are located where the customer needs them for their optimum performance.
- Accu-tec's packaging services are not geared to a particular material or concept because we strategically customized for the requirement. They are geared to what the customer needs for their best total solution.
- Accu-tec's overhead structure is not geared to what satisfies the general industry, it is set specifically to what the customer deems necessary in that specific facility for that specific industry.
- Accu-tec staff is not designed around the general needs of its industry. It is selected based on the specific needs of its customers.

Customer Intimate companies cross all industries, but they have one thing in common. Their objective is to provide the best total solution to the customer by a dedicated, specialized set of individuals. A thorough knowledge and insight into the customers underlying processes is imperative. To be truly Customer Intimate, the expertise you provide must drive toward customer performance. To be truly Customer Intimate your company has to be willing to share in the risk with the customer.

Customer Intimacy is a challenging discipline to follow, as are all of the business disciplines. Read about it in [Disciplines of Market Leaders](#) by Michael Treacy and Fred Wiersema.

Jeff Davis
CEO
Accu-Tec International



Building Trust With Your Customer

Being on the front line of Service to our customers it is important that the customers can believe what I tell them. What is the best way to build this trust? Honesty of course!

One of the biggest mistakes a business can make is lack of disclosure, covering an error or mistake, disowning a problem, in other words-dishonesty. If your customer does not trust you, how can they comfortably refer others to you? How can they have full reliance in your relationship? How can your employees feel confident about promoting you? Why not try being honest? If you're honest you build trust, not destroy it.

In an economy like today's, trust is extremely valuable. It allows people to feel confident about what you do. When people feel good about your business they promote you. And these people are far more credible than anything you could say about yourself.

Honesty is good customer service and will always be the foundation to building a trusting relationship with your customer.

Jeana Hillerich
Customer Service Manager





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Barometric Boxes – Insight into the U.S. Economy

Recently, I read an article written by John Prestbo, an editor and executive director of Dow Jones Indexes, a unit of Dow Jones & Co., Inc., publisher of Market Watch. The article explained the relationship of The Dow Jones U.S. Paper Index to the future performance of the economy.

The Dow Jones U.S. Paper index is a stock index comprised of the stocks of four paper companies – Clearwater Paper Corp, Domtar Corp, International Paper Co., and Wausau Paper Corp. The index is important since the cardboard boxes and packaging these companies produce for industrial and consumer goods are an important indicator of economic strength. If manufacturers see a change in the demand for their product, they will adjust their orders for shipping containers accordingly. Since manufacturers do not have large inventories of boxes, an increase or decrease in the orders at paper companies is a leading economic indicator of anticipated demand.

Analysts expect the paper index to anticipate economic recovery before the general market does. Even though the index has improved recently, the author believes this improvement was not indicative of a recovery in the economy but had more to do with other factors that increased the Dow and the S&P. He bases his theory on the fact that the four paper companies in the index have not provided any indication that order flow has improved; in fact, one company slashed its dividend “citing a bleak outlook and the need for cash on hand.”

In fact, one analyst expects the market will drop again after a brief rally, estimating the market will drop 10% below the recent market low. This would put the Dow at around 5,900 and the S&P just over 600. He bases his estimates on the performance of paper stocks, which indicate the “worst economy since the 1930’s in the US”. While the economy will recover, the recovery is subject to policy errors from the government’s intervention and stimulus initiatives. So, watch paper stocks closely. Hopefully, these stocks will not decline further, but will instead rise, indicating that better days are ahead.

Of course, everyone seems to have opinions and answers. I wonder what would happen if we actually focused our thoughts and efforts on being part of the solution? Now, would that not be unique?

Looking forward to a historic rebound!

Tina Mann
Controller/Human Resource Manager
Accu-Tec International



Vendor response time is appreciated!

We are asked to quote several new projects for our customers throughout the year and most of them require the cost of any materials that we would have to buy for their project.

If the project requires a corrugated shipper, for example, we ask for samples in order for our vendors to determine the appropriate box size. There is usually not a lot of “turn-around” time, so we ask our vendors to give us a design and price as soon as possible.

We were recently asked to quote a project that involved several corrugated shipper displays that included several parts and samples that were unavailable, just photos and specifications. This alone is quite a task for a designer to overcome and, we also requested the prices within five days. After several phone calls and a few frantic moments, we had our prices.

Thank you, vendors!

With your help and support, we continue to be a part of our customers’ success.

Gary Klass
Purchasing and Materials Manager
Accu-Tec International





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When to call Accu-tec International

- You have no available in-house equipment or expertise for a particular job.
- You have a warehouse full of a product that needs re-working to make it saleable.
- New packaging forms unfamiliar to your staff and equipment are being considered.
- You have a corporate downsizing in personnel, facilities or both.
- You have a short run for a new product market test, gift pack or seasonal appeal, which may require your company to invest in new equipment.
- Promoting your product with non-standard packaging or promotional inserts requiring special machinery or labor intensive work is specified.
- The pressure of new business or deadlines creates a heavy, short-term workload for which you require experienced help to supplement the efforts of in-house staff.
- You have a specific, short-term requirement that may be better served by specific experience or equipment you don't have.
- Operations problems such as your plant closing for maintenance or you're being faced with a labor availability problem cause you to consider alternative options.
- You have a new package form that is to be market tested before general introduction.
- The company is faced with a high investment to meet regulatory and environmental requirements.
- A series of geographically separated facilities could serve the product better for national distribution.
- You have an alternative use viewed as a higher priority for the in-house equipment.
- A product may be more economically shipped in bulk to a distant market, and then units packed locally.

Roy Kraemer
Vice President / General Manager
Accu-Tec International





AIB Auditors report:

RATING

A product safety audit was conducted at this facility on March 6, 2009. The writer was accompanied throughout the inspection by Ms. Susan Browning, Plant Manager, and Mr. Charlie Cox, Facility Manager.

The writer received excellent cooperation and, on some occasions, the items were immediately corrected.

At the conclusion of the inspection, a meeting was held to discuss the observations, recommendations, and rating.

Based on the observations made, the information obtained, and the criteria set forth in the *AIB Consolidated Standards for Non Food-Contact Packaging Manufacturing Facilities*, the overall food safety level of this facility was considered to be:

**SUPERIOR
(915)**

A note on the ratings: **Although the body of this report reflects observations based upon the *AIB Consolidated Standards for Non Food-Contact Packaging Manufacturing Facilities* (i.e., the pre-2009 or "old" standards), the rating system used is the 2009 system, in which a word rating of "Superior" is based on two criteria: the "old" requirement that the numerical score be 900 or above and the new requirement that there be no serious issues identified. If there are serious issues identified and the score is 900 or above, then the word rating is "Excellent."**

The AIB Consolidated Standards for Non Food-Contact Packaging Manufacturing Facilities were published as a tool to permit non food-contact packaging manufacturing operations to evaluate the product safety risks within their operations to determine levels of compliance with the criteria in the Standards. These Standards contain the criteria and rating method used to assign a numerical score (rating) to the plant.

The comprehensive GMP audit evaluates the adequacy of our:

- FOOD SAFETY PROGRAMS
- MANAGEMENT SYSTEMS
- PEST CONTROL PROGRAMS
- OPERATIONAL METHODS AND PERSONNEL PRACTICES
- MAINTENANCE FOR FOOD SAFETY
- CLEANING PRACTICES

Accu-tec became an AIB audit customer because we are committed to doing all we can to provide clean safe products. For us scoring well on the AIB audit is something that warrants a press release and provides us with a competitive advantage. We hope that sharing our AIB audit results with our existing and potential customers demonstrates our dedication to providing safe, superior products.

Charlie Cox
Facility Manager
Accu-Tec International



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**ACCU-TEC PERSONNEL
NOTES**

April Birthdays

Gary Klass	April 2
Jhurry Bhoojrajchandra	April 2
Yolanda Rice	April 24
Rafika Sadek	April 24

Who's Who at Accu-tec International

Our production employee this month is Rosa Glenn. Rosa started working for us thru a temp agency as a production worker in 2004 and was hired as a line leader in February of 2006. She is one of my most versatile employees running the Avon, Jim Beam and Reynolds lines. Although, her best performance is leading a Mother's Cookies repack order. She can really make the line fly while still maintaining the quality for our customer's satisfaction goals.



For the past 2 years our company has performed 360 evaluations, which allows us to review each other. Rosa let me know in my review that in order to avoid conflict that I let things go until I would just explode instead of meeting the problem head on. Well you have to understand that Rosa is my instigator. This is defined as some one who deliberately foments trouble or a person who initiates a course of action. She is the aggressor who initiates and suggests plans to motivate workers in achieving goals. She works with subordinates on minor personal issues. Works with management on more substantial personnel issues. She is a leader that you want on your side to instill integrity into every staff member and process.

Rosa can at times be a little hard to handle at times and we don't always see eye-to-eye still we have learned to communicate better with each other. She understands what needs to happen to achieve our goals, helping wherever needed with a great amount of energy and positive attitude. She is honest, hard working and reminds me of Whoopi Goldberg which is what makes her special to our team. I am proud of her accomplishments. She is an integral part of our customer's success.

Patty Bentley
Production Manager
Accu-Tec International





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Questions, Comments, or Feedback

We at Accu-Tec International take great pride in our work, customers, friends, associates, and business partners. For that reason we are incorporating this section as another enhancement in the opportunity to contact us regarding general questions, comments, or feedback. This will be reviewed by our management staff as they come in. The option to fill out the Request for Quote (RFQ) on our web site is still available at <http://www.accu-tec.com> or call us directly for one on one assistance. We look forward to hearing from you.