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

March 2009

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A message from our President & Chief Operating Officer *The Viability of Survival*

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Improvement in the workplace isn't compulsory, neither is survival. The economic viability of any company requires that we continue to improve regardless of circumstance or challenge. Typically in any organization, the beginning of organizational change starts with an employee making the decision to do something significant and enlisting others to help. This is the starting point of accountability. Quite simply, someone has to lead and it doesn't have to be the boss. Leadership, ultimately, has nothing to do with the title on your business card or your position on the organizational chart. It is all about who you are and how you can impact change for the better -- regardless of your "place" in the company.

On January 6, 2009, the 111th Congress of the United States convened. The first item on their agenda was to address the *American Recovery and Reinvestment Act of 2009*. Arguments and debates lingered until it was finally passed and signed into law on February 17, 2009. A bill with intentions to create jobs, restore economic growth, and strengthen America's middle class through measures that modernize the nation's infrastructure, enhance America's energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need, and for other purposes. The ARRA will not be an immediate solution, nor will it relieve us of our responsibility to increase our viability as a business.

We continue to stress the value of a business model based on Customer Intimacy. Accu-tec will continue to stress that delivery of value via customer intimacy will build bonds with our customers. A customer-intimate company does not follow what an erratic market wants, but what a specific customer will need to succeed. The customer-intimate company makes a business of knowing the individuals involved in the greater corporate chain and addresses the welfare of the whole by emphasizing the necessity of meeting the needs of the parts.

Accu-tec shall continue to tailor its services to meet the needs and stress to always be part of the solution. Our company was founded on the business merits of customer intimacy. It is what has brought us through previous economic instabilities and we believe it is the heart of best business judgment. We, like you, must look at this business cycle as the opportunity to sharpen our skills, focus on the needs, and rely that success is self created and not dependent on circumstantial influences.

So, let us fasten our seat belts and disengage the cruise control. It is going to be a bumpy ride. Fortunately, we have the benefit to realize that ultimately we are in control of how we react. It is going to take all of us to get through a challenging year. We need every customer and we need every customer to succeed. Accu-tec is committed to do its part to be a key part of every customer's solution.

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

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



Economic Update: Great Depression or Great Opportunity?

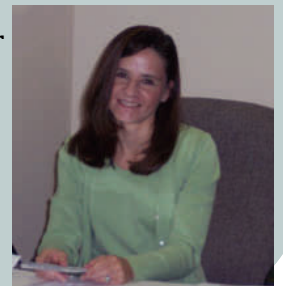
Strothman & Company PSC, our external CPA firm, recently hosted a seminar that posed this same question. Mark Lamkin, President of Lamkin Wealth Management, presented the seminar. With fear and anxiety about the economy dominating the headlines daily and bad news travelling faster than a speeding bullet via the Internet, it is hard to imagine there is even a glimmer of hope of finding any opportunity in any corner of the economy. The major indexes have fallen over 50% from their October 2007 highs, 401(k) accounts have been decimated, home prices have recorded record lows, the auto industry is struggling to stay afloat, the investment banking industry is gone, the Street awaits Friday at 5 pm to see which bank will fail next, and all eyes are on D.C. watching, waiting, hoping for a life-line to "re-flate" the economy. Did anyone ever think business would hope for the day that the federal government would provide them a rescue plan? As Reagan famously quipped, "You know you are in trouble when you answer a knock on the door and the person says 'I'm from the government and I'm here to help'."

Well, guess what? When it comes right down to it, it won't be the federal government that will save the day. How many of you are sitting in your boardrooms developing business plans that involve going to Washington D.C. asking for a bailout? While economic and monetary policies will be important to stabilize the markets, ultimately it will be good ole American ingenuity and determination to survive and succeed. Are we experiencing another depression? Not likely. We have learned from the policy mistakes and during the first depression that compounded an already serious recession at the time.

So what's on the economic horizon? No one knows for sure, but a base case scenario for what will likely happen during 2009 was presented during the seminar. This scenario predicts that the financial panic of 2008 will subside in early 2009, allowing markets to normalize by mid-year 2009. The economy will emerge from recession in the second half of 2009, with the S&P finishing around 1000-1500. The scenario predicts the unemployment rate will max out around 8% to 9% in late 2009 or early 2010. For investors, everyone knows they should buy low, sell high. The problem is we are reaching new lows frequently, so many have adopted a cash only policy, to stop the bleeding. This option locks in your losses and since timing the market is not a very successful strategy, one may miss out on gains when the market rebounds. The strategy an individual chooses really depends on their individual situation and whether a person needs their cash in the short-run. Whatever strategy you choose, most experts agree that the equity markets usually recover from a recession first, with businesses and individuals recovering 9-12 months later.

As Mr. Lamkin pointed out during his presentation, although the economy is in a severe recession, "We have been here before, we have seen these lows". Though the road to recovery will be slow and painful, the US economy is resilient. We will survive, the economy will recover, and the nation will prosper again. We have done it before and can do it again.

Tina Man
Controller/HR Manager



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Fascinating Customer History

Have you ever wondered who thought of foil, plastic wrap, door to door cosmetics and who or what is Jim Beam?

REYNOLDS WRAP HISTORY

In 1919, Richard S. Reynolds founded the U.S. Foil Company in Louisville, Kentucky. His company made wrappers for candy and cigarettes from thinly rolled sheets of tin and lead. In a few years, when aluminum became available at a better price, he changed to using rolled aluminum.

The company began manufacturing Cut-Rite wax paper in 1927.

Reynolds Metals moved its company headquarters to New York City in the early 1930's, and then to Richmond, Virginia in 1938.

Richard S. Reynolds was the creator of Reynolds Wrap and the company began producing Reynolds Wrap Aluminum Foil in 1947.

Reynolds Plastic wrap was introduced in 1982.

AVON COSMETICS

The first Avon Lady was actually a man, young door-to-door salesman David McConnell from upstate New York. He launched Avon Calling in 1886, offering women cosmetics in the comfort and privacy of their own homes.

The first female Avon Lady was Mrs. P. F. E. Albee, a widow from Winchester, New Hampshire.

Avon is now the largest direct selling beauty company in the world.

Avon is the first major beauty company to stop animal testing.

Another, very important part of the self-fulfillment aspect of Avon's vision is Avon's commitment to women's health, and in particular, the breast cancer cause.

Jim Beam

Jim Beam is currently the best selling brand of bourbon in the world.

Founded in 1795, the Jim Beam distillery has been family operated for seven generations.

Jacob Beam Sold his first Barrels of corn whiskey somewhere around 1795. the whiskey was first called "Old Jake Beam" and the distillery was called "Old Tub".

Retired Master Distiller Jerry Dalton (1998–2007) was the first non-Beam to be Master Distiller at the company.

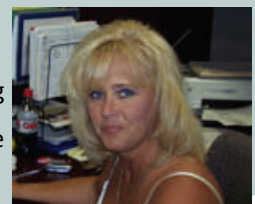
Jeannie's bottle from the television series [I Dream of Jeannie](#) was in fact a Jim Beam 1964 Christmas edition decanter decoratively painted in different colors.

Jim Beam was also shown in the [John Wayne](#) film, [The Green Berets](#).

Imagine starting with candy wrappers to rolls of foil. A Man being the First Avon Lady. I Dream of Jeanie and Jim Beam. Who would have ever imagined that. They did and we are proud to have them as our Customers and Partners.

Fascinating.

Susan Browning
Plant Manager-Louisville



Outsourcing is Good Business

In a recent article in *Investors Business Daily*, it was revealed that outsourcing has become more than just an easy way to cut costs. It has become a strategic tool that gives businesses flexibility and access to skilled personnel. Since the advent of the Internet, and the rush to get online, companies have turned to outside professionals for services and solutions. Hiring a full-time IT technician is costly and not an efficient use of resources. Outsourcing allows companies to focus on their core businesses while gaining access to skilled labor when they need it.

- Outsourcing is a way to boost revenue
- Outsourcing is a way to cut costs
- Outsourcing eases labor shortages
- Outsourcing cuts payroll costs
- Outsourcing allows companies to focus on core competencies
- Outsourcing reduces or eliminates some capital expenditures
- Outsourcing also allows businesses to change their corporate culture. If companies have renegade groups that are costly, ineffective, or difficult to manage, that group can be outsourced. This enables employers to change their workplace environment on the fly.

Still, most companies outsource projects in order to reduce costs and to gain outside expertise. A survey by The Conference Board indicated the following "Top-10" outsourcing objectives (numbers are approximate):

- Reduce Costs (40%)
- Access to Expertise (38%)
- Improve Internal Service (37%)
- Focus on Core Business (34%)
- Maximize Resources (27%)
- Internal Flexibility (25%)
- Improve External Service (24%)
- Changing Customer Needs (20%)
- World Class Standards (15%)
- Continuous Improvement (15%)

When deciding to outsource, the real litmus test is whether outsourcing adds value. Does it really reduce costs? Is the investment in in-house training and machinery too great? Does outsourcing a service give you access to people with greater skill sets or companies with more resources available to them?

Bottom line: outsourcing your packaging services is about more than just saving money. It is a strategic option for savvy businesses and entrepreneurs.

Roy Kraemer
Vice President / General Manager





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Accu-Tec International and EDI

In an effort to stay competitive and offer our partners greater service we have recently implemented a new EDI solution "Vantage Point offered by Data Masons". By doing this we have paved the way for future upgrades of our ERP system "MS Dynamics". Vantage Point is a well rounded EDI solution designed but not limited to integrate with MS Dynamics. As the Dynamics platform evolves so does the EDI solution ensuring compatibility and functionality.

Vantage Point is a user friendly program requiring little input from a user standpoint. Several aspects of the process can be automated while also sending notifications to specific groups of employees informing them of new transactions waiting to be processed.

Currently we are trading but not limited to:

- 810 – Invoices
- 850 – Purchase Orders
- 856 – Advanced Shipping Notice
- 860 – Purchase Order Changes
- 940 – Warehouse Orders

Benefits

- **Fewer errors** - Fewer errors mean fewer chargeback fines and less wasted time fixing problems. Vantage Point EDI provides extensive error trapping based on the unique requirements of each trading partner. For example, if JC Penney requires a valid entry in a specific data segment but Target does not, Vantage Point will warn the user to fix the problem rather than allowing invalid information from being sent. The Target maps would not generate an error.
 - **Fewer steps** - Fewer steps mean lower cost of operation, faster training time and fewer errors. Vantage Point is designed to guide the user through the daily EDI processing cycle with a minimum number of screens and steps. The Vantage Point Message Center keeps the user informed of any errors to be corrected or processes that need to be completed.
 - **Minimized Stress** - Data Masons maintains all of the maps and compliance labels for all of your trading partners. We make sure that the requirements of your trading partners are met and maintained. The main benefit is that you don't have to worry about compliance related issues.
 - **Easy to learn** - Vantage Point's graphical workflow interface helps you setup the application and operate the software every day. Each operation is sequenced in a graphical manner that illustrates the steps that need to be performed and also shows optional steps that some companies may want to perform.
 - **All in one design means you only need one product for all of your EDI needs.** - Vantage Point provides a translator, trading partner maps, and EDI processing application, an accounting system integrator, a barcode scanning solution, and compliance labeling in one simple product.
 - **Less work all around** - EDI is intended to streamline and improve efficiencies of the top-line businesses in the supply chain that mandate such as large retailers like Walmart. Operated properly, EDI can also greatly benefit suppliers like you.
 - **Powerful Integration** - Converts EDI Purchase Orders into Customer Orders and automatically enters them into your accounting system. Automatically, converts shipments into EDI ASN's, invoices into EDI invoices, etc. Data such as product information and ship-to addresses are automatically synchronized so you don't have to enter the same data twice.
 - **Control the process** - Extensive list of integrated and supported documents.
 - **Supports all major file standards** - ANSI 4010/4030 x.12, EDIFACT, VICS, XML, ASCII Flat File, delimited, fixed length, virtually any structured ODBC file
 - **Supports all major transmission protocols** - VAN's such as GE/GXS, Sterling Commerce, EasyLink, ATT, IBM Advantis and others. FTP, Secure FTP, AS2, Direct Connects and others.
- Comprehensive EDI document support** - 753, 754, 810, 820, 830, 832, 846, 850, 852, 855, 856, 857, 860, 864, 875, 880, 940, 945, 997, 816.

Danny Williams
IT Manager
Accu-Tec International



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No Who's Who!

I have to skip my Who's Who article this month due to the economy. Why? Because my artist that is my floor supervisor is now my forklift/line worker/whatever needed so he doesn't have the time to draw and my subject of the month didn't have time to get her hair done.

I did a survey of several hourly employees and asked them what they thought of today's economy and they all said, "It sucks!". When I asked what they had to do differently to make ends meet they all relay that they are just trying to get by. One lady told me that the prices on every thing are going up but not her pay. What can you do...? I am personally sick of being cold at work and then going home to a house with the heat set at 64 degrees and a heating bill that is still outrageous.

In today's economy everyone is cutting back at home as well as at work. Our family at Accu-tec is learning the real meaning of pulling together to achieve both performance and quality to maintain overall customer satisfaction and appreciation. Our production, material handling, housekeeping and maintenance departments are all one group of people all working mainly in production. These people multi-task with the best of them.

For an example: A line that needs 5 people has 1 of them that is a forklift driver that is working at peak efficiency while still taking care of moving materials in and out. The other people cover for this person and the line keeps running. When a line gets done they go to other lines, still running to assist until all jobs are complete. Then housekeeping comes into play, which there is always trash to be taken out and toilets to clean.

Even with all the extra work and their hours changing from one week to the next this special group of people continue to keep up morale and look forward to better days ahead. We just have work together toward a brighter tomorrow. Be all that you can be and more!

Patty Bentley,
Production Manager



SELECTING THE RIGHT VENDOR

Lately I have been receiving more phone calls from various companies trying to sell me their products or wanting to schedule a meeting to explain their services. Selecting the right vendor is an important process. Price is important but it is not the only factor I consider. I buy from vendors with good reputations that have been in business for several years. They confirm and expedite my orders to make the requested delivery date.

They are easily accessible and have excellent communication skills. I consider them a partner who helps me with our needs and tries to find solutions so we can both improve. They show a genuine interest in our desire to be an integral part of our customer's success.

We are required to be fully integrated with each Accu-tec customer, and that is our expectation of those who provide services to us. So, just taking me to lunch and buying me presents will not work, although I do like fishing gear.

Gary Klass
Inventory and Purchasing Manager



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How Are We Doing?

We all like to think we are doing a good job and if we don't hear anything, good or bad, just assume everything is ok. But I wonder am I? Are we? Is there more we can do? Is there something we are doing well in one area that could be applied in another? Is there something that is not working well but because that is the way it has always been done it is just accepted? How is my attitude? How is my response time? Am I easily accessible?

These are not rhetorical questions! I want, welcome, and need your feedback. Please ponder these questions and let me know what conclusions you come up with. Also include any thought you may have on how we can improve. While I can't promise that we will be able to act on everything you purpose, I can promise that I will look at all suggestions and make changes to improve where possible.

You can call me to discuss your thoughts at 502-371-5332 or e-mail me at jhillerich@accu-tec.com. You can also use the Questions, Comments, and Feedback form in this newsletter. Or you can choose to remain anonymous by sending me a letter to my attention at 1439 Dixie Hwy; Louisville, KY 40210.

I look forward to hearing from you!

Jeana Hillerich
Customer Service Manager
Accu-tec International, Inc.



The Power of Positive Thinking

With the present state of the economy, and no end in sight, now is the time to be vigilant in every aspect of your working as well as personal environment.

How you project yourself and the attitude that you maintain can and will have an impact on your team. A gloom and doom attitude will always have a negative impact on performance and quality. You can and will have an impact on the success or failure of your business based on the image you project as a leader.

Staying positive for the overall good of the team and the business is imperative in today's rough economic times. A negative attitude can and will lead to mistakes that the business cannot afford to have right now. Avoiding the snowball effect of negativity is a responsibility of every team member starting with its highest paid executives right down to the least paid employee on the payroll.

It takes us all working and thinking positively together as a team to survive, thrive then grow to continue providing our customers and business partners with the best possible product that their money can buy. Remember; it is our job and duty as Accu-tec employees to "Be an integral part of each customers success". If our customers succeed, we will succeed.

Charles (Rusty) Green
Warehouse Manager





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ACCU-TEC PERSONNEL NOTES

March Birthdays

Louis Hall March 11
Tom Clodfelter March 22

March Anniversaries

Mavis Addei 8 years
Josh Coddington 5 years
Brian Bourland 1 year
Jerry Martin 1 year
Alzonia Moore 1 year
Jeff Thornton 1 year



Its that time of year again, we are preparing for our annual AIB audit coming up in March. Our goal is to maintain our rating although the past year has presented us with many challenges due the turndown in the economy and the mandatory budgetary constraints we are all feeling. The initial thought would be to dispense with the program but in our desire to provide our packaging partners with the assurance of clean and safe products we feel obligated to continue with the program within our ability.

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. These criteria are derived from the following good management principles: The US Food, Drug and Cosmetic Act (1938); Good Manufacturing Practices (GMP's); CFR Title 21, Part 110 and 174-179 (1986); US Military Standards; the Federal Insecticide, Fungicide, and Rodenticide Act; EC Directive 93/43/EEC; UK Food Safety (General Food Hygiene) Regulations 1995 (1995/1763); Codex Alimentarius Commission Food Hygiene - Basic Texts (1999); and EC Directive 94/62. For product establishments specifically covered by a separate set of Good Manufacturing Practices (GMPs), these Standards are written to be used in conjunction with those special regulations.

- 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

Accu-tec became an AIB audit customer because we are committed to doing all we can to provide clean and safe products. For us, scoring well on the AIB audit is something that we are proud of 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,
FACILITIES MANAGER





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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.