

Customer Keynote



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Sargent Controls

An Aerospace operations professional with over 30 years of Aerospace industry experience. He started out on the shop floor and took on a series of increasingly more responsible roles at Sargent Controls & Aerospace, United Technologies, AlliedSignal Aerospace, Cessna, and Hawker Beechcraft. Paul's experience includes assignments in Operations, Engineering, and Supply Chain Management.

Paul earned his Bachelor degree of Science from Central Connecticut State University and his Master of Science degree from Rensselaer Polytechnic Institute. Paul is also a certified Purchasing Manager (C.P.M), certified in Production and Inventory Management (CPIM), and a Certified Manufacturing Engineer (CMFGE).



SARGENT

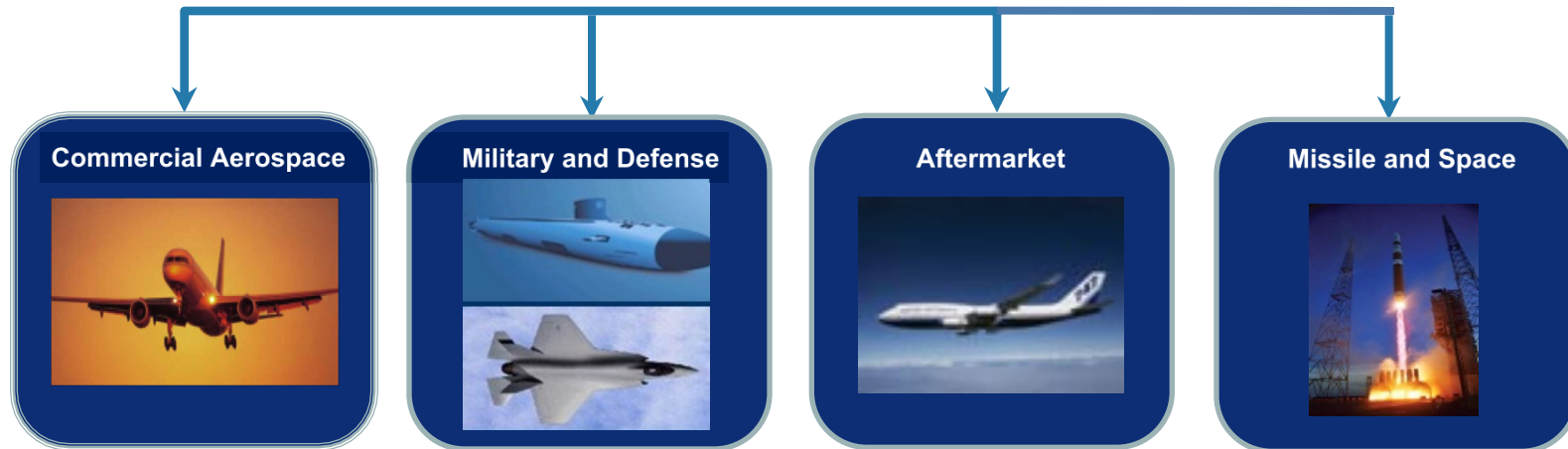
Aerospace & Defense



Sargent Overview

November, 2009

Overview



Products:

1. Aerospace locking actuators
2. Hydraulics
3. High precision bearings
4. Piston rings / Alignment Joints

Customers:

1. Military Prime Contractors
2. Commercial Air Transport OEM's
3. Tier One Aerospace Suppliers
4. Airlines & Aviation Distributors

We are an Engineer to Order Aerospace Supplier - 99% "Purchased" Content

The elements of success

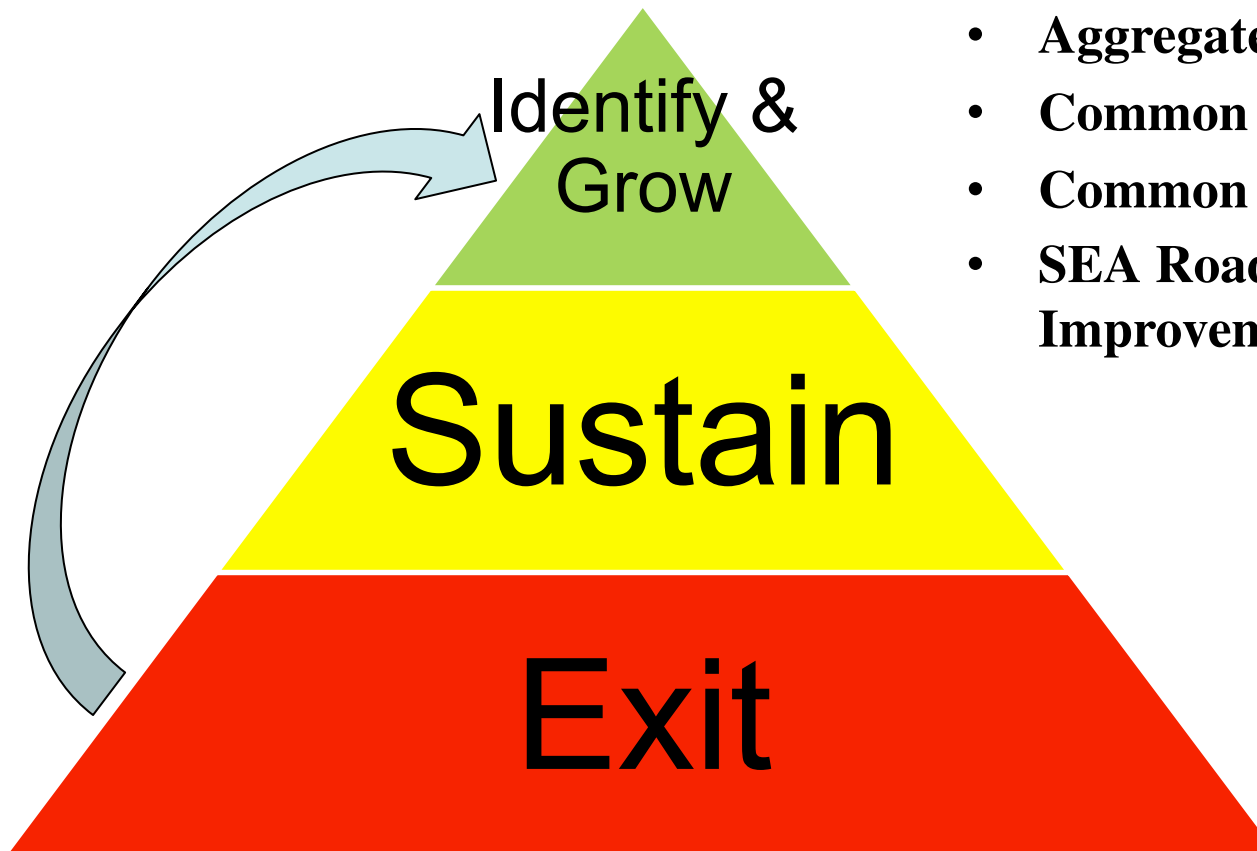
- **Quality – 98% MINIMUM**
- **Cost – Joint cost reductions based on operational excellence**
- **Delivery – 98% MINIMUM**
- **Service – Suppliers that are “ETDBW” and responsive**

- **Early Supplier Involvement**
 - Partner with us in early design phases
 - Reduce cost before it’s designed in
- **Lean Supply Chain**
 - Up and down the value stream
 - We don’t want you to **HAVE** to hold inventory
 - There are better ways to achieve our mutual objectives
- **Value added services**
 - Kitting, processes, assembly

Where Sargent SCM is going...Supplier Rationalization

SCM Direction:

- Aggregated Sargent Spend
- Common ERP System
- Common SCM Processes
- SEA Road MAP for Continuous Improvement



- Hundreds Active Suppliers
- Need suppliers that can grow with us . . .

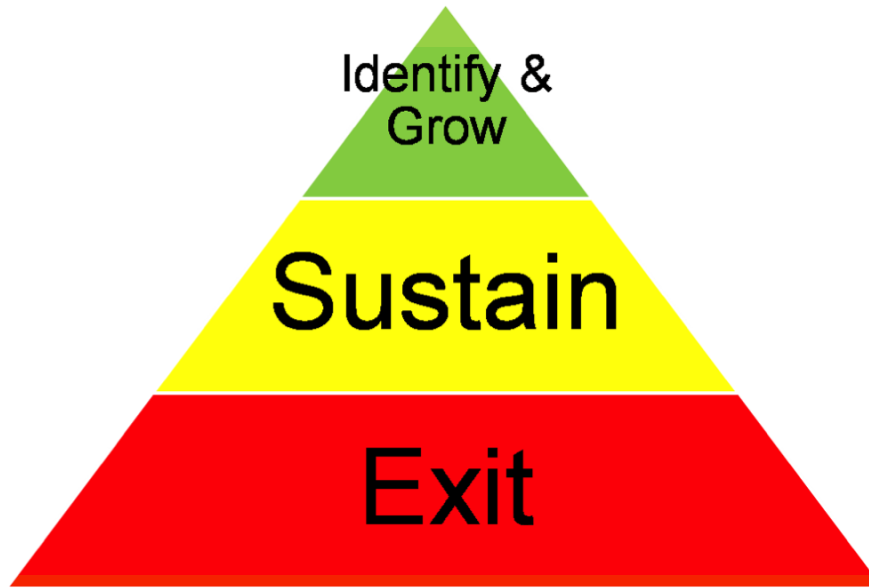
Why Am I Here?

- Target our supplier development effort on existing and potential suppliers, using the SEA Road map
- We can't do it all ourselves:
- SEA has a proven method
- Leverage experience & learning
- Identify suppliers that can grow with us
- Seek best practices we can apply to our operations
- Network with other customers in the aerospace industry

| | Stage One Stabilization | Stage Two Supply Chain Integration | Stage Three Sustainability |
|------------------------|---|--|---|
| Leadership & Culture | 1.1.1 Strategic Planning Process 1.1.2 Leadership Communication Process 1.1.3 Organizational Performance Review Process 1.1.4 Continuous Improvement Management Process 1.1.5 Workforce Development Integration Process | 1.2.1 Goals Deployment & Review Process 1.2.2 Values Deployment Process 1.2.3 Supply Chain Integration Process | 1.3.1 Organizational Learning Process 1.3.2 Organizational Assessment Process |
| Workforce Development | 2.1.1 Job Skills & Cross-Training Certification Process | 2.2.1 Continuous Improvement Process 2.2.2 Statistical Methods Process | 2.3.1 Team Control Process |
| Operational Excellence | 3.1.1 Kaizen Process 3.1.2 6S Visual Workplace Process 3.1.3 Quick Changeover/SMED Process 3.1.4 Material Management Process 3.1.5 Production Planning Process | 3.2.1 Flow-Based Material Process 3.2.2 Mixed Model Cell/Line Design Process 3.2.3 Lean Suggestion Process 3.2.4 Total Productive Maintenance Process | 3.3.1 Design of Experiments Process 3.3.2 Design to Cost Process 3.3.3 Six Sigma Projects Process 3.3.4 Six Sigma Design Process 3.3.5 Design for Manufacturability Process |
| Business Results | 4.1.1 Inventory Turns 4.1.2 Sales/Employee 4.1.3 On-Time Delivery 4.1.4 Parts per Million 4.1.5 Process Maturity 3 and above | 4.2.1 Cpk | 4.3.1 Rolled Yield |

What's in it for You?

- **Ability to grow in a down market**
 - Remember . . .



SEA Value Stream

SEA is an unprecedented aerospace and defense alliance led by sub-tier suppliers committed to accelerating supply chain performance.

Visibility

- Aerospace & Defense Supply Chain Awards
- Supplier Registry
- Supplier Speaker's Bureau

Performance

- Lean Enterprise System/Roadmap
- Certification
- Authorized Service Provider

Collaboration

- Benchmark Site Visits
- CEO Conferences
- Outreach
- Supplier Advisory Council
- Customer Involvement

- **Diversify your customer base**
- **Improved business results through implementation of SEA Road Map Elements**

The world continues to change, if we don't adapt, our futures are uncertain