



LETTER FROM OUR CEO

Dear Employees and Friends of ReadyOne Industries:

Because of the dedication and quality of our fantastic work force and management team we were able to make budget and forecast for June and July and are ahead of budget for the year to date. With the strong support of our customers and suppliers we continue to advance our sales and employment goals. As we are growing it is important to keep each of you informed on the happenings within our various business units. Therefore, in the future I will use the bi-monthly newsletter to accomplish this goal.

Our apparel business continues to be strong led by JSLIST production. All contracts for JSLIST, NWU and PCU levels 4 and 5 are being produced on time and with great quality. We expect to begin production on the new level 9 PCU sometime in early November. You will remember the level 9 is a new Special Forces combat uniform developed at ReadyOne in partnership with NATICK, Patagonia, Beyond and Anthrotech. ReadyOne has also been selected to produce a new Chemical suit called the JC3. In the next couple of months we will be producing a first article and size set that will be reviewed and tested with production scheduled to begin in January. In June our engineering and production departments collaborated to begin a lean manufacturing line that is producing the Level 5 trouser with great success. Due to the on going success of our product development department, ReadyOne has been chosen to produce several M&D (product development) projects for NATICK.

Continued on page 2...

Inside This Issue

Letter from our CEO	1-3	Great Idea!	8
Quality News	4	ISO Department	9
World-Class Manufacturing	5-6	Supporting our Troops	9
ROI Safety	7-8		

Continued from page 1...



Team members who worked on the level 9 prototypes get recognized for their efforts on June 30th, 2009

Many positive changes are occurring in our packaging division led by the hiring of Mr. Lance Kearbey as the new General Manager of Packaging. Lance brings with him an impressive career in the packaging business both in El Paso and Mexico where he was President of Liberty Carton. Lance and his team are aggressively pursuing new commercial business to augment our already strong packaging business with the Government by offering new sales leadership and exciting product innovation with competitive pricing.



Continued on page 3...

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Our Secure Document Management unit also has new leadership with Frank Serna being promoted to Manager. Frank began his career with ReadyOne as a supervisor with Paloma. When that division was closed Frank was moved into a quality position in the Apparel division. When ReadyShred was formed last September, Frank was promoted to a customer service representative. As in packaging, ReadyOne's Secure Document division is gaining new customers each week. Beginning in September we will be servicing all the Wells Fargo branches in El Paso and West Texas. On October 1st, we are scheduled to begin document destruction with the IRS.



Both these contracts have been secured with the help of NISH and the SDA alliance. Over the past year we have been trying to secure a contract for the storage of personal vehicles of single soldiers that are deployed. I'm happy to report that ReadyOne has been selected as a subcontractor to SDV Command Source to perform this function with Fort Bliss. Our Esther Lama facility, where many of you worked in sewing and packaging, is being converted to store over 500 vehicles. A special thanks go out to the following people and their teams; Mike Price (business development), Lee Ellen Banks (controller), Juan Bezanilla (engineering), Isela Meraz (contract management), as they spent tireless hours preparing the proposal that led to this contract. We are very hopeful that the contract for POV storage will eventually allow us to move into fleet management where we would like to hire significant numbers of service disabled veterans.

Our expanding business models as well as the demands required by our financial needs require that we do an even better job at planning, coordination, and detail. Therefore, in the next few months we will be selecting and installing a new ERP system to handle the growth and sophistication and information required by our future business needs. In addition, I have instructed Richie Ybarra (ISO) to have ReadyOne ISO "certified" by February 1, 2010. As part of our government business we are required to be ISO compliant. To compete in the new world of products and services we must also be certified.

With the support and guidance of our Board of Directors your executive management team hopes to continue to give you positive feedback on the on-going success of our agency. Keep up the great work!

**Tom Ahmann
President/CEO**

QUALITY NEWS

GARMENT: Month of July defect levels by production line: (DHU Goal: 2.0 %)

	<u>Production</u>	<u>#Defects</u>	<u>DHU%</u>
JSLIST Coat	28,780	342	1.19%
JSLIST Trouser	29,358	357	1.22%
NWU Blouse	10,640	149	1.40%
NWU Trouser	10,572	204	1.93%
PCU Level 4 Windshirt	70	0	0%
PCU Level 5 Jacket	2,855	48	1.68%
PCU Level 5 Pant (Lean)	3,001	46	1.53%

All the sewing production lines achieved the Goal of 2% DHU or less.
Congratulations to all the employees for a job well done.

The Top 3 defects for the month of July.

JSLIST (CPO) Coat:	35-Hem Sleeves Bottoms, 29 -Tack Pocket & Pocket Flaps, 27- Bar tack Sleeve Tabs
JSLIST (CPO) Trouser	30- joint Seat seam, 26-Tack Legs Tabs, 24- Set Cargo Pockets, 16- Join Inseam Liner
NWU Blouse	51- Fell Close Sides, 25-Attach Sleeves to Armhole, 12-Attach Flaps to Chest Pockets
NWU Trouser	31-Tack Cargo Pockets, 29- Auto Attach Belt Loops, 25- Button & Buttonhole
PCU Level 4 Windshirt	No defects found
PCU Level 5 Jacket	8-Attach Front Pocket to Front Panel, 5-Bar tack Front, 4-TS Front Pocket to Front Panel.
PCU Level 5 Pant (Lean)	10-TS Side seam, 10-Attach Pocket to Side , 8-Sew Eyelet –Side Pocket Bellows.

Quality is everyone's responsibility and for the purpose of continual improvement, we all must continue working together towards finding the root cause of the Top 3 defects and taking corrective and preventive measures to eliminate the root cause and prevent reoccurrence.

Martin Van Buren quotes: "It is easier to do a job right than to explain why you didn't."

PACKAGING DIVISION: Month of July defective rate (Goal 2.0%) & Scrap (Goal 1.5)

	<u>PRODUCTION</u>	<u>DEFECTS</u>	<u>SCRAP</u>	<u>DEFECTIVE</u>	<u>RATE</u> <u>SCRAP</u>
GSA	28,475	506	506	1.78%	1.78%
Commercial	312,468	2,314	2,314	.74%	.74%
Total Corrugated	340,943	2,820	2,820	.83%	.83%

Quality Policy

"ReadyOne employees continually improve our organization to deliver world class quality to our customers."

María Elena Jiménez, Quality Manager

World –Class Manufacturing: Point KAIZEN Principles

Continuing with our series on World-Class Manufacturing concepts, this month we are briefly discussing how the principles of motion economy (POME) should be utilized during the Kaizen process to help facilitate one piece process flow.

The Point Kaizen Principles:

- All work at belly-button height.
- Horizontal work with no blind operations.
- Part presentation span at 45° fan.
- Arm reach of 12”.
- All assembly / part / machines at common height.
- Parts and tools in order of use.
- Easy to grasp / read / select of parts and tools.
- Natural posture of work (resembles walking position).

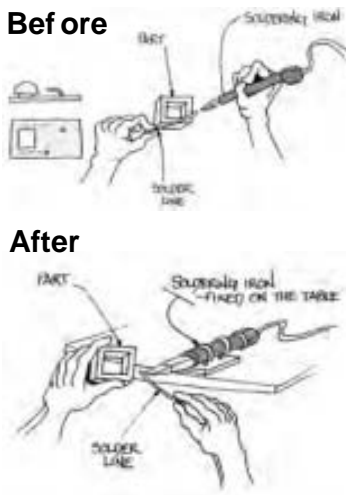
The Point Kaizen Improvements are:

- Eliminate waste.
- Eliminate variation.
- Eliminate overburdened points in the process.
- Eliminate unreasonable conditions in the process.

The best way to apply the Kaizen Point Principles is using the Principles of Motion Economy, which help workstation ergonomics and safety. A safer, cleaner workplace helps promote efficiency and is a great foundation for one-piece flow in the manufacturing process.

The 4 Principles of Motion Economy are:

1) Eliminate unnecessary motion:



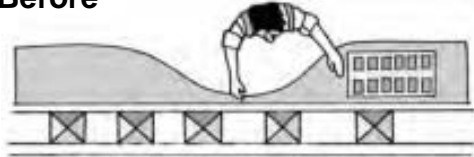
- **Reduce eye movement.**
- **Eliminate using a hand as a fixture.**
- **Place materials and tools in operation order.**
- **Use a container with easy access for operator.**
- **Combine 2 tools into 1.**
- **Use mechanisms which allow easy machine loading and operation.**

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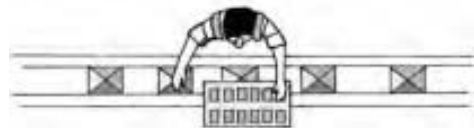
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2) Shorten the Distance:

Before



After



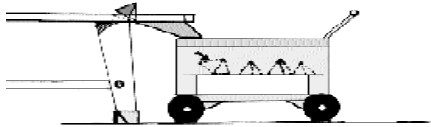
- Perform work at the most suitable position.
- Make the movement the shortest distance.
- Reduce the space required for operator travel.
- Use gravity to move material.
- Operate a machine at the most suitable position.

3) Make Motions Easy to Perform:

Before



After



- Make motion easy and unrestricted.
- Use gravitational devices.
- Use inertia.
- Set the best height of operation (strike zone).
- Make tool grip easy to hold and operate.
- Improve fixture for easy load / unload.
- Make tools light and easy to handle.

4) Simultaneous Motions:

Before



After



- Hands should start and finish at the same time.
- Use a holding device to free up one hand.

In summary, it is important to know that the above illustrates best practices in the manufacturing sequence. Practiced frequently, you are contributing to World-Class Manufacturing at ReadyOne Industries.

References:

Point Kaizen PowerPoint Presentation, Norchem Drug Testing Company

Hector Hernandez, Engineering

ROI SAFETY

Most are aware that there is a right and a wrong way to lift something. Most have had some basic instruction in safe lifting techniques, but, a review of proper lifting procedures never hurts and can prevent many from suffering a debilitating back injury.

There are various types of injuries that can occur while attempting to lift. Hernia, an ailment usually associated with lifting, does not generally result from a single effort expended in lifting. It is usually the result of continued extreme exertion, especially done contrary to the structure of the body. Back strain is a more common type of lifting injury. Like a hernia, it results from the over-stretching of certain muscles and can be greatly minimized by using proper lifting techniques.

The first thing that should be done before attempting to lift an object is to “size it up”. Look it over and decide if you can handle it alone or if you need help. Now is not the time to think you can lift more than your body is actually capable of lifting. If there’s any doubt in your mind whether you can lift the load safely, Do Not Lift It! Get Help!

Also, look over the area where you’re going to be carrying the object. Make sure it’s free of obstacles. Get a good footing close to the load – this is where the proper footwear can truly be of a great benefit. Place your feet eight to twelve inches apart. Bend your knees to grasp the load. Keep your back straight. Bend your knees outward and straddle the load somewhat. Get a firm grip. Keep the load close to your body. Then lift gradually by straightening your legs. Take a close look at the graphic below. It demonstrates how everyone should lift an object.



Continued on page 8...

Continued from page 7...

Once you have lifted the load, you'll eventually have to set it down, so you bend your legs again, keeping your back upright, following the lifting procedures in reverse. Make sure that your fingers clear the pinch points and set one corner down first.

When you have someone helping you lift an object, teamwork and good communication becomes important. If you're going to be carrying the load to another point, both should decide in advance how it is to be handled. Check the route and clearance again. One person should be the leader and be in a position to observe and direct the other. Lifting and lowering should be done at the same time. Don't let the load drop suddenly without warning your partner and if it is falling, let it fall. More often than not, when a load is falling and someone tries to stop it, they will become injured.

All of us have seen in the old movies on television the silly situations one can get into when starting to move a long object around, such as a ladder. Windows are broken and people are knocked down. But these things aren't very funny in real life. So, when carrying a long object, make sure you have proper clearance. Both persons should be on the same side of it and in step.

After having lifted an object, if you intend to place it on a table or bench, rest it on the edge, then slide the object onto the surface. When lifting an item off a bench or table, get close to the load. When lifting a load above your waist, first, correctly lift it waist high, and then rest it on a firm object for support. Change your grip; then again bend your knees to get extra leg muscle into the final effort. Never attempt to change your grip or the position of your load while you are moving. Stop and rest the load on a firm object, then adjust your grip.

Use caution in changing direction while carrying an object. Don't twist your body—turn it with changes in foot direction. Have a clear vision over the load.

Your back is a very important part of your body, but it's easy to forget that you have one until you injure it. By utilizing these safe lifting steps we've just discussed, your back can last you a lifetime.

George Levy, EHS Manager



GREAT IDEA!

Our first “Opportunities for Improvement Program” recipient is Blas Quintana. He came up with the idea to replace the bundle tickets with others that are 1/3 the size of the original ones. This will save ReadyOne industries \$33,000 per year. Blas received a \$500.00 dollar check for his great idea!

ISO Department

These are exciting times! I will say it again: **These are exciting times!** I know you're probably thinking "This guy must be spending too much time out in the sun or something" right? Sure times are tough right now, especially with a global recession in the midst, but when all is said and done; ReadyOne Industries is staying **STRONG** and moving **FORWARD**. Why am I so excited? ReadyOne Industries has made the commitment to prepare for **ISO (International Organization for Standardization) Certification** for the ISO 9001:2008 standard, which could happen early 2010. This particular standard addresses the "Quality Management System" of an organization.

The language of quality is not always the same as the language of business. But it is certainly important for quality professionals and company management to speak the same language for getting support for, and implementing, quality programs. We must effectively communicate the tools and benefits of quality to all levels of our organization, including decision makers. This is done through continuous training of the quality standard, internal QMS (Quality Management System) education, process improvements and employee contribution.

This will result in enhanced communication of quality tools and benefits of via the language of finance, organizational objectives, and other benefits that can make you more valuable to your organization. It will also lead to:

- More effective management of projects through better understanding by team members and project champions.
- Effective management of your projects' contributions to the enterprise strategy.
- Addressing operational and financial concerns of top management.

With our QMS foundation already in place, there is no doubt in my mind that ReadyOne Industries will succeed with ISO Certification. Certification will not only reaffirm ReadyOne Industries' as the top gun in textile manufacturing but will also allow us to maintain a top notch internal quality management system.

Ricardo Ybarra, ISO Coordinator

SUPPORTING OUR TROOPS

In our June newsletter edition, we invited our employees to donate old magazines. These magazines were to be shipped to the 121st Battalion that was deployed to Iraq a few months ago. We are happy to announce that ReadyOne Industries shipped over 100 magazines to our adopted soldiers. Thank you for your support.

Upcoming – We will be collecting goodies to send to soldiers during the month of September to send in October for Halloween. Announcement to come.

