



LETTER FROM OUR CEO

June, 2011

Dear Friends and Colleagues of ReadyOne Industries,

I'm happy to report that, halfway thru the year, business in all our operating divisions continues to be robust. At this point, we have reason to believe our good fortune will continue thru the end of 2011. In our last newsletter I mentioned we had been experiencing delays in the testing of our chemical suits due to circumstances beyond our control. I'm happy to report testing has now resumed to normal levels which means once we receive approvals we can ship and invoice for production that was completed several weeks ago.

We continue to work on new projects in all divisions that will help to insure our success in the future. Some of these projects will be listed under our respective divisions while others will remain confidential while we pursue more definitive commitments from our customers.

Apparel

Our business in apparel continues to be strong resulting in the need for extensive overtime. We know that some of you enjoy and welcome the extra money that comes with overtime while other would prefer to have the time off. No matter what our personal preference our commitment to our customers is paramount. New business opportunities include; products produced for an Israeli company, development of a new sleeping bag system in collaboration with Seattle Lighthouse for the Blind and NISH, the ACU women's fit, and a new Fire Retardant level 9 for Special Forces.

Packaging

A new vacuum system has been installed and is operational. Use of this system will help us reduce costs in order to become more competitive in our production of boxes. Our Cornerboard business is excellent and has resulted in our need to add an additional machine and add a second shift to meet demand. A new and revolutionary box has been developed by our engineering team and packaging team for use in the shipment and delivery of blood. The design is being presented to management of United Blood Services in Phoenix on September 10th.

The sales team has been reorganized and is now positioned for substantial growth in the commercial market.

Document Management

Although slightly below budget, business in both storage and shredding continues to double over last year. In the past two months several new accounts have been opened. A new shred machine capable of shredding plastic, CD's and DVD's has been installed and is operational.

Letter from our CEO continued...

Warehousing and Vehicle Storage

I'm very happy to report we now have 30 individuals with significant disabilities working in our warehousing division. We are contemplating the opening of another warehouse in the Atlanta, GA area to support the future needs of our customer.

The number of vehicles we are required to store is growing each month. In partnership with SDV Command Source, our business partner, there is a possibility we may expand the storage of vehicles for deployed troops into other areas in the future.

Contact Center

We continue to plan for an August 1st start date for our call center. The initial location will be in the space formerly occupied by our south cafeteria. Those of you who have been using that area as a break room will need to select another location to meet your friends for lunch and breaks as we build out this space for its new use. As our call center business continues to grow a more permanent location will be built inside our main building on Ability Drive.

As you can see most of the news I'm fortunate to report this month, is good news. It's only through the commitment to excellence by our entire workforce that this is possible. Keep up the great work so I can continue to write about good news.

Regards,

Tom Ahmann
President/CEO
ReadyOne Industries

Inside This Issue

Letter from our CEO	1	What ReadyOne Means to me – Jesus Gonzalez	8
Letter from our CEO continued	2	Environmental, Health, and Safety	8
News from our Quality Department	3-5	News from our Engineering Department	9
News from our ISO Department	6	ReadyOne News & Community Events	10
ERP Implementation Update	7		



QUALITY DEPARTMENT

GARMENT: Month of MARCH & APRIL 2011 defect levels by production line: DHU (Defects per Hundred Units) Goal is 2.0 %. Second's goal is 0.30%.

MARCH 2011

	<u>Production</u>	<u>#Defects</u>	<u>DHU%</u>	<u>Total Seconds</u>	<u>% Seconds</u>
JSLIST Coat	15,553	253	1.63%	0	0.00 %
JSLIST Trouser	20,377	406	1.99%	67	0.33 %
NWU Blouse	6,171	358	5.80 %	40	0.65 %
NWU Trouser	5,630	144	2.56 %	99	1.76 %
JC3 Coverall	1,164	19	1.63 %	0	0.00 %
JC3 Coverall Seam Sealing	1,186	34	2.87%	0	0.00 %
FRACU Coat	25,682	842	3.28%	0	0.00%
PCU L4 Wind shirt	899	8	0.89 %	0	0.00 %
PCU Level 5 Jacket	207	7	3.38 %	0	0.00 %
PCU Level 5 Pant	345	45	13.24 %	0	0.00 %
PCU L9 Next-to Skin	1800	66	3.33 %	0	0.00 %
PCU L9 Blouse	1013	43	4.24 %	0	0.00%
PCU L9 Pant	1009	135	13.38%	0	0.00 %

The Top 3 defects for the month of MARCH 2011.

JSLIST Coat:	40 - Join SLV to Back Pairs, 29 - Join Sleeves to Front Pairs, 25 - Trim Threads
JSLIST Trouser	43 - Trim & Inspect, 32 - Join Inseam Pairs, 25 - Set Cargo Pkt
NWU Blouse	46 - Fell Close Sides, 38 - Trim, Inspect & Button, 32 - Attach Buttons
NWU Trouser	28 - Trim & Inspect, 17 - Topstitch Cargo Pocket, 13 - Set Seat Patch to Bk Panels
JC3 Coverall	3 - Set Sleeves, 2 - Join Upper Front Sleeves to Upper Under Sleeve, 2 - Outseam Frt & Lt Outer to Back Upper Leg
JC3 Coverall Seam Seal	9 - Seam Seal Inseam Lower Leg, 6 - Seam Seal Crotch, 2 - Seam Seal Inner Leg Cuff
FR ACU Coat Men's	86 - Bartack Sleeves Pkt/Flaps/Patch, 60 - Hem Bottoms, 56 - Edge Stitch Lapel
PCU L4 Wind shirt	4 - Bartack Frt, 2 - Set Loops on Hood, 1 - Topstitch Zipper
PCU Level 5 Jacket	1 - Bartack Front, 1 - Hem Bottom, 1 - Attach Loop on Hood
PCU Level 5 Pant	10 - Bar Tack Loops, 3 - Insert Suspender to Pant, 3 - Bartack Side Pkts
PCU L9 Next-to Skin	8 - Set 2 Button-SLV PKT, 7 - Tack SLV, 6 - Hem Bottom
PCU L9 Blouse	11 - TX SLVS, 7 - Bartack SLV Pad, 4 - Hem Bottom
PCU L9 Pant	15 -Bartack Thigh, Lower Top Pocket, 13 -Bartack Top of Loops, 13 - Bartack Front Pockets

PACKAGING DIVISION: Month of MARCH 2011 defective rate (Goal 2.0%) & Scrap (Goal 1.5)

	<u>PRODUCTION</u>	<u>DEFECTS</u>	<u>Defective Rate</u>	<u>SCRAP</u>	<u>SCRAP RATE</u>
GSA	198,055	3,050	1.54 %	3,050	1.54%
USPS	713750	4,445	0.63 %	2,581	0.36 %
Commercial	230,445	1,200	0.52 %	1,200	0.52 %
Total Corrugated	1,142,250	8,695	0.76 %	6,831	0.60 %
WASTE	<u>Qty Shipments</u>	<u>Waste</u>	<u>Waste%</u>		
• GSA	188,500	3,778	1.08 %		
	<u>Produced Items</u>	<u>Waste</u>	<u>Waste %</u>		
• Commercial:	187,052	2,178	1.10%		

qual-ity
How do you define it?

QUALITY DEPARTMENT (continued)

APRIL 2011

	<u>Production</u>	<u>#Defects</u>	<u>DHU%</u>	<u>Total Seconds</u>	<u>% Seconds</u>
JSLIST Coat	10,793	230	2.13%	0	0.00 %
JSLIST Trouser	12,928	311	2.41%	12	0.09 %
NWU Blouse	13,606	863	6.34 %	145	1.07 %
NWU Trouser	NO Production				
JC3 Coverall	710	30	4.23 %	0	0.00 %
JC3 Coverall Seam Sealing	696	142	20.40%	0	0.00 %
FRACU Coat	10,088	456	4.52%	0	0.00%
PCU L4 Wind shirt	547	8	1.46 %	0	0.00 %
PCU Level 5 Jacket	25	1	4.00 %	0	0.00 %
PCU Level 5 Pant	138	22	15.94 %	0	0.00 %
PCU L9 Next-to Skin	1334	35	2.62 %	0	0.00 %
PCU L9 Blouse	1252	41	3.27 %	0	0.00%
PCU L9 Pant	993	77	7.75%	0	0.00 %

The Top 3 defects for the month of APRIL 2011.

JSLIST Coat:	31- Set Pkt to SLV Pairs, 30- Trim Threads, 20- Join SLV to Back Pairs
JSLIST Trouser	33 - Trim & Inspect , 32 – Set 1x1 Loop to Leg , 25 – Auto Set Loop to Legs Pairs
NWU Blouse	163 – Trim, Inspect & Button, 80– Attach Button (Sleeve), 65 – Attach Buttons (Assembly)
NWU Trouser	No Production
JC3 Coverall	7 – Topstitch Outseam, 3 – Topstitch Sleeve Tab, 2 – Topstitch Inseam / Stay Waist Casing / Set Hook 1x1-1/2 Loop to Sleeve Flap
JC3 Coverall Seam Seal	39- Seam Seal Inseam Lower Leg, 17- Seam Seal Inner Leg Cuff, 15 – Seam Seal Lower Sleeve
FR ACU Coat Men's	49 – Edge Stitch Lapel & TS on Top, 44- Join Shoulders, 40- TS Chest Pkt Flap
PCU L4 Wind shirt	2 – Hem Facing Edge, 1- Sideseam, 1- Hem Bottom
PCU Level 5 Jacket	1 – Hem Bottom
PCU Level 5 Pant	7 – Side Seam, 7– TS Zipper Top & Btm to Back, 2 – Sew Weld Pkt
PCU L9 Next-to Skin	7 - Set 2 BTN-SLV PKT, 7 – Trim & Inspect, 5– TK SLV
PCU L9 Blouse	11- TS SLVS, 5– Bartack SLV Pad, 4 – Bartack SLV TABHem Bottom
PCU L9 Pant	9 - Sideseam, 7 – Bottom Hem , 7- J-Stitch

PACKAGING DIVISION: Month of **APRIL 2011** defective rate (Goal 2.0%) & Scrap (Goal 1.5)

	<u>PRODUCTION</u>	<u>DEFECTS</u>	<u>Defective Rate %</u>	<u>SCRAP</u>	<u>SCRAP RATE</u>
GSA	209,075	2,450	1.17 %	2,450	1.17%
USPS	No Production				
Commercial	257,330	1,466	0.57 %	1,466	0.57 %
Total Corrugated	466,405	3,916	0.84 %	3,916	0.84 %
WASTE	Qty Shipments	Waste	Waste%		
• GSA	216,575	6,296	1.46 %		
	Produced Items	Waste	Waste %		
• Commercial:	217,476.5	5,642	2.59 %		

qual-ity

How do you define it?

QUALITY DEPARTMENT (continued)

Quality can be defined as the ability to achieve target operational goals.

In practice, there are two types of quality:

- **External quality**, which corresponds to the satisfaction of customers. Achieving external quality requires providing a product or services that meet customer expectations in order to establish customer loyalty and therefore improve market share. The beneficiaries of external quality are a company's customers and external partners. This type of procedure therefore requires listening to customers but also must allow implicit needs that are not expressed by customers to be taken into account.
- **Internal quality**, which corresponds to the improvement of a company's internal operation. The purpose of internal quality is to implement the means that make it possible to best describe the organization, and to spot and limit dysfunction. The beneficiaries of internal quality are the company's management and employees. Internal quality generally goes through a participative step in which internal processes are identified and formalized.

The purpose of quality is therefore to provide the customer with a suitable offer with controlled processes while ensuring that this improvement does not translate into additional costs. It is possible to improve a large number of problems at a low cost. However, the closer you get to perfection, the higher the costs reach. In the absolute, it is not really a question of exhaustively meeting customer expectations ("zero defects") but rather of meeting them better than the competition.

The opposite of quality or a **quality defect** also has a cost. Indeed, it is generally more costly to correct defects or errors than to "do it right" from the beginning. In addition, the cost of a quality defect is greater the later it is detected. For example, making a defective product over, in the end, will cost more than double the production price that the initial product would have cost if it had been produced correctly the first time. Moreover, the price difference will be less if the defect is detected during production than if it is detected by the end customer (customer dissatisfaction, processing the incident, customer monitoring, shipping costs, etc.)

It is a question of finding the right balance that eliminates quality defects as much as possible, in order to earn a good degree of customer satisfaction and customer loyalty and make profits, all with a reasonable budget.

qual-ity
How do you define it?

Maria Elena Jimenez
Quality Manager

ISO Department

As you know, ReadyOne Industries always welcomes visitors to our facilities, and on May 11, 2011 we were happy to receive Colonel Shannon Womack (DCMA Phoenix Commander) and Lieutenant Colonel Richard Fisher (DCMA Albuquerque Commander). The purpose of their visit included discussions on topics such as, but not limited to, product development strategies, competitive pricing initiatives, and ReadyOne's reputation for impeccable quality, service, delivery and innovation. Our thanks go out to Colonel Womack and Lt. Colonel Fisher for their interest in a class act, **READYONE!**

As we know, continuous improvement is a crucial element within any organization's management system, and this is no different for us here at ReadyOne Industries. With the demand for quality perfection of products and services from our customers, we have conquered and reached another milestone in our quest for being #1 in the business. With many months of data collection and analysis, manufacturing process reviews, and training of personnel (just to name a few areas), ReadyOne launched its long awaited Enterprise Resource Planning (ERP) system over the Memorial Holiday weekend. What does an ERP system do? An integrated ERP system allows production facilities to be extremely efficient in all aspects of the manufacturing arena, such as effective procurement strategies, streamline inventory tracking, quality inspection timeliness, production yield tracking, production waste monitoring, cost variance identification, just to name a few.

You may ask, how does an implementation of an ERP system affect an implemented management system? The most obvious "change" to our documented management system will be the identified process elements we currently have in our QMS that include many Excel forms completed by production employees manually. Many of these forms will no longer need to be filled out by production folks as part of their day-to-day routine, due to the fact that they will be automatically available in the ERP system and can be printed (if needed) at any time we wish. Now you're getting the picture! As we speak, QMS **processes and formats** are being modified to accommodate these changes due to the new system. Of course, modified processes and formats must go through an approval chain which is required by the ISO Standard. Yes, we do that! This new ERP system couldn't have been implemented at better time, considering that our first ISO surveillance audit is coming in July, providing yet another challenge to ROI's constant continuous improvement journey. And we will prevail!

On another note, ReadyOne Industries attended the NISH National Conference in Orlando, Florida from May 23-25. It was an awesome event and we were fortunate enough to have several ROI employees speak in various session tracks, which included Mr. Russell Gibson (Finance presentation), Mr. Juan Bezanilla (Engineering presentation) and me, Mr. Richie Ybarra (ISO/QMS presentation). Our speakers did a fantastic job sharing past performance projects as well as future project focuses at ROI with other Not-For-Profit Community Rehabilitation Programs (CRP's). Good job Team!

"Ask the Editor"

Once again, I invite any and all ReadyOne employees to share their ideas, recommendations or comments regarding our Quality Management System. It is important that your voice be heard and that **"YOU"** have an opportunity to improve our organization's processes. You can contact me directly at rybarra@readyone.org or you can fill out a "suggestion slip" and place in a suggestion box, which are located throughout our facilities. Either way, your voice will be heard!

Until Next Time.....

Richie Ybarra
ISO Coordinator

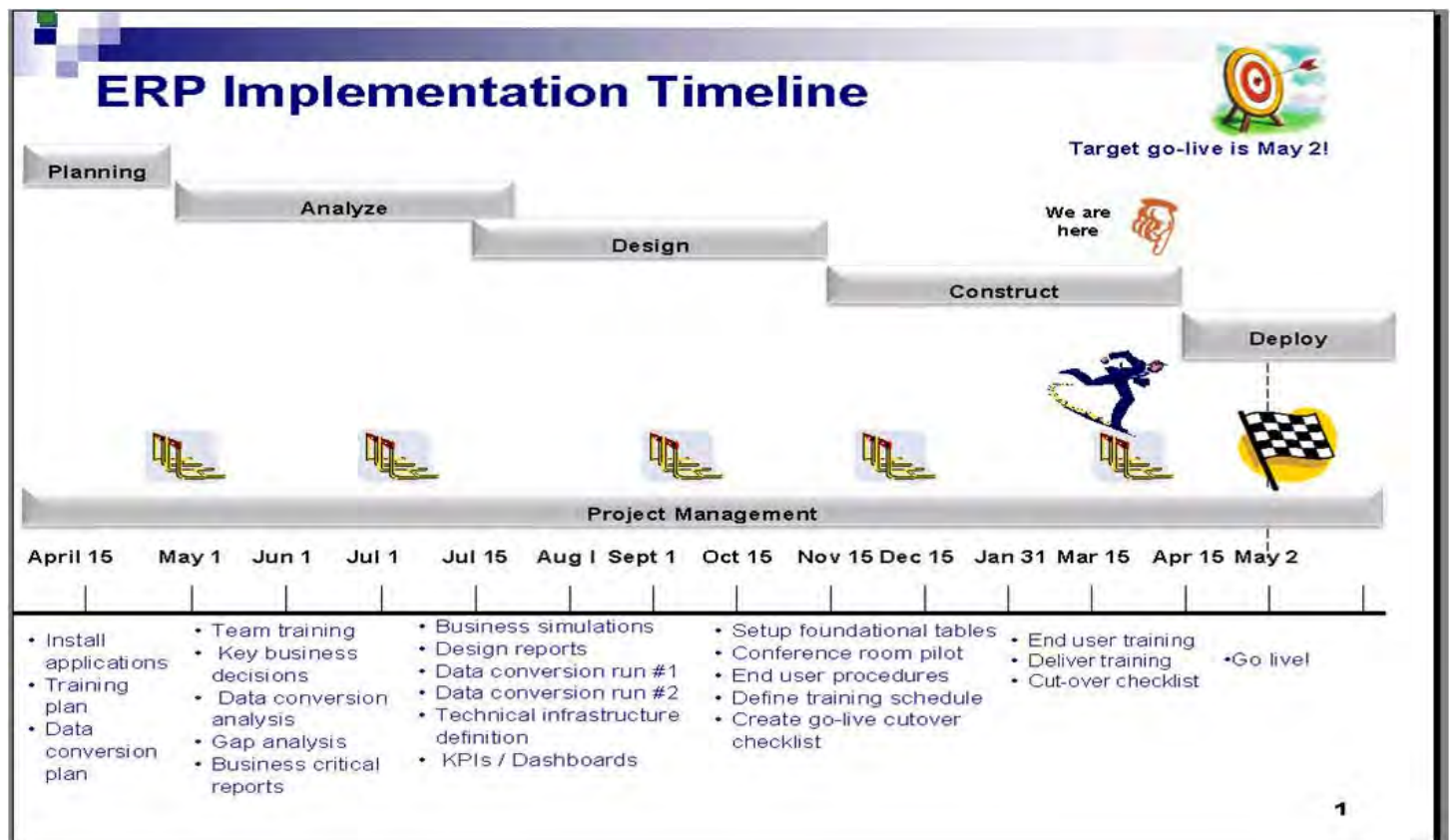


A new era has arrived for ReadyOne Industries with the launch of our new Epicor ERP system. Our first official day on Epicor was Tuesday May 31 but for nearly 12 months, the core Epicor Team had been preparing for this big day. Here's a brief recap that led us to the May 31st launch. We started off learning the basics in Epicor, from navigating through screens to creating transactions using the Epicor training data base. As the months went by, we started loading ReadyOne specific data. A big hurdle for us was the creation of our own part numbers. This was a spring board to creating bill of materials, routings, part classes and product groups and so on. Many "students" got their first hands-on during the latter part of 2010 in the training room. Through these classes, they not only learned the Epicor methodology, but they began to implement ReadyOne specific customizations. Final touch-ups were done towards the latter part of May. Finally, during the Memorial Day weekend, a slew of core users worked tirelessly to load open jobs or cuts for the Garment Division along with open AR, AP, and POs. It was a challenge, but we prevailed!

So what lies ahead? As with any major change in day-to-day activities, there will be bumps along the road. Rest assured Randy, Richie, and I will be there to get us over these bumps. As we've learned in the training classes, there will be multitude of reports that we can pull put of Epicor that will help us manage our business better. For the Garment Division, these would include reports on Open POs, receipts, past dues, job status, inventory levels, expense tracking by product line...etc. Other Division's will have a variety of sales breakdowns to choose from as well as their specific financial reports. And this is just the tip of the iceberg!

So in conclusion, thanks to all of you how participated in arriving at our launch date. Thanks to our Executive team and Board for making the decision to purchase the new ERP system. Finally, thanks to the students who took time out of their busy day-to-day schedules to embrace this new change and staying focused on learning the system. More to come as we use Epicor everyday!

Ed Esquivel and Randy Engel- ReadyOne ERP Project Management



What ReadyOne Means to Me

I have been a proud employee of ReadyOne Industries for almost 10 years now. My employment with ReadyOne started as an operator in garment performing a Turn & Pick operation. After about 1½ years into my employment, I was given the opportunity to work in the Packaging Division where I am currently employed as a Customer Service Representative.

During this time, I've had several surgeries that would otherwise been more difficult if it was not for the support of all my peers at ReadyOne. I am proud to say that ReadyOne has been a huge stepping stone for me. I have made great friends here and been offered good career opportunities that have helped me to focus on my abilities. I've overcome my disability and have become more independent than ever before.

To me, ReadyOne has become more like an extended family rather than just a place to work.

I would like to take this opportunity and thank all of you who make ReadyOne a great place to work!!

Jesus Gonzalez
Customer Service Representative

I AM READYONE



Environmental, Health, and Safety (EHS) Department

I am pleased to announce the Danny Natera will be joining ReadyOne Industries as the Environmental, Health and Safety Manager on June 15th.

Danny joins ReadyOne with over six years of experience in EHS. He has a master's degree in business administration, a bachelor's degree in business information systems, and an associate's degree in electricity. Before beginning his work in the EHS field, he worked in a leadership position in machinery maintenance for Federal-Mogul and also worked in purchasing. He also has completed numerous courses in OSHA and safety management. Please join me in welcoming Danny to the ReadyOne team.



Wes Schotten
Director Compliance and Human Resources

“Pride in our job: Motivating New Generations...”

By Patricia Heredia, Engineering Department

Perhaps after reading the title of this article, you might be a little surprised, since usually in our news in this section, we strive in the fusion of technical knowledge and its application in the Manufacturing Industry. However, comparing to previous editions, this one will have a different approach. We will still be talking about Engineering but from another perspective.

Recently there was an initiative from a local school to request ReadyOne Industries to support what is called “Career Day”, which involves the young generations receiving information about different professional fields of their interests. This program is being practiced by many schools. ReadyOne Industries support these activities without hesitation. The focal point in this plan is to motivate new generations to get involved in professional activities by showing the connection between theory and practice to help in their further professional decision. This allows the students to experience the reality in the productive sector, such as the daily life responsibilities relating to career demands. In our case of ReadyOne Industries, we present the engineering perception. Accomplishing with this, we show realistic vision of the implications that have profession entails. Students get the opportunity to enjoy the rewarding experience of being introduced to our manufacturing process here at ReadyOne Industries.

On Thursday May 19, 2011, The Engineering Department had the honor of hosting a special group of guests from Ranchland Hills Middle School. They were invited by Hector Hernandez (Engineering team member) who gave a motivational speech to the students. The guests were Luis Gutiérrez, Josue Ritar, Ernesto Perales, Karla Corral, Anthony Macías and Marco Hernández, accompanied by Ms. Gloria Ontiveros. (featured below)

The purpose of the speech was centered in the importance of our mission here at Ready One Industries as part of the Ability One program and how Engineering contributes to this wonderful labor. Students received an explanation about our manufacturing and the immense significance of our process. Also, vast information regarding engineering responsibilities implies to from ethics to the daily working life. Speech focused on the purpose to help the students to open their mentality of what their future work could engage. Like in previous articles from the ReadyOne Industries Newsletter, remember and stay tuned for more interesting news from the Engineering Department.



PACKAGING NEWS

In early May, the packaging Sales Team competed in the 2nd Annual Borderland United Brothers and Sisters Golf Tournament. This tournament is primarily supported by participants from the packaging industry and benefits the children of several orphanages in the Juarez area.

This year's event was attended by over 80 individuals who represented suppliers, converters and customers of packaging products. Competing in this event gave ReadyOne the opportunity to network with others in our industry while we supported a worthy charitable cause.



In the photo from left to right are Eddie Araujo, Griselda Douglass, and Enrique Mendez who was recently promoted to Sales Manager for Packaging. He is supported by Victor “Eddie” Araujo who join ReadyOne in March and Griselda Douglass who was promoted to her position in April. This team has more than 40 years of combined experience in packaging and is expected to bring much needed revenue growth to the division.

Packaging has made other organizational changes to handle increasing sales and customer service and estimating demands. Irma Chavez has been promoted to Customer Support Supervisor. Irma is supported by CSRs Jesus Gonzalez and Michael Martinez. Together, they bring more than 30 years of packaging expertise to the division.

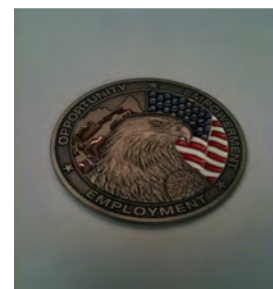
Loretta Hemsworth

ReadyOne Industries – Packaging Plant Director



Cynthia De Haro, Scott Williams, Tom Ahmann
and Juan Bezanilla

Mr Scott Williams was presented with a limited edition ReadyOne coin that is specially designed to acknowledge his past and continued support to the Special Forces Community, the AbilityOne program and to ReadyOne Industries. Thus far there have only been three recipients of our coin. The other three are Jack London from NISH, Col. Joe Simonelli, Garrison Commander at Ft. Bliss, and now Scott Williams. ReadyOne is thankful for their service to our nation and to our service men and woman.



READYONE NEWS AND COMMUNITY EVENTS

Pellicano Blood Drive

United Bank Services held a blood drive at ReadyOne Pellicano facility on April 26. The blood drive was a success, 14 units of blood were collected. Great job to the Pellicano staff for their participation!

Get ready everyone! We have another blood drive coming up in November.

4th of July Holiday



The facility will be closed on Monday July 4th in celebration of Independence Day. Regular work schedule will resume on Tuesday July 5th.

Schedule Changes

Effective July 9th the work schedule will be changing to an 8 hour - 5 day workweek.



Dominoes Contest

ReadyOne Industries will be having a Dominoes contest on Saturday August 6. The contest is open to all individuals with significant disabilities...are you up to the challenge? We need volunteers, please contact Martin Aceves in Human Resources

NATIONAL DISABILITIES EMPLOYMENT AWARENESS MONTH 2011 (NDEAM)

NDEAM will be held during the month of October and will culminate on Friday October 28. The event is in its early planning stages. So be ready to receive more information as we get closer to October.

United Way Board Of Directors Luncheon

On April 19, ReadyOne Industries was recognized as a new partner in the United Way Campaign. ReadyOne was represented by Grace Araujo, Payroll Manager, Cidy Araujo, Purchasing, Kevin Bowes HR Recruitment - Veterans and Lucy Garibay. The United Way El Paso Chapter is appreciative of the contributions made by ReadyOne employees.



United Way Board of Directors Attendees:
Kevin Bowes, Lucy Garibay, Cidy Araujo
and Grace Araujo



Our VP of Finance Russell Gibson was recognized for his 5 years of service last month. Congratulations Mr. Russell Gibson and also Lupita Ibarra (10yrs.) Photographed also is Tom Ahmann (left), Wes Schotten (center) and Cynthia De Haro (right)



Russell Gibson

Pellicano Blood Drive April 2011



Rogelio Ibanez