



LETTER FROM OUR CEO

Dear Employees and Friends of ReadyOne Industries:

Many of the items I mention in my cover letter will be addressed in more detail later in this newsletter.

First, let me be the first to convey my best wishes for the Celebration of National Employment Disability Awareness Month. As most of you have already heard, our annual employee party to celebrate the event will be held on October 29th. As usual, the ReadyOne party committee is planning some terrific events that will be fun for all.

The ISO audit for packaging is scheduled for mid-November. We have complete confidence in Ritchie Ybarra and the people in our Packaging Division that the packaging division will pass the audit and join the Apparel division as “world class” manufacturers.

In the bi-monthly newsletter you received in August, the message I delivered was somewhat sobering, especially regarding business in our apparel division. I am happy to report that, since the August newsletter, we have received some encouraging information to include additional business in JSLIST, ACU Coats, and PCU levels 4,5 and 9 that will result in consistent employment not only thru the end of 2010 but should continue most of next year. We have every reason to believe that NWU coats and trousers will also continue at the same levels we are currently producing. This is extremely good news for the employees of ReadyOne Industries. It is important that we realize that ROI is once again very fortunate. As I mentioned last month, the military apparel industry is now and will continue to suffer in the upcoming months due to significant cutbacks in military spending. In fact, I was at a trade show in mid-September with many other apparel manufacturers. Several of them have already shut plants and furloughed workers while others are only working three day weeks. As always, we need your continued support in producing top quality products on time with high efficiencies in order to maintain our competitive edge.

Our contractor is in the final stages of completing the re-roofing of our Ability Drive facility. During the construction you have been forced to move several times in order to keep you out of harms way while construction was going on over head. We appreciate your patience and now ask for the patience of our fellow workers at Packaging who will soon go thru the same issues that affected apparel over the past three months.

I'm happy to report that our business in all divisions were in line with or slightly better than budget for July and August. Preliminary figures for September show that we will be slightly below budget due to some unforeseen delays in the government testing of JSLIST and JC-3 Chem-bio suits. The negatives in September are expected to be off set by a better than budget October.

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LETTER FROM OUR CEO (continued)

Finally, I want to thank the more than 90 people who have written letters (some of which have already been published) explaining how ReadyOne Industries under the AbilityOne umbrella continues to have a positive impact on your life as well as that of your families. If you haven't yet written your letter I encourage you to do so as the letters are an inspiration to each and every one of us. With your approval, we will continue to publish the letters on a monthly basis.

Regards,

Tom Ahmann
President/CEO

QUALITY DEPARTMENT

GARMENT: Month of August 2010 defect levels by production line: DHU (Defects per Hundred Units) Goal is 2.0 %. Second's goal is 0.30%.

	<u>Production</u>	<u>#Defects</u>	<u>DHU%</u>	<u>Total Seconds</u>	<u>% Seconds</u>
JSLIST Coat	21,039	565	2.69 %	0	0.00 %
JSLIST Trouser	16,949	350	2.07 %	0	0.00 %
NWU Blouse	661	29	4.39 %	0	0.00 %
NWU Trouser	10,408	262	2.52 %	100	0.96 %
JC3 Coverall	833	31	3.72%	0	0.00 %
ACU Coat	24,560	1,153	4.69 %	0	0.00 %
PCU L4 Wind shirt	181	12	6.63 %	0	0.00 %

A special thanks go to all the employees working on the JC3 Coverall. This product is critical safety item and very difficult to sew and seam seal. It takes hard work, dedication, and commitment to produce a safe quality garment that our men and women in uniform can wear with confidence. Keep up the great work.

The Top 3 defects for the month of August 2010.

JSLIST (CPO) Coat:	84 –Set PKT to SLV Pairs, 72 -Threads, 40 -Set Slider Fastener Left & Right Front
JSLIST (CPO) Trouser	56 -Threads, 20 - Tack Fly Flap /Top Waist, 18 – Tack Suspenders
NWU Blouse	9 - Fell Close Sides, 7 –Threads, 3 - Attach Sleeves to Armhole
NWU Trouser	53 - Auto Attach Belt Loops, 40 - Tack Cargo Pockets, 39 - Out seam
JC3 Coverall	5 -Threads, 3 - TS Left & Right Lower Sleeve, 3 - Close Inner Left & Right Sleeve Cuff
ACU Coat Multicam	166 - Threads, 123 -Bar tack Sleeve Pocket Flaps/Patch, 109 – Bar tack Zipper
PCU L4 Wind shirt	6 -Bartack Front, 3 – Topstitch Front Pocket, 1 – Attach Fronts

The top 3 defects reveal that we have some deficiencies against our requirements in thread trimming and removal. Our specifications call for no loose or untrimmed threads. A loose or unclipped thread tail amounts to telling our customers that we take a casual approach to work details and are not important to us. This is not our attitude nor is the attitude we want to convey to our customer. We need everyone's help to adhere to the thread requirements. Thank you in advance for your cooperation.

PACKAGING DIVISION: Month of August 2010 defective rate (Goal 2.0%) & Scrap (Goal 1.5)

	<u>Production</u>	<u>Defects</u>	<u>Defective DUH%</u>	<u>Scrap</u>	<u>Scrap Rate</u>
GSA	220,650	5,059	2.29 %	5,059	2.29 %
USPS Sleeve	8,500	35	0.41%	25	0.29%
Commercial	284,091	2,525	0.89%	2,525	0.89 %
Total Corrugated	513,241	7,619	1.48%	7,609	1.48%

WASTE

- GSA 2.06%
- Commercial: 3.37%

QUALITY DEPARTMENT (continued)

Quality Control Vs Quality Assurance

ISO 9000 Definitions

- **Quality Control**

- The operational techniques and activities that are used to fulfill requirements for quality.

- **Quality Assurance**

- All those planned and systematic activities implemented to provide adequate confidence that an entity will fulfill requirements for quality.

Examples:

Typical QC steps

- Problem Identification
- Problem Analysis
- Problem correction
- Feedback to QA

Quality Control

- Product
- Reactive
- Line function
- Find defects

Quality Control

- Walkthrough
- Testing
- Inspection
- Checkpoint review

Typical QA steps

- Data Gathering
- Problem Trend Analysis
- Process Identification
- Process Analysis
- Process Improvement

Quality Assurance

- Process
- Proactive
- Staff function
- Prevent defects

Quality Assurance

- Quality Audit
- Defining Process
- Selection of tools
- Training

María Elena Jiménez,
Quality Manager

ISO DEPARTMENT

Autumn is here. The days are getting shorter, the clocks will be turned back.....it's time to get serious and down to work. ReadyOne Industries has a great accomplishment to sit back on and admire (ISO Certification), BUT there's no time to get cocky and forget about what got us here and the importance of following proper established protocol.

Not only does ISO Certification place ReadyOne Industries at the top of the mountain, we must remain there. It is extremely important that we focus on maintaining discipline to established Quality Management System (QMS) policies and procedures. You may ask..... "Why if we're already certified?"

The process requires that when an organization obtains ISO Certification, yearly surveillance audits will follow. In short, one year after the certification date we will be re-audited, and the following year as well. These surveillance audits are to ensure that ISO certified organizations like ROI continue to maintain and improve their QMS. **NOW YOU'RE GETTING THE PICTURE!!!** Our journey to retain certification has just begun.

On an added note.....

With the upcoming implementation of a new Enterprise Resource Planning (ERP) system, **Epicor**, it is quite certain that some of our established QMS policies and procedures will change. Many of the applications in the ERP system will eliminate the need for "manual documentation" practices. We will no longer have the need to use some hard copy formats, spreadsheets, etc. This is a good thing BUT will continue to necessitate discipline to established policies and procedures. When any policies and/or procedures require modification, all relevant personnel will be trained on the newly implemented versions.

ISO DEPARTMENT (continued)

Packaging Division and ISO

With the recent launch of preparing the Packaging division for ISO Certification, many things have been taking place. An intense auditing program has been implemented in order to identify any inconsistencies within the current Quality Management System (QMS). An aggressive re-training program has been implemented to ensure all personnel remain competent and aware of their individual operational responsibilities. Goals and objectives have been reinforced and communicated to all. I'm glad to say that the modifications to existing processes have been minimal and outstanding progress has been achieved by the folks at our Packaging Division. The goal of becoming ISO Certified at the Packaging facility has been totally embraced by all.

With the **Stage 1 Readiness Review** programmed for October 25, 2010, the completion of implemented projects is critical but remains on target. The **Stage 2 Conformance Audit** is programmed for November 22nd and 23rd, 2010. This audit will be the determining factor for becoming ISO Certified. I'm extremely excited to be a part of this upcoming milestone and I encourage **all** ROI employees to support our upcoming goal.

“Ask the Editor”.....

I would like to take this opportunity to 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!

Richie Ybarra
ISO Coordinator



ERP Implementation Update

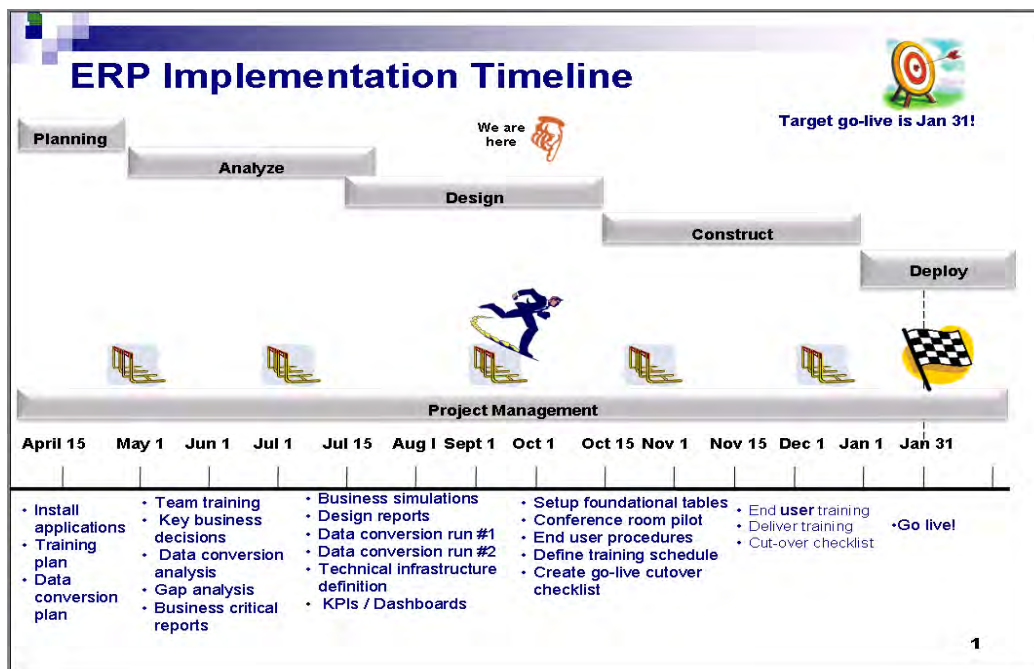


The end of September finds us in the middle of our 3rd stage of the implementation, the **Design** stage. We have completed much of the set-up and data conversion work in the system and have begun with our business simulations. Focus will move to testing our day to day transactions of the Garment Division business cycle. This will take us from customer order entry to cash collection and include all the processes in between. As you can imagine, there are a lot of variables and steps along the way Epicor will help us track our results as orders are placed, produced and shipped. We can then pinpoint areas that need improvement.

Classroom participation will be picking up over the next several months as we near our revised go-live date of Jan. 31. Users will be brought in for the start of hands-on training. In fact, over the last few weeks, departments such as Logistics, Accounting, Maintenance, ISO, and Purchasing have participated in the training sessions and have come away with favorable impressions. As Richie Ybarra, ISO Coordinator put it, “Epicor will certainly instill more discipline to our already established processes”.

As mentioned in our previous newsletters, our other divisions will benefit from Epicor as well. As an example, for the Packaging Division, we are looking at using the robust features of Epicor to help us track and report our Sales in a way that better reflects our business model. We will also look into a preventive maintenance (PM) module that could help our POV division as it schedules PM's on the vehicles.

We look forward to the remaining challenges of the project that lie ahead. The system will affect many of the tasks that a lot of us do today, namely to reduce or eliminate some of them. This will allow us to focus and study the results of the information and help us make better business decisions.



Ed Esquivel and Randy Engel
 ReadyOne Project Management

Environmental, Health, and Safety (EHS) Department

Staying Safety Focused

With our busy work and home lives, it can be easy for many to become distracted to the point where we lose focus. Losing safety focus can lead to an injury. Think about it. How many times have you seen or heard of a coworker do something that just was not right because they were in a hurry? How many times have you observed a coworker do something that was contrary to safe work practices? How many times have you seen a coworker become injured from talking with their neighbor instead of paying attention to the task they are performing? Staying safety focused must be a large part of our jobs on a day to day basis. This is especially important when we are involved in jobs that do not change significantly. For example, working on the same part or in the same operation can lead to anyone being in “automatic” mode. This can be dangerous especially when working with machinery. So how do we maintain “safety focus”? Take a look at these tips:

TIP NUMBER 1—Know where you’re walking. Being aware of your surroundings is one of the most critical aspects of staying safe. Walk in well-lit and clear routes. Shortcuts are the wrong option on a production floor. Remember, the production floor is where work is being completed and is not an area where we should be visiting with coworkers, especially when walking in aisles or in between workstations

TIP NUMBER 2—Don’t let your guard down! Make sure your machine or equipment is completely guarded. Guards such as those that cover rotating parts or ingoing nip-points are very important. Normally unprotected areas such as the area in-front of a sewing needle can lead to an injury if left unguarded. Employees are responsible for making sure their equipment has all necessary guards before starting work each day and anytime they are returning from being away from their machine. If your machine is missing a guard, you must not operate the equipment until all guards are in place. NEVER remove a guard. It is there to protect you.

Environmental, Health, and Safety (EHS) Department

TIP NUMBER 3--Be aware of who's around you. This is particularly important with many of your coworkers with special needs. Give additional space to allow your coworkers to pass safely. Do not obstruct guidelines or other markers used by your coworkers to navigate through the facility. And, ensure you pay close attention to signs which advise of maintaining walkways clear. Do not visit in a manner that obstructs walkways. Corridors and walkways are not visiting areas.

TIP NUMBER 4—Take a long breath. Use all of your senses to see the big picture. This is probably the most important tip anyone can follow. Taking a long breath and seeing the big picture forces all of us to slow down and see what is in front of us. Remember, seeing is different from looking. When we “see” we let our brains register all possible hazards in-front of us, much like using the “rewind” feature when watching a DVD at home. More often than not, when we “look”, our brains take a snapshot or glance and does not register possible hazards. Snapshots are flat and do not provide a great deal of detail. Seeing takes practice. Seeing can help all of us remain safer.

Using our other senses can also help us remain safe. All of us have heard the saying, “Where there is smoke, there is fire”. How many times have you smelled smoke before actually seeing it? Your sense of smell can also help you stay safe. Stay alert for unusual smells in the facility. Some common smells that can signal danger are: natural gas; ozone from electrical conditions; smoke from smoldering conditions that can lead to a fire; and many other odors that just do not seem right for our plant. If you are unsure if an odor you are smelling is safe, contact your supervisor, any member of management or the EHS Manager immediately.

What about using our sense of hearing? Our sense of hearing can also alert us to dangers. Being aware of what our plant “normally” sounds like is key. Our facility does not have many unusual sounds. Sounds common to our facility on a regular basis are: sewing machine equipment; the facility radio; minor “hissing” from our compressed air equipment; and from-time-to-time, forklift traffic. It is when we encounter unusual sounds that we must be concerned. Sounds such as: a sudden release of air from compressed air equipment; any “popping”, banging, or other suddenly loud noises can alert us to a safety issue in the facility. If you are unsure if a sound you have heard is “normal” to our facility, contact your supervisor, any member of management or the EHS Manager immediately.

Staying alert and safety focused can help ensure all of us go home safe and healthy. Stay alert! Know where you are at all times. Pay attention to your surroundings. Don't let your guard down! Report unusual conditions, sounds, or smells. Being an active part of the safety solution is key to reducing accidents and injuries here at ReadyOne. Be a part of the solution!

George Levy
EHS Manager

New Mission Statement

Our mission statement committee was given the task of creating a new mission statement that would integrate our vision, values, and our ongoing commitment to train and mentor our employees.



“We provide employment opportunities to individuals with significant disabilities in an environment that inspires and nurtures self-determination and success.”



Committee: Karina Alvarez, Joe Jimenez, Erika Moreno, Maria E Jimenez, and Rolando Alvarez (not pictured: Juan Bezanilla)

What ReadyOne Means to Me

ReadyOne is a community of compassion, inspiration, acceptance, strength, and pride in one's own work and as a collective whole. The camaraderie that is abundant in my own personal ReadyOne community motivates me to always do my best when it comes to teamwork and individual tasks. Enthusiasm is what I feel when I get to work on a project with my other fellow employees who make coming to work fun and exciting. The positivity that flows from my fellow employees is not only contagious; it is something I am grateful for as well. ReadyOne makes my own blessings more and more apparent each day.



I know when I come to work there is always a helping hand that I can count on when projects and work become overwhelming. This is just another ReadyOne attribute: when you are in need of help, there is no shortage of people who are willing to put their work aside to help you out.

What ReadyOne means to me is the beginning of my career, my first important job experience where I have learned so much and continue to do so, and I know I can apply this priceless experience in my future career aspirations. Most importantly, what ReadyOne means to me is the enduring spirit of this organization that works for the betterment of our community. My name is Erika Moreno and I am proud to be a ReadyOne employee.

Erika Moreno
Business Development Research Assistant

What ReadyOne Means to Me

I was in the Packaging Department before I was placed in the Garment Department. I was not sure that I wanted to sew because I had never done something like that in my life. I'm glad that I accepted the challenge. I really enjoy being here. I feel that everyday there is something different that I get to do. There is never a boring moment! Right now, I get to sew and inspect garments as needed – I like the variety.

I like that people are friendly, there is a good atmosphere, people are really good team players, and our supervisors are really nice (and sometimes they can't be too nice). This place holds a great place in my heart because both my daughter and son-in-law are enlisted in the US Army. I am so proud of them and proud of what I do for them.

I think that is what ReadyOne means to me – we are proud of our soldiers and we are honored to support them!

Elizabeth Lopez
Machine Operator for PCU
(Elizabeth did not wish for her picture to be taken)

“I am ReadyOne!”

Be on the lookout for the “I am ReadyOne” button that employees are wearing! This means that they participated in the letter writing campaign and wrote a letter to congress. This button also stands for their loyal support and dedication to this great organization. We continue to receive requests regarding this project. If you are interested in writing a letter and wish to have more information on this subject, please visit our Human Resources department to obtain a “letter writing kit”.