



In our Success Story for 2016 we provided information on our first months of profitability and our ability to share that success with employees through our SCRAP Incentive Program. We continued to enjoy positive results in 2016 and experienced our first ever profitable year, in part due to the training provided with partial funding through STTF.

Plasan faced new challenges in the second half of 2017. With one customer program ending and the second reducing, new financial challenges are realized. None the less, knowing this is an interim issue as we continue to identify and finalize new business, Plasan has steadfastly invested financial and human resources to provide the training necessary to grow our business.

Continuous Improvement. A major contributing factor to our 2016 success was the implementation of Scrap and Profitability (SAP) teams. Made up of cross functional department members, ten teams were assigned to specific production areas, charged with identifying cost savings improvements and reducing scrap by 40%. Training in Lean processes was provided to give teams tools to be successful. Participants learned fundamental methods to eliminate process variability, improve material flow, reduce cost and improve lead-time. SAP team members champion the methodology learned and drive continuous improvement through the organization. The training enabled several successful Kaizen events in various departments. As example Autoclave, B92 (hood) and Plant 2 process flow. The outcomes from these three events resulted in significant improvement of product flow by creation of a "bus schedule" for the autoclave department, elimination of travel and reduced dust exposure by relocation of B92 and new parts flow through the cell, and lastly similar product flow and reduced dust with new lay out for Plant 2. With a 40% reduction in scrap in 2016 it is more challenging to continue to reduce this number. Training provided has enable us to continue to drive the scrap number down to achieve the 2017 goal of a 25% reduction.

Technology Development. We have long recognized downtime as an efficiency opportunity and with significantly increased automation this is even more critical to our success. Technical robotics and troubleshooting training has assisted us with decreased down time. For our IT team, training provided allowed us to add systems to our paint line to more effectively report on paint utilization. Certain paints are our most expensive material; this system allowed for more efficient paint application processing. Lastly, systems training for our IT department members has assisted us in system and information protection.

Our employees were excited and proud of the fact we proved we could be profitable in 2016 with a new technology and a very young location. As stated, 2017 is a challenge as will be 2018. Plasan is committed to continue to invest and grow our valued workforce. We anticipate a new finishing process implementation within this 12-month period and a new formation process. This will enable us to offer new technical capabilities and solutions to our current and future customers. We hope to continue to work with MiWorks and be considered for future STTF training fund opportunities to further secure our future.

Thank you,

A handwritten signature in blue ink, appearing to read 'Lisa Thorsen', is written over a white background.

Lisa Thorsen
Human Resources Manager

