



THE ProgRESsive

Mission

Res Manufacturing produces metal stampings, engineered solutions and value added services for companies in markets with significant growth potential.

RES operates profitably to support its customers, provide opportunity and reward for its associates and generate a solid return for its shareholders.

Res Manufacturing is a contract manufacturer of metal components for **SHAPE CRITICAL** **SURFACE CRITICAL** and **HIGH STRENGTH** applications.

We specialize in:

- ◆ PROGRESSIVE DIE STAMPINGS
- ◆ DESIGN ASSISTANCE
- ◆ PROTOTYPES
- ◆ TOOL BUILD
- ◆ HEAT TREATING, WELDING, TAPPING, MACHINING
- ◆ AUTOMATED ASSEMBLY



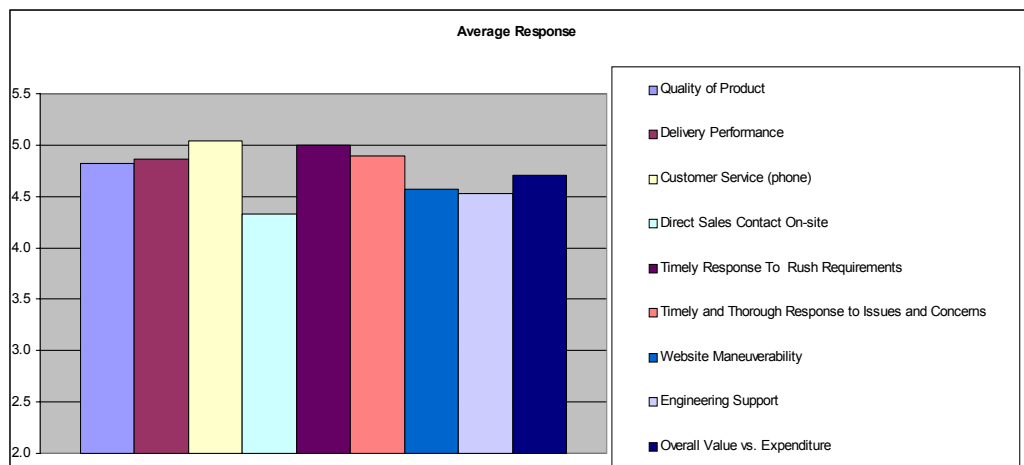
Res is people. Our associates are active partners. The enthusiasm, creativity, commitment and team spirit that they bring to their jobs each day is a key to our success. We are proud of their efforts.

MANAGEMENT VIEWS

Recently, Res completed its "Quick Survey" measuring customer satisfaction in key performance areas. The survey is sent out after the end of the first and third quarters and is an important tool for monitoring and improving performance. For those of you who responded—thank you! Our response rate exceeded 63%!

Res uses the information to monitor performance trends and general customer sentiment. More importantly, the data and any comments are used in our continuous improvement efforts. Any comment that raises a concern, and/or suggestion for improvement, is entered in our Corrective and Preventive Action System. In addition, any individual score that falls below a 4.0 (1 being weak and 6 being strong) is entered into the Corrective and Preventive Action system.

The results from the latest survey are shown below:



Quality of Product 4.8
 Customer Service (Phone Contact) 5.0
 Timely Response to Rush Requests 5.0
 Engineering Support 4.5

Delivery Performance 4.9
 Direct Sales Contact (On-Site) 4.3
 Timely Response to Problems 4.9
 Overall Value Vs. Expenditure 4.7

Res received positive ratings in all categories. Our customers indicate that Res is strong in Quality of Product, On-time Delivery, and Customer Service, and in general, feel good about the value that they are receiving for monies spent. Any customers that scored Res below 4.0 will be contacted soon to review the reasons for the lower score and what steps Res needs to take to meet customer expectations.

Going forward, we will continue to post Quick Survey results in the Newsletter. For those of you who responded to the last survey, again, thank you. For those of you that were unable to respond, we look forward to hearing from you on our next survey (Oct '03); feedback is critical in driving positive change.

David Tomczek, Vice President of Sales

Innovation in the Manufacturing Sector

Is the rapid decline of the Manufacturing Sector in the United States the collapse of the backbone that keeps America upright, or the result of the healthy progress America needs to stay ahead of global development? In the new millennium, the manufacturing sector has lost over one million jobs. At the same time, the economic downturn since 2001 has forced the manufacturing sector's output to increase through innovation.

According to a report by the [National Center for Policy Analysis](#), "50 years ago, one-third of U.S. workers toiled in factories—but little more than one-tenth of them do so today." These jobs are moving to places like Eastern Asia where labor costs are much lower and manufacturers can fulfill global demand. In regard to Industrial Production Growth Rates estimated by the [CIA World Factbook](#), in 2002, the United States experienced a -3.7% growth rate while China boasted a 13.5% growth rate.

Americans have progressed to a more highly educated, technologically literate workforce. Innovation through greater research and development initiatives will allow America to continue to grow and be an international leader. According to Jerry Jasinowski, President of the [National Association of Manufacturers](#), "Manufacturing is at a crossroads. We face fundamental changes, which if left unaddressed, could result in huge economic losses and the erosion of our industrial leadership." An educated workforce stimulates the flow of new ideas, promotes independence and initiative, and eliminates error and waste.

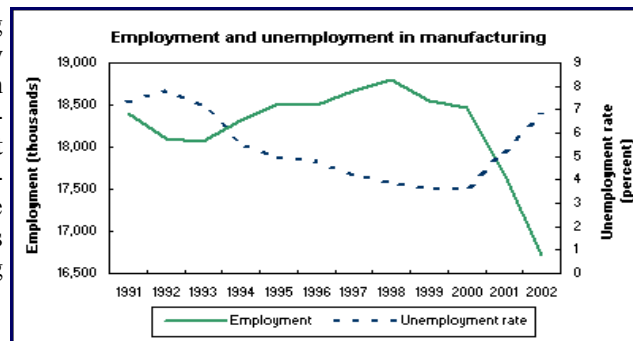
At Res, we understand that the only way we can compete in today's challenging manufacturing industry is to continue to promote knowledge and innovation within our organization. We are always seeking new, inventive ways to save the customer money through design assistance, employee education and training, automated assembly, and packaging and freight management. The best way to achieve this development is by continuous communication with customers. The feedback we receive is what keeps Res and its customers competitive.

From April to May of 2003, new orders to U.S. factories increased 6.7% and production at plants increased by 47% according to the [Associated Press](#). Again in June, as noted in the [Milwaukee Journal Sentinel's](#) July 2 issue, the Institute of Supply Management's Monthly Index reflects an increase from 49.4 to 49.8, a 50 rating being the point where the industry sector begins to grow. Will we see an upturn in the industry in the second half of the year with these new orders? It is too early to tell.

The challenges the manufacturing sector faces today are not easily overcome. Global competition leaves American organizations endlessly searching for ways to cut costs while staying afloat. By focusing on innovative and creative ways to keep costs down, producers like Res can continue to be a strong force in the manufacturing sector.

Rachael Poyneer

Inside Sales and Market
Development Associate



[U.S. Department of Labor Bureau of Labor Statistics](#)

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Res' Metal Stamping Seminar is a Big Success!

Many thanks to all of the people who attended our first Metal Stamping Seminar on June 18, 2003. The feedback we received was very positive (Our average rating was 5.5 out of 6 possible points) and will help us to make it even more informative in the future. Our thanks also go out to The Courtyard Marriott. They provided a pleasant background for our well-received symposium. If you would like more information on future seminar, please visit our website at www.resmfg.com or contact Rachael Poyneer at 414-365-5556.