

The Gemstone

Newsletter

September 2006

Customer Communications

The Cornerstone Of A Customer Relationship

The strength of The Gem City Engineering Co. (GCE) relationship with our customer is understanding the customer's needs in the areas of equipment, business practices, and as individuals. Providing engineering and manufacturing services within our areas of special skills and experience minimizes contract risk and enables project success. We rely on solid communications to support our daily and extended relationship with each GCE customer.

At GCE, we measure our customer relationships with customer feedback. We confirm the strength of these relationships by the length of the relationship; we have customers that have entrusted their most challenging programs to us for decades. We use a structured, proven



communication approach that reduces the stress and anxiety that can exist when negotiations are mixed with development. In the simplest of terms, we make it easy to do business with us.

The Approach

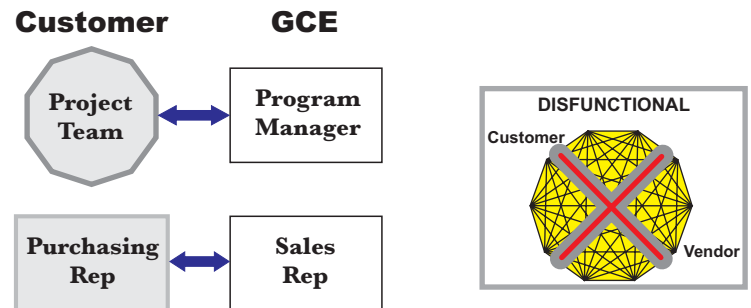
Every program, no matter what size, has some form of communication between team members on both sides of the customer-vendor relationship. In an unstructured environment, where everyone may be talking to everyone else, important issues can become confused, muted, or lost. While personal relationships are important in a

project, we have leaned our approach to two key individuals.

After analyzing why projects seem to stress the relationship, we discovered that many times project teams end up absorbing valuable time with negotiation issues, taking attention away from the project side. We separate the commercial and technical issues. The GCE Program Manager is the single point of contact while discussing technical issues. Separately, GCE's sales representative works with the customer's purchasing representative, discussing the commercial topics based around contracts, price and schedule.

Team Development

We assemble the right team for the program. During site visits before and after contract award rapport is established between the customer and GCE team members. We recognize that the bonds in our relationship ensure the successful and efficient transfer of information.



Communications between the teams must be timely, clear, and efficient. If we lose any of these three, the project will suffer. At the start of the program, GCE and the customer plan the communication methods that best fit that particular program. The GCE Program Manager is the focus for communications. Immediate

telephone calls and emails are great for timely problem solving, but we include structured meetings, too, for effective transfer of project information. It is an interesting challenge in our worldwide economy to stay in telephone contact with our customers from Europe to the Far East, but with our committed Program Managers we overcome those worldwide time differences.

Communication Venues

Weekly program status reports from the GCE Program Managers provide a format to document:

- work completed and in process
- schedule status
- out-of-scope issues.

The report provides the agenda for the participants in the weekly status telephone call. It is also a convenient reference for individuals not involved in the detailed discussion meetings.

GCE team members use various established formats to communicate program issues with the customer; examples include:

- the Open Issues list that keeps open questions visible
- the Change Record Sheet that tracks the dynamics of the engineering direction.



GCE has an additional tool that compliments the traditional ones we use to keep customers posted with the latest project information. The secure Project Portal on our website provides a dedicated location for each project. With 24/7 access, project information can be updated as necessary / when needed. Reports, correspondence, and progress photos can be posted there for the customer.

The Entire GCE Team

It is part of our culture to have all GCE employees recognize the value of the GCE-Customer relationship and work toward continuous improvements. Our employees understand it must be a win-win attitude so our customers succeed and choose to come back to GCE

for their next project. Their success is a testament to our level of continued and repeat business.

We encourage our customer to visit our facility during all stages of a program and consequently customers can be seen nearly every day in any department. If you walk through GCE you will observe customers in the machining and inspection areas, tool acceptance, engineering, and management meetings. We ensure employee involvement through employee empowerment and task ownership to help make timely and cost-effective decisions for successful projects.

Customers interact in-depth with GCE throughout the program. Individual relationships between GCE and the customer are formed at all department levels. The Program Manager introduces our team as the program develops, from quotation to delivery.

Along with the interaction of GCE employees during the life of the program, GCE uses several performance metrics to guide our customer relations and our internal

performance audits. These are monitored and actively managed to prevent making decisions on historical data. We have four organizational levels of White Board meetings for specific focus groups:

- Program-Specific
- Machining Group
- Department Leaders
- Top Management.

Customers First

The sum of our communications and metrics is spelled out in our Quality Policy:

GCE will delight our customers by providing great products at a fair price on time.

On recent visits by GCE customers, in response to the question, Why GCE? , we were told: Your attention to detail. , You're easy to do business with. and Superior responsiveness on all levels. We work very hard to keep it that way.

Please visit our website at www.gemcity.com and contact us at sales@gemcity.com.