

SDC MANUFACTURING EFFICIENCY IMPROVEMENT ERP HARDWARE AND SOFTWARE UPGRADES PROJECT UPDATE NOVEMBER 29, 2018

BACKGROUND:

Stainless Design Concepts (SDC) is a manufacturer of Ultra-High-Purity (UHP) gas and chemical delivery systems for high-tech fabrication processes. For more than 30 years, we have designed and assembled process gas panels for leading equipment manufacturers and R&D institutions around the world.

SDC is the gas and chemical delivery systems division of CVD Equipment Corporation. SDC has a reputation for utilizing innovation and technology to produce a complete line of gas and chemical management systems delivering quality directly to the semiconductor wafer. While CVD Equipment is a manufacturer of a broad line of chemical vapor deposition equipment for the Semiconductor industry, SDC made its mark as a technology driven manufacturer of Ultra-High-Purity (UHP) gas and chemical delivery systems for semiconductor fabrication processes. SDC has been assisting Universities, Research Laboratories, and Industrial Production as a leading global manufacturer of Ultra-High-Purity (UHP) systems with a concentrated effort in the Microelectronics, Nanomaterial Production, Aerospace, Research, and Pharmaceutical markets.

PROJECT:

SDC Manufacturing Efficiency Improvement - ERP Hardware and Software Upgrades

Project details include the addition of new hardware as well as CADLink and Form Wizard platforms to our existing ERP system. Personnel training classes were also to be held on these new applications in addition to .NET training too.

Implementing the CADLink platform into our existing ERP System will ultimately increase the efficiency and accuracy of the Bill of Materials (BOM) entry. Directly connected to our Aptean ERP, CADLink takes CAD data from the on-screen drawing or CAD model and pushes it to our BOM. Currently BOMs are entered multiple times into fragmented systems. This consumes time and increases errors. With the CADLink system, the BOMs would be entered once during the product development stage and then allow us to automatically transfer them into other

systems increasing efficiency and accuracy in engineering product design. Most important, this transfer keeps the BOMs in sync due to its bi-directional capability. This accuracy will save SDC money by decreasing engineering errors (incorrect component selection) which lead to production errors and the time saved will allow us to get products to market quicker, ultimately servicing our customer's needs.

The utilization of Intuitive Form Wizard and .NET will allow our employees in various departments to work more efficiently. During the execution of each of these applications, members of our team will be educated on how to manipulate and create new forms, thus enabling them to generate and print electronic, custom reports. This process consists of learning what each data field available stands for and how they can be used to streamline company information quickly and accurately. By having the ability to change our current ERP forms to work more in line with our business practices, it will enable us to improve how we track and/or report sales, manufacturing and inventory as our business continues to grow. This will assist us to better analyze jobs (engineering and manufacturing time plus use of materials) as well as bring greater accuracy to SDC's accounting and inventory record keeping. By allowing us to evaluate various company aspects in greater detail, this will aid us to be keener in costing equipment/jobs in the future. Insight into production, inventory and financial data makes it easy to identify opportunities for cost savings and efficiency improvements, keeping us competitive.

COMPLETED:

- All workstations/hardware and software applications have been installed. The implementation of these items took place in late August to early September 2018.
- A CADLink training class was held on September 19, 2018. Five (5) of our employees attended this training session which lasted approximately 6 hours. Members of our engineering and production departments participated in this class.
- .Net training classes were held on the following dates:
 - September 13, 2018
 - September 14, 2018
 - September 17, 2018
 - September 24, 2018Four (4) of our employees attended these training sessions which lasted 4-5 hours each. Employees from our engineering, production & accounting departments attended these training classes.
- A Form Wizard training session was held on September 17, 2018 and thirteen (13) of our employees were present. The course lasted about 2 ½ hours and employees from the following departments were present--- engineering, production, accounting,

purchasing, shipping & receiving as well as sales.

ONGOING:

As we just recently finalized this project, we hope to start seeing tangible results in a month or two. SDC will be responsible for recurring annual maintenance and contract fees.