



Dear Valued Suppliers of SUBSAFE assembly components:

Above all, as providers of SUBSAFE materials, we must recall that the USS Thresher (SSN 593) was lost at sea 220 miles east of Cape Cod, Massachusetts on April 10, 1963. Its crew, including 112 Naval officers and enlisted personnel died along with 17 civilians as the submarine settled to a depth of 8400 feet beneath the ocean's surface. Our customers are submariners. Their customers are submariners. As suppliers of SUBSAFE materials, each of us are submariners as well. Please take a moment to realize how seriously we take this. Parts to exacting SUBSAFE requirements can be the difference between life and death for our armed forces serving to protect our personal liberties. Please remember how important your company and its processes are in ensuring our national security and the safety of our fellow submariners.

2019 is already set to be a fantastic year, and I advise everyone to fasten their seat belts for the next 10 years... As a nation, we anticipate purchasing more in the next decade than we have over the past two decades. This opportunity means that we'll want to ensure that our capacity matches the demands of the Navy and Coast Guard shipbuilding plans.

Both we and our customers have experienced both frustrations and huge wins over the last twelve months. We truly are, as some say, only as good as the supply base with which we align. As such, our success is based on truly great suppliers that are willing to step up to the challenges our customers constantly present. I continue to appreciate all of you who have shared your challenges and asked for assistance with process and Continuous Improvement. Our customers have very high expectations of us, and many of you help us look fantastic in their eyes. Still, there have been and there will continue to be changes coming with regard to customer expectations. As such, we felt it critical to take a moment to share our industry's needs.

More than ever, our largest customers are focusing on suppliers meeting Contract Delivery Dates (CDD's). Not meeting CDD's results in higher costs to expedite product, wasted administrative hours, and countless frustrations from our customers all the way back through our supply base...yes, it affects us all. If our customers are spending their time updating estimated delivery dates and expediting with us and our suppliers, then they are not focusing on their core procurement activities. We've also seen our own expediting activities expanded from 10-20 hours per week (shared) to a full time position starting in 2019...additional time spent ensuring on time delivery performance. Although we are well ahead of our competition, our best opportunities for a secure future depend on continuing to meet our commitments.

- When we deliver with first time conformance to specifications and documentation, our customers can more easily justify reasonable pricing differences.
- When we deliver on-time, re-sourcing our business becomes a fleeting thought.
- It is critical that our suppliers perform over and above expectations. Those who do always reap the benefits!



Office (251) 473.2116

Fax (251) 450.5074



267 Bay Shore Ave.

Mobile, AL 36607



GulfFastener.com



Certifications

ISO9001:2015

AS9100D:2016

AS9120B:2016

**OUR WYN-WYN PHILOSOPHY
WHO YOU NEED –
WHEN YOU NEED US.**



All of the above being said, please understand how very important each of you are to us, and we sincerely appreciate all that you do to strengthen our relationships with our customers. Let's renew our efforts and revisit our processes to ensure that we are estimating and confirming delivery dates accurately. Pricing will always be the first thing our customers look at...but good pricing without conforming product and on-time delivery results in significantly higher costs that our customers are monitoring now more than ever. Thanks again for everything you do in support of our supplier partnership.

Please feel free to contact me directly should you be interested in requesting assistance in meeting our latest challenges. Thank you.

Kevin Pirkle

Kevin Pirkle

Director of Business Development
kevinp@gulffastener.com
757-646-1919 (cell)

CC: Mike Montgomery, Vice President
mikem@gulffastener.com

Brittany Miller, Quality Assurance Manager
brittanym@gulffastener.com