



June 30, 2008

Special points of interest:

- Our new website design is live! Check out datacraftsolutions.com! Look for our exciting ROI calculator tool and educational webinar files.
- Want to stay up to date on the latest Datacraft Solutions news? Subscribe to our RSS feed or subscribe by email from our News page on our website.
- Turn to the back page to find out how to win a free Datacraft Solutions hat or 1G memory stick!

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Datacraft Solutions Adds Another Tool to the Lean Journey Toolbox

The Datacraft Solutions team believes in Continuous Improvement (CI), not only in manufacturing operations and supply chain management, but also in the Lean tools offered to our customers. CI in inventory and supply-chain management means the continuing pursuit of higher inventory turns, less stock-outs and improved on time delivery in a challenging and ever-changing business landscape. This, in turn, requires fine tuning of the Kanban card-sets to reflect Sales and Operations Plans (S&OP), forecasts and a combination of other demand management factors. The challenge is to do this in a simple process with minimal administrative overhead, and quickly. Working with Lean Thought Leaders

and after five years of advanced research and development, we have created the industry's first card re-leveling tool: Intelligent Card Leveling (ICL).

A SHORT DESCRIPTION

ICL is a web-based supplemental capability to provide heuristic and production scheduling capabilities for the Signum product. ICL will allow users to upload their production schedule for each card set, as well as predict the card level with Datacraft Solutions' Simple Moving Average (SMA) algorithm.

In subsequent releases, new algorithms based upon the most advanced scientific forecasting technology will be delivered to provide the best-of-breed predictions for Signum customer sites.

HOW IT WORKS

After the upload of production schedule data points (which is not required) and using historical consumption for all heuristics, the user will be allowed to select which method of card set leveling should be selected. The user will also be allowed to override the card set levels for any card set. Once the user has verified the process, a single submission will pass all the information to Signum for a mass card update. Users will be prompted to print additional cards for increasing card levels.

AVAILABLE SOON

Intelligent Card Leveling (ICL) will be deployed this year in Q3.

AME San Diego

Datacraft Solutions participated as a sponsor, exhibitor and attendee in the three day AME San Diego 2008 - Catch the Lean Wave Conference held on June 9-11, 2008. The conference was outstanding across a number of key measures:

- Learning track (stream) design
- Quality of presentations

• Networking opportunities

• Venue & location

• Attendance - over four hundred and seventy-five attendees

Five keynote speakers presented different perspectives of the lean movement— its challenges, rewards and strategies for success. A key feature of the conference was the numerous plant "learning"

tours of companies who are engaged in the "lean journey."

Jerry Wright, a long term user of the Datacraft Solutions suite and a regional "mover and shaker" within AME was the conference chair. Datacraft Solutions looks forward to contributing to future AME conferences as speakers, sponsors, exhibitors and attendees.

North Carolina Manufacturing Summit



Datacraft Solutions participated in the North Carolina Manufacturing Summit, hosted by the NC Chamber of Commerce, at the Grandover Resort in Greensboro, NC on June 11, 2008.

Over 800 manufacturing organizations attended the conference. Datacraft Solutions Chairman &

CEO, Stephen Parker, spoke on a panel on Global Competitiveness and the Datacraft Solutions sales team demoed DCS technology in the Expo Hall. Other highlights in-

cluded a keynote address by Dr. Barry Asthmus, a renowned economist, who addressed economic trends over the past fifty years. He predicted continued growth in the manufacturing sector, and claimed we will see even more automation as a way to stay cost competitive. In addition, the NC Chamber released its manufacturing report, citing 21,000 manufacturing entities in North Carolina, producing over \$83 billion in sales for the North Carolina economy.

The Datacraft team received statewide exposure from Client Manager Steve Rao's interview on News 14 Carolina. Rao said, "Datacraft is

really providing the innovation which manufacturers need to survive in the global economy. At the end of the day, manufacturers can only deliver the best shareholder value through harnessing innovation and automation." (To view the video on News14.com, go to the datacraftsolutions.com news page and click on the News 14 Carolina video link.)

The summit was a great event for statewide exposure for Datacraft Solutions and validated that there is a significant need and market for our product in the company's home state of North Carolina.

"... there is a significant need and market for our product in the company's home state of North Carolina."

Sales Report Q2 2008

"Word of mouth" recommendations continue to grow as our customers see increasing ROI and offer testimonials to their contacts in the field.

Under the leadership of our Major Accounts Client Executive, Tony Diana, the second quarter of 2008 has seen strong growth in the Datacraft Solutions customer base. Several of our customer plants are expanding, adding more buyer/planners and suppliers as they ramp up their use of Signum and Curator. We are also seeing expansion within our large corporate customers, from one plant to many plants across the organization.

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our customers see increasing ROI and offer testimonials to their contacts in the field.

Our delivery team is working hard to keep up with customer demand, and to implement new and exciting technology. We are fully utilizing our in-house delivery resources.

A major Government Contractor and Datacraft Solutions continue to grow their partnership. Currently, the contractor is utilizing the Datacraft Solutions system for a major military industrial center. The client is seeing in-

ventory reductions and enhanced visibility to the suppliers.

Software as a Service (SaaS)

Timothy Briggs, Chief Operating & Financial Officer

Datacraft Solutions delivers our solution as Software as a Service (SaaS). SaaS is a rapid, efficient and cost effective approach to implementing any business application that is not a core business differentiator. We deliver a revolutionary digital kanban process of automation solutions to lean manufacturers through a secure Internet gateway, eliminating the need to install and maintain a complex IT infrastructure.

This delivery model has enabled our company to experience significant growth in the past two years by enabling our customers to eliminate complicated, expensive, time-intensive software implementations as well as extensive training regimens. Our customers have benefited from a supply chain digital kanban system, which allows them to access and utilize powerful lean benefits immediately for

a predictable monthly fee. In addition, they have eliminated the need for internal support infrastructures needed to deploy enterprise software solutions.

Gartner Research expects SaaS to grow at 22.1% until 2011 for the aggregate enterprise application software markets. This is more than double the 9% growth rate

expected in the market as a whole. The analyst firm predicts that 63 percent of products in the software infrastructure market and 56 percent in the software application market will support web services. The world is starting to wake up to the potential of SaaS.

A year ago, you could still find plenty of SaaS naysayers

amongst the mainstream software vendors. Now even SAP and Oracle are keen to show off their SaaS credentials; albeit with very few, if any, SaaS products serving the manufacturing software marketplace.



Economic factors favor SaaS. It is clear that our country is in the deepest recession in 15+ years, further compounded by a fuel crisis.

Certainly, the low-risk, pay-as-you-go model gives SaaS a big competitive advantage when capex budgets are slashed. According to Goldman Sachs, "The ability to quickly and easily turn on new applications with a significantly lower initial cost of ownership makes SaaS an attractive offering ... these benefits are likely to be key in a slower economic environ-

ment where purchasers of software may be increasingly skeptical of significant upfront investments which we anticipate to characterize 2008."

Datacraft Solutions has been a leader in delivering digital kanban process of automation solutions to our customers. The delivery of this solution via SaaS has also been leading edge, and as we are seeing, becoming an industry standard. We are proud to announce that our application uptime has been 100% for the past 15 consecutive months. I doubt that many enterprise software solutions can make that claim.

We look forward to announcing new significant functionality within the next thirty days that will further increase the company's market leadership.

Meet Ron Van Nostrand, Services Project Manager

Ron Van Nostrand, CPIM, MBA, is a Services Project Manager for Datacraft Solutions. The importance of his role as a Lean Project Manager is critical for the company's clients.

According to Van Nostrand, "My manufacturing and distribution experience enables me to understand the processes, challenges, and system requirements of the client. I represent the Voice of the Customer to our sales and engineering teams by translating customer requirements to the development roadmap to serve the customer needs and desires. Using the cumulative experience and first hand knowledge of the plant floor along with dozens of Signum imple-

mentations and site visits to manufacturing plants, I provide lean knowledge and consulting help to position our clients for success."

Von Nostrand's role has made the SaaS (software as a service) implementation develop a rapid ROI (return on investment) for clients. He explained, "I train the client to set the system up and begin production signaling in a 5-day training workshop... using my experience in manufacturing and pull systems, I help the client to sort through a variety of process issues and show them how to map Signum to their operations for maximum utility."

Signum is really a relatively simple, but high tech solu-

tion, that the client can set up for live production quickly and after just five days, the client can be in position to achieve almost instant ROI through efficient application of real time supply chain collaboration and consumption-based replenishment. Clients use the Datacraft Solutions' SaaS tool for reliable and cost effective communication of the demand to suppliers and can receive the same pull-based usage from their customers. Signum has an array of features and functions that can be used in an assortment of combinations that lead to very creative application to the particular challenges that face our customers who represent diverse industries.

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Employee News

Stephen T. Parker (Chairman & CEO) has been appointed to the Algona, Iowa-based Hydrogen Engine Center, Inc., (OTC BB: HYEG) board of directors. HEC is a developer and manufacturer of hydrogen engines and other alternative fuel combustion engines, engine controls and generator systems.

Timothy Briggs (Chief Operating & Financial Officer) presented a seminar for the Triangle chapter of APICS (The Association for Operations Management) on May 13 called "Next Generation Supply Chain: Staying Competitive in the Global Marketplace."

Preston Blevins (Client Manager), CFPIM, FBPICS, CIRM, CSCP, presented an APICS (The Association for Operations Management) webinar on May 28, 2008 on the food safety component of the Bioterrorism Act, and how to leverage MRP and Kanban for quality control.

Recent Feature Articles

Check us out in these recent feature articles! (For links, visit http://www.datacraftsolutions.com/results_articles.php)

June 2008

Metalworking Production and Purchasing: Lean strategies can help Canadian firms with high currency

Implementing lean manufacturing practices has never been more important; Canadian manufacturers can and must streamline their operations and remain competitive in the face of a rising currency and increasing costs.

May 2008

The Machinist: The ever-changing supply chain dynamic

The article explains the rapidly changing nature and importance of the demand-

driven supply chain and statistical process control in the modern day business environment.

April 2008

Automation.com: Two Years Later: A Look at the Demand Driven Supply Chain Technology

Companies, like Datacraft Solutions have a server farm with 100% redundancy and three OC3 lines. Data is 99.999% secure, and users have never experienced down time, thanks to a Multiple UPS Power backup system and 900 kW Diesel Caterpillar generator.

January 2008

Industry 2.0: Material Handling in ETO

Rapid response to changes that impact contract planning, costing, scheduling, and execution show up as

the bottom-line profitability of ETO manufacturers who often operate on thin margins.

The Machinist: Streamline the security process

A discussion on how technology solutions can guard malevolent data tampering and in due course smoothen the data to work impeccably. Here both the principles of security and safety play a significant role and are to be seen as part of a lean manufacturing continued process improvement program.

Business Excellence: Electronic Kanban

In a recent interview, Ben Ehmcke of Power Partners, Inc. details his experience in technology selection and offers valuable advice to others in a similar situation.

Datacraft Solutions delivers a revolutionary digital kanban process of automation solutions to lean manufacturers through a secure Internet gateway, eliminating the need to install and maintain a complex IT infrastructure. The company has experienced significant growth in the past two years by eliminating complicated, expensive, time-intensive software implementations as well as extensive training regimens and the need for internal support. Datacraft Solutions' replenishment supply chain digital kanban system allows customers to access and utilize powerful lean benefits immediately for a low, predictable monthly fee. Services are scalable so manufacturers can design an appropriate digital kanban solution.



Want a chance to win a free Datacraft Solutions hat or 1G memory stick? Email our Office Manager, Sonja Foust, at sfoust@datacraftsolutions.net with your name, email address, and mailing address. While you're at it, let her know what you thought of the newsletter and what you'd like to see next time!