

QCC Quality Control Corp. –

Making Outsourcing of Manufacturing Activities a Success

- Minimize your investment risk
- Get a faster return of investment
- Accelerate your time-to-market
- Focus on your core business



Competitive Advantage through Strategic Outsourcing

This Positioning Paper is intended to introduce QCC Quality Control Corp. as a potential Manufacturing Partner for

- **Private Equity**
- **Venture Capital**
- **Banks**
- **Entrepreneurs**

If you would like to learn more about us, please feel free to contact

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Competitive Advantage through Strategic Outsourcing

Frequently, very innovative product ideas fail to deliver on investor expectations due to the complexities in the manufacturing process. Bringing together the Capital Investor, the Innovator and the “right” Manufacturing Specialist in the early stage of product introductions can provide a solution for this challenging task. As a strategic Manufacturing Partner, QCC brings longstanding experience, expertise and a proven record into such a venture.

...Company

Quality Control Corp. (QCC) is a privately held, financially independent Manufacturing Services Company, with more than 55 years of experience in precision manufacturing, complex assembly and testing. Located in Harwood Heights, Illinois (just 10 minutes away from Chicago O’Hare Airport), QCC provides highly sophisticated manufacturing capabilities in 4 manufacturing facilities with 120,000 sq ft production capacity. QCC consists of 2 divisions and is ISO 9001:2000 and AS9100 certified. 250 employees with annual sales revenues of \$35,000,000.

Our clients rely upon our longstanding manufacturing experience as a Strategic Outsourcing Partner and proven core competencies in Program Management, Supply Chain Management & Offshore Sourcing as well as in Management of the unique “orphan products” solution ([www. orphanproducts.com](http://www.orphanproducts.com)) to enhance their business strategy.

...Expertise and Capabilities

QCC is a highly recognized Manufacturing Partner focused on Industrial Products and Medical Devices (see attached product list) with high competence in the Fluid Power Segment. Transitioning the Manufacturing responsibility to us, we apply our core



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competencies in supply chain management, optimization of production processes and integrated project management.

We utilize state-of-the-art CNC/Machine tools and can also assist in the Design for Manufacture Process through our engineering team.

Our focus typically includes programs with a high value added scope (machining, assembly, testing), and we specialize in dealing with low to medium volumes and programs with complex logistics cost effectively.

Our comprehensive experience, our financial strength and commitment to grow with our customers have made us a most trusted and reliable partner in the industry.

...Our Vision

“We want to become the #1 privately held US Outsourcing Manufacturing Partner for the markets of Industrial Products and Medical Devices.”

...Our Mission

“We add value through a comprehensive portfolio of Manufacturing Services, enabling our customers to focus on their core business strengths to achieve accelerated profitable growth.”

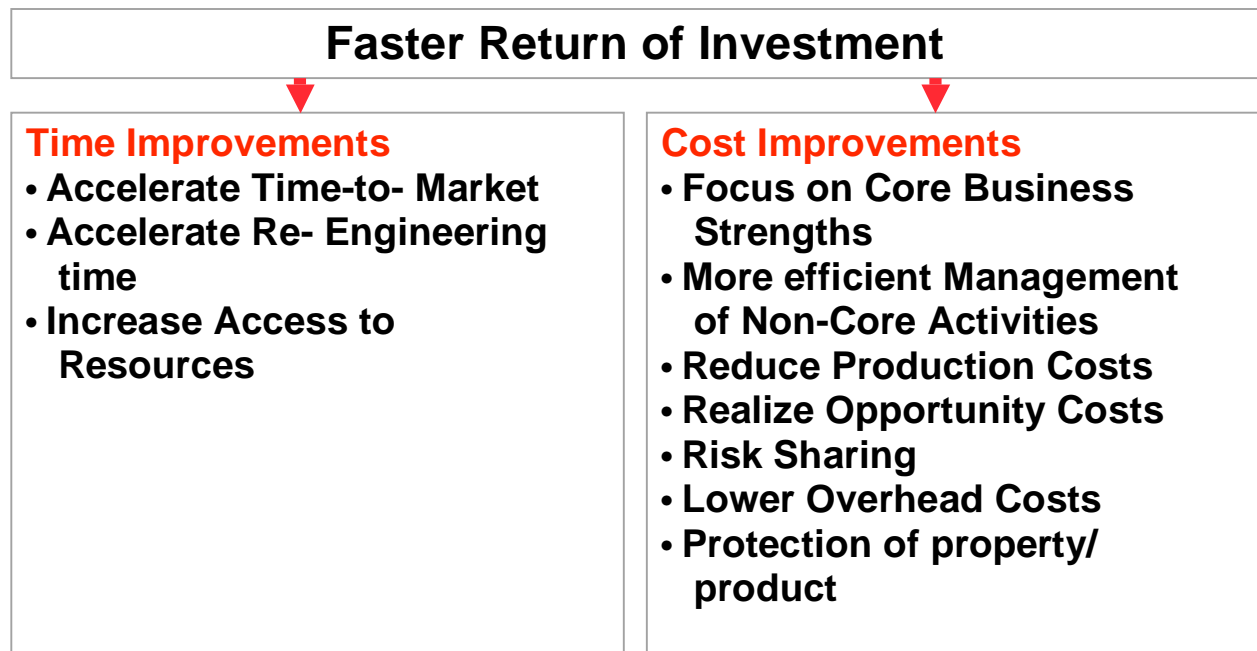


Competitive Advantage through Strategic Outsourcing

...Our Value Proposition

“We are a highly experienced Strategic Business Partner, providing a single source for a comprehensive portfolio of Manufacturing Services, enabling customers to gain competitive advantage through strategic outsourcing.”

... Benefits for our Global Partners



Benefits for the Venture Capitalist

1. Risk Minimization for the investment

- ▶ Experienced manufacturing partner assures on-time product output and continuous product quality

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2. Faster return of investment

- ▶ No investment in own manufacturing necessary
- ▶ Accelerated time to market
- ▶ Earlier sales return

3. Protection of sensitive product/intellectual property

- ▶ Protection against replicators

Benefits for the Entrepreneur

1. Less capital investment

- ▶ No owned manufacturing plant needed

2. Focus on core business

- ▶ Entrepreneurs can focus on their R&D, Marketing and Sales

3. Realization of opportunity costs

- ▶ Available capital can be invested in innovations and the market launch process

4. Risk Sharing

- ▶ Manufacturing outsourcing will reduce risks by accelerating time to market, by decreasing product costs and securing product quality

5. Accelerated Re-Engineering time

- ▶ Necessary Re-Engineering tasks will be realized faster and more efficiently

6. Protection of sensitive product property

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Benefits for QCC

1. Risk diversification

- ▶ The variety of partners and products creates a more stable business environment for QCC

2. Business Growth

- ▶ By increasing the number of customers QCC secures a prosperous future for its shareholders & employees

3. Permanent knowledge development by continuously manufacturing new products

QCC Product Expertise	
<ul style="list-style-type: none">• Hydraulic Gear Pumps & Motors• Hydraulic Valves• Mechanical Seals• Labyrinth Seals• Hand Pumps• Vane Pumps	<ul style="list-style-type: none">• Diesel Fuel System Components• Air tool Assemblies• Medical Products• Servo Pistons• Precision Machined Components• Complex Assemblies

QCC Key Customers/References (excerpt)

Traditional

- Bosch-Rexroth
- Caterpillar
- CNH
- Hamilton Sundstrand
- Honeywell
- Ingersoll Rand
- John Deere
- Parker-Hannifin
- Sauer-Danfoss
- US Government

Start-ups

- Snap-On Tool
- Safepole
- Matrix Science
- Nextec

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