

AS 9100 QUALITY

MANUFACTURER OF THE YEAR 2010 EDITION

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For the first time in its history, Castle Precision entered for the Manufacturer of the Year Awards in 2010.

The Manufacturer of the Year Awards are some of the foremost and respected in industry. The accolades which are UK wide, cover all of industry and attracts the best of British manufacturing.

The annual gala event was a sell out with over 450 people in attendance from manufacturers, big and small. Despite all the winners in town, there can be no doubt that the speaker stole the show. The keynote address was delivered by Lord Digby Jones, business guru, former director general of the Confederation of British Industry (CBI) and 2008 speaker of the year. The knock out speech outlined the importance of manufacturing to real wealth creation and pulling the UK out of the recession.

The company entered into the categories where we could have the biggest impact, and what an impact we had. Having applied for SME of the Year and IT in Manufacturing back in September, the Company won the SME award, finished as a finalist in the IT and walked away with the with the prize of the evening—Manufacturer of The Year 2010.

The awards are a great honour and we must ensure we live up to that

Accompanying this newsletter, are the judges feedback which can now also be found on the



Left To Right: Lord Digby Jones, Marcus Tiefenbrun, Yan Tiefenbrun, Steve Cockell (RBS Award Sponsor)

responsibility. A large part of that, is an increased social responsibility—to promote manufacturing and inspire and develop the next generation. Further articles in this newsletter outline some of the steps Castle Precision is taking to meet our obligation.

The Company will be organising a second award ceremony to be held here in Castle for the entire workforce. The event was to be held on the 20th of December but due to poor weather conditions the event will now be held in January, date TBC. The ceremony will be attended by the Manufacturer magazine as well as some of the judges.

DNC in the form of a video message. The extra information provides some analysis on the performance of our submission process, as well as providing profiles of the high calibre judges themselves.

Castle Precision will not be applying for any of the Manufacturer of The Year Awards next year, rather we will endeavour to improve everything that we do and return in three to five years time to showcase our progression and compete again.

The company has however expressed a wish to attend next year's award ceremony evening, to congratulate the new winners, as last year's winners did so graciously for us.

Castle Precision Engineering

THE Manufacturer
OF THE YEAR AWARDS 2010



Company Overview

Established in 1951, Castle Precision Engineering is an AS 9100 approved first tier supplier to the Aerospace, Defence and Energy sectors. With over half a century of experience in machining critical precision components and over 70 major CNC machine tools, Castle is one of the foremost independent sub-contract production facilities in Europe.

The Manufacturer of The Year

Castle Precision Engineering is proud to have been awarded *The Manufacturer of the Year* at one of the biggest nights in the manufacturing calendar, The Manufacturer's annual award ceremony.

The Manufacturer of the Year Award, presented by Lord Digby Jones, was judged by Joe Greenwell, chairman of Ford Britain, and Allan Cook, chairman of engineering group Atkins, and was lead-sponsored by Royal Bank of Scotland for the fourth consecutive year.

Castle Precision Engineering also collected the award for the Kingston Smith-sponsored SME Manufacturer of The Year and finished as a finalist in the Columbus IT-sponsored IT in Manufacturing Award.

Managing Director's Comments

Marcus Tiefenbrun Managing Director of Castle Precision said:

"We were absolutely delighted to win both the SME and Manufacturer of the Year Awards 2010. These awards are the culmination of many years of effort and recognise the excellence we aspire to. It is a great honour to win these highly prestigious awards, and this year we won in the face of intense competition from some of the best companies in the UK. It's difficult to overstate how important winning this award is. We have been judged to be the very best manufacturer in the whole of the UK.

We must thank our customers for the valuable contribution they have made to our advancement as a manufacturer. Their assistance, commitment and partnership have been instrumental in our success.

This is a tremendous achievement for Castle and once again a tribute to each and every person working here."



Our

Engineering
Works

 **Castle**



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SME Manufacturer of the Year category judges
Dave Mooney, Managing Director, Drallim Industries



Dave Mooney an Engineer and Chartered Quality Professional, graduated from the University of Sussex and has spent 30 years in Sussex Industries working at director level for BICC, BTR and Smiths Industries. In 2003 he joined Drallim Industries quickly rising to become managing director and later a trustee of the majority shareholder, the Millard Trust, an employee centred organisation. He has built on the Trust's ethos, to create a successful turnaround of the business by focusing on developing people in an open culture and using strong strategic planning and marketing strategies. This was recognised when Drallim won "The Manufacturer Award" for Leadership and Strategy in both 2008 and 2009.

Success has continued in 2010 as they rescued Horsell Electrics from certain closure, revitalising every aspect of manufacturing, investing heavily in CAD, CNC, ERP and adopting a lean approach in a new factory.

Gordon Macrae, Special Projects Manager, Gripple



Gordon Macrae is Special Projects Manager at Gripple. He is responsible for Incub, their innovative incubator, promoting the innovation agenda, sustainability and project funding. Prior to joining Gripple he was Managing Director of Abru the UK's leading ladder manufacturer and the Business Development Manager for Hepworth plc.

Gripple is the worldwide market leader in the supply of wire joining and tensioning devices. With people, innovation, new product development and lean manufacturing at its core, Gripple has won three Queens Awards in the last three years.



Castle Precision Engineering Limited
Category: SME Manufacturer of the Year

Why are they winners?

The judges were impressed with the initial application which was full of detail, proving that manufacturing is not dead in the UK – “You can’t help feel the passion for engineering flowing from the top”.

Fighting off competition from other strong contenders, Castle Precision Engineering showed clear evidence of full management leadership and a clearly defined company strategy.

This company is driven by a passionate leadership who attend to every detail of good practice. They are real proof that SME manufacturing is alive and well in the UK.

Key areas that impressed the judges

Driving the business through IT

Long term supplier relationships

Investing heavily in the skills of its staff - 140 staff developed via apprenticeships

Short time to aerospace certifications

High quality innovation

A very strong and polished original application, backed up by a good presentation which covered all of the points

Opportunities for improvement

It is extremely difficult to find fault in this winning company.

Unsure whether the company has the resources to develop bespoke IT as business grows

Use technology and skills to develop its own rather than sub contract products

Conclusions

In a very competitive field Castle stood out as the outstanding candidate.

OUR 60TH YEAR

Next year will mark the 60th anniversary of Castle Precision Engineering from its inception in 1951 as Textile Engineering Ltd.

The Company has come a long way in the last 60 years with the last 10 marking the most significant period of change in the company's history. In the last decade

Castle has achieved many things that we can all be proud of; but it is also important we acknowledge those without whom, we would not be here today. This is of course the original generation of Castle employees and its founder Jack Tiefenbrun, who built the company up from nothing. Much of the underlying philosophies

including many of the engineering methodologies were laid down by these engineers. Whilst they have retired or passed away their legacy lives on and we should remember it.

To celebrate our 60th year, Castle will be hosting a series of events for both the workforce and our customers.

To help us celebrate our 60th year we would welcome any suggestions you may have for workforce and customers events.

BEST PRACTICE

Castle Precision is on a journey to becoming one of the leading sub-contract manufacturers in Europe and given our recent success, it would be fair to say that we are heading in the right direction. As part of that aim, Castle's entire management team is going through a leadership development programme to enable us to create the highly effective achievement led culture that will take this company forward to the next level. The programme is being rolled out step by step all the way to our leading hands and indeed this journey as a whole will be a continued step by step process through our training, technology and investment.

Whilst we are an organisation that takes pride in our own uniquely developed solutions, it is important we recognise and take note of some of the fantastic work other companies are doing through best practice visits. On that note, the Company has recently joined CeeD (Centre for Engineering Education & Development). CeeD brings together leading companies and institutions

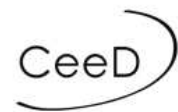
to deal with common challenges. These challenges or issues range from: the best way to implement Total Preventative Maintenance (TPM) to environmental issues such as carbon reduction or even how we encourage the next generation to get involved in industry. Castle will be hosting a CeeD event on the 20th of January to mark our entrance into the organisation. As well as CeeD, we were recently visited by one of our customers, Woodward Aircraft Services, who were kind enough to join one of the leadership sessions and share some of their best practice.

Over the last two years, our customer Woodward Aircraft Services Prestwick has become a beacon of best practice in their industry. A small 47 man maintenance and overhaul site, which was previously considered for closure after the 9/11 downturn is now the leading light for a billion dollar organisation. Their development can be considered nothing less than transformational both in terms of culture and operation. Overhaul and repairs of units that were

averaging 30 day turnarounds are now achieved in fewer than 10, and the amount of improvement projects carried out in general is astounding.

Managing Director of Woodward Prestwick, Jim Houston who is responsible for heading this transformation, is currently taking his team through a similar leadership development programme, and focussed on company wide engagement for their success. The 70 or so major improvement projects that have been completed this year have been carried out by teams made up from people across the workforce.

So as we also move towards a culture where time reduction exercises are run by SMED teams, verifier assessors run training and lean implementation is carried out by the entire workforce, it is important to remember that everyone from the apprentice on his first day to the man who has served 40 years in the company has a part to play in our journey.



“The Company has recently joined CeeD (Centre for Engineering, Education & Development).”

AEROMART TOULOUSE



For the first time Castle attended an Aeromart exhibition. The event which has been running for the last 14 years is now the foremost gathering of aerospace industry in the calendar and brings Tier 1 companies together with suppliers through a series of pre-arranged face to face meetings. Aeromart is a world tour, which through the course of a year stops at

Toulouse, Kuala Lumpur, Torino, Tianjin, Montreal, Tunis, Guadalajara and Bristol. As interesting as the events themselves, are the destinations; each vying to become a recognised hub for aerospace industry. The jewel in the crown for this tour is undoubtedly Toulouse, where we exhibited this year. Some 1100 companies were in attendance, bringing 2200

participants from over 40 countries. The event was an ideal way to explore new markets and increase the company profile at an international level.

The exhibition proved very successful for Castle as we were able to attract strong interest from several major Tier 1 companies.

DISASTER RECOVERY STRATEGY

The 21st century supply chain plays a crucial role in the manufacture and delivery of just about every major project on the planet. Customers depend on our ability to deliver their products no matter what the situation and as such Castle is further developing its disaster recovery capability to provide one of the most comprehensive solutions for a company of our size in the sector. The Company is currently focusing on two key areas; IT and Energy Provision.

The IT system is a critical part of our operations. The current IT system is made up of two servers in one location sharing disc space. Whilst the Company has never had a down day in its history, the potential risk was always for room failure (fire, flood etc). Many measures were put in place to mitigate this risk such as tape backups stored in secure fire safes as well as being kept off site. This was good but not ideal. The new system however, which is currently being installed uses two servers in separate locations. The first server

acts as the main system whilst the second automatically mirrors and acts as a Disaster Recovery Silo. Should the main server fail - the Silo would be operational within 5 minutes ensuring operations continue with minimal disruption whatever the situation. The new system also has 4x extra storage and 4x the performance of the current system and should be fully operational for January 2011.

Energy provision has been a key concern for many years. The lack of investment into power generation by consecutive governments has left the UK with the predicament that by 2017 the lights could go out. Whilst this is a medium to long term risk, the immediate problem could just as easily be caused by a downed pylon through bad weather. The Company currently has a bank of UPS batteries that instantly kick in when the power fails. The system provides us enough time to move the spindles and turrets into a safe position before a safe shut down, but provides us no means of

running the company should we lose power for an extended period of time. To solve this problem Castle has invested in a Diesel Generator Unit rated at 750Kva. The self contained unit will, at a push, be capable of powering the entire 90,000sq ft site. The unit which was due to arrive early December has been delayed due to the weather, but once on site the major task of cabling it will begin. Expect initial operation in spring 2011.

The new Fire Detection System, IT system, Generator Unit and Multiple Machine Tool Investment Strategy all culminate together to provide our customers with the highly dependable and robust operation that they require.

DISASTER RECOVERY WINTER SPECIAL

The recent cold snap that arrived late November brought much of the country to its knees.

Cont over page.



Seen above is the Companies generator unit investment.

Seen below is Castle's planned investment for financial year 2011/2012.



SOCIAL RESPONSIBILITY

The Company takes the development of young people very seriously and as Manufacturer of The Year we have an increased social responsibility to develop and inspire the next generation into engineering. The significant cultural shift that will be required to truly achieve this goal cannot be achieved alone, rather a combination of supporting our partners in their endeavours as well as pursuing our own will be more successful.

Castle has always maintained strong relationships with all of its partners whether they be customer, supplier or institution. Anniesland College has been one such partner for the last 13 years and through that period they have developed significantly. The Manufacturing HNC they provide with the current facilities is up with the best in the country, and we are currently working with Anniesland with regards to the HND and Degree programmes. The

Company endeavours to support its partners where it can and through the years Castle has donated many tools and equipment for the benefit of education. Recently a manual Mitutoyo CMM which was due for auction was gifted to Anniesland College. The CMM has already been positioned in the college workshop and we are pleased to be able to say that this will provide students another avenue to explore and learn.

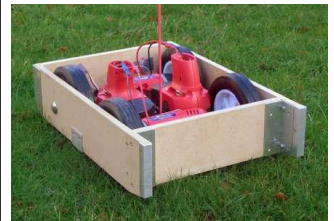
As well as Anniesland College, we are also working very closely with our other major training partner Semta. The organisation has been the main vehicle towards achieving many of our training goals and some of our work together will be featured in the next Semta newsletter. A large part of Semta's remit is about inspiring young people to get into engineering and the Company was recently given the opportunity to support this. For the last few years Semta has been providing schools and air

cadet squadrons with mechanical and electronic kits to be assembled into radio controlled robots. Teams of young people come together to compete in tournaments for a challenging and enjoyable project that promotes engineering and develops skills such as metalworking, basic electronics, project management and teamwork. Castle was able to assist in this project by manufacturing the axles for the kits at no cost. The Company was thanked for its contribution and in general Castle is looking to be more involved in these kinds of projects.

To that end the Company is in the early stages of working with two other organisations, Learning Teaching Scotland and the Engineering Development Trust on separate projects designed to get school kids interested in industry.

More information on the latter two projects will be provided in the next newsletter.

“as Manufacturer of the Year we have an increased social responsibility to develop and inspire the next generation.”



Robotic kit fully assembled

DISASTER RECOVERY WINTER SPECIAL

Many of Scotland's main arteries which feed the country were shut at one point or another, including the country's most significant roads: the A9, M8, M73 and M74. Airport operations were also severely hit with Edinburgh and Glasgow airports being closed or operating intermittently for several days; train and freight services faring no better.

The paralysis comes not long after the Icelandic volcano disruption and

once again highlights the knock-on effect that world events in one area can have on another. Castle however is committed to remaining operational for its customers and as such the company has taken a Land Rover Discovery for the winter. The vehicle will help ensure the company stays open during these difficult conditions by ferrying staff back and forth as well as delivering key components to our customers. The Company is currently working on a

detailed plan to ensure we are as effective as we can be during these periods.

We would also like to commend the fantastic effort of all those who walked to work after one of the heaviest snow falls in living memory (Monday 6th December 2010). Many walked hours in freezing conditions to show their commitment. Whilst others simply refused to miss curry day.



Our Intrepid Explorers

GOOD IDEAS MAKE YOU GROW

The company ran the inaugural "Idea of The Month" competition for the apprentices in November. The project, championed by Jim Finlay, has been brought in to encourage the apprentices to use the P.E.P Log (Proactive Error Prevention) and to recognise the value of some of the fantastic idea's apprentice's can bring. The first winner was Steven Bradley who identified significant optimisation opportunities in the Stub Shafts we provide to our customer, Rolls-Royce Derby. By

streamlining the programme to eliminate 5 tool changes, an estimated 15 minutes have been removed from the cycle time on each part. For winning the competition Steven received an all you can eat, free week in the canteen. The total damage was:

10 roll and sausage, 9 cans of soda, 8 little potatoes, 7 juicy steaks, 6 apple crumble, 5 goOld rings, 4 calling birds, 3 French hens, 2 turtle doves and a partridge in a pear tree.



SHORT NEWS

Happy Retirement

On the occasion of a well earned retirement, all at Castle Precision Engineering Ltd wish Maurice Palmer a long and happy retirement.

According to Maurice he is not counting the days but he leaves after 47 years, 17 weeks and 2 days.

Congratulations and Best Wishes for the future.

November

The month of November is Prostate Cancer awareness month and a legitimate opening for all Magnum P.I. lovers the world over. "Movember" as it is also known came about after a group of Australian men were inspired by the efforts of their female counterparts with regards to cancer events and fundraising. Since its inception in 2003, the campaign has raised millions of dollars and this year a group of Castle employee's decided to participate by committing to growing a moustache for 30 days. In all the group raised well over £300.

Constructive Feedback

The company is looking for feedback on the newsletter. The quarterly newsletter is an important part of company wide communication and as such, any constructive feedback you wish to provide towards improving the medium would be very helpful.

Those who wish to contribute please see the editor Yan Tiefenbrun.



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