

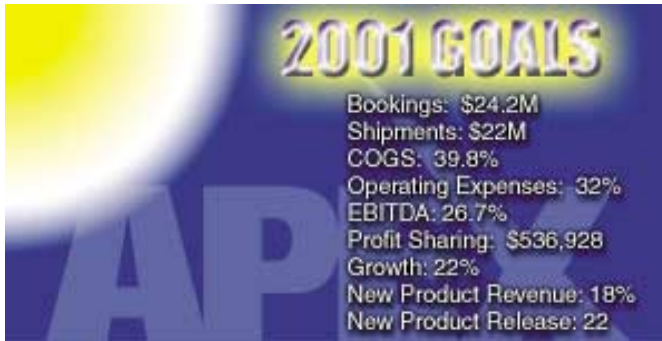
Quality Quarterly

Winter 2001

New Goals, New Challenges Abound for FY2001 APEX PLANS FOR 22% GROWTH

The glow of accomplishment is just fading for the Apex Team in regards to the outstanding results achieved for Fiscal Year 2000. The focus for the team now shifts to the goals and challenges ahead for 2001.

At the FY2000 year-end company meeting, Apex President and CEO Lisa Putt reviewed with the team the new goals set forth to be achieved in FY2001. The highlights include 22% growth in revenues from \$18 million (FY2000 results) to \$22 million. Bookings



are targeted to finish the year at \$24.2 million, representing growth of 17.5% compared with \$20.6 million booked during the prior year.

A central theme to help Team Apex achieve its 2001 goals is a focus on growing the organization while utilizing resources in a way that generates the best return. This strategy is key to maintaining Apex's track record for profitable growth. For Team Members, achieving the plan should result in growing the profit sharing "pot" by 23% compared with the record-breaking results of FY2000.

In support of this effort, the target for COGS (cost of goods sold) in FY2001 is set at 39.8% and operating expenses at 32%. Meeting these targets will help the team reach the EBITDA goal for the year. Remember, EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a key element in determining the dollar amount funded into the profit sharing plan each period.

Meeting Challenges Helps In Meeting Goals

Often times the ability to successfully meet goals is tied to taking on and tackling challenges. The 2000 fiscal year was a great year. A number of goals were exceeded amidst several challenges, such as high order rates, manufacturing capacity, and time-to-market issues for new product development. The effort to tackle these challenges is ongoing.

For 2001, Team Apex faces six key challenges:



These challenges address cost control and specific strategies required to grow our business. They are very focused and if achieved, should result in another very successful year. Team Apex has a proven track record of striving to achieve our goals. FY2001 will prove our measure once more. □

Feedback Fuels The Success of Peer Reviews

A key element that effects the dynamics of Apex's team-based work environment is the ability of each and every Team Member to understand the contribution each member of their team makes to the overall success of the team. To gain this understanding is an important step.

The success of the team is further enhanced when a team member can evaluate a team member's contribution. This evaluation is best done within the context of a proactive process that provides the evaluation to their team members in the form of feedback.

At Apex, we call this proactive evaluation process Peer Reviews.

Anonymous Feedback

The Apex Peer Review process is done on an annual basis. It's an anonymous process. Team Leaders do not review the feedback. It does not

effect annual wage adjustments. Peer Reviews are simply a time period when we all stop and think about the success of our own team, and how each member of our team contributes to that success.

When we complete a Peer Review form, we tell our fellow team members in writing how we evaluate their contribution. We share the positive and the negative. We suggest ideas for improvement. By sharing feedback, we show our team members we care about their contribution to making our team successful, as well as their individual success.

Fill Out Peer Review Forms Online

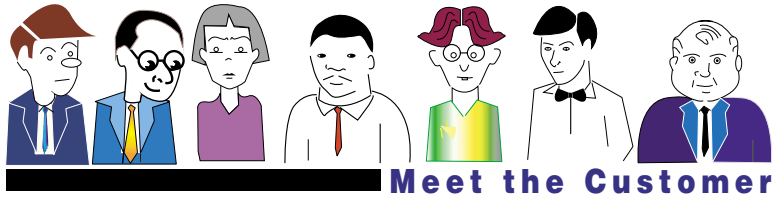
Apex has been conducting Peer Reviews for more than five years now. Over that time, the actual completion of the Peer Review forms has gone from a hand writing system to an automated system done on a PC in the computer lab. This year, the Peer Review forms can be accessed online from

any Apex PC. This improvement should certainly keep the time involved to complete the forms to a minimum.

Each Team Member will receive a listing of the members of their team to be reviewed. A checklist of sorts to make sure each team member completes the process successfully.

Remember, this is your opportunity to provide an honest, forthright evaluation, combined with constructive criticism where necessary. And beyond this formal process, give your best effort to provide feedback on a regular basis. Give out those "atta-boys" for a job well done. Or thank someone to coming to your rescue on that very tough project. It will certainly make that other Team Member feel good. Your team will enjoy the success, and you won't feel so bad yourself.

ENTERTAINMENT COMMITTEE TENTATIVE SCHEDULE



"Me and My Pet" Photo Contest Kicks Off 2001 Fun Events!

The Entertainment Committee (EC) had its first meeting for 2001 in early January to plan activities for the year. A few changes have been implemented. The first is to schedule events for later times so 2nd Shift team members can participate with greater ease to their schedules. The EC has also changed some of the types of events and how they are structured, but don't worry, the oldies but goodies will still take place!

A tentative schedule for the 2001 year is as follows and further details will be given closer to the scheduled event:

February 26 - March 2:

Me & My Pet Photo Contest (instead of Baby Photo Contest)

April 5:

Easter Party ~ This will be a family event and tours of the plant will be offered

May 17: Anniversary Lunch ~ The theme will be a surprise, but the EC guarantees it will make you want to celebrate!

June 4-7:

Covered Parking Auction

June 18-22:

Capital Asset Auction

August 6-9:

Photo Contest

October 4:

Team Olympics ~ We will be alternating annually between Team Olympics & the Halloween Party

November 15:

Thanksgiving Potluck

November 26-30:

Holiday Craft Fair

December 3:

Holiday Decorating & Christmas Tree Trimming Party

December 18:

Christmas Party, Year-End Company Meeting (in house for 2001)

The Entertainment Committee welcomes any suggestions, ideas, or comments for any of the aforementioned events and any Apex team member is welcomed to join the EC to help with the fun. Please contact anyone on the EC for further information. Or send us an e-mail at Team Entertainment Committee in the network Outlook directory. Thanks! ☐

OPTICAL SWITCH CORPORATION

During the year 2000, Apex's recognition across the design engineering community broadened across the telecommunications market. The Apex Power Operational Amplifier product line is well-known for producing high-voltage or high-current parts with low per unit costs. Design Engineers for companies in the telecommunications industry recognized this and are now utilizing Apex power op amps in their applications. One of these companies is Optical Switch Corporation.

Headquartered in Richardson, Texas, Optical Switch designs and manufactures high-performance components for fiber optic transmission systems. They develop fast, scaleable, bi-directional, non-blocking optical switching components for the advancement of telecommunications technology and Internet usage. Uniformity and stability, rapid switching times and multiple control interface options enable rapid integration within target systems, and characterize their products.

Their optical switch technology is where the Apex PA46 comes into play. Their engineers are using it to control a relay switch; taking it in and then sending it back out. Optical Switch purchased 4300 units of the PA46 in 2000 worth \$ 110,000. Projections are for 115,000 units with an estimated revenue over \$ 1 million for the PA46 in 2001. ☐

WELCOME!

 New Apex Team Members

Greg McAllister, IT
Dan Garcia, Design Engineering
Paul Batcheller, Design Engineering

These Team Members
came on board in January

A QUALITY QUARTERLY IN-DEPTH INTERVIEW WITH

Pat Hoffman



PAT HOFFMAN is into the fifth year of her second career tenure at Apex Microtechnology. Pat's first career tenure started back in 1985 on the very first day Apex opened in its current location on Shannon Road. She signed on to work in manual die attach. Over the next 8-1/2 years, Pat worked in the test, P&I and calibration areas. In 1993, Pat left Apex to take care of family obligations, but then returned in 1997 as a member of the Test Team. Her current responsibilities shift between the Automation Team, specifically the Pick and Place, and the Test area. Here is some insight Pat recently shared with the QQ on Apex today versus the Apex of yesteryear.

QQ: When you returned to Apex in 1997 after a four-year absence, what did you notice about the work environment?

PAT: I noticed that the operations area was working better as a team. The role of management had also changed. Leadership was more open to suggestions from Team Members, and acting upon suggestions. Not like it use to be where "I'll listen to you, but I won't do anything."

QQ: And today, having now worked in this changed environment the last 4 years, what are your perceptions?

PAT: Operations is still working as a team. There's a lot more automation equipment then four years ago. Automation does make jobs easier, but the equipment creates a new set of challenges.

QQ: What do you see as the positives and the negatives of the automated equipment?

PAT: The "good" comes from the ability to have product get out faster. In the areas where automation has been applied, it frees up time, and in some cases, has cut in half the time required for some processes. The "bad" comes from the different flukes you find in the equipment's operating system. Down time can be an issue when sometimes a piece of equipment is down for an entire day or more.

QQ: Now that you've settled into a role where you work between automation and test, how would you compare the two?

PAT: I work with the Pick and Place primarily. Have done manual die attach, I have a real appreciation for the product consistency the automated equipment provides. The epoxy is always dispensed in neat round circles and the die orientation is precise. But the sit down part of the work when doing inspections is sometimes a little slow for me. I'm a person who likes to be on the run. Constantly bouncing around job to job, where ever help is needed. That's what I like about Test.

QQ: I have to ask you, I hear that you work a true "swing" shift here at Apex. How exactly does it work?

PAT: I typically come in around 4 A.M. and work until 1:30 P.M. I use to come in even earlier, around 1 A.M., but with 2nd shift now here, there's no need. But at period end, I will come in a little earlier to keep things moving in Test. I like the hours because it gives me the flexibility to be at home in the afternoon when my children arrive from school.

Anniversaries

JANUARY	FEBRUARY	MARCH	
Dan Fulkerson (1)	Mark Bond (2)	Mark Collingham (5)	Karen Gopp (3)
Jim Thompson (14)	Mary Winkelman (8)	Gloria Daiker (8)	Sylvia Fimbres (7)
Kirby Gaulin (19)	Lisa Putt (16)	Pat Hoffman (4)	Mike Dormanen (4)
Greg Brennan (8)	Michelle Castillo (5)	Carol Stahlman (10)	
Randy Ford (6)	Hanna Eckert (13)	Domrongrit Toyod (1)	
Veronica Gutierrez (9)	Lupe Soto (10)	Kumpon Chimkong (1)	
Evelyn Robles (9)	Candy Scheibel (1)	John Miller (2)	
Ronda Talbert (2)	Dora Herrera (6)	Martha Apalategui (4)	
Sue Johnson (16)	Dennis Mahoney (7)	Olga Alcantar (7)	
	Toni Allen (7)	James Sisson (7)	
	Helga Byerly (18)	Dave Aldridge (2)	
	Dan Reid (9)	Joanne Wyatt (3)	



TEAM MEMBERS

December 8, 2000

TEAM APEX



Holiday Times



Good Cheer to All

Great People



FUN PARTY!



Christmas Joys

