

Manufacturing and Scheduling Guidelines

The following guidelines describe the Manufacturing and Scheduling process at Gung-Ho, as well as standard lead-times. Use these standard lead-times as “safe estimates” in planning the time required to complete a project. If you require a faster turnaround, please advise your Gung-Ho representative who will do everything possible to ensure that your schedule is met.

Manufacturing Process

New Kits/Components

Client will furnish Gung-Ho with Bills of Materials (BOMs) that have accurate and unique Part Numbers (P/Ns) for the parent kit or Top Level Assembly (TLA) and each of the kit's components. Client will also furnish quantities and specifications for each of the components that need to be quoted or manufactured. Gung-Ho cannot proceed to quote or manufacture without the above information. Although establishing BOMs, P/Ns, quantities, and specifications is ultimately Client's responsibility, Gung-Ho will utilize its experience to assist Client when necessary. Gung-Ho will produce Illustrated Bills of Materials (Assembly Drawings) for each parent kit (TLA) that will continue to be manufactured.

Existing Kits/Components

Client will furnish Gung-Ho with the accurate part number and quantity for each parent kit (TLA) or component that Client would like to be quoted or manufactured. Gung-Ho cannot proceed to quote or manufacture without the above information.

Pricing/Mockups

Gung-Ho will provide quotes (and mockups when needed) on all items to be manufactured. Client will provide written authorization allowing Gung-Ho to proceed manufacturing the items in the required quantities. Client will be invoiced for the actual quantity of component items manufactured (+/- 10% of the ordered quantity). Invoicing will occur at the time the items are manufactured or at the time the parent kit (TLA) is built (assembled) if there is a Turnkey Manufacturing Agreement.

Scheduling Manufacturing

Client will furnish Gung-Ho minimum quantity levels for each component or parent kit (TLA) that will be stocked as a finished good. Gung-Ho will add these quantity levels to the Item Master to assist Client and Gung-Ho in replenishing the finished goods inventory.

New Kits

Client will provide an anticipated First Customer Ship (FCS) date and quantity required for each of the new parent kits (TLAs). Gung-Ho will then schedule the manufacturing required in order to meet the planned FCS date. Gung-Ho cannot schedule manufacturing and/or job builds without the above information.

Existing Kits

Client will provide Gung-Ho with a Rolling Forecast as to which parent kits (TLAs) need to be manufactured. This Rolling Forecast will be for 90 days, however, only the first 30 days will be assumed to be accurate. The subsequent 60 days will assist in materials planning but will not be assumed to be accurate.

Materials Requirements Planning (MRP)

In order to timely manufacture the correct quantities of component parts, Gung-Ho will run an MRP Report based upon the BOMs and Rolling Forecast provided by Client. Gung-Ho cannot produce an accurate MRP without Client's BOMs and Forecast.

Process Lead-times

Enter BOMs	New or Modified: 24 hours after receipt of Client's BOMs and any additional written instructions; a large number of BOMs may require a longer processing time
Run MRPs	New or Modified: 24 hours after receipt of written request and entry of all required BOMs
Quotes	New: 24 - 96 hours after receipt of written specifications and quantities depending upon the complexity of the item and the number of price variations requested Modified: 24 - 48 hours after receipt of written specifications and quantities depending upon the complexity of the item and the number of price variations requested
Mock-ups	New: 24 - 96 hours after receipt of written specifications depending upon the complexity of the item and the number of variations requested Modified: 24 - 48 hours after receipt of written specifications depending upon the complexity of the item and the number of variations requested

Manufacturing Lead-times

Please note that the morning the job is received at the plant is considered Day 0. If it is received after 11:00 am, Day 0 is the following morning. Working days are calculated as full working days after Day 0. For example, a job received at the plant on Monday afternoon requiring a 3 working day manufacturing cycle would ship on Friday. All lead-times are dependent upon quantity and job complexity. After all job specifications are determined, a final project timeline can be provided.

Retail Boxes	New: 15 working days after approval of proofs Rerun: 10 working days
Manuals - Offset	New: 10 working days after approval of proofs Rerun: 7 working days
Manuals - DocuTech	New: 3 working days including 1 day for approval of proofs Rerun: 2 working days
Misc.	Labels, Cards, Corrugated Boxes and Shims (not printed) New: 5 working days after approval of samples/mock-ups (if any) Rerun: 3 working days
CDs	New or Rerun: 1 - 15 working days depending upon quantity required
Diskettes	New: 2 - 3 working days after approval of masters and label text printing requirements depending upon quantity required Rerun: 1 - 2 working days depending upon quantity required
Assembly	If all components are received in inventory: 2 working days after accurate BOMs are entered in the system (see Enter BOMs above) and Client approval of assembly drawings and/or instructions If all components are in inventory except duplicated diskettes: 3 working days after accurate BOMs are entered in the system (see Enter BOMs above) and Client approval of diskette masters, assembly drawings and/or instructions

Shipping/Fulfillment Lead-times

- Shipping** **Standard bulk shipping** to a single (or few) destination(s) is handled in Manufacturing immediately following a build – typically the same day and guaranteed within 24 hours after the build is completed. Client must provide Gung-Ho accurate shipping information including all shipping instructions at least 24 hours prior to the build.
- Releases** **General releases, upgrades, subscriptions, etc.**, where the same quantity of individual kits is shipped to multiple locations, are handled in Manufacturing immediately following or during the course of a build. Allow 1 - 2 working days depending upon the total quantity to be shipped. Client must provide Gung-Ho accurate shipping information including all shipping instructions and an acceptable electronic file to prepare the required shipping labels and documentation 72 hours prior to the build.
- Fulfillment** **Ongoing miscellaneous shipments** of varying quantities (individual pick and pack, cartons, pallets, etc.) are handled in Fulfillment. Electronic downloads received by 12:00 p.m. are shipped the same day. Downloads received after 12:00 p.m. are shipped on a “best effort” basis. Orders requiring “front-loading” (manual entry) may extend the time required depending upon the volume of orders. Shipping confirmations and details for the day’s activity are available electronically by 9:30 a.m. on the following business day. Allow 8 hours for the transfer of finished goods from Manufacturing to Fulfillment. Fulfillment invoicing is generated monthly based upon a fiscal month and is sent out within two weeks after the end of the month.

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