

MILWAUKEE ELECTRONICS NEWS

Q2 2023

About Milwaukee Electronics

Milwaukee Electronics designs and manufactures custom circuit board assemblies for the medical, transportation, military, logistics and a variety of other industries.

The Company operates over 180,000 square feet of manufacturing in Portland, Oregon; Milwaukee, Wisconsin; and Tecate, Mexico. In addition to EMS and product design and engineering services, it offers quick-turn prototyping and on-demand assembly through its Screaming Circuits business unit.

PCB Fabricator APCT Acquires San Diego PCB Design

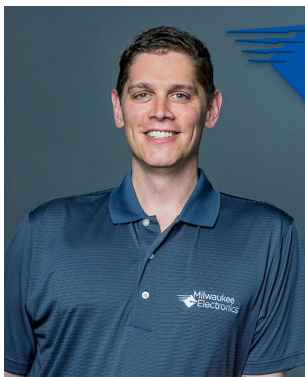
On April 11th, APCT, a designer and custom manufacturer of advanced technology printed circuit boards, completed the acquisition of San Diego PCB Design. APCT is headquartered in Santa Clara, California and is a portfolio company of Industrial Growth Partners.

“We are thrilled to partner with San Diego PCB and provide our customers with a full PCB lifecycle solution from design and

layout through prototyping and production. Over the past 20 years, San Diego PCB has established a strong reputation for quality, service, and efficiency and is a wonderful complement to APCT’s offering. I am excited to welcome each member of the San Diego PCB team to the APCT family,” commented Steve Robinson, CEO of APCT.

A Q&A with Jered Stoehr Renewing Our Focus on Execution

CEO Jered Stoehr answers some questions about Milwaukee Electronics’ evolving business strategy.



Q: Can you share more details on the SD PCB Design sale?

A: Milwaukee Electronics is a customer-centric company that wants to lead in innovative EMS solutions. We originally bought SD PCB Design because we felt being able to offer complex PCB layout would align well with our both our Screaming Circuits proto-

typing business and our EMS customers’ requirements. While it met some of those needs, the bulk of its business continued to be standalone PCB layout for customers that already had manufacturing solutions. When the opportunity to sell it to a leading edge PCB fabrication company of APCT’s caliber arose, we felt that would be a win-win outcome for all parties. We still have a trusted partner to refer customers with PCB layout needs to and SD PCB Design is now associated with a company that should have more complementary business requirements.

Q: What is next for Milwaukee Electronics?

A: We’ve weathered the same economic storm the rest of the electronics industry

has faced. During that time, we’ve made investments in systems, equipment and people. We’ve looked at which parts of our business model resonate with our customers and we have fine-tuned our processes to better meet those needs. We’ve grown in revenue throughout this period. This year we’ll be looking carefully at operational metrics and working to improve our execution. The supply-demand imbalances are improving enough that it is time to move away from “my supplier or logistics partner disappointed me” excuses and demand consistent operational excellence. We’ve got a good business formula and now it is time to focus on execution.

A Metrics-Driven Focus for Operational Excellence

Milwaukee Electronics has made substantial investments in systems and automation over the last few years. However, the challenges associated with COVID and supply-demand imbalances post-COVID, consumed team resources to the point that operational excellence initiatives went on the backburner.

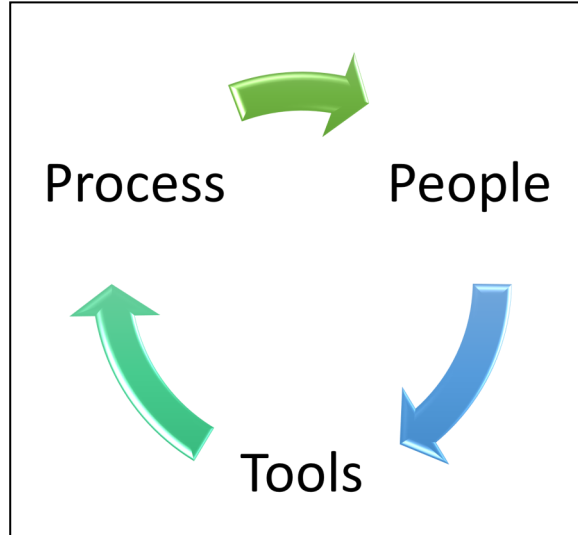
That changed with the addition of Dale Kratz, Vice President – Operations. One of Dale’s key areas of focus is implementing a holistic, company-wide approach to a metrics-driven focus on operational excellence.

“We define operational excellence as the application of continuous improvement to business/operational processes, training programs and product flow,” Dale said.

Ensuring that people have the tools and training needed to measure performance, identify bottlenecks and initiate improvement is a key step. Other elements of Milwaukee Electronics’ improvement journey will include:

- Using metrics to drive change

- Applying Lean/demand flow principles to product flow and office activi-



ties

- Instituting daily communication on needs
- Moving from batch manufacturing to manufacturing cells
- Continuing to automate repetitive tasks

- Increasing use of data to drive decisions.

In 2023, that translates to three areas of focus:

- Improving efficiency/productivity
- Decreasing inventory to reflect availability
- Eliminating unnecessary cost.

“Many of these efforts have been in place at a single facility or within a single department. Operational excellence isn’t just a goal that comes out of a management meeting. It is a culture, where improvements are continually driven by employees at

all levels. Our goal is to ensure that we are standardizing training, tools, processes and metrics across facilities well enough that we are able to set company-wide standards that our employees internalize and strive to achieve,” added Dale.

HR Summit Helps Define Vision and Roadmap

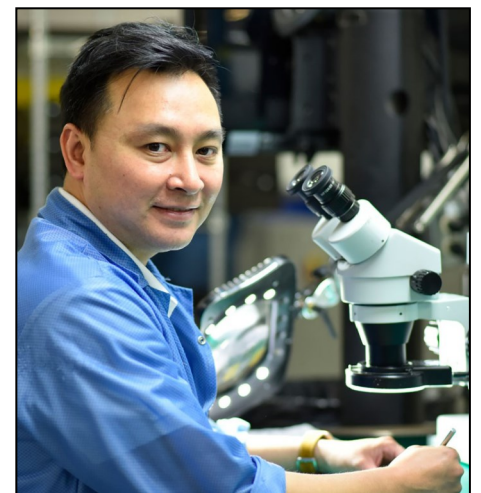
In January, Milwaukee Electronics’ HR leadership team and upper management held an offsite discuss the HR vision and roadmap for the upcoming year. Milestone activities for the Milwaukee and Portland facilities were defined. Key topics discussed were training, recruiting, benefits, payroll, and general projects such as performance review process and handbook review.

In creating a 2023 HR Roadmap, the group brainstormed activities in:

- Employee Care & Engagement
- Career Development

- Consistent & Fair Policy
- Objective Feedback & Evaluation
- Succession Planning
- Benefits & Fair Compensation
- Efficient HR Processes
- Recruiting & Onboarding

“We believe the 2023 HR Roadmap we have identified will help us build a stronger foundation as we continue to develop our HR strategies and programs to support our business needs,” said Tara Roldness, HR Manager – Portland.



Employees are Milwaukee Electronics’ greatest competitive advantage. Above, Steven Trieu works in the Portland facility.

Milwaukee Expands its EMS Program Management Team

In Jan., Derron Bohne joined Milwaukee Electronics as an EMS Program Manager. He is based in Milwaukee. Previously, he was Program Manager at Dorner



Derron Bohne

Manufacturing Corp. He was earlier associated with Generac Power Systems, Process Retail Group, Inc., Cooper Power Systems, GE Healthcare, Harley-Davidson Motor Company and Advanced Design Concepts in a variety of engineering management and engineering roles.

“Derron’s combination of program management and OEM engineering experience gives him the ability to view tech-

nical challenges in projects from a customer perspective. He is an asset to our Milwaukee Program Management team,” said Jeff Theys, Milwaukee EMS General Manager.

Derron received a Bachelor of Science degree in Mechanical Engineering from the University of Wisconsin-Platteville.

Tecate, Mexico Launches Automated Assembly

The engineering team in Tecate, Mexico designed an automated production line for an existing customer who develops tracking devices. The team presented the concept in Q3 2022 and won the business in Q4 2022, with the provision that the line be validated and implemented by end of Q1 2023.

The team designed an automated conveyor system plus worked with the customer on software development for the line. They also sourced, constructed and implemented the new line in Tecate. The line began validation in March 2023 and was approved for full production by the customer at the end of March. The automated line triples throughput as compared to manual assembly processes. The project’s revenue is anticipated to exceed \$2 million on an annualized basis.



The automated line is now in full production.

“This is an excellent example of our ability to leverage our team’s expertise to deliver competitive solutions to our cus-

tomers,” said Ricardo Del Castillo, Tecate Manufacturing Operations Manager.

Newsletter Contact

Paul Forker, Vice President of Business Development

Email: pforker@milwaukeeelectronics.com

www.milwaukeeelectronics.com

Sales inquiries: sales@milwaukeeelectronics.com

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5855 N. Glen Park Road
Milwaukee, WI 53209
Tel: 877.960.2134