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Presentation Goals

- > Supply chain risk management
- ➤ N95 respirators and why we didn't make them 'yesterday'
- > Lessons learned



What is Supply Chain Risk Management?

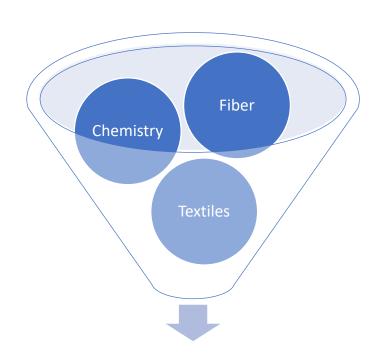
Our Definition:

<u>System</u> to eliminate or minimize supply chain issues on product quality and customer impact.

Question:

How do these <u>systems</u> serve us during a pandemic?





Where we fit in the Supply Chain



(Advanced Textiles)

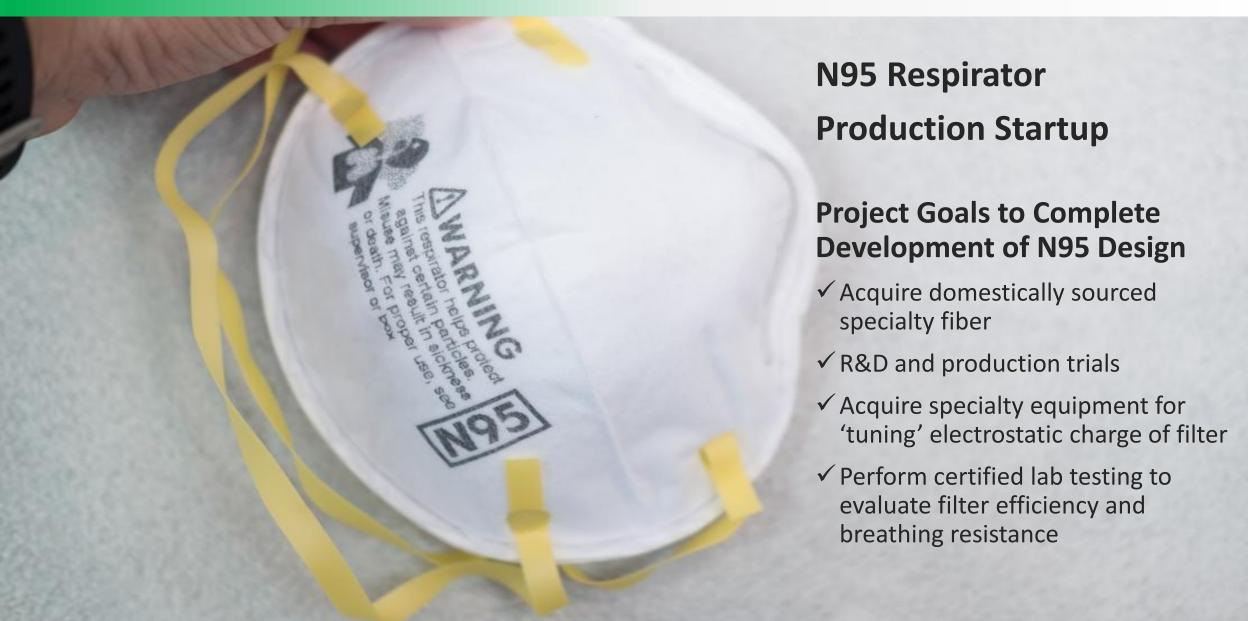


Raw Materials



Finished Goods





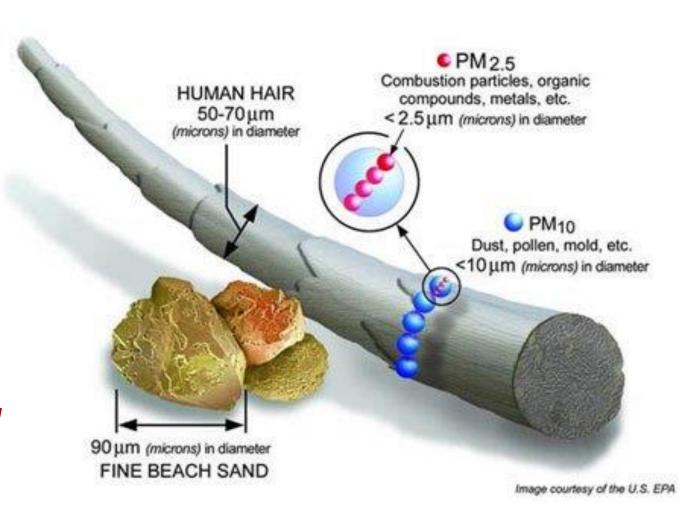


What is an N95 Respirator?

- > Filter which seals on face
- Filters 95% of particles at 0.3 micron
- ➤ Able to breathe comfortably
- > FDA/NIOSH certified

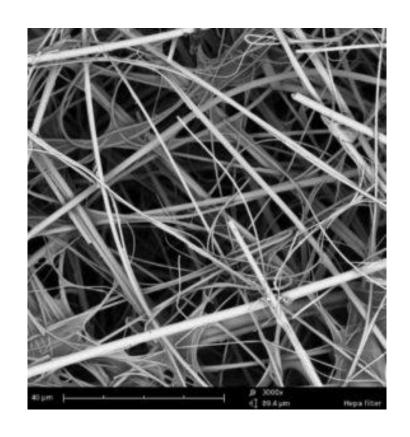
Simple looking product...

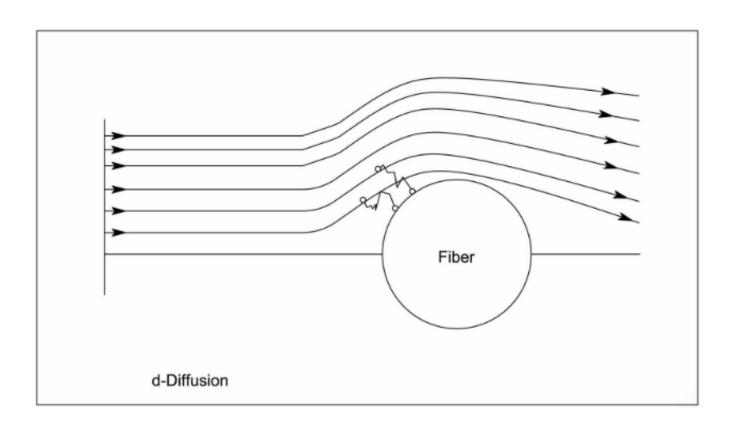
...complex technology and manufacturing





What do filters look like – how do they work?





HEPA Filter

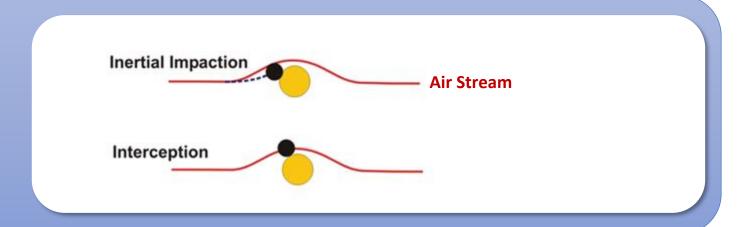
Air streamlines carrying particles



How to filter submicron particles (sarscov-2)

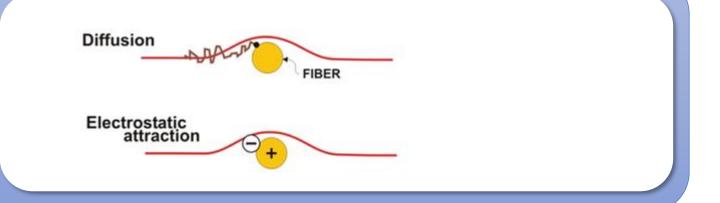
Large to Small Particles

(200 microns to 3 microns)



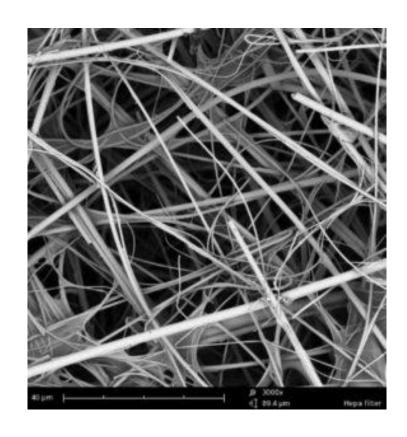
Submicron Particles

(< 1 micron)

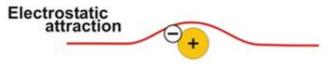




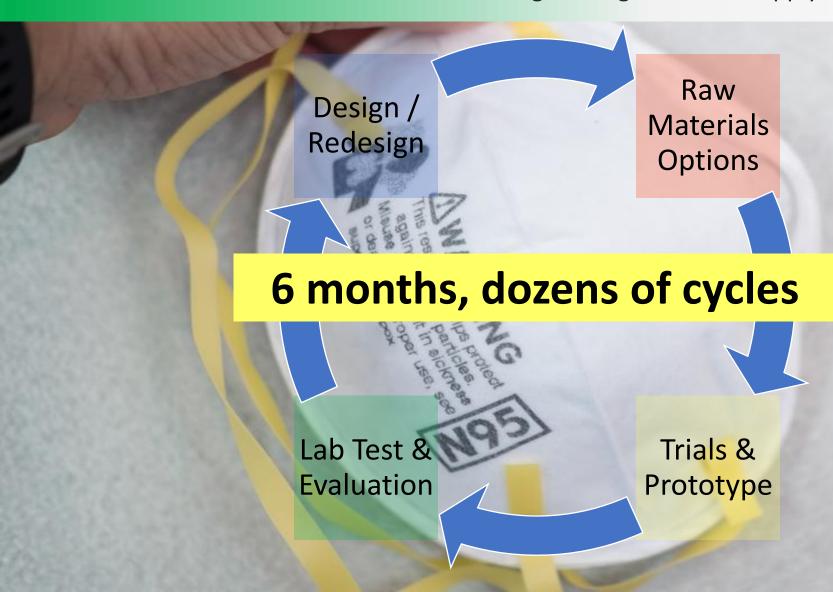
Achieving balance between filtering and breathing







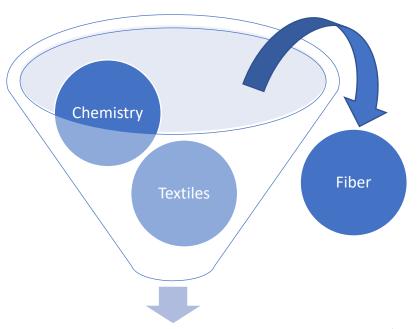




Development Cycle

- ✓ Identifying new raw material sources
- ✓ Supplier development time
- ✓ Interrupted shipping
- ✓ Purchase and installment of new equipment
- ✓ Manufacture of trial materials
- ✓ Prototype forming of mask
- ✓ Identification and evaluation of test labs
- ✓ Test lab lead times











Raw Materials



Finished Goods







Supply Chain Interruption: A disaster waiting to happen







Know your pain threshold

- What percentage of business, by product line, can your business afford to lose due to supply chain interruption?
- What products does your business produce that are potentially critical during a time of crisis?







New Formula?

Establish Domestic Sources + Geographic Diversity

How this affects...



Businesses

- ✓ Minimizes trade and travel interruptions
- ✓ More robust domestic supply chain through long-term investment
- ✓ More protected from location specific natural disasters



Local/Domestic Economy

- ✓ Ability to sustain normal activity during crisis
- ✓ Improve readiness to increase production of critical items
- ✓ Job creation and technology/manufacturing ownership

Global Economy Model → Global Hybrid Model



Thoughts on the NEW Global Economy

You cannot source from that which does not exist. *If you haven't invested in a domestic source it will not be available when you need it.*

Even seemingly simple products are born from complex manufacturing processes. Manufacturing startups are complicated and timelines to commercialize products and source materials/equipment for the first time will cause significant delays.

Foreign sourced products and subcomponents create vulnerability. Instead, find a balance that meets your company's goals and responsibilities to create long-term stability.



THANK YOU!



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