



CONCOTE CORPORATION

SPECTape[®]
DIVISION OF CONCOTE CORPORATION

INSULFAB
a division of concote corporation

FOR IMMEDIATE RELEASE

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Celebrating 40th Anniversary, Concote Sees its Future in Technology

Integrated ERP and Quality Management Systems Key to Growth

February 23, 2008, Dallas, Texas - Celebrating its 40th anniversary, Concote Corporation is looking back at what helped it sustain continual growth during the last forty years.

"We've been fortunate to have talented people at all levels of the organization," said Bob Ricketts, Chief Executive Officer of Concote. "There was a time when that was all you needed. The challenge going forward is how to manage the increasingly complex requirements of our Customers."

Founded in 1968 by Bob Ricketts and Bob Hanton, the company started with three employees. Its first year sales were less than \$150,000. At that time, Concote sold tape throughout the metroplex. "We were a distributor," recalls Bob Hanton, "and a successful one. Our sales grew a little each year and we were profitable." Eventually, however, they realized that they needed to diversify the business to remain viable.

In 1987, Concote acquired Insulfab, a custom fabricator of commercial grade fiberglass, foam goods, synthetic rubber products, adhesives, foils, films and plastics. Concote found itself manufacturing made-to-order parts for major appliance and air conditioning equipment manufacturers. In addition to adapting its systems to manufacturing, Concote managed very specific Customer requirements. "Every company that we dealt with had its own quality and supplier requirements," said John Frederiksen, Vice President of Sales. "And, of course, they all wanted to audit us. We quickly learned that managing the Customer's drawings, quality paperwork and logistics was just as difficult as managing production of the product itself."

By 2000, Concote's sales eclipsed the \$24,000,000 mark and the company was doing business globally, with several major Fortune 500 companies. That year, a major computer manufacturer conducted a site audit and forced Concote to make a critical decision: adopt the ISO 9000 Quality standard or be passed over as an approved vendor. "That was a turning point," said Andy Webb, President of Insulfab. "Whether or not we won their approval, we knew we needed a better quality system and a better management system. It really forced us to implement some best practices."

New Enterprise Resource Planning ("ERP") System

Even though Concote successfully obtained ISO registration, the new procedures proved hard to keep up with. Concote struggled with a dated computer program that was designed for accounting

and billing, but not for managing supply chain or administering quality procedures. “We couldn’t integrate it all into a unified system,” said Mr. Webb. “We had islands of information on paper and in spreadsheets throughout our facilities.”

Beginning in 2006, Concote began migrating all of its data into a single ERP application that would manage all aspects of its business. Today, Concote is running a new software program called Vantage, utilizing Microsoft SQL Server. The solution integrates all aspects of supply chain management, accounting, inventory, production and has an advanced quality module that will administer each of the major quality standards. Utilizing a new shared server structure in conjunction with Vantage, the company hopes to be almost paperless by year’s end.

Enhanced Quality System

Concote’s Quality Management System satisfies the requirements of the recently revised ISO standard, as well as those of its most demanding Customers. This June, Concote seeks to take its Quality Management System to another level by becoming registered to AS 9100, a supplemental quality standard which is being required by the company’s growing aerospace and military Customer base. According to Johnnie Abbott, Concote’s Quality Manager, “there may be future customers who wish for us to pursue other standards, such as automotive, medical or FDA. Even CPA firms are demanding more written procedures, checklists and internal audits this year. If you have the culture and the system in place, you can respond those kinds of requests quickly.”

Today, Concote still operates its two distinct business divisions, Spectape and Insulfab. It employs 220 people in its Dallas, Tyler and Houston facilities, making it challenging to have relevant information available to everyone instantly.

Although focused on the future, Concote tries not to forget how far it has come in forty years. Last December, the Baylor University School of Business awarded a “Well Managed Business Award” to Concote for its dedication to strategic planning and continual improvement. “We appreciated that recognition, because it means we’re improving, even after forty years” stated Bob Ricketts. “For a company like ours to grow in an increasingly competitive global economy, the need for exceptional people is a given. However, having first rate quality systems and technology will be more critical, especially with the larger Customers.” As to what lies ahead, Mr. Ricketts believes that “those companies that can embrace new systems and new technology will grow. Those that don’t will probably be left behind.”

Concote Corporation is a privately held Texas Corporation headquartered in Dallas with facilities in Dallas, Tyler and Houston. Concote Corporation is a leading provider of fabricator of foam goods, synthetic rubber products, foils, fiberglass, plastics, adhesives and other composite materials which serve primarily as acoustic, thermal and electro-magnetic barriers and insulators. For more information, visit Concote’s website at www.concote.com.

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