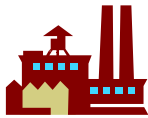


Purchasing update

KEEPING YOU UP TO DATE ON INDUSTRY NEWS – TOMORROW COMES TODAY®



August 2007



Report on Business

"Following a strong second quarter, the manufacturing sector moderated somewhat this past month. In July, manufacturing expanded at its slowest pace in the last four months, but continuing strength in New Orders and Production indicate that third quarter performance should still be quite good. Upward pricing pressures now in their seventh month continue to be a major concern for supply managers." The report was issued by Norbert J. Ore, C.P.M., and chair of the Institute for Supply Management™ Manufacturing Business Survey Committee.

LEAN PROCUREMENT™



Lean Manufacturing conference to be held here September 19, 2007

How to get started? What is it? What have others done?

I am happy to announce that three guest speakers will join us in a valuable and informative event focused on Lean Manufacturing: Jose Garcia, President of GCI Engineering, an expert in Lean, Six Sigma and project management; Drew Hatteberg, Senior VP of Pet Food Experts, with extensive experience in facility design and maximizing efficiency; and Don Gordon, the Supply Chain Manager from Disston, a leader and expert in Lean



Manufacturing. All will present their expertise and case studies. Our Ivan Owen will answer the question, "Where does lean Procurement fit in?" They will join me in an informative day

with their presentations, lunch and followed up with a very productive breakout session with smaller roundtable workshops.

June's event was completely filled with senior executives, Lean champions and managers wanting to learn 'how to get started' and 'what others are doing'. We are hosting this at no charge to you and invite you to come here for the event.

Please let me know if you can join me ASAP as there is limited room. This is truly a great list of experts that can answer your questions.

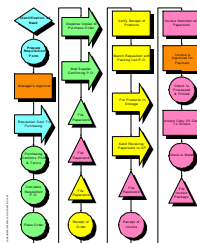


www.LeanProcurement.com—opening

I have been working on and will be opening www.LeanProcurement.com this week. It is a simple site that gives a highpoint vision of the principals of Lean Manufacturing and how Lean Procurement fits in. Please visit and let me know any input.



Lean Procurement – It's not the dollars it's the activities



Lean Procurement™ (LP) is our trademarked service that helps customers streamline their procurement process for the hundreds of low-value high-velocity factory, packaging and office supplies. Your total spend on these items may not be tremendous but when you realize the activities

associated you may be amazed.

LP is our way to help you 'lean' down and simplify the process and eliminate unnecessary activities in the procurement of these supplies.

My family and college

Three weeks left of having children at home. My youngest daughter, Julia, will leave to begin at the Northeastern College of Business in September. She will join Jessica in Boston who is attending BU focusing on management and human resources. Then there will be just me; my wife, Kim; and our dog, Angel. It sounds like fun for everyone. Phase three will begin. Wasn't I just sending you a Purchasing Update announcing that Jessica just got her drivers license?

By the way, our family trip to Israel in June was great fun and serious. We always felt very safe. Israel is a very prosperous country with continuing expansion and new buildings. In Tel Aviv it seemed like Silicone Valley. Jerusalem is truly a fantastic place to experience the major civilization and religious beginnings.

Stay well and I hope to see you September 19.

Sincerely,



Kenn Fischburg, President
k@cicgo.com

New Export Orders

ISM's New Export Orders Index registered 56.5 percent in July, an increase of 0.5 percentage point when compared to June's index of 56 percent. This is the 56th consecutive month of growth in export orders.

Customers' Inventories

The ISM Customers' Inventories Index registered 51 percent in July, which is 4 percentage points higher than the 47 percent reported in June. The index indicates that respondents believe their customers have more than sufficient inventories on hand (inventories are too high) at this time.

Supplier Deliveries

The delivery performance of suppliers to manufacturing organizations was slower in July. ISM's Supplier Deliveries Index registered 52 percent in July, a 2.3 percentage point increase when compared to June's reading of 49.7 percent. This reverses a one-month contraction in the index. A reading above 50 percent indicates slower deliveries.

MANUFACTURING AT A GLANCE						
July 2007						
Index	Series Index July	Series Index June	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
PMI	53.8	56	-2.2	Growing	Slower	6
New Orders	57.5	60.3	-2.8	Growing	Slower	8
Production	55.6	62.9	-7.3	Growing	Slower	6
Employment	50.2	51.1	-0.9	Growing	Slower	4
Supplier Deliveries	52	49.7	2.3	Slowing	From Faster	1
Inventories	48.5	45.3	3.2	Contracting	Slower	12
Customers' Inventories	51	47	4	Too High	From Too Low	1
Prices	65	68	-3	Increasing	Slower	7
Backlog of Orders	52	53.5	-1.5	Growing	Slower	4
Exports	56.5	56	0.5	Growing	Faster	56
Imports	54.5	54.5	0	Growing	Same	67
OVERALL ECONOMY				Growing	Slower	69
Manufacturing Sector				Growing	Slower	6

* Number of months moving in current direction

Report on Prices

In July, the ISM Prices Index registered 65 percent, indicating manufacturers are paying higher prices on average when compared to June. I am seeing the prices rising on items containing poly. The normal 6-7% increases are being pushed through from the plastics industry.

Commodities Up in Price

Aluminum (8); Caustic Soda; Copper Based Products (4); Low Density Polyethylene; Soybean Oil (2); Stainless Steel (7); and Wheat.

Commodities Down in Price

Gasoline; Natural Gas; Nickel; and Steel — Flat Rolled.