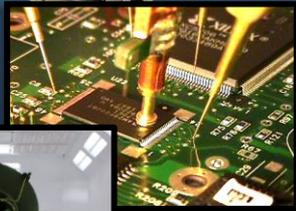
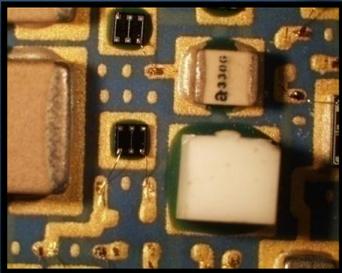
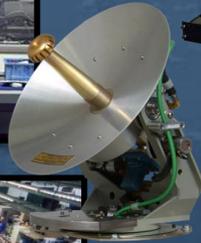
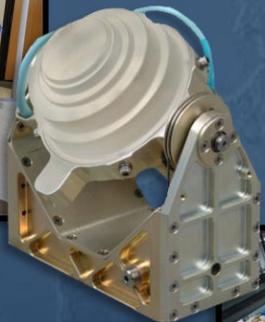




Expanding in Utah -- Procurement and Supply Chain Needs





L-3 Communication Systems-West

L-3 Communication Systems-West is a leading provider of networked communication solutions for high-performance intelligence collection, imagery processing and satellite communications for the Department of Defense (DoD) and other government agencies.

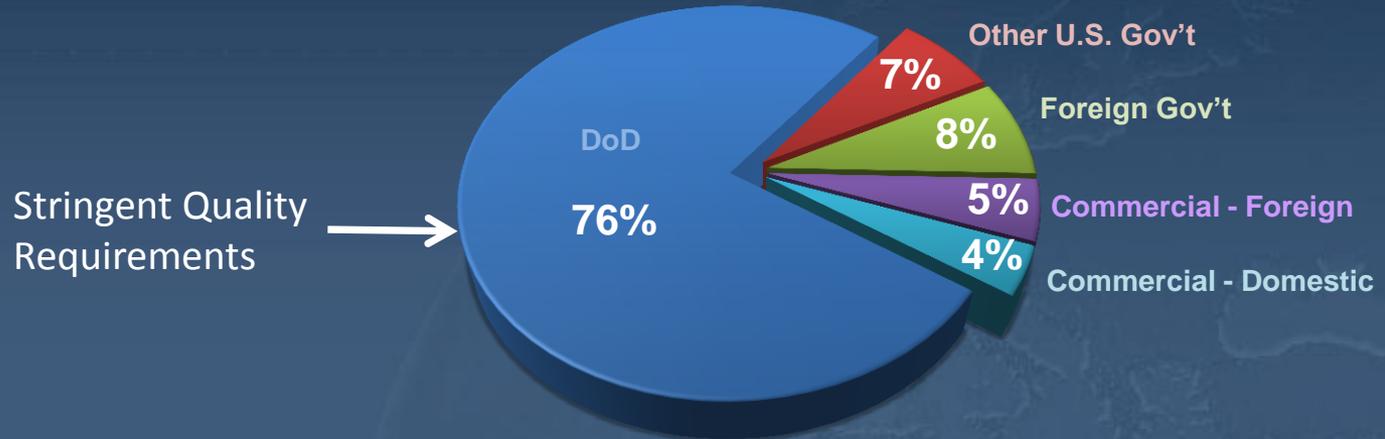
Based in Salt Lake City, Utah, L-3 Communication Systems-West employs approximately 4,600 people and is focused on the development, design, **manufacturing** and integration of secure networked communication solutions.

Recently was recognized as 2012 Utah Large Manufacturer of the year by Utah Manufacturers Association

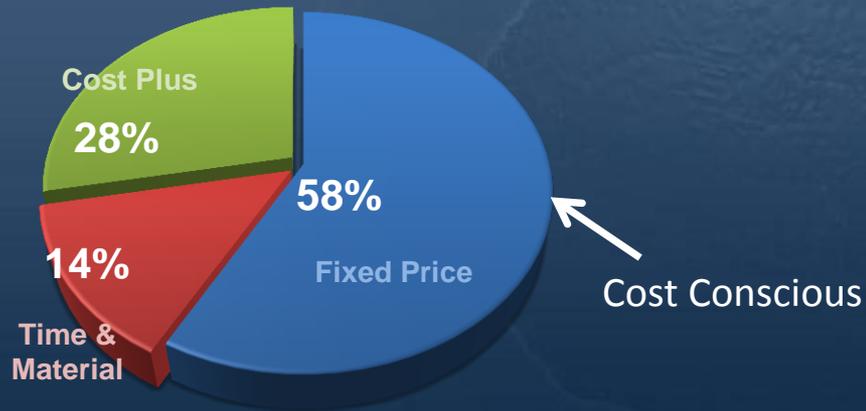
Estimated Sales Mix



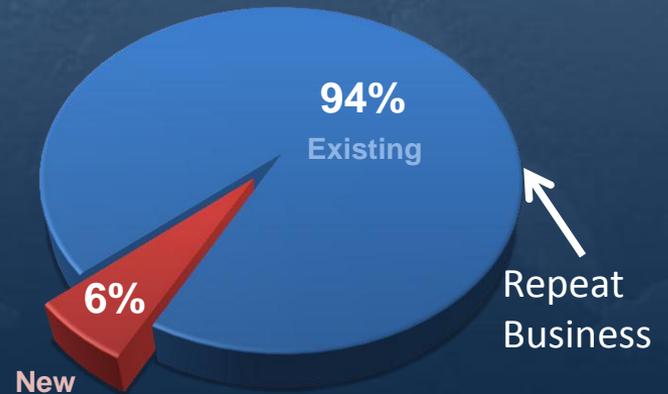
Funding Source



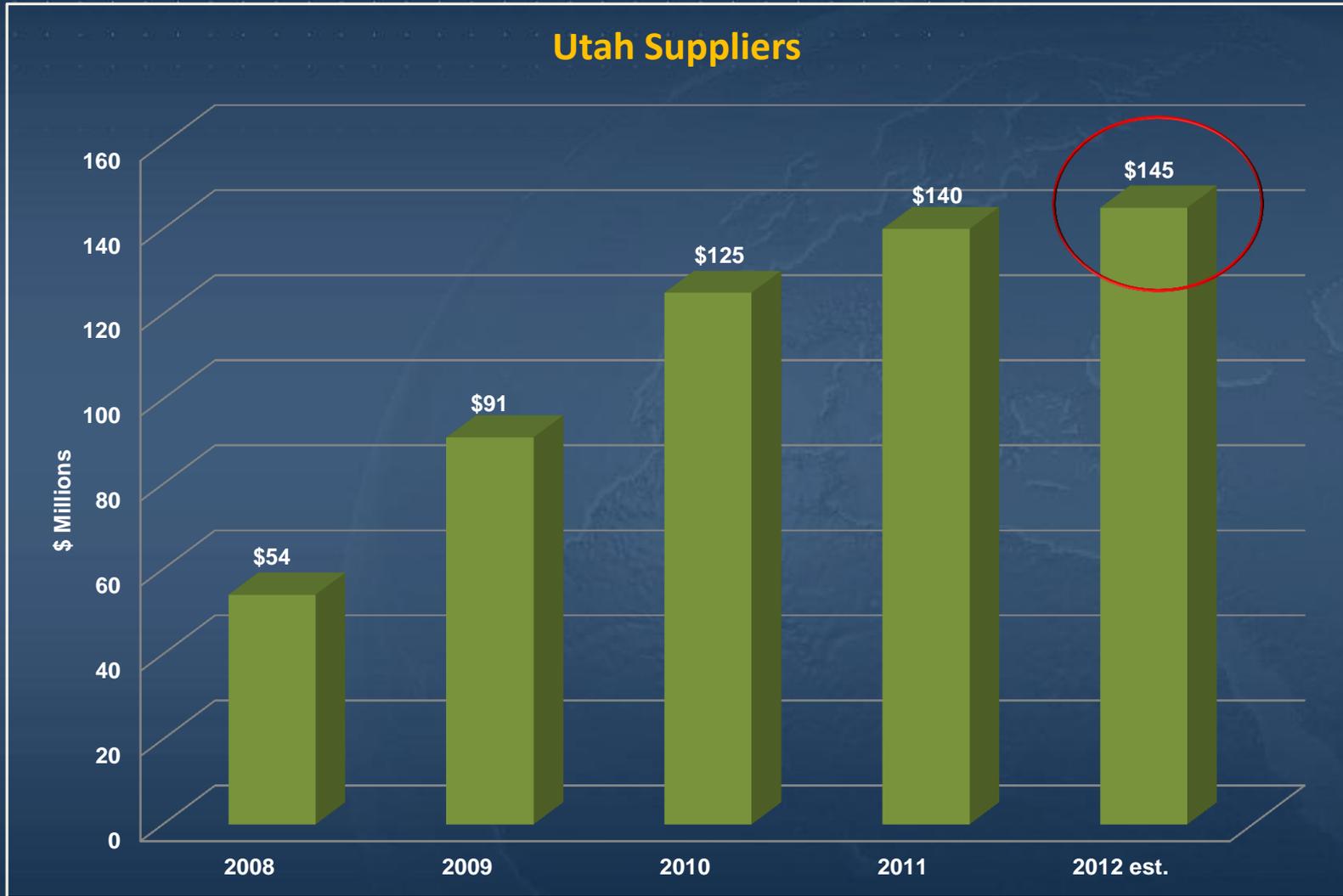
Contract Type



Business Type



L-3 CS-West Utah Suppliers



Utah Suppliers

- L-3 spent \$140M with Utah based companies in 2011 – est \$145M in 2012
- We work with approximately 219 Utah suppliers and distributors to include:
 - GD Machine, Inovar, Parvus, Cables to Go, CES, and Avnet
- We would like to work with more Utah suppliers!



Utah Suppliers



- Approximately 288 active larger machine shops
 - **L-3 actively uses 18 of these shops**
- Approximately 48 composite shops
 - **L-3 actively uses 2 of these shops**

Why don't we use more Utah Suppliers?



- **Difficult to meet our requirements**
 - **Equipment**
 - **Staffing**
 - **Meeting government regulations (AS9100) – Quality First**
- **Expensive to grow to meet our needs without capital investment**
- **Unknown to our company - smaller**

Out-of Control Growth

- **Successful businesses ruined by over-expansion or not expanding soon enough to meet demand**
- **Opportunities:**
 - Larger company investment to jump-start expansion
 - Government provided funding for low interest loans or grants

Operational Inefficiencies

- Now more than ever, the lean companies are at an advantage
- Opportunities:
 - Provide training for lean manufacturing to companies - Custom Fit dollars (UMEP)
 - Share best practices

Declining Market

- **Too many small businesses are dependant on one large company to sustain business**
- **Opportunities:**
 - **Recruit more larger companies to Utah to provide additional customer base**
 - **Network capabilities of local manufacturing companies**

Quality Standards

- **Difficult to meet demanding Quality Standards**
- **Opportunities:**
 - Provide training opportunities to obtain certifications - AS9100 and other stringent quality requirements
 - Require consistency in quality inspection requirements for product (FAR requirements)

Insufficient Skilled Workforce

- **Unable to find skilled workers locally**
- **Opportunities:**
 - **More emphasis on Manufacturing opportunities in education (students and parents)**
 - **Businesses partnering with education**
 - **Support for corporate university model (University of Manufacturing)**
 - **Higher education working together**

Networking Opportunities

- **Providing opportunities for small manufactures and large companies to network.**
- **Opportunities:**
 - **State sponsored manufacturing events**
 - **Support of local manufacturing groups (UMA, UMEP)**
 - **Company sponsored events**

Utah Suppliers



- The technology we are inserting into Utah with our suppliers helps more than L-3
- High-end manufacturing technology includes:
 - Circuit Card Assembly
 - Precision machining of metal parts
 - Manufacturing of composite structures
- L-3 is a significant customer of many Utah suppliers
 - 100% of some companies
 - We want more!

Summary

- **Support training for manufacturing**
 - Custom Fit
 - University Relations
- **Recruit additional large manufacturing companies to Utah**
- **Create networking opportunities**
- **Expose high school students to opportunities available in manufacturing**
- **Provide grants/loans to companies to expand**

Summary

Manufacturing is critical to Utah's economy!

State support to build and support manufacturing will encourage growth in both career and economic opportunities