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**Edwin J McKenica and Sons, Inc.**

# Press Release

## New Organizational Structure

### Family Returns

**Buffalo, NY April 13, 2017:** Trent McKenica is returning to the Company in the capacity of sole owner and CEO after the retirement of his father and pursuits of other interests for the past two years. The economy and other factors over the past few years have taken a toll on many of us, stagnating our growth and EJ McKenica and Sons is not exempt or alone in that. Trent McKenica will now be navigating the Company to break through the stalemate, restore McKenica to the prominent role it once held, and advance it to the next level. Some of his first directives are noted below.

#### To Our Customers:

- One-on-one meetings in person and via Skype and GoToMeeting with each and every current customer in order to (re)solidify all relationships and open up new and mutually beneficial opportunities. You may know we can drill and mill parts as large as 125"X x 102"Y but do you also know we have CNC contour turning capabilities up to 78" diameter? That we can do full-rotational complex machining on parts that fit within a 52"x48"x42" cube? McKenica hasn't always "sold" it's full capabilities when a customer only hears and/or enquires about one of them. We hope to now familiarize you with *all* the ways we can help you clear RFQs off your desk- and maybe the desk of your associate sitting next to you as well.
- In addition to familiarizing you with our full capabilities, we will also be making a concerted effort to learn all of your capabilities so as to create expanded partnerships. We may well be able to help you fill the sales gaps to your customers with parts that fit our knowledge and size capabilities and in return you can perhaps help us fill our sales gaps by providing us parts that fall into your expertise.
- Immediate move to implement ISO 9001:2015 certification. We are a proud vendor of GE and of Siemens as examples but currently lack the actual written ISO credentials to evolve farther. Our customers have spoken and we are actively listening.
- We intend to bring our expertise to new markets and products instead of relying primarily on the somewhat volatile Power/Energy market. We are certain that entering new markets will make us more efficient in our current market(s) because it will force us to look at things in new ways and in a different light- driving new and improved methods and innovations.
- Our website is undergoing a complete revamp to more easily show a broad and more efficient view of our capabilities, capacities, and talented workforce. We are aggressively promoting our capabilities to markets outside of our normal reach and want you to join us for the ride.
- Our loyal customers are the backbone of our organization. As continuity is important, Glenn Milbrand will remain President of the Corporation and will continue to be your primary contact during the transition period. Trent will give him all the support he requires to direct focus towards achieving the next level of growth without compromising the quality and customer service you have come to know, respect, and rely on. Trent can be reached at the email in the header of this release and you are encouraged to use it if you have any immediate comments, questions, or concerns that are not addressed to your satisfaction.

-Message from Trent McKenica follows on next page-

**For Release 08:30 EST, April 13, 2017**

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From Trent McKenica to our customer base:

During my two-year separation, I was sure that I wouldn't miss the challenges and struggles associated with constantly setting new goals and charting new courses. That changed when I finally realized that I also deprived myself of the opportunity of feeling the success of achieving them. That changes now. The bullet points in the opening of the press release are highlights of part of a new business plan being implemented without delay. Taking the Company over and setting new goals is no easy or over-night task. The current "flat" state of the company has become unacceptable to me. While I had no intention of returning to McKenica in any significant role, I continued to have a great deal of pride in the Company my grandfather started over 40 years ago and where I worked for over 20 years. I could not in good conscience simply let it continue to sit in perpetual "hover mode" without giving it my all to restore it to the prominent role it has long held in the local, and in some cases national, machine shop community. I am asking for your help to take this company to new heights.

We at McKenica have always prided ourselves on our customer relationships and commitment. As current customers, you are well aware of how reactive and attentive we have always been to your needs, and how we stand behind our quality and our products. I am sure that is as important to you as your business is to us. As our business model changes, if you're a current customer, rest assured that we will *not* lose sight of organizations like yours that led our growth all these years. If you're a potential new customer, who is considering partnering with us moving forward, please use all the tools at your disposal to vet us- you will not be disappointed; then climb on board the train and ride it with us to success. With that in mind, I invite all current and potential customers to take advantage of what I am now offering. I have directed that our quoting margins be cut on sequential and/or repetitive orders in an attempt to be even more competitive in our current partnerships and more intriguing to our new ones. What's the benefit of cutting margins to McKenica? Why would we leave money on the table? It's simple math really- economies of scale. I'd rather make \$700 10,000 times, than \$800 7,000 times; not to mention I can employ a lot more people with the increased volume. Any good accountant will confirm to you that once overhead is covered, your margins grow exponentially. My goal is to ramp up our workflow and remove the scheduling peaks and valleys we seem to be stuck in. A steady workflow is what job shops such as McKenica often lack but it is the first piece in the business plan puzzle and is absolutely necessary to having time to allocate resources to the other steps such as ISO certification. What I'd like to concentrate on first, from our current customer base, are any standard product lines that we do for you occasionally or on an overflow basis that could potentially be a steady diet. We will commit to long-term contracts- at a reduced rate from what you're used to- if you will commit to providing that work on a consistent basis. That is a win/win in my book and hopefully in yours as well. Any other current (one-time) opportunities will continue to be greatly appreciated as always.

While I certainly do not want to make any of you apprehensive with a comprehensive business model change, I believe it is critical to be honest with you about the changes because rumors are *far more* deadly than fact. The truth is, I am tired of McKenica and Sons being "*almost there*"; almost to the next level, and I think many of you have been through these times- or are with us in it- and are just as frustrated. I just want to get out of this "stall". I am asking for you to team up with us for new and greater opportunities to achieve it. I have always valued our relationships and my gut tells me those relationships certainly have the ability come through for the benefit of all of us. The verbiage of the old saying, "It is better to beg for forgiveness than to ask for permission" comes to mind but this time it becomes, "It is better to ask for help from your friends than to have them ask why you didn't".

Thank you for your time, consideration, years of interaction as a valued customer, and most important, your help and understanding during this reorganization period. Please feel free to contact me with any comments, questions, or concerns.

Regards,  
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