

HAWK WARGAMES

NEWSLETTER #4, 13/08/2012



Hi everyone,

This newsletter aims to give a comprehensive, black and white summary of our production and order fulfilment situation, and what we're doing to improve it. Hopefully, this will provide an insight into why things are as they are at the moment:

1) Hindsight goggles and stock levels at Salute

Before Salute, we were an entirely unknown start-up company, running on 100% family money. There was only so much available so we made what was thought at the time was a risky but considered decision on how much stock we would need - I turned out to be wrong! Creating all this on your own gives one a modest perspective on what you've created. We did **not** have any pre-existing arrangements with distributors before Salute and frankly we had originally planned to grow at a more measured pace. I may have made a mistake here, but I could not in good conscience have spent more of my family's money without seeing the reaction of the market.

As soon as we realised the extent of the demand (literally the day after Salute), we ordered an additional two machines to double our production capacity, worked on the delivery dates provided to us and planed from there. In hindsight, we should not have relied on this delivery date, but manufacturing is a tough business, especially for new companies.

2) Shipping to distributors

We started shipping to the two distributors that got involved earliest, on exactly the same day (one in the UK and one in the US). With the exception of a store local to us (with whom we have had an arrangement since the day of Salute), we have not shipped to other stores. We could not ship either order in its entirety on the first shipment, rather we shipped everything we had at the time. This was admittedly patchy and inconsistent, but was unavoidable at the time.

Since the first shipments, we have been sending products almost daily to these distributors (about 90% of our production output), and will continue to do so until the orders are fully fulfilled. We will then ship to our other distributors in the order in which they got involved. Fulfilling all our orders (and preparing re-stocks) is our number one priority at the moment and we still aim to ship all direct orders within 2 weeks, as promised. This lead time will go down as we clear the backlog.

3) Production now up to full speed!

Our new machines have now been delivered, installed, calibrated and have been running at full speed since Wednesday last week. We'd planned to be running at this speed (roughly 500 blisters per day) over 5 weeks ago, but the very late delivery obviously cost us a lot of kits on launch (around 6000 blisters by our estimation).

If we'd have known 5 weeks ago that the machines would be this late, we would have delayed the launch; however, delivery to us was delayed repeatedly which made planning difficult. We did not at any point release a definitive in-store date ourselves for this reason alone! Frustrating as this period was for everyone, we're pleased to be passed it now and can at last move at the speed we'd planned all along.

4) You can't rush resin

Another thing that's important to stress is that unlike metal casting, resin casting production **cannot** be boosted quickly with existing tooling. A metal mould can be used **many** more times in a day than a resin one. Metal just has to partially cool before it can be removed from a mould (it takes one or two minutes), whereas resin needs to cure, which takes up to an hour! This means that it requires many more moulds and many more casting machines to speed up production, neither of which can be obtained quickly. Add the fact that we're producing complex and small resin parts with class leading detail, and it's clear why we can't simply 'press the button' overnight.

5) Further expansion

Since Dropzone Commander has been so well received, we won't stop here when it comes to production capacity! We're ordering additional machines already as we're keen to avoid this situation arising in future and to be able to comfortably meet orders from a larger reserve of stock.

The design and management side of the business will also be moving into a much larger office soon, which we are very excited about, and is looking at expanding to better cope with the email deluge. This should also allow us to run a dedicated forum of our own, and to provide a much better service and level of interaction in future.

6) Why I've been quiet on social media

Obviously, this whole situation has created a mountain of work. I'm currently covering the customer service side personally as well. This means that (with regret!) I've had to neglect Facebook and Twitter recently. Every post creates more work and our current focus has to be towards settling our production issues. Once we have undertaken the expansion we will be able to be much more active here!

7) If you've been waiting for a response in the 'Trade' email account:

We will not be taking on direct trade customers until we can fully satisfy our arrangements with existing distributors. If you've registered an interest in the trade account, we will inform you as soon as we are able to meet your needs. As a small (but rapidly growing) company we can only do so much right now but are working our hardest to improve matters!

8) Errata 1.4

We aim to get the promised updated errata online before the end of the week! Keep an eye on Facebook for an update - I'll post once it's available.

9) Error with the Roads

A simple export resolution error has resulted in all the road pdf's coming out the wrong size! A short term fix is to shrink the documents to the stated page size until we've posted updated versions (which will be this week at some point!).

10) Downloadable Buildings for US customers

We will be working on 'Letter' sized versions of the Downloadable Buildings which are compatible with US paper sizes as soon as we can. We were made aware of this issue last week and will do our best to provide a solution - obviously, other things need to come first though! In the meantime, a simple fix is to print the A4 sized documents on larger paper sizes.

I hope this goes some way towards clarifying the situation!

- **David J Lewis,**

Director,

Hawk Wargames

