

Northwestern
SINCE 1879
Sterling

November, 1985

The Lightning Bolt

NORTHWESTERN STEEL AND WIRE COMPANY · STERLING, ILLINOIS 61081

Out Of The Red At Last!

First Profit Since 1981

The following is content of the letter to shareholders that appeared in the Company's Quarterly Report dated October 31, 1985.

After experiencing four fiscal years of losses, we are delighted to report that our Company achieved a net profit of \$1.2 million, or \$.16 per share, for the first fiscal quarter ended October 31, 1985.

This compares with a net loss of \$13.2 million, or \$1.75 per share, for the comparable period of the prior year. In the month of August we sustained a small loss but in both September and October we achieved our first monthly operating profits since November, 1981.

Shipments for the quarter ended October 31, 1985, were 262,597 net tons, a 46% increase over the 180,134 net tons shipped in the same period of the prior year. Net sales for the first quarter amounted to \$84.3 million, an increase of 33% over the \$63.6 million in the prior year's first quarter.

Although net sales were aided by the

increased level of shipments, the full effect of this volume increase was not reflected in total net sales due to lower competitive pricing and to product mix.

Steel imports continue to capture nearly 25% of our domestic market, about the same level as in 1984 before the President's voluntary restraint program. We believe that imports under this program, along with imports from third world countries not covered by the program, must be curtailed in a more effective manner.

Under existing accounting rules, the Company is precluded from recognizing tax benefits for the operating losses since it had exhausted its ability to carryback operating losses in fiscal 1984, and therefore no tax benefit was recorded for the three months ended October 31, 1984. At July 31, 1985 the Company had operating loss carryforwards for financial statement purposes of approximately \$53.7 million available to benefit future taxable years.

Under existing accounting rules, for the quarter, the Company was required to provide \$603,000 for income taxes and also record an offsetting extraordinary credit of \$603,000, or \$.08 per share, from the utilization of a portion of the \$53.7 million loss carryforward.

The Annual Meeting of Shareholders was held in Sterling, Illinois, on November 13, 1985, at which time the following directors were elected for the indicated classes and terms:

Class I (term expiring in 1988) — Jon G. Bowman; Richard B. Walbert.

Class II (term expiring in 1987) — Robert M. Wilthew.

Other directors whose terms continue after the Annual Meeting are Class II directors W. Martin Dillon and Anthony E. Cascino and Class III directors John P. Conway and Peter

W. Dillon.

We are pleased with the results of the quarter ended October 31, 1985! We are also pleased to report that the \$1.2 million net profit achieved in this quarter is after a provision of \$600,000 for the Employee Profit Sharing Plans established in the 1982 and 1983 labor contracts.

We believe that the past heavy capital expenditures that are in place gives Northwestern the most cost efficient steelmaking facilities in the United States. It is our intention to utilize this investment to produce our products at a cost level which will remain highly competitive in the marketplace.

We are confident that these actions will allow us to achieve our corporate goal to return Northwestern to financial stability. We wish to congratulate our fellow employees, both union and management, on their successful quarterly achievements.

Their continuing efforts will help us realize our fiscal objectives, and enhance the favorable trends of lower cost of sales and the improved profit profiles that we have seen on a monthly basis.

Although our second quarter's shipments may be slightly below the volume of our first 1986 fiscal quarter, we anticipate that our results will exhibit continued improvement.

Break-Even Party Set

A "Break-Even Party" is being planned in celebration of the Company's return to profitability.

The party will be held for all active employees and their families on Sunday, Dec. 8 from 3 to 5 p.m. at the Sterling Coliseum.

Details of the party will be announced at a later date.

Happy Thanksgiving

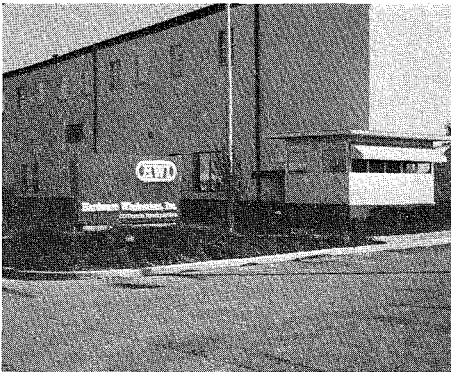


NSW Congratulates HWI On Its 40th Anniversary

After 40-years in the hardware and lumber dealer business, Hardware Wholesalers, Inc., based in Ft. Wayne, Ind., knows the value of good service.

HWI's philosophy of "serving others as you would like to be served" has been paramount to its growth throughout the years. And indeed, it has grown...from a small group of 75 independent hardware and lumber dealers in the Midwest, to over 2,500 hardware, home center, and lumber dealers, with a volume of over \$655 million in fiscal 1985.

Each HWI member is serviced on a weekly basis from one of the HWI Distribution Centers which are located in Dixon, Illinois; Medina, Ohio; Cape Girardeau, Missouri, and Waco,



HWI Corporate Headquarters in Fort Wayne, Ind. is where all orders are processed. HWI is an important Northwestern customer as it ranks among the Company's top 10 wire products accounts.

Texas. A fifth distribution center is under construction in Columbia, South Carolina.

D.D. (Bob) Tousley, Vice-President-Sales, Merchant Wire Products, said that "Northwestern Steel and Wire Company has had close ties with HWI. In fact, HWI today is among the Company's top 10 Merchant Wire accounts." This relationship, according to **Malcolm Bender**, Buyer at HWI, is due in large part to Northwestern's service.

"Northwestern is our primary supplier for wire products. There are many reasons for this. Northwestern's pricing is competitive and they have a very broad line. But service is very important to us. Attention to the retail

member prompted us to stay with Northwestern," he said.

The reason service is so important to HWI is the fact that it has so many "member" stores. More than anything, HWI places its greatest emphasis on serving its individual members. Over 35,000 items are stocked in each distribution center, 95% of which are available on a one-each basis, allowing members to special order and receive shipment on the next week's regular delivery by HWI's own trucks.

This year being its 40th anniversary, HWI has put together a series of promotions and special events for its members to assist them in creating substantial sales and profit increases in their markets. Such commitment of responding to the needs of the members has resulted in numerous programs to help members increase sales and profits.

"We have to give the members the ability to get a product in a timely fashion at a good price. Much of this comes from the sales department. We refer our dealers to them. It's up to whoever picks up the phone on Northwestern's end. This impression is what he remembers," Bender said. **Al Lopez** and **Dan Over** are the inside Correspondents for Merchant Wire Sales who handle the HWI account, while the outside salesman for the account is **Ed Sanders**.

There have been many favorable impressions. "If I had to sum it up into a single statement, I would say that Northwestern's success as far as we are concerned, is due to its people."

Bender said HWI has followed Northwestern's return to profitability closely and has been impressed with the efforts of the Company since President **Robert M. Wilthew** has been with the Company. "He's a real straight shooter...the type of person we like to deal with," he said.

HWI's annual October Market was recently held in Indianapolis, Indiana and Northwestern participated and offered special promotions for purchases made at this market.

Bender said HWI is also very proud of their firm and their president, **Don A. Wolf**, on being selected as one of



HWI's Malcolm Bender, Buyer (left) and Ned Wolf, Vice President of Purchasing, pose in front of the Northwestern booth at the HWI October Market held in Indianapolis. Bender said HWI is impressed with Northwestern's service to its members

the three "Hardware Merchandisers of the Year", sponsored by *Hardware Merchandiser* magazine.

This honor is bestowed on the three hardware wholesalers who, during the year, have made the most progress in adapting their distribution systems to conform with the changes in today's markets, as well as their preparations to cope with future changes.

HWI — Northwestern salutes you!

★ ★ ★ ★ ★

Best Retirement Wishes

Effective October 1

Kenneth Onken, Plant 4 Electrical, 31 years.

Don Howlett, Private Payroll, Furnace Department, 29 years.

Effective November 1

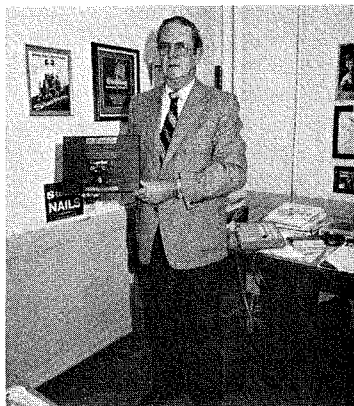
Santos Lopez, East Plant Pollution Control, 30 years.

Lawrence Wallingford, 24-Inch Cranes, 30 years.

Clarence Miner, Drawing Room, 20 years.

Charles Wiegand, Guards, 15 years.

★ ★ ★ ★ ★



D.D. "Bob" Tousley, Vice President, Sales — Merchant Wire Products, displays a plaque signifying a special "Golden Performance Award" given to NSW by *DIY Retailing Magazine*. The award was given on the basis of readership response to Northwestern's hardware cloth sold in 5-foot rolls.



Northwestern Steel and Wire Company has received the special "Golden Performance Award" for its introduction of hardware cloth packaged in 5-foot rolls.

The awards were presented at a special Pioneer Awards Breakfast by *DIY Retailing Magazine* and the National Retail Hardware Association, honoring the Do-It-Yourself industry's new product "Pioneers."

The awards are issued to companies who "set out to open up fresh, creative frontiers in product design, marketing and merchandising," for their introduction of the top 20 products in 10 major departments.

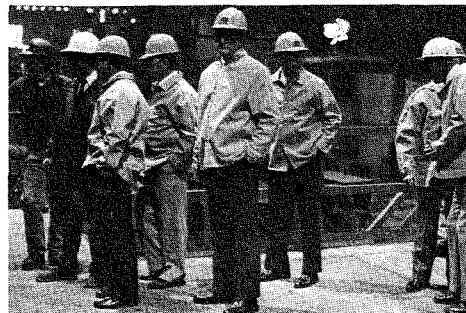
Northwestern's hardware cloth was among three products receiving the special "Golden Performance Award" in the Lawn and Garden division.

All awards were based on reader response to products published in *DIY Retailing Magazine* during 1985 and on results of telephone surveys of retailers and wholesalers.

Northwestern's hardware cloth will

be among 200 products highlighted in the December issue of *DIY Retailing* in the magazine's first New Products Directory.

Accepting the award for Northwestern was D.D. "Bob" Tousley, Vice President, Sales — Merchant Wire Products.



Northwestern's Dick Bennett, Superintendent of the 12-Inch Mill, points out a bar as it goes through Northwestern's Morgan Rod Mill during a tour by executives of O'Neal Steel recently.

Annual NSW Christmas Drive Underway

Volunteers are needed for the annual Northwestern Steel and Wire Company Employees Needy Families Christmas Fund.

Bill Boesen, who has been in charge of the annual fund drive since its inception four years ago, said he is looking for volunteers to head up the drive in Northwestern's various departments throughout the mills and offices.

The Christmas Fund began in 1982 as Boesen and co-workers began collecting money for the vast number of needy families in the Rock River Valley during the height of the area's recession.

For the most part the fund drive has been confined to where it began — at the West Plant — but now there is a strong effort underway to expand to every department at Northwestern, Boesen said.

The 1984 Drive helped 21 families, including 68 children, with clothing, groceries and gifts. The total amount of money collected in the Fund totaled \$3,664.

Each family is recommended by social workers and school nurses. Northwestern employees and their

spouses volunteer to buy for a family. They use the money set aside for that family and shop for specific clothes needed by members of the family.

A pair of traveling plaques will be awarded to the departments collecting the most money. One plaque, which has been awarded to the 14-Inch Mill for three consecutive years, will go to the department collecting the highest amount of money. A second plaque will be awarded to the department with the highest donation per employee. The employees of the Plant 2 Machine Shop were winners of this plaque in 1984.

Boesen said procedures are currently underway to make the Fund into a non-profit organization. "We are just getting to the point where we are dealing with too much money. Non-profit organizations don't have to pay sales tax. The money we'll save on taxes can provide for an additional family."

Anyone wishing to volunteer to take charge of the fundraising for their department, or who wishes to make a contribution should contact Boesen at 366, or call him at home at 626-2081.

O'Neal Steel Tours Northwestern Mills

Top executives from O'Neal Steel toured several Northwestern Mills recently, guided by Chuck Biermann, Vice President, Sales — Hot Rolled Products.

O'Neal Steel is one of Northwestern's top 10 Hot Rolled Products customers and has 13 Service Centers in the South.

During the tour, one executive expressed how pleased he was with the turnaround that Northwestern was making in its financial condition. Other members noted the seeming improvement in the condition of our mills.

"We have just gotten them back with us again and look forward to substantial improvement of tonnage with O'Neal for the balance of this year and into next year," Biermann said.

Those from O'Neal touring Northwestern were: Jack Blackwell, Vice President, Special Projects; Jim Gustin, Vice President - Purchasing; Bob Alvis, Purchasing Manager, Hot Rolled Products; Tab Beatty, Sales Manager, Hot Rolled Products; Tom Awtrey, Structural Steel Buyer.

LMPT Team Progress Update

R.I.S.E. Team

The R.I.S.E. Team is working on solutions to warehouse problems at the Rock Falls Plant. With the assistance of outside sources, the team has done much research on material handling equipment. In addition, they are continuing to collect data on the causes of the problem.

I.D.E.A. Team

The I.D.E.A. Team is currently preparing for their first formal presentation to the four-man Steering Committee. The team finds it rewarding to work all the way through the problem-solving process, ultimately finding a workable solution to the problem.

H.O.P.E Team

The H.O.P.E. Team is continuing its comparison of fabricating costs in the production of Color-Guard fence. Included in this study are the costs of wire, material and labor. They are also attempting to compare the productivity and quality of the fence when using annealed wire vs. galvanized wire.

S.T.E.P. Team

The S.T.E.P. Team is now providing detailed information for the implementation of the track No. 1 project, which will allow utilization of this area for

truck loading.

Final design details will be submitted to the welders for fabrication of the bridge which will permit fork lift tractors to have access to the truck trailers for loading or unloading.

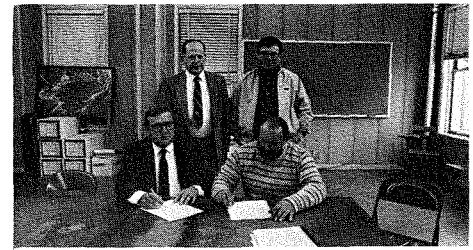
The roll-up door for the west entrance has been ordered and delivery is expected in three to four weeks.

Through the efforts of the S.T.E.P. Team, the Company will have the capability of loading 48-ft. trailers inside the building. Members of the shipping department are most anxious for the completion of this project, as the doors at the regular west loading docks can then remain closed during the winter months.

The team is very enthusiastic about the progress of this project.

The S.T.E.P. Team is also working on a problem with the No. 14 Electro-Weld baler holding bin. They feel the bin should be enlarged to accommodate more remesh.

According to Facilitator **Wendy Davis**, the four LMPT's at Rock Falls are diligently working toward solutions of the problems they chose to undertake, as outlined above.



Representatives of Northwestern Steel and Wire Company and USWA Local 3720 prepare papers that will give hourly and salaried workers at Plants 4 and 6 checks from the profit sharing program. Pictured are, seated from left, NSW Human Resources Director **Merlyn G. Bruns** and Local 3720 President **John Tomczak**. Standing are, from left, NSW Vice President of Finance **John P. Conway** and Local 3720 President **Merle Heckman**.

NSW Distributes Profit Sharing Checks

In accordance with the provisions of the Labor Agreement in effect between Northwestern Steel and Wire Company and the United Steelworkers of America, Local 3720 and the Profit Sharing Plan that is a part of that Agreement, the Company is pleased to announce that profit sharing checks were distributed to employees of Plants 4 and 6 on Monday, November 4, 1985.

These checks were from profits that were achieved by Plants 4 and 6 during the fourth quarter of Fiscal 1985 which ended July 31, 1985.

Checks were distributed to hourly and salaried employees of those plants plus the Teamster over the road drivers, from a profit sharing pool of \$115,020.00.

One of the major contributions to returning these plants to profitability is the successful implementation of Labor Management Participation Teams that was made possible by excellent cooperation between Union and Management Representatives.

November Anniversaries

35-Years

Hilmer Rothe, 11/3/50, Billet Caster

30-Years

Floyd Boyer, 11/2/55, Billet Caster
Walter Lindsley, 11/28/55, Electric Furnace

15-Years

Gloria Harting, 11/18/70, Private Payroll, Merchant Wire Sales.

NSW Booth Claims Top Prize At Show

Northwestern's booth took the grand prize among six finalists for the best decorated booth at the Our Own Hardware Show, held in Minneapolis, Minn., in October.

The \$400 top prize was awarded to Northwestern at the annual Fall Show put on by Our Own Hardware at the Minneapolis Convention Center. There were over 700 vendors exhibiting at the Show, which was attended by 1,100 Our Own dealers.

The theme for this fall's Show was "Octoberfest," which played right into the hands of NSW's salesman **Duane Goetch**, who was stationed in Nellinger, West Germany during the 1960's.

Duane's wife **Maren** devoted her evenings over a three-week span to put together the NSW booth with a German motif. With their former house in Nellinger as a model, Maren fashioned a look-alike backdrop

The display was topped off by a table of beer steins, pretzels and fruit. German songs played on a record

player added to the atmosphere. And of course, Duane sported full German stylishness with lederhosen, suspenders and a feathered cap.

The display drew a lot of attention to the assorted Northwestern wire products which were displayed throughout the booth.



In full German dress, NSW Salesman **Duane Goetch** poses before the Northwestern booth that he and his wife **Maren** decorated for the Octoberfest theme at the recent Our Own Hardware Show. The NSW booth was honored with a Best Of Show rating.

Employee Involvement Teams (EIT) Join Participative Approach ⁵

A new employee participation program, similar to already existing LMPT (Plants 4 & 6) and Action teams (West Plant), has been formed to help identify Company problems at Plant 1.

Employee Involvement Teams, or EIT's have been formed for the purpose of tapping the expertise of NSW's supervisors at Plant 1 through problem-solving teams.

The EIT's are similar to LMPT teams in that participation is voluntary and teams choose their own problems to solve (with the approval of a Steering Committee consisting of **Ken Haverland** and **Ron Leuschke**). Unlike LMPT's, however, EIT's consist only of supervisors.

The four EIT teams recently completed a comprehensive three-day training course during which each team chose its first problem.

The POP-IT Team (Plant One Progress Involvement Team) chose to look into the inefficient method of contacting supervisors during shifts. Team leaders are **Don LaFavre** and **Don Heeren**. **Larry Rosenberg** is the team's recorder. Other members on the POP-IT Team are: **Bob Bittner**, **Marc Wilson**, **Barry Montague**, **Roger Lubbs**, **Roger Port** and **Don Bridges**.

The ROP Express Team (Reduce Our Problems) will investigate damaged strands on top of stems of descaled rod. Team leaders are **John Stauter** and **Vern Schwenk**. **Joe Olalde** is the Recorder. Other members on the ROP Express Team are: **Jack McGhee**, **Dieter Meinen**, **Phil Gerbitz**, **Dave Erby**, **Ted Lightcap**, **Don Nehr Korn**, and **Don Shehorn**.

The NSW Team has determined that the 10-Inch Mill ramp is inefficient and

potentially unsafe, and will attempt to correct this problem. The team leaders are: **Bob Sprungman** and **Lee Buntjer**, and **John Reynolds** is the team Recorder. Other members of the NSW Team are: **Denny Eshleman**, **Robert Gholson**, **Walter Long**, **Robert Johnson**, **Clyde Kerber**, and **Dale Bopes**.

The Unity Team will be tackling a two part problem -- A. Disorganized warehousing in the new warehouse basement; and B. Poor condition of new warehouse ramp area. Team leaders are **Tom Clementz** and **Larry King**. Recorder is **Bev Kitsmiller**. Other members of the Team are: **Cedric Patterson**, **Carl Paxton**, **Reggie Dahlstrom**, **Mike Maddox**, **Jim Clausen**, **Ken Smith**, and **Jerry Dittmar**.

Tips For A Safe Holiday Season

Accidents don't take holidays. In fact, more fire-related accidents occur in December than any other time of the year. Ironically, the very objects which brighten the holiday season can cause disaster if used in an unsafe fashion. Decorative lights and materials should be purchased and used wisely and correctly.

Here are some safety hints for the proper use of decorative lighting.

Purchase only UL listed light strings. For outdoor use, only weatherproof lighting and extension cords should be used. The UL label will indicate which light strings and extension cords are suitable for outdoor use.

Check all light strings carefully. Before plugging in your lights, check each set and extension cords for broken or cracked sockets and plugs, frayed or bare wires, or loose connections. Unsafe equipment should be discarded immediately. Make certain that bulbs are not loose in their sockets. Use rubber light socket gaskets, and replace if needed. Don't work with light strings or extension cords



while they are electrically connected. Never stretch light strings or extension cord wiring. Fasten outdoor lights securely to a firm support to protect against winds, etc.

Don't overload electrical circuits. When arranging lights for decorative use, make certain not to overload the electrical circuits. Electrical wiring that is forced to carry more current than it is intended to handle, may overheat and cause a fire. Look for the wire capacity listing, and do not use more than the manufacturer's recommended number of light strings on one circuit.

The selection of a Christmas tree, whether natural or artificial, is a crucial matter. Artificial trees should be labeled "flame resistant", as some trees can burn very vigorously. A natural tree should always be checked for freshness.

When purchasing a natural tree, the following should always be done:

Check for color and scent. A fresh tree is deep green and has a strong evergreen scent.

Needles should be hard to pull from the branches. Also, fresh needles do not break when bent by your fingers.

The trunk butt should be sticky. A tree bottom which is sticky with sap indicates that it is fresh.

Bounce the tree on the ground. When you bounce a natural tree on the ground, a shower of needles shows that the tree is too dry.

Place the tree away from fireplaces, radiators, or other heat sources. Also, place your tree out of the way of the traffic pattern in your residence.

★ ★ ★ ★ ★

Action Teams' Ideas To Cut Costs By \$146,000 Per Year

A pair of recommendations to the Performance Improvement Council by Management Action Teams will save the Company an estimated combined total of \$146,000 per year when implemented.

A recommendation by the 24-Inch Action Team No. 2 pertained to excessive maintenance on the roll line motors at the straightener run-in roll line and will save the Company about \$70,000 each year.

Steel bars were being hung up on the 24-Inch Mill transfer bed because the bars were not being separated properly because of the camber on some of the bars.

The Action Team recommended that all roll line motors on the straightener run-in roll line be converted to single belt driven motors. Also, the Action Team will experiment with the use of



An action team tackles a problem during a recent meeting at NSW's Pentagon conference room.

welded blocks on the roll line.

As a long range recommendation to be implemented when the financial condition of the Company warrants, the team recommended that a product separator be installed on the 24-Inch transfer bed.

Members of the 24-Inch Action Team No. 2 are: **Randy Johnson**, team leader, **Howie Ellis**, team recorder, **Ronnie Drane**, **Bob Aldridge**, **Jay Franque**, **Jim Naylor**, **Dick Bittner**, **Jim Mangan**, **Wayne Spencer**, **Dick Card**, **Bob Laidig**, **Steve Bell**, and **Eddie Edmonds**.

The 14-Inch Mill Team made a presentation to the Performance Improvement Council that will increase productivity at the Birdsboro stacker at the No. 2 outlet on the finishing end of the 14-Inch Mill. Their recommendations will result in annual savings of approximately \$76,000 for the Com-

pany.

The team dealt with the job of eliminating hot bed full delays and increasing productivity at the Birdsboro stacker at the east piler of the 14-Inch Mill.

The Action Team recommended that a HEM saw be installed so that 40' prime product can be sawed into 20-foot lifts. This would enable the Company to double the tons of small angles, small channels, and small flat sections produced with the same amount of piler operations.

Members of the 14-Inch Y Team are: **John Johnson**, team leader, **Ellsworth Wolf**, team recorder, **John Slonneger**,

Max Knowles, **Chuck Hoyle**, **Ron Moffitt**, **Bill Fisher**, **Bob Czuprynski**, **Bob McDonald**, **Jim Hardt**, **Charlie Bosco**, and **Wayne Lamb**.

The members of the Action Teams are to be congratulated for their efforts in addressing problems that will increase productivity and yield in their respective rolling mills. Their contributions to the Management Action Team program are vital in returning Northwestern Steel and Wire Company back to profitability. The Action Teams' continued efforts will enable the Company to remain competitive and increase lines of communication within the Company.

Two Suggestions Earn Company Awards

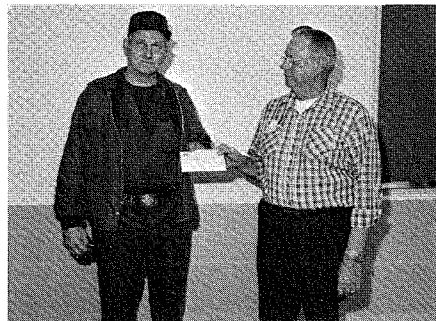
Separate ideas have earned pocket money for two Northwestern employees under the Company's Suggestion Award Plan.

Donald Winkler was awarded a check for \$655 for his suggestion to install an inline oil filter on the intake oil line of the centrifuge at the 12-Inch Mill.

The filter has been installed and tested and is working to eliminate crusted oil deposits from the per-heater filling system. Previously there has been a large deposit of contaminated oil leaking out, making for extensive housecleaning every four hours. The system then had to be shut down for the cleaning.

The machine no longer needs to be shut down for cleaning since the filter can be cleaned while the machine is in use.

It was estimated that the filter will



Marvin Alt receives a check in the amount of \$460 for his suggestion to install a shut-off switch on the Number 4 Coater Spiral. The suggestion is expected to save the Company \$4,585 annually.

save the Company \$6,550 annually.

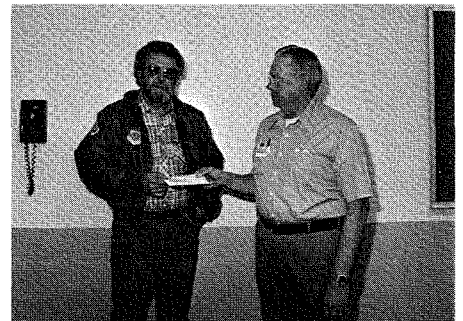
Marvin Alt has received a check totalling \$460 for his suggestion which will result in cost-savings for the Nail Department.

Alt proposed that a switch be installed in the Number 4 Coater Spiral so that when the machine jams up it will automatically shut off — stopping an overflow of nails into the bottom of the unit.

Once the nails have fallen to the bottom they are scrapped, and two hours of downtime is required to clean out the machines.

It is estimated that the switch will save the Company \$4,585 annually. According to the Company Suggestion Award system, employees are awarded 10% of the estimated first year's savings credited to the suggestion.

Congratulations to these men for their valuable money-saving ideas.



Donald Winkler accepts a check in the amount of \$655 from Carl Calvert for his suggestion to install an oil filter on the centrifuge at the 12-Inch Mill. The suggestion is expected to save the Company \$6,550 annually.

SWAT Team Deploys To Solve NSW/Customer Problems

A special force at Northwestern Steel stands ready and can be called to action at any time.

This 'force' is known as Northwestern's own 'SWAT' Team. Unlike the famed tactical unit of the Los Angeles Police Department, the NSW SWAT Team doesn't protect citizens from violent criminals. What the NSW 'SWAT' Team does, however, is protect the Company's business interests by attacking and solving a variety of problems relating to NSW's rod and wire production — not only in our own plants, but at our customers' facilities as well.

Made up of some of Northwestern's most knowledgeable men involved with NSW's rod and wire production, the SWAT team is an impressive assembly of expertise in the rod and wire business.

Heading up the SWAT Team is Northwestern's Manager of Quality Control, **Jerry Shinville**, since the SWAT Team is basically a function of NSW's attempt to attain and maintain the highest possible quality.

"SWAT is the concept of using teamwork to satisfy our customers and to make the customer a part of the Team," Shinville said. "Our mutual support helps both Northwestern and the customer. We work for consistent quality, reliability, servicability and maintainability of our products."

Other members of the Team are: **Lynn Proeger**, Metallurgist; **Richard**

Schuchard, East Plant Inspector; **Ed Matthews**, Product Manager Wire and Rod Division; **Dick Bennett**, Superintendent of the 12-Inch Mill; **Dick Friel**, 12-Inch Mill; **Dave Erby**, General Supervisor of Wire Drawing; **Bob Gholson**, Assistant General Supervisor of Wire Drawing, and **Roger Larson**, 12-Inch Mill Inspector.

A recent problem for the SWAT Team evolved like this:

NSW Salesman, **Bob Reece**, called on EMCO, a manufacturer of U-bolts for the auto industry, which is located in Des Moines. Though the buyer from EMCO hadn't done business with NSW for a number of years, he was willing to take a look at the rod which is produced on our new rod outlet at the 12-Inch Mill. The buyer said he was concerned with obtaining a high quality rod and he wanted to talk with someone from Northwestern who could assure him of continued high

quality.

What the buyer from EMCO got was a visit by four members of Northwestern's Swat Team — **Shinville, Matthews, Proeger, and Bennett**, along with Reece, to view the manufacturing procedures used at EMCO.

The SWAT Team concluded that Northwestern could best meet EMCO's needs by producing a type of steel with different chemistry than the Company normally produces.

"The people at EMCO were really impressed that we would send out a team of this calibre to their plant to try to meet their needs," Matthews explained. "What this team can do is answer on the spot just about any question the customer might have."

EMCO gave Northwestern an order before the SWAT Team left Des Moines, and subsequently ordered additional tonnage.

"This means that we have that many more people at Northwestern acting as sales people — and with that you get people involved in providing a better product and service for the customer. You end up getting more customers," Matthews said.

The SWAT Team meets when Shinville sees a problem that needs to be ironed out. The problems are sometimes due to something that Northwestern is doing that could be performed better — such as a change in steel composition for a particular product. Sometimes the problem may even stem from an outright mistake or error in production by the customer.

Use of the SWAT Team means that these problems can be quickly identified and rectified through the use of nearly 107 years in rod and wire production.



Members of Northwestern's SWAT Team meet to discuss various customer and Company production problems.

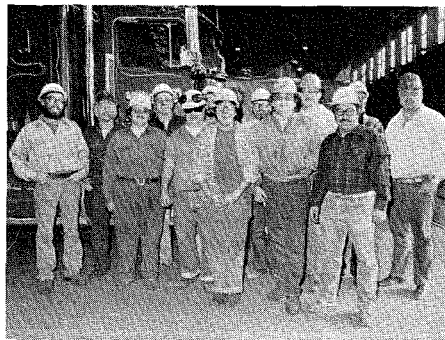
Records Fall In Caster, Furnace Depts.

Monthly production records fell in both the Electric Furnace and Continuous Caster Departments in September.

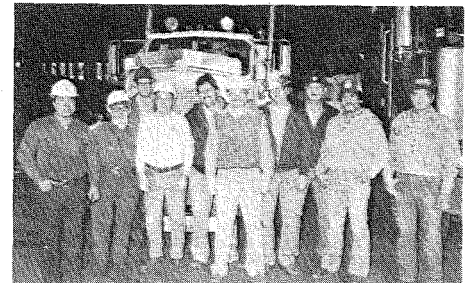
The Electric Furnace Department produced a total of 126,364 tons with two furnaces operating. The old mark, set in May of 1975, was 124,984 tons. This record was accomplished despite the fact that the department was down for four days during the month.

The Caster Department ran 115,038.9 tons for its second record-breaking performance in as many months. In August, the Caster Department ran 92,577 tons.

Congratulations to the members of these two departments and all of the support personnel who made these records possible.



Members of the 14-Inch Mill who helped in setting a monthly shipping record in August of 27,931 tons were: (first row, left to right) **D. Burgess, R. Linboom, R. Martinez, K. Anderson, R. Garza**; (back row) **E. Diedrich, M. Kramer, C. Foy, C. Jones, G. Heather, J. Kenney, W. Wyatt, M. Francis**.



Members of the 14-Inch Mill who also helped in setting the August shipping record were: (first row, left to right) **J. Guerrero, C. Fiorini, J. Jernigan, J. Ryan, D. Kulas, R. Galvin, D. Cummings**; (back row) **H. Wilkinson, A. Magana, E. Last**.

NSW's Management Participation Teams In Action

