

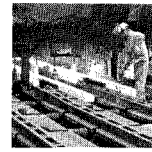
# A LOOK INSIDE



**Workshops make sense out of dollars.**  
See page 3.



**Wire products move with food/ag giant.**  
See page 5.



**Productivity soars, records shatter.**  
See page 7.

# The Owners Manual

A PUBLICATION FOR EMPLOYEE/OWNERS AND RETIREES OF NORTHWESTERN STEEL AND WIRE COMPANY

FEBRUARY, 1989

*NSW must pay taxes based upon worth: who decides?*

## NSW tax assessment question unresolved

In light of recent attention to NSW requests to the county for a tax re-assessment, *Owners Manual* talked with Ed Maris, Vice President, Finance, for details.

"We asked for re-assessment, under state law, and our request was denied in September. Our attorneys asked for a hearing for an appeal in December and that was denied. We filed a petition, under a set of statutes, to the Property Tax Appeals Board, last week, and, concurrent with that, we began an appraisal of our property, which should be completed in 120 days.

"The assessor has the ability to move forward with a settlement. If we disagree or if we have no opportunity

to discuss it, we have an option to follow through, by law, with the Property Tax Appeals Board, for a hearing."

*Question: Is the problem between the amount the county values the NSW complex and the value the Company feels is correct?*

"Yes, when I got here several years ago I asked when was the last time we had seen an assessor. I became concerned when I found that it was so long ago, people had trouble remembering. Without a periodic assessment, taxes are raised based upon an index of inflation rates and properties throughout the state of similar values. But we have

eliminated two major mills during this period of time, without an adjustment in the property taxes.

*Question: If it's a matter of a simple re-assessment, why doesn't it just take place?*

"Well, we have to realize that an assessment of a complex plant like this is really an art. There is probably just a small percentage of people in the country that could do an acceptable job. The experience base is not there. An assessor can go into a commercial establishment, an office building, and do an assessment. You look at our dusty, worn buildings and that's what you have to assess from, and how do you know what it's

worth? That's the situation."

*Question: What's the outcome going to be?*

"What it boils down to is that we are addressing our fiduciary responsibility to the owners, which is our workforce, and that, since we have shuttered two mills, we feel the re-assessment is necessary.

"If we have not been paying enough taxes, we'll certainly be good citizens and pay them. But, if our business, or any business, is paying more than their fair share, one can conclude that another business may be paying less. And that must be addressed. So the issue is more complex than it may first appear."



Ron Davis and Bryan Calkins, Computer Operators, check out new NSW system.

## New computer system moves toward completion

In all parts of Northwestern Steel and Wire, departments are receiving important information, almost instantly, thanks to the Company's computer systems and the work of Manager Larry See, Supervisor Carl Fisher, and the Systems and Programming Staff in Information Services.

A more complex project than one might realize, the Company's systems are now being converted to a new Unisys System 80 mainframe. It began in July, 1988 with the installation of a power distribution system, central processing unit, disc-drives, tape drives and a printer, which are currently operating simultaneously with the old 90/80 mainframe and its peripherals.

Distributed throughout the entire mill, the new communications equipment, which includes new cabling and 24 new modems, brings better com-

munications to more of the network. Replacement of 121 old terminals and 39 old printers brings mill-wide totals to 156 terminals and 56 printers now in operation.

Processing shipments, inventory updates, order input, accounts payables and receivables and many other tasks are completed, on-line, by office and mill personnel. The sales department can access screens to show immediate availability of a product in answer to customer inquiries.

The new System 80 has the increased memory and processing speed necessary to handle the ever-increasing workload. With final conversion to the new mainframe planned for mid-March, the Systems and Programming Department is currently changing programs to run on the new System.

## Employee-owners seek answers

### Communications comments reveal wide range of concerns

Northwestern employee/owners and retirees have a lot on their minds, if the responses to the Company's communications questionnaire is any indication. The questionnaire sent out in December solicited workers' concerns and their opinions on expanded NSW communications.

Not surprisingly, no one subject was mentioned more than any other. Instead, almost equal numbers were interested in hearing more about retiree benefits and problems, production and plant operations, and the Company's financial plans.

An almost equal number asked about the ESOP (responses were received prior to the beginning of the Dollars and Sense workshops), the steel markets and our products, and improving management and labor relations.

And a smaller but equally as impor-

tant number mentioned employees' pay and benefits, the Houston mill, and dissatisfaction with management. Nearly two-thirds of those who replied to the questionnaire signed their names. President Robert M. Wilthew sent a personal response to them.

Letters are being grouped by subject, for future use in the *Owners Manual*. These subjects will be explored in upcoming issues.

A good number of responses, both signed and unsigned, were positive and offered suggestions for improving NSW. Almost all agreed that better communications was a definite step in the right direction.

*The personal letters sent by Robert Wilthew, NSW President, frequently addressed subjects of widespread interest. The Owners Manual will publish some of these letters in this and future issues. (See page 4.)*

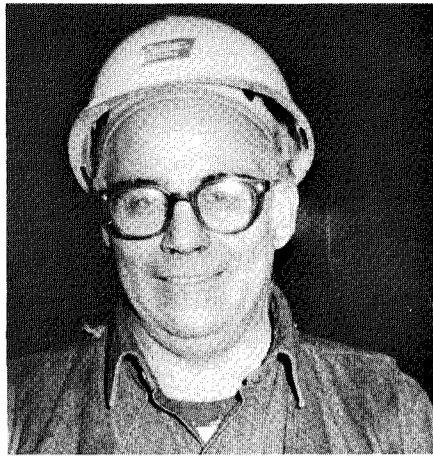


Ed Sanders, Sales Representative, Wire Products Division (L) receives First Prize, a portable television, from Robert M. Wilthew, NSW President (C) for coming up with the winning name for the Company's employee publication. Last month, when notified of his winning at his home in Fort Wayne, Indiana, Sanders commented, "I've been wanting a TV for the bedroom. Every month when I see the *Owners Manual*, I'll think of my TV." Fred Tintori, the contest's first runner-up and winner of a cordless telephone is shown (R).



*"I'd like to know how the Houston plant will benefit us. If it's true that the Houston plant will be self-sufficient and won't need us, then certainly we don't need them."*

**Ed Sandoval**  
Caster Department Welder



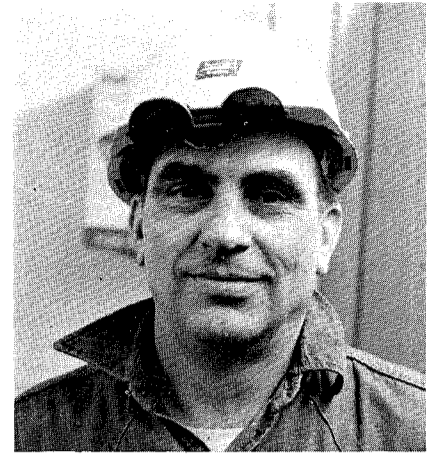
*"I want to know why we don't get paid average earnings on the downturn when Maintenance does."*

**Israel Rodriguez**  
Rougher  
12-Inch Mill



*"How would the acquisition of the Houston plant benefit Northwestern employees?"*

**Marge Bushman**  
Nurse  
First Aid



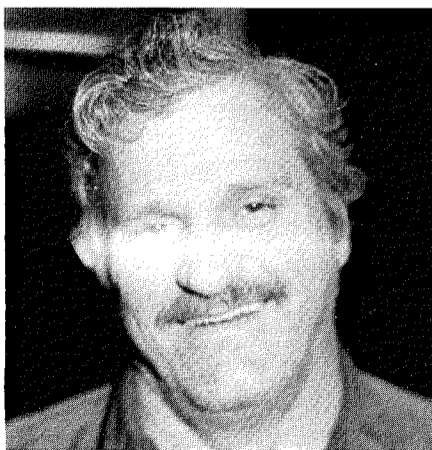
*"Under the present operation procedures, how can we continue to make a profit? Evidently, I don't know enough about the operation or I wouldn't have that question. In the past there seemed to be more of a concern for what's taking place than right now."*

**Robert Rubright**  
Caster Strand Operator

# Viewpoint

The NSW employee/owners who give their viewpoint are picked at random. The opinions of the *first eight* people who give spontaneous or impromptu answers are used; we do not look for the "best" eight answers. The responses given are the responses that appear in print. They are not edited or changed.

**Looking beyond your own job area, do you think you know enough about the overall NSW operation? What more would you like to know?**



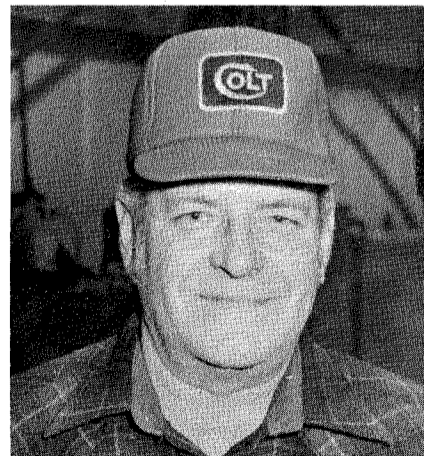
*"I would like to know more about the Furnace Department."*

**Larry McClintock**  
Speed Operator  
12-Inch Mill



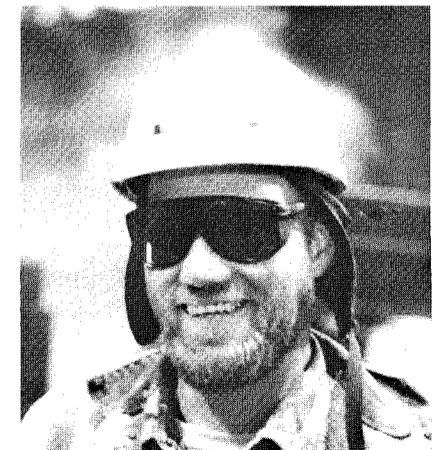
*"I feel that having the tour helped. Personally, I would like to know more about the casters. Also, once the new nail facility is done, I'd like to see that. Something else I'd like to see is how Central Stores operates."*

**Marilyn Lowder**  
Accounting Clerk



*"I'd have to say as a co-owner, I'd like a better understanding of cost breakdown for the Tractor Shop. (An accounting of how repairs are charged to the individual departments.) I'd like to understand more about the general operations of the East Plant."*

**Bob Bittner**  
Supervisor  
Plant 1 Maintenance



*"I want to know why the 12-Inch Mill is on a 4-letter shift and these other mills work a 3-letter shift six days a week."*

**Doc Gray**  
Guideman  
12-Inch Mill

***Some of the above topics are discussed on page 8 of this issue.***

## Miller promotion marks 26 years with NSW

Larry Miller has been named Manager, Q.I.P./L.M.P.T. programs one month short of his 26th anniversary with Northwestern Steel and Wire Company. In his new position, Miller will manage the overall programs, supervise the activities of facilitators and monitor team progress.

Miller joined NSW in 1963 as a Laborer on the angle straighteners in the 12-Inch Mill. He later transferred to the East Plant millwright shop as a Laborer, Trainee, then Millwright. Miller was a Union Workers Compensation Committeeman for 6 years.

In March of 1987, Miller joined the Wire division Q.I.P. Steering Committee and was appointed Facilitator in November of that year, a position he held until January when he assumed the responsibility of Manager.

Miller, born in Benton, Illinois, near Carbondale, has been an area resident for most of his life. He and his wife of 25 years have two grown children. In the last few years, Miller has pursued a formal education and has earned his degree from Sauk Valley Community College.

## L.M.P.T. STEP team solves rejects on No. 3 Mats

It started more than a year ago when the STEP (Security Through Employee Participation) team decided to look into the reject problems on No. 3 Mat. With galvanized wire, the expensive raw material for products in Plant 4, the team surmised that rejects were a costly waste of NSW funds and the problem needed to be addressed.

They checked out causes, talked to Maintenance about the big shear, to the Pipefitter Department about moisture in the air lines, and conducted stress tests along with Q.I.P. Galvanizer Team No. 9. They brainstormed solutions and projected costs to implement the changes, along with any expected savings.

The result was a six-part recommendation which is now being implemented. All of the team's recommendations are being put in place immediately, with the exception of the purchase of a small shear. As a capital expenditure, it must be budgeted into the 1989-1990 fiscal year. Annual projected savings from these recommendations are in excess of \$145,000.00.

Recognizing their help in data collection during the project, all of the operators, reelers and bundlers on No. 3 Mat Machine received a notebook/pen set from the team members.



Al Castaneda, Operator in the Mat Department, and member of the Plant No. 4 STEP L.M.P.T. team, (L) presents a notebook and pen to Joe Anspach, Operator, No. 3 Mat Machine, in recognition of the Department's cooperation in data collection on the reject problem.



Bob DeAngelis, Kirkwood Consulting, takes employee/owners through the maze of company finance at a Dollars and Sense Workshop.

### Dollars and Sense Workshops supply important information

## Employee/owners learn about finances, ESOPs and acquisitions

One-day workshops focusing on the financial aspects of Northwestern Steel and Wire Company, its ESOP, and prospective acquisitions, have drawn several hundred Northwestern employee/owners since they began on January 9th. Scheduled to be conducted Monday through Thursday, as long as there are a sufficient number of employees who wish to attend, the workshops have, as of this writing, included union officers, members of the Board of Directors, management person-

nel, and salaried and hourly workers.

Conducted by representatives from Kirkwood Consulting Associates, the program involves a Company interview, questions and answers on the NSW ESOP, the Houston mill, a financial workshop, the marketplace and NSW financial opportunities.

**Remember, there is still time to sign up for the Dollars and Sense Workshop. If you need a reservation form, visit the Employment Office.**

## Working a show great for NSW sales

Imagine making one sales call and having a chance to meet and talk to 7,000 people representing 1,751 potential outlets for NSW products.

In effect, that's what happens when NSW sales personnel attend major "shows." The figures used above represent attendance at the 4-day Hardware Wholesalers Inc. Show, held in Indianapolis last October.

The HWI event was a dealer show attended by member buyers for large and small hardware stores, lumber yards, home centers, and other consumer outlets for NSW Wire Products.

On display in the Northwestern booth were all of the products of the Wire Division, including fencing, hardware cloth, welded fabric and

nails. Ed Sanders, NSW representative for Indiana, Michigan and portions of Ohio, Dan Over and John Tschosik, Wire Products Inside Sales, manned the booth.

In what sounds like "fun" but is, in fact, a very tiring process, they worked from 9 a.m. to 6 p.m. all four days of the show. Talking to potential buyers, pointing out important features in product samples and distributing product literature led to writing up lots of orders.

"It's a wonderful opportunity," says Over. "You talk, face to face, with the people you normally talk to only on the phone. And lots of them!...in a very short period of time."



Taking a break from talking NSW products to customers at the HWI Show are (l to r) Dan Over, Inside Sales, Wire Products Division; Ed Sanders, NSW Representative; and John Tschosik, Inside Sales, Wire Products Division.

## Inside Outlook to be update for supervisors

A new publication, called *Inside Outlook*, will begin in March to help NSW foremen and supervisory personnel keep up to date on the latest methods of operations.

Included in the newsletter will be industry news, information on the supervisor's role in the Company's operation, and ways to help people work together to get the job done.

## NSW stats to become part of Owners Manual

To keep NSW employee/owners up-to-date on how the Company is doing, three sets of statistics will be published in each issue of the *Owners Manual* beginning in March. The amount of steel produced, shipment quantities by mill, and operating profit (before taxes and interest) will give an overview of production. Quality, the NSW traditional hallmark, will be reported in complaints received from customers and mill and furnace yields which are the percentages of good to total production. To track people performance, in a small way, absentee and injury totals for the month will be listed.

## Timecards take time

On any given workday at NSW, approximately 2,000 employees punch in and punch out. Every once in a while, someone makes an error. "But that's no big deal," you say.

Fred Tintori, Payroll Department, suggests you may want to think that over. With 4,000 punches each day, over an average 5½-day week, a total of 22,000 punches are made.

All the time cards are double checked against the foreman's crew sheets. Unmarked errors are discussed, personally, with the foreman, to try to correct them.

While some weeks are more complicated than others, on an average, the department has about 4½ hours on Wednesday to do all of the comparing, follow-up and checking, and if payroll gets delayed, computer times may get backed up, affecting other departments.

"There isn't a moment in time when a worker gets closer to his or her check than when they're punching a timecard," says Tintori, "It's actually a direct line to your paycheck."

Tintori offered this guideline reminder:

1. Be sure you *do* punch in and out.
2. Make sure the timeclock is correct. (If it isn't, notify the foreman and have him sign your card or make some arrangements to get the correct time on your card. Don't leave the problem for the next guy.)
3. Punch on the correct place on the card.
4. Look your card over. (If there's a mistake, bring it to the attention of the foreman so he can communicate with payroll, on the card or by note, about the error.) As owners of the Company, Tintori points out, anything that wastes time wastes your money.

# New Medicare Act increases benefits

Fred McCloud, Manager of Labor Relations and Employee Benefits, reports that the Medicare Catastrophic Coverage Act has started its 4-year phase-in. The increases in benefits are outlined below. (Cost of the new benefits will be passed along to the recipients through an income tax surcharge.)

	Old Benefits	New Benefits
<b>Hospital Inpatient</b>		
Deductible (\$560)	● One per spell of illness	● One per calendar year
Covered inpatient days	● 90 days per spell of illness 60-day lifetime reserve	● No day limitation for acute care (except psychiatric care)
Coinsurance	● ¼ inpatient deductible/day for days 61-90 per spell of illness ● ½ inpatient deductible/day per lifetime reserve	● No coinsurance requirement
<b>Psychiatric Inpatient</b>		
Deductible	● (See hospital inpatient deductible)	● (See hospital inpatient deductible)
Coinsurance	● (See hospital inpatient coinsurance)	● No coinsurance requirement
Hospitalized on Medicare eligibility date	● Covered days reduced for hospitalizations during the 150 days prior to eligibility	● Covered days reduced for hospitalizations during the 150 days prior to eligibility  ● Restriction applies until out of hospital for 60 consecutive days
<b>Skilled Nursing Facilities</b>		
Covered days	● 100 days per spell of illness	● 150 days per calendar year
Coinsurance	● First 20 days per spell of illness - nothing  ● Days 21-100 per spell of illness - 1/8 hospital inpatient deductible	● First 8 days during calendar year - 20% national average Medicare daily skilled nursing facility rate
Prior hospitalization	● Must have 3 days prior hospitalization	● Prior hospitalization not required
<b>Hospice Care</b>		
Covered days	● Two 90-day and one 30-day period	● No maximum if the attending physician or hospice medical director recertifies the beneficiary as terminally ill.
Coinsurance	● None except for respite care and outpatient drugs	

## January retirees leave from many departments

As 1989 began, many sections of the NSW operation sadly felt the effects of losing a valued worker. Employee/owners who had given from 18 to 41 years of service to NSW left the Company to begin their well-deserved retirement.

While their valuable experience will be missed, the *Owners Manual* extends congratulations for a job well done and best wishes for a comfortable retirement.

### 41 Years

John Pasada, Brick Mason.  
Keith Jaquet, Electro Weld.  
Robert Hubbard, 24-Inch Mill.

### 40 Years

Kenneth Mills, Rewind.

### 39 Years

Donald Hannon, Pollution.

### 37 Years

George Saathoff, Jr., Mill Oiler.  
Othel Osborn, 12-Inch Finishing.

### 36 Years

Cruz Rivera, Electric Furnace.

James R. Dean, Casters.  
Paul Jackley, Plant 2 Millwright.  
James V. Britt, Electric Furnace Cranes.

### 35 Years

Lee Ledford, 24-Inch Shipping.

### 34 Years

Robert Perris, Electric Furnace.

### 33 Years

Daniel Garza, Casters.  
J.W. Smithee, 24-Inch Crane Mechanic.

Henry Planthaber, Scrap Yard.  
Willis Simpson, Mobile Equipment.  
Noel Little, Plant 4 Inspection.  
John Buntjer, Private Payroll, 12-Inch Mill.

Ivan P. Griffin, 12-Inch Finishing.

### 27 Years

Gordon Parker, Plant 2 Weld Shop.

### 25 Years

Vernon F. Elgin, Plant 3 Shipping.

### 18 Years

Fred Thiem, Wire Mill Inspection.  
Refugio Montanez, 14-Inch Mill.

## Communications Response

The following is a questionnaire received on the November inquiries to employee/owners regarding communications, and the response from R.M. Wilthew, President/CEO, Northwestern Steel and Wire Company. It is reprinted here because its subject matter may be of interest to all.

### Questionnaire:

*I like the idea of a more comprehensive communication program. My reasons are as follows. I would like to know why you have five rollers on three shifts and have two supervisors doing the same job at the 12-Inch Mill.*

*Also, why aren't supervisors cut back when there's a cutback in the labor force?*

### Response:

*Thanks for your "communication comments." Perhaps a few comments on your concerns might help to understand those concerns.*

*During temporary (1-3 months) periods of a lower seasonal order book, supervisory layoffs are not a normal Northwestern nor industry practice.*

*Our overall organization structure ratio of hourly to salary personnel is 6:1, whereas the steel industry is 3:1. The ratio means six hourly workers are scheduled to every one salaried*

*worker scheduled, including all salary support groups other than production and maintenance.*

*In the 12-Inch Mill, to operate four turns, there are five rollers and five foremen to cover turns, vacation or other time off. On temporary 15-turn operations, supervisors not needed are on special assignment. A good example of that is a current 12-Inch supervisor on assignment to the 14-Inch Mill to fill in for an illness.*

*In 1984 and 1985 there were 175 salaried positions eliminated from Northwestern. Our salary positions at a 6:1 coverage ratio is not excessive. It is normally viewed by competitors as a very lean staff for a \$500 million company.*

*Sincerely,*

*Robert M. Wilthew, President/CEO  
Northwestern Steel and Wire Company*

**Owners Manual will continue to reprint those questionnaires and responses of most general interest to NSW personnel. If you have a subject you'd like addressed in this publication, please contact Leona Richards, Manager, Communications Services, 121 Wallace Street, Sterling, IL 61081.**

## Trade ads focus on NSW products and people

**NORTHWESTERN FOR STRUCTURALS... EMPLOYEE OWNED, TECHNOLOGY DRIVEN.**

Reader Service #17

Northwestern Steel and Wire Company ■ Sterling, IL 61081 ■ Toll Free (800) 435-0044 ■ In IL (800) 892-0088 ■ Fax: Ext. 369

Northwestern is putting world-class technology, and uniquely dedicated people to work for you. That means:

- Rolling of all-cast structurals... even our largest sections come from cast beam blanks!
- Better surface quality and internal soundness, plus precise dimensional accuracy
- Employee ownership guarantees quality... because at Northwestern, employee ownership means we care... it's our business. Call today.

*A major construction of versatility.*

Readers of the steel trade magazines, the potential customers for NSW products, have been seeing an unusual and eye-catching ad series. Instead of the more common one-page or two, side-by-side pages, the NSW steel products ad runs on three consecutive pages, tied together with a common format.

A snapshot-in-a-photo-album concept, the first two pages focus first

on product, then on product and people, and the third, full-page ad ties it all together with a copy message. Starting with nuts-and-bolts information on equipment capability and product line, the copy ends with the NSW plus; people.

"Employee ownership guarantees quality...because at Northwestern, employee ownership means we care...its our business."

ConAgra division takes NSW wire products out west

# Country General Stores keep American farmers supplied

Ranching and Northwestern Steel and Wire Company have a long history together, beginning in the earliest days when barbed wire, pioneered by NSW, helped settle the West.

Continuing that fine tradition is the relationship between NSW and Country General Stores, a division of ConAgra, Inc., the International conglomerate that functions throughout America's food chain. Country General Stores sell all of the Northwestern wire products to large and small farmers and ranchers throughout the Midwest and West.

## Volume tripled in '88

With 91 stores in Nebraska, Colorado, the Dakotas, Minnesota, Kansas, Wyoming and California, Country General Stores are a major and valued NSW customer. Jim Treacy, Assistant Manager of Sales, NSW Wire Products Division, reports that, in the 1988 season, Country General Stores tripled the volume of business they do with NSW.

To assure himself of Northwestern Steel and Wire's product quality and ability to meet quantity demands, Country General Stores buyer, Lawrence Reynoldson, toured the Sterling/Rock Falls plants. He looked at more than machinery.

## Looking for quality

"I had been to other mills, competitors of Northwestern, and I was surprised at how modern the NSW mill was," says Reynoldson, "But

**"I was impressed with the people...they seemed to care about the product they were producing."**

more than that, I was impressed with the people, the workers at the mill. They seemed to care about the product they were producing. If the day I was there is any representation of a typical working day at Northwestern, I'll have no problems with quality in a Northwestern product. They have pride in what they're doing."

Country General Stores have become an important part of the lives of the farmers and ranchers they serve. In addition to the nails, fencing, baler wire and other supplies, the stores carry fashion clothing, boots, animal health products, sporting goods - "a lot of the things you see in shopping malls," according to Reynoldson. A new area of growth for the company is parts and supplies for farm implements, such as tractors and combines.

## Filling the needs of today's farmer

"Farming today is becoming more of a business than a lifestyle," reports Reynoldson. "While the farmer is more mobile today, downtime is money and the implement dealers are becoming fewer and more spread out across rural areas. We see this as a need. And we try to fill our customers' needs, whatever they may be."



One of the NSW Wire Products Division products, ordered in volume by the Country General Stores, is nails, as seen in this typical in-store display.

## Country General Stores part of industry giant ConAgra

The parent company of Country General Stores, ConAgra, is involved in the food chain from start to finish. Products and companies within the group supply farmers with feed, fertilizer, and other agricultural supplies. They are involved in worldwide trading of agricultural commodities and food; grain milling; and meat and poultry processing.

While many consumers might not know the name ConAgra, they would know one or more of its prepared foods companies. Armour, Chun King, Patio, Morton, Banquet, Country Pride and Golden Star are a few of the prepared food products made by ConAgra companies.

NSW is pleased to be a part of the American agricultural community through Country General Stores and ConAgra.



A far cry from the old notion of a "Wild West" general store, the Country General stores look a lot like a shopping mall, in some areas, and often carry much of the same types of merchandise.



Country General Stores as distant as Wyoming and Nebraska fill their customers' needs with Northwestern agri-products, nails, and the complete line of lawn and garden products.

## Country General and NSW cover lots of ground...as a team

Northwestern's outside salesman serving the ConAgra account is Gary Maycher, who resides in Wichita, Kansas. Close contact with the NSW

Inside Salesmen for the account (Lonnie Fisher and Mike Murphy) is maintained by Reynoldson and his assistant, Ellen Ludemann.

ConAgra's Farm Division is headquartered in Omaha, but buying offices for the Country General Stores are in Grand Island, Nebraska. Operating as S&S, Sandvig's, Wheelers, and Peavy Ranch and Home, all 91 outlets, under the Country General Store umbrella, follow a "Quality First" philosophy.

## "Like Northwestern, we're a long-term company."

"Like Northwestern, we're a long-term company," says Reynoldson. "We've been in the business for more than thirty years and we plan on being in it for another thirty years. The reason we've stayed in it is due to repeat customers. To keep them, we insist on quality first and foremost."



On his visit to Northwestern Steel and Wire Company plants, Lawrence Reynoldson, Country General Stores Buyer (center) toured the operation with Wire Products Inside Salesmen Lonnie Fisher (l) and Mike Murphy, and Jim Treacy (far right), Assistant Manager of Sales, Wire Products Division.

## New Inside Steel Salesman

Dave Mammosser has been chosen as the new inside salesman for the Steel Division, with main responsibility in structurals and re-bars.

A graduate of Augustana College in Rock Island, Illinois, Mammosser was a fill-in/intern in inside sales at Hill Fastener. As part of his on-the-job training, under the direction of Vella Simpson, Mammosser reports that he is on the phones, getting his feet wet by handling "everything that comes along."

The NSW employee/owners welcome this enthusiastic newcomer to the team.



## NSW team responds to S.O.S. from Collis

When Collis & Company, a valued NSW customer in the business of fabricating refrigerator racks, had a problem with their welds, an NSW team responded.

Ed Matthews, Product Manager, Wire and Rod Division; Dick Schuchard, General Foreman, Inspection, Plants 1 and 4; and Cedric Patterson, Production Supervisor, Wire Drawing, plus the man at the source, Gene Johnson, Straight and Cut Machine Operator, went to work.

A visit to the plant and a tour of the operation with the Collis set-up man helped Johnson get to the root of the problem.

"They were having a dished, or concave, cut on one end of the wire," reports Johnson. "You don't have enough surface to weld to. So I just told them what I would do if that happened in our department."

Changing the degree of cut-off was "telling." Johnson went on to the "showing" part of the solution. He came back to his department where a machine similar to the model Collis uses is in operation. Making the angle adjustment, he worked up some samples which were delivered to Collis & Company two days later.

Johnson reports that he was impressed with the company's treatment of the NSW crew and felt the manner in which the complaint was handled was right on target.

"You've got to get right down to where it's happening," he observed. "This was a simple solution that was very apparent. But sometimes things get lost when they're filtered down through layers of people."

As of this writing, Collis was still examining the samples but Johnson is not concerned. "I have a couple of other ideas for them," he says. "If my first suggestion doesn't solve their problem, we'll just spend a little more time on it. We want our product to work for them."



## Cooperation NSW style

A first in the history of NSW, cooperative efforts of the Company and Union have resulted in monthly meetings in which the Union Safety Advisor will assist. Shown above, standing (l to r) are Vern Schwenk, Agri-Products Supervisor, and Doug McCullough, Chairman, USWA Local 63, Union Safety Committee.

## Why do accidents happen?

Chuck Lancaster, Manager, Safety and Security, passed along an article that gives two possible answers to the question of why accidents happen.

### Safety-Skeptics

We all think that our health and safety on the job is important. We all know that having an accident can mean loss of time from work, or even loss of life. And we all believe that plant accident rates are way too high.

Yet many of us still refuse to believe that we could be hurt on OUR jobs - that OUR carelessness could injure or kill. When it comes to our own well-being, too many of us are safety-skeptics.

"Slip on a rubber band dropped on the floor and end up in the hospital? Ridiculous!"

"It's safer to use a ladder than to climb on a chair? Says who?"

"Cut my hand on this edge if I don't wear gloves? No chance!"

### Bad Attitude--Bad Injuries

Unfortunately, it's our "I don't believe it attitudes - like these - that cause accidents on the job. And that's why the accident rates are way too high.

So don't you be a safety-skeptic on your job - don't risk serious injury. When you hear that carelessness causes accidents, believe it! And work carefully and cautiously - at all times.

In discussing common injuries at Northwestern Steel and Wire Company, Lancaster reports that hand injuries are the most frequent. "Job awareness is the key," says Lancaster. He advises that "employee awareness of injury hazards" goes a long way toward reducing the number of accidents that occur at NSW facilities.

### NSW seeking new supervisor

Jack Fritz, NSW Employment Manager, is taking applications for an Electrical Supervisor and is advertising the position in the Sterling/Rock Falls *Daily Gazette*.

The ad calls for Electrical/Mechanical Supervisors with extensive knowledge of high (138K) and low voltage AC and DC controls. They must have an Electrical degree and previous supervisor experience.

If you know of anyone who can fill this position, please pass the word along.

# Employee-owners celebrate anniversaries

The *Owners Manual* salutes the 67 employee/owners who are celebrating anniversaries with the Company in March. Thanks for using your skill and energy through these years to make our Company an industry and community leader.

### 40 Years

Harold L. Blackburn, Wire Galvanizer, 3/17/49.

### 35 Years

Robert H. Call, Rock Falls Shipping, 3/17/54.

Bradley J. Ferris, Plant 2 Crane Operator, 3/18/54.

### 30 Years

Cleveland N. Burkitt, Carpenter Shop, 3/2/59.

Jim S. Estes, Plant 2 Welders, 3/2/59.

Kurt N. Davis, Conditioning, 3/3/59.

Joseph L. Anspach, Mats, 3/4/59.

Billy A. Chesmore, 20-Inch Mill, 3/6/59.

Donald A. Wakenight, 20-Inch Mill, 3/6/59.

Bobby W. Greeno, Mats, 3/10/59.

James I. Gray, Plant 3 Pipefitters, 3/12/59.

Laurence L. Fisher, Rock Falls, Mechanical, 3/17/59.

Nicholas J. Cruz, General Millwrights, 3/19/59.

Alejo B. Falcon, Electric Furnace, 3/21/59.

Daniel Keefer, Trial Crew West, 3/21/59.

Gene Dalton, Electric Furnace, 3/21/59.

Sharey L. Bonnell, Conditioning, 3/21/59.

Andrew McConnell, General Operations, 3/23/59.

Angelo F. Garza, Pipefitters, 3/23/59.

Charles W. Bartels, Rock Falls Shipping, 3/23/59.

LaVerne R. Colvin, Brickmasons, 3/24/59.

Dean T. Pyse, Electric Furnace, 3/26/59.

Gary A. Matthews, Rod Crew, 3/27/59.

Guadalupe DeLaFuente, Rod Crew, 3/28/59.

### 25 Years

John F. Souser, Rock Falls Pipefitters, 3/2/64.

Fred D. Hutchinson, Rock Falls Shipping, 3/9/64.

Jack E. Roberts, Billet Caster, 3/24/64.

Ronnie L. Vaughn, Plant 2 Welders, 3/24/64.

Don M. Hacker, Plant 2 Welders, 3/30/64.

### 20 Years

Robert J. Tolley, Bale Tie, 3/17/69.

Allen R. Wiles, Plant 5 Inspection, 3/23/69.

James E. Finn, Jr., Billet Caster, 3/24/69.

James Moorehead, Jr., Continuous Caster/46-Inch Mill, 3/24/69.

Ralph Leal, Crane Mechanics, 3/24/69.

Harold C. Higginbotham, 20-24-Inch Shipping & Finishing, 3/28/69.

Jose E. Rodriguez, Field Fence, 3/28/69.

Ronald L. Ruble, Wire Mill Drawing, 3/28/69.

J. Arnold Rodriguez, 14-Inch Mill, 3/31/69.

### 15 Years

Frank V. Garza, 24-Inch Mill, 3/4/74.

Robert L. Van Kampen, Nail Department, 3/4/74.

Harold L. Zaagman, Nail Department, 3/5/74.

Richard T. Skibbe, 14-Inch Finishing, 3/6/74.

Timothy L. Wallace, Wire Mill Drawing, 3/6/74.

Dewey O. Pence, Plant 2 Millwrights, 3/7/74.

George A. Perry, Wire Mill Drawing, 3/7/74.

Roy T. Burgess, 24-Inch Mill, 3/7/74.

Arny J. Johnson, Brickmasons, 3/12/74.

Gary R. Cunningham, 14-Inch Mill, 3/12/74.

Walter L. Rippy, 24-Inch Mill, 3/12/74.

Robert J. Stewart, Wire Mill Shipping, 3/15/74.

James R. Poff, Plant 2 Electrical, 3/18/74.

LaVern A. Howell, 24-Inch Mill, 3/18/74.

Juan A. Valdivia, 14-Inch Mill, 3/19/74.

Richard D. Nelson, Bale Tie, 3/19/74.

Andres Quintana, Nail Department, 3/20/74.

Salvador G. Padilla, 12-Inch Finishing-Bars, 3/20/74.

Severo T. Garcia, Roll Thread, 3/20/74.

Harold E. Van Horn, Nail Department, 3/23/74.

Carol E. Price, Employment, 3/27/74.

Terry R. Boyer, 14-Inch Mill, 3/28/74.

Roberto Martinez, Nail Department, 3/29/74.

### 10 Years

Deborah K. Cushman, Accounting, 3/1/79.

Michael J. Foley, Steel Division-Outside Salesman, 3/2/79.

Andrew R. Moore, Human Resources, 3/13/79.

Ellsworth C. Wolf III, 14-Inch Mill, 3/13/79.

Donald G. Houzenga, Electro Weld, 3/15/79.

Barry E. Montague, Rock Falls Shipping, 3/26/79.

Workers throughout NSW maximize efficiencies

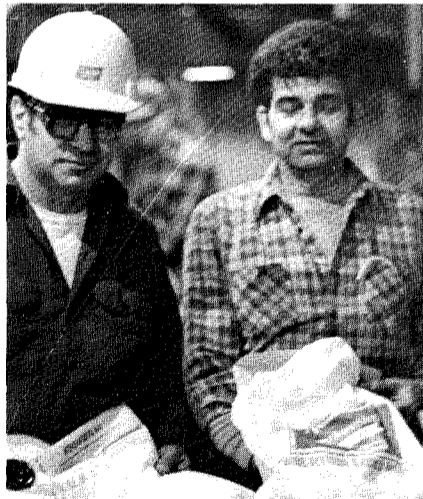
# Production record-breakers start the year off right

Field Fence - 8 hours  
**12/21/88** **Old Record**  
 70 rolls 65 rolls  
 Barbed Wire - 8 hours  
**12/8/88** **Old Record**  
 129 spools 128 spools



Machine Operators Glenn Landherr, Field Fence, and Ray Hutchinson, Barbed Wire, had record-breaking shifts. Glenn is shown above with his award T-shirt.

Electric Fence Wire-17 Gauge-1/2 Mile  
**1/9/89 (7-3)** **Old Record**  
 316 spools 268 spools  
 158 boxes 134 boxes  
**1/9/89 (11-7)** **Old Record**  
 319 spools 316 spools  
 159 1/2 boxes 158 boxes  
**1/10/89 (7-3)** **Old Record**  
 379 spools 319 spools  
 189 1/2 boxes 159 1/2 boxes  
**1/10/89 (11-7)** **Old Record**  
 381 spools 379 spools  
 190 1/2 boxes 189 1/2 boxes



The ink was hardly dry on the record books before new records were being set in the Electric Fence Wire Department. For a two-day period, Joe Melendres, Machine Operator, (R) with Ed Crump, Adjuster (L) on the 7-3 shift, and Michael Cox, Machine Operator, working 11-7, battled it out. As of this writing, Cox is ahead.

Coiled Baling Wire - 12 gauge-8 hours  
**12/27/88** **Old Record**  
 117 boxes 100 boxes  
**12/28/88** **Old Record**  
 122 boxes 117 boxes  
 12/27/88

Chester Winfield, East Plant Coiler Department, beat the old record, then his own, in December.

The important ingredient in every NSW product continues to be quality. However, workers in all departments are becoming more efficient and breaking production records, while maintaining the Company's traditional product quality.

Does it matter if you turn out a few more coils or a few more beams? You bet it does. Mike Mullen, Vice President of Operations, Wire Division, puts it this way; "It's a win/win situation. First of all, if the average turnout on a machine is 90 rolls, for example, prices have been set on that output. If they turn out 100 rolls in the same time, except for raw materials, those 10 rolls were made free. And those incremental tons add to the bottom line for our Company.

"Or you could look at it from the operator's side. Once we know how many people it takes to run a department, the operator becomes a fixed cost. When more units are produced by that operator, the cost to produce the product goes down - And the employee's wages go up."

Those are just a few of the reasons the *Owner's Manual* salutes the many record-breakers shown on this page.

Semi-Finished Shipped  
**Dec. 1988** **Old Record**  
 37,303 tons 29,986.1 tons  
 Oct. 1988



Stanley Williams (shown as he tags a bloom as it comes off the caster), and other members of the Caster, Shipping and supporting Departments were responsible for the December record-breaker.

Monthly Raw Steel Tonnage	Jan. 1988	Old Record Mar., '88
	174,228	165,971

While establishing the new record, the last 23 heats were all record-breakers in themselves.

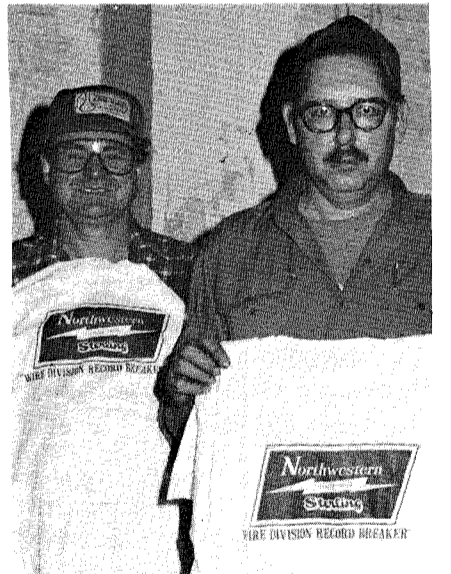


"It was a matter of everyone working at peak performance," says Dave Koncsics (L), Manager of Primary Operations, in discussing the almost unbelievable record in the Furnace Department. "It was a team effort of the operators, the craft people and the mechanical and electrical people keeping everything running smooth. All of the ESOP owners were out there making money for themselves."

"It was done while hitting the production requirements," points out Tom Galanis (C), Vice President of Operations, Steel Division. "They were making the various grades needed and they still exceeded goals. They proved the ability to control the through-put in the Primary Department."

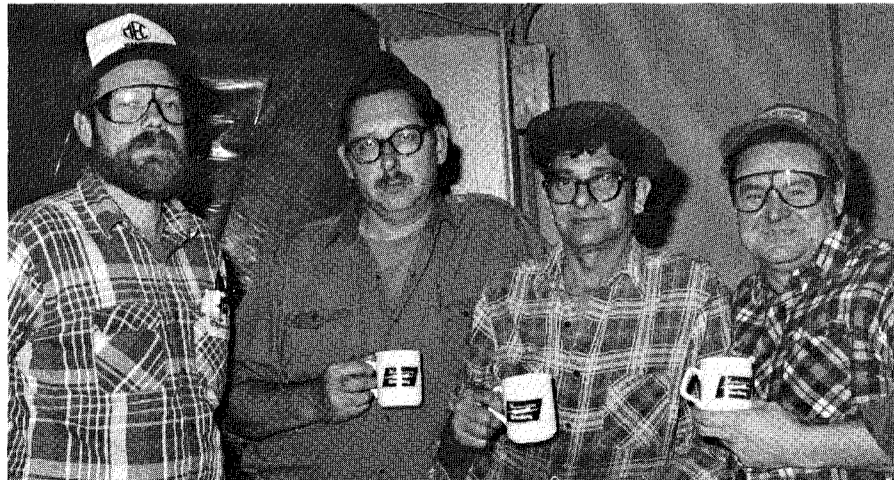
Dave DeVries, Assistant Manager, Primary Operations, is shown (R).

Re-bar Tie Wire - 8 hours  
**1/3/89** **Old Record**  
 1,017 coils 1,000 coils  
**1/4/89** **Old Record**  
 1,030 coils 1,017 coils  
**1/5/89** **Old Record**  
 1,050 coils 1,030 coils  
**1/10/89** **Old Record**  
 1,065 coils 1,050 coils

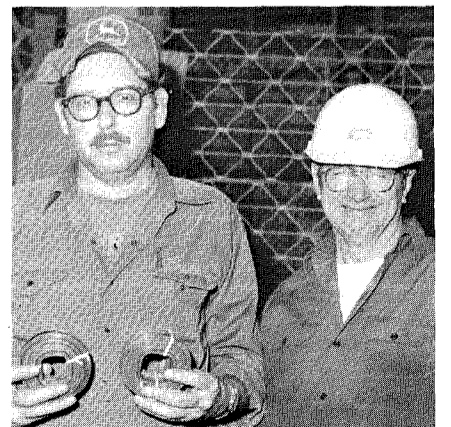


Jerry Fowler, Machine Operator, (R) and C.J. Watson, Adjuster, the team that broke old records, and their own, January 3-5.

Electric Fence Wire-14 Gauge-1/4 Mile  
**12/12/88** **Old Record**  
 507 spools 481 spools  
 253 1/2 boxes 240 1/2 boxes  
 6500 Coiled Baling Wire-8 hours  
**12/13/88** **Old Record**  
 123 boxes 100 boxes



(L to R) Pete Shore, Supervisor, Bale Tie Coiler, and his record breaking crew of Joe Melendres and Jerry Fowler, Machine Operators, and C.J. Watson, Adjuster. Fowler/Watson broke the Electric Fence 14 Gauge record and Melendres/Watson broke the 6500 Baling Wire record.



Fowler, working with Ed Crump, Adjuster, broke his record again January 10.

## Viewpoint asks...

...about 3-letter versus 4-letter shifts. Tom Galanis, Vice President, Steel Division, states that the function of the marketplace determines a 3- or 4-letter shift.

"If the market demand is temporary and backlogs are adequate, we work a 3-letter shift 6 days a week," says Galanis. "But if the market is strong and stays that way, economically and for the individual, it's better to have the 4th crew." He points out that maintenance can be planned better and there's more accessibility of people to call on in case bad weather or illness results in people reporting off.

Other subjects mentioned in Viewpoint will be addressed in future issues of Owners Manual.

## Down to the letter on shifts

Support department workers have asked for an explanation of 3- and 4-letter shifts. *Owners Manual* offers this definition.

Standard procedure is crews A, B, and C working five days a week, three shifts, around the clock, for a weekly total of 15 shifts.

If demand in the marketplace increases, 20 shifts are needed. On a temporary basis, crews A, B, and C work the 6th and/or 7th day. When the demand is strong and constant, a fourth crew, D, is added on. The decision lies in a constant monitoring of sales, backlogs and market surges.

## ESOP survey positive

Employee/owners enjoyed a 49% increase in average stock price over the last three years, reports a recent survey of the Employee Stock Ownership Association. Of the 413 companies surveyed, 307 replied. An increase in stock prices was reported by 81% (251) and a decrease by 18% (56).

The association indicates that there are more than 9,000 ESOP's in the U.S. covering more than 9,000,000 employee/owners.

On average, employers contributed 11% of pay for each participating employee for the previous plan year. The average account balance for plan participants was \$19,319 and the average highest payout to a single employee was \$97,722.

Other information gathered by the survey:

- 71% felt the ESOP has somewhat or strongly improved productivity.
- nearly half of the ESOP's in the survey had been established since 1984; over half of these were begun since 1986.

Thanks to Merlyn Bruns and his staff for bringing the study, reported in the Prentice-Hall *Personnel Management* publication, to our attention.

## R.I.C.E. For Health

For injuries to bones or muscles, (R) Rest. Stop exercising after an injury. (I) Ice. Apply ice or cold to reduce swelling, prevent internal bleeding. (C) Compression. Wrap snugly (E) Elevate. Unless a lower back sprain, elevate injured area above the heart.

From Prudential Health Care Systems



## Hidalgo is new Inspection Foreman

Steve Hidalgo of Argo Fay has been named as the new Inspection Foreman for all mill areas. A chemical compounder with Argo Manufacturing prior to joining NSW, Hidalgo was also involved in quality assurance.

"I'm interested in specializing in the quality assurance area," says Hidalgo. "I decided to send Northwestern a resume. I also felt that choosing this mill gives me better potential longevity."

Originally from Oxnard, California, Hidalgo had been an inspection superintendent at another steel mill and offered this view of the difference between the two.

"The inspectors here are really knowledgeable and they're very willing workers," he observed. "One of my biggest tasks at the other steel mill was trying to generate some interest. But people here seem very interested. It's quite pleasant."

## A Christmas Fund thank you to NSW

There are lots of ways to say "thank you" and recipients of the NSW Christmas Fund dollars, through the years, have said them all.

Carol Siefken, volunteer from Data Processing, passed along this thank you note that says it so well.

*"We wanted to thank you for the X-mas gifts and food you provided us with. The joy on my kids face was overwhelming. We can't thank you enough."*

## Speaking of thank yous

Roy Sheldon, S.P.C. Coordinator, received a nice letter of thanks from F.I.S.H. for the donation of \$136 collected at the NSW informal, after-work Christmas Party at the Country Squire. The note reads:

*"It was a great idea to remember the local hungry with your Christmas collection. We continue to receive many requests for food and appreciate your support of our effort to be of assistance."*

**What's new? The Owners Manual welcomes any and all comments and ideas for stories, photos or features. Please address your remarks to Leona Richards, Manager, Communications Services, Office Annex, 121 Wallace Street, Sterling, IL 61081, or phone 815/625-2500, ext. 211.**

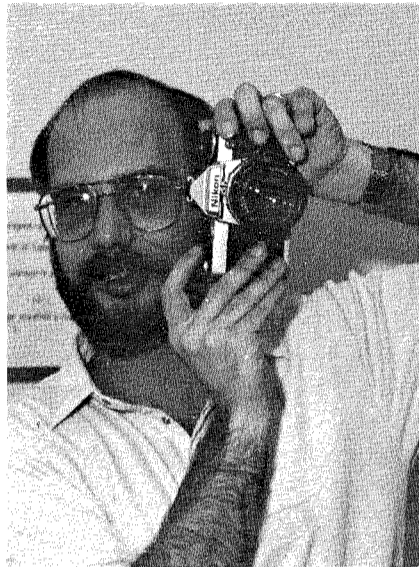
## Purchasing department reorganizes for the future

With the retirement of Wally Hartman, Purchasing Department Director, on his 40th Anniversary with the Company, restructuring of the department's job functions and responsibilities was put into place.

"We felt that this was a good time to have a purchasing consultant come in and look over our shoulder," says R.W. Martin, Vice President, Purchasing. "We wanted them to see how we did our work and advise us if there is a better way to structure for added efficiency for the future."

The plan was a combination of the

consultant's ideas and consultations with management in addition to a reassignment of specific tasks and responsibilities. The changes resulted in new titles. Dale R. VanDeVelde, Manager of Energy, Environment and Raw Materials; Ron Szakatits, Manager of Purchasing; Jan Vaughn, Administrative Supervisor; Don Simpson, Buyer; Joyce Cantrell and Margaret McCormick to Associate Buyers (of specific commodities); and Kathy Renner, Pat Howe and Karen Galbreath to Purchasing Assistants.



Mike Davis, attempting to take a photograph of Mike Davis, is an easy task compared to trying to make same-subject photos look interesting, month after month. As the official photographer, and Viewpoint interviewer, Mike, along with the reporters listed in the January issue, are the eyes and ears of the *Owners Manual*.

## A friend moves on

Each week, for more than ten years, Wayne Ellis, owner of Ellis Wholesale, Madison, Wisconsin, drove his company's truck to Northwestern Steel and Wire Company to pick up his order. An independent wholesaler of building products, Ellis and his family-operated business held their own, successful in the face of competition from giants such as Georgia Pacific and Weyerhaeuser.

Jim Treacy, Assistant Manager of Sales, NSW Wire Products, recalls that Ellis would drive up, stop in at the sales department to talk about the business over a cup of coffee, while his truck was being loaded. He'd chat a bit with the folks in Shipping, too, before starting back to Madison.

In January, while making a pick-up from a roofing product supplier, Ellis suffered a heart attack. He was able to pull the truck off the road before he passed away. He will be missed at NSW.

## Participation programs are big news in big magazines

The subject of worker participation has been reported in many of the leading business/industry magazines lately, including a major focus in a recent issue of *Industry Week*.

Perry Pascarella, Editor, commented that, in the early years of the movement, people missed the fact that there was something in it for everyone. "For the worker, there was a giant step toward dignity and growth on the job. For management, there were unprecedented improvements in productivity and quality," he observes.

Is it important to industry today?

Pascarella notes that "there may be less talk about it today, but widespread participation is a key ingredient in any program for improving competitiveness."

**Maybe the new year is the right time for you to begin taking part in the programs at NSW. Find out what the Q.I.P. or L.M.P.T. team in your area is studying. Or, better yet, what they should look into next. And get involved. As an employee/owner of NSW, it's definitely time to start minding your business.**

Northwestern Steel and Wire Company  
121 Wallace Street  
Sterling, Illinois 61081

Bulk Rate  
U.S. Postage  
PAID  
Permit No. 69  
Sterling, IL

JOHN H LEHR  
27690 KNIEF RD  
ROCK FALLS  
61071

IL