



The Owners Manual

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

June, 1989

International magazine headlines Northwestern

The 12-Inch Rod Mill and the Rod and Wire Division of Northwestern will be featured in what the editor terms a "major story" in the July issue of *Wire Journal International*. The official publication of the Wire Association International, the magazine is read by wire and rod makers. Included in the readership are current and potential customers for NSW products.

Robert F. Dixon, Editor and Publications Director for the Association, which also publishes *Fastener Age*, the leading nail magazine, recently spent an entire day interviewing personnel and touring Northwestern. It was his first visit to NSW and the Sterling area.

Like most Northwestern visitors, he came away with a very positive impression, not only of the plant's equipment and capabilities, but of its employee/owners. "The enthusiasm and dedication of the people showed throughout the plant," Dixon remarked. "That stands out in my discussions with everyone."

Dixon began his day by interviewing Tom Galanis, Vice President of Operations, Steel Division, Jerry Shinville, General Manager, Quality Assurance, and Jim Galloway, Manager, PCIC. They provided an overview of the operations and processes that make NSW Rod and Wire among the best on the market.

Dixon toured the 12-Inch Mill with Ed Matthews, Product Manager, Wire and Rod Division, and Dick Bennett, Manager, 12-Inch Mill.

Highlights of the tour were the high-speed Morgan Rod Train, the Stelmor slow-cool conveyor, the newly completed Trim and Test and Inspection facility and efficient compactors.

The tour through Plant 1 was conducted in a unique way, thanks to planning by Mike Mullen, Vice President of Operations, Wire Products, and his staff. It began at one end of the operation with Mullen, Ron Leuschke, Manager, Maintenance and Engineering, Matthews, and Dave Erby, Manager, Drawing Room. Along the way, Tom Clementz, Manager, Galvanizing-Agri Products, Don Nehrkorn, Nail Room Supervisor, and other supervisory personnel joined the group.

More interviews and photographs were taken throughout the afternoon as the tour continued into the Field Fence, Netting, Nail Cutting and Barbed Wire Departments.

Arrangements had been made with various operators including Bob Knapp, John Duffy and Herman Maxey to slow down their equipment to allow Dixon to take photographs of Nail Cutting, Field Fence, and Barbed Wire production.

Dixon interviewed Chuck Biermann, Vice President, Steel Sales, and Dave Oberbillig, Vice President, Wire Sales, to learn more about the selling strategy behind NSW products.

At the end of his very busy day, Dixon interviewed Robert M. Wilthew, President and Chief Executive Officer of Northwestern Steel and Wire Company. Wilthew discussed the history of NSW and its remarkable ability to remain a major steelmaker and industry leader after being nearly shuttered in 1984.

Wilthew pointed out that the Company's greatest asset is its employee/owners and their participation and dedication to quality and success.



The Galvanizer in action is the subject of the photo being taken by Robert Dixon, Editor of *Wire Journal International*, for his July issue article on NSW's Rod and Wire Division. Among the NSW employee/owners who provided information were (l to r) Dave Erby, Manager, Drawing Room; Mike Mullen, Vice President of Operations, Wire Products, and Tom Clementz, Manager, Galvanizing-Agri Products.

Committee now complete

Wilkus appointed to ESOP Administrative Committee

The fourth and final slot on the ESOP Administrative Committee was filled in late April with the appointment of Malon Wilkus of American Capital Strategies.

Wilkus is the President, Treasurer, Chief Executive Officer and Director of ACS, a Maryland-based company which has assisted Northwestern Steel and Wire Company in evaluating prospective business deals.

The ESOP Board of Directors selected Wilkus on April 21. He joins Administrative Committee members Jim Boesen, James Olson and Thomas Walter. Boesen was selected by NSW President Robert M. Wilthew, while Olson and Walter were named to the committee by the United Steelworkers of America.

Wilkus is no stranger to ESOPs such as Northwestern. His company specializes in ESOP-structured corporate transactions. ACS represents owners, managers and unions in facilitating buyouts of corporations or subsidiaries in either private or auc-

tion transactions.

From 1982 until January 1986, he was Vice President of Calvert Securities Corp., a \$2 billion investment management company which flourished under his stewardship. Assets increased by \$500 million under his supervision.

Wilkus was a Trustee of Working Assets Money Fund from 1986 until 1988, and was a Director of Ironton Inc., an employee-owned steel casting mill, from 1986 to 1988. He is currently a Director of the National Center for Employee Ownership, one of two associations that serve the ESOP movement, and he is Director of Cop America, a national direct marketing organization for products produced by employee-owned companies and consumer and product cooperatives.

Wilkus, who lives in Chevy Chase, MD, has published and spoken widely on employee ownership as a strategy for promoting a more equitable distribution of wealth.



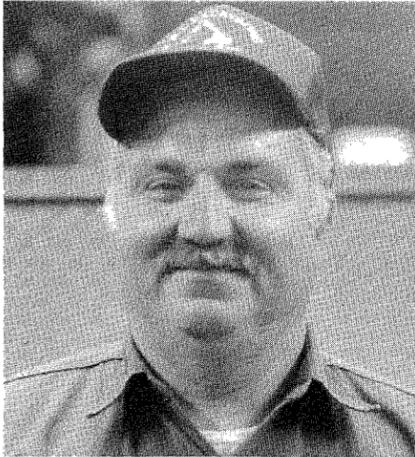
Gilbert Quick, 24-Inch Mill, has his cholesterol checked as part of a screening program for NSW employee/owners May 15th to 17th. The program was conducted by Community General Hospital nurses and technicians.

Board Approves Houston Plan

At a special Board of Directors' meeting on Monday, June 5, 1989, the Northwestern Steel and Wire Company's Directors unanimously approved an agreement to enter into a new financial commitment with Chemical Bank of New York City. This financing commitment will allow for an agreement whereby the Company will be able to successfully complete the acquisition of the wide flange beam mill in Houston, Texas.

A more detailed explanation of these financing terms and conditions, as well as the schedule of the mill refurbishment and start-up time will be made available after the closing date of the acquisition is determined.

Viewpoint

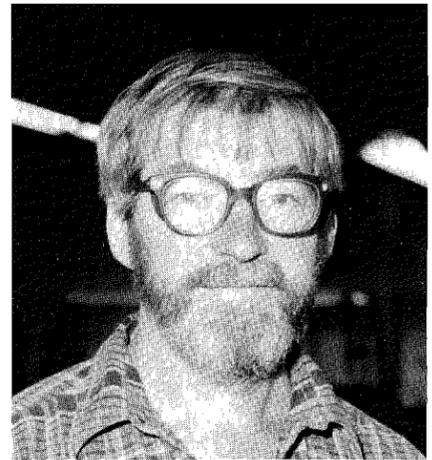


"Personal pride. Wanting this ESOP to work - not like the ones you hear that don't work."

Laurence L. Fisher
General Maintenance Supervisor
Plant No. 4

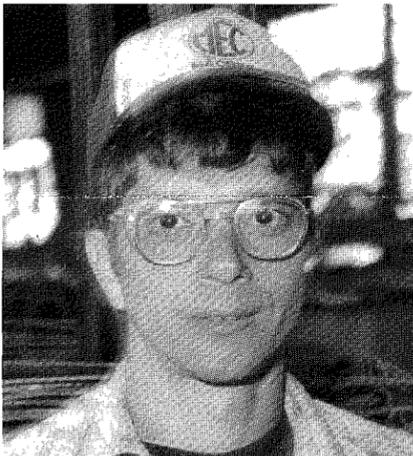
"What one thing, above all others, motivates you to do a good job?"

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.



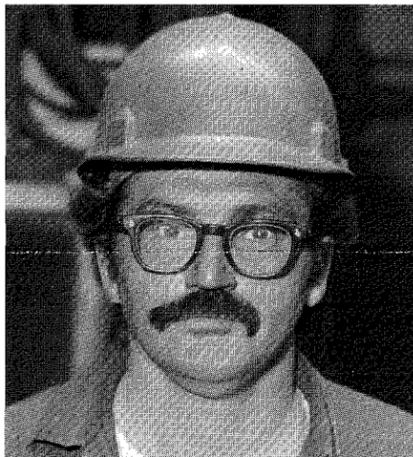
"I believe the way I was raised motivates me. I was raised on the farm. I learned my work ethic from my dad."

Dale Cohenour
Machinist
Plant 4



"A feeling of teamwork. You have to work together to keep this place going."

Rich Steder
Drawing Room



"The money. You've got to have a place to work. If you don't have the customers you aren't going to have a job."

Mike Smith
Assistant Roller
14-Inch Mill



"The guys I work with motivate me to do a better job, because of their cooperation. We've got a lot of good guys throughout the whole steel mill."

Lyle (Ike) Eichelberger
Tractor Driver
Wire Galvanizer



"As a supervisor the one thing that motivates me to do a good job is my men. I want to make their job easier and make them as productive as possible."

Vern Schwenk
Agri Supervisor



"I've still got crosses on my helmet - I'm still a new employee. If you do a good job they'll give you more work and the day goes faster. You'll also get along better with the foreman."

Raul Leal, Jr.
Mill Hand
14-Inch Mill



"I was motivated when I was making \$16-\$17 an hour. Then I lost my standard of living. I can see no light at the end of the tunnel where I can get anything back."

Jerry Staton
Welder
24-Inch Mill

Wire Division Sales staff share ideas, techniques

The Wire Products Division's Outside Sales staff met in March for their Annual Sales Meeting. Each salesman reviewed the events of the past year in their respective territories. The overviews included current conditions, accomplishments, competition, future opportunities, and goals. "We try to keep each salesman limited to 15 minutes, but have yet to make it," remarked Vice President of Wire Product Sales, David Oberbillig, who presided over the meeting. "An open exchange of ideas is good for

everyone," he commented.

The Territorial Salesmen cover an area which stretches from the Rocky Mountains to the Alleghenies and the Canadian Border south through Tennessee. Besides Oberbillig, the Division is led by Denny Redfield, Manager of Sales, and Jim Treacy, Assistant Manager of Sales.

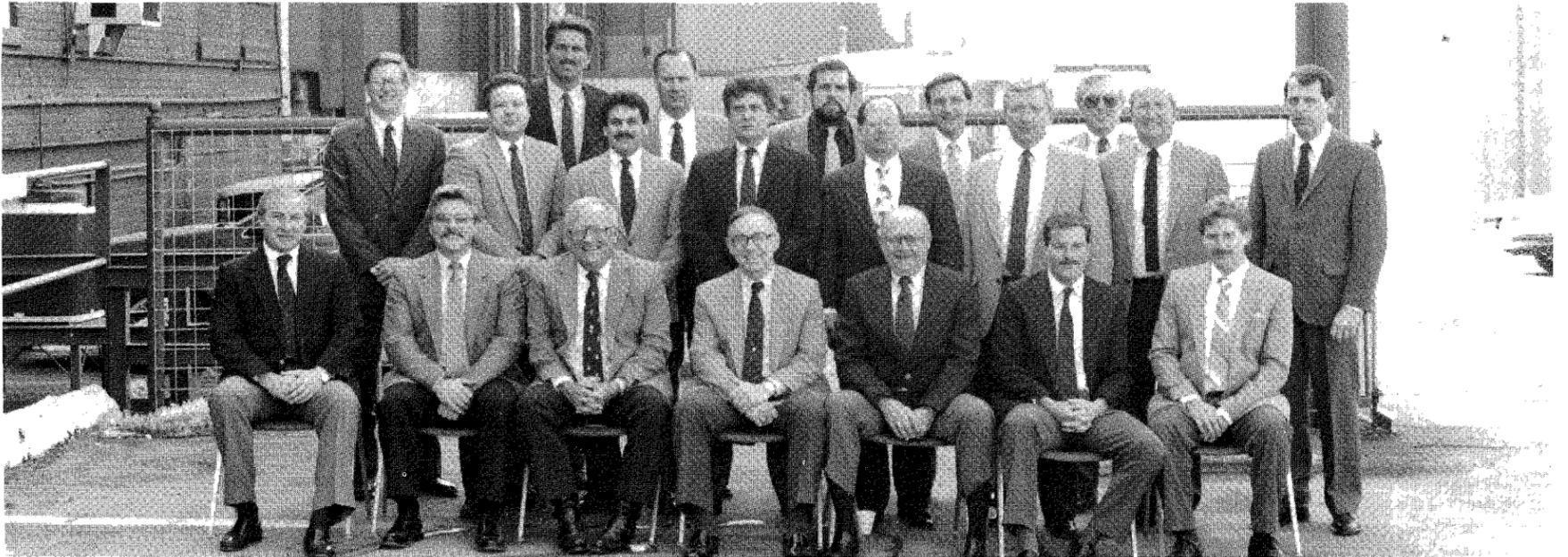
This year's meeting included a tour of the new nail packing operation and discussions with some of NSW's executives. Ed Maris, Vice President of Finances, explained financial data and

Bob Martin, Vice President of Purchasing, told them about the skyrocketing external costs experienced during the first half of Fiscal 1989.

Mike Mullen, Vice President of Operations, Wire Products Division, outlined for the Salesmen the expansion plans for the current year and capital improvements under consideration for Fiscal 1990. Also speaking at the meeting was a representative of Emkay Rental Car Co., Chicago, IL, who explained their new

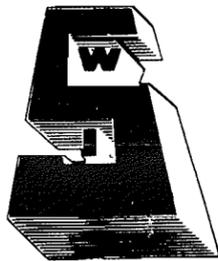
lease agreements with NSW. "Tax law changes have made it to Northwestern's benefit to lease rather than buy," Oberbillig commented.

The Salesmen compared notes on techniques, bounced ideas off each other, and gained feedback from the experience of others. Refreshed and recharged, the force went back into the field with renewed faith in Northwestern Steel and Wire Company.



Among NSW's largest accounts

Steel Warehousing focuses on quality and service



Steel Warehousing, Inc. of Des Moines, Iowa, has purchased bulk quantities of steel, warehoused it, performed the first steps of fabrication to their customers' specifications and delivered on schedule since the company's inception in 1965.

SWI's longtime relationship with Northwestern Steel and Wire brings the company into the spotlight as the June Customer of the Month.

SWI is one of Northwestern's largest accounts. Currently, Inside Salesman Jim Thurwanger and Outside Salesman John Haglund service the SWI account.

Metal inventory unmatched

Customers of SWI draw from a metal inventory of over 5,000 different steel products, and all steel sold is guaranteed, according to SWI President Don Blumenthal, who founded the company with Nate Cohen. SWI also offers manufacturers many steel and alloy items that are not generally stocked. "By performing fabrications to customers' specifications, we offer a savings on the customizing," Blumenthal noted.

Cutting, shearing, sawing, torching, and flamecutting are done in the warehouse shop, while galvanizing, pickling, oiling, forming, punching and similar services are available upon request.

"With the new slitter/precision leveler, our capabilities have expanded to allow on-site blanking, leveling and precision slitting of coil steel," Blumenthal explained.

Bypass of warehousing step beneficial to customers

Through SWI, manufacturers can

match their production rates and schedule steel deliveries accordingly. "In bypassing the warehousing step, our clients can gear their facilities toward space productivity," Blumenthal noted. "In addition, they are able to avoid costly rejects and the hidden expenses involved with warehousing their own large steel inventories."

SWI is headquartered in Des Moines and also maintains a full-service facility in Dubuque. The company provides "just on time" delivery to customers throughout the eight-state area known as the Midwestern Breadbasket.

Service and quality emphasized

In less than 25 years, SWI has grown to be the largest independent steel service center in Iowa; 250,000 square feet of warehouse space allows the company to maintain a full product line, easily and instantly accessible to their customers.

"The bottom line is that we're cost-effective, and the savings realized through increased efficiency and decreased waste are passed directly on to our customers," Blumenthal stated. "That fact, along with our unique service approach and insistence on superior quality have carved us a niche in the industry."

SWI purchases a full product range from NSW, including structurals and bars. "Northwestern Steel and Wire Company's quality, service, and prices have always been very favorably compared to other mills," Blumenthal said.

Owners Manual extends appreciation to SWI for their longtime support and wishes the company continued success.

Participants at a March Sales Department meeting include FRONT ROW, (l to r): D.R. Redfield, Manager of Sales, Wire Products Division; J.F. Treacy, Assistant Manager of Sales, Wire Products Division; Jack Huber; Roger Wait, Sales Coordinator/Office Manager, Wire Products Division; Elden Schalk; John Tschosik; and Mike Murphy. SECOND ROW, (l to r): Dan Over; John Asumendi; Al Lopez; D.C. Oberbillig, Vice President, Wire Products Sales Division; Gary Maycher; Dan Kindle; Ed Sanders; Mike Preston. BACK ROW, (l to r): Lonnie Fisher, Duane Goetsch; Mike Dunn; Larry Hurd; and Jim Gebhardt.

Employee/owners chalk up July anniversaries

Owners Manual extends congratulations and a special thank you for the longtime dedication of these employee/owners.

35 Years

Kenneth L. Coble, 7/12/54, East Plant Pollution Control.

30 Years

David H. Sproul, 7/10/59, 24-Inch Mill Inspection.

25 Years

Michael L. Gragert, 7/27/64, Nail Department.

20 Years

John D. Wessels, 7/7/69, Electro Weld.

Arlyn D. Dykhuizen, 7/14/69, Nail Department.

Warren E. Rice, 7/14/69, Wire Mill Machine Shop.

Miguel S. Carmona Jr., 7/15/69, Wire Galvanizer.

Ramon Lopez, 7/15/69, Continuous Caster - 46-Inch Mill.

Patsy L. Howe, 7/28/69, Purchasing.

Mary E. Regan, 7/29/69, Transportation Department.

15 Years

John H. Heath, 7/1/74, Caster Department.

Gale A. Moore, 7/1/74, Roll Shop.

William C. McConnell, 7/2/74, Roll Shop.

Bruce C. Stevens, 7/15/74, Security Department.

Warren E. Mead, 7/18/74, Outside Salesman-Steel Division.

10 Years

Keith H. Padgett, 7/30/79, Product/Inventory Control.

5 Years

Dennis C. Ortgiesen, 7/30/84, Wire Mill Drawing Room.

Barber-Colman tours NSW

A Quality Circles group from Barber Colman Company, Rockford, Illinois, toured NSW facilities April 19th. A letter was sent to QIP/LMPT Manager Larry Miller and Jerry Shinville, Manager, Quality Assurance, expressing their thanks and reaffirming the importance of the team concept.

We were in awe over the immense size of the furnaces and ladles used in the steelmaking process.

We came away with the feeling TEAMS played an important role in

the recognition and success of your company.

We felt this was one of the most interesting and well planned tours we have experienced. I am quite sure this is due to the willingness of men such as yourselves and the many employees who took the time to explain in detail what we were seeing. Please thank them all for us.

Thanks again and "Our Hard Hats Off" to you for a tour well done.

BPI finds NSW facilities "awesome"

There's only one way to truly learn about the products you're selling, Building Products Inc. executives decided.

That's why a group from BPI, including employees from their new warehouse in Joplin, Missouri, toured Northwestern Steel and Wire Company April 6-7.

BPI workers were impressed by the sheer size and modern appearance of NSW facilities, according to Wire Division Assistant Manager of Sales Jim Treacy.

"I think the part of the tour that impressed them the most was the Furnace Department," he recalled. "Just the awesome size of the furnaces. None of them had ever seen anything like it."

The technology evident at the Wire Mill also left a strong impression on the BPI contingent, Treacy said. "BPI buys a lot of nails from NSW and was pleased to see the new nail packing and warehouse facilities. They saw first hand that we are gearing up for the future and will remain a very reliable supplier of wire products."

BPI has been an NSW customer for more than 10 years, and the Watertown-based company has grown from a 250 ton account in 1983 to over a 1200 ton account in 1988. This is excellent growth which should continue with the addition of the new distribution center in Joplin, MO.

Treacy credited not only "improved business conditions," for the increase in sales to BPI, but also "a more aggressive approach to the market place by both companies."

"A closer relationship will develop from this visit and will help each understand the other's needs," Treacy added.

The Joplin warehouse opened March 1. BPI also operates facilities in Waterloo, Iowa, Watertown and Sioux Falls, South Dakota. The Waterloo location is only three years old.

The new Joplin facility will serve customers within a 160-mile radius of Joplin, according to BPI. It's a 50,000 square foot building located on nine acres of land and employs 10 people.

BPI is a full-line wholesaler of building materials and buys NSW's complete line of wire products.

BPI is a member of Associated Building Materials Distributors of America, a Scottsdale, Arizona-based consortium of independent distributors who band together to compete against the larger distributors.

Key employees of BPI's Joplin operations include Manager Mark Cannon, Outside Salesmen Errol Miller and Phil Butts, Office Manager/Buyer Benji Kendall, and Buyer D.W. Kurz. All but Kurz were among the group that toured NSW.

The BPI account is handled by NSW Inside Salesmen Mike Murphy and Lonnie Fisher, and by Outside Salesmen Duane Goetsch, John Asumendi and Jim Gebhardt.

Blood for Bradshaw

NSW employee/owners are asked to participate in a blood bank for fellow worker Tom Bradshaw, a Plant No. 2 Welder who has been stricken by Leukemia. In April, a bucket brigade netted \$3,200 on his behalf.

A blood bank will be set up from 11 a.m. to 5 p.m. Thursday, June 22, at the USWA Local 63 Union Hall. The event is co-sponsored by the union and the Company.

Sign-up sheets may be obtained from Don Anderson, Industrial Engineering Department, Ext. 308; Loren McCormick, Caster Department (home phone 625-1310); or the secretary at the Union Hall.



Representatives from BPI of Watertown, South Dakota, visit NSW in April. NSW personnel shown include Inside Salesman Lonnie Fisher (far left); Assistant Manager of Sales, Wire Products Division Jim Treacy (second from left); and Inside Salesman Mike Murphy (eighth from left).



BPI employees conduct a ribbon-cutting ceremony to open their new Joplin, Missouri plant March 1. Shown (l to r) are Benji Kendall, Office Manager/Buyer; Phil Butts, Outside Salesman; Partner Lyle Schneider, Waterloo, Iowa; Mark Cannon, Manager; Partner Lee Schull, Watertown, South Dakota; Errol Miller, Outside Salesman; and D.W. Kurz, Buyer.

Corporate Olympics registration deadline June 23rd

On your mark, get set, go...for the gold.

June 23 is the deadline for Northwestern Steel and Wire Company employee/owners to sign up for the 2nd Annual Corporate Olympics sponsored by the United Way of Sterling and Rock Falls.

The event is scheduled for Aug. 6 at Roscoe Eades Field. The Sterling Track Club will coordinate the events.

NSW employee/owners can sign up for the Corporate Olympics at four locations: The Pentagon (see Beth Lancaster), the Wire Mill Office (Denise Frey), the Office Annex (Lonnie Fisher) and Plant No. 4 Office (Steve Lauff).

Events include sprints, golf, volleyball, softball throw, relays and other track and field events.

School chief praises NSW's efforts

A recent article highlighting Northwestern's record-breaking efforts has drawn comments from a local school chief.

Richard Gartner, Superintendent of Montmorency Elementary School, in an April 14 letter to Leona Richards, Manager of Communications Services, had this to say about an article which appeared in the March issue of *33 Metal Producing*. Copies of the article were sent recently to area community leaders.

Dear Leona Richards:

Congratulations for being featured in the March, 1989 publication. We are proud of Northwestern Steel and Wire Company's accomplishments, leadership, and production record-busting at Sterling.

Keep up the great work.

NSW featured in mini-mill article

Innovations at Northwestern Steel and Wire Company were featured in an article about mini-mills in the March 1989 edition of *33 Metal Producing*, a leading industry publication.

"Mini-Mills Are Growing, Becoming More Sophisticated," is the title of the article by Editor Wallace D. Huskonen and Senior Editor Jo Isenberg-O'Loughlin. The article is part of the industry magazine's "Mini-Mill Yearbook '89."

The article discusses developments at about a dozen mini-mills across the country, but NSW is featured prominently.

The article details progress on the still-pending NSW purchase of Armco's wide-flange beam mill in Houston, Texas, and discusses the conversion to an ESOP.

"NSW is busy busting production records in Sterling," the article notes. "The steelmaker broke a melt record in January and (is) plotting its future..."

Wilthew comments

"We are going to try to complete this Houston project unless we deduce a drop dead date is more apropos," Wilthew says. "And we are going to continue to work hard at making NSW prominent in its product niche and competitive in the marketplace."

33 Metal Producing also seems high on mini-mills.

"The steel industry is coming off its best year in nearly a decade," the article notes. "Sharing in the prosperity with integrated and specialty steel producers are the steel producers loosely known as mini-mills."

"In fact, the mini-mill segment has shown steady growth since the mini-mill concept became a reality in the late 1950s and early 1960s."



Members of QIP Team No. 12 concentrate on finding solutions to problems in the Coiler Department. Their recently completed 10-month study has resulted in an annual cost savings of \$28,130. Team members (l to r) are Walt Miller, Calmer Watson, and Larry Wyatt. Not shown is Pete Shore.

Savings of \$28,130 is payoff for Coiler Department

Changes in the procedures for getting wire off the stems in the Coiler Department will result in an annual savings of \$28,130, according to a study by QIP Team No. 12.

Team members who conducted the 10-month study included Walt Miller, Larry Wyatt, Calmer Watson, Pete Shore, Trent Druce, Louis Coulter, and Joe Melendres. Lanny Munz serves as Facilitator. The group made their formal presentation of the results May 16th.

"The current procedure for getting wire off the stems is inefficient when the material is of poor quality," the report states. "There is a large amount of time spent removing and straightening tangles on the coiler machines, and threading of the

machines is time-consuming and adds to downtime."

Group members first conducted a brainstorming session to determine possible causes of the problem, which included overall machine design and the way the stem is set on the machine. Then, possible solutions were identified and the most workable solutions selected.

Electric clutch/brake system recommended

Among the final recommendations of Team members was the need to keep the annealer stems in good repair; pipe halves or rods should be placed over rough gussets at the stem bottoms, and all seams are to be weld-

ed to prevent catching of wire.

Motor to run continuously

The Team also recommended conversion of electric fence machines from drum-type brakes to an electric clutch/brake system, thereby allowing the present motor to run continuously and the clutch/brake to be controlled by a run/stop switch.

Once the recommendations are implemented, the Team estimated the annual savings on motors and labor to be \$6,360. Also, a 5% increase in production will be realized by reducing downtime, resulting in an additional annual savings of \$21,770.

Owners Manual commends QIP Team No. 12 for its efforts.

New cancer center fundraising efforts well underway

Efforts to raise \$1.1 million for the construction of a new Northern Illinois Cancer Treatment Center on Route 2 between Sterling and Dixon have resulted in enthusiastic response, according to Fundraising Co-Chairman Dr. John McDonnell.

The \$1.7 facility will provide radiation therapy for the more than 500 cancer patients in the Sauk Valley, who must now travel to more distant clinics for treatment.

In addition to a \$200,000 pledge from each of the Valley's two hospitals, Community General and Katherine Shaw Bethea, and a \$200,000 anonymous donation, McDonnell said employees of both hospitals have far exceeded expectations. "The employees themselves have contributed over \$100,000," he noted. "And, we have had an excellent response from area physicians."

Construction of the new center is a joint project of the two hospitals, which together reported 797 new cancer cases in 1986 alone. Approval for the project was given by the Illinois Health Facilities Planning Board.

NSW employee/owners are encouraged to contribute to this important project. According to Leona Richards, Manager of Communications Services, pledge cards were sent to employee/owners May 16th. Anyone not receiving a card should contact Richards at the Office Annex.

Stocks to be appraised

The five-member ESOP Administrative Committee recently held a teleconference with Hoolihan, Lokey, Howard & Zukin Inc. of Chicago for the purpose of appraising the value of Northwestern Steel and Wire Company stock.

According to Operations Auditor Jim Boesen, NSW stock is appraised annually. When employee/owners retire, the Company has the first right to purchase their NSW shares, and the appraisal ensures that retirees are paid a fair price.

Boesen described Hoolihan, Lokey, Howard & Zukin as "the Cadillac of ESOP appraisers."

Barajas wins township office

NSW's loss is Sterling's gain

Northwestern Steel and Wire Company's loss became Sterling Township's gain on May 1, when David Barajas took office as Township Supervisor.

Barajas, 43, resigned from NSW effective April 26 after 24 years with the company to accept the elected position, which he won in a hard-fought battle at the ballot box in April.

At NSW, he worked in the Nail Repair Department.

Public service is not new to Barajas. He has been a member of the Sterling Unit 5 School Board for the past 11 years.

Barajas said that his appreciation of NSW has grown through his public service.

"I'm very appreciative of the fact that NSW is in our community," he remarked. "You become aware of what NSW does for this community economically, by providing jobs that give its workers a good standard of living."

He added he'll miss his workmates at Northwestern. "I'll miss the guys, without a doubt. They're almost like

kids - you can't live with them, you can't live without them."

Barajas staged a major upset in winning the township supervisor's position, unseating 26-year incumbent Norm Schuneman. The former NSW employee/owner captured 52% of the vote.

"It was a well-run campaign," he remarked. "Mr. Schuneman and I were acquaintances for a long time."

In fact, Schuneman has helped Barajas learn the ropes, coming into the office on a daily basis in the early weeks of his successor's term to ensure a smooth transition.

"We just had a few disagreements about how the office should be run," Barajas commented.

The two disagreed about the office hours and the times of the bi-monthly Sterling Township Board of Trustees meeting.

Since taking office, Barajas has established office hours of 8 a.m. to noon and hopes to change the time of the trustees' meeting, which is now 7 a.m. every other Saturday morning. Barajas wants a more accessible

time, perhaps later on Saturday morning.

As Township Supervisor, Barajas also functions as president of the Board of Trustees and as Treasurer.

He is responsible for the township's budget, which includes a \$700,000 annual Road Fund and a \$95,000 General Assistance Fund.

"I'd looked at running for this office for four years," he said. "I've always been interested in public service."

Besides his new elected position, Barajas runs the Moore Monument Co.

Barajas added he's not likely to forget his friends at NSW. "I see the guys all the time. But I still miss working with them."

The *Owners Manual* congratulates Barajas on a well-run campaign and a hard-fought victory. While it's never NSW's desire to lose a good employee/owner, *Owners Manual* is pleased to see a person in the Sterling Township Supervisor's office who will look out for the public's best interest.

Sales Department shifts workload

Due to an overwhelming workload, some changes have been made in Northwestern Steel and Wire Company's Steel Division Sales Department, according to Ron Adams, Senior Inside Sales Representative/Office Manager, Steel Division Sales.

Inside Salesman Mike O'Malley is now handling only rod and wire accounts, while Mark Petitgoue has taken over the East Coast Steel Division accounts previously handled by O'Malley.

O'Malley had been handling sales of both rod and wire and Steel Division products, working with East Coast Sales Representative Del Maddox. With the change in duties, O'Malley will be working with Ed Matthews, Product Manager of the Rod and Wire Division.

O'Malley's former double-duty assignment, Adams explained, "was just too much for one person to handle. Business is very good out there right now."

Petitgoue, Adams added, will service Maddox's Structural Steel Division accounts as an Inside Salesman.

SVCC Endowment Fund contributions encouraged

As reported in the May issue of *Owners Manual*, efforts to raise matching funds for the \$1.4 million federal grant recently awarded to Sauk Valley Community College are ongoing.

The college is one of only 33 colleges and universities nationwide to receive such a grant. However, the total amount of the award is contingent on collection of dollar-for-dollar matching funds from the local community.

The funds collected will be placed in a special endowment fund, to be maintained for 20 years. Annually, 50% of the income can be used to strengthen the institution through such items as equipment purchases

and establishment of scholarships. At the end of the 20-year period, the fund is "owned" free and clear by the college.

Over the years, SVCC has maintained strong ties with Northwestern Steel and Wire Company; countless NSW employee/owners and their children have utilized the many classes and programs offered by the college.

NSW employee/owners are therefore encouraged to participate in this worthwhile project. Contributions can be mailed to Sauk Valley Community College, Illinois Route 2, Dixon, 61021. Checks should be made payable to the Sauk Valley Community College Endowment Fund.

Checking the stats

April, 1989

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
<u>Primary Department</u>		
Hot Metal To Caster	151,369	90.6%
Billets Cast	74,821	110.2%
Blooms Cast	62,348	100.1%
<u>Wire Division</u>		
Rod/Wire	3,337.1	N/A
Plant 1	8,428.6	93%
Plant 4	5,716.8	105%
<u>24-Inch Mill</u>	33,861	97%
<u>14-Inch Mill</u>	28,476	92%
<u>12-Inch Mill</u>	34,422	112%
	Shipped (tons)	Plan vs. Actual
Total Rod/Wire	19,168	-1,637
12-Inch Mill	12,493	+1,993
14-Inch Mill	27,083	-3,317
24-Inch Mill	34,146	+ 846
Semi-Finished	24,948	-3,052

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs \$ %	TOP THREE COMPLAINTS = 76.96% OF TOTAL
67	Service	\$16,015 34.28%	
	Cust. Error	\$11,410 24.42%	
	Order Error	\$ 8,532 18.26%	
Steel Division Products			
Number Recorded	Reason	By Costs \$ %	TOP THREE COMPLAINTS = 89.63% OF TOTAL
92	Hard Spots	\$61,165 49.58%	
	Order Error	\$26,999 21.88%	
	Price/Freight	\$22,422 18.17%	

ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Mar. 1989
410,587	23,312	5.7%	5.3%

* includes off until further notice, i.e. workers compensation, sickness and accident, discipline, etc. and general reporting off.

OSHA RECORDABLE INJURIES

OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate 12.53% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate -April, 1988 15.73%
30		



Chamber of Commerce ambassador Denise Frey, Secretary to Vice President of Operations, Wire Products Division Mike Mullen, cuts the ribbon opening the newly constructed Wire Mill bridge. Shown with Frey are (l to r) Millwrights Tony Drane and Louie Frieberg and General Supervisor, Maintenance, Wire Products Division Don LaFavre.

Easy access to Shipping Department

Wire Mill bridges a problem

Two Millwrights in Northwestern Steel and Wire Company's Wire Mill provided easier access to the Shipping Department by building a bridge.

It wasn't a bridge over troubled waters, simply a bridge in the old Nail Department Sets 2 and 3 area.

Ron Leuschke, Manager of Maintenance and Engineering for Plant No. 1, explained the nail machines have been removed as part of Northwestern's 5-year plan, and the space is to be used as a staging area. "Moving the nail sets made this area available," he said.

Nail sets gone

Galvanized wire is stored there for shipping to Plant No. 4, and other

NSW products are stored where once sat the nail sets for shipping outside the plant to NSW customers.

The idea for the bridge came from the shippers. "They had a meeting," Leuschke remarked, "and this is what they came up with...It's a simple solution to egress to that area."

The work was done by Millwrights Louie Frieberg and Tony Drane.

A ribbon-cutting ceremony was held in early May. On hand representing the Sterling Chamber of Commerce was Denise Frey, who wore her red jacket showing she is NSW's ambassador to the Chamber.

Owner's Manual compliments all involved in the project for innovative thinking and initiative.

NSW secretary is Chamber foot soldier

The foot soldier in the army of the Sterling Chamber of Commerce representing Northwestern Steel and Wire Company is Denise Frey, Secretary to Vice President of Wire Products Mike Mullen.

Frey became one of the Chamber's 21 ambassadors last September, donning one of the Chamber's official red jackets for ceremonial purposes.

"If a new business comes to town," she explained, "when they have a ribbon-cutting or grand opening, the ambassadors from the Chamber attend to welcome them to town."

"We're also the manpower, the people on the streets, looking for new members and helping with Chamber functions."

The annual Expo, which brings many of Sterling's businesses together under one roof at the Westwood Sports Complex, is but one example of the ambassadors' functions.

The Chamber also runs the yearly "Taste of Sterling" which gathers area restaurants together to show off their

delicious culinary offerings. "The Chamber has a lot of different things going on throughout the year," Frey remarked.

Monthly events include luncheon meetings and "Business After Hours," a monthly get-together at a Sterling area business.

Frey explained she became active in the Chamber partly because Northwestern is a strong proponent of Chamber activities. NSW lacked a Chamber ambassador until Frey agreed to be measured for a red jacket. "Northwestern was a Chamber member, but we'd never had an ambassador," Frey explained.

Once she volunteered to become an ambassador, her application was reviewed by the other 20 ambassadors, who gave her the nod.

Of course, anyone who's dealt with Frey at NSW could have predicted that. The *Owners Manual* congratulates Frey on her appointment and wishes her continued success as a representative for Northwestern.

Beat last year's caster record Records blossom in spring

Northwestern Steel and Wire Company employee/owners continue to roll over records and establish new production highs.

With over two months remaining in Fiscal Year 1989, Caster Department production has already surpassed last year's mark of 1,224,337 tons. The old record fell May 25th, when the steel caster tonnage produced during the current fiscal year reached 1,225,412 tons.

According to Dave Koncsics, Manager of Primary Operations, Steel Division, caster production increased this year as a result of the shutdown of the 46-Inch Mill and subsequent transition to all cast semi-finish for Northwestern's own internal requirements.

A turn record was broken May 10th in the 24-Inch Mill when the 3 to 11 shift dropped 1,268.3 tons set April 24, 1987.

Several employee/owners broke their own records; for example, in the Field Fence Department, Operator John Lewis' March 9th record of 108 rolls kills a 103-roll record he set February 23rd. Also, three Netting Department teams rolled over previously established records.

Meanwhile, Operator Mike Cox continued his record-setting pattern, racking up his 12th individual record since January 1st.

Owner's Manual congratulates these hardworking employee/owners for their outstanding accomplishments.

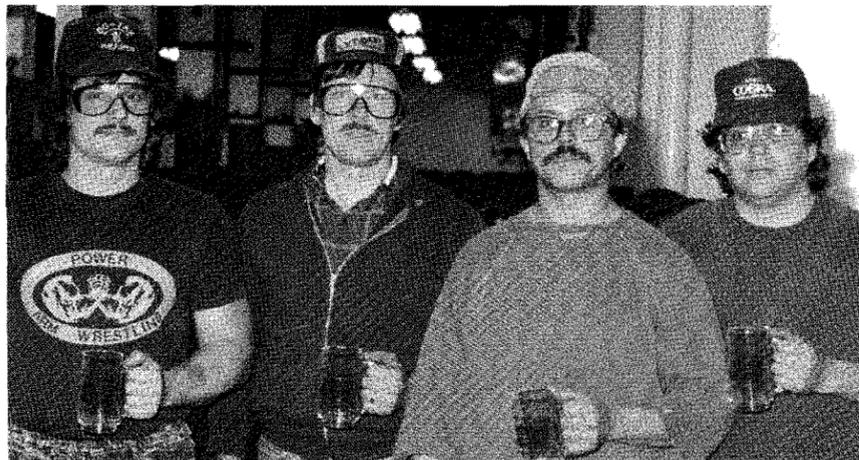
Crew members of the 14-Inch Mill 3-11 shift are pleased with their recent record-breaking efforts. On March 11th, the crew smashed a 1985 turn record of 902.9 tons, setting a new record of 922.2 tons. The same day, crew members set a new 24-hour record of 2,319.8 tons, shattering the old record of 2,244 tons.



Steve Snitchler, Mike Elder, Dale Chandler, Zacarias Lopez, Wes Crow, Steve Young, "Doc" Reul, and Bob Lindsay.



Curt Deets, Dennis Rockwell, Richard Anderson, Steve Peska, Al Cover, Al Villa, Yves Vasquez, Keith Halverson, "Sonny" Russell, and John Johnson, Foreman.



Shown (l to r) are Netting Department employee/owners Trucker Tony Boyer, Operator Randy Jacobs, Reeler Sam Rodriguez, and Helper Mickey Vasquez, who, together with Trucker Bill Cox (absent from photo) set a record of 216 rolls May 2nd.

Furnace Department	
Monthly Record	Old Record
May, 1989	Jan., 1989
180,770 tons	174,228 tons
(New all-time record)	

Netting Department	
Shift Record	Old Record
72-inch, 2 x 20, 150-ft. rolls	
May 3, 1989	April 13, 1989
7-3 shift	7-3 shift
270 rolls	253 rolls
Operator, John Wheat; Helper, Randy Morris; Reeler, Sam Rodriguez; and Truckers Tony Boyer and Bill Cox, on No. 6 Machine, beat their own record.	

60-inch, 2 x 20, 150-ft. rolls	
May 5, 1989	May 3, 1989
7-3 shift	7-3 shift
275 rolls	270 rolls
Operator, John Wheat; Helper, Randy Morris; Reeler, Chris Snodgrass; and Truckers Tony Boyer and Bill Cox, No. 6 Machine, broke their own record.	

12/60, 1 x 20, 150-ft. rolls	
May 2, 1989	April 17, 1989
7-3 shift	7-3 shift
216 rolls-double	213 rolls-double
Operator, Randy Jacobs; Helper, Mickey Vasquez; Reeler, Sam Rodriguez; and Truckers Bill Cox and Tony Boyer, on No. 7 Machine broke their previous record.	

Electro-Weld Department	
Shift Record	Old Record
6 x 4-14/16 gauge tomato tender	
April 12, 1989	Jan. 5, 1989
7-3 shift	11-7 shift
5,605 feet	5,356 feet
Operator, Ken Sondgeroth; Baler Operator, Larry Bell, No. 13 Machine.	

Field Fence Department	
Shift Record	Old Record
47-12B size fence.	
May 9, 1989	Feb. 23, 1989
7-3 shift	7-3 shift
108 rolls	103 rolls
John Lewis, Operator, No. 2 Machine, broke his own February record.	

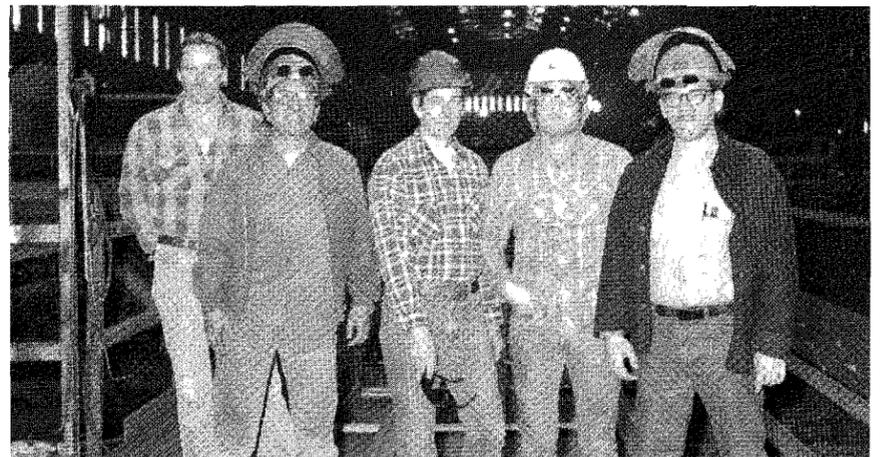
Electric Fence Wire	
Shift Record	Old Record
14-gauge, 1/2-mile wire	
April 26, 1989	Jan. 24, 1989
7-3 shift	7-3 shift
308 boxes	302 boxes
Mike Cox, Operator.	

14-gauge, 1/2-mile wire	
April 28, 1989	April 26, 1989
7-3 shift	7-3 shift
158 boxes	154 boxes
Mike Cox, Operator.	
(2 machines, 1 operator).	

17-gauge, 1/4-mile	
May 11, 1989	Jan. 25, 1989
3-11 shift	7-3 shift
602 spools	578 spools
Gerald Fowler, Operator.	

Baling Wire	
Shift Record	Old Record
12-Gauge Baling Wire	
May 2, 1989	April 12, 1989
7-3 shift	7-3 shift
134 boxes	130 boxes
Mike Cox, Operator.	

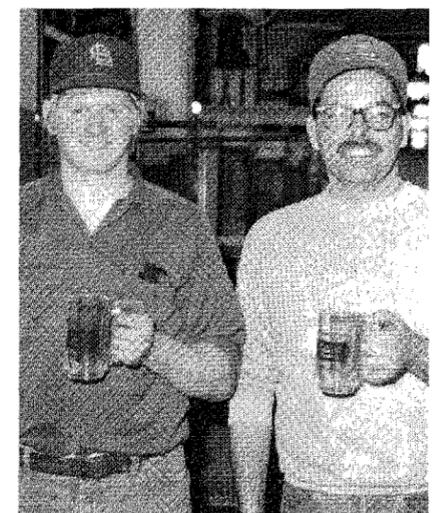
12-gauge Baling Wire	
May 5, 1989	May 2, 1989
7-3 shift	7-3 shift
138 boxes	134 boxes
Mike Cox, Operator, set both the new record and the old record. The above record marks the 12th individual record Cox has broken since January 1st.	



Frank Vock, Salvador Velasquez, "Moe" Rhodes, Manuel Rascon, and Jerry Johnson. Crew members absent from the photo are Tom Johnson, Robert Wasmund, and Ken Dewey.



Field Fence Operator John Lewis can be rightfully proud of his March 9th record production of 108 rolls of 47-12-B fence. Lewis' record shattered the 103-roll record set February 23rd.



Netting Department Helper Randy Morris (l) and Operator John Wheat (r) are all smiles as they toast their May 5 record-breaking production of 275 rolls of 60-inch, 2 x 20, 150-foot rolls. Reeler Chris Snodgrass and Truckers Tony Boyer, and Bill Cox are absent from the photo.

Card and Rios aboard

Two new QIP Facilitators join NSW Team



New QIP Facilitators Dick Card (l) and Ed Rios (r) get ready for action. The two will assist with Steel Division and Wire Division teams, respectively.

The recent additions of Ed Rios and Dick Card as QIP Facilitators brings the Companywide total to six, according to QIP/LMPT Manager Larry Miller.

The two are already working with current Facilitators and began a weeklong training program June 5. Rios will work with Wire Division QIP teams, while Card will handle similar responsibilities in the Steel Division.

Rios celebrated his 20th anniversary as a Northwestern employee/owner in April. "I started as a utility man in the Netting Department," he said.

Rios followed a somewhat unusual "route" to get to his new position. Following back surgery about three years ago, he returned to work as a Nail Inventory Clerk under Foreman John Reynolds. "He was never bashful about giving me responsibility," Rios laughed. "He told me never to be afraid to make a decision, and as a result, I discovered things about myself I didn't know were there."

Later, Rios undertook yet another "new" job—that of putting together an inventory system for electric lift trucks. "I didn't know beans about them at the time," he joked.

Undaunted, Rios proceeded to do

the job with great success; that experience then led to assignment on a "pilot" project involving computer cataloging of Nail Machine parts and, subsequently, selection as a QIP Team Facilitator.

Card started with Northwestern 21 years ago as Supervisor in the 24-Inch Mill, a position he held until his appointment as QIP Facilitator. Along the way, he developed an interest in the QIP program. "I was involved on one of the teams when the program started and I felt I wanted to be part of it," he explained.

When resumes from interested employee/owners were requested in January for Facilitator positions, Card responded immediately; the rest, as they say, is history.

Both men are strong proponents of the QIP process and its importance—past, present, and future—to the Company. Rios noted that QIP teams have been instrumental in Northwestern's present success. "We are not a statistic today, but we came close to being one," he said.

Card agrees, adding that the QIP process will be instrumental in keeping NSW a thriving Company. "It is important in that you are getting more involvement from people who

will help solve problems that will keep us competitive," he noted.

As Facilitators, the two will coordinate Department teams and guide them toward resolution of problems that are identified by team members and/or the Department Steering Committee. "The Facilitators also prepare the written report as each study is completed," Card explained.

Both new Facilitators are looking forward to getting started, but Rios has a special reason for his enthusiasm. "All this happening to a 54-year old guy is exciting," he said. "To find myself doing this kind of work has made a different employee out of me."

Owners Manual congratulates Rios and Card on their appointments and wishes them continued success as they undertake their new responsibilities.

Sweat for less

Northwestern Steel and Wire Company employee/owners are now eligible for discounts to join fitness and nautilus classes at the YMCA or YWCA.

The discounts were arranged by the Health Care Containment Committee. NSW employee/owners can apply for the discounts by showing their medical card or employee pass when signing up for the courses.

The discount applies not only to current NSW workers, but also to dependents and retirees.

For further information about this program, call your local YMCA or YWCA.

Judges shout Hallelujah!

Crystal City Quartet garners state honors

NSW employee/owners are always proving what a talented group of people they are.

The Crystal City Quartet, a gospel group, is made up of four NSW talents: Les Funderburg, Group Leader in the Drawing Room; Tim Potts and Jeff Widdicombe, both Nail Operators in the Nail Cutting Department; and Chuck Rumpf, Laborer in the East Plant.

The quartet garnered top honors in the Illinois State Quartet Convention in Marion, Illinois, on April 15th.

Additional members of the group, which consists of four singers and three instrumentalists, are: Dean Funderburg, Steve White, and Tracey Payne.

The talented artists have overcome the problems of rehearsing around shifts. Their hard work is now paying off in the recognition they are receiving around the area. Fame has come rather quickly for the group, which has been together about eight months.

Widdicombe noted the judges for the competition gave them high marks for their diversified music. Crystal City Quartet sings a variety of Southern Gospel, Contemporary Christian, and Country Gospel. They like to pick some of their selections from well-established quartets such as The Cathedrals, he added.

Potts was also honored as Outstanding Musician and Les Funderburg was awarded the honor of Outstanding Male Vocalist in the Marion state competition.

Pass the baked beans, please

Summer picnics planned

Summertime is synonymous with picnics, and Northwestern is no exception. Already, two picnics are scheduled for the enjoyment of employee/owners, retirees, and their families.

On July 16th, an LMPT/QIP outing is planned at Emerald Hill from 11 a.m. to 7 p.m. (if it should rain on their parade, the alternate date is July 23).

Participants in the day's festivities can choose from a variety of activities including baseball, swimming, bowling, horseshoes, and golf. There is a per-person charge for each of these activities, and reservations must be called in to Emerald Hill at 625-7200.

From 2 to 4 p.m., families are invited to whet their appetites; participants are asked to bring a dish to pass and blankets to sit on. Guests are also welcome; R.S.V.P.s should be turned in to QIP Facilitators one week prior to the event.

The planning committee currently consists of Chris Ewbanks and Beryl Mabrey, but more volunteers are needed with organization of the baseball team, entertainment, food, games for kids, clean-up, and poster-making. To help, call Ewbanks or Mabrey or an LMPT/QIP Facilitator.

On July 22, beginning at 1 p.m. at the big shelterhouse in Centennial Park, Rock Falls, employee/owners, retirees and their families are invited to attend the annual picnic of Crane Mechanics, Welders, and the Mechanical Department. Participants

are asked to bring their own place settings, meat dish, and a dish to pass. Come early...stay late!

For more information, contact Glenn Hendryx at 626-5392. Picnic Committee members include Art Pulford, George Castle, Fred Howe, Gordon Miller, Wendell Ferguson, and Hendryx.

Cholesterol alert. . .

May cholesterol tests of NSW employee/owners have revealed that 61.3% of the 1,203 tested were found to have borderline high cholesterol levels, according to a Community General Hospital report.

Although one test may be insufficient to confirm precise cholesterol levels, individuals with readings of 200 and above are at increased risk for developing coronary heart disease (even more true for smokers and those with high blood pressure).

The July *Owners Manual* will include specific information on ways to reduce cholesterol levels such as diet and exercise. WATCH FOR IT!



Truck Driver retirees (l to r) Lloyd "Smokey" Collinson, Walter "Buck" Laemmel, Joe Morris, Glenn "Pudgie" Norman, and Glenn Immel prepare to eat "one for the road" at a recent get-together. The five employee/owners, who retired effective June 1, amassed a total of 165.5 years with Northwestern.

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