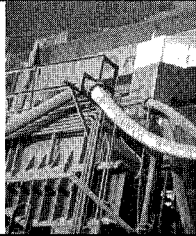


A Look INSIDE



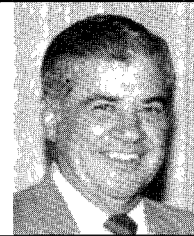
**Improvement
projects are
underway**

See page 3



**N-SWAT
offers
action**

See page 8



**Matera is
salesman
of year**

See page 6

The Owners Manual

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

January, 1990

Holidays happier thanks to fund

The spirit of Christmas giving once again filled the hearts of those at Northwestern Steel and Wire Company who not only contributed funds for those less fortunate, but gave of their time as well.

The annual NSW Christmas Fund for Needy Children raised \$11,292.42 for 1989 to make the holidays brighter for 59 local families and 154 children.

Funds were raised through various raffles and departmental collections, all of which went toward the purchase of items for needy families. "Every dime is donated directly to the children," explained Bill Boesen, General Supervisor, Ladle Operation and Refractories, who has been a major force behind the fund since its inception in 1977. "There are no administrative costs and everyone who is helped is local," he said.

Each year volunteers are sought to help with the gift-giving, with each volunteer selecting items for one specific family's needs. Children and families are recommended by Sterling and

Rock Falls school nurses. Among items purchased are clothes, toys for the younger children and groceries for Christmas dinner.

"I wish to give a special thanks to all our volunteer shoppers, most of whom are women who either work at NSW or are wives of men

who work at NSW," Boesen commented. "There were 59 families involved and we needed 59 shoppers to purchase, giftwrap and deliver the presents."

Deliveries by NSW's "volunteer Santas" were made on December 24th or as close to Christmas as

possible.

Again this year, the award for the largest donation went to Primary Steel, while the award for the largest donation per employee in a small department again went to the Plant 2 Machine Shop.

Boesen offered thanks to all department members who helped with the fundraising, which included employee/owners in Primary Steel, 12-Inch and 24-Inch Mills, Wire Mill, Plant 4, Main Office and Office Annex, Roll Shop, Air Conditioning/Rewind/Electronics, Plant 2, and Crane Mechanics.

"Special thanks also go to the 14-Inch Mill, Plant 2 General Millwrights and Plant 2 Machine Shop for the extra efforts put forth in raising money. Commendation also goes to Beth Lancaster, Executive Secretary, for her efforts at the Pentagon," Boesen said.

Extra funds were received from Northwestern Steel and Wire Company through the Corporate (See HOLIDAYS, page 3)



Bill Boesen (left), organizer of the annual Northwestern Steel and Wire Company Christmas Fund, is pictured above as he presents the award for the largest donation from a single department to the Primary Department. Receiving the plaque are (continuing from left) Dave Koncsics, Manager of Primary Operations; Norm Woost, Assistant Manager of Primary Operations; and Jack Buchanan, General Supervisor, Caster Operation.

W. Martin Dillon succumbs to heart attack December 25

Company mourns loss of former President

The luster of the holiday season was dimmed with the recent death of W. Martin Dillon, a former president and chairman of Northwestern Steel and Wire Company. Dillon, 79, died of a heart attack Christmas Day.

Dillon, who retired from Northwestern on his 75th birthday in 1985, was named chairman of the board following the death of his father, P.W. Dillon, in 1980. He

served as chairman until his retirement in 1985 and remained on

W. Martin Dillon was one of four generations of the Dillon family to serve as president of Northwestern.

the board until the formation of the ESOP in 1988.

Dillon represented the third generation of his family to serve as president of Northwestern. His grandfather, Washington Dillon, founded the company in 1879. He joined the company on a full-time basis in 1930, managing the Parrish-Alford plant in Knightstown, Indiana.

In addition to his work at the company, Dillon served as director of the Dillon Foundation, founded in

1953 by P.W. Dillon. Active in community affairs, Dillon also served two terms as president of the Greater Sterling Chamber of Commerce and Industry.

A graduate of Culver Military Academy in Indiana, Dillon also attended the Babson Institute in Boston. He is survived by three children, 17 grandchildren and 7 great-grandchildren. A memorial has been established for the Community General Hospital Medical Center Chapel.

Health care costs on upswing; payouts may top \$15.5 million

Northwestern Steel and Wire Company's group insurance bill could top the \$15.5 million mark this year.

According to Andy Moore, Acting Manager of Labor Relations and Employee Benefits, health costs have climbed steadily over the years.

However, he said, two factors—a change in employee make-up and real statistics compiled during the first quarter of fiscal 1990 indicated a sharp upturn in group insurance costs will be incurred this year.

"We have 12,000 group members now, including retirees, active employees and their dependents,"

Moore said, noting, "Although we haven't added a significant number of employees, the make-up of the 2,800 active work force is much younger. As a result, health needs change, with more young children on the rolls."

NSW group insurance administered by Northwestern National Life Insurance Company cost nearly \$13 million in 1989.

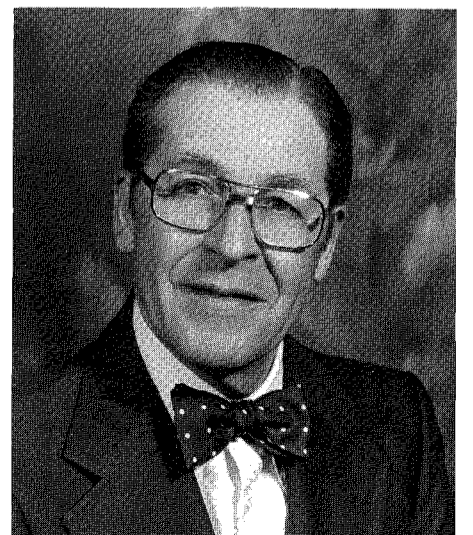
"Projections are hard to make when just one catastrophic illness or accident case can raise the annual bill by as much as \$500,000," Moore stated.

Moore noted that NSW

employee/owners under the present agreement have benefits including basic and major medical coverage, dental and vision plans and a drug program.

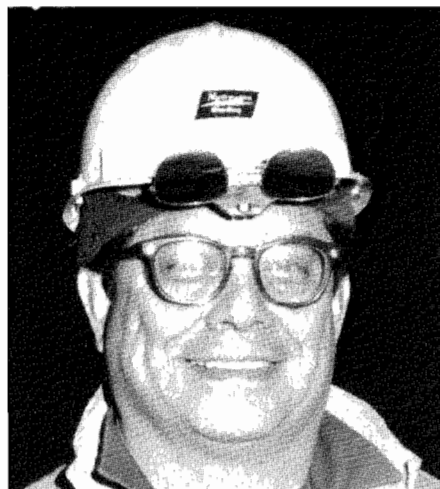
"We have excellent benefits here at NSW," Moore said, adding, "However, to keep them for the years to come we are all going to have to become smarter shoppers."

He said that employee/owners need to question physicians as to the medical necessity of expensive tests, handle hospital care on an outpatient basis where possible and use generic drugs where applicable. (See HEALTH, page 3)



W. Martin Dillon

Viewpoint

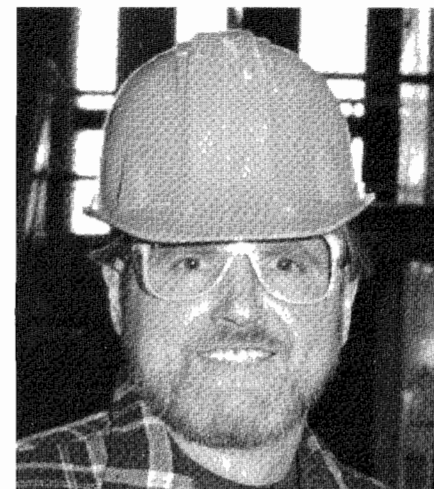


"First of all people have to have some sort of practical experience. The Company should hire these people on a part time basis. People need to know the environment and need practical on the job training."

Alex Rios
Millwright
24-Inch Mill

"What can Northwestern do to help the younger generation of Sterling-Rock Falls understand the company and the steel business?"

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.



"The first thing the younger generation should do is stay away from Northwestern. I've got two sons that want to hire on. My advice is for them to go elsewhere. There is no future here. I make less money now than I did in 1975."

O.J. Harrington
12-Inch Inspector



"To have Mr. Wilthew or another executive give a talk in the Consumer Economics classes, maybe once a year at the local high schools."

Marv Albrecht
Manager of Taxes
and Cash Management



"A teamwork approach should be emphasized. The younger generation should be aware of what is required of them in any endeavor. I think we are doing a pretty good job, so far."

Dennis Cole
Chief Clerk



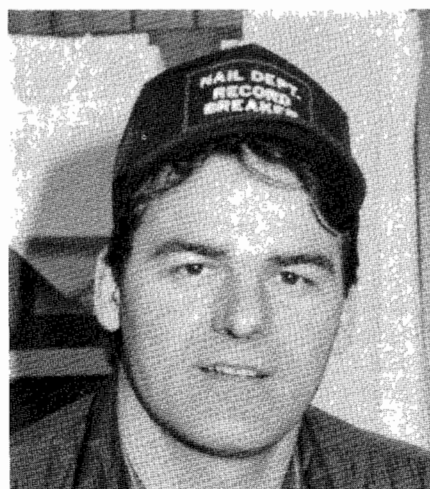
"Take the NSW video into the appropriate school classes along with someone to go along as a part of the informative session."

Paul Lester
Sales Planning Supervisor,
Steel Division



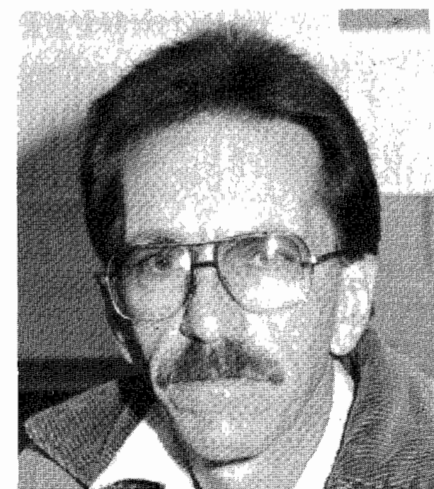
"I think they can do it through their video tape program and their summer employment plan."

Charles Maxwell
Millwright
Plant 2



"To become trustworthy enough so that the younger generation can believe what we say."

Les Funderberg
Group Leader
Drawing Room



"We have a lot of guys down here that like to talk. Why not set up some seminars at the high schools?"

Mike Fortney
Clerk
Furnace Department

\$35 million in projects to be completed in 1990

Capital improvements on target

More than \$35 million in capital improvement projects will be completed in 1990 in Northwestern Steel and Wire Company's Steel Division.

According to Tom Galanis, Vice President, Steel Division, three major projects begun in 1989 will be completed: the installation of a ladle metallurgy furnace and ladle transfer cars; the installation of two new sets of low impedance electrode arms for two furnaces;

and a low impedance delta closure.

The equipment purchases are a direct result of the company's strong profit plan performance and improvement in cash flow.

The new equipment will result in higher consistency of quality, increased caster production capacity and improved yield.

One set of low impedance electrical furnace arms was installed in late December while another set will be on line within

six months, Galanis said.

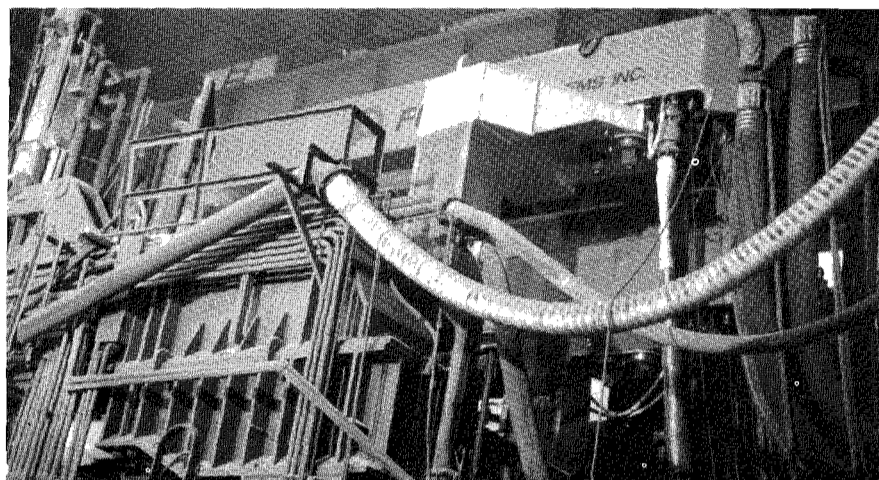
The two ladle transfer cars were in place on January 1 and are located in front of the continuous casters to reduce change time. The cars will improve the continuous casting sequence, Galanis said.

In addition to the carryover projects, work is under way in the construction of the new \$25 million three-strand jumbo beam blank continuous caster.

The caster is scheduled for

completion late this year. The caster will enable Northwestern to produce the world's largest cast beam blanks. General contractor for the new caster equipment is SMS Concast of Montvale, New Jersey. United Engineering of Pittsburgh is the general contractor for foundations and building erection.

Northwestern is now the nation's twelfth largest steel producer.



One set of low impedance electric furnace arms for one of NSW's electric furnaces was completed in late December as part of the company's \$35 million capital improvement program. An additional set of arms for a second furnace will be in place within the next six months.



Two ladle transfer cars for NSW's continuous caster were in place by January 1. They are located in front of the continuous caster to reduce change time. The cars will improve the number of heats that can be continuously cast in sequence.

Carter named Human Resources Manager at Houston; 100 to 150 to be hired by mid-May

Interviews with prospective employees of the new Houston/Northwestern (H/N) Steel Company are scheduled to begin this month.

Between 100 and 150 people are expected to be brought on board in anticipation of a May 15th operational date.

Rubin Carter, H/N Steel Human Resources Manager, said interviews are being conducted at the plant

with the assistance of the Texas Employment Commission.

Carter, the first hired at the former Armco Inc. plant, will be handling all aspects of staffing, from industrial relations and training to wage and benefit administration.

The Houston plant, owned by Northwestern Steel and Wire Company, will produce 600,000 tons

of wide flange beams annually.

Carter, who was hired December 1, has an extensive personnel and human resources background.

For more than 17 years, Carter worked in the personnel and human resources department for the Armco plant in Houston.

When the plant shut down in 1982, he went to work for Applied

Energy Services for four years, followed by a brief employment period for a chemical plant in Houston.

The University of Houston graduate is a Marine Corps veteran and he has three sons.

"I'm very excited to be on board at H/N," Carter said. "We've got a great project going here."

Holidays are happier for many

(Continued from page 1)

Charities Committee, from the Dillon Foundation, and from the First Presbyterian Church. Other needy families were helped by the Church of Christ.

Thanks also go to Mrs. William Boesen who deserves special recognition for the hours of work she spends each year to make this fundraiser a success.

This year, Boesen explained, fundraising efforts continued up until the last minute because there were more families to help than funds available. He also noted it's sometimes harder for him to get

people to donate their time than it is to get them to donate money. But this year, people responded exceptionally well, he noted.

In the future, Boesen said he would like to see more plant-wide participation and the formation of a committee which would include one designated person from each department as fundraising leaders. This holiday camaraderie would,

even more, help NSW to help those in need.

Boesen said, "We oftentimes think of tears as a sign of sadness or pain. But I wish everyone could share the warm feelings that you experience when you see the tears of joy and thanks that almost always are there when the gifts are delivered. God bless everyone for their help and kindness."



Rubin Carter

Health care costs

(Continued from page 1)

"In addition, limiting hospital stays to only time medically necessary and limiting emergency room usage to only real emergencies would go far in reducing costs.

"If we use our good coverage wisely, we'll be able to continue to afford it," Moore commented.

According to projections, the expense burden of the group insurance program breaks down to \$5,531 for each employee/owner in

fiscal 1990.

In other words, Moore explained, each employee/owner must produce \$5,531 in profit just to pay for NSW's group insurance bill.

You can compare the insurance bill to your taxes. It takes so many months each year to pay off those taxes, too," stated Moore, concluding "Each employee/owner will have to produce that much more just to pay for the benefits we have had."



The Christmas Fund at NSW was once again a successful event. In the photo above, Bill Boesen (left), organizer of the event, presents the award for the largest donation per employee in a small department to Terry Williams, representative of the Plant Two Machine Shop which won the honor.

Records compiled and reviewed daily

SPC nets good results for NSW

Statistical Process Control, a tongue-twisting and perhaps thought provoking term for most of us, is a working tool which has been around Northwestern Steel and Wire Company for at least 30 years.

Surprised?

Chances are, if you're an employee/owner of NSW you're using the SPC tool every day to improve production and product quality.

From upper management to supervisors and equipment operators, the daily compilation of statistics takes place in production and inspection departments.

Corrective action, based on the statistics, is taken so that processes are kept "under control—within set limits," Jerry Shinville, General Manager of Quality Assurance, said.

"Like all tools, SPC must be used in the proper way to be effective. Charts and data are of no use unless

the readings are studied properly and the right corrections are made," he added.

For example, he said, "We're currently trying to better control the strength of our large shapes, such as channels and angles, by making chemistry adjustments," Shinville said.

"Without the proper statistics, or statistical process control, we'd have no center line or target to work toward," he said, adding, "We are either keeping statistics or using them all of the time."

At NSW, employee/owners are in continual SPC training. SPC Coordinator Roy Sheldon trains and coordinates some 50 Quality Improvement Teams, coordinating his efforts with the Inspection Department.

"What I do with the QIP teams is explain how to collect only relevant data and best evaluate what is found," Sheldon said.

Currently, Sheldon said he is working with six QIP Wire Division teams on compiling statistics in nail galvanizing.

"Once people can learn to collect and analyze data, you'll see a reduction in "down time" and a better product," Sheldon said.

Sheldon said he also conducted an SPC seminar with middle management personnel. "All levels need to know what SPC can do for them," he said.

NSW processes use a control limit of plus or minus three, above or below the process average. When data moves outside the range, corrective action is taken.

"SPC is an important tool which we use to achieve customer

satisfaction and control complaints—our top goals," Shinville said.

"Our SPC program has definitely been a success based on the long associations we have had with our customers," he noted.

The SPC system is used for a number of purposes: time and cost control being two of the most important. In addition, SPC can keep

a work force up to date as to how they can compare results against the standards they themselves have developed.

Improvements—or corrective actions—taken by QIP teams and others can almost become routine if proper procedures are followed under the SPC program.



Roy Sheldon, SPC Coordinator, is pictured above with a chart depicting statistics which help Northwestern employee/owners control time and costs to better serve their customers. SPC is also a tool which helps the workforce compare NSW results with industry standards.

Staff changes now effective

Effective November 1, the following changes took place in Information Services: Anne Hungerford was appointed Supervisor, Pricing and DP Clerical; Carol Siefken was appointed Supervisor, Data Entry; and Bryan Calkins, who has been a part-time computer operator since December, 1986, was hired in the same capacity on a full-time basis.

Owners Manual commends these employee/owners on their new posts.

Recommendations for upgrade of filing system include conversion to microfiche

A recommendation to upgrade the company's 30-year-old filing system cites the need for improved access to files, tighter security measures and implementation of a microfiche program, all the while saving the company over \$4,000 per year.

The proposal was outlined in a report issued by Quality Office Team No. 1, which includes Co-Leaders Liz Rosenow and Don Olson, and members Joyce Cantrell, Phil Droege, Mary Kay McCue, Paul Lester, Dan Over, Kermit Reins, Vella Simpson and Jim Boeson. The facilitator is Lanny Munz.

The report concludes, "The current filing system is basically unchanged from the system used 30 years ago and has, for the most part, been overlooked since its inception."

Suggested changes involve location and procedures of the Filing Department in an effort to combat the current system's "biggest detriment—the massive amount of paperwork," the report states. At the present time, the department has two employees, one of whom is full-time. It is estimated two to three hours per clerk per day is spent collecting, sorting and organizing files.

To help alleviate this, the team suggests implementation of a microfiche program whereby pertinent information would be reproduced on a card capable of holding approximately 200 documents each. It is further

proposed that the current seven-part stitched invoice form be redesigned to four parts and the four-part bill of lading form to three parts.

The Filing Department's long-time location on the first floor of the Office Annex Building is also considered detrimental, having been "chosen due to space availability" rather than efficiency of operation.

"The departments of Steel and Wire Sales, Credit and Transportation, all from the second floor, account for 142 or 91 percent of all employees accessing files," the

report states. "At five minutes each, this would result in approximately one and one-half manhours per day."

It is recommended a new filing system be installed on the second floor, placing it nearer to the majority of users and allowing better utilization of Filing Department personnel by the Sales Departments if needed. The Communications Department, the report adds, could then gain needed space by moving to the current file area on the first floor.

The team also addressed the tightening of checkout procedures for invoice files to minimize the chance of them being lost or stolen. Currently, documents are filed in alphabetical order and can be removed by simply replacing the invoice with an information card that lists, among other things, the name of the person removing the document and the date removed.

"There are virtually no restrictions on who enters and removes documents from the Filing Department," the report says. "In addition, follow-up on checked out files occurs only once a year."

In order to secure the department, the team recommends that access be limited solely to Filing and Claims Department personnel, that access during non-business hours be restricted, and that a file control log be implemented to promote follow-up on all files checked out for more than 60 days.

Annual cost savings of \$4,406 would be derived from the lower priced redesigned invoice forms and in labor (approximately 80 manhours annually by eliminating trips to the downstairs files), after cost of processing the microfiche cards has been subtracted. Cost of the equipment would be \$5,644, with payback complete after 15 months.

All recommendations have been accepted by the Steering Committee and await further consideration.



Cari Hudson (left), a part-time file clerk; and Gloria Harting (right), file clerk, are pictured above in the midst of Northwestern's 30-year-old filing system. A QIP team has recommended several changes to improve filing procedures.

10 reach 35-year benchmark

Employee/owners chalk up anniversaries

A number of employee/owners will reach career benchmarks in February with Northwestern Steel and Wire Company. On these anniversaries, *Owners Manual* recognizes the longtime dedication of these valued workers.

35 Years

Delbert R. Walker, 2/9/55, Billet Caster.

Kenneth John Fritz, 2/13/55, Manager, Employment/Compensation.

George L. McDuffy, 2/14/55, General Millwrights.

Warren R. Tichler, 2/14/55, Billet Caster.

Lowell E. Mills, 2/15/55, Plant 2 Pipefitter.

Marvin A. Pursell, 2/19/55, Plant 2 Pipefitter.

Charles H. Bierman, 2/21/55, V.P. Sales, Steel Division.

Lark Perry, 2/21/55, Plant 3 Millwrights.

Bobbie R. Lathrop, 2/22/55, Billet Caster.

Duane E. Frankfother, 2/22/55, Rock Falls Shipping.

30 Years

Robert J. Nie, 2/11/60, Shipping.

Russel W. Green Jr., 2/18/60, Payroll.

Richard K. Bittner, 2/19/60, Semi-Finish Shipping.

25 Years

LaVerne J. Bennett, 2/1/65, 24-Inch Conditioning.

Keith A. Rahn, 2/4/65, Nail Galvanizer.

Kenneth L. Huckaba, 2/7/65, General Millwrights.

Joseph E. Hodge, 2/8/65, Wire Mill Shipping.

Stacy L. Peterson, 2/8/65, 46-Inch Mill No. 1 - Crane Operator.

Francisco Aguilar, 2/16/65, Electric Furnaces.

Marvin Juarez, 2/16/65, 24-Inch Mill.

Max R. Andreas, 2/16/65, Wire Mill Shipping.

William A. Woodyatt, 2/16/65, No. 2 Electrical.

Larry J. McClintock, 2/17/65, 12-Inch Mill.

Harold F. Porter, 2/28/65, Electric Furnace - Crane Operator.

20 Years

Edward W. Croft Jr., 2/1/70, 46-Inch Mill No.1.

James L. Gebhardt, 2/2/70, Outside Sales - Wire Division.

Frank E. Sanders, 2/2/70, Conditioning.

Philip R. Tichler, 2/2/70, Wire Mill Millwrights.

Daniel L. Kelly, 2/3/70, No. 2 Welders.

Lyman D. Leathers, 2/4/70, Guards.

Stanley L. Williams, 2/4/70, Laboratory.

Charles V. Gipson, 2/8/70, Wire

Mill Drawing.

Leslie E. Funderberg, 2/8/70, Wire Mill Drawing.

Jim W. Mays, 2/9/70, 46-Inch Mill No. 1.

John A. Zweifel, 2/9/70, 14-Inch Shipping.

Zacarias Lopez, 2/9/70, 14-Inch Mill.

Juan J. Gomez, 2/17/70, 46-Inch Mill No. 1 - Crane Operator.

Donald Bridges, 2/23/70, Wire Mill Drawing.

Mike K. Mason, 2/23/70, 12-Inch Mill.

Randall G. Lathrop, 2/23/70, Over The Road - Truck Driver.

Timothy J. Lauff, 2/23/70, Roll Shop.

15 Years

Bobby L. Clapp, 2/10/75, Metallurgy.

Dennis A. Knapp, 2/17/75, No. 2 Electrical.

10 Years

David A. Jones Sr., 2/14/80, Caster Department.

5 Years

Michael J. Fritz, 2/4/85, Data Processing.

Raymond G. Wisneski, 2/4/85, Metallurgy.

Donald W. Janssen, 2/6/85, Rollthreads.

Robert K. Glaman, 2/6/85, 14-Inch Shipping.

Robert M. Wilthew, 2/18/85, President & CEO.

Tax on wages jumps Jan. 1

Effective January 1, 1990, the amount of wages subject to Social Security payroll taxes was increased from a base of \$48,000 to \$51,300. The Social Security tax rate of 7.51% was increased to 7.65%.

A comparison of the maximum annual tax for employer and employee is shown below:

	1989	1990	Increase
Employees	\$3,604.80	\$3,924.45	\$319.65
Employer	\$3,604.80	\$3,924.45	\$319.65

Those who are self-employed will pay 15.30% in 1990 (now 15.02% less 2% credit) on a wage limit of \$51,300. However, for 1990, self-employed workers can deduct half of their social security taxes for both social security and income tax purposes.

Absences not found to follow any set pattern

The "statistics" column in each issue of *Owners Manual* includes a monthly tally on "Absentees," containing numbers and percentages on time lost the month before and how it compares to the previous month. Andy Moore, Acting Manager of Labor Relations and Employee Benefits, explained how the figures are tabulated.

The first column denotes the total number of normal factory work hours, which excludes management working hours.

Total absence hours are recorded for the month, with "absence" defined as non-appearance by a worker for an entire shift. Besides general reporting off, absences also include sickness, workers

compensation, discipline and off until further notice.

Moore, who has kept records of absenteeism since last January said there appears to be no cycle on absentee rates. "It's tough to denote a cycle on it," he said, adding, "The rate was down last spring in March, April and May, but we were over 6% in January, February, June and July."

Moore said the column, "% Absence to Normal" is mainly "just a tracking figure," which he tabulates by dividing the total absence hours by total work hours.

The final column reflects a percentage to compare one month to the previous one.

Retirement slated for two workers

Two NSW employee/owners with an accumulated total of 51 years of service have retired effective December 1. *Owners Manual* commends these individuals on their longtime dedication to the company and extends best wishes for a happy

and productive retirement.

27 Years

Glen Palmer, Electrician.

24 Years

Theodore L. Bock, Plant 3 Electrical.

Checking the stats

November, 1989

PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
Primary Department		
Raw Steel	143,394	90.7%
Billets Cast	63,987	101.0%
Blooms Cast	67,318	105.1%
Wire Division		
Rod/Wire	3,322.4	N/A
Plant 1	9,199.7	108%
Plant 4	5,148.3	101%
24-Inch Mill	19,690	72%
14-Inch Mill	17,793	93%
12-Inch Mill	83,006	98%
		Shipped (tons)
		Plan vs. Actual
Total Rod/Wire	17,028	+ 713
12-Inch Mill	11,546	+ 1,546
14-Inch Mill	20,737	- 1,763
24-Inch Mill	25,641	- 419
Semi-Finished	24,943	+ 2,943

COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 81% OF TOTAL
97	Tangle	\$12,860 30.90%	
	Rust	9,854 23.68%	
	Service	8,055 19.35%	
	Section	3,036 7.29%	
Steel Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 90% OF TOTAL
56	Order Error	\$15,180 48.62%	
	Price/Frt.	5,001 16.02%	
	Cust. Error	4,408 14.12%	
	Section	3,418 10.95%	

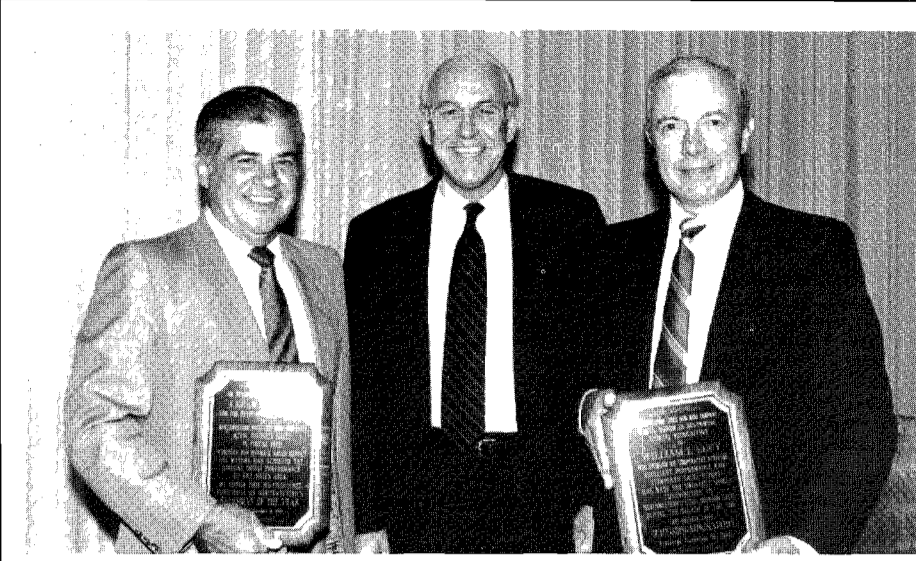
ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Oct. 1989
391,024	25,152	6.43%	6.37%

* 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 10.0% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - Nov., 1988 14.81%
23		



Lee A. Matera (left) was Salesman of the Year for the NSW Steel Division and William L. Lucy (right) received the honor of Outstanding Representative of the Decade during the company's annual sales meeting in Houston. Pictured with the award winners is Chuck Biermann, Vice President of Steel Sales.

Matera, Lucy take top honors

Sales awards for 1989 handed out in Houston

Northwestern Steel and Wire Company's new facility in Houston was the site of a three-day conference held for members of the company's outside sales staff.

During the conference, Lee Matera

"Sales of fabrication products should rise significantly when the plant opens sometime around April 15th."

of Overland Park, Kansas, an outside salesman, was honored as Salesman of the Year, and Bill Lucy of Houston was named Outstanding Representative of the Decade.

Matera, who has been with NSW since June 1, 1955, received his award based on several criteria, including sales volume levels, profitability and performance appraisals.

Lucy was commended for his excellent performance, exemplary sales effort and cooperative attitude. This is the first time the award was

given to a manufacturer's representative.

According to Manager of Steel Sales Vern Johnson, the meeting was held to familiarize the staff with the Houston facility.

"The salesmen came from locations throughout the country to tour the facility and visited areas such as the docks, rolling mill and shipping departments," Johnson said.

Marketing plans for the facility, which will produce 600,000 tons of wide flange beam annually, were discussed. An in-depth review of "How to Sell the Fabricator" was also conducted. "The fabricator is our primary account at the facility in Houston," Johnson said.

"Sales of fabrication products should rise significantly when the plant opens sometime in May," he said.

During the three-day conference, a speech entitled "Let's Look to the Future," was given by Chief Executive Officer and President Robert M. Wilthew. The talk focused on the impact the new plant will make.

Oberle team takes top honors at Rolle Bolle

It's a game of strategy, skill and luck. Not as famous as football or baseball, perhaps, but just as popular among its many local enthusiasts.

The game is Rolle Bolle and one Northwestern employee/owner has the distinction of being part of a three-man team holding the current World Rolle Bolle Championship title.

Jaime Oberle, an operator in the Bale Tie Department, along with two of his neighbors, copped the victory this summer in Princeton, Ill. Preceding this was a fourth place finish in the State Championship, also in Princeton, and second place in national competition held in Marshall, Minnesota.

"It's an old Belgian game," Oberle explained, similar in ways to the games of horseshoes and Italian bocce ball. Whereas bocce balls are round, Rolle Bolle employs a beveled "ball," approximately 8 lbs., 8 inches in diameter and 3 inches wide, which curves as it is bowled. The object of the game is to bowl as close as possible to two pegs which are 30 ft. apart.

"If I come close to a peg, the other team has to keep bowling to try to come close," he said, adding, "It looks easy, but there's a lot of strategy involved."

It is played on a hard surface, usually packed-down earth covered with lime.

"I've been playing since I was about eight years old, after following my father around and watching him play," Oberle said, noting just about anyone can have fun playing Rolle Bolle.

"It's a good game for all ages, from nine to 90, and it's a sociable game too. Unlike games like golf, it doesn't take much money to play," he pointed out.

The game is popular in communities with Belgian heritage and throughout much of the upper midwestern states. In the World Championships, Oberle's team competed against and bested those from Illinois, Iowa, Minnesota, Canada and, yes, even Belgium.

While Rolle Bolle is an ideal outdoor sport, the snows of winter do little to dampen the fervor. "In the summer there are league games every Sunday. In the winter some guys set up games in the basements of taverns," Oberle said. "Just about any night of the week you can find a Rolle Bolle game going on somewhere."

SSCI youth get first hand look at Northwestern

Thirteen of the best and the brightest in the nation's steel service center industry toured Northwestern Steel and Wire Company operations in October.

Members of the Steel Service Center Institute Young Leadership Forum (YLF) group toured the Primary Department, 14-Inch and 24-Inch mills.

The tour by the YLF group followed a regional conference held for the young leaders in Chicago. SSCI, headquartered in Cleveland, Ohio, has about 50 members in its Young Leadership Organization.

The 50 members, according to Sandy Harbke of SSCI, hail from across the country. Each is chosen by the company's chief executive officer and usually holds the position of company manager, controller, vice president of operations or president, she explained.

SSCI, Harbke said, provides educational seminars, statistical data and other services to its member companies.

The YLF holds two conferences a year. The Chicago conference was the first eastern regional session for the YLF.

"We had 30 of the 50 YLF members at the Chicago conference and were very pleased at the turnout," Harbke said. "In between the conferences, members go on mill tours, such as NSW's," she explained.

Records continue to fall in November, December

Six departments roll to new records at year's end

Employee/owners continued to knock out records during November and December. *Owners Manual* salutes the ongoing accomplishments of Northwestern Steel and Wire Company's workforce.

Electro-Weld
Shift Record **Old Record**
6x4x14/16, 20-foot rolls of tomato tender
Nov. 14, 1989 Oct. 24, 1989
11 to 7 shift 11 to 7 shift
6,465 feet 6,398 feet
E. Eubanks D. Eubanks
C. Campos C. Campos

Electro-Weld
Weekly Record **Old Record**
Galvanized welded fabric
Week ending Week ending
12/2/89 3/25/89
All shifts All shifts
212.7 tons 208.1 tons
All crews and support people

Electro-Weld
24-Hour Record **Old Record**
Galvanized welded fabric
Nov. 26, 1989 Feb. 28, 1989
50.3 tons 48.2 tons
All crews and support people

Netting
Shift Record **Old Record**
60-inch 2x20 150-foot rolls
Dec. 8, 1989 May 5, 1989
7 to 3 Shift 7 to 3 Shift
280 rolls 275 rolls
R. Jacobs J. Wheat
J. Wheat C. Snodgrass
B. Siedel R. Morris
L. Sutton B. Cox

Drawing Department
Shift Record **Old Record**
20 gauge fine wire
Nov. 27, 1989 July 24, 1989
3 to 11 shift 11 to 7 shift
8,750 pounds 8,690 pounds
W. Gibbs J. Hubbard

Drawing Department
Shift Record **Old Record**
16-1/2 gauge wire
Dec. 8, 1989 April 26, 1989
7 to 3 Shift 7 to 3 Shift
19,960 pounds 17,060 pounds
D. Link Unkown

Field Fence
Shift Record **Old Record**
47-6-E field fence
Nov. 28, 1989 Jan. 11, 1989
7 to 3 Shift 7 to 3 Shift
62 rolls 59 rolls
D. Riggins J. Lewis

Coilers
Shift Record **Old Record**
11 gauge baler wire
Nov. 30, 1989 Unknown
7 to 3 Shift Unknown
150 boxes 140 boxes
G. Fowler Unknown
This is Fowler's 13th record set in the Coiler Dept. since 1/3/89.

Coilers
Shift Record **Old Record**
11 gauge baler wire
Dec. 1, 1989 Nov. 30, 1989
7 to 3 Shift 7 to 3 Shift
156 boxes 150 boxes
G. Fowler G. Fowler

Cleaning House
24-Hour Record **Old Record**
Rod pickling
Dec. 1, 1989 Nov. 28, 1989
774.5 tons 751.0 tons
All crews All crews

Cleaning House
24-Hour Record **Old Record**
Rod pickling
Dec. 5, 1989 Dec. 1, 1989
799.3 tons 774.5 tons
All crews All crews

Look for additional December and January record-breakers in next month's edition of *Owners Manual*.

Sales staff to increase by two

Houston startup date could shift to April

Renovation of the new Houston/Northwestern (H/N) Steel Company plant in Houston is proceeding on schedule, according to Chief Engineer Don Morgan.

"We have been investigating an early start plan by accelerating the project, but this has not been resolved at this time," Morgan said.

Should the accelerated time schedule be adopted, manual start-up at the plant could begin in April with a computerized start-up to follow three months later.

The plant, the former Armco Incorporated structural mill which closed down in 1982, is being refurbished and modernized so it

will produce high quality wide flange beams.

When in production, the plant is expected to be the largest wide flange beam supplier in the United States. Some 600,000 tons will be produced annually.

According to Morgan, 35 percent of the furnace refurbishing project is complete. Mill stands and roll lines are in similar stages of refurbishing.

"All piping is being refurbished and checks for leaks are being done. General Electric Company is handling the electrical improvements and they are about 75 percent completed," Morgan said.

Additional mill machinery in both the warehouse and finishing areas

are being refurbished as well. The cranes in these areas are being inspected and totally refurbished.

The reheat furnace cooling tower is being repaired and tested. The 500,000-gallon mill scale pit is also being cleared out and the pumps are being refurbished.

According to NSW Steel Division Sales Manager Vern Johnson, two

additional sales people will be hired to handle the Houston plant responsibilities.

"Two additional people will be integrated into our current sales force in Sterling. We'll constantly review our sales status, however, and make changes as needed," Johnson said.



Mary Lou Smeltzer, Chief Telephone Operator, is pictured above with a Christmas tree she decorated with Northwestern employee/owners in mind. The tree, which was displayed in the reception area of the main office, is adorned with nails tied with red ribbons.

Tractor 'doctors' fix ailing machinery fast

When an ailing forklift limps into the Plant 1 Tractor Shop, not only is it in good hands, but the prognosis is usually good for a complete recovery.

It is here that Northwestern's fleet of hard working, material-handling tractors are maintained and repaired, which is an "every-day occurrence," according to Bob Bittner, Maintenance Supervisor of the Plant 1 Tractor Shop.

He and his crew maintain all but the battery-operated units that move products in the East Plant, including forklifts and pole tractors. As far as repairs, they perform "everything, except engine overhaul. We send out for that," Bittner said.

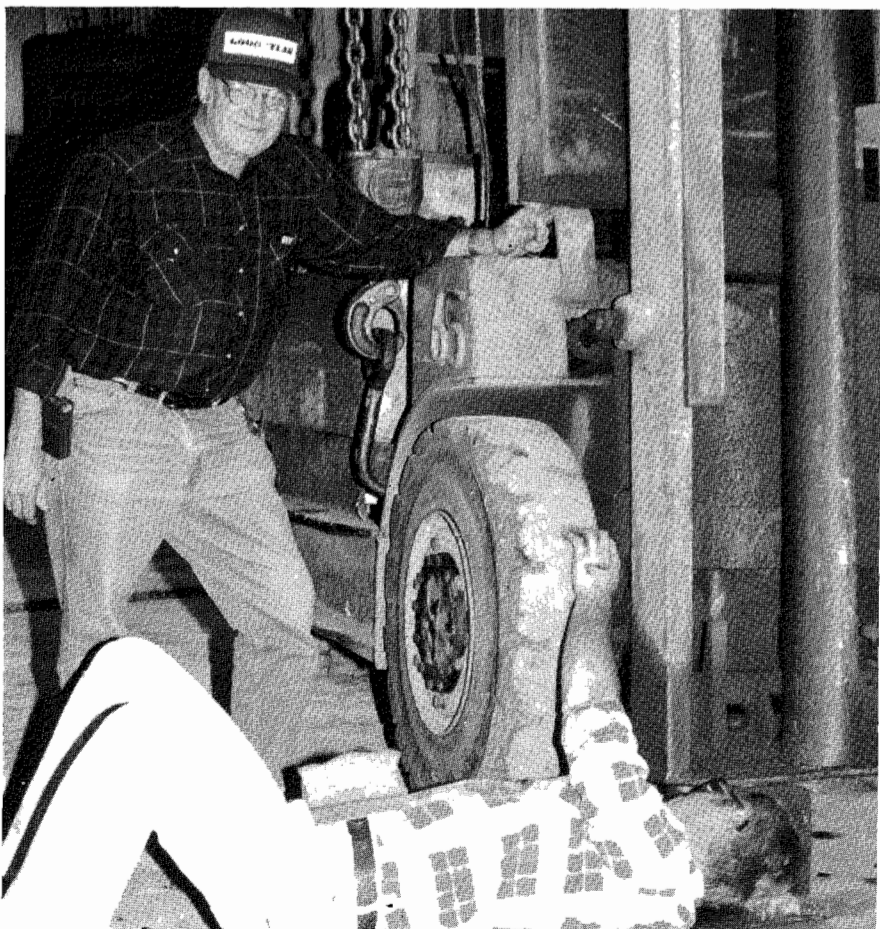
Up until this year the shop has had to deal with problems associated with an aging fleet of tractors. "For nine or ten years we hadn't received any amount of new equipment," he explained. Some maintenance units, not used as much as those in

production, even date back to the early 1970s.

But earlier this year sixteen, 1989 forklift tractors, capable of handling between 4,000 and 30,000 lbs., were leased by the company. With the new equipment, the shop has about 80 units to maintain. This number will drop to about 65 after some of the older units are weeded out.

The Tractor Shop itself has undergone changes for the better, including a move into a new building about a year ago, and an all new storage facility. There is a new system for storing oils and a perennial maintenance program is being initiated. "There's quite a bit of upgrading going on around here," Bittner commented.

In addition, the four-man crew has been augmented by three new trainees. "Until we got the new people, we were really swamped," he said. The Tractor Shop is in operation 24 hours a day.



Bob Bittner (standing), Maintenance Supervisor of the Plant 1 Tractor Shop, is pictured above with Ron Davis, Tractor Mechanic, as they work on maintaining and repairing the forklifts and pole tractors which move products in the East Plant.

Smeltzer's decorating techniques nailed down

NSW employee/owner Mary Lou Smeltzer may have started a new Christmas decorating trend—or maybe she just hit the nail on the head.

Instead of stringing beads, popcorn and garland on the Christmas tree in the reception lobby this year, the chief operator decided to put a little bit of NSW into the holiday tradition of decorating.

"Everyone thought I was crazy when I suggested we decorate our countertop tree with nails," Smeltzer said, adding, "But, when I finished the work of covering the tree with nails, a few red bows and berries, people changed their minds."

Underneath the tree were even a few gifts packaged in nail boxes and adorned with ribbons, she said.

"Since the angles made by NSW were just a little too heavy, I decided to go with nails," she explained. "Everyone thought the tree was apropos once I got it done. Maybe I've started a holiday tradition," she laughed.

"I feel NSW should have a tree which has special meaning to us. People in the plant in past years have put small decorations together. I thought the tree would add to the spirit of the season and it did," she concluded.

Old Glory riding high on company truck fleet

It began as a spark of patriotism that, thanks to a woman's vision and this nation's truckers, spread like flames across the heartland of America—even kindling a fire of its own at Northwestern Steel and Wire Company.

The vision was that of an Indianapolis woman, fed up with Congressional handling of the flag-burning issue. Pat Roeller, likened to a "modern-day Betsy Ross," decided something must be done to support this country's symbol of unity, the American flag. Her inspiration was to use truckers. What better way to show cross-country support for Old Glory than through these highly mobile men. Besides, she reasoned, "next to cowboys, truckers are about as American as you can get."

Through donations she was able to raise enough money to purchase over 30,000 small plastic flags. Beginning the July 4th weekend, she and several volunteers manned five Indianapolis-area truck stops, handing out flags to truckers to fly on their rigs.

In the time since then, it is believed thousands of truckers have flown these flags proudly, among them truck driver Jim Eckert of Northwestern Steel.

"He brought the flag back to the mill," explained Craig DeWitt, Head of Leased Trucks, "and after hearing the story behind it the company authorized purchase of flags for all our trucks."

The small flags went on all 41 of the company's leased trucks, "one on each side of the truck," he added. These trucks ship products within a 500-mile radius of the Sterling facility and as far as the East Coast.

As it turned out, the trucking division was confronted with one major problem in maintaining this show of patriotism. "Most of the flags only lasted as long as their first washing," DeWitt said, "but a few of them are still on."

The good news is that efforts are currently underway to seek a more permanent symbol of the American flag to put on the trucks and keep the spark of patriotism going.

Tariff cuts are needed on Canadian shipments

According to Northwestern Steel and Wire Company officials, duties between the United States and Canada must be eliminated before NSW can achieve world class competitiveness.

Current duty levels between the two North American countries were the focus of a recent hearing of the International Trade Commission.

Edward G. Maris, Vice President of Finance and Secretary/Treasurer at NSW, testified for the tariff elimination along with other steel representatives.

At issue in the tariff hearing was the current duty U.S. steel producers must pay on exports to Canada.

"For trade between the U.S. and Canada the U.S. duty on these products (structural steel, such as angles and shapes) is only 0.8 percent while the Canadian duty on these products is 6.1 percent," Maris said.

"The structural steel market is a highly competitive one and the high Canadian duty can be the difference between making money and not making money on an export sale," Maris testified.

Decision-making process complex; flexibility key

If you have ever disagreed with a decision your superior has made, you're not alone, but it's important to realize the most effective managers don't always win popularity contests among the workforce for their decision-making, nor are they expected to.

High-level decision-making in corporate business can mean the difference between a smooth-running department and one that is roadblocked by problems that escalate beyond proportion.

Thousands of dollars, production schedules, even timely shipment of products can be at stake. Your manager will have taken these and other circumstances into account when making his or her decision.

Effective decision-making means "flexibility." If one alternative to a problem doesn't seem to be working out, your manager may change directions instead of investing more time and effort in a no-win situation. This is not a sign of weakness but an effort on his or her part to bring about results that reflect company goals.

There rarely is a perfect solution to a problem, and some decisions will be better than others. Because every decision has both positive and negative consequences, you, and everyone else, take a certain risk every time you make a decision.

You, as a member of the workforce, may believe that your feelings or opinions aren't taken into account when certain decisions are made. While managers must decide on a course of action that best suits the company, they must also take into account feelings and facts whenever people are concerned. In this manner, repercussions from an unpopular decision will be minimized.

Managers, however, retain the authority to make decisions without influence or pressure from others, and it is not uncommon that once a decision has withstood the test of time, even critics will agree the best alternative was chosen.

"At an illustrative selling price of \$350 per net ton, the tariff is \$21.35 on shipments to Canada but only \$2.80 on shipments from Canada to the United States," he explained.

"The high Canadian tariff makes it difficult for Northwestern to compete in Canada despite its position as an efficient, low-cost producer," Maris said.

He said that early elimination of the Canadian duty would complement the aggressive capital improvement and expansion program now underway at Northwestern.

Currently, the trade commission has targeted the reduction of tariffs at 10% per year with final phase-out due in 1998.

Maris' testimony was presented as part of a submission to the trade commission by steel firms including Bayou Steel Corporation, Chaparral Steel Company, CMC Steel, INC. and Nucor Corporation.

All of the petitioners are domestic steel producers.

Maris noted the recently purchased wide flange beam mill in Houston would enable NSW to compete in 80 percent of the wide flange beam market as opposed to the present 20 percent.

"Northwestern markets its steel nationwide and abroad," Maris said, adding, "However, due to the physical limitations of our current product range, the marketing of our products has been primarily concentrated thus far to service centers and, to a lesser degree, fabricators and original equipment manufacturers."

No ruling on the petition has been made by the trade commission.

Customer makes a 350-mile visit

A major customer of Northwestern Steel and Wire Company got its first plant tour recently, coming away not only satisfied, but "very impressed," according to a company representative.

"We've been a customer of Northwestern for more than 20 years and based on our tour there, we'll be a customer for a long time to come," Wayne Dennis, Anderson agricultural product buyer, said.

The Andersons, a retail company based in Maumee, Ohio, operates five stores in Toledo and Columbus, Ohio and Delphi, Indiana.

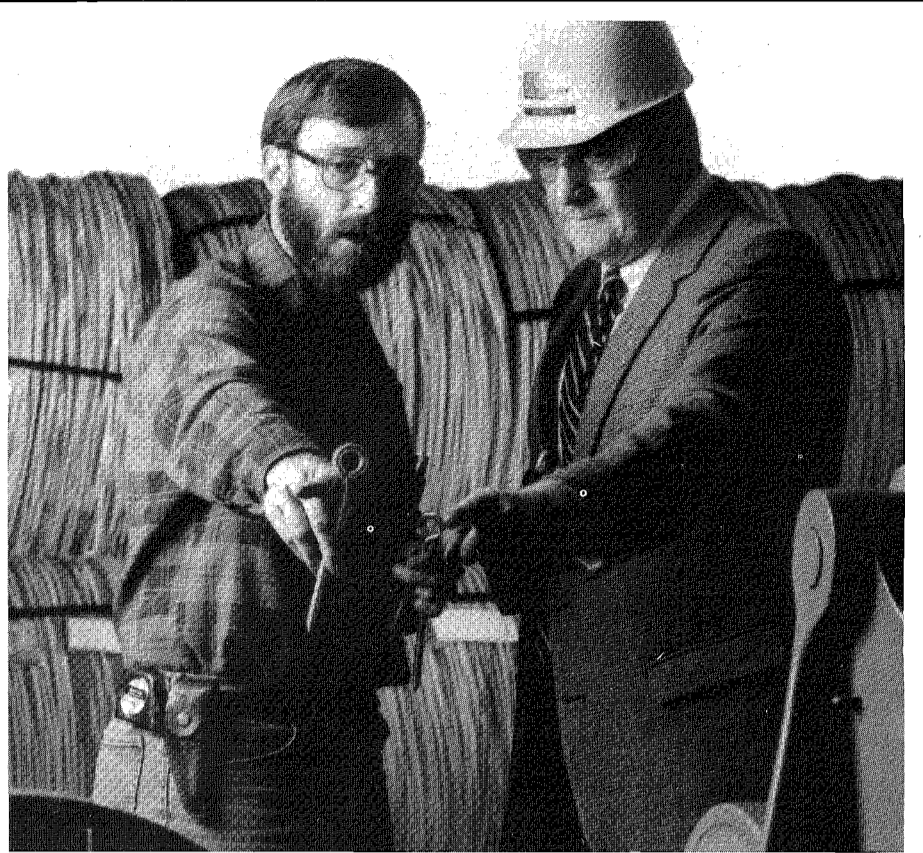
The company sells fencing products for urban and rural use and purchases nearly every line of wire product NSW manufactures, Dennis said.

"For the last few years NSW's sales representative, Ed Sanders, has been trying to give us a tour," Dennis said. "I'm glad we came. The furnaces were fantastic, very impressive," he noted.

Dennis, accompanied by Al Bensch, product manager for the company's Seed and Farm Products Division, toured the plant operations last fall.

"We wrote our first order for The Andersons in 1967," Sanders said, adding, "I'm glad they traveled the 350 miles to see us." Dan Over and John Tschosik are the Inside Salesmen covering The Andersons' account.

The Andersons' chief executive officer is Richard Anderson. The company employs about 2,500 people.



The N-SWAT Team at Northwestern has been a fast-acting, troubleshooting group of experts who call on customers that have product or production problems which need solving. Pictured above are (from left) Randy Crawford, Quality Control Inspector at National Manufacturing Company, Sterling, and Ed Matthews, Manager of the Wire and Rod Division at NSW.

NSW team takes action, SWATs down problems

Northwestern Steel and Wire Company has been taking its "show" on the road in the form of a SWAT team. N-SWAT, an NSW Action Team comprised of hand-chosen experts, is calling on customers who have a product or production problem.

The team, headed by Jerry Shinville, is a group skilled in team-oriented solving techniques.

Shinville, NSW's Quality Assurance Manager, says the team of 14 employee/owners do problem solving for customers in their plants. "Our team goal is to make our customers' processes work better and improve their products," Shinville said.

"Our group, which generally makes house calls in groups of three, defines customer needs and determines how to better serve a customer who may want to improve quality," he said.

"When a company is faced with a product or production problem, you don't need excuses or empty promises. You need action, fast. That's why we're here," Shinville said.

For example, if a customer is having a problem, the sales

representative is generally the first to know about the problem.

The sales representative, production expert and a quality department specialist answer the company's call for help.

"We recently assisted one of our customers in determining how to prevent hangers—their product—from breaking at the necks," Shinville said.

"We can help solve problems within other plants that relate to NSW products," he added. Shinville said the group usually services NSW customers in the Sterling area. However, if a special need arises, trips are taken to wherever the group is needed.

The group, headed by Shinville, is comprised of: Robert Olson and Lin Proeger, Metallurgists; Roger Larson, Rod Mill Inspection Foreman; Ed Matthews, Product Manager, Wire and Rod Division; Dick Bennett, Manager of the 12-Inch Mill; Dick Schuchard, Beth Grobstein, Les Claxton, Bob Gholson, Tom Clementz, Dick Friel and Bob Elsasser.

The members meet bi-monthly.

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