

## A Look INSIDE



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# The Owners Manual

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

June, 1990

## Sun rises on foreign export plan

It's full steam ahead for Northwestern's exploration of the overseas export business, as three company officials planned visits to Japan during June.

Dave Oberbillig, Vice President, Wire Products Sales, and Mike Mullen, Vice President of Operations, Wire Products Division, set off for a one-week business venture to the land of the rising sun on June 9th. Their destination was Tokyo where they were to man a booth at the Japanese National Housewares Show.

And with them went a display of NSW's plastic-coated lawn and garden fencing, a product whose colorful durability would hopefully catch the attention of the consumer-oriented Japanese business sector.

The trip was made possible by the

state-awarded Industrial Training Program (ITP) Export Training grant, designed to assist Illinois manufacturers in their ability to export products and to expand export activity to new markets.

Prior to leaving, Oberbillig explained the trip would be a learning experience, with no pre-conceived sales goals in mind. "We want to explore the possibility of exporting our product, but we know there are many challenges to competition in the Chicago area, let alone Tokyo," he said. "Being realistic, we set no goals. We may sell a truckload or we may sell a boatload. You never know."

Oberbillig pointed out, however, NSW was to be the only steel company from Illinois represented there and the only company, to his

knowledge, to display this particular line of product. Flyers on the product were sent to Japanese importers prior to the trip.

Mullen, who was to scout out potential clients for Oberbillig, noted their itinerary would also include informative sessions on how to understand the country better, and how to understand the people and business philosophy. They were to attend meetings with the National Housewares Manufacturers Association, visit with a Japanese family, attend a briefing at the U.S. Embassy, and see typical Japanese stores, including the "do-it-yourself" stores that are popular in Japan, "to give us an idea of what we're up against," Mullen said.

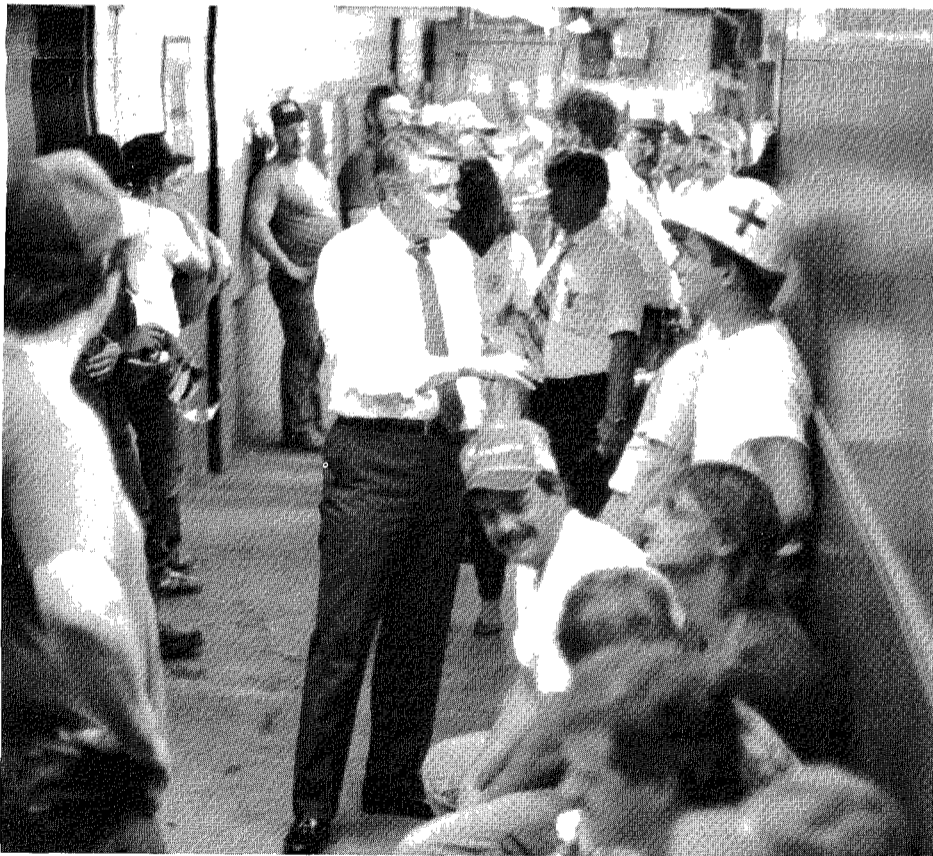
Also in conjunction with the export grant, Gerald Shinville,

General Manager, Quality Assurance, was to travel to Tokyo the end of June for a three-day meeting with the Ministry of International Trade and Industry (MITI) of Japan.

The businesses of Japan operate under the watchful eye of MITI, the governmental agency which oversees, supports and nurtures innovation in those businesses.

Shinville said his assignment was to "seek out the qualifications for exporting NSW products to Japan," such as how to meet Japanese Industry Standards (JIS) and how to get certified for export. He was to meet one-on-one with MITI officials in ironing out details during this visit.

Articles highlighting the results of these trips will be featured in next month's issue of *Owner's Manual*.



**Secretary of State** James Edgar, who is running for the position of Governor of Illinois, made a stop at Northwestern Steel and Wire Company this month. While visiting with NSW employee/owners, Edgar toured the Furnace area and the 12-Inch Mill and took time out to hold a mini press conference.

## Grant pays to educate NSW staff on exports

The nuts and bolts of implementing a progressive company export program was addressed during recent training sessions for 26 NSW employee/owners.

"The purpose of the sessions was to give an overall view of what's involved in starting an export program and expand our sales," explained Frank Rausa, Manager of Training Development.

The two-day sessions were held in conjunction with a grant awarded by the state of Illinois to help NSW get its export program off the ground.

Conducting the sessions were Sandra Renner and Gary Winget of Export Resource Associates, with offices in Chicago and Minneapolis. Among topics discussed were planning for exportation, ailments of exportation; the most exportable products; how to prepare and what technical assistance is required; how to implement the program; and developing a business plan.

Those attending were also informed about the countries NSW is

targeting, including Canada, the Pacific Rim countries of Southeast Asia, and Japan.

Shipping and transportation facts were outlined, as were proper methods of documentation. For example, delays in shipments can occur if cargo is not documented properly and if required customs declarations are not made.

Representatives of international banks and steamship lines were on hand to address those respective topics and answer questions.

Those NSW employee/owners attending the export resource workshops were Frank Rausa, Ray Bauer, Tom Vercillo, Jim Boesen, Deb Cushman, Marsha Schave, Vern Johnson, Ron Adams, Todd Weinrich, Dave Hadley, Gordon Rolofson, Roger Wait, Leona Richards, Jim Treacy, R.C. Olson, Cliff Wise, Frank Murphy, Wayne Spencer, Ken Church, Bob Sprungman, Terry Schueler, Sandy Miller, Colleen Stauffer, Marv Albrecht, Paul Lester and Denny Redfield.

## USWA may bargain for Houston workers

# Board ok's a collective bargaining policy

At a recent meeting of the NSW Board of Directors, the following Collective Bargaining Policy was approved:

"Northwestern Steel and Wire Company is 51 percent employee-owned through an Employee Stock Ownership Plan (ESOP) established in August 1988. The remaining 49 percent is owned by a group of private investors and senior management.

"Eighty-three percent of the employees of the company are represented by the United Steelworkers of America. (The USWA has represented the company since 1940). The Teamsters represent Northwestern's truck drivers, and an independent union represents the guards.

"Fourteen percent of the ESOP participants are salaried employees who do not belong to a union. The

company and its unions have maintained a mutually beneficial relationship for many years and are constantly striving to improve labor-management cooperation.

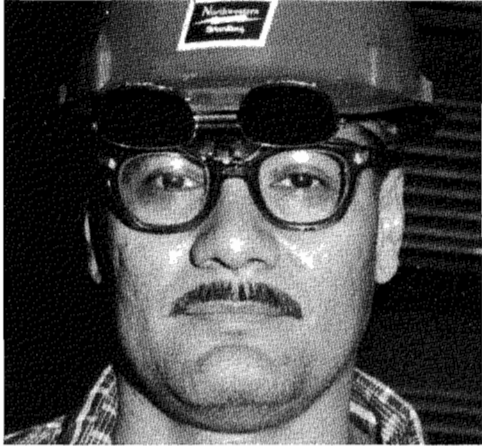
"With regard to start-up of operations at the Houston plant, the company has been approached by the USWA and we have concluded specifics of the contract with this union. We will recognize and bargain with the USWA if a majority

of the employees designate that union as their representative by means of a signed authorization card.

"The company and all management personnel understand that each employee has the right to choose or reject union membership."

Also during the meeting, Merlyn Bruns, Vice President of Human Resources, presented the status of (See BOARD MEETING, page 3)

# Viewpoint

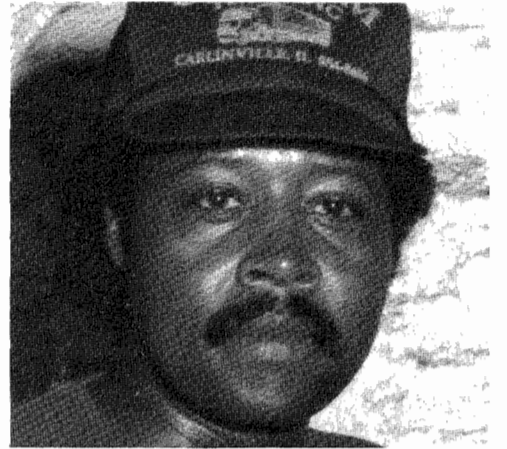


*"There's no such thing as putting 'too much' emphasis on product quality. Every department and every phase of the operation at Northwestern should strive for the best quality. Without good quality you just aren't going to sell the product. There is just too much competition out there."*

**J. Arnold Rodriguez**  
Finishing Foreman  
14-Inch Mill

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.

## **"Do you think Northwestern puts too much or not enough emphasis on product quality? Why?"**



*"I think they do emphasize quality for the sake of the customer. It helps when you improve the quality of the product to be shipped out the door - for customer satisfaction."*

**Al Johnson**  
Loader  
Plant 1 Shipping



*"They can't put too much. The customer expects quality. I was an inspector for 29 years and I know you can't put too much emphasis on quality."*

**Bob Lathrop**  
Torchman  
Billet Caster



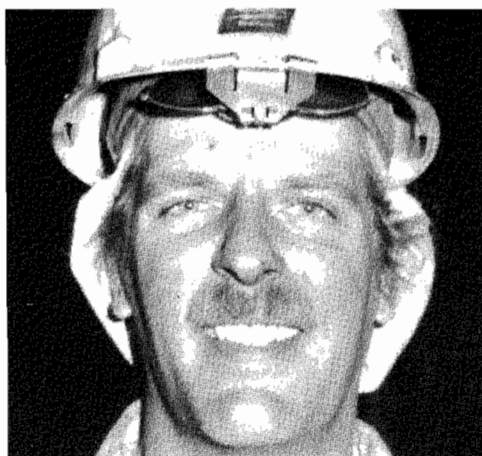
*"I think they are starting to put a lot more emphasis on it now than they did before. They realize by now that's the way to make business get better and better."*

**Marvin Clardie**  
Tractor Driver  
Plant 4



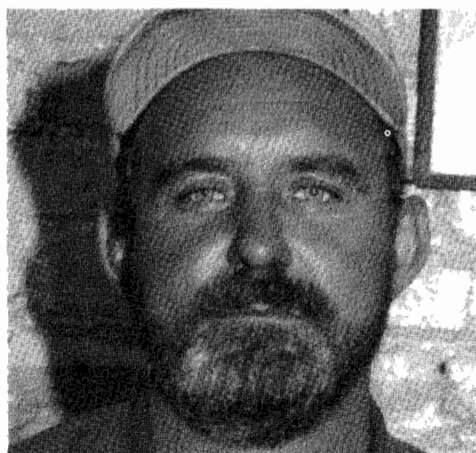
*"I think that they should make sure that the quality is good before they send it out, so that it doesn't get rejected and have to send it back. It will save us money in the long run."*

**Jeannette Udell**  
Mail Clerk



*"They put the right amount of emphasis on quality. This ensures that the customers will get a quality product."*

**Dave Bowman**  
Mill Hand  
14-Inch Mill



*"Not enough. Still, the bottom line in a lot of departments is productivity above quality."*

**John Tomczak**  
Millwright  
Plant 4



*"They don't put enough emphasis on quality but I do!"*

**James Stinson**  
No. 1 Inspector  
Plant 4

# Raab reels in biggest catfish trophy

Nearly 50 members of United Steelworkers Local 3720 participated in a recent catfish tournament, with Steve Raab walking away with the biggest catch of the day.

The third annual tournament, held at Prophetstown State Park, was open to Northwestern Steel and Wire Company employee/owners and retirees. The event was followed by a family picnic.

The five-hour derby, which began at 7 a.m., provided cash prizes, drawn from \$5 entry fees, company jackets and other prizes donated by local businesses to the winners.

Northwestern's Safety Store, Safety Centers, Inc., donated the

prize jackets, according to John Thayer, one of the tournament coordinators and an Electro-Weld employee.

Other coordinators included John Souser, Dale Cohenour and Kevin VanDeVelde.

Participants cast their lines in



Several Northwestern employee/owners took time out recently to participate in a catfish tournament held at Prophetstown State Park.

teams of two from boats, Thayer explained.

The winning team of Bob Sisson and John Buckley received \$55 each in prize money, and a jacket.

The second place team of Steve Raab and Larry Dassing each received \$33. Raab's biggest catch of the day also netted him a new fishing rod.

The third place team members, comprised of John Tomczak and Charles Deyo, were awarded \$22 each.

"Everybody had a great time. The state park is a beautiful location for the tournament and its pavilion is beautiful also," Thayer said.

## Creative thinking spawns different solutions

It's hard to put a price on the value of creativity, but in order for companies to turn dreams into dollars, both management and the workforce must learn to think creatively.

Leading developmentalists agree that everyone is creative. It is the style and methods of creativity that differ. Some people are "innovators," by challenging problems and seeking different solutions.

"Adapters," on the other hand, accept problems as they are, but try to make things better. Both types are valuable to a company.

It's not unusual for people to have

their most creative thoughts at a time when they are not dwelling on a particular problem. Many get their best ideas during relaxed moments, whether it be at home, driving to work, jogging or taking a break at work. Companies that realize workers need different environments in which to stretch their imaginations and allow for personal diversities are taking an important step forward in enhancing creative output.

Optimum creative effort can also be gained through diversity of personnel. Bringing people together with different backgrounds of

expertise can help generate new ideas during brainstorming sessions and bring to light entirely new and workable perspectives. While key ideas usually come from an individual, it most often takes a group of people to turn it into something useful.

Maintaining a positive attitude is also an important part of creativity. When examining a new idea, focus on the pluses instead of trying to find the flaws. If ideas do not work out, it does not mean they or the time involved with them are wasted. Regard mistakes as an opportunity for learning.

Maintain an open mind about new ideas, no matter how farfetched. Some of today's leading innovations, like the low-calorie sweetener aspartame, came into being quite by accident.

Lastly, have fun with your ideas. Many creative people believe that having fun is essential to the process of creating.

Effectively pursued, creativity is not only good for the company's bottom line, but is good for the organization itself. Creativity spurs increased production by revitalizing employee motivation and generates effective team performance.



This knife with a scabbard is one of many new items being offered as service awards at NSW.

## Jewels denote years of NSW service

Employee/owners who dedicate years of service to NSW are as priceless as jewels, and the company now has a unique way of recognizing them as such.

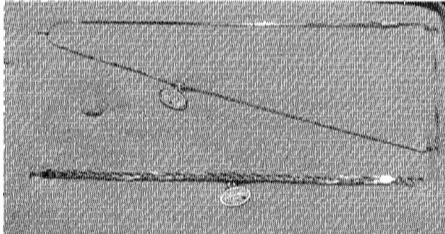
A change has been made in the service awards presented to longstanding employee/owners, who can now choose from a variety of personal items, all containing jewels reflective of 15 to 40 years of service.

Among items employee/owners can choose from are a pin, pendant for necklace or bracelet, pocket knife, belt buckle, money clip, and ring.

The sequence for jewels is as

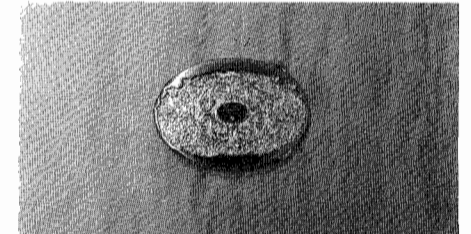
follows: 15 years, one ruby; 20 years, two rubies; 25 years, three rubies; 30 years, one 2 pt. diamond and two rubies; 35 years, two 2 pt. diamonds and one ruby; and 40 years, three 2 pt. diamonds.

Although the change is relatively new, Jim Hale, Supervisor of Factory



These items are only a sampling of what's now being offered in the line of jeweled service awards at NSW.

Services, said the company will go back to the first of the year in letting employee/owners with 15 to 40-year anniversaries choose which item they want. Having two award presentations per year is also being considered.



## NSW pension fund enjoys "financial health"

At a time when underfunded pension plans make headline news, spelling frustration and uncertainty for thousands of retired steelworkers, NSW employee/owners can rest assured their company's pension plan is properly funded and the required contributions are being made.

In a recent memorandum, Edward G. Maris, Senior Vice President and Chief Financial Officer, explained the current status of the company's pension fund, reporting that as of March 31, 1990, the market value of the Pension Fund Trust was \$173.7 million.

The Trust Fund managers increased the fund by 15.8% during 1989, which compares favorably with the actuarially estimated present value of all accrued pension benefits (both vested and nonvested) as of March 31st of \$170.6 million.

During calendar year 1989, the company contributed \$8 million in cash to the Pension Trust, while payments made by the Trust during the same period to plan pensioners

and surviving spouses was \$15.4 million.

In summary, Maris said, the Pension Plan is properly funded and the required contributions to the Pension Trust in future years are estimated to be approximately the same as the prior calendar year, keeping in mind these funded contributions must be made from the company's future earnings.

Other steel companies have not been so fortunate. The government's Pension Benefit Guaranty Corp., which insures private pension plans, released a list of the country's 50 largest underfunded pension plans for the first time in May. Nine metal companies were among those cited.

According to 1988 records, the metal companies with the largest underfunded pension plans were Allegheny Ludlum Corp., Armco Inc., Bethlehem Steel Corp., CF&I Steel Corp., Keystone Consolidated Industries, Inc., LTV Corp., National Steel Corp., Reynolds Metals Co. and Sharon Steel Corp.

Officials from several of the listed

companies have argued, however that figures used by the PBGC were outdated and misleading.

The Supreme Court was expected to reach a decision by the end of June regarding the fate of \$2 billion worth of pension liability accrued by three LTV pension plans. The PBGC is attempting to return the liability of paying for the plans back to the reorganizing steel company, claiming the problem was unfairly

### Board meeting

(continued from page 1) negotiations of the Houston labor contract. Upon management's recommendation, the board approved the contract. It will be implemented if a majority of employees sign authorization cards. In other business, the board approved:

- \* Five capital expenditure projects, including a water pollution clarifying system; a 75,000 square-foot nail packing facility; replacement of the 24-Inch Mill roof;

dumped on the government.

The NSW Board of Director's Pension committee is comprised of Robert A. Paul, John E. Kelly, Joseph R. Blasi and Edward G. Maris. The Northwestern Pension Board which approves all pension applications is formed by Edward G. Maris, Merlyn G. Burns, Jim Boesen, Jeff Hager, Richard Williams and Alex Rios.

a spare transformer for the ladle met furnace; and a maintenance building for the new caster area.

- \* The proposition for the ESOP participants to vote on the "C" directors.

- \* The initiation of a 24-Inch Mill task group.

- \* An update on the Houston project, including news of test-rolling next month and plans for the acceptance tests scheduled for late September.

## NSW buckles down in its fight against cancer

Belt buckles, designed by Northwestern's own Dee Estes, Avenue K Guard, are being sold through July 10th for the benefit of the Northern Illinois Cancer Treatment Center.

Estes, whose family and friends have been beset by cancer diseases, said she "had to do something" to help others with the same plight.

"One day the conversation in our office was about belt buckles and it got me to thinking of a design that would be exclusive to Northwestern Steel and Wire," Estes said.

Her need to help others, together with her own creativity, led to the design of the buckles currently available to NSW employee/owners.



As of June 1, nearly 300 buckles had been purchased or ordered, she said.

The buckles, which sell for \$12.50 each, are oval in shape, black in color, and sport the Northwestern emblem in red. The words, "Employee Owned" are written in white above the emblem.

"We're hoping to raise a lot of money during the limited sale, as well as provide a collector's item for those who buy the buckles," Estes said.

She noted that no orders will be taken after July 10th.

Once the money is collected, all profits will be donated by the plant guards to the Northern Illinois Cancer Treatment Center, she said. The center opened last year.

To place an order, contact Estes at ext. 394, or one of the following guards: Alan Anderson, also at ext. 394; Ray Wainscott, Avenue G, ext. 598; Ray Mueller, 14-Inch Mill, ext. 532; or Marianne Johnson, Safety and Security Office, ext. 334.

## Kierczynski catches award in bass tourney

Dave Kierczynski saw and felt, but did not taste, success in a recent fishing tournament sponsored by the Sauk Valley Bass Hunters Club.

The Northwestern Steel and Wire Company Machinist won the first-time gamefish species only tournament held this spring on the Rock River by hooking a 3.3 pound, 20-inch walleye.

"The walleye was the only fish I caught during the four-hour tournament, but it was the one that counted," Kierczynski said.

The "hot spot" for the fisherman was near the Dixon Dam. His lure was "a regular walleye lure from WalMart," he said.

Although he had to throw his

catch back into the river, his winning entry was snapped in photographs taken by the local newspaper.

"About 12 years ago, I caught a seven-pound walleye while fishing the Rock River. I ate every bit of that one," Kierczynski said.

The Bass Hunters Club tournament was Kierczynski's first competition of the year. The 27-year veteran of Northwestern says he hopes to nab a few of the big catches in the 60-mile long Rock River this season. The river, which empties into the Mississippi River, holds many types of fish, some of them catfish up to 50 pounds in weight.



The Nail Room team responsible for a recent record-breaking shift on the No. 1 and 2 packers are (pictured, from left) Bill Storms, Tom Staples, Harold Zaagman, Bill Mandrell, Randy Partridge, Leonard Harris, Bob Lehman and Jack Olalde.

## Good night by packers sets production record

A production record was set on the No. 1 and 2 packers in the new nail packing building recently.

During the 11 p.m. to 7 a.m. shift on April 24, 122.5 tons of storage stock were packaged, breaking a previous record for eight hours set on Oct. 28, 1985. The former record was 116.5 tons.

"No one set out to break records that day," Larry King, Nail Room

Department Supervisor, said. "The guys just had a very good night," he noted.

Responsible for the record-breaking performance were: Randy Partridge, Harold Zaagman, Leonard Harris, Bill Mandrell, Bill Storms and Robert Lehman. The Scale Clerk was Todd O'Brien while Tom Staples was working as the support person in the Shipping Department.

## Many NSW workers tally anniversaries

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

### 35 years

George A. Bilderback, 7/7/55, Caster.

### 25 Years

William L. Wulf, 7/11/65, Guards.

Luis E. Salmon, 7/26/65, Nail Department.

Michael Consuelos, 7/27/65, 12-Inch Mill.

### 20 Years

David Burch, 7/1/70, Crane Mechanics Plant 2.

Harold L. Wagner, 7/2/70, Tractor Driver.

Edward A. Reglin, 7/14/70, Shipping, Rock Falls.

Jon E. Cooper, 7/14/70, 24-Inch Mill.

Donald L. Mewhirter, 7/15/70, 24-Inch Mill.

John C. Wheat, 7/15/70, Netting.

Richard W. Devers, 7/17/70, Electro Weld.

Larry S. Butts, 7/21/70, Wire Mill - Drawing.

Paul K. Cheshire Jr., 7/21/70, Wire Mill Shipping.

Charles C. Gilkey, 7/27/70, Wire Mill-Shipping.

Donald G. Lewis, 7/29/70, 24-Inch Mill.

### 15 Years

Michael D. Elder, 7/28/75, 14-Inch Mill.

### 5 Years

Kevin R. Bruckner, 7/3/85, Nail Department.

Chester L. Winfield Jr., 7/4/85, 12-Inch Finishing - Bars.

David D. Miller, 7/11/85, Nail Department.

## In your corner

### 12-Inch Mill praised for yield

Dear Employee/Owners,

Congratulations to all 12-Inch Mill employees for the outstanding quality month we had in April. Actual yield was 95.9 percent, the best since November, 1986. Cobbles

were down, as were full coils scrapped. For the month, we also had a record low for Rod Mill diverts of 1.3 percent. Keep up the good work!

Dick Bennett

### Family offers thanks for gifts

Dear NSW employee/owners,

My brother and I, in memory of our father, Don Millard, would like to express our thanks to all those employees who gave money, sent flowers and mementos, and came to the visitation. We also offer a special

thanks to the men who were pallbearers, especially those who took off work in order to honor our dad.

Everything all of you did was very much appreciated.

The Children of Don Millard

### Profits remain steady in April

Dear Employee/Owners,

The profitability results for the month of April were equally as good as the ones in March. The company had shipments of 105,757 tons and sales of \$40 million, with an operating profit of \$4.1 million and a net profit after interest and taxes of \$1.7 million.

Results at the end of the third fiscal quarter showed year-to-date shipments of 889,236 tons and sales of \$330 million; operating profits of

\$18.2 million and a net profit after interest and taxes of \$3.8 million.

The business and outlook for the fourth fiscal quarter have improved, with order entry being much more robust. Selling prices have stabilized and have raised slightly. Overall backlogs have increased.

Congratulations to all. You are contributing to increasing shareholder values.

Ed Maris  
Senior VP, CFO

## Do it now!

Do you avoid work you don't feel like doing? Do you make excuses for not getting started? Do you spend large quantities of time planning what you're going to do rather than actually doing it? If you find yourself taking frequent "time-outs" when there's important work to be done, the following tips may help you win the procrastination game.

**Simply, get started.** The simple act of beginning a task, no matter how big, reduces anxiety. And, it's always more difficult to leave a job in the middle than if you haven't started at all.

**Set deadlines.** Setting a date for finishing your project is a real incentive, but, make sure your deadlines are realistic. Allow ample time to get the job done.

**Prepare a daily list.** Prioritize in order of importance. By starting at the top of the list, you'll always be working on the most important task.

**Stop perfectionism.** Your way is not always the best, or only way a job can be done. Often, just getting the job done is more important than how it's done. Learn to recognize when enough is enough.

**Make moods work for you.** If you're not in the mood to do something, don't just sit there and do nothing. Ask yourself what task you feel like doing and then do it.

**Think positive.** Negative thinking requires much more energy than positive thinking. Stay clear of negative thinkers and chronic procrastinators.

## Treasury trims NSW bond denominations

The Department of the Treasury has announced that, effective October 1, 1990, the \$50 and \$75 denominations of Series EE Savings Bonds will no longer be available for purchase through payroll savings plans.

The minimum denominations for all payroll savers will be \$100, with a purchase price of \$50. The \$50 and \$75 denominations, however, will continue to be available for over-the-counter purchases at financial institutions.

All employees currently purchasing the \$50 and \$75 denominations through payroll savings will automatically begin to receive \$100 bonds after October 1, 1990. Current allotments will be applied automatically to the \$100 bond purchase and, unless you wish to change your allotment, no further action will be required.

# NSW crews continue record-setting ways

Employee/owners continued to knock out records in Sterling, proving that Northwestern Steel and Wire is the winner and still champ!

*Owners Manual* salutes the ongoing accomplishments of NSW's employee/owners.

## Shipping Department Monthly Record Old Record

April, 1990  
766.8 tons  
All shifts

March, 1987  
738.9 tons  
All shifts

## Drawing Shift Record Old Record

April 20, 1990  
24,050 pounds  
7 to 3 shift  
Jim Cook

Feb. 17, 1989  
23,720 pounds  
7 to 3 shift  
Felipe Ranjel

## Drawing Shift Record Old Record

April 26, 1990  
13,560 pounds  
3 to 11 shift  
Vernon Ellis, Sr.

March 21, 1990  
12,790 pounds  
3 to 11 shift  
Paul Brunk

## Cleaning House 24-Hour Record Old Record

April 27, 1990

Dec. 5, 1989

849.0 tons  
All shifts

799.3 tons  
All shifts

## Drawing Room Shift Record Old Record

April 28, 1990  
26,810 pounds  
7 to 3 shift  
Dave Billings

Oct. 10, 1988  
25,810 pounds  
3 to 11 shift  
Dennis Hammes

## Shipping Department 24-Hour Record Old Record

April 30, 1990  
1,340.2 tons  
All shifts

None

## Netting Shift Record Old Record

May 4, 1990  
286 rolls  
7 to 3 shift  
Randy Jacobs  
John Wheat  
Randy Morris  
Augustin Arteaga

Dec. 8, 1989  
280 rolls  
7 to 3 shift  
Randy Jacobs  
John Wheat  
Bill Seidel  
Larry Sutton

## Drawing Shift Record Old Record

May 5, 1990  
27,170 pounds  
3 to 11 shift  
Dave Billings

April 28, 1990  
26,810 pounds  
7 to 3 shift  
Dave Billings

## Field Fence Shift Record Old Record

May 7, 1990  
65 rolls  
7 to 3 shift  
Jim Stickel

Unknown  
64 rolls  
Unknown

## Drawing Shift Record Old Record

May 11, 1990  
31,250 pounds  
3 to 11 shift  
Jerry Fullmer

Feb. 2, 1989  
30,800 pounds  
Unknown  
Vernon Ellis, Jr.

## Drawing Shift Record Old Record

May 9, 1990  
18,310 pounds  
3 to 11 shift  
Jerry Fullmer

None

## Electro-Weld Shift Record Old Record

May 11, 1990  
2,142 feet  
7 to 3 shift  
Wallace Hartman, Jr.

2,095 feet  
Unknown

# Checking the stats

## April, 1990

### PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
<b>Primary Department</b>		
Raw Steel	120,239	88.8%
Billets Cast	55,848	96.5%
Blooms Cast	54,825	101.2%
<b>Wire Division</b>		
Rod/Wire	3,618.9	N/A
Plant 1	9,277.2	102%
Plant 4	7,337.3	110%
<b>24-Inch Mill</b>	30,199	113%
<b>14-Inch Mill</b>	25,971	105%
<b>12-Inch Mill</b>	30,347	102%
		<b>Shipped (tons)</b>
Total Rod/Wire	26,678	+ 3,813
12-Inch Mill	8,335	+ 335
14-Inch Mill	30,660	+ 4,660
24-Inch Mill	28,169	+ 1,969
Semi-Finished	12,242	- 2,758
		<b>Plan vs. Actual</b>

### COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 83% OF TOTAL
85	Service	\$16,734 37.86%	
	Order Error	13,809 31.24%	
	Rust	3,573 8.08%	
	Shortage	2,585 5.85%	
Steel Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 94% OF TOTAL
60	Order Error	\$28,717 59.63%	
	Price/Frt.	12,361 25.67%	
	Section	2,353 4.70%	
	Service	2,030 4.05%	

### ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Mar. 1990
401,319	24,296	6.05%	5.0%

\* 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 13.59% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - Apr. 1989 12.53%
32		

# NSW bids farewell to 10 retiring employees

Ten NSW employee/owners have retired effective May 1. *Owners Manual* commends these individuals on their longtime dedication to the company and extends best wishes for a happy and productive retirement.

#### 40 Years

LuVerne Dowd, Electric Furnace.

#### 36 Years

William S. Pursell, West Plant Pipe Shop.

#### 35 Years

Howard Thicksten, West Plant Electrical.

Gene Smith, Roll Shop.

#### 34 Years

Warner Baxter, Plant 2 Welding.

#### 30 Years

Arnold Scudder, Electric Furnace Cranes.

Robert Nie, Salaried, 24-Inch Shipping.

#### 28 Years

Louis Coulter, Bale Tie.

#### 18 Years

Terry W. Dickerson, Plant 4 Shipping.

#### 15 Years

Evelyn Anning, (Deferred Vested).

# Power line installation now complete, in service

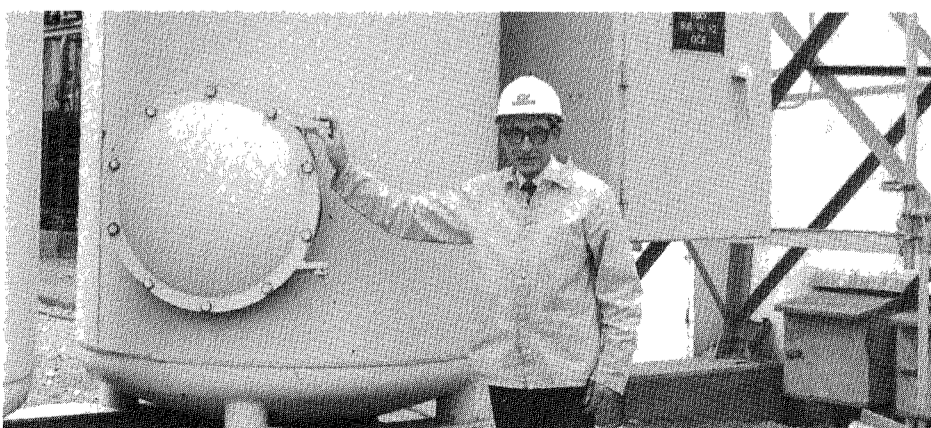
Repeated power outages of the past at Northwestern Steel and Wire Company will no longer be a threat, thanks to the installation of a new Commonwealth Edison line and extension of the power line from the East Plant.

The recently completed installation of the 138,000-volt line should reduce power outages which occasionally curtail production at NSW.

The project isolates NSW's mill power source from the 34,600 volt line used for the company's electric furnaces.

The new power supply system does not include a line which passes over the roof of the caster area.

"We now have a dual supply source of power for the company. We have a more stable electrical system," according to Andy McConnell, Chief Electrical Engineer.



Chief Electrical Engineer Andy McConnell is pictured above as he stands by the sub-station at Northwestern.

## QIP REPORTS

*QIP Nail Team offers plan*

# Parts inventory can help reduce downtime

Lack of spare parts and repair delays on machines in nail cutting operations have prompted several recommendations by QIP Quality Nail Team No.3 on how to improve

***"The only system used today is: if you run out, you rush to the Machine Shop to have more parts made up."***

communication between the Nail Department and Machine Shop.

"Nothing is more frustrating and non-productive as having to shut down a nail machine for the simplest parts needed such as pitman bolts, anvil bolts, or other spare parts," the team said. "We believe that with a good communication link between the operator, Nail Repair Shop and Machine Shop, we can eliminate many hours of downtime and lost production for lack of parts."

No spare parts inventory was pinpointed as a major concern. "The only system used today is: if we run out, you rush to the Machine Shop to have more parts made up, team members said."

Complicating the problem, the team reported, is the hoarding of

parts in lockers, the Machine Shop not knowing what parts are needed, failing to investigate parts availability, lack of information on repair cards filled out by operators, and nail supervisors not knowing what parts are available.

"The best solution to our ongoing problem of poor communications for parts procurement is the restructuring of nail repair cards," team members concluded. They recommend that the old cards be replaced with more detailed cards, one for operators and helpers, and one for nail repairmen and machinists.

Benefits will include the ability to track parts needed for repairs, letting the Machine Shop know what parts need to be worked on first, and enable the Repair Shop to set up and maintain a proper inventory of parts. Nail Room supervisors will have a clearer understanding of how sets are running and where problem areas are, and incoming operators relieving other operators will know what problems exist on the set and what repairs are in progress. Operators will be able to order certain parts directly from the Machine Shop.

It has also been recommended that a repair board be placed in the Machine Shop and two in the repair shops. This will let everyone know the status of parts and when

***"We believe that with a good communication link between the operator, Nail Repair Shop and Machine Shop, we can eliminate many hours of downtime and lost production for lack of parts."***

machines will be back in production.

Additional recommendations include a color-coded drawing of the Glader nail machine and numbered areas of the machine to be placed at the repair shop. It was also suggested that notebooks be made up and placed at each set which will include vital information concerning

the machines.

Although these recommendations are of an intangible nature, the team is confident the company will benefit from less downtime and increased production, not to mention the easing of frustrations and improved communications in nail operations. The recommendations will be evaluated for a six-month period following implementation.

Members of Nail Quality Team No. 3 are: Don Berkeley, Greg Brooks, Beryl Mabrey, Mike Capp, Bill Schwab, Mike Modler, Barbara Maddox and Randy Witmer.

Members of the steering committee are: Mike Mullen, Don LaFavre, Ron Leuschke, Bob Sprungman, Tim Wallace, John Reynolds, Don Nehr Korn, Tom Clementz, Dave Erby, Ron Kalas and Dennis Hammes.

The facilitator is Lanny Munz.

## Storage space shrinks in coiler department

While long-term plans call for the relocation of the Rod and Wire Division's Coiler Department, immediate steps have been taken to handle a growing storage space problem.

Thanks to the efforts of Quality Improvement Team No. 12 in the Coiler Department, much-needed space will be made available in the B-1 Nail Warehouse.

According to team facilitator Ed Rios, "The Nail Department has agreed to provide us with some space it is currently using along the west building wall. We've been promised a 50 percent share by fall."

Tonnage output has steadily increased in the Coiler Department since 1986, he noted. Projected tons shipped for 1990 is 7,704 tons.

"We realize this is the peak period

for nail production in the Nail Department and we'll make do until the fall with what we have," Rios said.

According to the team report, adequate storage space for the Coiler Department would cut down considerably on damage to the finished product and raw material.

The team reports that as much as eight hours each week is spent repacking damaged products.

The group, in its space storage report, also cites the need for a new tractor for the department.

The tractor currently used in the department is frequently damaged because of narrow aiseways, steel railing on the floor in front of the annealer furnaces and the use of several different tractor drivers. This compounds the problem of frequent tractor repairs. The team has met with a Clark tractor sales representative and will soon be making a decision on which type of tractor to lease for the Coiler Department.

"Poor morale exists in the department," the report reads. "The congested work area, inadequate storage space for raw materials and finished product and overall operation are contributing factors to this problem," the team contends.

The team reports in its recommendation to its steering committee that relocation of the Coiler Department is the ideal solution.

The group has asked the steering committee to be included in the decision-making process involved in the department relocation and layout of machines.

Coiler Team No. 12 is comprised of the following members: Richard D. Nelson, Trent D. Druce, Robert J. Carbaugh, Walter Miller, Gerald L. Fowler, Michael L. Ackland, Glenn G. Luther and Pete Shore.

## Annual picnic to be July 21st in Centennial Park

All retirees and current NSW employee/owners, including crane mechanics, welders, mechanical departments, spouses and family members, are invited to attend the annual picnic to be held on Saturday, July 21, at Centennial Park in Rock Falls.

Those attending are asked to bring their own place settings, a meat dish and a dish to share. The picnic will be held from 12 to 4 p.m., with lunch being served at 1 p.m.

For more information, contact any of the following committee members: Art Pulford (625-5757), George Castle (626-6106), Fred Howe (626-2029), Gordon Miller (625-6951), Wendell Ferguson (625-6899), Glenn E. Hendryx (626-5392), Kurt Gillette (626-1357), and Keith Coats (626-0529).



The H.O.P.E. Team has come up with several suggestions for reducing heat loss at Plant 4. Many of the solutions focus on the shipping doors.

## Plant 4 LMPT Team shuts the doors on heat loss

Dramatic heat loss throughout the winter months in Plant 4 should be curtailed in coming seasons, thanks to steps taken by members of the H.O.P.E. Team, (Help Our People Excell), one of the plant's Labor Management Participation Teams.

According to team Facilitator Merle Heckman, three steps to correct the seasonal problem, which is due to the opening of shipping doors, have been authorized.

"An annual savings of \$40,000 in heating bills should be realized by Northwestern Steel and Wire Company once the new equipment is installed by our maintenance people," Heckman said.

Roll-up doors with openers will be installed on the west end shipping docks, along with additional insulation.

On the plant's east side, a door air curtain is planned, as well as new insulation. A gas-fired door heater is also planned for the east end.

The three cost-saving steps are expected to cost no more than \$25,000, based on meetings with equipment manufacturers, Heckman said.

According to Heckman, the new inside shipping doors for the west end will enable trucks to be brought in to a loading dock, which will be airlocked.

"A truck will come in the first set of outside doors, which will be closed behind it. The inside doors then will be opened so that unloading and loading can be accomplished without weather

interference," Heckman said.

A door air curtain, to be installed on the plant's east side, should eliminate a tunnel effect of cold air flow through the plant in winter months.

The door air curtain, a series of fans above the east door, should help block the cold air and keep it from coming in.

The curtain will be used in conjunction with the gas-fired door heaters.

The door heaters will direct a blast of high velocity heated air toward the door opening. As a result of the turbulence created, the hot air mixes with the cold air and the bite of the cold air is eliminated.

The door heaters will work instantly whenever a door is raised far enough to trip a switch. The door heaters will force hot air against the door opening to keep cold air from coming in.

A team report has determined that these changes will pay for themselves in a short period of time.

In addition to cost savings, the group expects department equipment to run more efficiently. Currently, air and water lines freeze up in the winter months and machines malfunction in the cold air, decreasing production levels.

In addition, the group expects employee morale to improve in the affected area and predicts there will be a reduction in sickness suffered by workers during the winter months.

## QIP REPORTS

*Booklet, video now in use*

# 24-Inch shippers to see fewer accidents

In an effort to reduce injuries among employees in the 24-Inch Mill Shipping Department, Quality Improvement Program team members have proposed numerous corrective measures.

The corrections, according to the team's study of the accident

**Several department changes have been proposed by the team. The corrections should reduce accident costs substantially.**

situation, should reduce costs substantially.

According to the study by Production Control, Inventory Control (PCIC) Team No.1, a total of 119 accidents occurred in the department in 1989. Thirty-five of the incidents were recordable by the Occupational Safety and Health Administration (OSHA).

The costs for the last year due to the injuries topped \$177,000.

Several department changes have been proposed by the team. In addition, a safety video and booklet have been made, thanks to the team's efforts. The safety booklet has been distributed to PCIC employees and the department has begun to show the video to various groups. Team members expect all employees will have seen the video in the near future. According to PCIC Facilitator Dennis Stoudt, the Steering Committee should be commended for their quick work on this safety project.

In other areas, the team calls for new lighting to continue as requested in a previous presentation by the same team. The lighting project is nearly complete, Stoudt said.

Among the team's other recommendations is a request for the installation of permanent side blocking on rail cars. The permanent blocking

would improve productivity.

According to the team, lifts would not shift into the sides of cars and it would be faster and safer to hook them up after switching.

The team also requested purchasing a magnet for the Shipping Department to help make housekeeping procedures simpler. The magnet would also enhance employee safety.

If the proposed requests are implemented, accident frequency should decline, thereby improving department morale and productivity.

"These solutions should be implemented as soon as possible," the QIP report states. The team is calling for immediate use of the safety booklet and video and placement of weight limits on all blocking sent to the department. Permanent blocking should be welded into cars as soon as possible and kept in good condition, the team recommends.

"Working procedures in the 24-Inch Shipping Department require people to climb in and out of railroad cars, on high piles, on and off trucks and in other treacherous areas," the report states. The changes, if implemented, will be monitored by the group for a one-

**A total of 119 accidents occurred in the 24-Inch Mill Shipping Department in 1989. The costs for the last year due to the injuries topped \$177,000.**

year period to determine if the accident rate is reduced.

The team members include: Douglas D. Carruthers, Gary K. Cassens, Howland W. Ellis, Ronald R. Harrison, Robert G. Everly, G.R. McKee, Raymond L. Saffell, Robert J. Wise, Howard G. Shaw, Ronald Gonzales and Edward Caudillo.

*PCIC team proposes new facility*

# Time-saving plan could save cash

Construction of a new facilities building in the 24-Inch Mill Shipping Department this year should prove to be a time-saving move for both supervisors and employees, according to a report compiled by a Production Control, Inventory Control (PCIC) group.

The team presentation said the layout of facilities in the 24-Inch Mill Shipping Department has resulted in delays and many hours of time spent going from the west end to the east end of the department.

The wasted travel time, the QIP team estimates, amounts to \$51,870 per year.

At issue is the location of restroom and canteen facilities. In addition, shipping crews and supervision clerks are not centrally located, making it difficult to find products and move them out the door.

The PCIC team determined the best solution to the time-waste

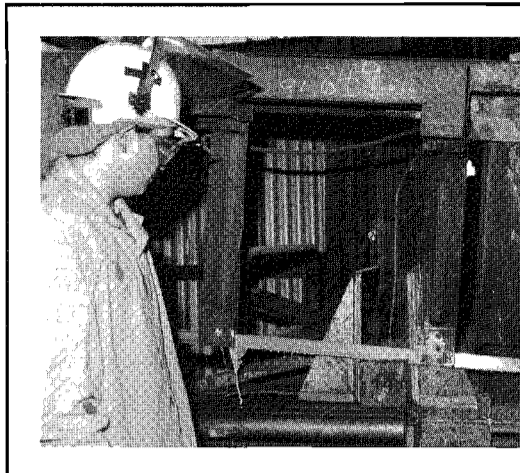
problem would be to construct a solid cement building using in-house labor and material at a cost of \$61,907.

The structure will be a two-story facility which will house men's and women's restrooms, a lunch/meeting room and offices for the superintendent, foreman and clerical staff.

Electrical work, including material and labor, should cost around \$20,000, while construction costs from the Carpenter Shop have been estimated at \$14,600. Heating and cooling units will cost \$5,400 when installed by the air conditioning shop.

Plumbing and excavation have been planned for in-house departments. A water purification system is also planned.

The team report notes that tangible benefits to NSW will be difficult to measure once the new



**Laborer David DeLaFuente** is pictured above operating a new cutting saw in the Casting Department which was recommended by QIP Team No. 3 to increase efficiency and reduce waste.

# QIP Team 3 saw a need for cutting improvement

Changes in the cutting of scrap in the Casting Department will be monitored the next few months for increased efficiency and reduction in waste.

Quality Improvement Team No. 3, which monitored the usage and destruction of saw blades over a one-year period in the caster, recently recommended saw replacement or repair and dock changes, including leveling and turning.

In its report, the QIP members state that long scrap (more than five feet) which had to be recut from the caster, resulted in a \$16,000 charge back to the caster. During the year of review, the team also found that one saw blade per day was being destroyed at a loss of \$7,000 annually.

The loss "is way out of line for a normal sample cutting operation," the QIP report reads. The team also found a lack of employee training on the cutting job.

Team Facilitator Richard Card said the saw has been repaired and dock changes were made. "The financial savings won't be determined until the end of our three-month monitoring period," Card said.

The team contends the changes will bring about numerous benefits to NSW, including: reduction in saw blade usage because of proper adjustments made to the hem saw, reduction in injuries and

improvements in steel quality.

A safety video, as well as the writing of standard operating procedures for the saw, are planned by the team. The team states that the intangible benefits derived from the project will include improved morale due to a more efficient operation, and possible injury reduction.

Team members include: Steve Clark and Ronald Shafer, co-recorders; Sam Sodaro and Fidencio Campos, co-leaders; Roger Spaulding; Walter Wagner; Darrell Bousman; Frank Lopez; Clifford Ortiz; Peter Cervantes; David Herbon; Terry Pierce; Ed Martinez; James Finn; and Gordon Kendell.

# Gauge head may reduce yield loss

A yield loss at the 552 ton shear on the 14-Inch Mill was the target of a Quality Improvement Team No. 2 report released earlier this month.

In order to increase tons produced per hour, improve efficiency in the transferring of steel from the 120-foot bed, and reduce maintenance downtime on the transfer bed and piler, the team has recommended the installation of an overhead adjustable gauge head.

The adjustable gauge head, currently located at the 12-Inch Mill and not in use, could be installed at an estimated cost of \$4,780, the team contends.

The group also recommended moving the east kick off dogs and cradles east of the present location and adding an additional five-foot face plate to the east end of the west kick off dogs. A new face plate on the east kick off dogs is also recommended, as well as the installation of three disappearing side guards, two disappearing side guards on the east side cradles and one on the west cradles, for a cost of \$7,436.

Once the changes are completed, the team plans a six-month period of monitoring.

The changes, the team estimates, could save \$110,700 per year, with angles and channels having the biggest potential for savings.

Team members include: Leonard Amesquita and Daniel Freeman, co-leaders; Thomas Johnson and Duane Lou, co-recorders; Mike Smith, Noel Reed, Mike Farmer, Gordon Millerschone, Ronulfo Leal, Ellsworth Wolf, Dennis Gipson and Phil Schroeder. Team facilitator is Charles Bennett.

## Cleaning House preps rod for drawing room

*(This is one in a series of articles highlighting various Northwestern departments. The purpose of the article is to provide information about each area's function).*

The journey of steel rod from the 12-Inch Mill to Wire Drawing would not be complete without the rod having first made its trip to the Cleaning House for a "bath."

The Cleaning House is responsible for chemically removing the scaly (iron) film found on hot rolled rod coming from the rolling mill. According to Dave Erby, Manager, Drawing Department, the scale builds up as the rod cools. The slower the cooling process, the heavier the scale becomes. Thus, the rod is chemically processed according to the varying degree of its scale. "The scale has to be removed prior to the wire drawing process," he said.

The rod is bathed in tanks containing sulfuric acid. Each of the three tanks is approximately 11-ft. wide by 14-ft. long and large enough to hold 7,000 gallons of acid. Next, coils are bathed in water to rinse the acid off. There

are two rinse tanks, one equipped with a power spray. The third step in the process is a dip in a lime bath, which serves a dual purpose. It neutralizes any acid left on the

surface of the coiled rod and serves as a carrying agent for the wire drawing compound, Erby explained.

Although the Cleaning House

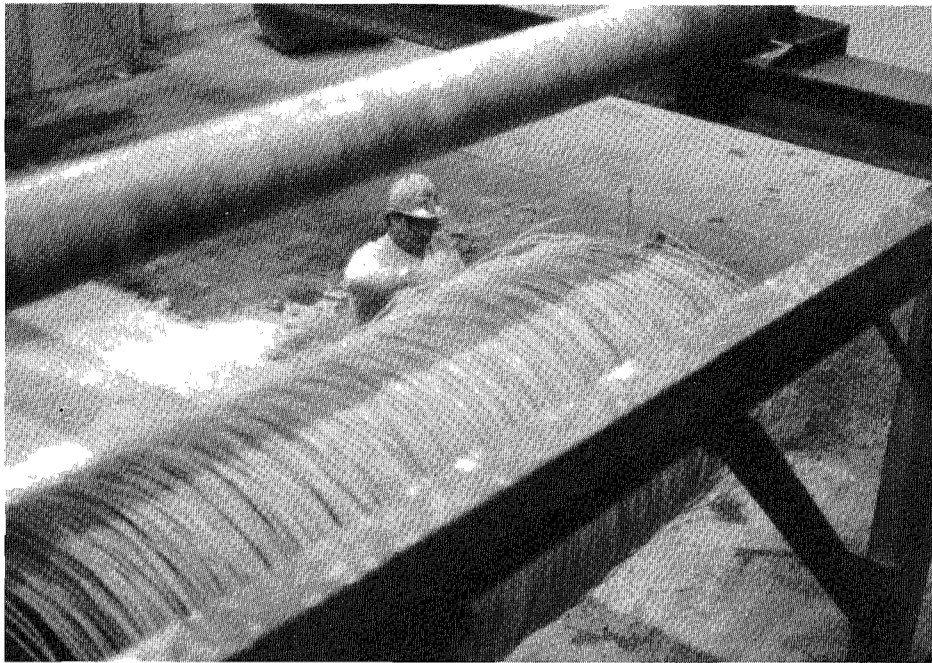
works with an enormous amount of chemicals, there is little waste. The acid is recycled for more than one use.

"We have a continuous acid recovery process," Erby said. "The acid from the first tank overflows to the second tank. This overflows into the third tank, which by now has the heaviest buildup of iron concentration. An 8% iron content reduces the acid's effectiveness, so when it reaches this point, it is pumped into our acid recovery system."

In order for the acid to be cleaned of iron it must be cooled to 40 degrees and the iron allowed to settle. Centrifugal action is used to remove the contaminants. After this, "the acid goes right back in the system," Erby explained.

The department works three shifts per day, six men per shift. A new cleaning record was set by the department last December 5th when 799.3 tons of rod were cleaned within a 24-hour period.

Erby has been with Northwestern for 30 years, the past eight years as Manager of the Drawing Room.



Joe Gerdes is pictured above as he checks the tag on the rod for proper identification before it's sent out of the Cleaning House to be drawn into wire.

## 401k to become a reality for NSW unions

It's never too early to begin making plans for the financial security of one's golden years, and NSW's union membership will soon have the opportunity to participate in one of the most popular and fastest growing retirement investment plans in history.

A 401k savings plan for the company's various collective bargaining units might be in place as early as Aug. 1st. The plan, similar to the one currently offered to salaried personnel, is being formulated due to interest it has generated among workers, 300 of whom signed a petition declaring they would like to see a 401k plan implemented.

The advantage of 401k, a tax deferral plan developed by the Internal Revenue Service, is the

opportunity to defer taxes on a percentage of one's gross pay. Income from the investment is not taxed, and that portion of one's salary now being lost to income tax can "go to work for you."

Richard Williams, a union member of the steering committee which recommends the plan, is enthusiastic about 401k and stresses it is the best overall long-term investment a worker can make. "The combination of a regular investment program and tax deferral makes this plan the best possible overall investment for the average worker," he said. "It is convenient and relatively low-worry, with a net return on investment that compares favorably with riskier, high-worry investments."

Although the IRS allows tax deferral of up to 15% of one's gross

income, workers can choose the percentage that best suits their needs. The target minimum percentage for contribution to this particular plan is only one percent of gross pay. "It's possible to attain a large nest egg from a small, regular long term investment," Williams pointed out.

Alex Rios, also a union member of the 401k committee, noted the plan can serve to enhance benefits already earmarked for one's retirement. "Retirement is a big adjustment and how you prepare for it determines the quality of your retirement years. I read that workers need 75% of their pre-retirement income to give their retirement years some quality. With our NSW pension, ESOP stock and social security available at retirement,

outside investments will have to make up the rest of the 75%. With what's in place now, it makes the 401k all the more feasible. Even if it's a small amount you want to invest, you can't afford to by-pass this opportunity, especially if you're a younger worker."

The committee will now begin the process of selecting the appropriate funds and fund administrators. A mixture of equity funds will be looked into to meet the diverse investment needs of the workforce. These may include broad index stock funds, growth stock funds and traditional income funds like money market certificates and corporate bonds. It was expected to be approved, pending further study, that the Wyatt Company would be retained to handle the 401k plan record-keeping, as it does with the existing salaried plan.

Members of the collective bargaining units, which include Steelworkers Locals No. 63 and No. 3720, U.S. Plant Guard local No. 236 and perhaps Teamster Local 722, will be informed on how, when and where to apply for the plan via a soon to come communication program, Williams said.

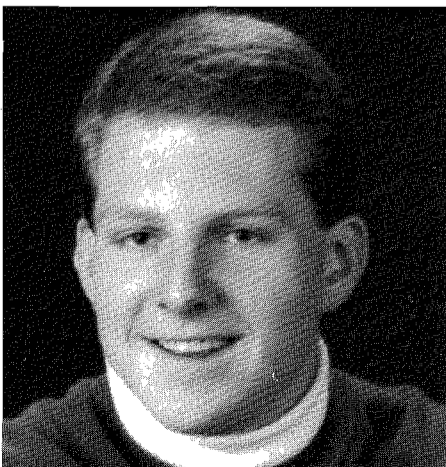
## Kelly Preston to take field for SVC

Fans of Sterling High School's basketball talent Kelly Preston will be happy to know that the young star is planning to keep his college ball playing close to home.

Preston, a son of Northwestern Steel and Wire Company Inside Salesman Mike Preston, will pursue his educational and sports career at Sauk Valley College.

The Sterling High School senior who was named to the *Chicago Sun Times* All State-Team, participated in the super sectional for the state championship.

The *Rockford Register Star's*



Kelly Preston

Player of the Year is part of a family of avid basketball players. "Kelly has been playing basketball since he was six years old and began to participate in organized play in the third grade," his father says.

Noting he'd taught everything he knows about basketball in just two evenings around the hoop with his son, Preston speaks proudly of Kelly.

"Kelly just has good basketball sense. He's intense and all business when he's playing," the elder Preston said. "When a game is over, he's able to look ahead and not back. This is an attitude which helps out a lot," he noted.

Kelly, 6'2", played off guard and small forward during his senior year at Sterling. "He's had a great coach the last two years in Frank Lee. The coach and team held mutual respect for one another," Preston said.

Preston, who has been with NSW 20 years, attributes much of his son's success to the team with which he played.

"The Sterling team was never expected to make it to the playoffs this year. But, because none of the team members was selfish, a winning season was attained. It was a cohesive unit of guys," Preston said.

According to Craig DeWitt, Supervisor of Northwestern's Leased Fleet and a volunteer assistant coach at the high school, "Kelly is the most unselfish player that you'll ever find. He's a great kid all the way around. I've watched him grow, both as a player and a person over the last four years."

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