

## A Look INSIDE



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is averted**

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# The Owners Manual

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

July, 1990

## New warehouse to boost efficiency

A \$2.5 million shipping facility for Northwestern's Rod and Wire Division is targeted for completion in November.

The 73,000 square-foot structure is expected to precipitate a 15% increase in shipped tonnage per year, according to Ron Leuschke, Manager of Maintenance and Engineering.

"Until now, shipping has been conducted out of an outdated, six-story structure. Because of the size and physical layout of the old building, operations were not as smooth and efficient as we'd like them to be," Leuschke said.

The new shipping/warehouse facility will be constructed on the west side of the division's nail packing operation. The old shipping building, which is expected to be demolished at a later time, is located

about one-half block away from the new building.

The single-story building will be a project involving outside contractors and in-house employees. No shipping

delays are expected during the construction period.

"The shipping and warehouse facility has been planned for quite some time. It represents

Northwestern's continuing commitment toward capital improvement projects," Leuschke said.

The warehouse will enable the division to double its shipping docks from four to eight. A narrow aisle racking system is planned so that shipping is done more efficiently.

Excavation was scheduled to begin July 9th. Once construction is completed, full use of the new single level building will begin in January 1991, Leuschke said.

Other capital improvement projects approved by NSW's Board of Directors for 1990 include: a water pollution clarifying system, a new roof for the 24-Inch Mill, a spare transformer for the ladle met furnace and a maintenance building for the new caster area.



Ground was broken on July 10 for the \$2.5 million Nail Department Shipping and Warehouse facility.

### Cutting absenteeism can save \$2.2 million

## Work 'lottery' offers vacation time prizes

The R.I.S.E. Team of NSW's Rock Falls plant, in conjunction with union and Galena committee input, has suggested a plan which could make "rising and shining" for work a little more enticing, all the while saving the company a potential \$2.2 million over two and a half years.

In an effort to combat absenteeism and recognize those who work day in and day out, it has been proposed that NSW establish a lottery called

*In addition to lost production, quality and profits, there are other problems to contend with when workers report off, including increased overtime for other workers...and the possibility of an increase in accidents.*

quality and profits, there are other problems to contend with when workers report off, including increased overtime for other workers, the likelihood of less experienced people filling vacancies, scheduling problems and the possibility of an increase in accidents.

The team proposes that first year prizes (six-month program to run July 1st through Dec. 31st, 1990) be granted as such: one grand prize of four weeks additional vacation; one second prize of two weeks additional vacation; and 20 third prizes of one week additional vacation. Any employee who qualifies but does not win one of the above prizes would go into a pool, where the remaining prize money would be divided equally among the pool as fourth prize. Second and third year prizes would be identified at a later date.

In order to fund the program, the company would have to allocate to the "Work and Win" pool 15% of yearly program savings. In the first year, however, the company would have to further guarantee \$14,000 to provide prizes one through three.

If successful, cost savings to NSW would be substantial. First-year estimated savings (six months) could equate to \$287,500, using the formula of 25,000 manhours at \$11.50 per hour. In year two, estimated savings of \$862,500 could be realized from 75,000 manhours, and \$1,437,500 in estimated savings from 125,000 manhours in year three, for a total estimated savings of \$2,587,500.

The cost to implement "Work and Win," based on 15% estimated savings, would be \$388,125, leaving NSW a projected bottom line cost savings of \$2,199,375 after two and a half years. The maximum risk

money from NSW would be \$14,000 for the first year prizes if the program is not successful.

Members of the R.I.S.E. Team, who spent over a year planning the project, are: John Souser and Duane Cardwell, co-leaders; Maria Trejo and Dave Jacobson, co-recorders; Sam Worrell, Bob Sisson, Dave Fitzpatrick, Kevin Newburgh, Paul

Gilbert and Rudy McCrady.

Members of the steering committee are: Mike Mullen, Mel Berogan, Jim Olson, Larry Fisher, John Souser, Al George, Tom Baker, Merle Heckman (facilitator), Gordon Rolofson, John Tomczak, Todd Beck, Al Turner, Larry Bell, and Rudy McCrady.

## USWA, NSW ratify three-year contract

New members of United Steelworkers of America at Northwestern's Houston operations have ratified a three-year contract.

The collective bargaining agreement, which was passed by Northwestern Steel and Wire Company's Board of Directors in early June, was ratified by a majority of USWA members at Houston on June 19th.

According to Merlyn Bruns, Vice President of Human Resources, the contract will be in effect through July 31, 1993.

The pact contains provisions for insurance coverage, wage levels, job classifications and pensions.

Currently, there are 40 hourly employees at the Houston facility. A majority of those workers voted to affiliate themselves with USWA, Bruns explained.

"We're gearing up for hiring additional personnel for second and third shifts at the Houston facility," Bruns said, noting a total of

approximately 100 should be on board by early 1991.

The union membership was represented by a three-member negotiating committee during contract talks with the company. Fred Mabrey, a district staff representative of the USWA, was also on hand.

"We're pleased to have the agreement in place," Bruns said, adding, "We anticipate much success at Houston."

Mike Barber is serving as Houston's vice president and general manager. Hiring at the management level is nearly complete.

Refurbishing of the facility, which had been closed since 1982, is nearing completion. The week of June 18th saw the first finished beam rolled through the mill in over 8 years. On and off rolling will continue as refurbishment is completed.

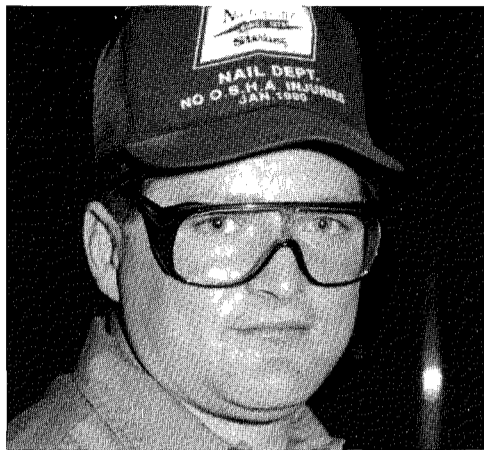
"Work and Win." Workers would participate by not reporting off during a one-year period, thus giving them the opportunity to win prizes at the end of the year.

All employees of Locals No. 63, No. 3720, No. 722 and all salaried payroll employees (except corporate staff) would be eligible. The program went into effect on July 1, 1990.

The goal is to reduce the absentee rate from 6.25% to 3.75% over the next two and a half years. In a presentation May 7th, the team said, "Absenteeism, is costly. In calendar year 1989, our absentee rate was at 6.25%. Our total manhours worked was 4,900,693. Thus at 6.25% absenteeism, we lost 306,293 manhours at a cost of \$3,522,369, based on the AISI reported cost of \$11.50 per hour straight time earnings."

In addition to lost production,

# Viewpoint



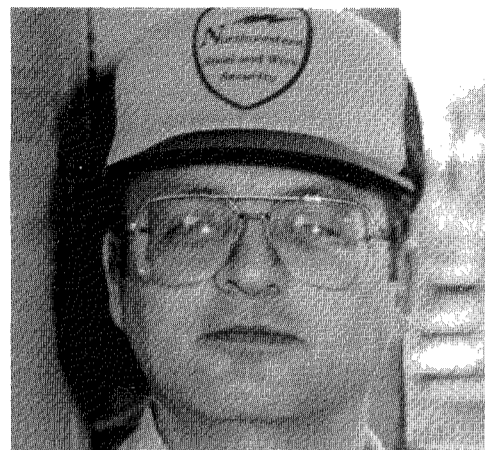
*"I'd say we have room for improvement. We should cut through the rhetoric and get down to one-on-one communications. We still have growing pains. We're too busy feuding among ourselves, tugging against each other. I feel if we saw some form of profit sharing or incentive, it might change attitudes."*

**Rick Slater**

Feeder  
1 lb. and 5 lb. Packaging

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.

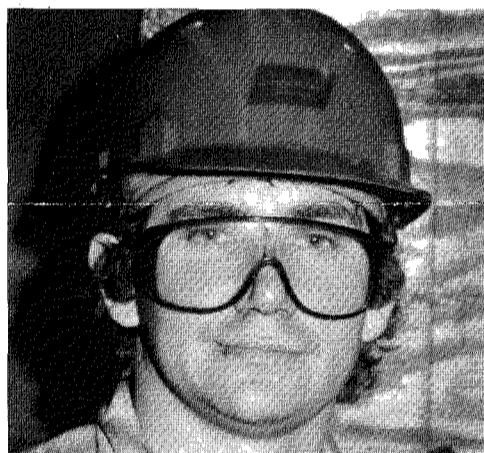
## "How do you feel Northwestern is doing?"



*"Outside appearances are that Northwestern is stronger than ever. Within the company, employees feel there is a lot of room for improvement."*

**Douglas Albert**

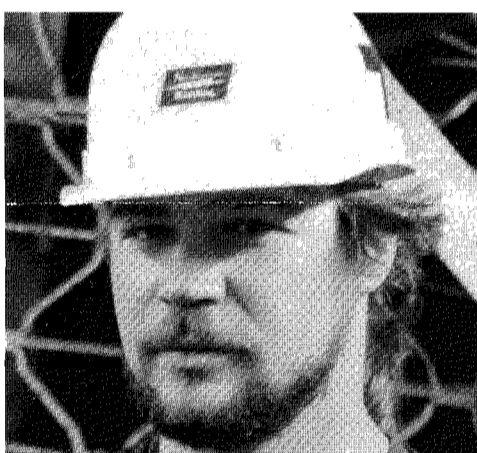
Guard  
Ave. G. Entrance



*"I feel that Northwestern is showing a lot of growth in sales and putting out more quality steel. In each department they strive to be more efficient."*

**Robert Glaman**

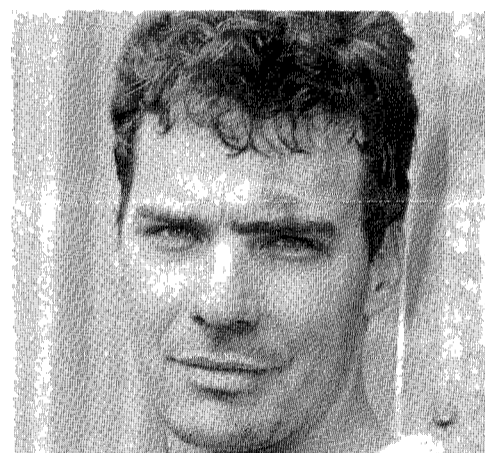
Laborer  
14-Inch Mill



*"Based on what I've seen so far we are doing OK. People say it is a little slow for this time of year, but not too bad."*

**John Harlow**

Laborer  
East Plant Shipping



*"Very well. The company is showing a profit which benefits both employee and community."*

**Jim Judson**

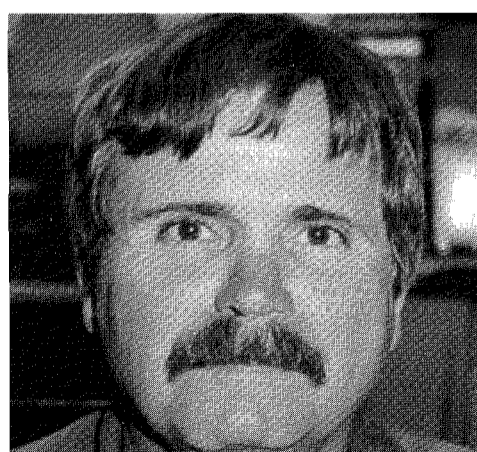
Laborer  
14-Inch Mill



*"Sales must be high because we have so many orders and there is plenty of work to be done. Business must be good and NSW is doing well."*

**Tina McCallister**

Data Processing



*"From everything that I've heard, everything is going well. Sales are up and we are not going into our usual July slump."*

**Ken Hait**

Electronic Technician



*"OK I guess. It seems like everything is going alright to me."*

**Larry Allen**

Machinist  
West Plant Machine Shop

## Northwestern prepared for Tokyo showing

# Trade mission exceeds company's expectations

NSW's trade mission to Japan met, and even exceeded, the expectations of two company officials, who describe the trip as successful in more ways than one.

Dave Oberbillig, Vice President, Wire Product Sales, and Mike Mullen, Vice President of

**"We came better prepared than any other first-time visitor... This included letters, business cards, literature and call-back cards, all printed in Japanese."**

Operations, Wire Products Division, traveled to Tokyo in June as representatives to the Japanese National Housewares trade show, a venture made possible by the state-awarded export training grant.

There, Oberbillig and Mullen set up a display of NSW's colorful, durable, plastic-coated lawn and garden fencing, and were pleased at the interest it generated.

"Our booth was busier than I've seen at any domestic show," Oberbillig remarked. "We were very encouraged by the response." Mullen voiced similar sentiments. "I thought our product was very well received. We talked to numerous people at the show who said they would like to represent us."

There were no actual orders gained, but then none were realistically expected. The two were, in fact, testing the waters of international trade and learning the

policies, procedures and proprieties that go with it.

But if product exposure was what they were after - it was product exposure they got. Oberbillig was one of only a handful of North American vendors selected to be interviewed for a 30-second Tokyo television spot. And NSW's product was selected to be featured in an article and photo in one of Japan's popular magazines, similar to our "Homes and Gardens."

The three-day show was held at the International Exhibition Hall, located in Chiba City, a suburb of Tokyo. The recently-built structure was impressive, both said, agreeing that it rivals McCormick Place in Chicago. One section of the hall was devoted to Japanese importers, while NSW was situated in the North American Hardware Manufacturers' area, among hundreds of other vendors. A number of other Illinois companies were represented there, Mullen noted, including Wahl Clipper, which specializes in beauty aids,



Dave Oberbillig, Vice President of Wire Product Sales for NSW, is pictured above in Northwestern's trade show booth as he is filmed for 30-second Tokyo television spot.

and Plano Plastics.

Oberbillig is convinced one key factor - preparedness - helped NSW gain the attention it did. "The woman in charge of interpreters told us we came better prepared than any other first-time visitor," he remarked. This preparation included letters, business cards, literature and call-back cards, all printed in Japanese.

Oberbillig praised their particular interpreter, a young woman whom he said was accomplished in sales and whose linguistic ability was definitely an asset to NSW's booth.

So where does NSW go from here? "We have to find a good agent to represent us - and we have some leads on this," Oberbillig said. This agent, whether he be considered an importer or trader, would serve as the liaison between NSW and the Japanese merchandising sector.

Perhaps above all else, attempting to sell a product in this foreign market will call for adaptation on NSW's part to the

leisurely Japanese sales approach. "We must have patience. You don't rush into sales in Japan," Oberbillig pointed out. "Japanese people take their time and make their decisions slowly. And, no one person does the decision-making there. It's all done by committee."

**The product does not stand for itself. The integrity of the company, as well as its representatives, play a major role in successfully gaining a sales contract.**

Part of this approach involves the Japanese's curiosity and scrutiny of company and personnel backgrounds. In other words, the product does not stand for itself. The integrity of the company, as well as its representatives, play a major role in successfully gaining a sales contract. This was demonstrated by the fact, Oberbillig said, that he and Mullen were advised to take family photos with them and have a complete knowledge of the company's history and current status.

One thing Mullen is sure of, NSW's plastic coated fencing would not look out of place on the Japanese landscape. "Every Japanese home has a little garden, and white appears to be their favorite color. The plastic-coated Color-Guard is ideally suited to their lifestyle," he said.

## Participation makes role more important

# You can make a difference at meetings

For many busy wage-earners, there's nothing more frustrating than sitting in an endless, seemingly unproductive meeting when there's important work to be done.

But it doesn't have to be that way. You, as a meeting participant, have an important role to play - a role that can help bring about the desired meeting objective more constructively and quickly, and enhance how your superiors view you as a viable meeting participant.

You may not be running the show, but that doesn't mean you can't stand out. The following are a few tips to help make you a better meeting participant.

**Do your homework** - before the fact. When you are asked to attend a meeting, or an agenda hits your desk, make notes about relevant points to discuss. The more information you have compiled before entering the meeting room,

the better.

### Know and accept your role.

There's no need to threaten the chairperson's authority by attempting to gain control of the meeting. Hold your thoughts until the time is right.

**One great idea is better than a handful of so-sos.** Limit idea-making to one or two issues that you can back up with statistics, experience or new research.

**Point out cause-and-effect relationships.** Link your ideas to a promise of action and the prospect of immediate benefits. Use charts, diagrams and past examples when applicable.

**Pay attention.** Listening attentively can win points, not to mention the same consideration when you've got the floor. If you're whispering to your neighbor, you'll never know what important information is flying by.

**Go the extra mile.** By taking on the responsibility of testing or researching your own proposal, the more likely it will be that your idea will be a success.

**Follow through on assignments.** If you've been asked to investigate an idea or develop a proposal, do so. Send a memo summarizing your findings within several days. Even if you haven't been able to finish the job, the memo will let your superior

know you're working on it.

If being asked to participate in a meeting is new for you, or if you are new to the company, there are some things you can do to avoid feeling out of place. It's important to follow someone else's lead. Stand back and let people assume their regular seats before you take one. Observe a meeting's dynamics before jumping into action - you'll want to make the right comment at the "right" time. And one good way to acquire a sense of environment is by offering your assistance at some task. No one can resist a volunteer.

## New CEO search ongoing process at Northwestern

The Northwestern Steel and Wire Company CEO search committee is continuing interviews with job applicants.

At a recent meeting of the NSW Board of Directors, it was announced that the executive search firm of Higdon, Joys and Mingle made 14 initial contacts to fill the CEO position vacated by Robert Wilthew.

"The selection process is ongoing," according to Vice President of Human Resources Merlyn Bruns. "The field of candidates is still wide open," he noted.

Until a decision is made, the current interim management structure will remain in place.

## New pollution system being installed at NSW

Some \$900,000 is being invested by Northwestern Steel and Wire Company in order to meet new federal environmental pollution regulations and upgrade plant water quality.

Environmental Affairs Manager Dale VanDeVelde said a capital improvement project recently approved by the NSW Board of Directors should be completed within six to eight months.

The project, which involves the installation of eight multi-media (sand and anthracite coal) filters, the construction of a new pump basin and the addition of a fifth water clarifier, will bring the company in compliance with U.S. Environmental Protection Agency regulations.

"Our investment represents our response to new federal regulations.

In addition to being good corporate citizens, NSW will realize improvements to its in-plant water quality. This process should better our internal process systems and will result in less maintenance, VanDeVelde said.

Currently, NSW has four water clarifiers. The fifth, to be located on the northeast side of the plant, will be 60 feet in diameter.

"Work has begun on the project. Already, 1,300 feet of pipe from the facility to the river has been installed while the sand filter building has been erected," VanDeVelde said. A large part of the work on the pump basin has also been completed, he said. No production interruptions are expected due to the installation.

Proposition passes on second try

# Vote changes "C" Board selection process

A proposition making the appointment of a "C" Board of Directors optional was approved by ESOP participants in June.

Results of the vote show that a total of 3,264,395 "B" shares were cast, with 3,113,028, or 95.5% of the votes in favor of the proposition.

"B" shares include those of outside investors and those issued to senior management.

A total of 4,394,260 "A" shares were cast, with 3,491,306, or 79.5% approving the measure. "A" shareholders are ESOP participants and retirees with "A" shares.

A vote of at least two-thirds (66.7%) of each class, voting

separately, was required for adoption of the proposal.

The same proposal was put before shareholders last November,

**Shareholder approval of the "C" Director proposition does not rule out the possibility of ever having a "C" Board. It merely changes the ESOP bylaws regarding selection of this board.**

but failed to gain the required number of affirmative votes. Complicated wording of the

proposal's legal description was partly to blame, Senior Vice President and CFO Edward G. Maris believes.

He attributes passage this second time around to the fact it was a single issue put before the ESOP participants and it was explained in such a manner as to be easily understood.

Shareholder approval of the "C" Director proposition does not rule out the possibility of ever having a "C" Board. It merely changes the ESOP bylaws regarding selection of this board.

"The bylaws state that the selection of "C" Directors should be

done in a timely fashion, and already it's been over two years," Maris pointed out. No Common Directors have been named since the company turned ESOP. "So far, it's been working out well with just the "A" and "B" Boards."

The bylaws had originally stated the Board of Directors would consist of 13 members: five Class "A", five Class "B", and three Class "C" or Common Directors. The "C" Directors would be outsiders, with one selected by the "A" Board, another selected by the "B" Board, and the third selected jointly by both boards.

## Employee/owners continuing winning 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.

Field Fence Shift Record	Old Record
39-6-B	
June 2, 1990	Feb., 16 1990
71 rolls	70 rolls
7 to 3 shift	7 to 3 shift
John Lewis	James Garcia

Drawing Shift Record	Old Record
16 gauge	
June 4, 1990	Dec. 8, 1989
23,760 pounds	19,960 pounds

### 2 retire hardhats following 58 years

Two NSW employee/owners have retired effective July 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**  
Leslie Arvola, Plant 3 Mechanical.
- 18 Years**  
Edward Brackemyer, 24-Inch Mill.

7 to 3 shift	Unknown
Mike Gragert	Duane Link
<b>Field Fence Shift Record</b>	<b>Old Record</b>
47-6-B	
June 6, 1990	May 7, 1990
66 rolls	65 rolls
7 to 3 shift	7 to 3 shift
Jim Stickel	Jim Stickel

<b>Field Fence Shift Record</b>	<b>Old Record</b>
47-6-C	
June 6, 1990	Unknown
72 rolls	69 rolls (est)
7 to 3 shift	7 to 3 shift
Ray Wolf	Unknown
<b>Field Fence Shift Record</b>	<b>Old Record</b>
47-6-C	
June 12, 1990	Oct. 18, 1989

73 rolls	70 rolls
7 to 3 shift	7 to 3 shift
Curt Dusing	Barry Collinson
<b>Drawing Shift Record</b>	<b>Old Record</b>
20 gauge wire	
June 24, 1990	March 15, 1990
9,450 pounds	8,860 pounds
3 to 11 shift	Unknown
Manuel Atilano	R. Pope

## 35 workers celebrate anniversaries

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

**35 Years**  
De Loran L. Williams, Plant 5 Pipefitters.

**25 Years**  
Gary Richard Spencer, Plant 3 Mechanical.  
Jerry D. Little, Plant 2 Pipefitters.  
Joel L. Gerdes, Descaler.  
Ventura Duran, Jr., 14-Inch Mill.  
Norman H. Poffenberger, Trucks.  
Melvin E. Strock, Accounting.  
Thomas A. Handel, Jr., Data Processing.  
James W. Hull, Electric Furnace.  
Larry D. See, Manager, Data

Processing.  
Curtis E. Burgess, Billet Caster.  
Vernon K. Fowler, Drawing Room Straight and Cut.  
Ivan E. Glenn, 14-Inch Mill.  
James C. Matthews, Conditioning.  
Ralph C. Charleston, Welders Plant 2.  
Russell D. Coers, Jr., 46-Inch Mill Plant 1.  
Eldor L. Edmonds, Engineers.  
**20 Years**  
Leland J. Buntjer, Supervisor of Electrical Maintenance, East Plant.  
Carlos S. Campos, Bundling.  
Ricky D. Ricketts, Billit Caster.  
Robert W. Martin, Vice President, Purchasing.  
Irene A. McDuffy, Medical.  
Anthony A. Amesquita, Rock Falls Shipping.  
Darrell R. Anderson, Wire Mill

Millwrights.  
Dennis L. McCallister, Nail Department.  
Russell R. Egan, Rock Falls Electrical.  
Ronald R. Moffitt, Plant 5 Mechanical.  
Beverly F. Kitsmiller, Wire Mill Drawing.  
Jerry D. Holder, 14-Inch Mill.  
Richard A. Phillips, Wilson Annealer.  
Theodore R. Hardt, Conditioning.  
James A. Bellini, General Supervisor, Plant 1 Shipping.  
Larry M. Potts, Billet Caster.  
Ronnie R. Quimby, Billet Caster.  
**5 Years**  
Darrell E. Culver, Nail Department.

## Vacationing Glenn Hendryx keeps NSW in sight

Employee/owner Glenn Hendryx may have been vacationing far from home recently, but he never really lost sight of NSW.

Hendryx, a Plant No. 2 welder, was on a camping trip out west with his wife when he was surprised, and pleased, to see NSW wire products at work.

It was during a stop at Cutty's Resort in Des Moines, Iowa, that Hendryx made one of two interesting discoveries. "I noticed the manager of the campground was pouring concrete pads for trailers, and I wondered whose metal mats he was using," he related. "So I walked over and found it was our reinforcing rolls. I even brought the NSW tag back with me."

Hendryx, a member of the Good Sam Camping Association, also made a stop in Kearney, Nebraska, where he saw NSW nails being used in a

construction project. "There was an enormous, million-dollar building being put over a cement arena there. I got to inquiring about it, and in examining the building, I saw a box of our nails sitting in the corner. They were using them to put up insulation boards," Hendryx recalled.

And this isn't the first time Hendryx has been away from home and seen NSW products used. A few years ago, he and his wife were in Indiana when he helped a fellow camper out with his trailer. Inside, he saw a box of NSW electric fence wire. The camper was from Montana, where a lot of this type of fence is used, Hendryx said.

A veteran of 28 years at NSW, Hendryx enjoys camping and collecting "elephants." His pachyderms are in all different sizes, the smallest being 12 hand-carved ivory elephants in a shell the size of a peanut, to one the height of a

table. "I've got about a thousand, but it's hard to say," Hendryx said. "I do

know it's an eight-hour job just to dust them."



**Glenn Hendryx**, an NSW employee/owner, spotted some Northwestern products at work while he was vacationing. In the photo above, the manager of Cutty's Resort in Des Moines is holding an NSW tag which was on reinforcing mats he was using while pouring concrete trailer pads.



The Galvanizing Department's softball team recently won a two-day tournament at Rock Falls Centennial Park.

## 9 winners nail down prizes for golf outing

The first annual golf outing for Nail Room employee/owners was held recently at Lakeview Country Club.

The event, organized by Nail Room Group Leader Harry Hermes and several other Nail Room employees, provided 29 entrants with a beautiful day of golf.

Prizes were awarded for the following:

**Low Score Partners**  
Harry Hermes and Randy Scott

**Longest Drive No. 6**

Joe Olalde

**Longest Putt No. 9**

Roger Lubbs

**Longest Putt No. 18**

John Manzano

**Closest To Pin No. 7**

Roger Lubbs

**Closest To Pin No. 15**

Harry Hermes

**Highest Score Partners**

Tim Canady and Dale Haberer

## Checking the stats

May, 1990

## Diamondmen galvanize spot in softball tourney

As the mercury topped 90 degrees, members of the Northwestern Steel and Wire Company's Galvanizing Department softball team just got hotter at the bat, winning a two-day tournament at Rock Falls Centennial Park.

The team, captained by Jim Shover, lost its first game of the double elimination tournament, held June 10 & 11, only to come out winning each successive match. The championship would only be determined after the team won six seven-inning games in a row, on Sunday, June 10th.

Some 250 Northwestern employee/owners participated in the softball tournament, coordinated by Galvanizing Department supervisor Larry Rosenberg and Galvanizer employee Chris Edmondson.

"We had more than 500 fans attending the tournament," Rosenberg said. "We plan to do this again next year."

In order to win the tournament, the Galvanizing Department team

defeated the 14-Inch Mill team, captained by Myron Kramer, twice, with scores of 7 to 2 and 11 to 7.

For their efforts, members of the winning team received a trophy. The team also received \$300.

The 14-Inch Mill team received \$150 and a second place trophy. Third place went to the Nail Department Team No. 2. The Nail Department group also received a trophy and \$100 in cash. East Plant Shipping's team won \$90 for its fourth place finish.

Cash awards were provided thanks to \$65 team entry fees. Each team also had to provide two softballs, Rosenberg said. United Steelworkers of America Union Local 63 donated the trophies and covered the costs of using the ball fields.

"Although my team, the East Plant Supervisors, didn't win, I'm glad my department members won. They all played great. It was a real team effort," Rosenberg said.

"I want to thank everyone who participated, especially our volunteer umpires," Rosenberg said. The umpires were Robert Lafferty, who umpired every game, and Dennis Fritz.

The following teams participated in the tournament: Nail Room No. 1, Nail Room No. 2, Plant 4 Electro-Weld No. 1, Plant 4 Electro-Weld No. 2, Plant 4 P.A. Specials, East Plant Supervisors, Coilers, Mobile Equipment, East Plant Shipping, 14-Inch Mill, 12-Inch Mill, Track Crew, Office and Galvanizer.

Concessions were sold by members of the Twin City Education Scholarship Club. The group raised \$600 during the tournament for use in granting college scholarships, Rosenberg said.



Defeating the 14-Inch Mill team was a part of the game plan for members of the Galvanizing Department who recently won a two-day softball tournament.

## Salaried outing scheduled Aug. 11 at Lakeview CC

Northwestern Steel and Wire Company's 11th annual Salaried Golf Outing will be held on Saturday, August 11 at the Lakeview Country Club in Sterling. Tee time is scheduled for noon.

Cost of the event is \$10 for green fees and \$7 for entry fees. An optional buffet dinner will be served for \$7.50. Spouses are invited to attend the dinner, which will be held immediately following the awards presentation, at about 6 p.m.

For cart rental reservations, call the country club at 626-2886. Volunteers are still needed to help out with the event.

For more information or to sign up for the outing, contact one of the following people by Friday, August 3: Harold Parks (retirees) at 625-3014; Don LaFavre (East Plant) at ext. 579; Denise Frey (Wire Office) at ext. 424; Al Lopez (Sales) at ext. 660; Linda LaFavre (Communications) at ext. 264; Dan Willman (West Plant) at ext. 486 or beep 138; or Beth Lancaster (Pentagon) at ext. 475.

The 1990 golf coordinators are Al Lopez, Mike Mullen and Denise Frey.

### PRODUCTION

Department/Mill	Produced (tons)	Performance to Plan
<b>Primary Department</b>		
Raw Steel	158,093	85.7%
Billets Cast	57,068	94.4%
Blooms Cast	64,851	106.7%
<b>Wire Division</b>		
Rod/Wire	3,416.7	N/A
Plant 1	9,484.8	97%
Plant 4	6,921.5	96%
<b>24-Inch Mill</b>	37,271	122%
<b>14-Inch Mill</b>	34,433	109%
<b>12-Inch Mill</b>	33,368	95%
	<b>Shipped (tons)</b>	<b>Plan vs. Actual</b>
Total Rod/Wire	24,796	- 470
12-Inch Mill	8,828	- 1,172
14-Inch Mill	33,232	+ 2,732
24-Inch Mill	35,460	+ 5,675
Semi-Finished	23,234	+ 8,234

### COMPLAINTS

Wire Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 74% OF TOTAL
143	Cust. Error	\$14,464 23.58%	
	Service	13,414 21.87%	
	Vendor Defect	11,097 18.09%	
	Shortage	6,471 10.55%	
Steel Division Products			
Number Recorded	Reason	By Costs \$ %	TOP FOUR COMPLAINTS = 81% OF TOTAL.
55	Price	\$8,802 28.34%	
	Slivers	7,080 22.79%	
	Order Entry	5,423 17.46%	
	Hard Spots	3,803 12.24%	

### ABSENTEES

Normal Work Hours	Total Absence* Hours	% Absence to Normal	% Apr. 1990
425,504	23,880	5.61%	6.05%

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

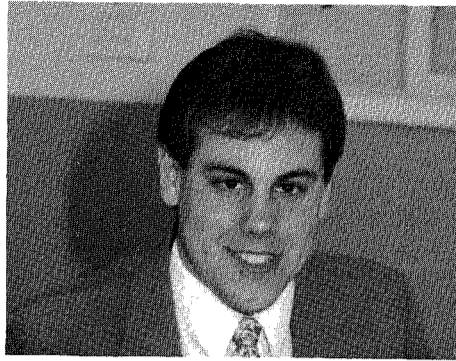
### OSHA RECORDABLE INJURIES

OSHA recordables are injuries resulting in time loss, sutures or physical therapy needed, industrial illness, etc.	Rate 12.08% Rate is % per 200,000 man hours (100 employees working 1 year)	Rate - May 1989 13.91%
30		

## PEOPLE



Bill Brown



Brian Morel

## Brown, Morel join staff of steel division sales

Bill Brown and Brian Morel have been added to the Steel Division sales staff at Northwestern Steel and Wire Company.

Brown, hired effective May 1, will serve as NSW's territorial sales representative in the mid-Atlantic states and New England. Morel has been assigned inside sales duties and will be responsible for processing orders for customers in the midwest.

Former sales manager for Chaparral Steel and operations manager for Federal Pipe and Steel Company. Brown is a graduate of Walsh College. He received a bachelors degree in Business Administration and is a degreed candidate for a master's degree.

"I came to Northwestern Steel and Wire Company after having known it as a competitor and a supplier. I believe in what is being done here.

We have quite a story to tell," Brown said.

Brown, who is originally from Philadelphia, says he wants "to help establish Northwestern as a significant supplier of bar and structural steel into the 21st century."

His wife, Gail, is a degreed candidate at Wayne State University in Michigan.

Morel, who has a bachelors degree in Public Relations from Illinois State University, came to NSW as an inside salesman from Avco Financial Services in Sterling.

A Sterling native, he is married and has one child.

His area of service includes part of Missouri, Illinois, Indiana, Ohio, Pennsylvania, Kentucky, Tennessee and Arkansas.

## HR staff reorganization splits responsibilities

A reorganization of job responsibilities in the Human Resources Division has resulted in the appointment of Kenneth J. Fritz as Manager of Salaried Compensation and Performance Appraisal.

Donald P. Simpson will now serve as Manager of Employment. The two jobs were previously held by Fritz.

A member of the Northwestern Steel and Wire Company family for the last 35 years, Fritz said he is taking on the new post to perform more research work. "The division of jobs will allow me to devote more time to an area that is very critical to the company. Research work is necessary to make sure our company remains competitive," Fritz said.

He began his career with Northwestern in the Drawing Room Scale House, later moving to Industrial Engineering. He then

served as personnel director of the Rock Falls plant. In 1973 he became employment manager for both plants.

Simpson has been with NSW 22 years, 17 of which were in the Purchasing Department and the remainder were in labor relations and personnel.

As Manager of Employment, Simpson said he will be responsible for the supervision of the company's employment and recruiting. "We'll continue to recruit at colleges and high schools and work with the local employment offices," Simpson said.

Responsible for all levels of employment, he will handle the promotion and transfer of employees within the plants. "Job openings will continue to be posted and filled through the bidding/seniority method," he added.



Jack Fritz



Don Simpson

## Customer awards NSW 98% quality rating level

An excellent rating in the area of product quality has been awarded Northwestern Steel and Wire Company by a major customer, Earle M. Jorgensen.

NSW, which supplies Jorgensen's largest steel service center in Schaumburg, has been advised by the corporation's quality assurance department that a 98 percent product quality rating level has been maintained.

"Hats off to our Production Department at NSW," Ed Kolinski, NSW's sales representative to Jorgensen, said.

Kolinski, who was informed of the quality rating during a recent meeting with Jorgensen corporate officials, said that Northwestern leads all producers of carbon steel, stainless steel and aluminum.

"Jorgensen reported that in 272 shipments, Northwestern had only two minor rejection claims," Kolinski

said.

Northwestern, which has been doing business with Jorgensen for the last 20 years, supplies the steel service center with hot rolled bars and structural shapes.

"Earle M. Jorgensen founded his company in the 1920s and still is part of day-to-day management," Kolinski said. "Mr. Jorgensen was part of Ronald Reagan's 'kitchen cabinet' while the former president was serving as governor of the state of California," Kolinski noted.

The corporation, which is headquartered in Los Angeles, distributes metals throughout the U.S. from 25 steel service centers.

"Earle M. Jorgensen is a class operation. I'm very pleased with our standing with the company, but the job of maintaining quality never really ends. We must continue to do better than our competition," Kolinski said.

## Burnett takes VP post, Morgan fills vacancy

Two promotions have been announced by Tom L. Galanis, Senior Vice President of Operations.

Effective May 15th, Ken Burnett assumed the position of Vice President of Operations, Steel Division. He had previously served as Manager of Services and Engineering.

His direct report departments include those of Primary, 12-Inch Mill, 14-Inch Mill, 24-Inch Mill, Services and Engineering and the Roll Shop.

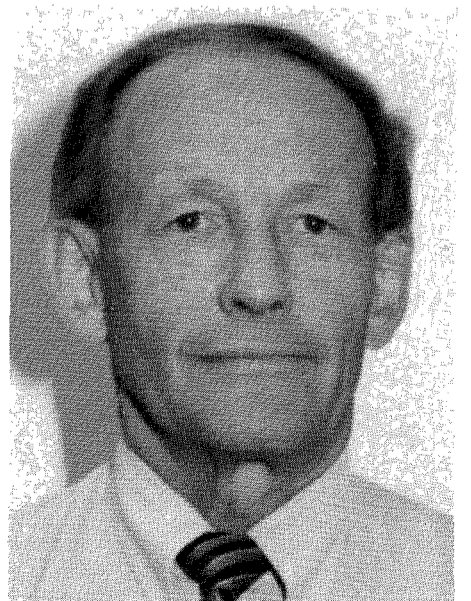
Don Morgan, who previously held

the position of Chief Engineer, was promoted to Manager of Services and Engineering, filling Burnett's vacated position. He is responsible for overseeing all services throughout the mill, including engineering. He has been employed at NSW for 29 years.

"Both of these individuals have many years of service and cooperative attitudes and will serve Northwestern well in their new duties," Galanis said. "Please give them your support to make the transition a smooth one."



Ken Burnett



Don Morgan

## In your corner

Dear Employee/Owners,

On shipments of 125,097 net tons, Northwestern's net sales amounted to \$45.9 million, with an operating profit of \$6.4 million (before interest and taxes) and a net after-tax profit of \$3.1 million. May's fine performance renders year-to-date results as follows:

Fiscal 10-month shipments of 1,024,333 net tons generated \$376

million of net sales and an operating profit of \$24.6 million, with an after-tax net income of \$6.8 million.

As you can see, May results account for a significant portion of the year-to-date profitability. Great performance -- congratulations!

E.G. Maris  
Senior Vice President  
Chief Financial Officer

## Waste cuts into bottom line

# Recyclable treasures tossed out with the trash

Paying to dispose of a saleable product eats up company profits and adds to the problems facing our fragile environment, reports QIP Wire Finishing Team No. 6, whose members believe NSW trash can be turned into recyclable treasures.

"There's one thing we as Americans still produce better than anybody. Think about it! Every day, we see what we do as a company when it comes to garbage and waste," the team reported during a recent presentation. "All of us must re-adjust our way of thinking. We are going to have to realize that our waste cannot simply be discarded in a dumpster making it someone else's problem."

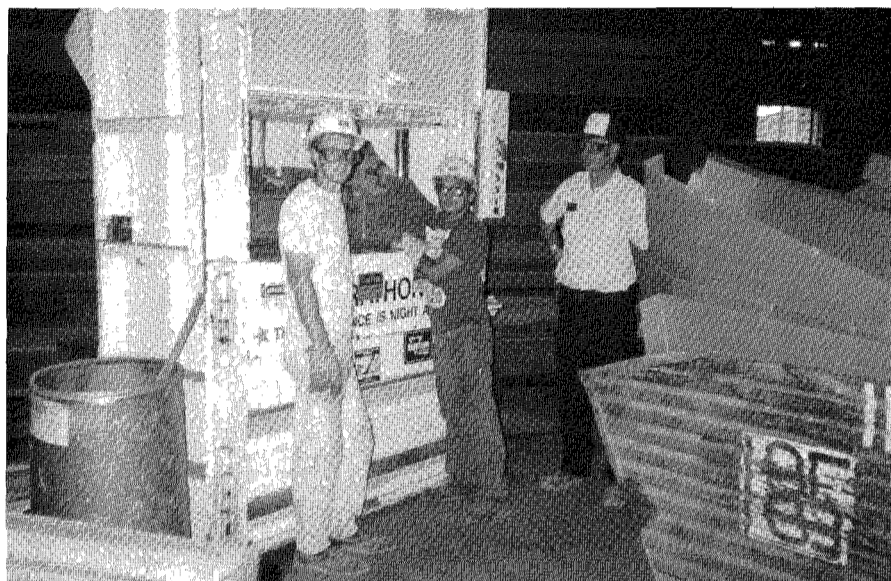
The team has targeted cardboard, scrap wire and steel, wood and wood pallets, even plastic wraps as material that can be sorted and recycled.

Corrugated cardboard, the team said, constitutes a major disposal problem that can be rectified by recycling. The way this and other material is put into dumpsters results in more airspace than anything else. While dumpsters have a trash capacity of 30 yards, it is estimated only six yards of solid NSW refuse are actually put into them. The cost of moving one dumpster from the East Plant to the landfill costs NSW \$210 each, and an average of 18 containers were filled monthly during 1989.

Following a successful pilot project on baling cardboard, the team saw the average number of dumpsters used per month drop to 13, at a

monthly cost savings of \$1,050. The bales are, in turn, being sold for \$30 a ton. And, the team noted, "We are only scratching the surface on the cardboard that could be baled rather than tossed in the dumpster."

The reality of recycling comes into sharper focus when considering environmental landfill concerns. "On our own level, the county landfill is scheduled to be closed in the coming months. At current disposal volumes, the state-wide capacity could be depleted during 1994 without a reduction in waste. We are getting closer to the day when landfills may not accept our trash without sorting," the team cautioned.



**Tim Pulford**, Ray Urrutia and Bob Johnson, Supervisor of the new Waste and Reclaimables Department, are pictured above with the new cardboard baler, which helps recycle the material and allows for more available space in the company dumpsters.

Team members believe the best solution is to continue with the cardboard baler program, by either purchasing the Marathon baler already in place for \$6,200 (price less rent that has already been paid) or renting the baler for \$200 per month. (The baler has now been purchased).

Next, the team recommends NSW proceed with its trash compactor pilot. Currently in use is a rented, 30 cubic yard enclosed compactor, which makes more efficient use of fewer dumpsters. Another advantage stems from the fact that it is enclosed and eliminates the unsightly mess encountered with

open dumpsters.

Inside the plant, the team proposes the use of marked trash containers for each department, designated as to what recyclable is to go in them, and requests that management consider making a separate and distinct department with a supervisor to manage all solid waste and recyclable material, including scrap. This supervisor, in turn, would report directly to the Vice President of Operations.

As far as the potential for cutting costs goes, the baling project could save \$16,100 annually, while a five to one reduction in dumpsters resulting from the trash compacting project could mean annual savings of \$32,256, less \$1,200 rent, for a total estimated annual savings of \$47,156.

Members of Wire Finishing Team No. 6 are: Ray Hutchison and John Wheat, co-leaders; Bob Adams, recorder; Don Bielema, Charles Gilkey, Ron Kalas, Don Heeren, Joe Rodriguez, Jim Vest, and Bill Yarbrough. New members are Jerry Lancaster and Kris Wolf.

Members of the Steering Committee are: Mike Mullen, Don LaFavre, Ron Leuschke, Bob Sprungman, Tim Wallace, John Reynolds, Don Nehrkorn, Tom Clementz, Dave Erby, Ron Kalas and Dennis Hammes. Facilitator is Lanny Munz.

As a result of this presentation, a new department was started in the East Plant. Bob Johnson was named Supervisor of the new Waste and Reclaimables Department.



**Marked trash containers** are available in each department to help NSW in its recycling effort. A QIP team has targeted cardboard, scrap wire and steel, wood and wood pallets, and plastic wrap as items that can be recycled.



**These bales** of corrugated cardboard are being sold for \$30 a ton. They are also adding to the \$1,050 per month being saved by NSW because less dumpsters are needed to accommodate the material.

## Team offers solution to costly problem

# Lance cover will reduce breakdowns in system

An average of \$400 is wasted each time the roof of the No. 8 Furnace is swung open due to problems with the oxygen lance, not to mention the extra time needed to finish a heat after loss of temperature from downtime.

A year-long research project by EAF QIP Team No. 2, however, has resulted in viable solutions to this costly problem.

In the six-month period from June through November, 1989, there were 64 heats affected by problems with the oxygen lance. In June through December, five motors on the lance, were impaired by electrode heat, and were changed at a cost of \$1,360. In fiscal 1990, three lance barrels, damaged by the scarfing off of slag and steel, had to be reconditioned at a cost of \$5,010. In addition, whenever the lance was down, scale, instead of oxygen, had

to be used for decarbonization.

"One of the most obvious causes of the problem is the cooling slag falling off of the furnace roof when it's opened," the team reported. If, when the furnace roof is opened, slag falls into the carriage chains or on the carriage of the lance system, it binds up the system and the lance will not travel. A lance cover, designed by the team and constructed by the electric Furnace Maintenance Dept., has been successfully set in place, and smaller diameter wheels have been put on the carriage to produce more clearance on the track and reduce the likelihood of the carriage becoming obstructed. Furnace repairmen have also placed air jets on the tracks to help keep them clean.

At the team's request, holes have been cut in the bottom of the chain

guard on the main chain drive. This allows the slag, dirt, etc., that finds its way to the chain, in spite of the cover, to fall through to the floor. This has successfully kept the chain guard from filling up with foreign material and jamming the chain and sprocket.

Several other proposals have been recommended by the team, including the placement of an electrical override switch and additional information to be added to the Standard Operating Procedure (SOP) regarding use and care of the lance.

Included in the SOP is a request that the lance tip be treated with LS-1 parting agent once every day or "as needed." But since this agent separates easily, the team requests that an air-driven mixer be purchased at a cost of \$1,205.

Other suggestions include making the lance cover one foot longer so it

will cover the GEMCO limit switch. The team also encourages proper housekeeping as a necessary part of the solution.

Cost to implement the solutions is an estimated \$2,955, while the total possible annual savings, less the cost of implementation, could be \$231,969.

Team members are Frank Miller and James R. White, co-leaders; Robert Fielding and Malcolm Pollock, co-recorders; Michael Cady, Michael Fortney, David Kestner (retired), James Larson, Joseph T. Michlig, Thomas Paschal and Roger Clayton.

Members of the Steering Committee are Dave Koncsics, Bob Winn, Doyle Fullington, Dan Willman, Gene DeJarnette, Bill Boesen, Mark Babin and John Espinoza. Facilitator is Dennis Stoudt.

Paula Fry shuns traditional occupation

# Lady operator at home in the Drawing Room

Drawing wire takes strength, endurance and just plain guts. Ask Paula Fry, who has taken on a job some men have turned down.

In January of this year, Paula went on record as the first woman to

**Most women who start out in the labor pool eventually bid for clerical-type jobs. But not Paula. "I wanted to see if I could do it. Other jobs seemed boring to me."**

operate a machine in the Drawing Room, a challenging career choice, but one in which she's satisfied. "It's different," she explained. "At first I wasn't too sure about it, but now it's not bad."

For her part, Paula must contend with a set of machines Cedric Patterson, Scheduling Supervisor, Drawing Dept., calls "monsters." Steel rod is fed into the machines

and passed through a series of dies to reduce its diameter. Once the wire reaches its proper gauge, it is wound onto stems. The wire moves extremely fast and can snap or entangle anything in its way.

"Within a split-second, you can be caught in it," Paula noted. "You really have to be on your guard constantly."

She recently returned to work following a mishap while changing wire. Her hand became wedged under several hundred pounds of wire and she suffered burns to her arm. It took a hoist to lift the wire off.

Most women who start out in the labor pool eventually bid for clerical-type jobs. But not Paula. "I wanted to see if I could do it. Other jobs seemed boring to me. Time just flies when I'm actually doing something," she said.

She has also spent time working in other non-traditional areas at NSW,

**"The door has always been open for women to work here. There are women who work in galvanizing. What matters is whether you can do it or not."**

including the Cleaning House and hauling big rod by tractor outside.

Although her job is unusual for her gender, Paula doesn't feel she has broken any new ground for other women to take on similar jobs. "The door has always been open for women to work here," she pointed out. "There are women who work in galvanizing. What matters is whether you can do it or not."

And she doesn't feel uncomfortable working with a department full of men. "The guys are really good about it. As long as I pull my share, they are willing to help me out if I have a question or

something."

Paula, who has worked for NSW for three years, noted her family is supportive of her job choice, saying, "My dad was the one who talked me into trying to get a job down here and to bid on something. When I did bid on the job, I didn't think I'd get

it, but I did."

Patterson gives Paula a lot of credit for sticking it out. "The job takes strength, ingenuity and guts, period," he remarked. "We've had men come in and say they can't handle the job."



These two NSW employee/owners recently helped avert a major derailment and were commended by Chicago and Northwestern Transportation Company. They are (from left) Tom Cox, Switchman; and Ivan Gramm, Yard Master.

## Quick action derails a major railyard mishap

Two NSW employee/owners have been commended by Chicago and Northwestern Transportation Company for averting a potentially major train derailment near the plant.

Tom Cox, Switchman, and Ivan Gramm, Yard Master, have been credited for their quick action when they alerted the train crew there was a serious problem with the rear cars on Track 1, Yard 5.

The train was in the process of picking up eastbound cars loaded with NSW steel when the coupling did not take and the rear cars rolled backwards through the west switch. The train crew then made the joint and pulled the cars east, not knowing those rear cars were headed up a different track. At this time, two of the rear cars derailed.

Cox, who was near the scene, quickly notified Gramm, who in turn radioed the train crew to stop movement. "This alert and quick

action saved considerable car and track damage, as our crew was not in a position to notice that the two cars had derailed," said D.J. Shudak, Transportation Superintendent, Chicago/Northwestern, in a letter to NSW. "Their alertness and initiative kept a minor derailment from turning into a major derailment, thus allowing both companies to function with only a minor inconvenience."

Had the derailment not been noticed when it was, there could have been more damage to the track, plus there was the possibility of more cars derailling or even tipping over, noted John Smith, General Supervisor, Scrap Yard. As it turned out, the two derailed cars were hoisted back on the track using NSW's 75-ton crane.

While derailments do occasionally occur, Smith pointed out this incident was unusual due to the fact that it involved cars that derailed from having rolled through a switch.



Paula Fry

### EMPLOYEE ASSISTANCE PROGRAM EVALUATION FORM

The Employee Assistance Program has been in existence here at Northwestern for a few short months now. In order to improve our program and make changes where necessary, we are asking you to take a few minutes and complete this questionnaire which concerns your attitudes and understanding of the Employee Assistance Program (EAP). We are interested in your comments concerning the EAP Program. You may return it to the EAP office by the U.S. mail or inter-plant mail. You may wish to give it to your Supervisor who can mail it for you. Thank you for your cooperation.

Please answer "yes," "no," or "not sure" to the following statements:

	(1) Yes	(2) No	(3) Not Sure
1. I believe the EAP will provide professional, effective care to the employees who need it.	___	___	___
2. EAP services will be readily accessible to employees when they want to use the program.	___	___	___
3. The Company will benefit from this program.	___	___	___
4. I would use the EAP if I or a member of my family needed help.	___	___	___
5. I would more readily use the EAP if the office was located elsewhere away from the Plants.	___	___	___
6. Overall, I think the EAP is a good idea.	___	___	___
7. Do employees have to pay when they initially contact a representative of the EAP?	___	___	___
8. Can employees who have personal problems other than alcohol or drug problems use the EAP?	___	___	___
9. Can members of an employee's family use the EAP?	___	___	___
10. Will the employer be informed when employees contact the EAP?	___	___	___
11. Can you use the EAP after work, on weekends, or on holidays?	___	___	___

Northwestern Steel and Wire Company  
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Sterling, Illinois 61081

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