

## HIGHLIGHTS & HAPPENINGS

### Summer 2010 Newsletter

#### Ideal Manufacturing Facility:

By: Michael  
Vice President

In an ideal manufacturing facility, equipment would operate 100% of the time at 100% capacity with an output of 100% quality. In reality, however, we know that this situation is rare and many in the contract manufacturing world would argue unattainable. The difference between the ideal and the actual is due to losses. Everyone in operations face the results of these losses on a daily basis.

Over the past few months I have been tracking the overall equipment effectiveness on our 12 primary presses to gain a better understanding of our output and to help identify the losses. It points out the obvious; downtime (equipment failures, set-up and adjustments, tooling, tryouts, etc), which directly affects efficiency and product quality. These losses create a gap between our daily process and the ideal situation; it only makes sense to focus on the gaps and look for ways to eliminate them. I am compiling the information to share in individual and small group meetings looking to get additional feedback from you directly.

The path to the ideal situation is a process that requires total commitment from everyone in the organization. That begins with me and the entire management team. Imagine clear concise communication from the purchase order to shipping, zero breakdowns and zero defects!

#### Communication:

By: Jeff  
President/CEO

Communication is the foundation to personal and professional success. As an organization, communication is how we set and meet expectations. The line of communication must be clear and open between all people inside and outside the organization to be successful.

Waukesha<sup>®</sup> Metal Products has gone through a major metamorphosis over the past twelve months. Resources have been stretched, and numerous new parts, equipment, processes, customers, and employees have come together under this new and improved organization. All of you have done an admirable job embracing these changes, and it is now time to move beyond the transition and accept these changes as "business as usual."

The flexibility we exhibited as a smaller company must be found in this larger entity. To identify flexibility requires clear and concise communications. The communication must be thoughtful and deliberate with consideration. Our effectiveness is dependent on the organization's ability to identify, set, communicate, and obtain goals (sales).

You have heard it before, "data is king." What we do with the data and how we communicate the goals associated with the collected information, will set us apart from the competition. We must assemble and disseminate garnered information effectively, then adapt our efforts to improve our processes.

Plex Online collects copious amounts of information that if used appropriately will show the needed path for improvement. One of my goals for the Company is to see that we are effective at using the collected data to become a best in class metal-forming manufacturer. A tremendous amount of information needs to flow throughout the organization. With deliberate communication of meaningful information, we will realize our objectives.

Through Process Excellence Waukesha<sup>®</sup> Metal Products will be the best! We will hold ourselves accountable for becoming a World Class Metal-Forming Manufacturer.



#### Quality:

By: Chuck  
Quality Manager

The Quality Department has achieved a major accomplishment this quarter when receiving the ISO-9001:2008 Certification for the Grafton Fabrication Facility.

Through improved efficiency and productivity; savings will be made from less waste to fewer customer complaints. The ISO-9001 Quality Standard gives Waukesha<sup>®</sup> Metal Products the advantage over the competition to increase market opportunities.

Quality is now working to complete PPAP's for six customers. Weekly quality training will be implemented in order to review quality standards, TS/ISO requirements and inspections.

Do you know what a Fabrivision is? Read all about it in the upcoming newsletter.

#### Engineering:

By: Rob  
Engineering Manager

The Engineering Dept. has kept very active, due not only to the Parkview acquisition last year, but also multiple new tooling orders thru the summer months.

New design/build projects include tools for several customers that are new to Waukesha. There are packages include industries such as automotive, lawn & garden and dental. These tools are built utilizing a combination of outside tooling sources, and our own in-house designers & toolroom

Our primary in-house designer & 3D expert Bill will also be working with several members of the toolroom in basic training for Solidworks software, in advance of our toolroom acquiring new CNC programming software, Mastercam. It's going to be a busy summer!

"The most splendid achievement of all is the constant striving to surpass yourself and to be worthy of your own approval."  
-Denis Waitley

#### Grafton Fabrication:

By: Peter  
Operations Manager-Grafton

We are in the 6th month of production at the Fabrication Division in Grafton, and as most of you know with the acquisition of Parkview Metal Products we added many more parts, some staff, and customers. Also with the acquisition we added the Fabrication Plant in Grafton that has the ability to produce parts that are smaller in volumes. While keeping many of the Fabrication customers from the acquisition we now can offer our current customers the option to purchase their smaller volume parts from this plant without the cost needed for a stamping die.

We are feeling more settled in now and have almost completely unpacked all the boxes, set up equipment, and have Plex running smoothly on the shop floor. We will continue to focus on safety, productivity, cost reductions, quality improvements, 5S, and in an effort to increase volume to our plant we will be bringing in a 165 ton punch hydraulic press.

We have a great team with an enormous amount of potential that we feel will grow this business unit tremendously and develop into a great supplier for the customers who purchase our products.

Check out the new WMP website at: [www.waukeshametal.com](http://www.waukeshametal.com). The site has been completely redesigned with a fresh look and includes new content and photos to support our growing capabilities!

#### Sales/Program Management:

By: Greg  
Sales Manager

The sales department has been keeping very busy with quotations for new and existing customers. New/future program development with key customers continues to be strong for both business units. We have been fortunate to also secure several new customers in 2010. The synergy between the fabrication and stamping divisions has been very exciting - we are making prototypes for current stamping customers in Grafton and we are developing progressive dies in Sussex for customers who have been long term fabrication customers!

Program management continues to add to our capabilities. We are using the APQP module in Plex to help us launch new tools and effectively communicate status with customers. There are SolidWorks Cad seats in both Grafton and Sussex for our engineers and program managers to use. Our customers have provided very positive feedback on the support and skills we can now bring to the table.

#### Accounting:

By: Nancy  
Controller



Accounting's primary responsibility is to produce accurate financial information. Financial results are used by management to make business decisions, by equity owners to monitor their investments and by financial institutions to establish loan agreements and credit terms. It has also become common for existing and prospective customers to require financial information to assess their vendors' ability to deliver their parts timely.

Every employee affects the financial results. Accuracy in recording production, material use, purchasing, shipping and receiving all impact our profitability and decisions made when evaluating costs and profitability. Implementation of Plex in fabrication and stamping parts acquired through Parkview has been accomplished. Analysis of variances created by standard cost accounting helps to ensure inventory valuation and accurate product costing.

On the purchasing side, Bob is working to establish a vendor managed inventory program for automatic restocking of common tooling and maintenance items.

#### Shipping & Receiving:

By: Aida  
Shipping & Receiving Manager

The shipping and receiving warehouse has made a big transition in just six months. The team has responded well by achieving things no one thought was possible. Our cycle count program started slow, but now the team is finding errors and fixing them before they become problems. They are excited, energized and engaged in our continuous improvements activities. Inventory accuracy in the beginning was about 49% and now we are averaging 85.9%. In our communication meetings we stress how important accurate inventory records are - poor records impact our customers, missed shipments, late deliveries, increased overtime and loss of customers. The team is committed to improving not only inventory accuracy but also our On Time Delivery (OTD). On Time Delivery is important to our external customers and our internal customers - raw material being delivered to work centers in the right location at the right time. We have a good start and have a clear understanding of what is required for continuous improvements.

#### Human Resources:

##### Forklift Safety

About 100 workers are killed each year as a result of forklift accidents. About 1/4 of these fatalities are caused by overturning. Other common causes are workers being struck by materials, workers being struck by the forklift, and workers falling from the forklift.

Operating a forklift is not as simple as it looks, but with a little experience, it's not an impossible skill to master. Unfortunately, those who operate forklifts day in and day out have a tendency to take short cuts and to ignore basic safety rules. They develop the old "It can't happen to me" attitude.

Identify Forklift Hazards  
Avoid becoming a statistic. Take the time to review forklift hazards and how to avoid them.

Tip-over and losing a load are the most common causes of forklift-related injuries. Some factors you need to consider include:

- The capacity of the forklift - can it handle the size and weight of your load?
- Any odd characteristics of the load - is it top heavy, cylindrical or awkward?
- The condition of the forklift - are the forks damaged or is there some other problem that could cause an accident?
- Where you are and where you are going with the load - are there any obstacles, bumps, ramps, people, cross aisles or narrow passageways to consider?
- Other things going on that may be problematic - can co-workers see you on the forklift; can they hear you?

##### Forklift Safety Rules

1. Operate the forklift only if you've been trained
2. Maintain a safe following distance from other forklifts - about three vehicle lengths.
3. Follow our speed limit and other regulations
4. Drive with your load low - six or eight inches off the ground - and tilted slightly back
5. Exercise extra caution when driving over duckboards and bridge plates and make sure your load is within their capacity as well
6. Raise and lower your load only when you are stopped
7. Stop and sound the horn at intersections
8. Avoid sharp turns.
9. Keep your arms and legs inside the vehicle
10. Be sure to wear seat belt
11. Be sure your load is stable and secure
12. When leaving the forklift, lower the forks, neutralize the controls, shut it off and set the brakes

Conclusion  
Failing to act responsibly when you're behind the wheel not only puts the load at risk, but puts you and co-workers in danger. Please keep this in mind each time you prepare to turn the key.



#### Employee Profile:

Tom



Tom is one of Waukesha<sup>®</sup> Metal Products first employees; he has been with the company since 1972. Beginning his career with Waukesha<sup>®</sup> Metal Products as a Tool Maker, Tom was transitioned to the wire room where he continues to be an important asset to that department.

Some of Tom's daily responsibilities are working with the wire machine and a vertical machine center (VCM), where he performs high-speed and heavy-duty machining.

Tom enjoys spending time with his 6 grandchildren and has many hobbies including bowling, golfing, and camping.

Waukesha<sup>®</sup> Metal Products would like to thank Tom for his many dedicated years of service and wish him continued success.