

CROWN CRIER

Since 1971

Crown International, Inc. Employee Newsletter

Aug./Sept. 1996

Pollution Prevention Pays

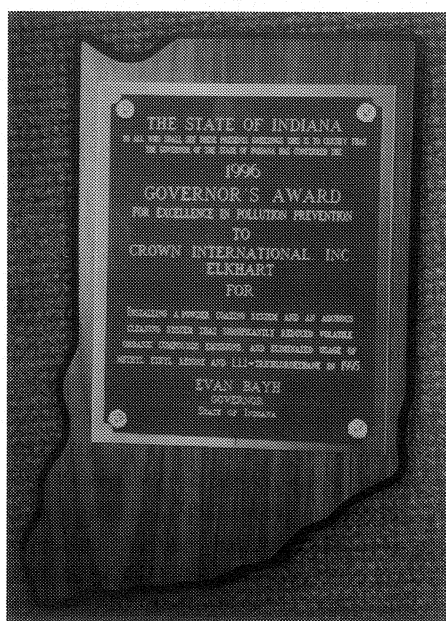
by Libby Marshall

In his acceptance speech for the Governor's Award for Excellence in Pollution Prevention, President Terry Hammond said that it is an affirmation that "our walk is matching our talk." We are committed to good stewardship of the resources provided to us and the protection of God's creation. We plan to continue to achieve further successes to celebrate!

Pollution prevention is compatible with serving customers and profitability. Quality improvement, decreased lead times and inventory, increased cash flow and throughput, and decreased waste and raw material costs have all resulted from Crown's environmentally favorable investments.

The \$135,000 aqueous cleaning system and the \$1,100,000 powder coat system being used in Crown International's metal finishing and module assembly processes are the basis for the award. These were installed under the Fabcom leadership of Steve Peer.

Tim Bock, Environmental, Health and Safety Manager, headed the delegation who attended the award presentation, which included: Dan Lutz, Jim Fisher and Craig Hunter, who planned and engineered these systems; Paul Ferry, Powder Coat Supervisor; City of Elkhart's Mayor James Perron; and Gary Gilot, President, Board of Public Works.



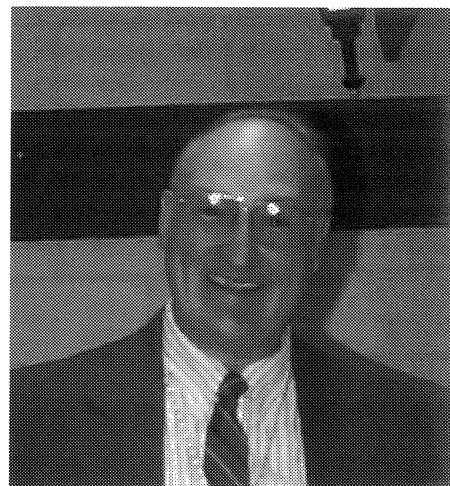
*Presented in Indianapolis
August 13, 1996.*

Crown's investment enabled us to eliminate the use of 1,1,1-Trichloroethane and Methyl Ethyl Ketone, respectively, which were the primary hazardous chemicals used in our processes. In addition to eliminating the potential for employee exposure, we reduced the generation of hazardous waste by more than 50% and air emissions by more than 65%.

In his nomination letter, James Noonan of the Indiana Pollution Prevention and Safe Materials Institute, stated that "Crown is a model of corporate commitment and stewardship with regards to pollution prevention and should be praised for its leadership role."

Noonan cited Tim Bock for his service as the President of the Environmental Management Association of Northern Indiana, Inc. from 1993 through 1995 and as a key member of IPPI's Industry Steering Committee for Pollution Prevention Performance and Measurement Methods.

Customers, Crown and the environment benefit from Crown's commitment to our mission: "By acknowledging the created value of people and by creating value with resources, we are committed to honor God, serve people, develop excellence, and grow profitably, upholding Biblical principles." ☺



Clyde Moore, Chairman of the Board of Crown International, will serve as Chairman of Youth for Christ International.

YFCI Has New Chairman

Clyde Moore's recent appointment to the Chairmanship of Youth for Christ International (YFCI) culminates a 50-year relationship. As a teen, Clyde saw YFC fill Chicago's Soldier Field with young people during the early '50s.

Youth evangelism and professional audio went hand-in-hand then as it does now. Clyde built his first major sound project, a 320W amplifier, and ran the sound system for the Billy Sunday Taber-

(continued on page 2)

Ship Everything Right

by Libby Marshall

When challenged by President Terry Hammond to come up with a short mission statement, the Shipping Department knew that, for them, it was "Ship everything." After further discussion, they added "right."

Jim Putz, International Traffic Manager, explained that "right" means that our customers open their boxes and get just what they ordered. During 33 weeks in 1996 over 70,000 units were shipped with 99.98 to 100% accuracy. Maggie Fredrickson, Shipping Supervisor, and the shipping team are focused on consistent improvement.

Besides gaining nine to twelve hours a week by not shuttling products back and forth across the street, the additional space the Shipping Department has, after moving to Plant 2, will help achieve 100% accuracy. They will be using the new shrink-wrap machine for which there was no space in Plant 4. With 1,400 square feet more, and higher ceilings for more cubic capacity, they can efficiently handle the increase in sales and shipments.

The traffic flow is dramatically improved with back-to-front flow to coincide with manufacturing flow. There is room to have three functional areas for: (1) small packages for UPS; (2) large domestic shipments for semi-trailer trucking; and (3) export container preparation. Jim said that Shipping has long been like working "an inside-out Rubik's cube," to constantly rearrange space, priorities and schedules to meet ever-increasing demands.

When a division's processes conflict with the accuracy and efficiency goals of the Shipping Department, they work together to change procedures. For example, Line 10's export amps used to be put on pallets, trucked across the street and removed from the pallets to be crated for overseas shipping. Now Shipping provides the line with a shallow fiber board carton which holds a pallet and a second carton for a lid. As the amps are packed off the line the boxes are loaded onto the pallet,

covered with the top and moved with hand lifts to Shipping. Fiber board sides are slipped inside the bottoms and then the batch is covered and shrink-wrapped or strapped in place, ready to ship.

From contracting UPS padded, air-ride vans, to committing to round-the-clock schedules, Shipping personnel work with the divisions for efficient handling of new and unusual demands. For ex-

person-hour is a 27% increase over last year, while decreasing overtime from 8% in January 1996 to .53% the week ending August 24th.

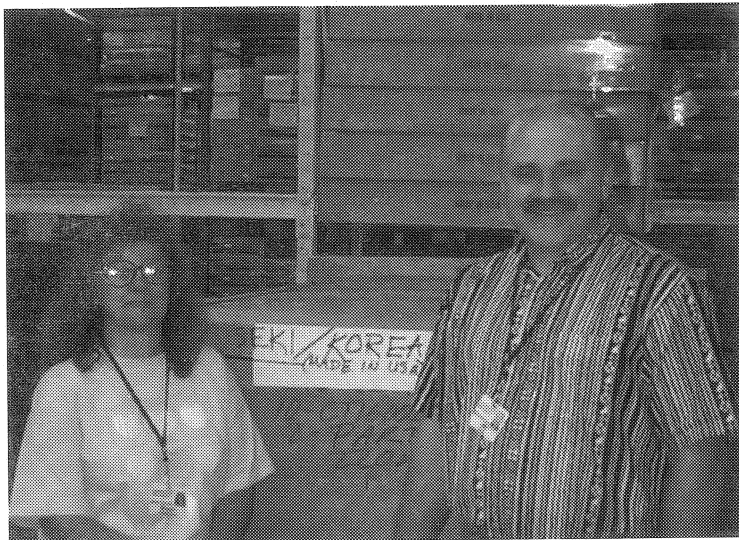
Shipping employees are cross-trained and their team effort handles the challenges. In addition, three things have led to Shipping Department improvement:

1. Facilities. The move accommodates increase in sales and modifications to shipping procedures.

2. Automation of some processing systems, such as computer manifests and the shrink-wrap machine.

3. Frugality with the budget. Two people handled shipping with \$2-3 million in sales in 1973 when Jim worked here during the summer. Now ten people are shipping at a \$100 million sales rate.

While "Ship Everything Right" is the official goal, "Happiness is a clean dock!" ☺



Maggie Fredrickson, Shipping Supervisor, and Jim Putz, International Traffic Manager.

ample, Techron Field Replacement Units (FRUs) sometimes require same day order fulfillment and expedited shipment processing. Broadcast transmitters are sold and must be shipped to remote international locations. Jim said they use every mode of transportation except pipeline. Import/export brokers with Power of Attorney work for us to get things through customs.

"The better job we do, the more transparent we become," Jim said. He tracks productivity per unit, per hourly employee, looking closely at value-added processes. As the company grows, Shipping cost-to-sales is decreasing. "Know-how" instead of "No-way" has been Jim's motto since his days as Amcron Operations and Traffic Manager in 1985. Shipping personnel cooperate with open minds and great attitudes. This year they have taken \$100,000 out of the cost of shipping over last year. The average of 7.5 units per

YFCI, continued from cover

nacle at Winona Lake, Indiana. Clyde's father, Clarence, built the console used by Billy Graham for his first radio broadcasts in the '50s.

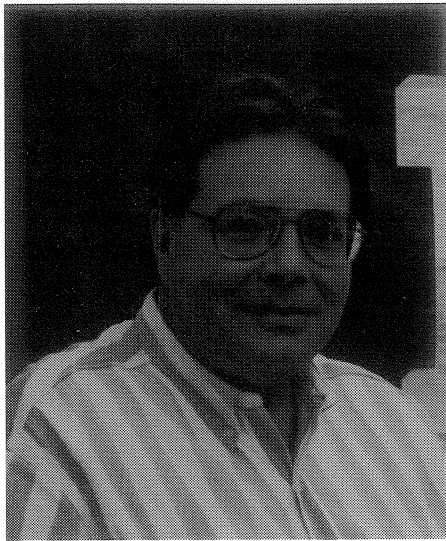
YFCI works with over 1,000,000 youth each year. Last year 125,000 young people made commitments to follow Jesus Christ and pattern their lifestyles after Him. Population figures indicate there will be 1.2 billion young people between the ages of 11 and 21 in 2000, so YFCI is challenged.

Clyde served on the YFCI Board of Directors for five years prior to accepting the Chairmanship at their Convocation in Taiwan in August. ☺

New Employee Profiles

Gregg KinKade

Techron Director of Marketing and Sales



Gregg has made the most of degrees in English and Art from Western Illinois University and graduate work in Business Administration at Northwestern. Excellent communication is the foundation for his expertise in strategic planning, marketing, advertising, sales, new product development and public relations.

Gregg is focusing on increasing Techron's non-GE and industrial amplifier business. He directs the efforts of technical communications, sales, customer service and product line personnel.

In the early '90s Gregg worked at Cobra Industries, Utilimaster and Ransomes America. During a tenure with the Schwinn Bicycle Company early in his

career, Gregg conceived and promoted the first Bicycle Race Across America-NBC.

Bicycling is still an interest, as well as tennis, golf, hunting and photography. Several times a year Gregg does outside consulting on strategic planning and communications strategies.

Just after college graduation, Gregg worked with high school students and troubled teens when he served on the staff of the North Area Youth For Christ/Youth Guidance program in Wheeling, Illinois.

Gregg is married and has three children.

Jerry Scholle

Techron Sr. Quality Engineer

Two of Techron's, and Jerry's, main goals are to achieve ISO 9001 certification and reduce defects seen at GE Medical Systems. However, Jerry explained that understanding variations, such as day-to-day or lot-to-lot, is the basic work of quality engineering. This involves controlling, predicting and minimizing variations that result in defects.

"There are more variations in people than in machines," Jerry said. Techron depends on the hand work of many people to assemble cabinets, for example. Procedures, although important, can't begin to address all the variations possible in manufacturing processes.

Continual research and improved materials are other approaches to eliminating variation. Jerry has been a quality practitioner, particularly with materials, for 21 years. The last seven years he was with Motorola Automotive Industrial Electronics Group in Elma (Buffalo), New York.

Jerry graduated with an MS in Physics from the University of Wisconsin-Milwaukee. He views himself as a Chemical Physicist because of undergraduate majors in both physics and chemistry.

Jerry also likes quality music. He is an opera buff looking for tickets for the sold-out, fall Chicago Lyric Opera series.



Jerry Scholle

Mick Whelan, Manager

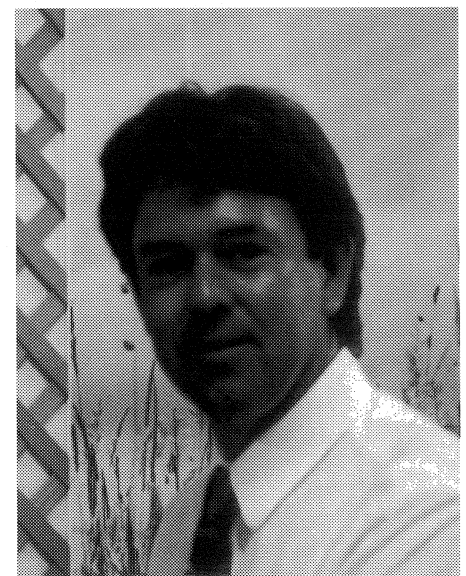
Audio Pro Audio Relations and Amplifier Product Line

Mick is responsible for amplifier product line management. He brings to Crown a reputation in the professional audio industry as an innovator in developing new products.

Mick's 25-year career, which began in England, included working as a systems engineer for many leading bands, such as Bob Marley and the Wailers. As Chief Engineer of Research and Development at

Electrotec in the U.S., Mick designed products used by Rod Stewart, Rush, Guns 'N' Roses, Alan Jackson, Randy Travis, Bette Midler, Alabama and Aerosmith. He mixed front-of-house sound for groups like the Beach Boys, Carole King and Stevie Wonder. Mick most recently was a JBL Design Engineer.

Mick, his wife and two daughters moved to our area from California.



Mick Whelan

The President's Memo...

Continuous improvement in quality is not just important, it is essential!

"Quality is Job #1" has been the slogan of Ford Motor Company in recent years. This slogan has permeated Ford's culture. Most knowledgeable observers of the automotive industry would agree that it has greatly enhanced Ford's success over the past ten to fifteen years.

Crown Audio has the statement "Guaranteed Excellence" on much of its literature and has been successful in developing this image in the marketplace. Audio is making a concerted effort to lower their reject rates at the end of the final assembly line by tracing the causes and correcting the processes that caused rejects. The division is aware that the Crown reputation in the marketplace enhances their sales and profitability.

Likewise, the Techron Division is embarking on a two-fold quality effort in conjunction with their relationship with General Electric (GE).

First, Techron is in the initial stages of training for and implementation of a "Six Sigma" quality program, which should ultimately lead to a dramatic reduction in defects and thus a dramatic improvement in quality. Six Sigma represents a destination where there are 99.9997% defect-free products being produced. Saying this another way, there would be only 3.4 defects per 1,000,000 products. This program requires a multi-year commitment of hard work on the part of everyone.

Second, Techron will be embarking on the implementation of ISO-9001 certification over the next 18 to 24-month time

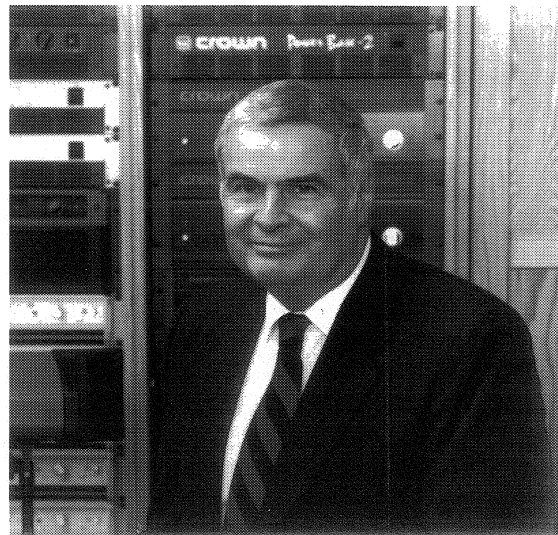
frame. ISO-9001 represents a fully documented and executed quality system. It is becoming the global standard for supplier certification.

Crown has enjoyed exceptional growth in sales, profits and bonuses in the first three quarters of 1996. In the midst of this growth, we must not lose sight of the importance of achieving more rapid improvement in the quality of everything we do. This includes not only the products we produce, but every service we provide, whether to inside or outside customers.

Crown has enjoyed and still enjoys an excellent quality reputation in the marketplace, but, I must tell you, the competition is getting better each and every year. We will be measured ultimately by our customers' expectations; but as our competition improves, customer expectations rise. For example, we all have far greater quality expectations from automobiles we buy today than we did just ten years ago.

While management must lead the charge, everyone must be a part of the war on defects. This includes managers, engineers, assemblers, secretaries, planners, buyers and sales representatives, among others. This must become an obsession with us. Crown can compete effectively into the 21st century only if we stay out in front of the competition in the quality race.

A typical previous mindset has been,



Terry Hammond

"If we reach a 99% quality level, that's wonderful." Think about a 99% quality level in our everyday life:

For every 1000 airline flights, ten could crash. Would you fly an airplane?

For every 1000 routine surgeries, ten patients could die. Are you satisfied with a 99% error free surgeon?

Most of us would agree that in today's world, a 99% quality level falls short of customer expectations for almost every product or service imaginable. We must think and go beyond a 99% quality level to 99.9%, then to 99.99% and so on. Zero defects in all we do is the final goal.

Ivory soap has been advertised as 99.44% pure, for years and years. I assure you, Crown's quality must go far beyond Ivory soap.

We have far to go, but we have begun the journey.

A handwritten signature in dark ink that reads "Terry Hammond". The signature is written in a cursive, flowing style.

The CROWN CRIER is published monthly or bi-monthly to inform employees of customer, corporate, departmental and employee news and progress. News and ideas are always welcome.

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Employee Committee Financial Report

Balance as of 9/16/96:

Savings	\$ 45.03
Checking	<u>428.98</u>
Total	\$474.01