

Since 1971

Crown International, Inc. Employee Newsletter

Jan.-Feb. 1997

Techron Makes Gains in Materials Management

by Libby Marshall

It's now easier to see just how Techron is managing materials. In a recent interview, Mike Hoffman, Techron Materials Manager, said, "What we're doing is meant to be simple and it's meant for everybody to understand. People like and need to understand what's going on." This interview with Mike reveals that recent moves and rearrangement are not the only contributing factors to Techron's improved organization for its manufacturing materials.

Crier: What is the ultimate goal for successful materials management?

Mike: Excellent product delivery performance for the customer at high inventory turns. Due to dramatically improved sales, manufacturing was able to ship a lot of product. At the same time we made some changes in materials management, and were able to improve our inventory turns from 3.67 at the beginning of 1996 to 5.76 at year end.

Crier: As you look at where we were and where we are now, what is the most significant change, in light of the ultimate goal?

Mike: We were given the freedom to structure our organization to meet the challenge. Jena Shimkus and Jim Mack filled newly created positions of "Material Coordinator". Working with Nina Myers, who was then Master Scheduler, and Kay Haas, Materials Planner, they reorganized the materials flow in Techron's manufacturing areas, Gradient/GRAM Assembly, Magnetics, and Wire Cut. Following principles of demand flow and visible management, new stock locations were imple-

mented as near as practical to the point of use. In this way, the line personnel can see the parts they need at their stations, and materials handlers have exact, labeled destinations for every part.

Crier: Are there other advantages in moving stock to the point of use?

Mike: This approach improves our control over the process and directly supports implementation of demand flow technology. Thanks to Jena and Jim we have gained control and are now stocking parts closer to the point of use on the floor. They have also set up internal Kanbans which eliminate excess material and enhance on-time deliveries.

The coordinators are responsible for all computer transactions of material movement, as well. Further, to insure inventory accuracy, they plan and conduct cycle counts daily so that all inventory is counted on a monthly schedule.

Crier: What specific procedures do you plan to change this year?

Mike: In addition to floor stocking procedures, we will also look at other materials to order by kanban. We are discussing this strategy with several of them, and they appear receptive.

Crier: With such a complicated manufacturing process as Techron has, and so many areas to change, what or who has helped the most in implementation?



Jim Mack and Jena Shimkus

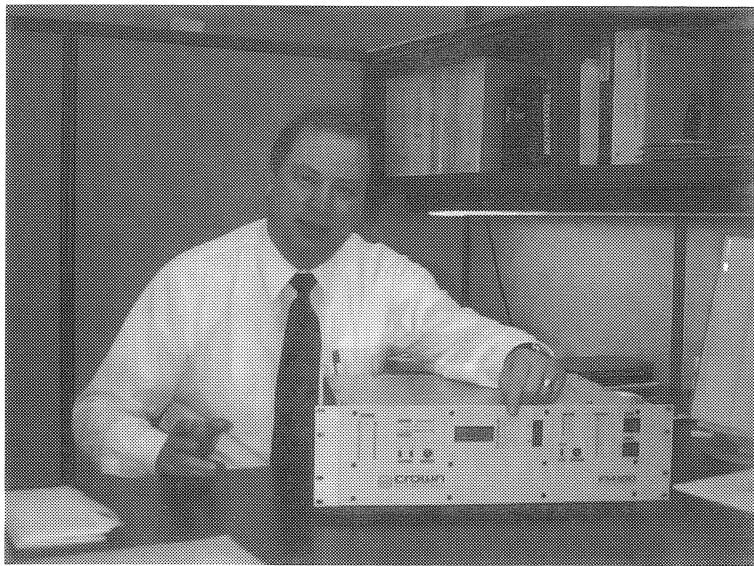
Mike: Jena and Jim with the cooperation and help from our manufacturing staff and other Crown departments, such as Modules and Fabrication, who supply parts to us. Jena and Jim know their objectives. My job is to stay out of the way so they can get their jobs done! When you leave the changes up to the people doing the work, then, more often than not, the right changes will be made. When you have people like Jena and Jim working with the people on the floor — and they are empowered to do their jobs — good things happen. In this case, they knew the objective and got the job done. As long as we let them do what they are good at, we will continue to succeed.

I also want to acknowledge the help of the Purchasing Department team who have worked closely with us to work out problems and have cooperated with the development of our materials management strategy. ☐

Jim Blum

Broadcast FM Marketing Director

by Libby Marshall



Jim Blum

It was the afternoon before the presidential election in November, when Jim received a call from radio KSTX in San Antonio, Texas. KSTX was experiencing "dead air" and was desperate for a replacement transmitter to air election results the next day.

The station manager could find no source to deliver a transmitter on such short notice. Broadcast did deliver overnight, and the station was up and running the next day. In three years Broadcast FM has gained a reputation in the field for good product and delivery, and the field is 30 countries. Jim Blum is currently working on international programs in Denmark, Poland and South Africa.

With power up to 2000 watts, Broadcast's marketplace is smaller Christian radio networks needing translators and Satellators. Satellators are receivers that feed from satellites and transmit locally. Colleges, universities and small community radio stations all increase the potential for Broadcast FM. The 1,000 and 2,000K trans-

mitters are especially popular internationally. The market is under-served, so when we establish ourselves we will have a good, solid foundation.

Jim began with Crown July 29th after serving as Regional Manager International for Magnavox in Fort Wayne, which makes communications equipment and radio transmitters and receivers. Broadcast's commercial possibilities present a new venture which appeals to Jim. He saw the potential for getting involved in all aspects of sales and marketing, including product development, with Broadcast. The product team is market-driven, so it gives Jim the opportunity to suggest new features and products.

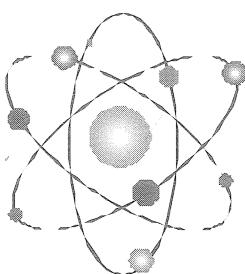
Jim commutes from Ft. Wayne, since daughters Gina and Betsy are a senior and sophomore in high school, respectively. His wife, Jeanne, teaches at Indiana-Purdue at Ft. Wayne (IPFW) and his son, Patrick, attends Purdue. Jim has a degree in Mechanical Engineering from Central Missouri State University and a Masters in Finance and Management from Webster in St. Louis. ☐

People Movin'

Lori Peasley was named Quality Assurance Manager for the Audio Division in August 1996. She is responsible for establishing, overseeing and/or improving Audio's quality systems. Lori is pursuing certification in quality management from the American Society for Quality Control (ASQC). She is certified in auditing and quality control.

Kristine Magbee is promoted to the position of Production Planner to replace Ruth Overhulser. Kris joined Crown three years ago and worked as an assembler on Line 2 and Materials Expediter in Manufacturing.

Ruth Overhulser is now Master Production Scheduler for the Audio Division. Ruth is a twenty-year employee, with much of that experience coordinating Modules Department production.



Ruth replaces **Bev (Laws) Glanders** who has transferred to the Master Scheduling position in the Techron Division. Bev has served as Production Planner and Master Scheduler for more than 11 years.

Bev replaces **Nina Myers**, who is Techron's new Customer Service Manager. Nina was Audio's Order Entry Manager prior to serving as Techron's Master Scheduler.

Michiana Postal Customer Council Elects Tammie Putz

by Libby Marshall

Tammie Putz received the gavel to serve a one-year term as Chairperson for the Michiana Area Postal Customer Council (PCC) at their February 17th meeting. A two-year member of the Council, Tammie has impressed this twenty- one member group with her knowledge, enthusiasm and willingness to improve mail handling through postal services, customers, vendors and industry representatives.

Tammie has also impressed us. She took over the responsibility for the Mail Center in the fall of 1994. Not only did she re-organize procedures for better efficiency, she read everything she could get her hands on about mail handling and postal regulations. She attended PCC meetings, trade shows and workshops. She was one of the first group of Crown employees to complete the Introduction to Business course here from Vincennes University. She continues to take courses toward an Associate of Science degree in Business Management.

Not only has Tammie's education helped her, it has helped Crown. During 1995, Tammie saved the company close to \$20,000 in mailing costs because of her understanding of regulations, informing internal customers and researching outside services such as OnLine Data.

Even more, we appreciate Tammie's willingness to help all her customers achieve better results at less cost and to help her department, which includes receptionists Darla Conrad and Tracy Newland, learn to achieve the same results.

Tammie has enjoyed meeting many postmasters, postal and mail center employees and vendors. She once escorted a seminar speaker, who has been a consultant on mail handling to the White House and other businesses across the country, to and from the airport and meeting sites. After talking to Tammie, she asked, "How did you learn all this? This is what businesses hire me to tell them." Fortunately, Crown doesn't need a consultant. We have Tammie. ☐



Tammie Putz

Kristie Meyer, Supervisor Supplier Quality Assurance

by Libby Marshall

Supplier Quality Assurance, better known as "Incoming Inspection," is the corporate quality department at Crown. Manager Mathews Abraham hired Kristie Meyer in October of 1996 to supervise the two major functions of the 13-member department:

- 1) Inspect products received from outside vendors;
- 2) Grade transistors and mic capsules.

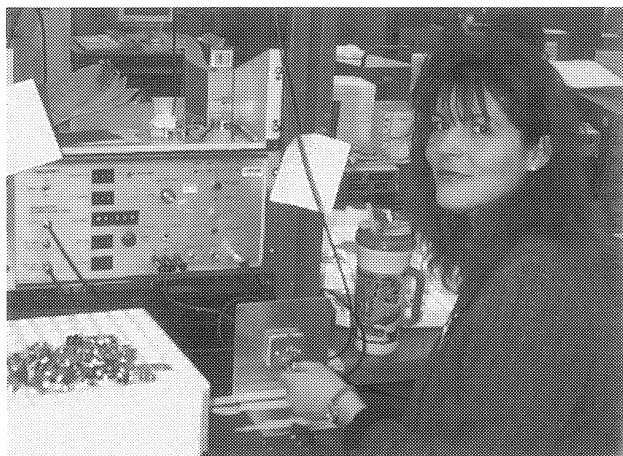
In total they inspect about 15% of all the 7,000 purchased parts of the company, which includes all transistors and random samplings of other parts as needed.

Kristie worked in the quality field for 11 years and came to us from American Electronic Components (formerly Durakool). She was

responsible for the development and implementation of corporate-wide programs in metrology and supplier quality which led to ISO certification.

Kristie has similar objectives here. She is expanding her personal objectives by working toward an Associate Degree in Sales and Marketing at Davenport College.

Kristie, her husband, Rusty, and children, Josh and Caelet, live in Elkhart. ☐



Kristie Meyer inserted a transistor for testing done with the SOA (Safe Operating Area) unit designed by Gerald Stanley in the mid-'70s.

The President's Memo...

During mid-January I attended the National Association of Music Merchants (NAMM) Show in Anaheim, California. This was my third NAMM Show and, from a Crown International perspective, by far the best.

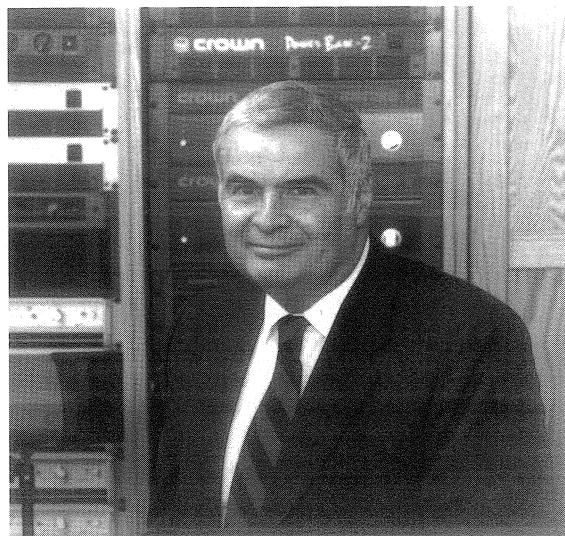
Crown displayed a number of Audio products, including the new TEF Pad, microphones, IQ System products and new Internet screens. However, the "star of the show" was our new K2 amplifier. Thirty six multi-colored K2s captured the attention of show visitors with the island rack in the center of the booth. Then they were awed to find that the K2 was a 2500 watt (1250 watts per channel) amplifier that is capable of operating with no cooling fan, weighs only 38 pounds and retains the same or better high quality sound for which Crown amps are so well known.

It was exciting to see the steady stream of people who came through the booth to see, discuss and listen to this new-technology amplifier. I believe this was a tribute to Gerald Stanley, our chief engineer, who created the BCA technology circuitry, to Jim Wordinger who was the senior design engineer on the project and to the dozens of other Crown employees who were instrumental in the creation of the amplifier and manufacturing processes used to build it.

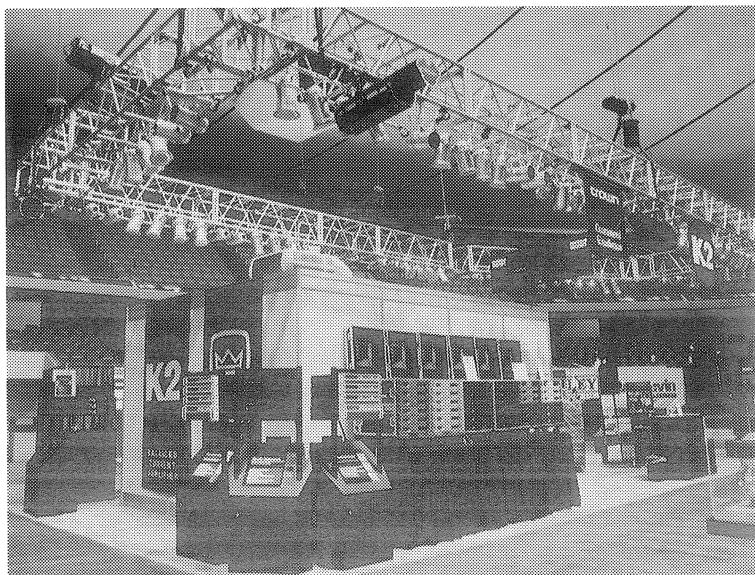
You all would have been proud to have seen the great reception this amplifier had at the NAMM Show and the inviting, workable space we occupied. Marketing Director Bruce Peterson, Audio Relations/Amp Product Line Manager Mick Whelan, and all the engineering, sales, and technical support personnel who helped are to be commended.

At the end of February, we have received orders for nearly 1,800 K2 amplifiers. We are already receiving favorable remarks from the marketplace, and expect that the K series of amplifiers will be a winner.

Once again, my thanks to the Audio Division staff who contributed to a successful and exciting NAMM Show. I believe that our 1997 market growth in Audio will confirm the success of this show and the optimism we feel about BCA technology.



Terry Hammond



The center island of the NAMM Show display, including 36 colored K2s on the right side plus other amps above back-lighted pedestals.

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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Prompted by Terry Hammond's question, Don Peterson guesstimated that he has made or received 62,000 telephone calls during his 11 years in Tech Support. He said, "My, how time flies when you are having fun!"

Employee Committee Financial Report

Balance as of 2/28/97:

Savings	\$1,187.99
Checking	<u>3,529.58</u>
Total	\$4,717.57