

CROWN CRIER

Since 1971

Crown International, Inc. Employee Newsletter Dec. 1998/Jan. 1999

CEO's Memo...

We, as members of Crown International, seek to delight our customers with creative solutions in electronic products, systems, and services through innovation, determination, agility and speed. We intend to accomplish this in an environment of learning, empowerment and accountability.

As with any mission, it is easy to say the words; it is not so easy to put the words into action. I am more convinced than ever that it is imperative that we put the words of our Mission Statement into action in our daily lives here at Crown. Let's start with accountability, a very misunderstood concept.

In the last few years, countries such as the United States, Mexico, Germany and Japan decided that security should replace fear, and employment should become a basic right. Many corporations set out to be honorable and fair. The result: Conditions of non-accountability were created for people everywhere. Over time, fairness became kindness, and kindness led to the attitude of *"I am owed whatever I get and because I don't have to earn what I receive, I am not responsible"* which created a culture of no consequences. In a no-consequence culture people are not held accountable for their behavior, and no differentiation is made between people who perform well and those who don't. The psychological and economic costs of no accountability are the wasted resources in organizations in corporate America today.

The protections of no-consequence cultures and their practices must give way in the face of today's reality. Organizations that back away from

speaking the unspeakable about their costly practices will find themselves economically non-competitive.

The best corporate practices of seeking significant results, celebrating achievements, and expecting employees to do their work create purpose and make a difference that requires people to stand tall and conquer challenges, conditions that foster vital aspects of human nature and human existence. The work of people is work; people are injured when they are prevented from doing significant work. Intrinsically, people desire and prosper under conditions in which they can learn, achieve, mature, contribute and collaborate. Any other conditions are destructive to the maturation of what most matters to people and their community: confidence, civility, ethics, compassion and cohesion. It is a wonderful thing to want to be kind, to be generous, to be good. In the United States, we characterize corporations as great if they are visibly kind, which means they give employees lifetime security, automatic raises and an ever-increasing list of benefits. I maintain that too much kindness runs the risk of destroying character. In reality what we think is comforting turns out to be dangerous.

The difficult practice of having to deal with competition, of being required to be responsible, of being judged in terms of performance, serves people best. There is an enormously positive consequence to being required to achieve and achieving when the task is a challenge and the risk is real.

Organizations have a responsibility to their employees to create conditions in which all are

held responsible for what they do, all are expected to perform at the highest levels they can, and all have the opportunity to face challenges and achieve success. That is the only way people achieve confidence, a sense of effectiveness, autonomy, and courage. Any other set of conditions deprives people of the opportunity to grapple with life's hurdles, overcome them, and grow in confidence and courage. Like a world that is arbitrary and mean, an environment that is super-protective also results in people who cannot engage in life to its fullest. That, I maintain, is too great a price to pay for security.

We at Crown are facing significant challenges in the marketplace. These challenges not only come from the success of our competitors but also come from the increasing demands and expectations of our customers. With our commitment to delight customers, it is necessary that we work together in creating an environment that fosters risk-taking, encompasses effective learning opportunities, and has accountability at center stage. We must approach our roles at Crown with a positive attitude and employ our best ability.

I personally am looking forward to the many successes we will experience together as we continue on our journey to delight customers.

Richard A. Newberry



Faithful Service

Name	Years of Service
Steve Scholfield	25 years (January 28)
Sandra James	20 years (December 11)
Betty Myers	20 years (December 11)
Norma Miller	20 years (December 15)
Donna (Kay) Haas	20 years (December 18)
Barbara Fordyce	15 years (December 27)
John Brosius	15 years (January 3)
Georgianna Lee	10 years (December 12)
Pamela Burkey	10 years (December 19)
Randall Van Orman	10 years (December 27)
Evelyn James	10 years (January 3)
Velda Balint	10 years (January 9)
Andy Archias	10 years (January 16)
Dwight Shoemaker	5 years (December 27)
Cathy Lehman	5 years (December 28)
Matt Thompson	5 years (January 17)
Willie Hamm	5 years (January 24)
Sherrill Yoder	5 years (January 24)
Doug Bullard	5 years (January 31)
Dixie Myers	5 years (January 31)

Important Announcement!

Effective in December, 1999, Crown International will be closed during the Christmas and New Year holidays, and employees with two (2) or more weeks of accrued vacation will be required to use one week (5 days) of their vacation during this shutdown.

Employees required to provide customer service and machine maintenance or other duties that are absolutely required may be asked to work during this time.

The schedule for December, 1999, is as

follows:

December 21	Last Day of Plant Operation
December 22	Vacation Day
December 23	Floating Paid Holiday
December 24	Christmas Paid Holiday
December 27	Vacation Day
December 28	Vacation Day
December 29	Vacation Day
December 30	Vacation Day
December 31	New Year Paid Holiday
January 2, 2000	3 rd Shift Return to Work
January 3, 2000	All others Return to Work

Developing Excellence

In the last issue of the Crown Crier, we introduced the topic of ISO. We compared implementing ISO to writing a playbook for a football team. The playbook contributes to the team's success by defining the role of each team member. Since the football season is in the playoff stages for area high schools, it has been interesting to watch how they are doing. Some teams started out pretty rough. They worked hard and have continuously improved throughout the season, and are finally beginning to see the fruits of working together. How does this happen? Many factors contribute to the chemistry of a winning team. But one thing you can count on is the expectation of continuous improvement. ISO is no different. Built into the ISO requirements is a system for ongoing evaluation and corrective action. When coupled with management review, this provides the opportunity for continuous improvement.

Just as football has "win the game" as one of its objectives, ISO has *customer satisfaction* as one of its objectives. Stated in the introduction to the standard is "The requirements specified are aimed primarily at achieving customer satisfaction by preventing nonconformity at all stages from design through to servicing." One of the keys to achieving this aim is in three elements of ISO, which include Internal Quality System Audits (element 19), Management Responsibility (element 1), and Corrective and Preventative Action (element 14). Internal quality audits review the Quality System (our playbook) at prescribed intervals. These audits identify what's working and what's not. The 'what's not' items are called nonconformities and must be corrected. These are addressed through corrective and preventative action procedures aimed at fixing the identified nonconformities and preventing them from occurring in the future.

Management Responsibility includes periodic management reviews by executive management. This review includes internal audit results as well as corrective and preventative actions focused on external (warranties for example), and internal nonconformities to determine how well the Quality System is performing. Based on this review, management can decide what actions may be required to improve performance. This triangle of internal audits, corrective and preventative actions, and management review form the heart of the continuous improvement process in ISO. It's a lot like coaches looking over the game films. They get to see what's working and what's not and are in a position to take actions toward winning the game. For us, that includes delighting the customer!

Larry Kauffman, Corporate Quality Manager



The CE Story (or why "CE'ing is Believing"!)

It all started back in January '97. Marketing had identified a new market for Crown: A low-cost, high-power amplifier family would be profitable if we could design it to meet cost objectives and manufacture them at a higher volume than Crown had ever tackled. Engineering had just conducted three months of study to determine the feasibility of the proposal. Following a dazzling presentation by Marketing and Engineering, complete with color drawings of proposed chassis, circuits, thermal performance flows, stress analysis, cost, and schedule information, we were given the green light to proceed by Management!

At our first design team meeting, key players from several departments were introduced and program objectives were outlined. The goal was to have no wires, use one circuit board, use surface-mounted components, design for "Z" axis manufacturing, and hold direct assembly labor to one hour. Quite a formidable task.

During the next six months, the design matured. Upper management made the project the highest priority among new product development. For the rest of the year, 50- to 60-hour work weeks were common for the team. A sense of urgency

was felt by the full team. Then, during late Summer, upper management pulled the schedule in by four months, even though the risks were high: The company needed the products sooner.

Manufacturing geared up for the expected volumes, although not sure that Marketing really meant what they said. New personnel were hired with high-volume expertise. Management and the Board approved major expenses to make the SMD line a reality. Production Management had their hands full trying to direct and learn at the same time.

So what really happened? The product has wires, but just a few. The entire power amplifier is one board, but a second board was needed for customer input options. Ninety percent of the small components are surface mounted. Almost all screws are "Z" driven. And the amplifier is the quickest to assemble with lower line time than any other Crown amp to date. The products hit production on October 1, 1997, but had many start-up challenges. Serious volume production didn't start until February '98, although the October 1 attempt allowed us to be ready for the January NAMM show introductory gala. Costs crept up

past the goal for several months but are back in line thanks to the continued help of the cost-reduction team. And, oh yes, the volume issue. Well, marketing was correct. The family was well accepted and the sales soared, even surpassing expectations.

With all the new business these products bring and the heightened pace in the plant, there has not been time for us to celebrate. Let me close with these comments. The entire Crown staff is to be commended for this corporate team effort, from the Board on down. The CE family continues to set new volume records within our walls. It's not the highest technology product we make, but it has allowed us to break some paradigms and expand our manufacturing horizons to be ready for the next hot opportunity. During my tenure at Crown, I have never seen such great acceptance of a new product, especially this quickly. I salute you all for the work and growth that I know you had to achieve just to keep up! Be proud! You've earned it.

You have my greatest vote of thanks. We done good!

Tom Szerencse, Audio Engineer



Survey Says...

In regard to the employee survey, what has happened in the two months since the last Crier? Much!

Most of you have been a part of your workgroup's first meetings, which were held to look at those areas of the survey where groups "scored" significantly above or below the organizational norm. Your comments and suggestions are now being reviewed by your supervisor/manager and the next level of management to develop "action plans" which will be used to make improvements in the areas where scoring was below the

norm. Comments regarding areas where scoring was above the norm, and positive comments in general, will be shared among other areas to assist them in implementing their action plans.

The feedback from facilitators and management involved in these meetings has been positive. Thank you to all who have participated in these meetings, from those of you providing the comments and suggestions, to those of you who have gone beyond the call of duty and facilitated these meetings, and the members of management who have been able to quietly sit in on the meet-

ings, because it has given us all the opportunity to listen and learn how together we can go forward to make the improvements needed to make our work experience more enjoyable, meaningful, safer, and productive.

In the February/March edition, we should be able to provide updates on the progress of various action plans. In the meantime, please do not hesitate to see your supervisor/manager if you have further comments or suggestions that can be used in this process of improving our workplace.

Richard Pede, Human Resources Officer



Are You a Trainer?

We provide a variety of training here at Crown, but by far the most popular type of training done is not accomplished in a meeting room, through a video tape, or through a computer based program. It is On-the-Job Training. OJT, as it occurs at Crown, is informal training provided by a supervisor, coordinator, or co-worker to help another employee learn how to perform new tasks, use new technologies, or use new processes.

Many of you are OJT trainers. If you have demonstrated a task, written instructions, or in any other way helped a co-worker learn how to do something unfamiliar, you qualify as an OJT trainer.

One of the most important things necessary for successful training is to have an objective. As an OJT trainer, you need to have a clear and definite goal to accomplish and you need to state the objective for the learner. For example: In the next 30 minutes, you'll be able to insert all the diodes in this board properly by matching the negative end of the diode with the polarity as it is designated on the board.

Once the objective is established, you need a plan to accomplish the objective. These basic training steps will work in any situation and, if followed, will meet the desired objective.

1. **Describe what to do while you are doing it.** Allow the learner to just watch you for a certain length of time, or for a number of repetitions, depending on the complexity of the task. This gives him/her a chance to absorb what is needed and to ask questions if necessary. Describe in detail what you are doing but don't get bogged down imparting unnecessary information.
2. **Watch the learner while he/she does the task and describes it to you.** Watch what he/she does, as well as what is said. Are the actions confident or are there areas of hesitation where reinforcement is needed? Are the correct terms used? Immediate reinforcement like this allows the learner to internalize the task. It also allows you to be

available for questions and act as a quality check for the task.

3. **The learner works alone with occasional verification from the trainer.** This allows the learner to relax somewhat without the trainer watching every move and gives him/her the freedom to incorporate his/her own techniques if applicable. There is truth to the saying that 'practice makes perfect.' However, the trainer is still available as needed.
4. **Check for mastery of the skill, task or process.** The learner should be capable of working alone without error. To ensure this, make a final inspection of the task and ask questions of the learner.

This is a very brief summary of how to provide OJT. In subsequent articles we'll address learning styles, job aides, and evaluation. Please contact the Training and Development Department at X8561 or X8277 if you have any questions.

Susan Van Orman, Training and Development Instructor



Safety On & Off The Job

Preventing Winter Slips and Falls

With winter nearly upon us, now is the time to begin thinking about how you can prevent falls on the ice this winter.

The basic principle of winter fall prevention is the same as the Safe Lifting Training Course that most of you have participated in at Crown: Plan ahead by asking yourself these 3 simple questions before going outside in potentially slippery conditions.

1. Where am I going?
2. How am I going to get there?
3. Is the path clear?

The word "potentially" is highlighted above because it is important that you recognize the hazards of "black ice", and always be prepared for it. "Black ice" is simply ice (invisible) on an asphalt surface (dark), and is very difficult to detect until you've already slipped and fallen. By always anticipating the worst, you can avoid this very common cause of not only slips and falls, but auto accidents as well.

A slip on ice can occur because there is too little friction between your feet and the surface you are walking on. Here are some common sense precautions you can take to compensate for the reduced traction that occurs in winter weather:

- Slow down to give yourself a chance to react to changes in traction.
- Wear boots or shoes with traction soles, and carry your work shoes.

- When possible, wear sunglasses to help make ice more visible.
- Never run to get where you are going in winter weather - it simply isn't worth the risk!
- Don't take shortcuts - either on the job or off.
- Once indoors, be aware that *wet shoes on a dry floor can be just as hazardous as walking on ice. Always wipe your feet!*

If, despite careful planning, you do feel yourself start to fall, there are steps you can take to minimize your risk of injury:

1. **Relax** - Try not to tense or stiffen your muscles.
2. **Absorb** - Let your arms and legs "give" like a spring to absorb the impact of the fall. Using your arms to "brace yourself" when falling only increases your chances of injury.
3. **Roll** - Move with the direction of the fall. This also minimizes impact.

Falls happen because people don't expect them. The more falls you anticipate and guard against, the fewer you'll have. **EXPECT THE UNEXPECTED!**

Carmen Wegener, Environmental, Health, and Safety Specialist

Upcoming Events

- Crown Christmas Musical
December 18, 1998
6:00 p.m. Elco Theatre
- Goodie Day!!!
December 15, 1998

Immediately following Wednesday Assembly, 15 minute break period.

Darla Conrad: Young Woman of the Year!

In recognition of her contributions to our community, Darla was recognized as one of Elkhart County's Young Women of the Year at the YWCA's annual "Salute to Women" ceremony held November 4.

Darla was nominated for the award because, in addition to her full-time duties at Crown as Mail System Specialist, she is pursuing a Bachelor's degree in Business Management through Vincennes University, serves her church as a Sunday School teacher, director of the children's choir, Secretary/Treasurer of the Women's Fellowship, member of the Christian Education Committee and, as you would guess from the times she has blessed us with her wonderful singing ability, the adult choir. Congratulations Darla!



From Where I Sit...

Note from Fred Higgenbottom: The article that follows was graciously provided by Cindy Lidester. I will be sharing this space occasionally with other members of my management team who, as Cindy has demonstrated, have valuable insights into the elements that are important to us as employees.

From a handful of employees in a chickencoop to 700+ employees, many things have changed over the years at Crown (at least that's what I've been told!). While most changes I'm sure have been positive, there is one change that has not been so positive, but is by no means unique to Crown. That is the case of "overlooked employees" or, as I prefer to think of them, the "Silent Heroes."

"Silent Heroes" are easy to spot. They are the ones who make do with the tools and procedures provided them, even though often inadequate for the task. They are the ones who most feel the pain associated with new product introductions, as they are key to making it happen. They are the

ones working on Saturdays to make up for shipments not met due to late or defective parts.

As companies grow, their population of "Silent Heroes" also grows. They are the production workers. They are the ones on the front line producing the product that continues to make Crown a success. They keep coming through to achieve the goals of delighting our customers.

So I guess from where I sit, I would like to thank all of the Silent Heroes for their faithfulness, their teamwork, and their commitment to delighting the customer, which is critical for all of us in having a job to come to each day.

I also want to thank Senior Management for committing to address and correct the issues that create "overlooked employees." The survey follow-up meetings and required action plans are a big step toward reversing the trend of "overlooked employee" population growth!

Cindy Lidester, Modules Department Senior Supervisor

Welcome Aboard!

Employees that have joined Crown since September 1998:

Modules	Inspection
Hope Browning	Kiruba Shanmugam
Maria Diaz	Audio Amplifier
Bonnie Hughes	Engineering
Thone Ounsombath	Gerald Neely
Miroslaba Rivera	SNC Engineering
Anita Woodward	David Wathen
Line 2	Audio Configuration
Robert Kelly	/Document Control
Line 3	Eric Troyer
Dolores Rast	Corporate Accounts
Line 9	Payable
Christiana Adams	Amy Chapman
Gloria James	Corporate
Line 10	Information Systems
Christian Castro	Programming
Broadcast	Gordon Kerman
Manufacturing	Corporate Facilities
M. Jean Hildreth	Debra Wise
Jeffrey Proffitt	Audio Technical
Magnetics	Service Support
Sherry Earhart	William Bartilson

BENEFITS NEWS

Are you a participant in the Cafeteria Plan?

In October, a letter was mailed to you regarding the remaining balance in your 1998 cafeteria/flexible spending account. Your balance can only be used for expenses incurred by December 31, 1998, or you will lose the amount in your account. All 1998 expenses must be submitted no

later than March 31, 1999. Any expenses submitted after March 31, 1999, cannot be reimbursed for 1998.

Looking forward to Cafeteria benefits in 1999Plan in 1998

On November 13, the Benefits Department mailed to your personal residence information regarding the 1999 Cafeteria Plan election and the

enhancements to our medical plan. If you wish to change your elections, please complete the entire election form and return it to the Benefits Department by December 7, 1998.

If you are satisfied with your current elections, you do not need to complete the form. Your current elections will continue for the 1999 plan year.

Ann Frantz, Benefits Manager

Put Your Household On The M.A.P. !

Did you know that it only takes 3 grams (1/25 of a teaspoon) of mercury to contaminate a 60-acre lake? For perspective, consider that a typical mercury thermometer or thermostat contains 2-3 grams of mercury!

As a participant in the Indiana Governor's Toxics Reduction Challenge, Crown has brought the State's Mercury Awareness Program (M.A.P.) on-site for a few months. The goal of the program,

consisting of education and the collection of unwanted mercury-containing devices, is to prevent mercury from entering the environment, where it ultimately finds its way to poison us.

Informational brochures are available near each Assembly area in each plant. (Did you know that clothes irons and the antiseptics Mercurochrome® and Merthiolate® contain mercury?)

Regarding collection of your unwanted mercury-containing devices, please bring them to Tim Bock or Carmen Wegener in the HR Department, or call them at extension 8111 or 8341. Common sources of mercury are chemistry sets, thermostats, thermometers, clothes irons, older antiseptics, mercuric oxide batteries, silent light switches, gauges, and pre-1997 LA Gear® athletic shoes.

The Crown Crier is a communication medium published by the Human Resources Department to promote the Company's mission and guiding principles, share management information about the company, and celebrate significant employee accomplishments and events.



Innovation Determination Agility Speed

1718 West Mishawaka Road, Elkhart, IN

Employee Committee Financial Report

Balance as of 10/28/98:

Checking	\$2,193.81
Savings	\$6,065.47
Total	\$8,259.28

Honor God • Serve People • Develop Excellence • Grow Profitably