



Since 1971

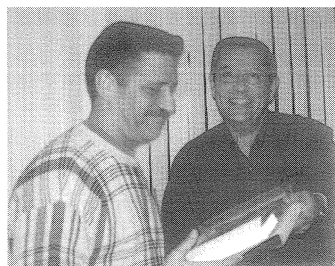
Crown International, Inc. Employee Newsletter

Jan.-Feb. 1998

Audio Sales Reps Exceed Quotas

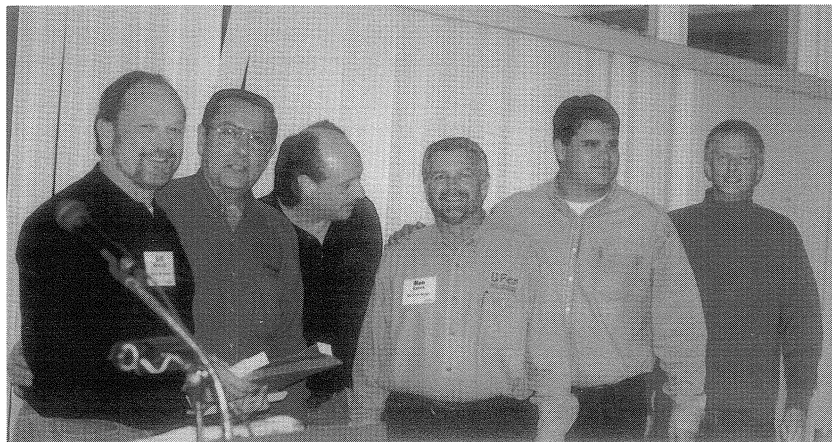
Chuck Gring announced the award winners, and everyone present appreciated the efforts of the top Crown Audio Rep organizations during 1997. The dinner and award ceremony closed the annual Rep meeting which is usually held just before the opening of the NAMM show in Los Angeles. This year Crown International welcomed the sales representatives from all over North America to Elkhart and South Bend for a three-day workshop January 8 through 10. The awards were presented January 10th after dinner at South Bend's Union Station.

The top rep organizations pictured here and on Page 2 had sales over 100% of quota.



Top microphones sales! Andy Combs, owner of Innovative Audio Sales, Waterford, Michigan, accepted a plaque from Chuck Gring (Crown).

In addition to a high level of sales and service, one group excelled in the administration of their transactions and cooperation with Crown. Named Representatives of the Year - SECOM! ☺



Bencsik Associates, Inc., Ocala, Florida. Pictured are: Bill Bencsik, Chuck Gring (Crown), Andrew Wright, Ron Lynch, Chris Bencsik, and Scott Schaffer.



Dobbs-Stanford Corporation of Dallas, TX. Pictured are: David Pugh, Peter Blair, Anne Prentice, Stu Moffitt, (Crown), Larry O'Neill, and Frank Halter.



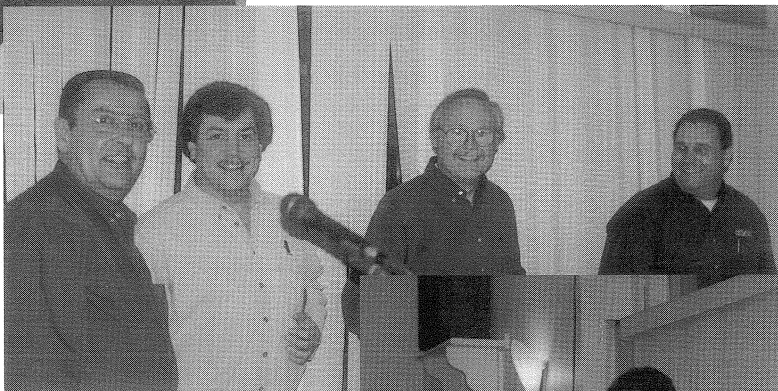
SECOM, Atlanta, GA. Fred Higgenbottom and Richard Newberry (Crown), Ed Wolffe, Bob Baker, Mick Beisel, Edie Williams, Carl Yandle, John Gutekunst, and Chuck Gring.

Over 100% of Quota, continued



Spoiled by Technology:

Al Novak, Maurice Paulsen, Stu Moffitt (Crown).



Sigmat II:

Chuck Gring (Crown), Ed Portko, Greg McMahon, Kelly Ireton.

Talbot Marketing:

Dave Talbot, owner of Talbot Marketing, accepted recognition for a 48% increase in sales. Also recognized for having an outstanding "Support vs. Access" territory, Dave's dealers actively support and promote Crown products.



Reps Run Welcome Gauntlet



Greg Hockman, GLS Marketing, Huntington Beach, CA, gets the greeting, Thursday, January 8th.

The "greeting lines" ran from the front lobby all the way to the Plant 2B Conference Room, forming a "gauntlet" of welcoming employees, shaking hands, smiling, clapping, and saying, "Hi!" The Audio sales reps got the message and were able to meet some people and see processes and product as they toured the Audio facilities.

Five break-out sessions ran concurrently from 11:25 until 5:30, with time out for lunch: "The Internet" presented by Mary Pat Matson, Bruce Peterson and Ian Magness; "New Product Directions" by Mick Whelan and Bob Herrold; "Tech Support - Factory Service Quality" by Don Peterson, Dale Kauffman and Mike Romero; "Sales Customer Service" by Deb Frantom; and "Future Technology Issues and Trends" by Gerald Stanley.

After this last session, one long-time rep said, "I have just been in the same room with Gerald Stanley. He is already in the history books. I was thrilled just to be there!"

In keeping with several months of top secret planning, all the reps and Jim Beattie's wife, Karen, were bused or driven to the Matterhorn Restaurant for dinner.

Richard Newberry managed to delay his departure with Jim until the stage was set at the Matterhorn.

Jim spotted the big green and white "Jim Beattie Retirement Roast" banner the minute he stepped inside the banquet room and stopped short in surprise. Pages 4 and 5 feature some highlights of the roast and two-day Sales Meeting which followed. ☺

The *Crown Crier* will be published four times in 1998. **Deadlines for contributions are: May 8; August 7; and November 6.** Contributions are accepted at any time by Libby Marshall, Plant 1, extension 8390 or by Reporters John Balzano, Rhonda Chapman, Cindy Swald and Lois Taggart (HCJB).

Introducing Fred Higgenbottom

Audio Senior Vice President and General Manager

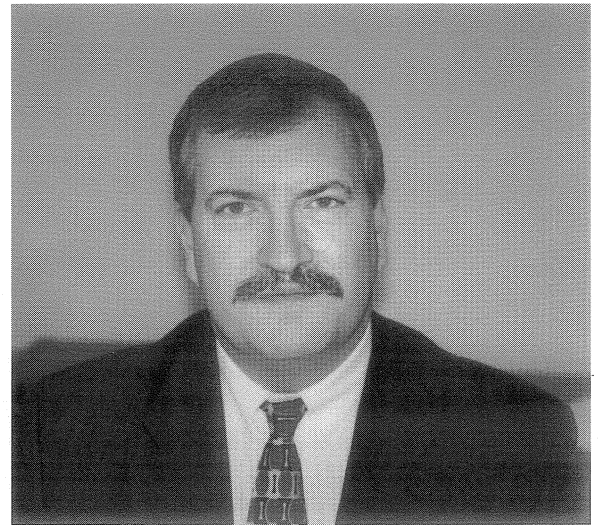
by Jon Simmons

The NAMM Show gave **Fred Higgenbottom** a crash course in the music industry at the show in Los Angeles in January. He had just begun his position as the new Senior Vice President and General Manager of the Audio Division the first week in January. However, Fred brings years of manufacturing experience from companies like Johnson Controls, First Alert and most recently, Hasbro.

A complement to Fred's impressive resume is his strong sense of family. Fred and his wife, Idella, have been married for more than twenty-five years. They have two children, Kathy and Wesley. Both children attend New Mexico State University where Kathy is in her freshman year studying Nursing and Wesley is a junior studying Business. The Higgenbottoms enjoy many family-related activities, which have included two trips to Europe.

In discussing his career and personal goals, Fred shared the following priorities which help him keep his focus on what's truly important in life:

- ◆ Honor God with a life that is pleasing to Him.
- ◆ Be a good husband and father in my family's eyes.
- ◆ Comfort and support my wife's and my parents during their "golden years."
- ◆ To be able to play with grandchildren some day and provide meaningful memories that will last them a lifetime.
- ◆ Live a life that is significant to the development and nurturing of others' maximum potentials.
- ◆ Remain a preferred employee in the eyes of customers (internal and exter-



Fred Higgenbottom

nal), employer, and the marketplace.

◆ Achieve financial independence before retirement.

I trust that each of you will join me in welcoming Fred Higgenbottom to Crown with sincere hope for success. ☺

Mick Whelan

Audio Division Vice President of Marketing and Sales

One of Fred Higgenbottom's first moves was to name Mick Whelan as Crown Audio's Vice President of Marketing and Sales. Fred said, "This will allow us to focus our sales and marketing efforts upon delighting our customers under Mick Whelan's leadership. His experience and passion for excellence will be a cornerstone to our overall efforts."

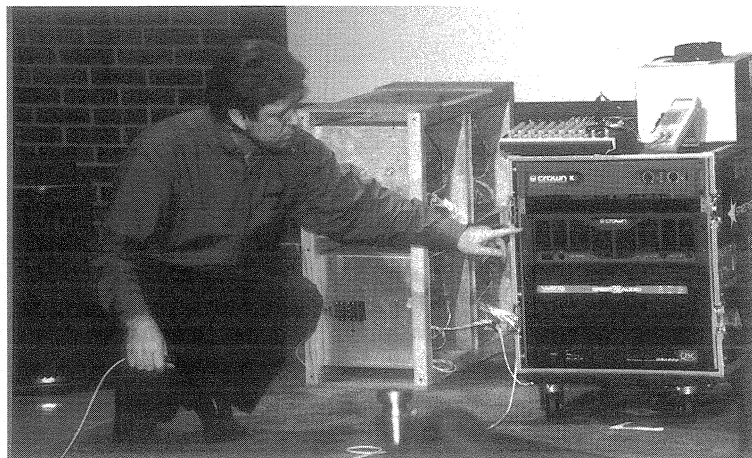
Crown Audio's marketing and sales management teams, as well as its Technical Support staff, will report to Mick. Mick joined Crown Audio in May, 1996 as its Amplifier Product Line Manager. He was instrumental in the introduction of the award-winning K-series amplifiers last year, and the development of this year's CE Series amplifiers, which were introduced at the National As-

sociation of Music Merchants (NAMM) Show in Los Angeles January 29th.

Mick brings more than 25 years of pro-

manufacturer based in Northridge, California, where he worked on cinema and touring systems. He worked as a systems engineer for many leading bands. He was also the Chief Engineer of Research and Development for Electrotec Productions in California, where he designed and operated the sound systems for acts such as Rod Stewart, Rush, Guns 'N' Roses and Aerosmith. As an Electrotec Systems Engineer, Mick mixed front of house sound for groups like the Beach Boys and Stevie Wonder.

Mick, his wife, Barbara, and daughters, Alanna and Elizabeth, live in Granger. ☺



Mick Whelan demonstrated the features of the CE amp to sales reps.

fessional audio experience to his new role. Before joining Crown, he was Product Engineer with JBL, a prominent loudspeaker

Rep Sales Meeting '98

The Roast

The Roast was especially significant considering that it was top secret for months, and Jim Beattie was totally surprised. A Crown achievement!



Jerry Stutzman "roasts" Jim Beattie.

Jim was on an emotional roller-coaster, but he managed to grin and bear it. Richard Newberry brought hoots when he mentioned Jim's handling of commissions. Terry Hammond mentioned the Beatties' "hard line" real estate management techniques that assure their success. Bob Herrold, Jim's usual trade show roommate, shared some unique insights. Among other things, Jerry Stutzman praised the evening meal, since Jim's favorite food is "buffet".

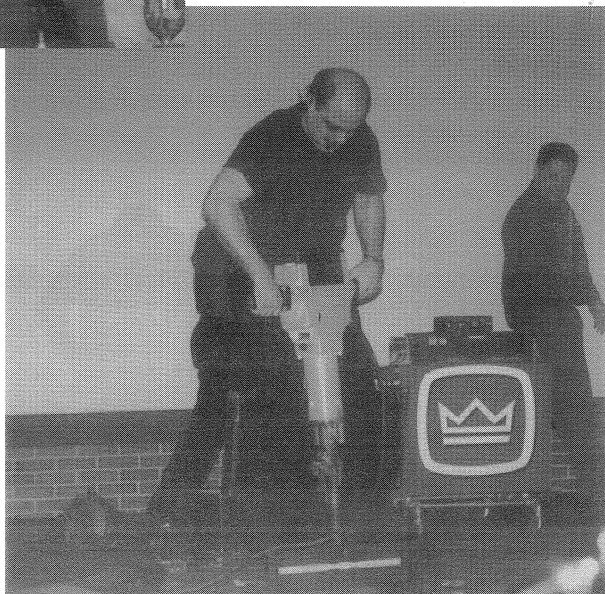
Chuck Gring, Sam Helms, "Mo" Paulsen, Ed Wolffe and Dave McLaughlin all added to Jim's puns, but only Dave got a hug. Bruce Peterson and Mick Whelan gave the "Top 10 Beattie Sayings" along with what they really mean. For instance, "support versus access" means "Jim supported his retirement by accessing rep commissions."

Another big surprise was the appearance and comments of Peter Christensen, long-time Crown European Master Distributor and friend from Amsterdam. Peter flew in just for the occasion and a brief overnight stay with the Beatties' prior to their departure on a Caribbean cruise.

New Product Introduction

A "Chicago Bulls" introduction of the new video logo loosened everyone up for some intense break-out sessions on Friday, January 9th. Jim Stembel defined the IQ software and compared it to similar software on the market. Doug Bullard pointed out new features of the Com-Tech Series, and Bob Herrold told participants how and when to use the mini-boundary microphones.

"Cutting edge technology" took on new meaning when everyone convened in the darkened Century Center auditorium.



Dr. Death (Blair McNair)

The audience was electrified when "Dr. Death" of "Kevorkian Audio" demonstrated CE power for the highly anticipated CE Series introduction. One CE-1000 powered the jack hammer which "destroyed the competition" (at least one QSC amp).

Notre Dame Installations

Ken Kuespert, of TPC Technologies, South Bend audio contractors, described small IQ Systems and installations at Century Center, College Football Hall of Fame, and others, during lunch at the Hall of Fame Press Box on Saturday.

Breakout sessions featured K Series demonstrations by Doug Bullard, and Mick Whelan, market features of the six-channel amplifier by Blair McNair, marketing directions from Bruce Peterson, and further IQ System software information in the truck by Jim Stembel, pictured below.

Marketing Director Bruce Peterson said, "We communicated that, 'It's a new day!' Having the sales meeting here offered opportunities to use our new philosophy. We listened, and with a 'can do' spirit we will be a market-driven company.

"With the meeting here, the employees were able to meet our reps and realize how important they are to each other. Many more employees were able to participate here, than has been possible with the meetings in California." ☺



Jim Stembel used three computers and monitors networked together to show the superiority of IQ for Windows over the other three systems that attempt to imitate the IQ System.

CE-ing is Believing

Crown Audio's famous truck was rocking at the NAMM Show January 29th through 31st. With the truck transformed into "Club Extreme," 18 to 30 visitors filled it every 10 minutes. Disk jockies played all kinds of great music, using Crown CM-311 headsets to demonstrate and point out product features, and they danced! The Crown presence at NAMM, according to a Warner Brothers representative, was "the best exhibit he'd seen in his 25 years in show business."

The inside of the truck was transformed with strobe lights, speakers, and two of the country's top DJs, Lisa Capitanelli, creator of the hot new dance single, "Do the Dance!", and Philip Allen Reyes, President of the American Disc Jockey Association's Southern California Chapter.

A ticket and visit to Club Extreme entitled the bearer to a "CE-ing is Believing" T-shirt from the Swag Depot, just outside the truck, and a chance for the daily draw-

ing of a CE amp and microphones.

The objectives were: to introduce the CE Series; to make it a show stopper; and to make attendees, including editors, aware of our key management changes at Crown.

Nearly 2000 sales leads were generated for the CE Series. Editors were impressed with the CE. Besides daily coverage at the show, Marketing Director Bruce Peterson has received requests for technical articles and a prominent musicians' magazine has requested a product review. Musicians, DJs and contractors find the price/performance value of the CE Series outstanding.



The NAMM Team and Club Extreme.

With "Crown" flashing in red spot lights around the arena, flashing CE Series lights, huge banners, and Club Extreme sitting opposite JBL, Crown once again "owned the arena."

"CE Curity" was provided by bouncers Doug Bullard and Blair McNair, who guarded the entrance to the truck, entered tickets into the hopper for the drawings and protected the DJs from the eager crowds.



Lisa asked, "Who would like to win an amp?"

From the top: Blair McNair (Crown), DJs Philip Reyes and Lisa Capitanelli, Erica Spencer (Crown), Jaya Prakash Vaswani and friend. Jaya said, "I walked into the Club all business. I walked out feeling like this was a real club. I knew I was going to win!" Jaya won a CE!



Doug Bullard and Blair McNair (Crown), with Mom and Crown tattoos on the arms, guard the entrance and the hopper at Club Extreme.



Chuck Gring (Crown) honored Sam Ash Music, NYC, Crown's top volume dealer: Howie Mendelsohn, Barry Horwitz, Rich Ash, Sam Helms (Sigmet), Chris Tso, and Cliff Barkalow (Sigmet).

In spite of the Chinese New Year and the Asian economy, 60 people representing 30 international distributors attended Crown's International Dinner. Pictured here are some of our South American representatives.

Milestones Plus

Mel Smith - Over 25 Years of Service

Mel Smith is a family man, and his family, wife, Patti, daughter, Melissa, and sons, Aaron and Brian, are the first to tell you. But also Mel may be the only 25-year employee who can say, "I have worked in Fab in the same job for 25 years and on the night shift for 13 years."

He started working on a Wells Strippit machine which punched one hole at a time in the sheet metal. But he has a secret love. Crown bought the first Amada punch press in 1983. Mel confided, "She and I have grown up together! She's my baby!" He must do a good job caring for her, because she is still going strong. The Amadas probably had the biggest impact on Fab production, making the job easier and faster.

Mel collects die-cast metal cars from the '50s and '60s. He and Patti are currently fixing up a room in the house to display his collection. He said, "She does everything. She tells me when and where to pound the nails! We're a good team!" Mel and Patti are active at the 1st Baptist Church.

Mel was hired by Ron Harner more than 25 years ago, after interviews with Glenn Ryman and Clarence Moore. Glenn Ryman told him, "The next time I see you, I want to see a twinkle in your eye!" Mel waits until you notice, but then usually has a sly remark or two to add to the twinkle. ☺



Mel Smith

Milestones

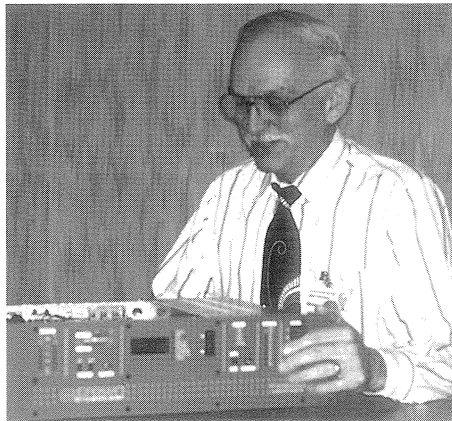
Terry Frick - Over 20 Years of Service

Terry Frick gave up his independence on July 4, 1977, his first "official" day of employment at Crown, according to the records. Starting as a quality engineer, Terry became Manager of Quality Assurance two years later. Manufacturing for quality, instead of inspecting for quality, has always been Terry's goal.

The 1980's were growth years with more diversified products and markets. In response, the manufacturing organization was growing to meet the demands of the customers. In 1981, Max Scholfield asked Terry to become the Vice President/Manufacturing, a position he held until 1991 when the manufacturing operations were divided into Audio, Techron and Fabcom.

Terry continued to use and gain considerable knowledge in manufacturing systems and computerization as first manager of Fabcom and later Corporate Process Development Manager, under President Clyde Moore. During this time extensive study of Demand Flow Technology determined that flow manufacturing was the best way for Crown to better serve customers and grow profitably. In 1994, new President and Chief Operating Officer Terry Hammond authorized "full steam ahead" in converting all

Crown manufacturing to flow processes. From early 1995 into 1997 Terry be-



Terry Frick

gan the training of employees in demand flow and kanban operations. Working with Audio and Techron personnel, Terry set up demand flow systems in-house and implementation of kanban to outside suppliers as well. Currently Techron and all Audio lines, except the D-75/D-150 Line 4 and microphones, use demand flow processes.

Many materials are kanban'd to supply production needs. Modules are assembled by flow procedures and more than

300 parts for Modules and Fab are supplied by the bar code Replenishment Signaling System. C-Tech Systems supply hardware and fasteners directly to point of use on the shop floor without involving Purchasing or Stockroom. This is the ultimate supply process which we are working toward for most raw materials and parts.

Terry and his brother, Dean Frick, were instrumental in developing our state-of-the-art documentation photo process for producing method sheets for production lines.

In July 1997, Terry moved to the Broadcast Division to formalize manufacturing. After dealing with inventory issues, manufacturing processes, kanban systems and documentation, Broadcast manufacturing lead time has been reduced from four or more days to several hours. All production is triggered by customer orders delivered directly to the shop floor.

Twenty years ago the focus was quality. Today customers also expect and demand swift delivery of product manufactured to their unique requirements. Terry is helping the company move to this focus, through the use of demand flow, to manufacture product to customer order with reduced lead times in a visual factory. ☺

Pacesetters - Graduation for One



Autumn, Nick, Angie and Chip Tompkins

The graduation class was small—Angie Tompkins—but the occasion was significant. Vincennes University held their first 1998 Commencement and their first graduation through Elkhart's Lifetime Learning Center. Another first was due to the fog Tuesday, January 6th. The President of Vincennes, Dr. Philip Summers, and Dr. Byron Bond, Assistant Vice President for Instructional Services, could not fly here as planned, so they drove to Indianapolis to the Picture Tel site and conducted the ceremony via interactive TV monitor. The first Crown Vincennes class was conducted via Picture Tel, so it seemed appropriate for the first graduation.

Angie wore a gold "honor hood" over her blue graduation gown which connoted that she graduated "Summa Cum Laude" (with highest praise) with an "A" grade point average. Angie is "Information Developer" for marketing communications in Broadcast. 🏆

"Pacesetters" highlights Crown people who have either done something extraordinary or who consistently exemplify our corporate values. Nominations are open from all employees, customers, suppliers and other stakeholders. Drop your nomination in the metal "Crown Crier" boxes in Plants 1, 2B or 3, or call Libby at extension 294-8390.



Anniversary Accolades

We asked for the impossible: "Distill 50 years of history, people and products into an eye-catching piece of memorabilia for Crown employees, associates and friends." Ben Dorsey did it. We put a colorful photographic brochure into the hands of all who attended the 50th Anniversary Celebration, September 13th.

Ben traveled to Dayton, Ohio to receive a "Distinguished" award plaque from the Society for Technical Communication (STC) in the highly competitive promotional materials category. The brochure was then automatically forwarded to an international competition for judging in March.

Copies are available from the Lit Room in Plant 1. 🏆

Toastmasters Rise Again

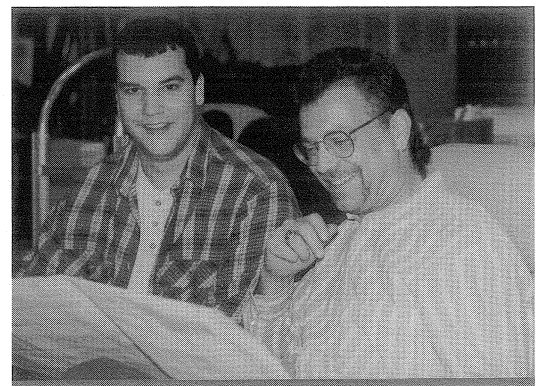
Bob Sproston is President of the new "Elkhart Chamber Achievers Toastmasters Club #1122." It is the original Crowning Achievers, which met at Crown International, now moved and expanded. Beryl Loomis is the Treasurer for this enthusiastic group which meets at noon every Wednesday at the Chamber of Commerce offices, 418 South Main Street. Anyone interested in the club can call Aimee Glidden at 293-1531. 🏆

New Employee Profile

Jim Stiefer lives in Dallas. He joined the Audio Dallas engineering team in January. Jim's hobbies are experimental helicopters and aircraft and audio. When asked, "How did you happen to come to Crown?" Jim wrote: "I drove north on I-35 and then west on Valwood to Crown's [Texas] office." (Editor's Note: "We have revised that question!") 🏆

Maintenance Skills Expanding

Tom Hively and Aaron Smith completed a 14-week Heating, Ventilation and Air Conditioning course in December. It is the first class of a 3-level Refrigeration and A/C Repair certification program. They traveled to the Elkhart Area Career Center two nights each week for the course, which instructs in basic operations, maintenance and trouble-shooting. 🏆



Aaron Smith and Tom Hively

CEO's Memo...



Terry Hammond

In the previous issue of the Crown Crier, I emphasized the criticalness of "Delighting Customers." This is the key objective in our Crown International Mission Statement. Once again, those companies that fail to delight their customers will ultimately not exist.

The first sentence in our Crown Mission Statement reads as follows: "We, as Crown International, seek to delight our customers with creative solutions in electronic products, systems and services, through innovation, determination, agility and speed."

Just what do we really mean by "innovation, determination, agility and speed?" These represent four important characteristics that our management has agreed this organization must possess if it is to truly delight customers on a continuous basis.

Innovation:

The dictionary defines this as doing something in a new way. For our purpose, I would add to this definition in saying that innovation is doing something in a new way that is relevant to our business, and moves us in the right direction to delight our customers. It is creativity plus relevance.

For example, if I invented a solar-powered bicycle on which I could ride the six miles from my home to Crown, this would be very creative, but not very relevant. A solar-powered bicycle would do me little good in January with six inches of snow on the ground. My four-wheel drive Jimmy may not be a creative way to get to work in the morning, but it surely would be more relevant than a solar-powered bicycle. If we are to delight customers, our innovation must consist of both creativity and relevance. Creativity alone might provoke interesting conversation, but it does little to delight our customers.

Determination:

This is a mind-set or attitude. It involves our inner-most being as well as our physical actions. It is total commitment towards a goal. Once we decide a course of action to delight our customers, determination and total commitment are essential if we are to succeed.

Agility:

Agility is the ability to rapidly change courses or change direction as circumstances dictate. In football, this would equate to open-field running, when

the person carrying the ball has to make a split-second decision as to which way to run, based on the position and direction of the tacklers on the opposing team and the blockers on his team. The external environment that influences business decisions is dynamic. We must constantly adjust our internal resources and actions to the ever-changing external environment.

In some cases, this means re-directing the priorities of our internal resources. In the case of rapid business growth, as we had in 1996, it may mean adding internal resources to meet a rapidly increasing demand from the marketplace. Unfortunately, in times of business decline, such as we experienced in 1997, and are still experiencing in 1998, we must be agile enough to adjust our resources accordingly.

Speed:

Speed is simply the characteristic of making something happen very quickly, whether it is quickly changing direction or quickly reaching some fixed goal that does not require a change in direction. We must have both agility and speed. One without the other is inadequate. We must be able to change directions to reach goals, and do it quickly.

These four words, innovation, determination, agility and speed are vital parts of our mission statement. We need to apply these principles so they can lead us towards delighting our customers, which is absolutely essential to both the survival and future growth of our businesses.

Terry Hammond

Commit to the Lord whatever you do, and your plans will succeed.

--Proverbs 16:3

The CROWN CRIER is published quarterly 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 2/13/98:

Checking	\$5,389.50
Savings	<u>\$5,162.92</u>
Total	\$10,552.42