



January 2005 Issue

Omaha Standard Company Newsletter

Merry Christmas and Happy New Year

Thanks to everyone that participated in bringing Santa to Omaha Standard! From the Human Resource Department for organizing the event, Sean Otterberg for becoming Santa's little helper (wink, wink), and all the parents, grandparents and family that participated in the holiday cheer. Omaha Standard wishes you the best in the New Year!



Plant Potluck Luncheon

Employees began celebrating the holidays early with their friends and co-workers at the plant potluck luncheon, which was held Wednesday, December 22 at the West and East Plants. The Company provided barbecue sandwiches and employees brought awesome side dishes and desserts to share with everyone. Supervisors and plant managers served food. Tom Moser and Jim Moser stopped by to give their thanks and appreciation to employees for their hard work and dedication this past year.

Have a safe and happy New Year's celebration!

Let's Play...Get to Know the Distributor



Darvin Moore, President of Southern Truck Equipment, (Phoenix and Tucson, AZ), started his career in truck equipment right after high school. "I stopped by Southern Truck to see Jim Wood, one of the owners and a family friend. He asked if I could weld...I went to work the next day." 37 years later Moore continues to make things happen for the growth of Nevada and Arizona. "Arizona and Nevada are in building booms most of the time so we build the majority of our bodies for the construction industry." Southern Truck builds custom and standard truck equipment. About 90% of their work is for truck dealers and 10% for end-users with custom needs. Darvin believes that the best lesson learned through all his experience is, "If you get to know just what the customer needs and wants are, you can make a body that will do the job and make the customer happy at the same time."

Darvin also enjoys his family time. He has been married to his wife Rese for 37 years and they have seven children and thirteen grandchildren. Darvin's family life is as busy as his work life!

Employee Highlights

Kevin Larkowski joined the Omaha Standard team in September as a Manufacturing Engineer. His most recent work experience came as a Lead Plant Engineer at Dura Automotive Systems in Stockton, IL. He holds a degree in Industrial Management from the University of Nebraska. Kevin's initial focus at Omaha Standard will include Lean Manufacturing implementation, and New Plant/Facilities Planning. Please welcome Kevin!

Randy Swalve also started with Omaha Standard in September as a Manufacturing Engineer. His most recent work experience came as Department Manager at Pella Corporation in Shenandoah, IA. He holds a degree in Industrial Management from Wayne State College. Randy's initial focus as Omaha Standard will include Lean Manufacturing implementation, and New Plant/Facilities Planning. Please welcome Randy!



Randy Swalve and Kevin Larkowski

Fall Dirt Work Complete at New Omaha Standard Site

The fall dirt work phase has come to a close at the future site of Omaha Standard. Construction crews have been working since October preparing the 27-acre parcel of land for the Spring 2005 build season. A pad for the 200,000 square-foot building has been created and *surchage* soil, ranging from 3-8 feet, has been placed to compact the site over the winter months (January through April). Also, during this time off-site assembly will be taking place on pre-cast concrete wall panels, structural building steel, and the e-coat finishing system which was ordered on December 15.

On-site construction will resume in April, 2005, starting with the removal of the *surchage* compaction soil. The steel erection will commence in May, and will be followed by the concrete floor installation in June. MetoKote, the finishing system supplier, will ship system components and begin their on-site build process in August.

Current plans call for an early December start for transitioning from current buildings into the new state-of-the-art manufacturing facility. The complete move duration is estimated at six to eight weeks. This will allow us to be fully operational just in time for our seasonal spring ramp-up. We will keep you updated as the project progresses.



January Birthdays and Anniversaries

Birthdays

| | <u>Jan:</u> |
|--------------------|------------------|
| Todd Jenson | 1 st |
| Michael Redding | 6 th |
| Robert Kroll | 8 th |
| Karen Vanderpool | 9 th |
| William Franks | 11 th |
| Kenneth Petty | 12 th |
| Robert Utley Sr. | 14 th |
| David Woodward | 15 th |
| Clifford Fowler | 16 th |
| Timothy Blocki | 16 th |
| John Drummond | 17 th |
| Luis Morales | 19 th |
| Mark Rea | 20 th |
| Timothy Craft | 23 rd |
| Larry Richards Jr. | 27 th |
| Jeffery Rolfe | 29 th |
| Allison Sabo | 29 th |
| Danny Tschudin | 30 th |

Anniversaries:

| | <u>Jan:</u> |
|------------------------|------------------|
| Mike Redding (26) | 2 nd |
| Jim Salmons (10) | 3 rd |
| Keith Harmon (3) | 3 rd |
| Monte Green (6) | 4 th |
| Juan Toledo (2) | 10 th |
| Larry Morgan (17) | 13 th |
| Gary Burnham (32) | 15 th |
| Stanton Campbell (4) | 16 th |
| Gregg Greene (5) | 17 th |
| Jeffery Plambeck (6) | 18 th |
| James Rhoten (1) | 19 th |
| Chris Stump (1) | 19 th |
| Troy Naab (1) | 19 th |
| Gregory Mueller (17) | 20 th |
| Mark Pribyl (12) | 20 th |
| Timothy Craft (12) | 20 th |
| Kevin Kaufman (17) | 21 st |
| Randall Kates (10) | 23 rd |
| Andy Moore (1) | 23 rd |
| Lorenzo Diaz (1) | 23 rd |
| Andrew Elks (9) | 24 th |
| Jeffery Nelson Jr. (1) | 29 th |
| Edwin Rose (11) | 31 st |
| Clifford Fowler (8) | 31 st |

Lean Manufacturing in Full Swing at Both Plants

At Omaha Standard becoming lean is not just a goal for most employees after the holidays! Lean is now a way of working and operating for our entire company team. An old idea, conceived in Toyota's car making plants more than 50 years ago, is being born again in boardrooms and factories. Lean manufacturing has North America's presidents, plant managers and engineers pumped with optimism. (Advanced Manufacturing Magazine) This is evident in all of Omaha's own staff and management team. Lean breathes new life into companies that have relied on "don't fix it unless it is broke". Well, it may not be broke but it is bent, and the program is helping us move into a lean, mean fighting manufacturing machine. As introduced in the November 2004 newsletter, Kaizen (structured method of continuously improving processes through focused project teams making significant, low cost changes within short time periods) has been put into motion. Two Kaizen events were completed in the month of December both ending with a presentation detailing the work accomplished.

Tim Freeman facilitated the first Kaizen Event Presentation for Eagle Lift on Thursday, December 16. Vice President of Manufacturing and Engineering Jeff Tilley expressed his excitement in employee meetings, "Seeing a production employee lead a presentation was an amazing change, since typically it is an employee at management level presenting". The presentation detailed the transformation of the Eagle Lift upright cell. The Kaizen restructuring took nine days. The main goals were to reduce space, inventory, and cycle times. Safety and quality issues were also addressed. Significant progress was made, but Freeman acknowledged there is always room for additional improvement. The main lessons learned were fundamentals of the lean concept and, above all else, that communication is necessary.

A Kaizen event was also recently held to develop a warehouse "supermarket" at the West Plant. *Supermarket* is a term that describes a store of parts in a kanban controlled inventory system - much like a grocery store and its groceries. The warehouse event focused on inventory and floor space reduction, as well as the flow of product from the first operation (small roll former) to the stake rack weld assembly cell.

In a supermarket, inventory is made available and visual signals queue operators when and in what quantities to produce more parts. Because the supermarket, made up of stock parts, encompasses more than 80% of all slat and stake part numbers, the operators will be able to continually run without stopping. The remaining custom demand will be managed using the shop order process.

The initial tasks included determining machine capacity and kanban quantities, collecting information on the current order method, and understanding the delivery process of parts to the assembly teams. Next, the team identified the various wastes involved in each process, brainstormed ways to reduce or eliminate the wastes and finally implemented those new waste-reduction ideas.

The introduction of the supermarket was a success. The team came up with a 24% reduction in floor space, an 83% improvement in time (when a part runs out to notifying the first operation), as well as a \$15,000+ reduction in inventory. It will be monitored so they can continually improve its effectiveness - adjustments will be made when needed. The seasonality of the business will also dictate when changes are needed in the supermarket quantities.

The team will also use lessons learned from the project in other areas of the company.

Small Roll Former Lean Team



Sid Dillon, Terry Plambeck, Steve Mauseth,
Peter Menke, Troy Naab, Zac Moser, Randy Swalve

Not Pictured: Jamie Wilson, Randy Hedrick, Greg Tyler,
And Jack Neary

Kaizen Team (Eagle Lift)



Stan Campbell, Gregg Greene,
Chris Knecht, Tim Freeman