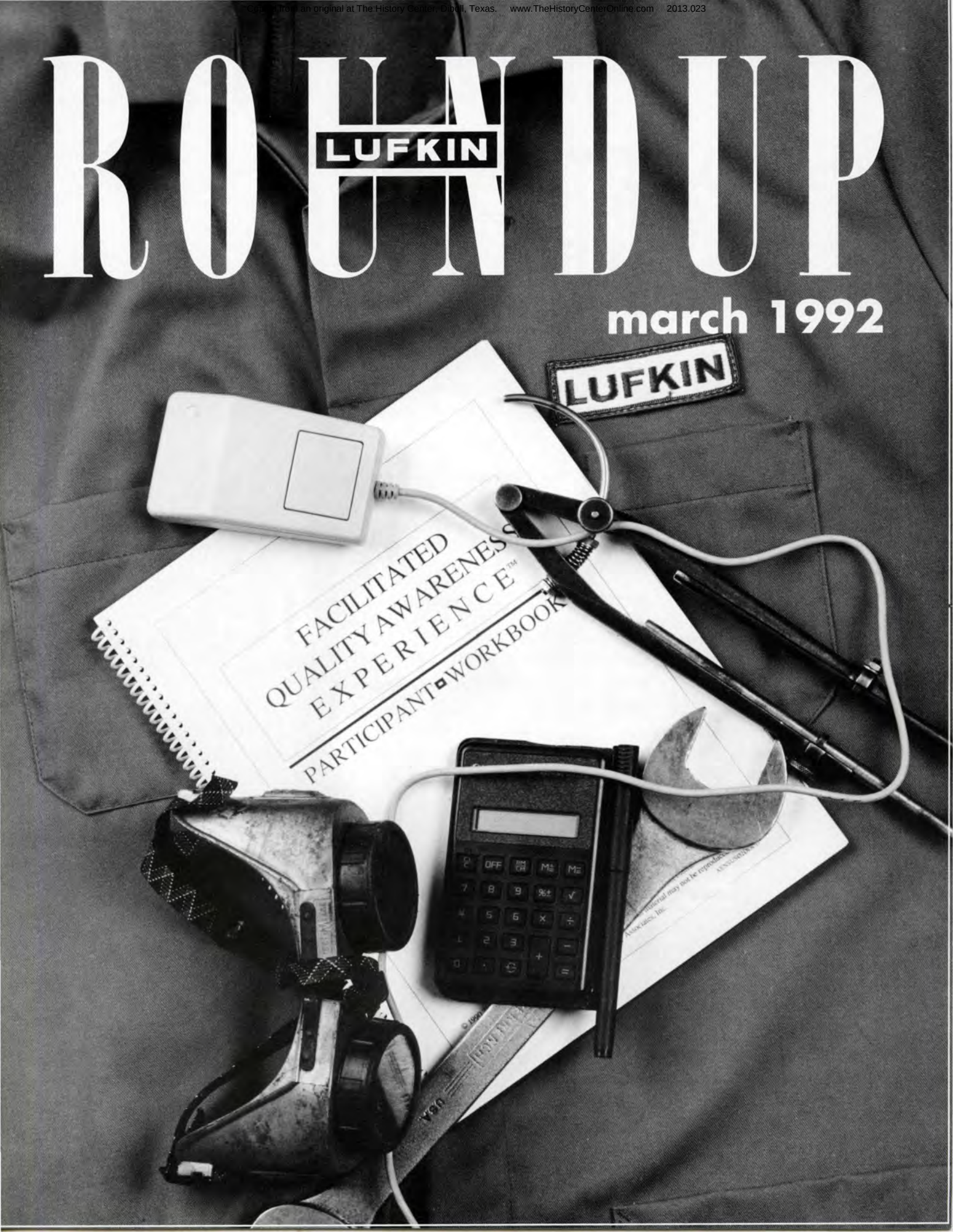
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LUFKIN ROUNDUP

march 1992



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"A cornerstone in the Lufkin Quality Process is education..."

LUFKIN ROUNDUP

COVER: The Lufkin Quality Process cuts across all boundaries, from hourly to salary, office to shop.

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Frank Stevenson

4 **Shop Class Graduation**

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6 **The Lufkin Quality Process**

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"...the program will be a success when YOU use it."

NEXT ISSUE:

Employee Assistance Program at Lufkin Industries

VOLUME 49, NUMBER 3, 1992
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For active and retired employees and their families

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LUFKIN Quality...

A Continuing Process!

If someone were to ask, "what does LUFKIN stand for?" what would the answer be? The one word that I think of is QUALITY.

I think that throughout the years, across the country and around the world, this word truly describes the LUFKIN team effort. This is a reputation which has been built over ninety years on a day-by-day, piece-by-piece, product-by-product basis.

We know that this reputation did not just happen. It was the result of countless hours of hard work and a continuous effort toward educating every LUFKIN employee in the improvement of every aspect of their work processes.

Just last month we had another graduation banquet for employees who had taken advantage of the opportunities LUFKIN University offers. These LUFKIN partners studied blue print reading, welding and English as a second language. On their own time, they continued the tradition, established many years ago, of improving themselves, and therefore LUFKIN's processes, through education.

A cornerstone in the Lufkin Quality Process is education, also. By the end of the year, every LUFKIN employee will have studied the quality process at LUFKIN. This too, is a continuing process.

LUFKIN's reputation for quality has taken ninety years of painstaking effort to build, but we all must remember that it can be destroyed with a single part or product which does not meet the LUFKIN definition of quality.

Let's continue to build on our past reputation. This reputation, which has been so carefully built, will go on as long as we continue to supply *quality*, *service* and *real value* to our customers.

"We know this reputation did not just happen. It was the result of countless hours of hard work..."





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Shop Class Grads

On February 13, a banquet was held to congratulate the graduates of Fall 1991 LUFKIN University classes. After or before working a full day (or night), these students attended classes twice a week in an effort to expand their knowledge and skills. Classes in Blueprint Reading, Welding and English were offered, a reduced schedule to make room for the large number of LUFKIN Quality Process classes that began in October.

We commend these workers for their initiative, determination and willingness to learn. Their success is LUFKIN's success. Those graduates who were able to attend the banquet are pictured below.



(l-r) Armando Ortiz, Artemio Puentes, Trinidad Solis, Miguel Munos



Front (l-r) Bill Farrior, Troy Hill, Ron Sisson, Luis Ramos, William Fisher
Back (l-r) Armando Gamboa, Armando Ortiz, Donald Curry, David Berry, Steve Evans



Front (l-r) Susan Brown, Claude Mullins, Gene Willson, Lesa Harris, Johnny James, James Stanbery, Ide Russell
Back (l-r) Michael Brewer, Mark Winthrop, Jon Shultz, Rollin Hutton, Billy Vann, Trent Crawford, Scott Williford, Lance Davidson



Front (l-r) Artis Teal, Glenn Dominey, David Hodges, Greg Pullen, Rajan Babu
Back (l-r) Anthony Bourbon, Steve Massey, Joe Wilkinson, Thomas Frazier, Robert Howell

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Safety & Health UPDATE

OSHA: In-plant

Recently Compliance Officers from the Occupational Safety and Health Administration (OSHA) visited LUFKIN and performed inspections in the Machine Shop and Foundry.

OSHA is the governmental organization whose purpose it is to ensure that the safety and health mandates established by the U.S. Government are carried out in the business sector.

"Our employees demonstrated very professional attitudes in their dealings with the Compliance Officers..."

Jared Satterwhite, Corporate Safety & Health Director, stated that, "This was a *general schedule* visit. They work off of a computer and it just randomly chooses companies for inspection."

The Compliance Officers toured the Machine Shop and then the Foundry and were in our plant for five days.

According to Satterwhite, "Both of the Compliance Officers were very thorough, but they were fair.

"Also, both of the Compliance Officers were very complimentary of LUFKIN's programs, the Company's commitment to safety & health and to our employees.

"Our employees demonstrated very professional attitudes in their dealings with the Compliance Officers as well as in their job performance."

The inspection of the Foundry turned up no problems, but there were several areas in the Machine Shop which need to be addressed. This means that some questions were raised concerning LUFKIN's operations in relationship to the strict standards set out in OSHA's printed regulations.

Satterwhite further stated, "We have to keep in mind that we are working in an ever changing environment. We must continue to look for and be aware of, problems which may occur. Safety is an every day issue.

"Today the horn on a fork truck works, but tomorrow it must again be checked. If it doesn't work then corrective action must be taken.

"Employee involvement is paramount for the safety & health of all LUFKIN employees. We must all be committed to the primary goal of every Safety & Health professional: providing the safest possible work environment for every employee."

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The Lufkin Quality Process...

Before the end of the year every LUFKIN employee will have had training in the Lufkin Quality Process. This training is designed to help everyone look at quality from the same view point.

LUFKIN's process uses terms like:

- Zero Defects,
- No nonconformances;
- Customers and suppliers;
- Requirements;
- Price of Nonconformance;
- Management commitment;
- Employee commitment;
- Corrective Action System.

As more and more LUFKIN employees are trained in the common meanings of these terms it seems reasonable to ask a simple question: How do we know when, and if, the program is working... is a success?

Will it be a success when we have identified and corrected everything we find to be *costs of doing things wrong*?

Will it be a success when the stockholders get a bigger return on the money they've invested in LUFKIN?

The answer is: Yes ***and*** no.

Yes, identifying and correcting the problems in our work processes and getting a bigger return on investment for our stockholders are definitely successes, but No, these will not be the only measurements we use to determine whether the Lufkin Quality Process is a success.

Correcting our problems and making more money for the stockholders will come when the first step toward success has already been taken. And, that step is having every employee actively involved in trying to correct



THE PROBLEM: An expensive belt used in the Small Casting Facility was being torn by jagged pieces of metal. The belt had to be replaced every 3-4 months at a considerable cost.

Initially it was thought that major renovations would have to be done to correct the problem.

THE SOLUTION: Workers in the area, including those pictured above (l-r) Randy Carlin, Rick Adams, Kevin Cauley, discussed the problem with management, developed a solution and, using equipment in the plant which was no longer in use, they implemented a permanent Quality Solution.

THE SAVINGS: Approximately $15,000 per year, not counting maintenance and down time.

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problems in their work area: the program will be a success when YOU use it.

One portion of the training points out that when problems are identified they must be put in order of amount of dollars involved — problems which involve large amounts of money will be attacked first.

There will be success stories which involve large sums. In the boxes on these pages are two success stories which have already come from employees using the system and the principles taught in it. It appears that these particular success stories will save the Company considerable sums of money... but the main point is that as soon as the system was used, these employees were successful and the system was a success.

Not every employee will be faced with problems in their work area which cost thousands of dollars in a year. Some of the problems YOU have may only cost pennies each time. Success isn't only measured in dollars and cents. No problem is too small to escape attention... every problem has an impact on people and our quality, as well as dollars.

Through the third week of February more than 25 problems had been put into the system so that corrective action could be taken. These problems were identified in six different departments. When will we be able to tell if the system is working?

There's no reason to ask... we already know that it works, because it's being used.



THE PROBLEM: The Core Room was having difficulty keeping pace with the work load on the rod machine.

The operators were required to cut 6-inch pieces off of a 36-inch piece of rod, de-bur those pieces and then put them in cores for reinforcement.

THE SOLUTION: Adolfo Garcia (left) and Donnie Dudley (right) looked at the problem from a different view point and determined that properly sized nails could be used instead of the rods, thereby saving operator time and cost of materials.

THE SAVINGS: Not counting operator time, the rods cost nearly $0.75 per 6-inch segment, while the nails cost less than $0.02 each: estimated annual savings – $90,000.

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lifestyles

Stanley Beck is a pilot. What's more, he builds the airplanes he flies.

Over the past 8 years, Stanley has built about 14 radio-controlled model airplanes and is working on his first helicopter. He began this hobby a few years before he retired from Lufkin Industries.

"The first one I built was a Yamamoto. I learned on it. I crashed it 7 or 8 times; I'd crash it and rebuild it. You can crash and rebuild these planes until they get so heavy, they won't fly anymore."

"The objective is to keep the plane light in weight, or it will fly like a brick." Stanley's ACE 4-120, pictured below, is 5'6" long, but weighs a mere 12 pounds. Special materials, such as a thin, transparent blue plastic "monokote" wrapped around an open wooden frame, keeps the ACE light. "You build them to fly, not to crash. They're less likely to crash if you build them light."

Learning to fly these planes is no easy trick. Model airplanes have been clocked at speeds exceeding 170mph. Stanley's current project, a Sukhoi SU-26M, will fly 100mph and has unlimited "knife edge" capability—it will fly with its wings vertical to the ground.

The engine, elevator, rudder and aileron are all controlled by two levers on the radio unit that is not all that different, except in size, from a real plane. The planes will fly as high as the controller dares, up to 3/4 of a mile from the radio. "But then you can't see the plane—it looks like a speck in the sky." If you can't see the plane, it's tough to control.

Stanley and a few other LUFKIN retirees are members of the "Just Plane Fun RC Modelers Club." They'll help a beginner get started.

"It takes about 12 lessons to learn to fly. But once you learn, it's like riding a bicycle. Landing is the hardest to do, because it's so critical and precise. You don't want the plane to cartwheel, because the plane has no strength against cartwheels."

Would Stanley rather be piloting a real airplane? "I have no desire to fly real ones," he said. He'd much rather control these model planes from the ground. "I like doing aerobatics, to fly on the edge of crashing." No wonder he'd rather pilot from the ground!



Stanley Beck built this radio-controlled model airplane, an ACE 4-120. It has a wing span of 108", has a 1.5 cubic inch engine and will fly up to 85mph.

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I HATE standing in line



Lawrence Holt, Welder A at Heavy Weldment, has been with LUFKIN for over 18 years.

There were twelve of us, from three departments. Most of us were cynical, old radicals who have been with Lufkin Industries more years that we like to admit, and we all had an *attitude*.

At best I was skeptical of the new Lufkin Quality Process, and was determined that I was not going to like it. I had every intention of making the instructors miserable. I did *not* start the Quality Education Process with an open mind.

At some point during the eight-hour seminar, I found myself agreeing with much of what was being said. I began to believe that the program might actually work, and that with enough effort it could be more than just another half-baked scheme that would die from lack of interest within a few months.

In the near future, all Lufkin Industries employees will be attending the Quality Education system. I think everyone will find the classes both informative and interesting, and the instructors patient; they had to be patient or they'd have killed me.

Those of us who have been with LI more than a couple of years have seen *Improvement* programs come and go, usually leaving bigger messes than the ones they were intended to eliminate. I'm convinced that the present program is different for a couple of reasons.

First of all, this program gives us something that none before ever has; The error cause removal memo forms provide us with a direct method of communicating problems to someone who can do something about them. When received, they will be inserted into a system which prevents them from being lost, thrown away, or ignored. The sender's name and clock number goes on all documents to assure that this person will receive the recognition he or she deserves for identifying the problem. I have been told that no one in authority will use that authority to strike back at an employee for sending in a memo, that anyone who abuses his/her authority in such a manner will not have that authority very long.

The second thing that convinced me was a cold, hard fact that we have all lived with for years. If Lufkin Industries is to survive, it has to shed the many problems that have plagued it for the past few years. Management can't do it alone, nor can sales, nor all of us hourly people. We are all going to have to work together to straighten out this mess we're in or we can all stand in line at the TEC and reminisce about the good old days when we were employed. I HATE standing in line.

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F.Y.I.

* **The LFM Federal Credit Union** has scheduled their Annual Meeting for Saturday, March 28, 1992, at the Lufkin Civic Center.

Starting at 7:00 p.m. refreshments will be served. As usual, drawings for door prizes will be held during the course of the evening.

All LFM members are urged to attend.

* **LUFKIN has named five Resident Recyclers** at the Lufkin, Texas, location.

Continuing the total corporate recycling effort, the following persons have been named Resident Recyclers:

Fabrication: Calvin Scarbrough **Machine Shop**: Carrol Bonner
Gear Repair: Mike Kimmelshue **Foundry**: Travis Dean
Industrial Supplies: Dennis Massey

These five, along with Roy Euper, Corporate Environmentalist, recently attended a seminar titled, *Waste in the Workplace*. The seminar was co-sponsored by the Angelina County Chamber of Commerce and Angelina Beautiful/Clean.

Held February 27-28, the seminar focussed on minimizing waste and reducing disposal costs. Each participant received a handbook which will be used to audit LUFKIN's recyclables.

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Lloyd Vinson 30

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Shirley Hadnot 18
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Sabra Cook 2
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Thomas Gomez 1
Keith Jungjohan 1

*



Health Fair '92 will be held from 10:00 a.m. to 3:00 p.m., March 7, 1992, at the Lufkin Mall. Sponsored by Memorial Medical Center of East Texas and the Lufkin Mall, the fair will have 46 booths from the medical and health related community.

WALK IT OFF! Whatever IT is, you have the chance to walk it off with members of your department or work area. Beginning in mid March, walking teams will be formed in each department. For a 4 week period, each team will keep track of the miles their members walk. Then, in late April, prizes will be awared for hours walked, most improved team walker, most creative team name, etc. More details will be posted on bulletin boards.

*

The 16th Annual Lufkin Industries Bass-Crappie Fishing Tournament has been scheduled for Friday, April, 17, 1992.

As in previous years:

- all entrants must be employees or retirees of Lufkin Industries;
- all fish must be caught between daylight and weigh-in time;
- all entrants must sign in with the tournament director before beginning fishing;
- no trolling will be permitted; and
- both bass and crappie will be eligible for prizes.

Watch your bulletin boards for further information.

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