

# Employee Involvement

February 1  
1990  
Issue 6

  
*Today*  
Omaha Works

## Another JIT success story!

Cutting cost by cutting inventory. That's the basis of just-in-time manufacturing.

But in a factory the size of the Omaha Works, it's hard to decide which inventory to start working on and just how to go about it.

Our cardboard makes up less than one percent of our total inventory investment. Because of its availability, the cardboard seemed like a good place for a pilot project to cut our stock.

That takes care of the "which inventory?" part.

The "how are we going to do it?" part was solved by the use of an electronic "kanban card" ordering system devised by a team of AT&T employees.

Operators in the shop order cardboard directly from Omaha Box Company via computer. Ordering is easy. Operators enter a 5-digit code or use a bar code wand which places a small order immediately into a Material Flow Control System (MFCS). MFCS interfaces with the Enterprise Procurement and Payables System (EPPS), which sends the order to the vendor via Electronic Data Interface (EDI).

Layout operator JERRY NICK likes the new system. "We don't have to go through the storeroom. We order in the established quantities from Omaha Box and we're getting good service from them."

Under the old system, typically a large order was placed. The stock was kept in the storeroom until the floor requested delivery.

Now, the orders are placed often, and the amount ordered is small. Omaha Box guarantees delivery two days after the order is placed.

"The beauty of it is the material goes directly from receiving to the floor," says MFCS Specialist JOHN HOHMAN--in true JIT style.



Efforts to use JIT techniques have paid off for this team: (seated l. to r.) JERRY NICK and VERA BROWN--IBU 572 layout operators; (standing l. to r.) JIM KRAMBECK--purchasing, JACKIE MYHRBERG--ISD, JOHN HOHMAN--MFCS Specialist, CAROL BLIAZIS--material management, KEITH ELLIOTT--ISD, and TOM ADAMSON--ISD.

The results have been remarkable.

For the comcodes converted to JIT, the investment was reduced 40 percent in the first four weeks alone and reduced by 66 percent in eight weeks. The resulting savings: over \$200,000.

There have also been some other unexpected benefits.

According to JERRY TAYLOR, ISD Manager, "The shipping performance of our vendors has gone from the 60 to 70 percent range to 98-99 percent in just two months. This is tremendous. The smaller orders are easier for them to handle."

The software package is linked with several AT&T systems as well as Omaha Box--a vendor with a proven track record willing to invest \$10,000 in the computer equipment.

It's only a matter of time before this electronic kanban card is used in other areas.

"This is definitely the leading edge of technology," says Information Systems Staff Member TOM ADAMSON. "Other locations as well as our customers are looking at the Omaha system. (This system) has many functionalities and we're just getting started."



It's the ENHANCED SUGGESTION PROGRAM we've anxiously been awaiting...all-employee info sessions are scheduled Jan. 30 through Feb. 2...discussing this unique process designed to put into effect the wealth of improvement ideas we have around here.

JIT Implementation and Planning Manager MERLE DINSLAGE says the program is the result of "the combined effort by the employee involvement work group (EIWG) since June 1989."

IBEW Local 1614 President PAT NICHOLSON points out "employees will have the opportunity to receive awards for their efforts."

IBEW Local 1974 President FRANK POSSINGER says "I'd like to see the people give it a chance to work."

So...ladies and gentlemen...form your teams and may the suggestions begin!!!

## Quality - We won't compromise!

All items we purchase for use in AT&T products must meet all specifications and quality standards. It's a must. That's why certification of our vendors (to assure consistent quality) is so important.

Certification efforts in the manufacturing arena mean products must be produced in a specific sequence and manner according to manufacturing layouts. Process checking and quality control charts assist us in meeting the rigorous quality standards we've set for ourselves.

If we do encounter a quality problem, we have an excellent tracking system in place so we can find and correct the problem immediately.

Next time--final inspection and testing.

The art of progress is to preserve order amid change and to preserve change amid order.

--Alfred North Whitehead

## Omaha meets customer needs

The Omaha Works will soon begin manufacturing a new 90-type cabinet in response to customer requests for an interior cabinet with all the features of AT&T's outdoor 80-type cabinet.

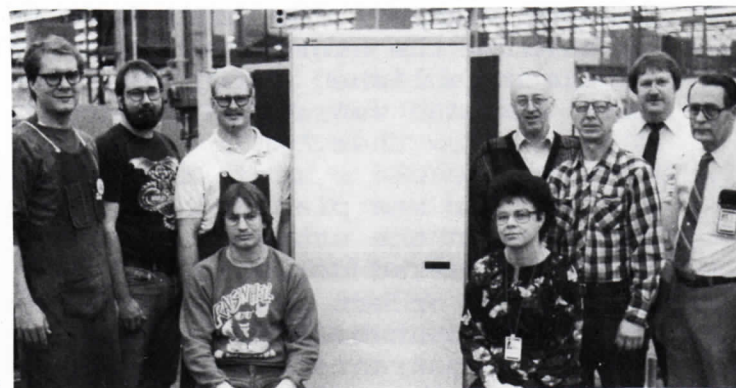
Operator CHARLIE NEWELL assembles the electronic equipment inside the metal cabinet and says the 90-type is "obviously a high-tech cabinet. It's very sophisticated in that it uses the new application of electronic components."

The 90-type is the first interior product offering the features of the SLC Series 5 (made in Oklahoma City) and the DDM multiplexer (made in Merrimack Valley) found in Omaha's popular 80-type cabinet.

The cabinets will be produced in the Bldg. 50 sheet metal shop and assembled in IBU 581 in Bldg. 30.

Senior Product Engineer MILT ALMQUIST is responsible for the 90-type and says "Using a preliminary Bell Labs design and a customer show of interest, the demo unit was built in Omaha in about three weeks." Production is expected to begin in the second quarter of 1990.

Regional bell operating companies and independent telephone companies like the 90-type cabinet because of its electronic flexibility, expandable modular features, and accessibility from all sides. UL rating and compliance with FCC regulations are required for interior applications.



The 90-type cabinet assembly team includes (seated l. to r.) TROY LANNING, BEV PRATHER, (standing l. to r.) WES CHRISTENSEN, MIKE MATTHEWS, KURT LAMB, CHARLIE NEWELL, GENE MCKENNA, DICK CEFREY and MILT ALMQUIST.

--Photo by Steve Miller



The beginning of a new year is a great time to bone up on changes in the AT&T employee benefits package. --Don't forget to read the WORK AND FAMILY brochure sent to your home in December outlining new benefits --Management fees will now be assessed on funds in the various savings plans --Social security deductions have increased slightly this year --The application of the deductible in the medical plan will be expanded to include hospital care, hospital emergency room (under certain circumstances), clinics and hospital outpatient departments. --Changes have been made in the mandatory second surgical opinion program as well as the premium and income level for Class II dependents Check with your supervisor or the benefits office if you haven't received the info...

If you're having problems with medical or dental claims, the new joint benefit committee can help. Members are CHERE HUNT, MARY ELLEN MAXWELL, TOM MURRAY, DONNA SCHWENCK, JUDY TYLER and JIM WILLIAMS. Call ext. 4954 for an appointment. These folks can help surmount those seemingly insurmountable insurance problems.

GENE SAAB, manager of the personnel organization, says 90 Works employees will be retiring by early February and an additional 43 will be leaving later in the month. Congratulations and Best Wishes to you in your retirement, and thank you for your many years of service and dedication. WE'LL MISS Y'ALL SO VERY MUCH!

On the Pioneering/WEOMA Club front, Pioneer Administrator BOB MILLER says the VA Hospital at 42nd and Center "has been out beating the bushes for the last year for donations" for a 34 passenger bus for veteran out-patient and social activities. The \$50,000 bus has now been purchased...\$500 donated by the Cornhusker Chapter.

The Red Cross Bloodmobile will be at the Works on Thursday and Friday, Feb. 8 and 9. (The demand for blood and blood products is increasing all the time. You have no idea how much good is done and how life is extended and renewed for those who receive your blood. Please donate if you're able).

Also keep in mind the Easter Seals Telethon on Saturday and Sunday, Mar. 3 and 4 on KMTV3. We telecommunications types are great at answering those phones, so let's get out there and do it! Past Pioneer Prez RALPH BREWER loves this organization, so let's get behind the telethon again this 1990.

IBU Section Chief PAUL PICKREL pointed out to us...in yellow highlighter pen, no less...that we'd misspelled RICK SHROPSHIRE'S name in our last issue. (Pickrel misspelled the name a few hundred times when he and Shropshire worked together in transportation a few years ago) and that STEVE MORASCO never has and never will find the need for an "N" is his name. OOPS! Mea culpa...It's like they say--"The probability of someone watching you is proportional to the stupidity of your action."--A. Kindsvater We apologize for the error.

EMPLOYEE INVOLVEMENT TODAY is a publication of the training and education and public relations departments of AT&T's Omaha Works. This publication is written by LINDA ENTERLINE and edited by MERLE DINSLAGE and BEVERLY CAVANAUGH.

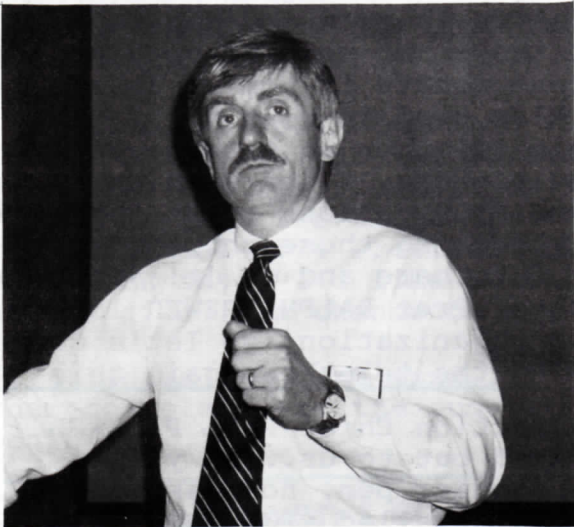
HATS OFF TO LUCY KLUSAW'S PEOPLE IN REPRO AND THE MAILROOM... who do a fine job of printing and distributing this newsletter

What did the termite say when he came into the tavern?

ANSWER: Is the bar tender here?

## News from the top...

GREG HUGHES, president of Network Cable Systems, and JACK MCKINNON, manufacturing vice president, visited with Omaha Works employees on Wednesday, Jan. 17 about the 1989 performance of AT&T Network Systems and the Omaha Works. Hughes says "As a group, we (AT&T Network Systems) did what we said we were going to do. We've still got work to do, but we're going in the right direction."



Greg Hughes, President, Network Cable Systems

Many of the employees invited to attend the two sessions held perfect attendance records and were thanked and congratulated by Hughes and McKinnon on this significant accomplishment.

### DID YOU KNOW?

--AT&T Network Systems was one of 19 business units established in early 1988

--Network Systems sales in 1989 totalled \$1.8 billion

--If Network Systems as a business unit--separate from AT&T-- were to be compared with other U.S. corporations, AT&T Network Systems would be the 135th largest company in this country

--Over 10,000 fine people make up AT&T Network Systems

--AT&T Network Systems has a vision: By the year 2000, to achieve \$4 billion in sales--\$2 billion outside the U.S. and \$2 billion domestically

We're all for LESS PAPERWORK and BETTER TRACKING!!! The new SQUARED (The Supplier Quality and Related Engineering Documentation System) computer system allows Omaha's engineering staff an electronic way of keeping track of nearly 20,000 machine parts and materials. SQUARED is designed to support our JIT and vendor certification efforts and interfaces with the corporate comcode assignment system (ACA), our AMAPS/MFCS materials management system and the EPPS system used by the purchasing folks to buy material. This revolutionary system also ensures that no one is bypassed when it comes to approvals. The SQUARED system was designed by CLIFF GRIMES, CARLA MCKNIGHT and MARK JENSEN. DAVE BUDDENHAGEN, BOB BURDETT and JACKIE MYHRBERG were involved in the early system design.

Do you think attitudes have been changing around here? Quality Engineer JULIE MICKLAVZINA thinks we're not hearing too many comments like these anymore--

### The 7 Steps to Stagnation

1. We've never done it that way.
2. We're not ready for that yet.
3. We're doing all right without it.
4. We tried it once and it didn't work.
5. It costs too much.
6. That's not our responsibility.
7. It won't work anyway.

Members of the Hispanic Employment Program Managers Council--a coalition of federal employees and AT&T's HISPA and USWest's SOMOS groups--visited the Omaha Works Product Display Center on Tuesday, Jan. 23 for a meeting and a working lunch. Hosts were RICHARD CARMONA, President of AT&T's HISPA organization, HISPA Secretary GRACE ROMERO and PDC Manager FRANK MARKESI.

Engineer STEVE ZERBS says the committee is finalizing plans for E-Week beginning Feb. 19. More details soon...



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