

THE HEADLINER



Network Cable Systems, Omaha Works

October 1993

Cost of quality: It all adds up

Does quality cost the company money?

Chances are you said "yes."

But Philip B. Crosby, author of "Quality Is Free," notes that "Quality not only is free, it is an honest-to-everything profit maker. Every penny you don't spend on doing things wrong or over, instead, becomes a half a penny right on the bottom line."

Whether quality is free or costs money may largely be a matter of semantics, said Bob Burdett, an engineer in the quality assurance organization.

Still, Crosby makes a good point when he writes that many people erroneously assume that quality is an intangible and, therefore, cannot be measured. Quoting Crosby, Burdett said that "quality is precisely measurable by the oldest and most respected of measurements: cold, hard cash."

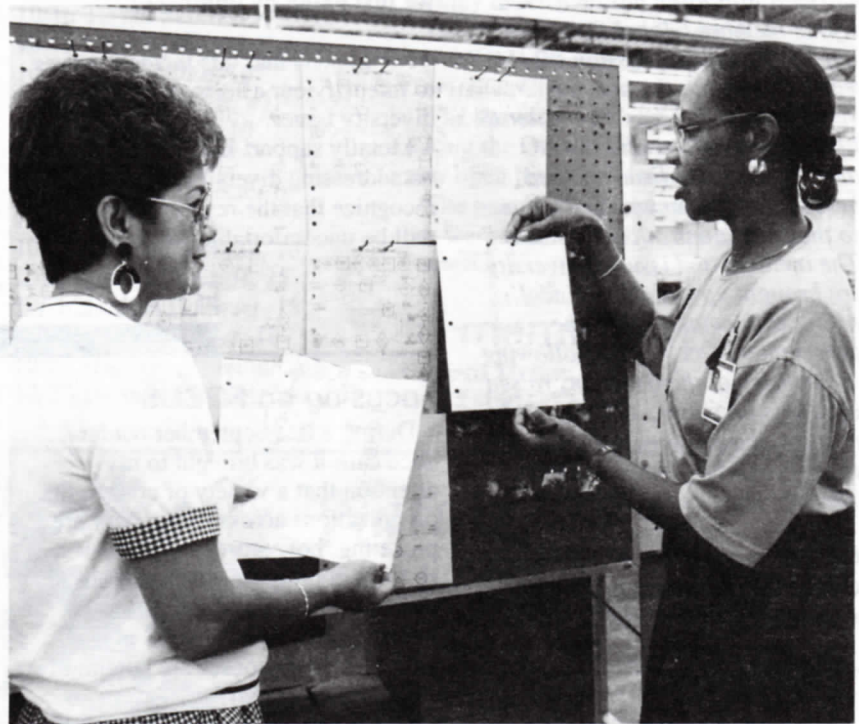
The big three

The cost of quality--or COQ--is divided into three main categories:

Prevention: These are costs of activities designed to prevent defects from occurring. They include costs of training and meetings.

Appraisal: Pertains to costs incurred while conducting process checks or tests to determine whether products or service conform to requirements. These costs tend to be non-value added and reactive.

Failure: These costs result when products/service do not conform, such as the cost of scrap and detailing work. Failure costs eat at the bottom line by increasing expenses and reducing revenues, the latter due to their negative impact on customer satisfaction.



GO WITH THE FLOW...Marty Carlson (left) and Geneva Stewart, who both work in the protectors IBU 222, update a flow chart display in their work area. The display shows the precise steps to be taken in the manufacturing process for each product code. The display helps employees to tell at a glance where their jobs fit into the scheme of things, and to prevent defects that can occur when proper, orderly steps of manufacturing are not followed.

Different applications

COQ data collected in these three categories is used at the Omaha Works in several ways, Burdett said.

For example, each month the Omaha Works Quality Council reviews the data, which is measured in real dollars and as a percentage of production. The Network Cable Systems' goal is to maintain the cost of quality at or below 4.7 percent of the value of production.

The quality assurance organization

also monitors the COQ on items purchased to use at the Works.

"Since 1989, when Q.A. began to monitor COQ data, the total cost of quality associated with the Works' purchased material efforts has dropped by 44 percent," Burdett said.

In the same time period, he added, the percentage of costs associated with preventive programs (such as vendor certification) "increased from 15 percent to 26 percent of its total

(Continued on Page 4)

Diversity at Omaha: A business imperative

Editor's note: The recent incident involving the publication of a racially offensive cartoon in AT&T's FOCUS magazine has brought the issue of diversity to the forefront of our company's business. AT&T Chairman Bob Allen has chartered the four-member Global Operations (GO) Team with the mission to greatly accelerate the pace of diversity within AT&T. In a letter to all employees, Allen said the GO team will work "to firmly embed diversity as a Common Bond value into the operations of our business."

The incident and issue of diversity were brought up in John Heindel's meeting with employees in the auditorium on Oct. 6. The following is a summary of the questions raised and John's response. Other questions and answers not related to this topic will be published in the November issue of the Headliner.

Q. Will we use this FOCUS incident as a learning tool? It shows people that prejudice does

THE HEADLINER

The Headliner is an internal publication of the Omaha Works, produced monthly by the public relations department. It is printed by the Works print shop.

Your comments and suggestions are welcome and should be directed to:

Linda Ryan, Editor
Ext. 3795.

The next issue will be published on Nov. 17, 1993. All news items should be in to the PR office by no later than 9 a.m. Monday, Nov. 1, 1993.

exist. It happens every day.

Q. How many non-minorities have we hired in relationship to minorities? Are we still going to keep track of qualifications or are we just going by numbers?

My hope is that this incident serves to intensify our efforts to address diversity issues.

I totally support Bob Allen's view on addressing diversity issues and I recognize that the resulting change will be uncomfortable for some.

However, there is a business imperative that we diversify our workforce.

It's a fact that we can perform better as a group of people with diverse backgrounds, color, creed, nationality, gender and functional expertise. Our success in understanding and meeting the needs of our diverse customer base hinges on our own diversity. It must, or we will lose out to our competitors.

The diversity training and social dynamics classes begun under Jay Carter are just the very beginning of what must follow. But a mirror has been put to our faces. It shows us what we have or have not done on minority and diversity issues. We no longer can say that we are not aware of the situation.

(Continued on next page)

READERS' FORUM

Focusing on FOCUS

During a late September conference call, it was brought to my attention that a variety of civil rights organizations across the country are picketing, boycotting and demonstrating in protest of the infamous illustration that appeared in the September issue of FOCUS magazine. These responses are potentially damaging to AT&T.

The Alliance is a part of the AT&T team, and as such we are working to preserve the integrity and positive image that AT&T has strived to achieve. Roberta Coleman, the national president of the Alliance of Black Telecommunication Employees, Inc., stated that the Alliance always has and will continue to address issues and concerns internally and not through external means.

As director of the central region of the Alliance, I have informed the 10 chapter presidents of our position. We will not participate in any demonstrations or take part in any external activities that could be harmful to AT&T.

I would further urge all AT&T employees to discourage any such

activity by friends, family members, church, civil rights or any other organizations. Remember, as Mrs. Coleman states, AT&T's record on diversity far exceeds that of our competitors. HISPA supports our position 100 percent.

The Alliance recognizes that this is a matter of grave concern and we are currently engaged in intense discussions with the leadership of AT&T. I ask all Omaha works employees to trust the Alliance to work with Chairman Bob Allen to address this issue in a fair and equitable manner. Your cooperation would be greatly appreciated.

Cid Stinson
Regional director
Alliance BTE, Inc.

If you have comments to share with other Headliner readers, put your thoughts in writing. You must sign your name and give your department/IBU and daytime phone number. The right is reserved to edit all submissions for space and clarity. Address comments to:

Readers' Forum
Public Relations, Dept. 206

DIALOGUE

Continued from previous page)

In order to accelerate our efforts in this arena, we will be revamping our Diversity Council at the Omaha Works.

This approach has been successful in other parts of AT&T as the champion of diversity activities.

That's one step we're taking. You will also see when we deploy our 1994 initiatives that diversity is clearly a business imperative for us at the Omaha Works.

As for the question asking whether we are hiring minorities based on qualification or by numbers, let me make this perfectly clear, too.

It is not an either/or issue. Yes, we are hiring minorities. And yes, all people we hire must meet the same qualification standards. To imply that we lower our standards when we hire minorities is an indication of the insensitivity we must dispel.

Not only must we take steps in hiring to ensure that ours is truly a diverse workforce, but we also must ensure that all minorities on board have the same opportunities to move to all levels of management leadership.

AT&T is a good and successful company. But it can be even better and more successful, and it will because of the people it employs. ■

Diversity hot line

AT&T Chairman Bob Allen encourages employees to give their suggestions and views on diversity and other Common Bond-related issues by calling:

1-800-336-6939



Photo by Linda Ryan

It's good to be appreciated

SERVICE WITH A SMILE was the order of the day on Oct. 1 when many supervisors chose to observe Employee Appreciation Day by providing their employees with tasty treats. Stan Scebold donned an apron as he passed around a meat, cheese and relish tray to his first- and second-shift DSX employees during break time. Words on the apron's front proclaimed: "Thanks to the No. 1 team--DSX," and listed all of the IBU employees' first names. Pictured in this photo are some of Scebold's employees. They include (front) Annie Nemecek, Lynn Shearer, Lou Severin, John Mumford, Connie Jones,

Sharon Webster, Harvey Kriz; (back) Marialyce Wagner, Jerome McCreary, Carol Ward, Sue Davis, Steve Fennel, Jay Macrander, Stan Scebold, Dee Zach, Steve Heneger, Sandy Schovanec, Fran Schon and Jeanette Byers. Many supervisors brought rolls for break. Some others: Dick Cefrey provided a meat tray and employees brought side dishes for lunchtime. Joe Dolezal brought ice cream and pie for his third-shift maintenance team. Mike Wenninghoff brought in "hero" sandwiches. Electronic wire and cable supervisors gave each of their employees a pen that read, "Everyone counts."

(Continued from Page 1)

COQ expenditures."

Participants in the Works' Idea Process Team (Omaha Teamworks) program use COQ data as a basis in formulating suggestions for quality

"COQ data is a powerful tool for continuous improvement."

and process improvements.

Likewise, numerous quality improvement teams throughout the plant rely on COQ data. In fact, area quality teams (AQTs) are "required to document the procedures they use to collect COQ data within their

process areas because it is recognized as a powerful tool for continuous improvement," Burdett said.

The team approach

One such AQT from the protector assembly shop, said team member Geneva Stewart, has two main goals: To create a greater awareness of the quality process in the protector shop (falls under the preventive cost category), and to minimize defects (under the failure cost category).

The team has put together a flow chart by product code that illustrates in exact order each stage of the manufacturing process. An employee can tell at a glance where his or her job fits in the scheme of things.

"If employees are more familiar with their job process, they should make a better product," Stewart commented. "I know I can get into

my work better when I know the impact of what I am doing."

The flow chart also serves as a guide to help prevent defects that can result when the stages of manufacturing are missing or not followed in the correct order. The protector shop seeks to have no more than 500 defective parts per million, said Stewart, a goal that has been achieved with increasing regularity in passing months.

In addition, the AQT keeps documentation on cross-training that employees have received in various jobs, making sure no one is overlooked. Plans are to develop a display case that features the various kinds of protectors made here. Again, it will serve as an instructional tool for employees and visiting customers, as well.

PC-based system

Cost of quality data also is used in the management of the protector shop (IBU 222). When George Parkerson was department manager for the IBU, he began using a computer-based system about two years ago "to measure what goes out the door as it relates to production," he said. Charity Smith, recently named department manager for the IBU, continues to use the system.

The way it works is this: The department manager plugs into the system the number of hours spent on daily operations (such as testing, process checking, detailing, training). The formula used indicates where costs lie as a percentage of production.

"It shows us where there is room for improvement," said Parkerson, who is beginning to use COQ data in the customer premises shop, of which he is now department manager.

Burdett noted that, while COQ data already is being used by different groups at the Works, there exists a need to better understand its potential and applications. He said that the training organization currently is developing COQ-related courses as part of the core curriculum for Works personnel. ■

CSQP team meets Oct. 20-21

A Customer/Supplier Quality Process (CSQP) management team meeting will take place at the Omaha Works on Oct. 20 and 21.

CSQP, according to an article in the Bellcore Digest, is a "structured, measured process designed to optimize the quality assurance resources of buyers and suppliers in their joint objective of reducing the life cycle cost of procured telecommunication products, systems and services."

Its goal is to achieve "an ultimate level of supplier excellence and customer/supplier cooperation." Success in meeting the goal relies on the active participation of the customer and the supplier in the management process.

The CSQP team that will meet at the Works will review the AT&T Product Change Notice System and the 17 action items identified during previous meetings which have not been closed.

Topics under the action items

include how we deal with customer concerns; training needs; quality improvement teams; our benchmarking process; supplier quality data; and how we use cost of quality (COQ) information.

The team also will review two other action items during shop tours: cable reel handling and nonconforming material controls.

The Works seeks to be submitted for "recognized status" during 1993 as a result of the meeting.

A CSQP management team consists of members from two (customer) regions who co-chair the team; the supplier (the Omaha Works); and Bellcore.

Members who will attend the CSQP meeting at the Works include:

Brendan Pelan of Bell Atlantic; Paul Knight of Telesector Resources Group, a NYNEX company; Gerry Wagner and Frank Hesser of Bellcore; John Donegan and Paul Baumann of AT&T. ■

Epp promoted to international assignment

Gary Epp, manager of electronic wire and cable (EW&C) operations and engineering, has been promoted to international business development director, marketing and strategic planning.

In February 1989, Epp came here from EW&C product engineering in Atlanta to be manager of EW&C engineering at the Works. He absorbed responsibilities for EW&C manufacturing operations in mid-1991.

Epp, whose new assignment became effective on Sept. 14, 1993, reports to Bob Mohalley, strategic planning and international marketing vice-president, in Berkeley Heights, N.J.



Gary Epp

Environment and safety audit slated

An environment and safety audit of the Omaha Works has been scheduled for the week of Oct. 18, 1993. The audit will be conducted by outside consultants and coordinated by a representative from the AT&T Environmental and Safety Compliance Assessment team.

Since 1985, AT&T's corporate environmental and safety engineering department has been conducting audits of the company's manufacturing facilities to review compliance with the laws, regulations and company practices applicable to environment and safety.

The purpose of the audits is to identify any corrective actions necessary to ensure future compliance. The Omaha Works was last audited in August 1991.

"The auditors may ask employees to explain their processes and how

they perform their jobs," said Mike Parizek, environmental health and safety manager for the Works. "They'll ask questions regarding safety procedures and chemicals used in the job process."

Parizek offered the following checklist as a guide to prepare for the audit:

- Machine guards in place, interlocks not bypassed.
- Hazardous waste properly stored and labeled. Containers should be closed with drum bungs screwed in and funnel lids closed.
- Chemical containers properly labeled.
- Housekeeping in good order.
- Fire extinguishers, eye washes and electrical panels not blocked. Aisles and exits should not be blocked.
- Employees wear proper protective equipment (safety glasses, hearing protection, etc.).
- No paper, rags or other unnecessary materials in flammable storage cabinets.
- Small appliances such as fans and coffee pots meet all applicable safety requirements.
- Compressed gas cylinders properly restrained and tagged.

Works begins new parking policy

Several major changes have been made in the Works parking lot policy, which will go into effect on Oct. 18, 1993. In support of the changes, new parking permits are being issued to all Works employees this month.

The major changes are these:

- All employees (now including non-represented employees) with six years or more perfect attendance will be given privileged parking.
- Employees will be issued just one portable, numbered parking permit.
- There will be no special parking areas designated for management.
- The staff parking lot will become a customer/visitor parking lot.

The new policy states that employees will be required to park in the lot associated with the building and shift to which they are assigned.

It also specifies that all employees who fail to bring their parking permit with them must park in areas designated "No permit parking" in Buildings 30 and 50 parking lots.

(Continued on next page)

Remember:

OSHA, Labor & Management working to protect the safety of all employees.



In conjunction with the Omaha Works' participation in the OSHA Voluntary Protection Program (VPP), during the first week of November the safety organization will draw at random the names of 50 employees. They will be asked to repeat the above VPP slogan or describe the VPP goal (as stated in the slogan). Those who do each will win a travel alarm with AM/FM radio.

Win a prize! Don't forget the slogan!

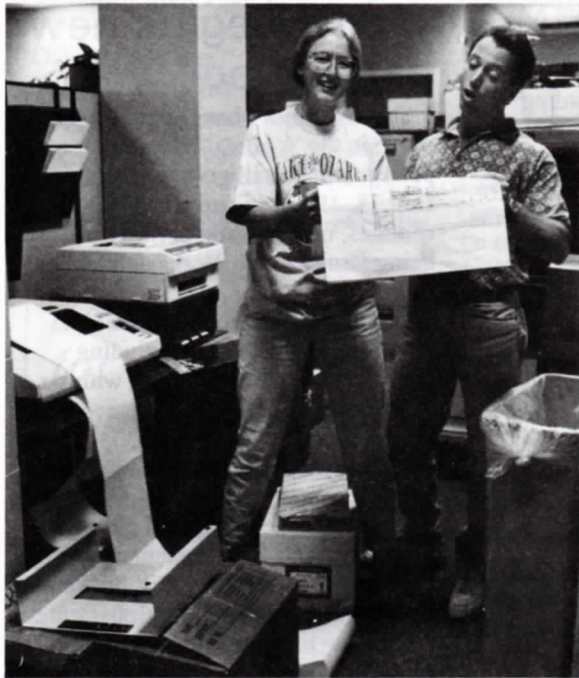


Photo by Linda Ryan

KIDDING AMID THE CHAOS...National Markets account executive Kenny Stratton couldn't resist hamming it up for the camera when caught reviewing office floor plans with Barbara Caldwell, also of the National Markets group. Caldwell, who provides clerical support, was still unpacking boxes while keeping the fax and copy machines humming shortly after several AT&T groups moved into their new offices.

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AT&T groups move into offices

Space in the so-called "room with a view" (south end of Building 50) formerly occupied by manufacturing operations has been converted to office space for several AT&T groups.

About 80 employees from various AT&T entities moved here late in September from offices located primarily in the city's Old Mill area, said Rhett Zeplin, plant engineering and maintenance manager.

Their move complies with a company-wide effort to have AT&T employees work out of "owned" space instead of "leased" space.

Zeplin estimated that moving these AT&T offices to space at the Works will save the company more than \$500,000 per year.

New tenant Dale Allen said employees who have moved here represent the following AT&T groups: AT&T Business Network Sales (National Markets, Major Markets and Commercial Markets); Global Business Communications

Systems (GBCS); State Government Affairs Industry Relations; Information Management Services; and Contract Services Organization (CSO).

Allen is resource manager for AT&T Business Network Sales Major Markets.

"It's going to be interesting as we merge factory and sales" under one roof, commented Major Markets branch manager Andy Cravero, adding that he thinks it's good for AT&T to use available space.

Kenny Stratton, account executive for American Express National in the National Markets group, favors the recent move for a different reason: "It's great! I'm just five minutes from home."

Zeplin's organization was responsible for making the changes associated with converting to the new office space. Included was the installation of a security system, automatic I.D. card system, phone and computer systems, and setting up the office furniture.

Some office space on the second floor of Building 20 also has been prepared for occupancy by AT&T personnel, he noted.

Appointments to MTS

The following appointments have been announced, effective Oct. 1, 1993:

David Wearne has been appointed to member of the technical staff (MTS) from member of the technical staff--Level 1 (MTS1), reporting to David Tso in Dept. 248, manufacturing information systems.

Arnel Citurs has been appointed to MTS from MTS1 in Dept. 221, protection products engineering. He reports to Cheryl Cincetti.

Richard Novak has been appointed to MTS from MTS1. He is in Dept. 251, reporting to Merle Dinslage, wire IBU product engineering.



David Wearne



Richard Novak



Arnel Citurs

ARA food service director named

Karen Shoemaker has been named ARA food service director for the Omaha Works, replacing Tom Trawitzke.

Shoemaker previously was food service director at Johnson's Wax World Headquarters in Racine, Wisc.

Trawitzke has been promoted to ARA operations support manager over an eight-state region, based in Kansas City.

"I thank the people here for their feedback and support. They helped

(Continued on next page)

NEWS IN BRIEF

(Continued from previous page)
me make some positive changes in cafeteria services," Trawitzke said.

McDonald sails to championship

For Matt McDonald of Dept. 221, a sailing adventure that began in a treetop turned out for the best after all.

McDonald won the Divisional Hobiecat Championships in his class (16-foot catamaran) in August. The regatta, which was held in Storm Lake, Iowa, got off (appropriately enough) to a stormy start.

A storm that passed through on the first morning of competition was so severe that "I had to pull my boat out of a tree," he said. Luckily, the vessel was undamaged.

McDonald said he passed on the chance to compete nationally because his teammate, Gina Jarrett, had a work conflict.

His teammate so happens to be his fiancée. They met at last year's Divisional Hobiecat Championships when Jarrett was on another sailing team--a team, by the way, that McDonald beat.

Employees mark anniversaries

The following employees are celebrating milestone service anniversaries during October. The anniversary date is listed first, with service years given after the name.

- 10/1 Gerald Maas, 25
- 10/3 Shannon Hitchcock, 10
- 10/3 Emily Weible, 25
- 10/3 Fred Hault, 25
- 10/3 Rae Cacioppo, 15
- 10/4 Alyce Allen, 25
- 10/5 Rutha Lee, 10
- 10/5 Jean Fife, 20
- 10/6 Edwin Richards, 35
- 10/6 Frank Holecek Jr. 35
- 10/7 Taurino Delgado Jr., 25
- 10/7 Louis Carnazzo, 35
- 10/7 Scott Suchsland, 10
- 10/8 Cynthia Kelly, 10
- 10/8 Gilbert Blasing Jr., 35

- 10/9 Susan Amato, 20
- 10/9 Charles Morgan, 15
- 10/9 Robert Spidle, 15
- 10/10 Karen Hoffmann, 30
- 10/10 Stephen Vosgier, 25
- 10/13 Anthony Lassek, 35
- 10/13 Joseph Gollobit, 35
- 10/13 John Bowen, 35
- 10/14 Darrel Jensen, 35
- 10/14 Mary Wozny, 25
- 10/14 Thomas Bosiljevac, 35
- 10/15 Lawrence Schultz, 25
- 10/16 Teresa Sellin, 15
- 10/16 Gary Byrne, 15
- 10/17 Kari Oehme, 10
- 10/17 David Steffen, 20
- 10/17 Donna Reed, 10
- 10/20 Max Davis, 35
- 10/21 Michael Du Rae, 10
- 10/21 Aretha Jones, 25
- 10/22 Douglas Dworak, 10
- 10/22 Edith Woodruff, 25
- 10/23 Patricia Cormaci, 15
- 10/25 Karen Metzger, 10
- 10/27 Franklin Schleimer, 35
- 10/27 Thomas Rickard, 35

- 10/27 Marilyn Davis, 25
- 10/27 Joseph Bonaiuto, 35
- 10/27 Darrel Sudduth, 35
- 10/28 Jean Anderson, 30
- 10/29 Michael Leaf, 20
- 10/31 Ernest Kubr, 10

Ackley wins ETOP prize

Congratulations are in order for Bob Ackley of IBU 223.

He won the drawing for an NCR 486DX/33Mhz awarded by the ETOP Computer Classroom.

The drawing was held last month during the Omaha Works' 35th anniversary open house celebration.

The names of all represented employees were automatically entered in the contest.

In memoriam

Richard Melton, IBU 223
Oct. 8, 1993



Nature at its best...

That's what you'll enjoy when you purchase a membership to **Fontenelle Forest & Neale Woods.**

Family membership: \$35 Individual: \$25
Other options available

Contact: **Norma Korff, Ext. 3801**
Rae Cacioppo, Ext. 3652

Now showing:

"Dolls & Bears"



Works Auditorium
Oct. 19 - 21 All 3 shifts
Lunch/dinner periods

Citywide show, Crossroads
Dec. 3 & 4

Looking for the classified ads?

They're in the WEOMA News that's back on the newsstands. Editor is Carmen Vacanti.

Watch for new issues at the doors!

Planning, education can prevent the tragedy of a home fire

(If your name appears somewhere in this article, call Ext. 3583 or Ext. 3415 to claim a \$40 gift certificate to one of six popular local restaurants. The names of two employees are featured.)

The smoke alarm is blaring. You try to see where you are going but it's pitch black. You feel as if you are blindfolded. Panic takes over your mind and body. You are having difficulty breathing. You need help and only precious seconds are left. What should you do?

Knowing the answer to the question before a fire occurs can mean the difference between life and death. According to the National Safety Council, approximately 4,200 people die in fires every year. Even though you may not be a trained firefighter, you can do a lot to prevent and survive what has become the second leading cause of death in the home.

Being in a fire can be a harrowing experience. A room can fill up quickly with thick, black smoke and become so dark that you may not be able to see your hand in front of your face.

In 30 seconds, a small fire can get

out of control and in two minutes a room can become life-threatening. An entire house can be engulfed by flames in just five minutes.

Most victims die even before flames reach them, because poisonous smoke and gas can make a person faint in less than two minutes. Also, heat can be even more hazardous to a person than flames. The air can become so hot that it can sear your lungs and fuse clothing to your skin.

Preventive measures

Be aware that most home fires happen between 10 p.m. and 6 a.m.

Everyone should install UL- or FM-labeled smoke detectors that sense smoke and sound an alarm to wake you in time to escape. Detectors should be placed on the ceiling or high on walls outside bedroom areas. Each level of a home should have a smoke detector. The batteries should be replaced annually.

Family members should get together to discuss and practice a fire escape plan. Be sure to have a main and alternative exit for each room. If you Daniel Hegarty live in an apartment building, leave elevators out of your escape plan. Use the stairs and head down.

If your path is blocked by smoke or fire, go to the roof. Make sure that the roof is accessible in an emergency. Specify a place outside to meet, such as a tree or other landmark, to ensure that everyone escapes safely.

Help elderly, children

Special attention should be given to older persons and children during a fire. Fires are the leading cause of accidental deaths in the home for children, and every year more than 1,300 adults over the age of 65 die in fires.

Children often become afraid and

hide under beds and in closets, making it extremely difficult for rescue workers to locate them. Disabled and older adults should have a phone installed by their bed to call for help immediately.

If fire breaks out at night and the alarm sounds, roll out of bed. If there is smoke in the room, drop to the floor. Make your way to the door and test the temperature with the back of your hand as high up as you can reach.

If the door feels cool, crack it open and check for smoke. If all is clear, follow your regular escape route. Test all doors and close them behind you.

If your first escape route is blocked, use an alternate plan. If you're on the first James McCallum floor you can climb out the window. On higher floors, if there's a balcony or roof outside your window, wait there.

Have an escape ladder available to climb down from second or third-story windows. Once you are outside, use a neighbor's phone to call the fire department. If you have designated a meeting spot in an escape plan, go directly to the spot. ■



Let's share our abundance
 Pioneer Food Drive
 Oct. 18 - 21
 Place non-perishable goods in collection bins at plant entrances or give monetary donations to food drive reps for your area.

LET THERE BE SNOW!

Not now, but in February for the annual WEOMA Club ski trip to Colorado via Amtrak.

**Feb. 5 - 8
 Copper Mountain**

Condos in easy walking distance from ski lifts. Sign up 'til Nov. 4. For details, call:
 Darwin Fager, Ext. 4681
 Jim Kelly, Ext. 3378
 Terese Sakalas, Ext. 3353