



HOLLINGSWORTH

# HAPPENINGS

A PUBLICATION FOR THE HOLLINGSWORTH FAMILY OF EMPLOYEES

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## Modular Automotive Systems (MAS) Keeps The Line Going At DaimlerChrysler



*MAS employees inspect fascias prior to sequencing and shipping to DaimlerChrysler.*



**M**odular Automotive Systems (MAS), of the Hollingsworth Logistics Group, is not your ordinary automotive supplier. It doesn't manufacture parts or machines—it supplies parts in organized sequence. MAS's production line

inspects and sequences parts to make its customer's assembly line that much faster and efficient.

MAS's Warren facility is the sequence and assembly center for its contract with DaimlerChrysler's Sterling Heights and Warren Truck plants. MAS provides "sequencing" for the Chrysler Sebring, Dodge Stratus and Dodge Ram and Dakota vehicles that are assembled at those plants.

*Continued on page 3.*



*Steve Barr, Hollingsworth Chairman and CEO accepts the 2002 Hank Aguirre Humanitarian Award from MMBDC president, Dr. Delbert Gray.*

## Steve Barr Selected as MMBDC's 2002 Recipient of the "Hank Aguirre Humanitarian Award"

**S**teve Barr, Hollingsworth chairman and CEO, has been honored with the Michigan Minority Business Development Council's 2002 "Hank Aguirre Humanitarian Award." The award acknowledges a Minority Business Executive (MBE) who best exemplifies the qualities reminiscent of Henry Aguirre. Barr was chosen from a group of several nominees.

Steve Barr's charitable contributions and community involvement are just a few of the attributes that have led to his selection

for this award. Whether it be his commitment to ensuring that the company's workforce reflect the ethnicity of its surrounding population, the mentoring of native American entrepreneurship or his involvement with local schools, Barr has continually demonstrated his dedication to community and minority development.

The presentation was made at the 19th Annual MMBDC Awards Banquet held October 1, 2002 at Cobo Hall Convention Center in Detroit, Michigan.





## Defining the Meaning of “LEAN”

**I**t seems in these trying economic times, the term “lean” is used to describe everything from household spending to corporate policy. But what does it mean when used to describe a manufacturing facility?

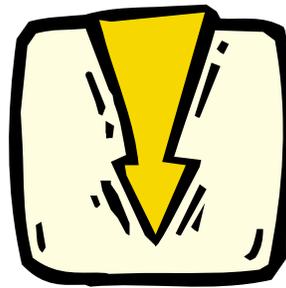
As we move forward with our Lean initiative it’s important every employee understand what “lean” means to the Hollingsworth companies so we can all work together to reach our goals. At Hollingsworth we characterize a lean manufacturing facility based on specific ideals in our production, efficiency, customer, supplier and personnel policies. These ideals all work together to form a lean facility.



**The key concept in lean manufacturing is the identification of which processes in a company’s manufacturing cycle add value to the final product and which do not. It is important to note that this value is defined by the customer (what is the customer willing to pay for?). Once this step is complete, the work focuses on eliminating or reducing the non-value adding processes.**

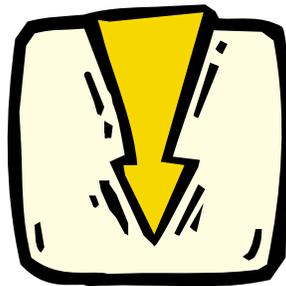
### PRODUCTION:

In a lean manufacturing facility, the entire process from raw material to finished product is closely integrated through “partnerships” with suppliers and distributors. There is a continuous flow of work with minimal inventories at each stage of the production process. This small batch production capability is tied to shipping schedules which boosts our...



### EFFICIENCY:

Rather than find defects and fix them, a lean facility prevents defects by building quality into the process and implementing real time quality feedback procedures. This cannot be accomplished without our...



### PEOPLE:

A lean facility empowers team-based work organizations with multi-skilled operators to make decisions and improve operations with few indirect staff. This active worker involvement eliminates waste and improves quality to better serve our. . .



### CUSTOMERS:

A lean facility always remembers that customer demand is what drives production planning, not machine loading or workflow convenience.

In general, “lean” means the elimination of waste throughout the production process. You will find waste where you find: unsafe conditions; waiting; overproduction; unnecessary inventory and processing steps; inefficient transportation and motion; part corrections and refusal to implement improvement ideas.

In the weeks ahead, the Hollingsworth companies will form its Lean Steering Committee to champion the following focal points: cultural awareness; workplace organization and visual management; standardized work; flexible operations; continuous improvement; error proofing; quick changeover capability; total productive maintenance; material control and level production. Once formed, the Steering Committee will gauge and report on our progress in each of these areas.



– by Dave Ringel  
Hollingsworth Logistics  
Management

## MAS Keeps The Line Going - *Continued from page 1.*

DaimlerChrysler sends word to MAS via live broadcast as to what vehicle is being built and what parts it will need. "Every vehicle is different," says **Chris Robinson**, general manager, MAS. "Whatever their customer has ordered at the dealership—the color and options—is put into the vehicles."

After MAS knows what vehicle is being built and what parts they will be sequencing, employees are given a two-hour window to spring into action. The parts are sized,

inspected and labeled, and then given a sequence number, packed into the sequence rack in reverse order, then loaded onto DaimlerChrysler trucks in reverse order—from the highest sequence number to the lowest. These sequencing "packages" may be for fascias, headliners, cooling modules, wire harnesses, carpets and/or A and B pillars. They are then shipped to the assembly plants for installation into the vehicle—all organized, inspected and in proper order.

MAS receives 40 loads of material a day from outside suppliers and ships about 60 loads a day to DaimlerChrysler. This takes 60 employees on two shifts "That translates to about 8,000 parts a day we put in sequence," says Robinson. "The sequencing makes our customer's assembly line run smoother and they don't have to carry inventory in their plants."

Now that's true "Just in Time!"



## Help Keep Your Health Costs Down — Ask For Generic Brands Whenever Possible!

**F**or almost a decade, employers enjoyed low inflation in regards to health insurance costs. That trend ended in 1999 with an increase almost twice the rate of inflation. Today, most employers can expect a 14 percent annual increase in providing coverage for their employees and their dependents.

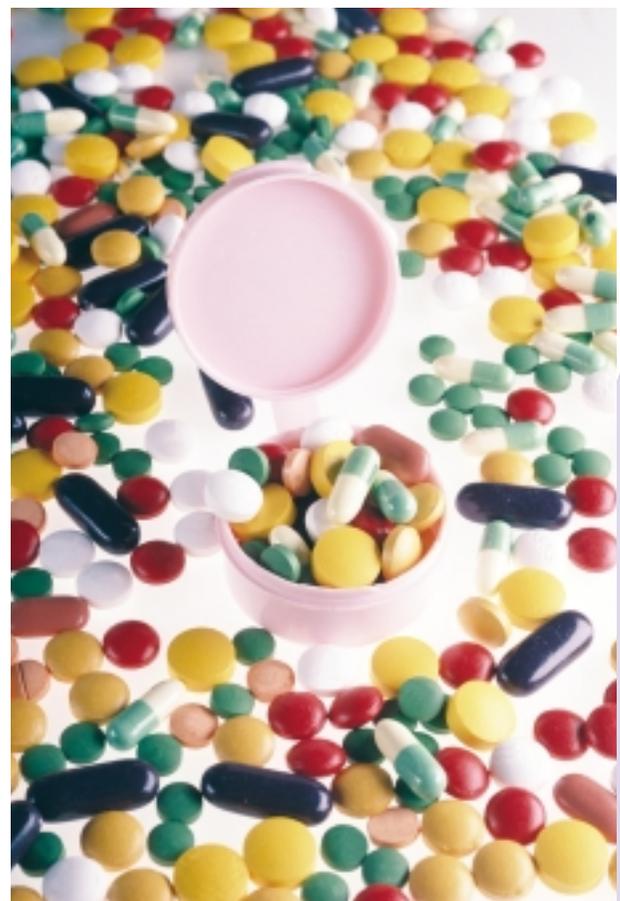
The primary culprit to this spike is the rising cost of prescription drugs. Spending on retail prescription drugs went from \$111.1 billion in 1999 to \$131.9 billion in 2000. Prescription drugs accounted for 44 percent of the overall health care spending increase in 2000. At Hollingsworth Logistics Group, annual prescription costs will exceed \$180,000 this year and are expected to continue to rise. Effective September 1, 2002 our Prescription Plan will change. Brand name drugs will not be covered under the plan if there is a generic equivalent. If there is no generic equivalent, the co-pay will be \$15.00.

Ask for generic brands over name brands whenever possible. Your co-pay will be lower and HLG will experience a cost savings. The following claim review illustrates the dramatic role generic substitutes can play in controlling our health care costs:

### PREFERRED NETWORK

Average Brand Name Cost	\$51.46
Average Generic Cost	\$6.88

If you would like find out if your prescriptions are available in generic form, please see Carla Dominick.



# The Empowerment of Packaging

**N**o longer the stepchild of the marketing and financial world, packaging has ascended to a principal role in communicating a company's brand. As e-commerce proliferates and the number of consumers who purchase via the Internet continues to rise, packaging will assume an even more dominant role as one of the first points of brand exposure to the consumer.

One of the most well known examples of how powerful packaging can be is the image Gateway created through their 'cow-print' boxes. That concept led to a distinction in the marketplace for Gateway that otherwise would not have been attained. There were many computer companies selling directly through the mail and not through retail outlets in the early 1990's, but Gateway was the one that became most prominent in consumers' minds. There was tangible power in effective packaging.

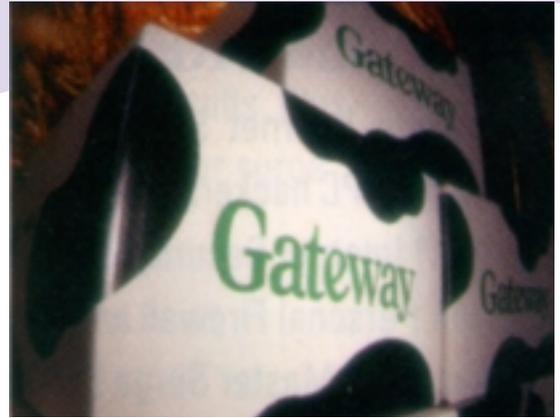
With over \$13 billion in packaging related advertising up for grabs, Packaging, Marketing, and Operation Departments are work-

ing diligently to establish a prominent position as the leader in innovative packaging for the apparel/fashion, healthcare, and fresh/perishable produce markets.

To date, companies have secured over \$2.8 million in patents and have approximately \$1.45 million in patents pending on packages and processes that represent the next wave of innovation in unique, affordable packaging as it relates to consumers who E-BUY.

The intellectual capital created through interactions with top companies represents a valuable commodity. With extensive technical knowledge and intimate relationships with leading manufacturers, reservoirs of market expertise can be used to develop products and processes that create new demands for services beyond filling existing market needs. The intent is to become a game changer and to create door openers by excelling at innovation.

Today, assembly and fulfillment are the final and critical links,



which ensure that products reach the marketplace intact and on time. This includes effectively managing a business' most valuable information asset - its inventory.

Every activity and capability of an innovator is performed with an understanding that it is linked to the whole end-to-end process. By managing a customer's needs from creation through production, fulfillment, and distribution, you become an extension of their businesses: saving them time, reducing cost, and providing a more consistent final product. ❖

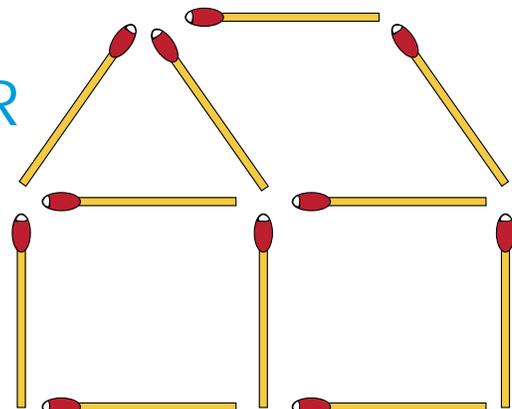
- by Paul S. Sandhu  
Hollingsworth Packaging  
Specialties

## Here are the Answers to the Super Bowl Trivia Questions from the Previous Issue:

- |          |           |
|----------|-----------|
| 1. True  | 7. True   |
| 2. C     | 8. A      |
| 3. False | 9. True   |
| 4. C     | 10. C     |
| 5. B     | 11. False |
| 6. D     | 12. D     |

-by Connie Lyons  
Hollingsworth Group

## BRAIN TEASER



**Move one match to make the house face east instead of west.**

☛ answer next issue