



# THE ProgRESsive

## Mission

"Our mission is to be the best-in-class provider of precision metal stampings, assemblies and related value-added services. Res will operate safely, ethically and profitably for the benefit of its customers, associates, shareholders, and suppliers."

Res Manufacturing is a contract manufacturer of metal components for **SHAPE CRITICAL** **SURFACE CRITICAL** and **HIGH STRENGTH** applications.

We specialize in:

- ◆ **PROGRESSIVE DIE STAMPINGS**
- ◆ **DESIGN ASSISTANCE**
- ◆ **PROTOTYPES**
- ◆ **TOOL BUILD**
- ◆ **HEAT TREATING, WELDING, TAPPING, MACHINING**
- ◆ **AUTOMATED ASSEMBLY**



## MANAGEMENT VIEWS

Well, the numbers are in for September and they are not pretty. For the 37th month in a row, manufacturing jobs in the United States have declined. Over that period of time, more than 1,450,000 U.S. factory workers have lost their jobs. Several factors have contributed to the seemingly unending exodus. Among these factors are currency manipulation, the Section 201 Surcharge, and increased productivity.

At the forefront of lost jobs in the United States is currency manipulation. According to the Coalition for a Sound Dollar ([www.sound-dollar.org](http://www.sound-dollar.org)), more than one-third of the job loss is a direct result of currency manipulation by foreign governments. China alone has increased its dollar holdings to more than \$750 billion since 1996. The purchase of U.S. dollars allows countries to keep their currency artificially low against the dollar. This manipulation allows countries much lower wage rates when compared to wages in the United States.

Another factor in the decline

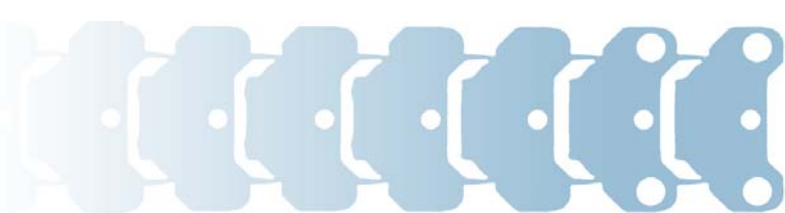
of manufacturing jobs in the United States is the Section 201 Tariff, a tariff placed on imported steel. As reported by the Precision Metalforming Association (<http://www.pma.org/>) the International Trade Commission's mid-point review of Section 201 and the Section 332 study points out that, "25% of steel consuming companies reported that their customers had shifted to purchasing finished parts or assemblies overseas."

The third factor leading to fewer jobs in manufacturing in the United States is increased productivity. As noted in our Summer, 2003 issue of *The Progressive*, United States manufacturers have become more productive. By investing in automation, worker training, and streamlining operations, U.S. factories have greatly increased output per person. In fact, for the last 6 years, productivity in U.S. factories has continued to rise. In 2001, output per person increased 1.6%; in 2002, output per person increased 6.1%; and in the 1st and 2nd quarter of 2003, output per person increased an average of 3.9%.

The United States experienced a 5.9% productivity growth rate in 2003. (<http://www.stats.bls.gov/>) This trend will have to continue in order for U.S. factories to survive in a global economy. According to J. Bradford Jensen, Deputy Director of the Institute for International Economics in Washington, "Capital-intensive factories generating higher output per worker are most likely to survive competition from low-cost foreign competitors."

While we cannot control what governments do, we can have influence on the decisions elected officials make by being informed and involved. Take the initiative by learning more about currency manipulation, the Section 201 Tariff, and the steps your local and national representatives are taking to combat these barriers to free and open trade. U.S. factory workers, person for person, are some of the most globally productive. Let's create jobs, not lose them.

David Tomczek  
VP of Marketing and Sales



## Continuous Improvement

Organizations must continuously look for ways to revitalize improvement efforts.

At Res, continuous improvement is always our goal. Through continuous improvement, Res is able to reduce costs, improve quality, and reduce throughput time. The ultimate focus is total customer satisfaction.

One of our primary initiatives is waste elimination. Res' goal is to identify the sources of waste and then put in to motion processes that will eliminate this waste. Res is facilitating waste elimination through education and associate training. In the words of Bill Conway, the first CEO of a Fortune 500 company to work with Dr. W. Edwards Deming, a pioneer of the Quality Movement, "An ongoing effort to eliminate waste means continuous change, including innovation and re-engineering as well as incremental change." ([www.conwaymgmt.com](http://www.conwaymgmt.com))

Another goal is to re-educate our associates on root cause analysis and problem solving. The only way to eliminate the source of a problem is to properly identify and analyze the root cause of the problem. If properly utilized, tools such as the 5-Ys, the Pareto Chart, or the Cause and Effect/Fishbone Diagram can be valuable in producing a root cause and ultimately leading to problem solving. Res has arranged for a 2-day re-training session to review and renew problem solving techniques.

Part of continuous improvement is staying on top of the latest quality standards. In the first quarter of 2004, Res' goal is to become TS16949 compliant. TS16949 was issued in March of 2002 in an effort to streamline the many clauses of ISO9001 into a more comprehensive, focused plan. The five focuses of TS16949



are Quality Management Systems, Management Responsibility, Resource Management, Product Realization and Measurement, and Analysis and Improvement. ([www.industryforum.co.uk](http://www.industryforum.co.uk)). This is yet another step Res is taking to pursue continuous improvement.

Continuous improvement must be an ongoing effort. At Res, waste elimination, problem solving and root cause analysis, and TS16949 compliance are just a few ways Res will continue to thrive.

*Rachael Poyneer*

Inside Sales and Market Development

## CMM provides Improved Accuracy and Precision

Res has purchased a Mitutoyo Crysta Apex C Automatic Coordinate Measuring Machine. This particular model was chosen for its accuracy, reputation for reliability, and the ease of use of the accompanying software, the MCAT C-3 System.

Our new CMM will allow us to measure with accuracy and precision in a fraction of the time required using our existing measuring systems. It is especially useful when measuring products with intricate geometries. Most importantly, precision and time are key when performing first article inspections.

## Res has a new Mission Statement

To accompany our renewed continuous improvement measures, Res has written a new Mission Statement that more completely defines our organizational goals:

*"Our mission is to be the best-in-class provider of precision metal stampings, assemblies and related value-added services. Res will operate safely, ethically and profitably for the benefit of its customers, associates, shareholders, and suppliers."*

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