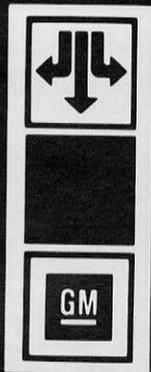


Hubbard Christmas . . .

Plant 42 in Hubbard is donating at least eight bicycles to area needy families as part of their Christmas holiday project. Employees raised more than \$6,000 through internal fundraising efforts. Details of employee Christmas activities appear on page 3.



PACKARD ELECTRIC Cablegram

Volume 47, No. 6

December, 1985

Packard must earn Saturn business

Saturn message: 'We want the best supplier'

If Packard Electric plans to supply power and signal distribution systems to General Motors' Saturn vehicle, Packard had better plan on being the best. Second place won't earn that business; membership in the GM family doesn't guarantee it. Being the best will.

Bill Hoglund, Saturn Corporation president, and a delegation of his top decisionmakers delivered that message this fall to Elmer E. Reese, Packard general manager, the division's Executive Committee and members of the Packard Saturn study team.

However, during an interview with the **Cablegram**, Hoglund and his team quickly noted that Packard was ready with its own message and in fact may have a headstart in the "Saturnizing" process.

Other Saturn Corporation officials participating in the interview included Guy Briggs, vice president, Manufacturing Operations; J.J. Wetzel, vice president, Engineering; Alan

Perriton, director, Materials Management; G.M. Carrithers, chief engineer, Electrical/HVAC and Anna Kretz, chief engineer, Electrical and Electronic Systems, Advanced Technology and Special Vehicles.



"Saturn is aimed at a tough area — our competition overseas."

Q. What message did you come to Packard with today?

A. **Perriton:** We are going to look at a supplier base to support the Saturn project that will be consistent with our objectives of producing

the best automobile in the world. We're looking at Packard Electric along with other potential competitors, to supply electrical systems based on an evaluation criterion we are in the process of developing.

Tying up with a long-term business partner is a lifetime relationship. We look at things like attitude, cost-competiveness, history and quality, a multitude of reasons to support a lifetime relationship. Packard is certainly one of the potential suppliers.

Q. What do you expect from your power and signal distribution systems?

A. **Kretz:** Certainly the power and distribution requirements have grown through the years. We think we will be able to provide many customer features in order to fulfill the mission and obtain new business. In power distribution content how we route signals around the vehicle becomes critical to us. Some of the require-

ments will entail having fewer cables in a vehicle, but sending more and more information across those cables.

Another requirement will be for space utilization. We continue to lean toward better use of space in our vehicles. Because of the content and distribution requirements, we can't afford to do it in a

(Continued on Page 4)



"Packard's history shows you face challenge with innovation."

Japanese competitors eye North American market

by Patricia Reilly

Who are Packard's competitors? What kind of threat do they pose?

Most Packard employees would instantly recognize the names of General Motors' foremost competitors: Ford, Chrysler, AMC, Toyota, Nissan and Honda television commercials pitch those companies' products daily.

Packard Electric competitors, however, remain a rather nondescript adversary to many employees. The competition is tough, but where is it, and more importantly, how good is it?

Three major Packard competitors include Yazaki, United Technologies and Sumitomo Electric, according to Scott Bailey, Marketing manager.

"These three producers are very strong in the global market, and will have more and more of an impact on us," he said. Current Japanese vehicle production capacity in North America

is approximately 500,000 vehicles annually. By 1990 that figure could jump to 1.8 million vehicles. With Japanese vehicle production in North America increasing, it should come as no surprise that their component suppliers will soon follow.

"Yazaki has already come to North America to produce wiring for Nissan and Honda. Sumitomo has not yet made that move, but we expect that they will," Bailey said.

Things are changing rapidly for Packard because the North American vehicle market is changing.

Honda plans the most aggressive growth. Nissan has begun car production in Tennessee. Toyota is moving more conservatively, but moving nevertheless. Toyota is expanding production at NUMMI (New United Motor Manufacturing, Inc.), the joint venture with GM.

They also plan to build vehicles in

Canada, in addition to an upscale Toyota vehicle recently announced to be built in Kentucky, according to Bailey.

"They're all coming," Bailey pointed out. "Mitsubishi, Mazda, Suzuki — some have joint ventures with companies in the United States, but they're all coming. They realize that this is the biggest, most lucrative market in the world."

Japanese automakers generally use Japanese-designed wiring systems in their vehicles. Japanese component suppliers recognize that cars built in America represent lost sales to them if they remain in Japan.

"One of the reasons the Japanese can come over here and compete very successfully is their long-term relationship with the Japanese car manufacturers. There is an aura of quality and low cost associated with them. Whether that's true or not, and in most cases it is, the perception is

there." This also makes Japanese component suppliers attractive to U.S. automakers who are continuing their search for higher quality at lower cost.

As the pressure to become more competitive mounts, all wiring assembly manufacturers have begun production in lower cost locations. Yazaki, which has production facilities throughout the Far East, also has one wiring assembly plant located in Juarez, Mexico, and is expected to expand its Mexican Operations. Other Japanese wiring producers may soon follow their lead. United Technologies, our largest U.S. competitor, has six Mexican plants, and is planning more. Packard began examining its competitive position in the early '70s, and has intensified its analyses. This has led to an evolution of Packard Electric's manufacturing strategies. The competitive environment is dynamic, so

(Continued on Page 3)

Information Briefs

GM safety belt insurance clicks

General Motors' no-cost \$10,000 safety belt insurance program seems to be successfully achieving its goal of expressing the concern of GM and its dealers for the safety of customers and faith in safety belts.

According to John J. MacDonald, president of Motors Insurance Corp., the GM insurance affiliate administering the program, 9.8 million GM vehicles have been delivered since the program began April 16, 1984. Under the program, GM provides, at no extra cost, a one-year insurance certificate with every new GM car and truck sold in the United States and Canada. The certificate will pay \$10,000 to the estate of any occupant who suffers fatal injuries while wearing a GM safety belt. GM is the only auto-maker to provide this coverage.

Performance, quality keys to success

The success of the Chevrolet Corvette is indicative of the market attention to performance and quality that drives the Chevrolet-Pontiac-GM of Canada Group's efforts to beat world competition, according to David D. Campbell, GM vice-president and C-P-C group director of operations.

"The Chevrolet Corvette is the most advanced production car in America," Campbell said, "and it's worth noting that GM's most technically-advanced production car is among our best built cars."

Chevy Astro hits the mark

Chevrolet's new Astro van has hit home with first-time van buyers and women, according to a recent Chevy survey. Almost seven of ten buyers said the Astro was the first van they had ever purchased and almost 50 percent of the principal drivers are women. A significant number (39 percent) said the Astro was the first Chevy they ever bought, indicating the new-size Astro van was generating new business for Chevrolet.

EDS sees growth ahead

Electronic Data Systems plans to become a \$10 billion company within the next five years as it penetrates further into electronics and telecommunication, reported **The Detroit News**.

Kenneth Hill, EDS vice-president and head of the GM account, is quoted as saying EDS will grow from its current size of \$3 billion in sales and revenue at a rate of 20 percent a year until about 1987 when the growth rate will stabilize.

New format planned

Beginning in February, you will see a revitalized **Cablegram** incorporating some of the suggestions you submitted to us in our recent survey. Thank you for offering your ideas — we hope you like the results.

Packard Electric Cablegram

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Christmas Message

As we near the holidays, I'd like to reflect on the past 12 months at Packard Electric. Looking back on some of the things we've accomplished, I can only conclude that it has been a very fine year for our division and our people.

We entered the year with a new spirit of cooperation among our people. Just look at where this has taken us. Within our global operations we have opened new manufacturing facilities and hired new people. In addition, all of you have been very generous in contributing to various philanthropic causes throughout the year.

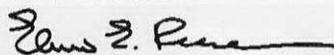
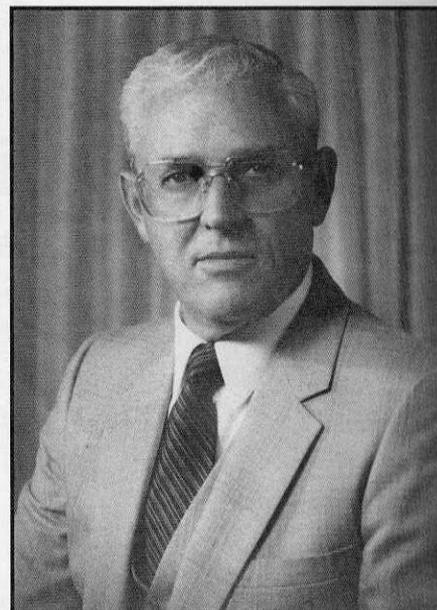
That's progress!

I take great pride in our progress this year because I believe these achievements point to an emerging Packard culture — one which emphasizes a positive attitude, generosity and character.

We have taken the first step toward excellence.

As this successful year comes to a close, I'd like to wish you and your families the very merriest of holiday seasons and a joyous new year.

Elmer E. Reese

Employes support holiday projects

Joint union/management Christmas efforts were evident throughout Packard in the weeks preceding the holidays. Packard Electric and IUE Local 717 once again sponsored the Sharing and Caring program to brighten the holiday season for those in need.

Plant 3

Plant 3 employes will aid a family of six selected with the help of the AFL-CIO's community services. Santa will deliver a tree on Christmas Eve complete with presents for the family. Employes have been collecting presents, food and clothing for the family since early December. Further donations may be made by contacting Lynda Gregor, Dept. 353.



Plant 8

Plant 8's Communication Committee worked in conjunction with the Salvation Army to provide Christmas for needy families in the area, according to Ken Rambo, plant superintendent. The plant held a gate collection Dec. 16 to raise money for gifts and food.

Plant 11

Plant 11 employes will participate in their annual Holiday Project through a visit to Woodside Receiving Mental Hospital and a donation to Contact-Trumbull's Kidline.

Employes will meet at Denny's Restaurant at Rts. 193 and I-80 in Liberty at 1:15 p.m. on Dec. 24 to leave for the hospital. Packard Electric employes and their family members 18 years of age or older are invited to join the group. Santa Claus will pass out candy canes and popcorn balls.

On Dec. 10, employes presented Contact-Trumbull with a check for \$3,000 to help establish a Kidline which children may use to call for help when their parents are not available.

"Our goal for 1985 was to donate \$4,000. We have exceeded that goal," said Betty Zlatkoff, Dept. 1174, and chairman of the committee.

Plants 12, 17 and 18

Plants 12, 17 and 18 employes will continue one of the longest-running Christmas traditions at Packard Electric by sharing with the Hattie Larlham Foundation of Man-

tua, Portage County. Since 1970, Plant 12, 17 and 18 employes have donated over \$50,000 to the foundation for the handicapped, according to George Gati, general foreman, Plant 18. The employes held a gate collection on Dec. 13 to raise this year's donation. "Thanks to the help of all the employes in these plants, including skilled trades, and those from Plant 13 who enter our clock area, the gate collections are always a success," Gati noted.

Plant 14

Employes will aid a needy family selected with the help of the AFL-CIO's community services. Santa will deliver a tree complete with presents on Christmas Eve.

Donations of food, clothing and children's presents are welcome. Employes may contact Don Davis, Local 717 zone representative with any donations.

Plant 42

Hubbard employes are celebrating the holidays by donating \$6,000 worth of goods to eight needy families. They will provide food, toys, gift certificates, money to pay utility bills and other items. Four afternoon turn employes from Dept. 4251, Richie Yuschak, Matt Ezzo, Jim Novello and Steve Roth coordinated a special "bicycle project." Plant 42 people donated used bicycles, bicycle parts and money. The four coordinators completely refurbished the bicycles so that each of the eight needy families may receive a bicycle for Christmas.

The Hubbard Christmas project is just one of many charitable projects employes work on throughout the year, according to Karen Heaps, Dept. 4261.



Plant 43

Plant 43 employes will visit North Manor Center Nursing Home this holiday season and distribute presents to the residents.

A gate collection raised \$500 for this purpose. Lois Lukens, spokesman for the employe group, stated, "We wanted each resident of that home to feel like someone cares. The gate collection will help us give each one a present this Christmas."



Plants 45 and 46

Employes are working with Cortland's local churches collecting food for the needy this holiday season. The food, including hams and turkeys, will be disbursed at Cortland's United Methodist Church on Dec. 19.

Donations obtained at a gate collection at both facilities on Dec. 3 raised money to buy gifts for Children's Services in Cortland. Representatives from the facilities will also visit Cortview Nursing Home to sing carols as Christmas approaches.

Mississippi

Mississippi Community Involvement Team members from Packard's Clinton facility donated money to support the Governor's Snowflake Ball, a ball held during the Christmas season for residents of local nursing homes. Packard employes are donating clothing for the event.

Team members also sold watches to raise money to buy items for needy families at Christmas.

In connection with the Salvation Army, Care and Share boxes have been set up in the plant's lobby to collect items for distribution to needy families. Employes will also stuff stockings full of presents for area children.



Community Involvement Team aids needy in Jackson area

by Beth Magee

Small eyes shine in anticipation of Christmas. A long overdue smile rejuvenates an elderly face. A mother nods in gratitude. A hug from the arms of a crippled child touches the heart. These experiences etch a special memory in the minds of members of Packard-Clinton's Community Involvement Team (CIT).

Clinton's CIT, formed in May, 1984, has significantly impacted the Clinton facility and the greater Jackson, Miss., community it serves. Working together, Packard and I.U.E. Local 698 representatives have developed an organization which extends a hand to those in need.

In Mississippi, a state where more citizens live below the national poverty level than in any other state, needs are great.

Introduced by the Governor's Voluntary Action Committee, the community involvement team concept provided a vehicle for private businesses to address problems facing the state in the wake of government cutbacks. The object was for businesses to assemble groups of employees interested in volunteer work.

Clinton employees answered the call, distinguishing Packard as one of the first businesses in the state to develop such a group.

With little or no guidance, these hourly and salaried employees, from all shifts committed themselves to a mission: giving something back to the needy of the community.

"There is a real spirit of giving at Packard-Clinton," said Michael Brown, QWL coordinator, I.U.E. Local

698. "Our people recognize how fortunate they are to have good jobs, and they are always eager to share with those in need. When the idea of a community involvement team was introduced, employees were very receptive."

Tackling the mission involved planning. Members established several goals. They decided to perform diverse projects rather than servicing one organization or group of people. They also chose to perform projects on a monthly basis.

Representatives from the Governor's Office and the Voluntary Action Center provided the group with a list of immediate needs in the Jackson area. Members reviewed the requests and selected Mississippi Children's Rehabilitation Center, a center for physically handicapped children, as the site of their first project.

CIT members visited and worked with the children. They also threw a party, complete with balloons and clowns. Any apprehensions on the part of members were immediately dispelled by the receptiveness of the children.

"The feeling that I made a difference was more than I had ever imagined," said Barbara Ballard, Personnel. "The smiles when we came and the tears when we left from that first project will forever remain in my mind."

Community Involvement Team members have traveled many miles since that first encounter. Projects have covered a broad range.

A few accomplishments include painting a shelter for battered families, presenting programs at homes for



Earl Mosley, I.U.E. Local 698 Sub and Pension representative, takes pictures for children at the Mississippi Children's Rehabilitation Center during a party given for the group.

photo: Magee

the elderly, taking abused children to the state fair, feeding needy families at Thanksgiving and Christmas and providing Christmas for children who would otherwise be without.

This mission continues, but not unnoticed. Packard's CIT was recently featured in Volunteer Focus, a publication of the Jackson Area Voluntary Action Center. Representatives from the committee also serve on the Governor's Corporate Voluntary Action Committee providing input on their experiences and encouraging other businesses to get involved.

"The work of Packard's Community Involvement Team is indicative of excellence," said Terry Lee, director, Personnel, Mississippi Operations. "GM is very generous in its financial support of plant communities and Packard's C.I.T. goes even further. Its actions tell the people of this community that Packard-Clinton employees care. They care enough to give up a Saturday to extend an effort for people they don't even know."

This means a lot in the eyes of the community, and it is invaluable to the people affected."

Competitors chase Packard Electric

(Continued from Page 1)

business planners must analyze a moving target. It isn't a simple task. Bailey compared it to a game of chess.

"You can't think just one move ahead," he said. "When you play chess, you have an offensive and defensive strategy. We have to decide who the opponents are, and what they are capable of doing."

This is a fundamental activity of Packard Electric's business planning process.

For example, Furukawa, which supplies such manufacturers as Honda, Mazda and Suzuki, has asked certain cable producers in Mexico if they would be willing to supply them with cable.

Packard's strategic planners know they won't buy cable to ship it back to Japan. Their inquiry indicates they plan to begin production in North America.

"From our standpoint, that means an increase in competition from a very capable supplier," Bailey said. "Japanese component manufacturers can

compete here because they have been supplying the Japanese automakers and understand their systems."

That isn't the only reason they can compete effectively.

Another advantage is one which U.S. car manufacturers will have to work hard to overcome — the way Japanese businesses are financed.

U.S. enterprises generally fund their activities by borrowing money at the prime interest rate or issuing stock. Gaining the use of money costs them approximately 15 percent of the value of the loan. Japanese businesses can gain access to capital at a much lower cost because of a different financial structure. Japanese banks are closely tied to Japanese businesses; many banks are part-owners of the companies to which they lend money.

"It's cultural and dates back to feudalism in Japan when there were very powerful family-oriented groupings. Today that has evolved into industrial groupings, such as the Sumitomo Group with 41 independent, but family companies," Bailey explained. "It's

a fundamental difference in the way our economies work."

Because it costs Japanese automakers less to obtain money, they can have lower profits and still maintain an acceptable return on investment.

U.S. businesses require a higher profit level because interest rates are higher and they owe dividends to shareholders to a greater extent than the Japanese.

"That's one reason why we must bring our costs down," he said.

"Price is only one measure of competitiveness. Price is important, but once you get your foot in the door, factors such as engineering services, quality and delivery contribute to the bottom line, which is value."

Automakers choose suppliers which provide them with the greatest value. U.S. suppliers such as Packard can overcome Japanese cost advantages by fighting to lower their own costs and providing greater value.

And keeping a close eye on the competition.

Packard's Marketing staff gathers information and analyzes competitors. It also solicits help from all Packard employees through its CARS (Competitor Archive Retrieval System) program.

CARS allows employees to submit information about competitors.

Employees can contribute this information by mailing it on form F-1862-1 available through office supply, using the P2S2 local application "hotline," telephoning ext. 4080 or sending it to Marketing, Sta. 40B.

"To stay in business long-term we have to be competitive on everything. To win, we've got to be the most competitive," Bailey said. "Right now we're experiencing more competition; and the pie isn't going to get significantly larger."

Competitor Profile

Yazaki

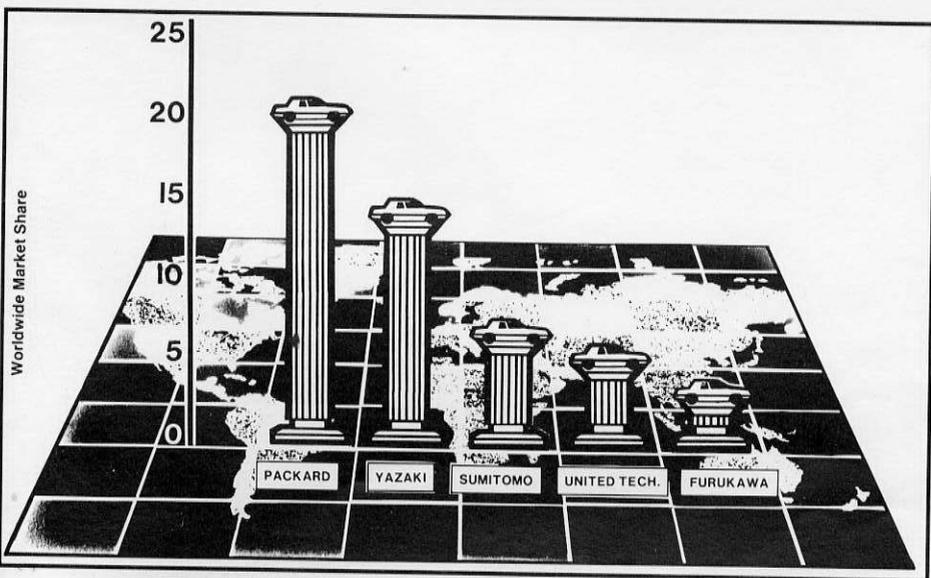
- founded in 1941 by a Japanese family
- second largest supplier of automotive wiring assemblies in world
- production facilities in seven countries
- major strengths: low labor and capital costs; high quality
- major customers: Toyota, Nissan, Ford and Chrysler
- products: wiring harnesses (48% of business), auto instruments (21%), electric power and cable (18%), gas and air conditioning equipment (13%)

Yazaki in North America

American Yazaki has become the fastest-growing, most aggressive automotive wiring supplier in North America. It supplies wiring to Honda and Nissan in addition to Ford and Chrysler. It currently supplies General Motors with certain instrument panel clusters.

American Yazaki will have total wiring system design responsibility for the next generation of the Ford Thunderbird and Mercury Cougar vehicles. It will also provide the complete wiring system for the 1987 Chrysler mid-size N-truck.

American Yazaki opened its first U.S. production facility this year in Canton Township, Mich. This also includes an engineering and prototype center. It may begin cable production within the next five years.



art: Michael Verina

Reinshagen gains business for Packard

by Michael Hissam

Packard Electric's technical support and involvement for its Kabelwerke Reinshagen subsidiary appears to be sparking the interest of one of the major European automakers.

BMW, a West Germany-based manufacturer, known for its emphasis on technology and fast sporty cars, gained the impression of "tremendous possibilities on the development side" following an October visit by BMW officials to Packard-Warren and the GM Research Center in Detroit, according to Volker Heuzeroth, sales director, Reinshagen.

Showing BMW the combined "know how" Reinshagen possesses through its relationship with Packard was the purpose of the visit which also focused on advanced engineering efforts in Warren.

Heuzeroth and Dr. Ulrich Konzelmann, Reinshagen engineering director, accompanied the BMW

representatives to Warren and Detroit.

Heuzeroth explained that Reinshagen supplies approximately 35 percent of the total wiring systems for all BMW models, in addition to supplying fuseblocks to the automaker. "BMW has expressed special interest in the technical areas including electromagnetic compatibility (EMC), contact physics, connection systems, components — especially MicroPack, and advanced assembly technology. Through this technology support Reinshagen will have the opportunity for development of power and signal distribution systems — additional content — for BMW automobiles."

He pointed out, "Dr. Peter Kuhn, BMW's executive electronics engineer, in my opinion, was impressed with the Packard technical base. We will be contacting him in December in Munich concerning EMC, connection systems and elementized wiring. Dr. Jack Olin, Packard's director of Advanced

Engineering, will also be part of those meetings."

Konzelmann added, "With Packard Electric's knowledge and experience base in the area of connection systems, electromagnetic engineering and electronics, we have the opportunity to use a total top-down systems approach to the development of automotive signal-and-power processing and distribution systems.

"Based on this competence, we expect to be a valuable business partner for BMW."

Packard impact

Heuzeroth added that European auto manufacturers and representatives offered a "very positive" reaction to Packard and Reinshagen innovations displayed during a recent vehicle show in Frankfurt, West Germany. "In a common project supported by Packard's Advanced Engineering, we featured a car with a steering wheel mounted driver command system for radio, air conditioning and display

lights that features multiplexing of beamed infra-red optical signals. That car also had multiplexing of commands to the door through fiber optics. The car had the nickname 'Franc' for Frankfurt Car."

He noted that Packard and Reinshagen work closely together concerning the development of optical fibers and beamed systems for electronic transmission and reception of automotive signals.

"We also have visited several European auto manufacturers — including Austin-Rover Group, Jaguar, Fiat and Renault-PSA to explain the advantages of multiplexing."

Reinshagen, according to Heuzeroth, is increasingly optimistic of obtaining additional business from the European market.

"It is quite helpful that we have the big brother in Packard Electric — more resources, a stronger position and common projects."

The Porsche at right contains a wiring assembly made by Packard's Reinshagen affiliate. Porsche is just one of several European car makers for which Reinshagen supplies wiring assemblies.



Photo: Courtesy Reinshagen Operations

Packard may earn business by 'Saturnizing'

(Continued from Page 1)

traditional point to point arrangement. The interfaces between the components and the distribution system will require thought about how we make them serviceable. The package must lead the market. Packard's history shows you're facing such challenges with innovation. The division Packard has certainly shown us it's working in those directions.

Q. What sort of design and technological leadership will you demand from your suppliers?

A. **Wetzel:** Saturn is aimed at the most difficult part of the marketplace: the competition overseas. We're looking for a partnership with our suppliers that focuses on total customer satisfaction. In other words, we're talking about the total car-driving experience — from the purchase of the car right through to the resale. Our partners must focus on this too. Our suppliers must have outstanding people systems, outstanding products and outstanding processes to bring that product to the market. The combination of those three factors is what we're looking for in a partnership.



"To be the best, Saturn must have top-quality suppliers."

In order to capture the business for General Motors, we're making a car that has to lead customer satisfaction, not just meet it.

Q. There are no guarantees, then, as far as suppliers?

A. **Perriton:** We'll treat all potential suppliers equally. There will be no preferential treatment given to suppliers because they have an affiliation with the parent company.



"Our suppliers must be consistent with our objectives."

A. **Hoglund:** If we had a guarantee for a customer we'd be willing to guarantee a supplier. But, you earn every customer you get. Elmer invited us here today to view the results of a Packard Saturn study team that you put together six months ago. The output of that team is truly impressive. It was an exciting morning for us. Their presentation demonstrated that your organization has the ability to work together and be creative, and that excites us — that's important.

Q. How will JIT suppliers fit into the Saturn plan?

A. **Perriton:** The issue of JIT addresses itself to Saturn as it does to

Packard. Packard's experience has demonstrated to you that JIT is a manufacturing system that has to be in place if you're going to be competitive in a worldwide competitors. It will be the same for Saturn. JIT means in effect, you eliminate waste. So, I think you're moving in a direction to eliminate waste from the system.

A. **Hoglund:** We are going to develop a Saturn production system starting right at the raw material that will be a pull-through system from the customer right back to the raw material. So the JIT philosophy that Alan talked about will carry all the way through the entire process. It really gets back to product design — how can you design a product to best use a JIT system? Everybody will be involved in it, including suppliers.

Q. Will workers have a voice in deciding how many cars they will produce?

A. **Briggs:** The business unit will be the focal point for planning and deciding how employees will help fulfill the mission. They will help be a part of the plan and they will have a voice in the resources they need. When you create something, you will go to all ends to make it work.

Q. What is Saturn's target market?

A. **Hoglund:** If you say your target is the imports, you have to ask, 'who is buying them?' Our demographics show the import buyer is younger, better educated, more likely to live in a metropolitan environment, probably on the East coast or West coast, and more likely to be female. That's our market. It may be one of the most important reasons why Saturn was set up as

a separate company. We need some kind of new selling approach to get those people back in the GM fold.

Q. What makes Saturn unique?

A. **Kretz:** Saturn will be unique in the way we apply our technology in choosing the appropriate applications. For instance, if our customer is a single female and the car breaks down, she needs to be able to repair the car quickly and simply. We have to take away the mystery. These are the sorts of things we will be thinking about when we design a car. The way it is manufactured and the way our suppliers design their parts.

Q. What message would you like to convey to the Packard workforce?



"Packard has been doing some things we hope to do with Saturn."

A. **Hoglund:** I would suggest that Packard Electric employees continue what has been started, but do it even more. There is a wonderful element of teamwork, of breaking down the walls, respect for the customer, understanding your competition. All these things that we're trying to do, you've got a head start on at Packard. I think you have an opportunity to "Saturnize" yourselves even more than you are now.

"Bring on the competition," say execs

Reinshagen executives visit Packard

As 1985 draws to a close, three Packard Electric-Reinshagen executives are retiring, ending careers that involved them in significant changes in their company as well as the auto industry.

Dr. Frank Gothe, managing director, Helmut Henssler, Sales director and Heinz Altemann, Engineering di-

rector, have a combined length of service of 81 years.

These three executives helped usher Reinshagen into a new era of technological leadership as their operations became a part of the Packard Electric organization. From Reinshagen's more humble beginnings as a textile producer to its role as sole supplier for

'Spacelab,' the European version of the space shuttle, Reinshagen and its technology have come a long way.

Through cooperation with Packard, they hope to achieve even more in the future.

Gothe, Henssler and Altemann visited Packard's Warren Operations recently in their last trip to the U.S.

before their retirement. In an interview with the **Cablegram**, the Reinshagen executives offered their views on technological exchange between Packard Electric's North American Operations and its European Operations, Reinshagen's affiliation with General Motors, the automotive industry and prospects for the future.

Oil crisis led to diversification

Dr. Frank Gothe, managing director of Packard Electric's Reinshagen Operations, had a definite feeling about Japanese industrial competitors.

He felt they came too late.

To be sure, Packard Electric and others are now locked in a global struggle for business with the Japanese. However, if this struggle had commenced sooner, Gothe said, in his opinion American industry would have seen two results: lower costs and more job security for its workers.

American industry is still trying to achieve these goals, and it's going to take a lot of hard work to make it happen.

Reinshagen's affiliation with Packard Electric was a competitive move which strengthened both organizations, Gothe explained. A chief feature of the merger has been a technological exchange between Packard Electric's North American and European Operations.

According to Gothe, because Reinshagen manufactures many wiring products outside the automotive industry, that exchange has proved particularly interesting. In addition, he said Reinshagen has taken experience gained from work on its other product lines and has applied that knowledge to automotive technology.

Reinshagen developed some of its non-automotive products in the aftermath of the OPEC-induced oil crisis in the 1970s. Sales of aviation cable became quite good.

Gothé is ending his business career on a successful note. He hopes to build an equally successful life as a retired auto executive in West Germany.

Taking care of business will involve strolling leisurely to the bakery to buy what he claims are the world's best rolls, riding his bicycle or showing his grandson, Janni, the museums of West Berlin.

"There are a LOT of museums!" he added.



Gothe

photo: Kearney

Affiliation with Packard was competitive move

As Helmut Henssler begins his retirement in January, Reinshagen's Sales director may look to the sky and see a Packard-Reinshagen product that's out of this world — and feel he played a part in its development.

Reinshagen currently serves as the sole cable supplier for the German 'Spacelab.' Providing cable for special projects like Spacelab has strengthened Reinshagen's hi-tech image in Germany, according to Henssler.

Unlike its partner in North America, Reinshagen manufactures many products outside the automotive industry, such as energy cable, building wire and aviation cable.

Another difference between Packard and Reinshagen is that Packard sells 90 percent of its product to General Motors, while Reinshagen sells only 20 percent to GM. In fact, almost half of Reinshagen's business lies outside the automotive industry, Henssler said.

Increasing non-GM sales in spite of an affiliation with General Motors has been a source of great satisfaction over the past five years.

Sales activity at Packard Electric-Reinshagen is distinguished by the use of independent sales representatives to sell Reinshagen's products to customers. Independent sales agents

live near the customer and run their own organizations. They develop close working relationships with the customer, beginning on the factory floor and ending with the general manager, Henssler noted.

Now that his 17-year career with Reinshagen is about to end, he welcomes the opportunity to spend more time with his family. Henssler also plans to turn his attention to playing tennis, bike riding and practicing photography.

"I'll finally have time to get to know Germany," he said.



Henssler

photo: Kearney

After 50 years at work, the best is yet to come

Few people at Packard Electric have as much job experience as Heinz Altemann does. After working for more than 50 years at Reinshagen, the director of Engineering can almost say he's seen it all.

He predicted, however, that the best is yet to come.

Reinshagen's future has never looked brighter. It is increasing sales and developing stronger relationships with customers. For example, Reinshagen plans to gain additional business with Daimler-Benz, a customer for which it is helping design wiring systems.

Some other customers in Europe in-

clude Volkswagen, Ford and BMW. Altemann cited stiff competition for business in Germany.

Over the past 20 years, however, Reinshagen has been among the first to have design responsibility for wiring systems.

Reinshagen has been nearly alone in that respect. Even today, many competitors do not have such design responsibility with their customers.

Reinshagen's access to Packard technology has improved customer relationships, Altemann added.

The partnership with Packard is a most recent development considering the span of Altemann's career. He be-

gan in the plant at age 14, and was moved to various job assignments until he knew how to do a great many things. He later completed requirements for his high school diploma and went on to earn a degree in mechanical engineering. His job responsibilities thereafter ranged from manufacturing engineering to research and development.

Now he's ready to give it all up — not for a life of leisure, but to involve himself in activities he has neglected over the years, including competitive tennis, vacationing and reading. "I might even take the time to cut the grass!" he said.



Altemann

photo: Kearney

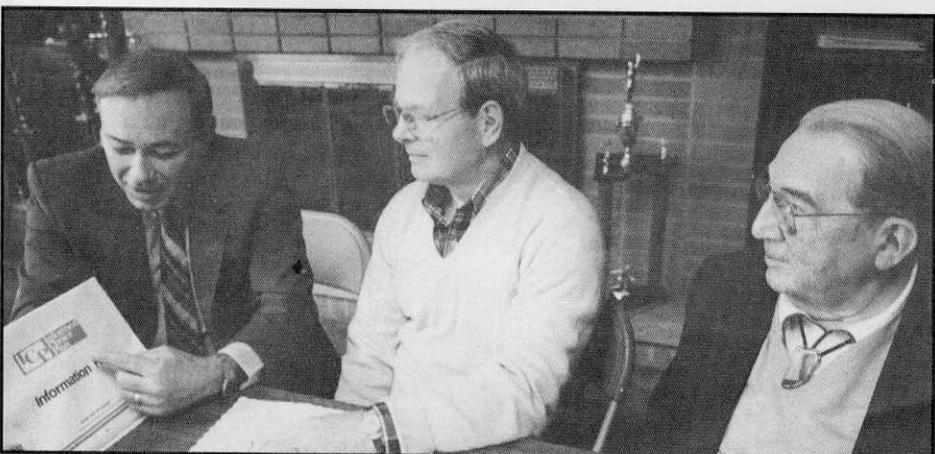


photo: Reilly

Tom Habel presents a program for retirees covering recent changes in GM's health care program and how these changes might affect them. Approximately 50 attended the meeting which was held at the Elk's Club in Warren.

GM-10 GM focuses its high-tech on new car line to capture the hearts of American car buyers

How big is GM-10 and how important is it to Packard?

General Motors reportedly has set aside \$5 billion for its new Saturn nameplate. Sound like a lot of money? Perhaps you haven't heard of a GM project worth even more.

It's called GM-10.

What's so important about another new car model?

For starters, General Motors intends for the GM-10 to be better than all other vehicles of its type built in the world.

That's a lofty goal but, then, this is an important car.

GM-10, also known as the W-car, is slated to debut in the 1988 model year.

It's a car that will need to win over the hearts of America, because it's targeted to become GM's largest-volume car line.

That will be an awful lot of hearts. If GM is to achieve its goal of making GM-10 a world-class quality vehicle, and it must, it will require world-class quality wiring.

That's where Packard plans to fit in.

"We're taking a lot of things which incorporate our latest technology and focusing them at one time on one product to produce the very best product we can," said Bill Proctor, GM-10 program manager for Packard Electric. "Our mission is to achieve world-class superiority in quality, cost, perceived value and, most importantly, customer satisfaction."

Why is there so much concern about world-class quality?

Over the past 15 years General Motors has seen its market share erode as imports have tripled their penetration of the U.S. market. Foreign manufacturers accounted for 10 percent of U.S. auto sales in 1968. Today they are edging closer to 30 percent.

This competition has resulted in a higher standard of quality which all manufacturers must meet, or face losing sales.

"Now we need to prove that Packard can exceed these new standards of customer value and satisfaction," Proctor explained.

Packard efforts

Packard will focus its GM-10 efforts in four crucial areas: product technology, process technology, lead prep/assembly and cooperation with vehicle assembly plants, according to Proctor.

Ten product requirements provide the framework within which Packard must work to achieve the highest possible level of product technology.

Product technology encompasses things such as terminal position assurance, connector position assurance and underhood sealing to prevent corrosion.

Process technology incorporates the recommendations from Quality Teams such as the bulbs and disconnect task forces.

Examples of process technology include using end point product certification, requiring three-day print turnaround and putting features on wire cutters that will provide perfect crimps.

Lead prep efforts involve caring for and packaging Packard products as they move from one area to another. This prevents shipping damage between Warren, Mississippi and Mexico.

Packard's efforts in regard to the vehicle assembly plants will have a similar goal — to package and care for the Packard product so as to prevent damage before placement into the car. Packard is also developing special



Patty Boyle, Dept. 1305, prepares leads for a GM-10 prototype assembly. All prototype work for GM-10 is being done with production tooling.

packaging which will offer bar codes and color coding to aid with label accuracy.

"Basically, our plans are to get the parts to our customers on time, at a competitive cost level and with world-class quality," Proctor said.

1988 sounds a long way off, but the GM-10 vehicle is already undergoing

extensive testing that will allow the team to determine preliminary results of all this world-class effort. When all is said and done, GM-10 and Packard Electric will mark its success by the satisfaction of its customers.

"The customer wants a trouble-free car that will do the job for him," Proctor said. "We intend to provide that car."

GM patent awards add new 'bonus'

General Motors Chairman Roger B. Smith recently announced the initiation of a new incentive award program for patents. The new awards will be paid for United States patent applications filed as well as for patents issued after Sept. 30, 1985. The patents should be related to an employee's work assignment or anticipated business of GM. The program is designed to complement the "Boss" Kettering award program which will continue unchanged.

According to Smith, the program was established to "further stimulate the innovative minds of GM's technical personnel and provide the Corporation with increased opportunities for the highest quality and most advanced products."

Under the program, a Patent Application Award of \$250 will be paid to the employee when a patent application is filed. A second level of recognition, the Patent Issue Award, of \$750 will be paid to the employee when a patent is issued. A Patent Usage Award of \$2,000 will be paid to the employee when a patent is actually used by GM.

An employee could qualify for all of these awards for each invention. Further, if more than one employee participates in an invention, each employee will receive the respective awards. The inventor or inventors are obligated to assign the invention to GM.

If an employee develops an invention which is not related to his or her work assignment or GM's existing or anticipated business, the employee may submit such invention to the GM Patent Section for evaluation on a non-confidential basis. The GM Patent Section will retain outside counsel to perform the patentability search, at GM's expense, and will forward the results to the inventor.

If GM is interested in pursuing the invention and the employee is willing to assign the rights to GM, the GM Patent Section will negotiate a monetary value for the invention rights with the employee. The final award is subject to approval by the Corporate Executive Committee.

George Seagreaves, divisional patent contact, will coordinate the program and all other patent activity for the division.

General Motors body designations

	Chevrolet	Pontiac	Buick	Oldsmobile	Cadillac
A-car	Celebrity	6000	Century	Ciera	
B-car	Impala, Caprice	Parisienne	LeSabre wagon	Delta 88 wagon	
C-car			Electra	Ninety-Eight	DeVille, Fleetwood, Limousine
D-car					Fleetwood Brougham
E-car (GM-30)			Riviera	Toronado	Eldorado, Seville
F-car	Camaro	Firebird			
G-car	Monte Carlo	Bonneville Grand Prix	Regal	Cutlass	
H-car (GM-70)			LeSabre	Delta 88	
J-car	Cavalier	Sunbird	Skyhawk	Firenza	Cimarron
N-car (GM-20)		Grand Am	Somerset, Skylark	Calais	
P-car		Fiero			
S-car (GM-60)	Nova				
T-car	Chevette	1000			
Y-car	Corvette				

Car family designations are applied internally by General Motors and refer to cars which share body and chassis. For example the one body shared by all divisions is the J body, which the chart shows is Cavalier, Sunbird, Firenza, Skyhawk and Cimarron. Trim, interiors and ornamentation may differ and they may have different engines.