

# The Packard Electric **GLOBE**

*The divisional magazine covering Packard's worldwide operations*



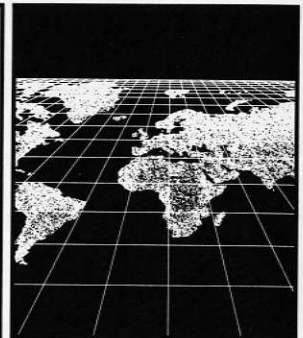
*Packard Electric Europe  
Positioning for the 1990s*



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To reflect the division's growth, the name of the **CABLEGRAM** is changed to **THE PACKARD ELECTRIC GLOBE**, beginning with this issue. Like the **CABLEGRAM**, the **GLOBE** will be published six times a year for employees and retirees throughout the world.

### The Packard Electric Globe

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### On the cover:

This illustration by Rick Muccio depicts the growth of Packard Electric Europe. The two other parts of Packard's global operations are Packard International and Packard North America.

See pages 4 and 5 for a related story.

## Packard plays vital role in quality gains

**G**eneral Motors recently launched a new advertising and communications campaign, "Putting Quality on the Road," to tell the public about the reliability and durability improvements we have made in our vehicles in the last few years.

Packard products have played a vital part in these quality gains. GM has reduced electrical discrepancies in vehicles, as delivered, by 70 percent since 1985. Today, GM is within one-half defect per car of Japanese products, according to Harbour and Associates. A recent J.D. Power survey indicates GM has realized a 23 percent increase in customer satisfaction since 1986.

It's obvious that quality will continue to be the most important influence on consumer choice. Packard's customers — the vehicle manufacturers — and the ultimate customer — the vehicle buyer — are demanding perfect quality, beginning with the first wiring harness or vehicle that comes off the line at start of production. There's no such thing as a "grace period."

As consumers ourselves, each of us can understand this trend. Just ask yourself, "Am I satisfied with the quality of the electrical system in my vehicle?" If the answer is "no," you are more likely to change brands when you make your next purchase. More customers switch nameplates because of quality/reliability/durability problems than for any other reason.

Packard is working hard to perfect our quality and we've made progress, but there is still much room for improvement. Although our performance is better, we continue to experience "crashes," when poor quality products reach our customers. We need to move faster to correct the causes of these in our system.

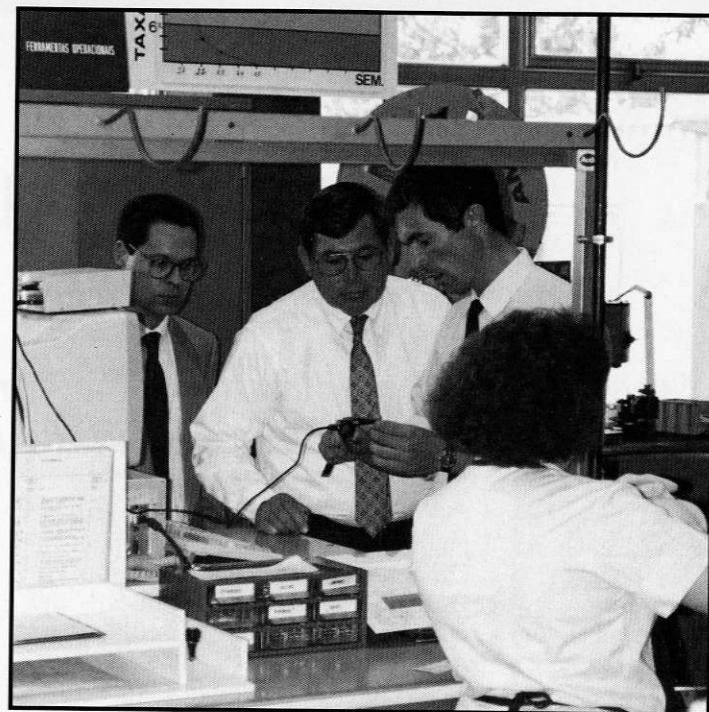


photo: Dedow

General Manager Rudy Schlais (center) discusses quality with Carnaxide Plant Manager Miguel Ferraz (left) and Luis Figueiredo, Process Engineering supervisor (right).

We have major programs underway to make our quality systems better: the Packard Production System, Quality Network and Design for Manufacturability are just three examples. Ongoing efforts such as our resident and cooperative involvement engineering programs, and personal visits between hourly employees and their customers at the vehicle assembly plants are also helping us achieve quality gains.

The corporation is focusing on quality and challenging us to build vehicles that experience no defects during the first 12,000 miles. To emphasize how important continuous quality improvement is to our future, quality will be the theme of Packard's first global management conference, which takes place this fall.

Zero defects is a very effective goal to work toward. It's like walking toward the horizon. As you proceed, you see problems which need to be solved before you can move ahead. When you continue your journey, you discover that although you've made improvements, the horizon isn't getting any closer.

Perfect quality, on the other hand, can be reached. I define perfect quality as exceeding your customer's quality expectations, while recognizing

that these expectations will keep rising and continuous improvement is necessary.

Each of us can improve quality in our own areas of responsibility. If a machine is running bad parts, it should be shut down and serviced. If we discover quality problems, we should bring them to our supervisor's attention. We can maintain our equipment and keep our work areas clean. The second absolute of Excellence is: Do it right the first time, every time.

But to get to where we need to be, we have to look beyond our own jobs; we must also seek ways to help our suppliers and customers improve the quality of services and products provided. Ultimately, teamwork is the key to reaching perfect quality.

I'm encouraged by the improvements I see at Packard from this type of employee involvement. We're much more effective at achieving our goals when we combine our individual efforts into a team approach. Working together is necessary when we strive for zero defects and perfect quality.

— Rudolph A. Schlais, Jr.  
Packard Electric  
General Manager



## A Changing Europe

*Hans Weiser, managing director of Packard Electric Europe, shares his views on the division's development in the European Community.*

As European trade and political barriers dissolve, Packard Electric Europe has adopted a new management strategy to gain an edge in what is becoming a borderless marketplace.

In 1993, the European Community (EC), a movement sometimes referred to as a "quiet revolution," will have created one unified market among the 12 member nations. This plan requires the member countries to dismantle all trade barriers that restrict free movement of people, goods, capital and services within EC boundaries.

As a single market, the EC could supplant Japan and possibly the United States as the largest, most powerful trading bloc in

the world. By itself, Western Europe's automotive market is bigger than the U.S. market. In 1989, according to **The Detroit Free Press**, Europeans purchased 13.4 million passenger cars; Americans bought 9.9 million.

Free-market economies are also developing in six Eastern European nations, where an enormous pent-up demand for vehicles exists. **The Free Press** reports the U.S. has one car for every 1.8 people. In Hungary, it's one for every 6.4 people; in Poland, it's one for every 9.6 people. Packard Electric Europe is already participating in GM's recently announced business ventures in Hungary and the Soviet Union.

### Pan-European approach

Packard Europe is responding to this rapidly changing environment with a more integrated management ap-

proach, according to Hans J. Weiser, managing director of Packard Europe.

Weiser explained the Kabelwerke Reinshagen operations, which are located in West Germany, and Packard operations in Austria, Ireland, Portugal, Spain and Turkey are now integrated under one strategic management body, the European Operating Council.

This new structure eliminates any internal barriers between Packard's European operations, just as EC will erase the trade barriers in Western Europe. The Operating Council is made up of top managers from Sales and Marketing, Engineering, Finance, Personnel, Manufacturing, Quality and the plant managers from each European operation. This group formulates and implements Packard Electric Europe's business strategies.

### Risks and rewards

EC and emerging markets in Eastern Europe present opportunities for Packard Europe to continue the high growth rate it has experienced over the past decade. During the 1980s, Packard opened at least one plant in Europe each year, and the workforce has swelled to more than 16,000 employees.

However, Weiser cautions that Packard's competitors are also hungrily eyeing these new markets. In the past, Packard Europe's competition comprised more than 30 large and small power and signal distribution system manufacturers. This competitive picture will change as national protective trade barriers melt and the Japanese vehicle manufacturers — along with their component suppliers — enter the European market.

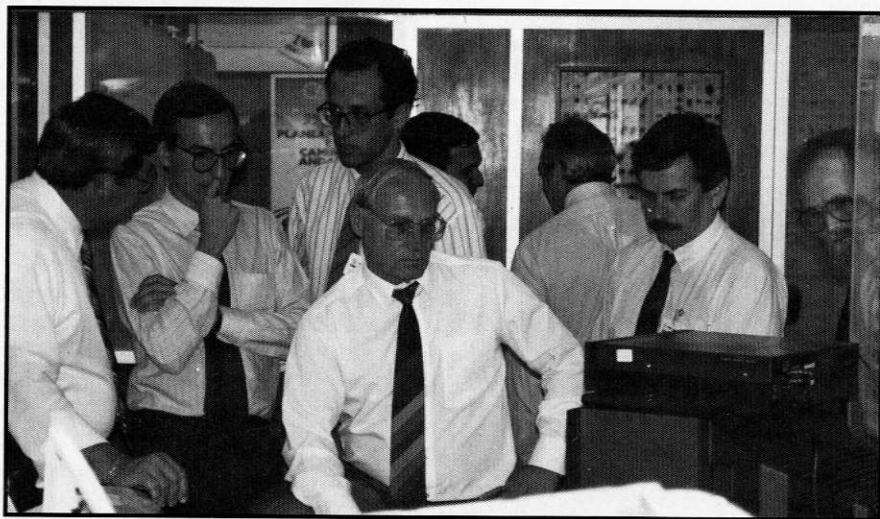


photo: Dedow

Rudy Schlais (far left) tours the Linho Plant in Portugal. The others are (from left to right): Luis Almeida, operations director; Joao Bitoque, business unit leader; Hans Weiser, Packard Europe's managing director; Luis Dantas, plant manager, and Manuel Couto, quality manager.



photo: Dedow

Packard Europe has plants in West Berlin. The Wall can barely be seen in the background.

"The range of competitors is growing, and they are really fierce competitors," noted Weiser. "At first, the Japanese will present a challenge to us because vehicle manufacturers tend to bring their own suppliers with them from Japan."

Paradoxically, this challenge also

represents an opportunity for new business for Packard Europe. Weiser explained some of the Japanese OEMs are seeking joint ventures with European carmakers; for example, Mazda wants to build a plant in Germany on a site owned by Ford. "This presents an opportunity for Packard Europe because we are already a just-in-time supplier for Ford in this area."

#### Going global

Weiser observed the European vehicle industry is following the globalization trend. "Our competitors and our customers are becoming more internationally focused," he stated. "This is a good development for us because it keeps the European auto industry in total more competitive."

Packard Electric Europe is well-positioned to capitalize on the global widening of the vehicle market. "This fits completely with Packard's strategy of being an international sourcing network for our customers," Weiser said. "No matter where our customers want to build cars and trucks, Packard Electric is already there to provide manufacturing and technical support."

— Ryndee Carney

## When the Wall came down

Built in 1956, Packard Europe's Reinshagen plant in West Berlin was 5 years old when the Berlin Wall was erected beside it to stop the large-scale exodus of East German citizens.

Thirty-three years later, Reinshagen employees joined in the celebration as the will and emotion of the East German people broke through the physical barrier that had separated Germany's two worlds.

Hans Weiser, managing director of Packard Europe, described the scene on the day the East Germans first breached the Wall: "Our employees were accustomed to seeing the Wall every day. When they heard that people were freely coming through the Wall, they left their jobs and joined them — the plant emptied in a very short time. When I got the message, I recommended the plant manager follow them."

This joyful celebration lasted for about a day and a half, then Reinshagen employees returned to their jobs. "This was very interesting to see," Weiser reported. "Just meters away the celebration went on, but our plant had a very normal working day — two different worlds."

After living in the shadow of the Berlin Wall for more than 30 years, Weiser experienced complex feelings when he first saw people freely passing between East and West Berlin.

"It was overwhelming. If you have seen the Wall and the military forces surrounding it over many years, then overnight you see people passing through it . . . that is quite a new feeling. It came rather suddenly.

"I did not experience a feeling of triumph, but rather one of relief — that this border was coming down and this system was forced to retreat. I also felt respect for the people who were brave enough to come through the border without weapons, even though the military police were standing there with pistols and rifles aimed at them. People and human emotion ultimately broke through the Wall."

## Packard Europe at a glance

### Austria

**Activities** — manufacturing, sales

**Cities** — Vienna, Grosspetersdorf

### England

**Activities** — manufacturing, sales

**City** — Coventry

### France

**Activities** — sales

**City** — Paris

### Germany

**Activities** — manufacturing, sales, engineering

**Cities** — Berlin, Neumarkt, Helmstedt, Bochum, Wuppertal, Lebach, Nottingham

### Hungary

**Activities** — manufacturing

**City** — Szombathely

### Ireland

**Activities** — manufacturing, sales

**City** — Dublin

### Italy

**Activities** — manufacturing, sales

**City** — Turin

### Portugal

**Activities** — manufacturing

**Cities** — Carnaxide, Linho, Castelo Branco, Guarda

### Spain

**Activities** — manufacturing

**Cities** — Pamplona, Tarazona, Belchite, Olvigo

### Tunisia

**Activities** — manufacturing

**City** — Tunis

### Turkey

**Activities** — manufacturing

**City** — Istanbul



# TOP SECRET

**Code name:** Saturn.

**Mission:** To manufacture American vehicles that beat the Japanese imports in the North American small-car market.

**Packard's connection:** To supply power and signal distribution systems and other components for Saturn vehicles.

*Eight years after the Saturn project announcement, Saturn vehicles are expected to arrive in showrooms this fall.*

*Commercial production started this summer at the \$1.9 billion car plant in Spring Hill, Tenn., which is scheduled to build up to 240,000 units at full production.*

*GM vowed to do things differently with this project.*

*For example, assembly lines move vehicles side-by-side rather than bumper-to-bumper and workers ride a slow-moving platform as they perform various installations. Fitness centers are included in each building, and break rooms and cafeterias are sunny and modern.*

*New ways of doing things are not only felt on the manufacturing floor, but also by Saturn's supplier partners, such as Packard Electric.*

After years of sowing the seeds for the Saturn project through extensive planning and development, Packard Electric is ready to share in the harvest of Saturn vehicles.

This vehicle crop features Packard's power and signal distribution systems.

Specifically, Packard provides Saturn with wiring harness assemblies, ignition assemblies, transmission buss plates and two electrical centers, according to

Packard International Manager Dale Pilger.

Earning this business was not an easy task, for Saturn did not automatically purchase products from GM component divisions, Pilger noted.

Packard — competing with the division's major global competitors — experienced a stringent facility review, submitted in-depth and aggressive proposals and proved superiority in technology, customer support, price and delivery.

Pilger said, "Saturn is very important business to Packard, for it demonstrates

our strength in the power and signal distribution marketplace and our ability to satisfy a very demanding and creative customer."

He attributed winning the business to competitive price, the services offered, the division's customer focus and overall creativity.

While winning Saturn's business was one hurdle, executing the business is equally challenging. Being a supplier means more than providing wiring harnesses — it signifies a partnership. Saturn requires its partners to feel ownership in the total project's success.

"Saturn is a critically important car line to the corporation. We committed to Saturn that we'd perform in every role it needs us to play — however non-traditional that role might be," Pilger said.

Many parts of the Packard organization are active contributors in this critical project.

For example, Packard's Conductores Componentes Electricos I Plant (CCEI) in Juarez, Mexico, is aligned with Saturn as a full-service manufacturing location, under the direction of Superintendent Mark Sabo.

Pilger said, "The efficiencies of CCEI are evident in the Saturn business package. The plant operation was designed with the Packard Production System as its foundation."

Price and quality are major concerns to Saturn since these factors are what will sell Saturn cars, Pilger noted.

John Malie, Reliability, has been instrumental in seeing that all Packard components for Saturn are GP3 certified, a step that assures an extra measure of quality.

Because Packard integrated sales with engineering for the Saturn project, product engineers have extra responsibility.

Pilger explained, "Product engineers have a tremendous impact on cost and buildability. With Saturn, we asked the product engineers to sell their own ideas, which made them truly responsible for the impact of the design on the wiring system."

Under the direction of Nick Cassudakis, assistant staff engineer, Packard product engineers designed the "most manufacturable wiring system around," Pilger added.

Another part of Packard's Saturn team is Cooperative Involvement Engineer Dave Lunte. He assures the Packard product performs in the Spring Hill plant and that Packard receives the best and most useful feedback on wiring systems' quality performance.

Pilger noted many Packard departments are instrumental in the Saturn project. All areas involved are doing one thing the same: using a non-traditional approach.

"From the start, we committed to be non-traditional in our approach to Saturn," Pilger said. "We are testing many non-traditional concepts through this one project, because Saturn's goals are consistent with the division's desire to remain the best through innovation and continuous improvement."



# SATURN

## Packard plants supplying Saturn

Final assembly	Conductores y Componentes Electricos I in Juarez, Mexico
Cable and components	Plants 3, 10, 11, 14, and 21
Ignition assemblies	Specialty Products in Warren, Ohio Plants 6 and 8
Transmission bussing plates	Plant 11
Electrical centers	Electronic Products in Arizona

## Retirees

Retired members of the "Pack" energize their communities

# On the go

*Retirement. One of those "stages of life" to be revered — like graduation, marriage and having kids.*

*Four retirees, with more than 80 years combined service to the division, tell their stories.*



### Hands of time

A rusted metal clock rests on the ledge. Its face is marred with water stains and the extent of the rust makes it virtually impossible to identify the original metal. It is a victim of its own element: time.

But it's also this timepiece that began Virgil Linger's hobby of the past 20 years. He makes clocks.

Linger retired as a maintenance carpenter in 1982, after 16 years with Packard.

It all began in the hospital. Linger wasn't allowed to work while recuperating from surgery on his shoulder and got restless sitting around the house; he remembered seeing a dump in a field near his property and decided to see what he could find.

"I scrounged through things and found some old clocks that'd

laid out there for years," he recalls. "So I brought them back here, took them apart and started cleaning them up."

That first clock, battered as it is, sits proudly among the collection in his workshop. Linger makes his clocks completely from scratch, forming the gears out of brass or iron or, in one case, old silver coins. He even builds the casings.

"It just takes patience and a lot of time," he says. (No pun intended.)

### Reaching out

What began as a hobby has evolved into a profession during Wilma Suty's "retirement" years.

Suty — who retired from Product Engineering in 1984 — first volunteered at St. Joseph Riverside Hospital in Warren, Ohio, 35 years ago. In the ensuing decades, she's racked up

more than 14,000 volunteer hours working a regular 40-hour week.

Back in 1955, Suty was a Gray Lady at St. Joe's. The Gray Ladies were volunteers, named after the color of their uniforms.

Coincidentally, Suty's volunteering is a result of her work at Packard. Working in Labor Relations in the '50s, one of her duties was keeping track of those on sick leave. On her own time, she'd visit the division's hospitalized employees. People remember her visits.

To this day, people stop her in the hospital corridors and ask, "Remember me? You visited me when I was a patient here several years ago." Although she's long since forgotten their names, she said the faces are familiar.

"When I retired, I said, 'Now I'm going to work for God and country,'" she recalled. "I volunteer every day wherever I can. You don't look at it with the attitude of, 'What am I going to get back?' You just keep reaching out."







photo: Greene

## More than money

Otis Strand is proud of the fact that he was one of the first 15 people hired by Packard's Mississippi Operations.

But he's probably most proud of his role as a founder of the Magnolia State Golf Association.

The MSGA — mostly Strand — plans and carries out golf outings and other events to raise money for Mississippi Special Olympics. The MSGA has raised more than \$35,000 so far this year for the state Special Olympics.

Until Strand's retirement earlier this year, MSGA's fundraisers were supported almost entirely by Packard employees. But now that he's retired, Strand spends his days trying to extend MSGA's programs to other businesses in the Central Mississippi area.

"I think I'm working harder now than before I retired," said Strand, 68. "But it's worth it. It took us three years to raise the first \$35,000, but if I can put together the right programs, the next \$35,000 will come a lot sooner."

It's not just money; Strand also donates time to Special Olympics. The past two Christmases, he has played Santa to children in a special education class at a local elementary school.

And the payoff isn't always financial.

"No amount of money in the world," Strand says, "can buy the feeling you get when one of those children gives you a hug."

## Repeating history

About 40 years ago, Ed Cleckner took a group of Boy Scouts hiking near Mosquito Lake, a state park north of Warren, Ohio. Stopping to catch his breath, he looked down and saw what turned out to be a spearhead. That outing launched Cleckner on a hobby he has stayed with to this day: he collects American Indian artifacts.

Cleckner, who retired in 1982 as vice president of IUE Local 717, has approximately 10,000 artifacts in his possession. Since that first trip to the state park, he has identified some 80 sites around the lake where artifacts were found.

One of the rarer pieces in his collection had been given up as lost. It was a 10,000-year-old Paleo point, a small piece of stone, pointed on one end and attached to a spear; known as an "atel atel," the spear was used to hunt large animals like the woolly mammoth.

Cleckner loaned the point to the Carnegie Institute in Pittsburgh, Pa. in 1957; it eventually ended up in an exhibit at the Smithsonian Institution in Washington, D.C. Then one day during the summer of 1989, he got an envelope in the mail with the Smithsonian's logo in the return address. They were returning the Paleo point he'd all but forgotten.

— Tina List and Danny Greene

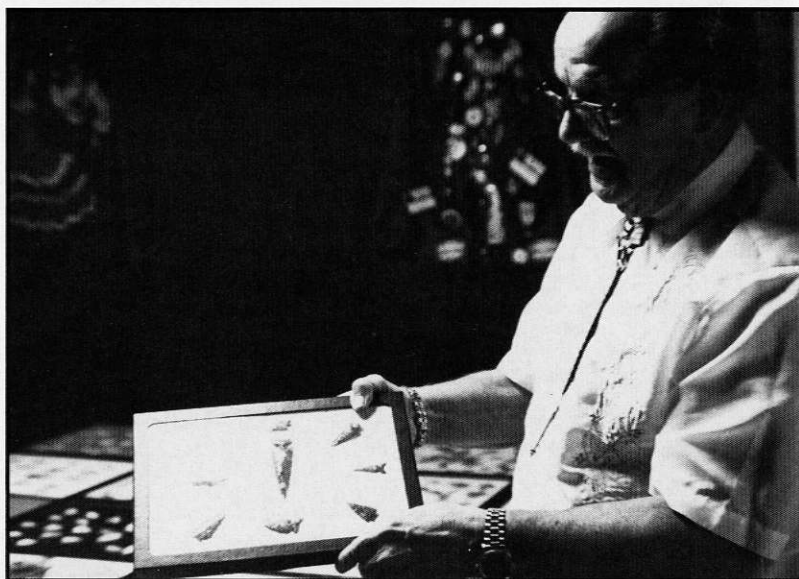


photo: List

## Packard's efforts

# What it takes to compete in a global market

**B**eing a supplier in a global market takes a lot of planning, strategy and creativity.

Packard International Manager Dale Pilger and Marketing Manager Tom Sosnowchik listed a few of the many challenges of competing in the world marketplace. Their list includes:

- Being able to support customers with engineering,

manufacturing and program management anywhere in the world, especially in the three major world design centers (North America, Europe and Asia).

- Establishing a stronghold in new growth markets before competitors do so.
- Understanding the political, economic and cultural differences among the various markets to enable Packard to deal with the

customers on their own terms.

- Being able to support customers' needs for trade credits and local content.
- Working out the global logistics on where to design, source and manufacture products.
- Taking risks and trying non-traditional approaches, then applying the positive lessons throughout Packard's business.
- Establishing communication





systems to manage the tremendous amounts of data that must be exchanged.

- Developing product/sales literature in multiple foreign languages and designing them for specific target markets.
- Training personnel for challenging international assignments.
- Understanding what image the division wants to project in a particular market and which brand

names should be used.

- Supporting not only the global original equipment manufacturers, but also the key second tier suppliers.
- Offering superior product/process technologies that support emerging vehicle or related industry trends.
- Pioneering new and innovative high value services to differentiate Packard from the competition.

- Protecting all business the division already has.
- Pursuing continuous and aggressive cost reduction.
- Being fast to market with new products and services by reducing development lead time and bureaucracy.
- Offering customers a variety of design and service options to meet their specific needs.





# INTERNATIONALLY SPEAKING

## AROUND THE WORLD WITH PACKARD

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### ACG Tokyo Site

General Motors is leasing a facility in Tokyo to house the GM Asian Technical Center, according to the Automotive Components Group **Forum**.

The facility will be staffed by engineering and sales personnel representing four ACG divisions — Packard Electric, AC Rochester, Delco Moraine NDH and Delco Remy — and Delco Electronics Corp.

Construction of the new facility in Akishima City will begin in November with occupancy slated for late 1991. The Technical Center will promote cooperative use of component engineering knowledge of engine management systems applications.

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### Packard Europe

Kabelwerke Reinshagen GmbH has received many quality awards from customers. Opel named Reinshagen the Supplier of the Year, while IBM named the plant in Berlin the best supplier in respect to quality, reliability and flexibility.

Unicables in Spain received Ford's Q-1 award. BMW awarded A-1 ratings to Cablesa in Portugal and PEB in Austria, and an A-2 rating to the plant in Neumarkt. Neumarkt also received a top rating from Volkswagen and

Wuppertal received an A rating from Renault for its quality components.

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### Coleman Products

Coleman Products will introduce Maxifuse components on wiring assemblies produced for two Jeep models in the 1991 model year, according to Packard International. First year applications will be limited to units with high level option content. Additional usage is planned to reach 45 percent of Jeep vehicles for the 1993 model year.

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### Hino

Hino Motors of Japan has chosen Packard International to supply prototype "cowl" or instrument panel wiring harnesses for a newly designed one-ton truck. Hino will begin producing this vehicle in 1992. The prototype harnesses will be built at Packard's CCEIII Plant in Juarez, Chihuahua, Mexico and exported to Japan beginning this fall. Hino Motors primarily produces trucks, and is associated with Toyota.

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### Lotus Cars

Lotus Cars, Ltd. has awarded Packard International the Supplemental Inflatable Restraint harness business for the 1991 model year left-hand drive U.S. export version of the Lotus Elan.

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### Mexico West and PPS

An innovative method used to pay hourly employees in the Mexico West Operations demonstrated how the principles of the Packard Production System can be applied to non-manufacturing areas, according to Carmen Dominquez, Finance, Mexico West. In the past, cash payments were delivered to hourly employees at their work stations on a weekly basis. Now, the employees go to a central payment station within the plant according to a pre-set schedule. This change resulted in a 50 percent reduction of the payroll payment process time.

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### ACG tours Clinton

Twelve executives from Packard and the Automotive Components Group, including Blair Thompson, group executive and GM vice president, and Rudy Schlais, Packard's general manager, recently toured Packard plants in Clinton and Brookhaven to see the synchronous manufacturing efforts.

The group viewed applications of the Packard Production System in the areas of Autofuse, Advanced Molding and Component Assembly in Plant 22 and Precision Molding in Brookhaven.

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