

FALL 2009 **Daman** 34 ISSUE

CELEBRATING 33 YEARS OF CONTINUOUS IMPROVEMENT



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The Daman flange connection

The way a customer talks about service or product performance can speak volumes.

PARTICULARLY IF YOU LISTEN WELL. IT CAN LEAD TO IMPROVEMENTS ON A LARGE OR SMALL SCALE. OR IT CAN OPEN AVENUES TO NEW BUSINESS OPPORTUNITIES. THE ART OF GOOD LISTENING HAS HELPED DAMAN EXPLORE WAYS TO EXPAND ITS PRODUCT OFFERINGS TO THE FLUID POWER INDUSTRY. FIRST FORAY: FLANGES.

DAMAN FEATURE

For years, customers have expressed interest in buying more than manifolds from Daman. They like working with the Daman team and want to interact with the company.

“We started a calling program in the spring to find out how our customers are doing, how we’re doing for them, and where we can improve,” explained Dave Mischler, Vice President. (See Perspective, page 4.) “During those conversations, we started asking our customers if they would be interested in buying flanges from us.”

The response was an overwhelming “yes.”

Those initial reactions proved the easy part of the dialogue. Engineers, designers, production supervisors, as well as the sales team, also needed to truly understand why customers so eagerly embraced the idea of Daman selling flanges.

“Plenty of companies make and sell flanges,” Mischler said. “But they don’t approach the market the Daman way.”

Over its three decades in business, Daman has honed its reputation for delivering quality products that the customer needs on time. The company wanted to bring that same philosophy to an expanded line of products.

“We needed to become more dynamic,” explained Mischler.

And that meant looking outside the shop floor for other products customers would want to buy from Daman. Through a series of contacts and conversations, the Daman team focused on parts that are a natural extension for the fluid power industry. They keyed in on flanges as a way to venture into a new product line.

A newly created flange catalog, available this fall, showcases Daman’s inventory of more than 4,000 flange parts. The catalog also describes Daman’s custom flange capabilities.

“We want to make sure our customers get exactly what they need,” Mischler explained. “We can design flanges with relief valves, inline check valves, load sense and counter balance valves to give our customer a unique, efficient, cost-effective solution.”

To extend Daman’s legacy of engineered packaging to flange parts, Daman has developed specific criteria to follow each time a part ships. Foremost requirement: parts must be fully protected during shipping and handling, and arrive free of rust or other debris. Equally important are packaging issues that allow easy physical inventorying and storage.

“Every part will be identified with an Intelligent Part Number to streamline the inventory and ordering process,” Mischler said. “Customers who order flanges from us should receive the same excellent standard of service that they’ve come to expect from Daman.”

And undoubtedly everyone at Daman will be listening to make sure those expectations are met – or exceeded.



“We organized the catalog around the major part types that we offer,”
Matt Giloth, Distributor Services
Manager for standard and custom
products, explained.

Categories include:

- Flange clamps
- Flange head fittings
- Flange plates
- Flange adapters
- Flanges

A novel task for Operations

CUSTOMER CALLING PROGRAMS AND SATISFACTION SURVEYS HAVE BECOME FIXTURES IN THE arsenal of business management processes used by many companies today. Managers can use data from these outreach programs to identify areas for improvement, increase efficiencies, and meet or exceed customer expectations.

Typically, the sales force contacts the customer. But at Daman, the lines have blurred a bit between production management and sales. Earlier this year, managers who normally have little to no contact with outside customers now pick up the phone each week and call a customer.

Nine managers from production, design and maintenance have talked with over 100 customers since the Leader Call Program began in March. They started their calls by asking four basic questions: how is the

customer's business faring, how well is Daman serving the customer's needs, what can Daman do better for the customer, and where can Daman improve.

"At first, it was really hard to pick up the phone and know that I was going to have to talk to a complete stranger," Steve Ward, Machine Repair Supervisor, said. "I didn't know what to expect. Now it's easier – we're gathering data, looking for feedback, finding out how we're doing."

The callers listen for more than just what is on the surface of the call. Oftentimes, they can educate customers on Daman's systems.

"We can straighten out misconceptions that a customer may have," explained Mike Linsky, Production

and Purchasing Manager. "Recently, I talked with a customer who didn't know about our Trigger program. She really appreciated that I was able to help her understand how the program works, and I sent her information on Trigger that she could share in her office."

The calling program also lends a different perspective to operational managers who normally have no direct contact with customers. Added knowledge of how the customer perceives Daman gives them more confidence in their day-to-day management decisions.

"We are always looking for ways to empower all of our employees and bring them into the process to truly change how work gets done here," explained Larry Davis, President.

New Avenues. *Customer feedback from the Leader Call Program has opened a new marketing avenue for Daman. When asked about possible new product offerings, customers resoundingly endorsed the idea of adding flanges to Daman's current mix. (See Feature story, page 2.) The customer feedback gave Daman critical information about how to package and market a full product line.*



Identifying good ideas

GOOD IDEAS COME FROM PRETTY MUCH ANYWHERE – FRIENDS, WORK, FAILURE, FEAR, frustration, someone’s kids, even a complete stranger. We like the ones that come from our partners in business – our suppliers, equipment manufacturers, customers. For example, take the chip identification program that Cell C uses.

Two of our production team leaders, Thom Sibley and Tim McIntyre, saw a tool ID system in action while visiting our machine tool builder, Mazak. They knew they needed to bring the same efficiencies back to the shop floor at Daman.

“Our chip ID program allows us to eliminate manual processes by storing information in the computer,” Sibley explained. “Now we’re able to control costs, run more efficiently and be more competitive.”

Like other computer chip identification programs, the Daman system relies on small chips imbedded in the tool holder. Each holder has an assigned identifier, like a license plate number. The ID system registers each tool and its offsets when it is loaded into the magazine. The system captures data, including length, diameter, offsets, target tool lifetime, and accumulated usage time, and automatically downloads everything to a central database.

Setup times have improved significantly with the ID system, according to McIntyre, particularly in the custom cells.

“We now can store tool life,” he explained. “But even more important, we have reduced the possibility of mistakes, such as loading the wrong tool, since we no longer enter tool data manually on the newer machines.”

Currently, one machine in Cell C is online with the ID system, and two others are capable of using it. Sibley

and McIntyre want to see all the machines in the shop tied into the system, but they say that will take time. Only newer machines feature “smart” tool holders that can accept the ID chips.

“Our preventive maintenance program is so good that our machines last a long time,” McIntyre said. “It may be years before we replace every machine with models that can use the chip ID system.”

Until then, Sibley and McIntyre are on the lookout for more good ideas they can bring back to their shop.



A new chip ID program has streamlined production in Cell C, which is dedicated to custom parts. The system reduces setup time and eliminates mistakes, such as loading the wrong tool or manually recording incorrect tool data. Data remain stored in the network even after the tool is removed from the machine.

Connecting business and education

THE LINK BETWEEN BUSINESS AND EDUCATION BECAME MORE EVIDENT RECENTLY when the lead administrator for the South Bend New Tech High School toured Daman.

John Kennedy witnessed firsthand the potential connections between a project-based, collaborative learning environment and workforce applications. The 21st century skills that compose the core of new technology schools emerging around the country “encompass best practices that we’ve found in many industries,” Kennedy said. “And those skills – communications,

collaboration, creative and critical thinking, work ethic, problem solving – are useful for the rest of a person’s life. People can take those skills anywhere they want to go, even as technology and the workplace environment change.”

Daman’s involvement in establishing the local New Tech school represents a collaborative effort among educators, the business community, and state and local governments, according to Phil Damico, Director of Business Growth for the Chamber of Commerce of St. Joseph County in Indiana.

“Our business leaders have expressed a strong need for our secondary schools

to graduate students with skills and qualities necessary to function in a work environment. That means problem-solving skills, presentation and communications skills, and the ability to work in teams. Participation from businesses like Daman is vital to the success of this concept,” Damico said.

Employers like Daman have been telling schools for decades that they are not adequately preparing students for the modern workplace.

New Tech High schools infuse key 21st century skills, such as collaboration, communication, problem solving and technology literacy, into traditional academic subjects. The result leads to students better prepared for post-secondary education and the workplace.



OUTLOOK

DID YOU KNOW

It's all about trust.

By Larry M. Davis

Trust. It is foundational in relationships. And through relationships, we accomplish our work. With trust, relationships flourish; without it, they flounder.

An organization generates a footprint of trust by the collective actions of its leadership and employees. Organizations that act in a disjointed or inconsistent fashion generate the same result: diminished trust. Lack of trust

generates waste.

By trusting those around me, I don't spend "mind time" worrying about what they are doing. I am free to work on proactive projects. The converse causes a controlling and monitoring activity, which is waste in a system. This is a prevalent illusion in organizations today. Not prevalent is the underlying

belief that if we focus on useful feedback systems, training, accountability and communication, we generate organizations that are truly in control and able to focus more clearly on customers.

I hope you have read in this newsletter about New Tech High School in Marketing News and the Did You Know article about South Bend Public Works. Both articles speak to the issue of trust. The word trust was not mentioned in either, but it is the underlying cultural foundation that comes through when outsiders visit our plant. They first comment on the relative calm, cleanliness and organization everywhere. After engaging our employees, they are caught off-guard with the passion, freedom, accountability and business knowledge of our people. Then they ask how we created such an environment. Until they ask "how," the discussion about trust-based culture generally falls on deaf ears.

Come see us. We would love to share what we have learned.

As always, there is more to do.




Public meets private. What can a small private manufacturer offer a multi-million dollar municipality? Apparently, plenty. The city of South Bend sent managers from its Public Works Department to tour Daman in July to see firsthand what a continuously improving culture looks like.

The department, which manages the city's streets and utilities, is looking for ways to more effectively manage the 40 square miles that make up South Bend and encompass its 500 miles of roadways.

The tour group was particularly impressed with Daman's cultural transformation to a leaner operation and how employees have taken ownership of that goal. "We are looking at ways to adapt that kind of cultural strategy within our department," Gary Gilot, director of Public Works, said.

Daman's clean, orderly work areas also impressed the group. "We could all benefit from time savings if we got our work areas more organized and clean. Think how much time we waste looking for things that are not put back in their proper place or are buried beneath clutter."

Time for hockey. Gordon Weiler, Sales Manager, considers himself undeserving of recent recognition by the Irish Youth Hockey organization in South Bend, Ind. But the group's leaders knew they had a worthy recipient for the Brian Schuster Award. Each year, the league presents the award to recognize "a volunteer who gives time and talent toward youth hockey in South Bend."

Gordon and this year's co-recipient, Bob McElwee, have raised over \$100,000 for the organization over the last 10 years. And those funds have allowed the organization to help hundreds of area children learn and enjoy the sport of ice hockey and figure skating.

"It was really humbling to get the award," Gordon said. "Other volunteers do more to help the league day-in and day-out."

Gordon admits that he started out as a "crazy volunteer." He was on the board, coached, helped with fundraising and led committees. However since 1999, he has focused his volunteer energies on coordinating the league's only fundraiser each fall.

We say, "Congratulations. Well done, Gordon."

Spotlight: Congratulations, Tom

When Muhammad Ali announced his retirement from boxing and NASA was preparing the space shuttle orbiter Columbia for its first launch, Tom Weinkauff joined Daman Products. The year: 1979. Today, Tom is a distributor services team member and project engineer.

"The company hired me when I was still in high school," Tom explained. His first job – as a draftsman designer – proved uniquely challenging. In the early years, Daman operated out of a garage that had no extra room for a new employee. So Tom worked at home until the company moved into new office space with room for desks, chairs and employees.

Tom has seen an evolution in technology, as well as culture, in his three decades at Daman. He started out using the latest tools available – pencil and paper. Today, he drafts his designs using advanced CAD processes and solid modeling techniques.

Tom also considers his involvement with the National Fluid Power Association (NFPA) a significant advantage for Daman and the project engineering team. He is chairperson for two NFPA groups, including a technical advisory group that helps establish national and international standards for hydraulic systems.

"The standards we write affect many of the components in manifolds that we build at Daman. In many ways, it gives us a competitive edge."



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DAMAN WINWORK NEWS

Daman-ology

WE DIDN'T INTEND TO COME UP WITH A WHOLE NEW LANGUAGE TO DESCRIBE SOME OF DAMAN'S PROCESSES. But we also realized we had no other choice. Take Custom Manifold Trigger System, for example. You may think it means automatic fulfillment or just-in-time delivery. In reality, it means so much more.

"It's a group of tools and processes put together in a unique way that we just can't describe using any other words," explained Matt Giloth, Distributor Services Manager for standard and custom products.

Regardless of its name, the Trigger System is based on actual usage versus forecasted guesses. Customers benefit from one price for quantities received, and they have no usage commitments. The system also provides better inventory control by eliminating the need to stock parts. As Daman fulfills shipment orders, its production teams use visual cues to replenish inventory.

Daman began redefining its terminology – and its attitudes – early in the decade. By 2003, customers were beginning to hear terms like Trigger and WinWork more frequently. More important, they recognized a difference in their relationship with Daman. By virtually everyone's terms, it has been a win-win for everyone.

Don't hesitate to ask us what Trigger or any other term means. We will be happy to explain.



Win the Work. *Daman's customer service term, WinWork, is another example of finding new ways to describe the company's unique way of doing business. "WinWork is a mindset, an attitude, an approach to getting our customers everything they need to succeed," Giloth explained. "We are here to help our customers win the work."*

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