

US Attaining Goals by Cooperation, Not Competition

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By Fred Noer

Wiring harness manufacturer Unlimited Services could not have a more appropriate abbreviation - US. While everyone recognizes it as the United States abbreviation, in its lowercase format it is "us."

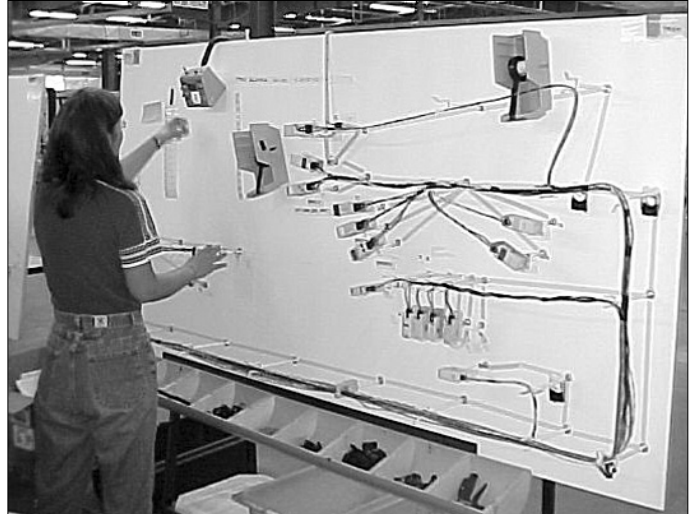
Coincidentally, that one word describes perfectly the prevailing philosophy at Unlimited Services: The company stresses relationships in every aspect of its operation, which is focused totally on customer satisfaction.

Since high quality is a given these days, quick turnaround times—the faster the better, of course—are one of the best ways to satisfy customers. For all people involved in a project or order to move as quickly as possible, they must relate well and realize that goals are attained by cooperation, not competition. The team concept just keeps growing in significance and application.

Nowhere is that notion more keenly understood than at Unlimited Services (US), which is located in Oconto, Wis., in the northeastern part of the state, 30 miles north of Green Bay and 150 miles north of Milwaukee. The company produces custom harnesses for equipment used in the heavy truck, off-highway, agricultural, construction and logging industries. Truck-body builders also are US customers.

Lead times at US are 3-4 weeks, according to Mike Williams, vice president. "People in the harness industry have to understand that the idea of long lead times is not ever coming back," he said. "You have to do it quickly and do it right the first time. Companies can't wait six or eight weeks anymore."

Williams said the US manufacturing process is best described as "flexible. We want to be the most flexible out there." In one instance, the firm's flexibility resulted in the same-day turnaround for an order for US's largest customer.



US team member, Toni Uphill builds a truck harness on a board fixture that also serves as a testing fixture.

The order was received in the morning, and incredibly by 5 p.m. five harnesses were shipped. Oh, by the way, the harness also had to be engineered that day.

"In this economy there's no such thing as lead time on 20 percent of the items we make," Williams said. "In May, June and July, 25 percent of the orders done were not on the books the first week of the month. That means we must react in one or two weeks. We have override methods in our plant based on a color-coded system so we can do things immediately."

Obviously, systems at US are lean. No, make that very lean. That is possible because US manufactures in lot sizes of only 1-12 pieces and runs of 50 pieces maximum. Even if a customer needs 200 pieces a month, only 50 are built in a week. Any one harness design rarely exceeds a quantity of 1,000 in a year.

"Lean manufacturing is all about small lot sizes, and because of that we can be flexible and pull things ahead," Williams said. "There's very little set-up time. We don't have high volume automatic equipment for cutting, stripping and terminating. Everything's done on benchtop cutters, and we build and test on the same self-made fixtures."

"All of our processes are formulated around flow and velocity," he said. "To increase business, you have to increase speed."

Speed in manufacturing is only one part of the US formula for success. Supply is another. Although the company does custom work, it is done with standard components, 60

percent of which are ordered by employees on the floor. "Our suppliers are our true partners in this business. They are the guys who go to bat for you," Williams said.

The most important members of the team at US are the 150 people who work there. To enable them to work quickly and efficiently, the atmosphere has to be right. It is characterized by openness, Williams stated, in which everyone can raise and discuss issues freely.

Once a month the management team holds meetings with all employees. At each meeting company issues, sales, and results are discussed openly, including financial issues. Employee's concerns dealt with in the meetings may have been written up on the Issues and Concerns Board, which is a physical message board posted in the employee dining room.

"Somebody may gripe about the company at the plant-wide meeting, but then that person will be put on a team with two or three other people and a team coordinator to solve the problem," Williams said. "We want to create and maintain an adult environment here, but we also have a lot of fun. People like coming to work here."

One reason why is US's progressive approach to worklife. Its best expression was in 1996 when the firm underwent a radical transformation.

"We had spent 13 years as a home-grown, top-down business, but a decision was made to take the company to the next level," Williams said. "We became a different type of company that had a complete makeover to its customer focus. That meant that we had to have lean manufacturing and a team-based, empowered workforce."

Four persons were hired to join Williams, one of US's founders, in taking the company in the new direction: Bill Kessenich, president; Ray Sweeney, vice president of opera-



Unlimited Services Core Management Team (left to right) Cindy Belongia, Mike Williams, Bill Kessenich, Tom Breen and Ray Sweeney.

tions; Tom Breen, VP of sales; and Cindy Belongia, accounting manager. All five own stock in the company.

The major stockholder and board chairman is Art Schmidt, founder and retired President of U.S. Oil Co., Inc., the fourth largest privately-held business in Wisconsin. Art is an entrepreneur also involved in other state businesses. "Art is an integral part of the team giving us the financial power and corporate wisdom to run Unlimited Services," Williams said. "With the proper amount of funding, you can hire very professional people."

Remaking US into a different type of company took 3-4 years. "We not only had to change machinery but the mindset as well," Williams said. "People had to become comfortable with making decisions because each customer has a focused factory in the plant. Employees have the authority to change the schedule on the floor, which gives them the responsibility for satisfying the customers who pay everyone's paychecks."

Not everyone was comfortable in the new culture. Bill Alwin, the US president from 1983-1996 used this opportunity to leave to start his own company. "Bill developed the technology for us to do wiring harnesses and brought us leadership," Williams said. "He deserves a lot of credit, and the contributions he made to this company can't be minimized."

A different philosophy was instituted toward customers, since US was accustomed to catering to customers of all kinds. The core management team decided to eliminate some customers, such as automotive and others with high volumes, because profitability was too limited with this type of work.

"Our market focus helps define our customers, and they have to meet four criteria for us to give them a quote," Williams said. "We have to have the technology in-house, the experience to do the job right and the proper materials in our inventory or easily attainable."

The fourth criterion concerns the quality of the customer, Williams pointed out. He explained such a customer



Cindy Kosch, Gary Vervoren and Cliff Sandberg are using benchtop cutting and stripping machines which allow US to produce wire harnesses efficiently.

must communicate well, pay on time, be growth-oriented, form a partnership with US, and subscribe to lean manufacturing as well as have at least \$100,000 in potential volume.

All quote requests are studied by a company team with representatives from all departments. "Our RFQ team may be unique in the industry, but many companies must decide the same thing we're doing," Williams said. "The harness industry is so diverse and fragmented that we must decide what to take on. Some jobs just don't fit."

Today US has 40 customers, all in the United States. Eighty percent of US's business comes from 20 percent of the customers. One of them is Oshkosh Truck, based in Oshkosh, Wis. The company prompted US to start making harnesses 21 years ago due to Oshkosh Truck needing them for a desert vehicle.

US's transformation proved its worth in 1997 when productivity increased 18 percent over 1996. Productivity jumped another 11 percent in 1998. Prior to 1996 sales were \$5 million annually. By 2001 that figure had jumped to \$10 million and stayed at that level in 2002. Little change is forecasted this year.

Williams reported US has a goal of \$20 million in sales over the next 3-5 years. Part of that will be from selling control panels, which began production two years ago and represents eight percent of the business. "There's a large opportunity to grow with the panel business, but it is a very fragmented market," he said. "Also, the material content is high, and a lot of capital is needed."

Meeting that sales goal will not be easy, Williams realizes. "The biggest problem is that there is a lot of excess capacity in our business," he said. "A lot of harness companies are in a lot of pain. It's very hard to get work."

As US does grow, facilities will not be a problem. The company has a 63,000-square-foot building on 6.5 acres. Purchased in 1984, the structure, a former shoe factory, originally was 18,000 square feet. The space was expanded in



Panel Team Keith Klein, Chris Wenzel and Kathy Cox produce power panels on bench tops.



Team Leaders gather for a morning standup meeting to discuss the days drop-in orders and adjust work loads to meet changing customer demands.

1994, 1996 and 2000. The latest building project measured 30,000 square feet.

When Williams, Schmidt and Marv Schumacher (who left US in 1995) started the company in 1982, its facilities were a garage and basements in DePere, 35 miles south of Oconto. Once the DePere facilities were outgrown, US spent one year in Peshtigo, Wis., before moving to Oconto.

US initially cut truck headliners, assembled truck light bars and packaged boxes with candles and globes before "stumbling into the harness business with a large contract from Oshkosh Truck," Williams said. "As we looked ahead, we saw the potential for it to be a good business."

One major reason why business has been good for US in its 21-year history is the company's employees. Besides competitive wages, US employees benefit from health insurance, a 401k plan and paid vacations and holidays.

Money also is earned through a gain-sharing program that is based on meeting shipping, quality and productivity guidelines. The program is funded by the company, which gives employees half the profit above certain productivity levels.

"Gain-sharing gets people working and answers the employee question 'What's in it for me?'" Williams said. "This has been instrumental with our short lead times because employees do not gripe about putting out extra effort. In fact, they say, 'Bring it on!' At the same time, gain-sharing takes care of the customer and the company, so it's a win-win-win situation."

Helping to make sure gain-sharing and other company objectives are carried out is a group of key administrative and customer service employees. They are: Joel Taff, quality manager; Randy Schuettpelz, purchasing manager; Trish Rysewyk, inside sales coordinator; Keith Klein, panel department technical support specialist; and Michelle Doulet, sales specialist.

In 1999 US was presented with the Manufacturer of the Year Special Mention Award by the Wisconsin Business and Industry Council. The honor was for sustained earnings growth.

While the economy and industry overcapacity have affected US's earnings since the award, Williams is optimistic about the company growing in the years ahead. "We're going to stay with our strategy of providing outstanding service and pricing right," he said. "We have a customer base with some of the top companies in their fields, and just by who they are they keep challenging you to change and be better."

Growth also will be facilitated by interacting with companies in the Wiring Harness Manufacturers Association, an

organization founded by Fred Knack in 1994 with the support of Williams and a core group of harness company owners. Williams served the first three years as its chairman. "The chance to network has been a wonderful experience for our company," he said. "I encourage any harness company to look at the association because it offers so many benefits. We get back the \$650 annual dues almost daily."

For further information about Unlimited Services, call 920-834-4418, fax 920-834-4828, e-mail sales@us-wire-harness.com or write to P.O. Box 106, Oconto, WI 54153. The company's Internet address is <http://www.us-wire-harness.com>.