

Hydraulic Valve

Manifold News

WINTER 2007 Daman27 ISSUE

CELEBRATING 30 YEARS OF CONTINUOUS INNOVATION



in this issue

- A process evolution
- Employees reap benefits
- Steel vs. ductile
- TRIGGERing a reaction
- Outlook by Larry Davis

Large custom manifolds: A process evolution.

By definition, evolution is a process or sequence of events in which something moves by degrees to a different level. At its best, the end result of that “different level” is more advanced and mature.

Daman’s commitment to manufacture large custom manifolds is a textbook case in the process – or evolution – of taking a product to a higher level.



Change is a good thing” is a quote that’s often used when we’re trying to convince someone (perhaps ourselves) to take a step outside of a comfort zone. Change may be good, but it also may be painful, time consuming, and costly. In the end, we hope the effort is worth it.

The Daman evolution started by observing a series of events and by answering a number of questions. “We kept getting requests for bigger and bigger manifolds – 500 pounds and up – and we were manufacturing them from time to time,” said Matt Giloth, WinWork manager. It wasn’t always the safest activity, or prudent use of time, he admits now.

“There were a lot of safety concerns,” said Thom Sibley, Cell Leader. “When we had to flip a large manifold, we would call employees off the jobs they were doing to help us. The heavier the job, the more workers we needed. We were cautious, but we knew there was a better way. And a better use of our time.”

In addition, the shop wasn’t set up to handle the washing and packaging of larger manifolds. “So we asked ourselves, ‘What does it take to produce a 2,000-pound manifold?’” said Giloth. The list was long: the right equipment, accommodations for lifting, cranes, sources for material, pricing, labor rate, shop layout, tooling.

Tom Weinkauff agrees, and added that the Daman philosophy was top-of-mind for everyone involved, because “we had to make every effort to go into this the RIGHT way. We had to make sure that we had done our homework.”

The evolution begins.

With a commitment in hand, the physical work began. “We poured 135 tons of concrete for a 120,000-pound Mazak horizontal machine center. That process involved not only the cost of the machine, but new tooling, material handling equipment and three overhead cranes,” said Dave Mischler, Daman Vice President.

That was the genesis for the redesign of two of four manufacturing cells, realignment of product groups and an evaluation of staffing requirements. After saying “no” to customers who were asking for expanded size and weight capabilities, “everyone was looking forward to bringing our service and engineering expertise to the large manifold market. We’re happy to say that we can now handle up to 2000-pound manifolds,” said Sibley.

He added that having the new equipment allowed for machining to be completed at one station, eliminating the

80mm and 100mm DIN now possible.

Production of large manifolds necessitates tooling for large valve cavities – cavities for 80mm and 100mm DIN valves. Before our entrance into the large manifold market, Daman's tooling was in the 16 to 63 DIN range, a hinderance to accepting larger jobs. The new tooling expands our capability to accommodate typical valve sizes in larger manifolds.

waste of moving a large piece of material from machine to machine. Inherent in that process are the all-important safety benefits of the new machinery. An additional benefit that came out of the change process is that Daman was able to design a single cell that allowed for both large and small manufacturing.

Space accommodations and machinery are two tangibles, but what about intangibles? How would pricing change? Daman has

a long history of quoting custom jobs, but new benchmarks were necessary. Personnel went the extra mile to find new suppliers, and determined availability, cost and lead time for new material sizes. Pricing and delivery were key. New software was designed and installed to accommodate upgrades. [See page 8 for the complete story.]



of any Daman changes. “Getting to where we are today came about because we needed to do what our customers were asking us to do – with the quality and service they demand,” said Giloth. “Being able to provide larger, custom products is key. And when we handle the design and delivery – and the price is right – it allows our distributors to be hands-off.”

As the marketplace expands with opportunities for growth, Daman looks forward to what lies ahead. “We see a stable national economic forecast, and entry into the

Communicating the “large custom” story to the market is an important, ongoing task that we all share.

There will always be more to do.

Gordon Weiler, Sales Manager, created a flyer to educate current customers about the changes. After a 30-year history of producing standard and custom manifolds, taking the “large custom” story to the public became an ongoing task. Letting them know that if we define “large” as anything over 300 pounds, large is a growing part of our business.

Getting that news out was an important part of the equation, because customer care and satisfaction have always been the focus

large manifold market allows us to market ourselves as a more diverse supplier. And a complete manifold player. Our goal has always been to provide better solutions by focusing on new technology delivered with impeccable service,” said Mischler.

As we look forward, we also can look back and confidently answer the question we asked some time ago: “What does it take to produce a 2,000-pound manifold?”

Employees reap benefits of revamped orientation program.

There's a pop culture acronym called TMI – too much information. When we're given more info than we want, or can process at one time, we tune it out. TMI might have defined Daman's former orientation/training program.



DamanPERSPECTIVE



Daman has always understood the need for quality training for its employees. As new hires in any industry know, however, starting at a new company can be a daunting experience. There has to be a balance between learning about running a machine and actually getting hands-on experience.

Neil Henderson, a 16-year Daman employee who oversees continuous improvement and training, says, “We used to train new employees in four eight-hour sessions the first week they were here. They were overwhelmed. By the time they got to the shop, they had some knowledge, but they weren’t ready to apply it because they had zero practical experience.”

That scenario has changed with a revamped training program. New employees now attend nine four-hour classes in a two-week time period. Attendees are exposed to their job and the technical aspects of inspection via in-classroom and in-shop lessons. “They learn the features of each type of machining, then they learn how that fits into the ‘whole picture.’ This is especially important because of our focus on large, custom manifolds,” said Henderson.

New procedures dovetail with Daman “culture.”

Krysten Shoulders, Human Resources Manager, notes that the majority of new people have never worked in a shop before. “That’s okay, though, because we want them to experience who we are and what we do without any preconceived notions of what they should be doing. We want them to gain a broad knowledge. When they’re here longer, they will have the opportunity to narrow their focus.”

A quick survey proves that the new orientation style is working well. Shoulders says that new employees “rave about Neil. They say he recognizes what they need to know and presents it to them in a way that accommodates how they learn. They’ve often talked to seasoned employees who went through the one-week orientation and always come away happy that they had the two-week sessions. They like the ‘learn and apply’ method.”

Constantly evaluating and updating processes ensures a win-win situation for Daman employees and, ultimately, our customers.

Steel vs. ductile is no longer a tug-of-war issue.

When Daman began using ductile 15 years ago, it was not accepted by anyone, according to Dave Mischler, Daman Vice President. “We may have been the first in North America to see the benefits. Back then there were lots of misconceptions and it was a difficult sell. Now it’s widely used by manufacturers.”

The debate is not over, however. While most agree that ductile is the product of choice for small manufactured items, misconceptions still abound when it comes to larger block sizes. “When it gets to a certain size, customers don’t think it’s available,” said Gordon Weiler, Daman Sales Manager.

Since part of our job is to educate the market, we called on Chuck Rigali, a ductile iron expert, to provide some input with a side-by-side comparison of steel and ductile.

Let’s begin with his best news first: “With ductile, we have never had a single field failure due to material quality. And for Daman, the number one reason for choosing ductile is its machineability. It drills faster, creates fewer burrs and has a better finished surface. And, yes, it’s the lowest cost!” said Rigali.

The history behind the comparison debate.

Daman had been seriously evaluating and considering a move to ductile. After a series of problems in the final milling operation of a job that resulted in the scrapping of parts, the decision was made to switch. “That experience, plus a history of cracks and steel’s work-hardening issues, was the tipping point,” said Weiler. “We said, ‘Let’s just do it.’”

Rigali understands that scenario and notes that until about 10 years ago, steel was the predominant product. Why steel? It was readily available and engineers had the impression that it was stronger. For them, that meant higher quality. Two of the most valid reasons people looked to steel was that steel could be welded and because of the critical mass of sizes that ductile couldn’t match. Regarding price – steel used to cost less than ductile.

Ductile manufacturers gradually overcame objections to their product when they were able to match and exceed the perceived advantages of steel. Rigali said that his company has been producing ductile for about 15 years and now has “size availability to 25”-square material, and we’re expanding.”

Rigali noted that quality is extremely important to today’s manufacturers. And that’s especially true, he said, for Daman and its commitment to larger, custom manifolds because ductile has guaranteed material properties, regardless of size. Steel properties are “typical,” not “guaranteed.” And “guaranteed” properties from ductile’s ingot casting are important for manifold design.

Weiler summarizes the positives by emphasizing that “overall costs to our market, less scrap because of material failure and fewer returns because of field failure all benefit our customers. And that’s really the bottom line for us.”

TRIGGERing a reaction.

It's called the Trigger program for a reason. When you pull the trigger, product delivery just happens. No lead time. No compromises. No waiting. And it's a program that puts Daman in a unique position among its competitors.



Daman's Trigger program gives the company a competitive advantage with a delivery program second to none. "Our customers tell us that no one else in our industry offers the kind of inventory management system we have. It's Lean and it's a win for our customers," said Gordon Weiler, Daman Sales Manager.

The program falls into the "too good to be true" category, said Weiler, and that has proved to make it a hard sell. "It's often a struggle to educate our customer base because old habits die hard. Many of them, for example, are used to buying six months' worth of manifolds and carrying the inventory themselves – not because they want to, but because they haven't been able to trust manufacturers to meet their needs every time. Daman can."

The upside is that the Trigger program is not a gimmick. It works because Daman's business model supports it – and that is a model that continuously attempts to make life easier for our customers.

Committed to hitting the target.

The Trigger program is based on a Lean inventory management system and is offered to customers with manifolds that repeat annually with 30 or more pieces. Using the Trigger system eliminates overhead and excessive inventory. Advantages include:

- A simple informational form is used to calculate maximum weekly demand.
- No advance purchase order or blanket order is required.
- Distributor or end user can choose to carry NO inventory.
- Daman will ship as few as one piece at agreed-upon annual selling price.
- Inventory will always be available to ship the same day.
- Daman takes responsibility for price. RFQs are no longer required.

Using a cliché, Weiler says, "The Trigger sets off a reaction that hits the target: satisfied customers."



Becoming better than we were yesterday.

By Larry M. Davis

Sustainable competitive advantage: what is it, anyway? We have communicated over the last year that we have moved deeper into the manifold market by adding machinery and equipment that enable us to build upwards of 2000-pound manifolds. This equipment is best of breed and available to everyone who is willing to make the investment. Therefore, if and when others purchase similar equipment, our investment will have been checked, and no longer a competitive advantage, let alone sustainable.

So what would a sustainable competitive advantage be? Recently, Gordon Weiler and I were asked to speak at the Association for Manufacturing Excellence national conference in Dallas attended by 1,800 people who share a common desire to be better than they were yesterday. Our topic was our sustainable competitive advantage: Daman's pursuit of a culture of continuous improvement.

Our culture took a new tact eight years ago as we started looking at our business as a series of processes (internal and external) that we needed to improve, eliminate, and/or refine. To do that effectively required all people in the organization to view their work differently and required building trust, because we were going to a place none of us had been before.

That process is not for the faint of heart, because it is not just superficial meddling with traditional management models. On the contrary, it requires bucking many "time-honored" methods, most notably, the elimination of any form of forecasting from our systems. Based on the amazed reaction we get from the broader business community, our culture will be our competitive advantage for some time to come and, through us, yours.

As always, there is more to do.

Customers pleased with turnaround time. Quote turnaround time remains short: generally 24 hours for typical custom product and 24-48 hours for large custom jobs. Mike McIntyre in Distributor Services says that bigger jobs have unique characteristics and require more material research. He notes, however, that customers are still pleased with turnaround time.

Giving back to the community.

Daman's philanthropic outreach is driven by a desire to give back to our local community. In addition to our close partnership with a local middle school, we and our Athletic Association support 13 other local schools, churches and organizations with our time and finances.

Sometimes less is more. Many of the practices and procedures that Daman uses to manage its Information Technology resources are traditionally used only by significantly larger organizations. By minimizing our non-value-added activities, our IT team can focus on activities that directly benefit our customers – and our company. We have gone from spending 90 percent of our time on non-value-added activities to around 30 percent. And we're continually working to make that percentage even lower.

Interesting tidbits.

- Sometimes it is "who you know." In 2005, Daman hired 27 new employees; **11 of them were referrals from current employees.** In 2006, the percentage was even higher. Of 25 new employees, 20 were referrals.

- Despite the fact that 2006 market forces provided more excitement than we had hoped for, **Daman prices will hold steady effective January 1, 2007.** Price list is available via catalog or CD and is downloadable at our Website.

- We say "100mm DIN" instead of "100mm Deutsches Institut für Normung e.V." Now you know why!

Spotlight on Andy Mendez



"I like a challenge at work and in the boxing ring. I'd rather try something and fail, than not try at all." That's Andy's philosophy in life. He's a family man with three children and has been at Daman for six years, working third shift. He started lifting weights here, and after a couple of years decided to try the punching bag. "That made me sore!" he said. But it also started him on a quest to follow his grandfather's footsteps into the boxing ring. With his father in his corner, Andy has gone from amateur to pro. He lost his first two fights, but won the next three with KOs. Since then, he has pursued his sport in several states. His proudest accomplishment? Teaching his son "the ropes."

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“Custom” philosophy applies to software upgrade.

“No one else can do this for us.” That sums up the thinking behind a recently completed major software upgrade that changed the tools WinWork uses to support the custom side of Daman’s business. With no out-of-the-box software available, the new program is jokingly called “Matt’s Software.”



After eight years of using a software program that we had modified to fit our needs, it was time for a software upgrade that fit our current business model. We called on the expertise of our IT staff, particularly Matt Henkler. (Of course, if there are ever “glitches,” we know where to go.)

True to Daman problem-solving style, “we made a long list of things we wanted the software to do. What enhancements did we need? Our old system couldn’t be upgraded and we were locked into a scheduling application that was standard in 1998, but couldn’t be upgraded for today’s needs. Now we have a stable foundation that we can add to when necessary,” said Henkler.

After a smooth installation in late November, Daman employees now have up-to-the minute facts at their fingertips. And while face-to-face communication is still preferred, the system provides information even if the “right” person isn’t available.

We’re also pleased that the new software allows for automatic scheduling with no manual data scheduling – ever. And our shop personnel release jobs directly to purchasing. In fact, it is our intention to soon be able to entirely bypass the material purchasing process.

Matt Giloth, WinWork manager, said, “We’re excited that our new software has become an extension of our continuous improvement initiatives. When we’re talking with a customer, everything we need is right before us. We were timely with information before, but it’s easier now. Whoever answers the phone literally has any information the customer needs.” Customer benefits extend beyond the phone call. Timely, accurate information provides confidence – and trust – and that may be the best benefit of all.

In our Spring newsletter, we plan to share more details about how our new software is revolutionizing the way we work.



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