A Message from the President

The business outlook for Sprague Electric Company continues to reflect the overall U.S. and world economies. We are, of course, directly impacted by the serious problems that have confronted the automobile, construction and housing industries in the U.S. On the other hand, the computer industry, a particularly important business segment to Sprague Electric, has continued to run at a relatively strong rate and has helped counteract softness in other areas. Now, however, we are seeing signs of some slowdown in computers as well.

To date, our Company has responded extremely well to this recessionary economy that has caused reduced orders in many areas and severe pricing competition in essentially all our product lines. All employees are to be congratulated for their efforts to maximize productivity and efficiency in these difficult times.

Like most corporations, we are not sure exactly when the economy will begin to improve due to the present uncertainties in the federal budget and interest rates. While we do expect some improvement later this year, we also believe that the recovery will be slow and that pricing will continue to be extremely competitive.

Continuation of the Company's favorable operating results requires all of us to do our job in the best way possible. We have dedicated employees at Sprague Electric Company and I know we will successfully meet these challenges in the months ahead.

Thank you for your continuing strong contributions.

Francis C. Nowak, of North Adams Tantalum Formation, was the recipient of one of the largest suggestion awards ever made. Not only is the $3,220 check one of the largest ever, it is a payment for savings for only a six-month period and will be reviewed once it has been in use for a full year. The anticipated award at that time may make it the largest payment in the history of the Sprague Suggestion System, depending on the level of production during the period.

A three-year employee, Francis has been employed in the Tantalum Formation area since December 1977. He suggested rearranging the standard tantalum foil slitting assemblies to obtain the maximum amount of usable foil from the master rolls, thereby reducing scrap. The Suggestion System provides an excellent means for employees to earn extra dollars and become recognized for their thoughtful ideas to improve operations.

Francis C. Nowak receives check for $3,220 from Frank Gamari. In the picture from left to right are: Joe Brewer, Frank Gamari, Fran Nowak and John Pierce.
100 PPM PROGRAM GATHERS MOMENTUM

Many Sprague employees are now involved in a vitally important and challenging effort called the "100 ppm Program." So that we may all become aware of the program, the LOG arranged an interview with its originator, David R. Karklin, Corporate Director of Quality Assurance and Reliability.

LOG: What is the "100 ppm Program?"

KARKLIN: The "100 ppm Program" was launched in anticipation of increasingly more stringent quality levels demanded by our customers. The Program's goal is to reduce the maximum proportion of defective product shipped to 100 parts-per-million. Such customers as IBM, Delco and Xerox are now specifying this quality level from component suppliers.

LOG: How does the "100 ppm Program" operate to meet this new quality level?

KARKLIN: Interfunctional committees were formed at each plant to develop and implement detailed plans to meet the 100 ppm level. Many of these committees are engaged in such tasks as improving operator awareness, installing operator training programs, improving equipment preventive maintenance and upgrading process controls. All committees are attempting to enhance the reliability of production's final test systems. In addition, an internal measurement system has been devised to track 'ppm' quality levels for each product line on a monthly basis.

LOG: Since instituting the program last year, what has our progress been?

KARKLIN: Frankly, we have a long way to go at most plants. Last year, our company's electrical quality averaged 1,200 ppm—more than ten times today's goal. However, steady progress is being made and a few plants are now within striking distance of the target. We should keep in mind that 1,200 ppm translates into only 1.2 defects per 1,000 parts shipped—a quality level which was generally better than that of our competition during 1981.

LOG: We've heard so much about Japanese quality lately. How does the quality of Sprague's components compare with similar Japanese components?

KARKLIN: The Japanese have successfully merchandised superior quality per dollar in several important assembled product industries. The Japanese also produce excellent quality electronic components, and claim various quality levels of from 10 to 200 ppm. The clear message is that we have good reason to be vitally concerned about our Japanese competitors. Defect reduction at Sprague Electric is essential if we are to eliminate the issue of quality in the minds of our customers.

LOG: You spoke about the work of the 100 ppm committees. What can the rest of us do to help the Company meet this new quality challenge?

KARKLIN: Each of our jobs is in some way related to our ultimate goal of satisfying customers by providing on-time delivery of reasonably-priced, high-quality components. It follows that any errors or mistakes we make as individual employees affects this goal and provides our competitors with an advantage. When you get right down to it, there are no necessary reasons for errors to occur. If each of us raises his or her quality standards and strives for excellence in what we do, we will not only meet our 100 ppm goal, but will also continue to prosper as a company.

EMERGENCY TRAINING IN NORTH ADAMS

On April 2, the North Adams Fire Department conducted a training program in the care and use of self-contained breathing apparatus at the Company's Marshall Street plant. The air packs are used for emergency rescue situations, primarily involving fires and smoke.

The session, which was attended by ten employees of the Maintenance Department, included both classroom and "hands-on" training. The session is a part of the ongoing fire safety program in North Adams.

L to R: William Garner, North Adams Fire Department, Bruce Belanger, Carl Mahar, Gary Chalifoux, George Lord and Philip Brucato, Corporate Safety Manager.

Captain William O'Grady delivers talk to Maintenance Department employees.
**1982 GK TECHNOLOGIES NATIONAL MERIT SCHOLARSHIP**

Christopher DeBlois, son of Francis E. DeBlois of Advertising, has been named a recipient of the 1982 GK Technologies National Merit Scholarship. The award provides up to $2,000 per year for four years of college tuition of one of the GK Technologies subsidiary employees. Only one such scholarship is available per year through each GK subsidiary.

Chris, a Mt. Greylock Regional High School senior, was named a National Merit Scholar on the basis of competitive exams and the evaluation of his academic performance, extracurricular activities and participation in community affairs. One thousand such awards were made nationally this year from an initial field of 1.5 million competitors.

Chris has also received the Rensselaer Medal for excellence in science and mathematics, is a member of the National Honor Society, a member of the Mt. Greylock Student Council, and the Fellowship of Christian Athletes. He is co-captain of Mt. Greylock’s defending Western Massachusetts Championship Golf team, has been the Waubeeka Golf Links Jr. Champion for the past two years and is the current Taconic Golf Club Caddie Champion. Chris has won the Fitzpatrick Sportsmanship Trophy for YMCA League basketball, and played for the Mt. Greylock varsity baseball team for the past two years. He has also been a Williamstown Little League and Stuart Schouler League baseball all-star catcher.

Chris has played first violin for the Mt. Greylock orchestra and trombone for the band. He placed second last year in a Geology competition run by Alfred University, and placed fifth in the Berkshire Community College annual mathematics competition. Last summer he participated in an invitational engineering and science seminar sponsored by the U.S. Navy at Annapolis.

Chris will spend this summer working for Sprague World Trade at Tours, France, and plans to pursue engineering degrees in computers and geology at either Princeton or MIT.

**BARRE BLOOD PRESSURE CLINIC**

Over 200 Sprague-Barre employees had their blood pressure checked this winter in a one-day Blood Pressure Clinic conducted by the Visiting Nurses Association. Employees whose blood pressure measured above the norm for their age group will be referred to the Plant Nurse for re-testing and follow-up.

**MEIKLEJOHN HONORED**

Donald J. Meiklejohn, right, receives a plaque from Robert D. Smith, Vice President, Corporate Materials and Manpower, in recognition of his organizing and supervising the Company’s value engineering program over the past 20 years. Meiklejohn retired from Sprague after 46 years of service; the last 12 as Corporate Manager of Industrial Engineering.

**ANNAPOlis JUNCTION WINNER**

Employee Tony DiGirolamo is shown receiving a check from Carol McAdams as a result of a suggestion which was adopted at Annapolis Junction. The Sprague suggestion system makes it possible for employees to become even more involved and, at the same time, makes cash awards for ideas which are adopted.

**NASHUA CITED**

Sprague Electric received an “Outstanding Award” at the 10th anniversary celebration of NEEDS held recently in Nashua, NH. NEEDS, Nashua Evaluation and Employment Development Services, Inc., assists handicapped individuals enter the industrial workforce through its training program. The agency occupies 7,500 square feet of floor space in the Nashua facility. The award presented to Sprague was in recognition of the Company’s providing space, for performing renovations and for its financial support of NEEDS. The award was presented to General Manager Robert R. Purple by Mr. Hugh Gallen, the Governor of New Hampshire. The Toastmaster for the evening was Michael Gagne, Sprague Electric’s Industrial Relations Manager in Nashua.

**SAFETY AWARD**

In keeping with Sprague Electric’s continuing commitment to workplace safety, beginning with the 1981 calendar year the Corporate Safety Committee will present the President’s Safety Award to the manufacturing operation which demonstrates the best overall safety record during the year. The four factors considered in determining the recipient are incident, severity, and frequency rates, and the employee to accident ratio. The “runner-up” manufacturing operation will receive an Outstanding Achievement Award.

Philip T. Brucato, Corporate Manager of Safety, is pleased to announce that the 1981 recipient of the President’s Safety Award is the Ashe County facility. The Outstanding Achievement Award will be shared by Worcester and Hillsville.

The Award is indicative of the safety efforts made by all employees and is complementary to each facility’s safety program.
Worcester Quality Circles—Full Steam Ahead

Quality Circles, which are receiving enthusiastic support from all involved, are gaining momentum throughout Sprague Electric. The “Second Edition” Quality Circle of Worcester is shown here presenting its findings after nearly three months of work and study in an effort to identify alternatives to the use of black teflon cassettes in the “clean room.” Other Quality Circles in Worcester are in the process of contributing their work knowledge. Quality Circles continue to grow in Worcester. There are nine circles, with more ready to go.

Interaction Management in Ashe County

A twenty-hour training program in Interaction Management was recently given to twelve foremen at Sprague Electric Ashe County. Interaction Management training is designed to improve a manager’s or supervisor’s skill in dealing with critical situations in employee relations. Instructors for the course were Stuart Sutherland, Area Industrial Relations Manager, Dearborn Plant and Jack Weaver, Area Industrial Relations Manager, Lansing, North Carolina.


Pictured: Richard Sheets, John Powers, Edward Sullivan, Jesse Mock, Richard Neaves. 2nd row Carl Simmons, Harry Goss, Chester Banks, Fred Carter. Absent when picture was taken were Glenn Goodman, Carl Spencer and Cecil Hensley.

Smokers’ Liberation

A “Smokers’ Liberation” program, sponsored jointly by the American Cancer Society and Sprague Electric, was conducted in North Adams for four weeks during the month of March. A total of 25 people enrolled in the program which was conducted by L. P. N. Bonnie Lipa, an American Cancer Society volunteer. Nineteen completed the program and six were successful in breaking the smoking habit. The other 13 reported a considerable reduction in the number of cigarettes smoked.

T-shirts, provided by Sprague Electric, were distributed to the participants on the final night. They bore the inscription “Kiss Me—I Don’t Smoke.”