

LUFKIN

ROUNDUP

October 1986



From the President's Desk

WHO'S THE BOSS?



Who's the boss? - Who determines the future of our company? - Who determines the wages that we pay, the benefits that we receive, our employment, the growth and prosperity of the company and of each of us? - The answer, of course, is **our customer**.

Our response to the customer and our ability to provide the goods and services that the customer needs have determined the past and will determine the future success of the company. Every job throughout the company must be oriented toward adding value to the products that we sell to the customer. The customer's perception of our quality, service, dependability, and real value will determine our future.

It is extremely important for us to realize that the company does not pay wages and benefits -- the customer pays wages and benefits. The company merely charges for the goods and services and distributes the money that the customer pays to the various groups within and without the company, whether suppliers or employees. There must be a strong realization that in the long run the customer will not pay for poor quality and poor service. In order for us to be successful, the customer must

perceive that he receives superior value from everything that we do. So, whether it's filling out a form or cleaning a casting, whatever job is to be done must be of the highest quality and it must be directed toward customer service.

LUFKIN has a very rich tradition of producing the highest quality products on the market. This quality is visible with trailers that are being used throughout the United States, with oil field equipment that is pumping oil, and industrial gears transmitting power throughout the world, in addition to industrial supplies that are serving the customers locally. We have an unequalled reputation for providing the highest quality on a worldwide, national, and local level.

Lets re-dedicate our efforts to make sure that the customer receives the best value possible and that the name "LUFKIN" continues to mean the absolute best value.

What can we do for the customer today?

A handwritten signature in cursive script that reads "F B Stevenson". The signature is written in dark ink on a light background.

Frank B. Stevenson

"All you have to do is want to learn."



M. T. Allen studies blueprints before performing maintenance work on foundry equipment. Looking at blueprints isn't new for "Doodie", but they are giving him more information now.

"You know, school is rough after 40 years." This comes from a man who knows. M.T. "Doodie" Allen quit school in the 8th grade over 40 years ago because he, "knew more than the teachers."

After time in the Navy and many years as a construction lineman moving all over the country and now, over 9 years in the maintenance section of the foundry, Doodie has found that he really didn't know more than the teachers and is enrolled in the Lufkin Adult Learning Center working toward earning his General Education Degree (G.E.D.).

There are five sections of the G.E.D. to pass; science, social studies, English, math and reading. Doodie has already taken the tests for and passed the exams in science and social studies and is working steadily on the other three.

The Adult Learning Center does not give the G.E.D. exams, instead it prepares the student for the exams which must be taken at Angelina College. Anyone can register with the college and take the exams, but Doodie says, "people should go through the Adult Learning Center before going out to the college to take the tests."

They help you study for the tests. If you fail one of the tests at the college without having come through the Adult Learning Center you have to wait 6 months before you can take that part again. The Adult Learning Center can help you study for the test ahead of time and can help you get a re-test in less than 6 months if you fail the test ."

This thing is free, you know, so not having money can't be an obstacle. All you have to do is want to learn."

Admitting that it was hard going back to school after so long, Doodie also said that he "liked the challenge of being back in school. I really think that anything like this will help anyone."

Sam Greenville, Doodie's foreman, agreed wholeheartedly with this statement. "The technology is running away over here. We all have to pursue technological and just overall education learning.

I know from experience that learning things makes people feel better about themselves. While all the stuff that they may be learning at the Adult Learning Center won't necessarily relate directly to Lufkin Industries, every time an employee learns something new, that makes them a better person - - and that makes **LUFKIN** a better place."

Doodie mentioned also that the Adult Learning Center doesn't just prepare people to take their G.E.D. exams, "there are people up there learning how to read. The people up there are really nice. They don't make you feel bad about not knowing something; they just want to help."

Doodie figures to get his G.E.D. soon. When he finally does "get out of high school", about 40 years behind schedule, he doesn't plan for that to be the end of learning, however. "I'm going to enroll out at the college and take something I like."

No one ever gets too old to learn.

Taking care of

Did you know that for many years the J. C. Penney stores were known as The Golden Rule Stores. It was Mr. Penney's faith in that principle - always treating a customer as he himself would want to be treated - that made them grow and prosper.

Can you relate to that story? All of us have suffered as abused customers at some point and if you're like me, you wonder why some businesses bite the hand that feeds. After all, you as a customer, contribute to each employee's salary of every business you trade with.

Contrast with that the feeling experienced when you receive extraordinary service. When you get that "bend-over-backwards" attention, you don't mind paying more or tipping a little extra, and you'll be sure to come back.

Proper customer attention is vital to a successful venture. To help us understand the importance of this subject I discussed it with the men in our company who sit in the middle between the customer and all the employees of **LUFKIN Industries**, our sales managers.

Rod Pittman: "How does an individual decide where he or she is going to buy gasoline, carry the cleaning, buy groceries or which car dealer to do business with? If we stop to analyze the overall picture, we as employees don't buy pumping units or gears but every day we make buying decisions based on certain criteria. In some cases service is the most important thing, while in other situations quality is first choice. Maybe if all things are equal other than price, then we go on price."

Think for a moment about the businesses that you patronize. What influences your decision to be a customer of those businesses? Price? Reputation for Quality? Service?

How Important is the customer?

Jim Horn: "The way I view it is the customer is actually our only reason to exist and without customers we really have no reason to be in business. Our business is to serve them."

What is important to you in trading with merchants?
What makes you choose one store over another?

How do our customers decide to buy LUFKIN?

Pittman: "Historically our success has been because we have done a good job of taking care of the customer before, during, and after the sale. I think what we have to do is earn our reputation every day and not just assume that because we have been successful in the past that we always will be.

LUFKIN products must fill a need of the customer. They must be of high quality and sold at a fair price if we expect to sell that customer next time."

Kendall Moseley: "I believe the customer buys from us because we are solving a problem or we make them feel good. We are in a very competitive market and everyone in our company is essential to gaining and keeping the satisfaction of customers."

Do you give small customers less attention?

Moseley: "There have been instances where I called on small mills and dealt with the people in purchasing who were actually millrights. These later became employees of major lumber companies who we also do business with. Had we not addressed those customers on a preferred basis back then we wouldn't have their friendship today. You never know when the man at the small mill is going to be heading up a division at a larger mill."

How do you maintain awareness of the customer's needs?

Horn: "I think we have to put ourselves in the position of the customer. Think like he thinks and feel like he feels. We have to anticipate. We're just one of many companies that are striving to do the same thing and the way we succeed is just literally becoming a part of the customer's own organization. Working our way into where we understand truly what his needs are. Not just for a product but for what that product is going to do for him and how it's going to allow him to make money."

Pittman: "Customers expect more for their dollar today. As a result, I've got to find ways to try to fit the proper product to the customer's needs. Provide more service and be more attentive than we have in the past."

#1!

by Kurt Martin

Moseley: "We listen to our sales people and watch the trade magazines. We keep track of information about our customers, then observe and see where the market is heading."



Jim Horn
Trailer Sales Manager



Kendall Moseley
Sales Manager,
Industrial Supplies



E. G. Pittman
Vice-president and
Manager of Machinery
Sales

What is the customer's view of the product?

Horn: "The product we are dealing with here is not a nickel and dime item. This is a very expensive piece of equipment that these customers are buying from us, and when they commit to buy from us, they expect to receive something that is of the very highest quality for their money. If we let them down in that regard then they feel cheated."

Pittman: "When you hear someone say 'We got a LUFKIN unit and we were shocked to know that this didn't fit'; or, 'we couldn't believe that on a LUFKIN this didn't work'; or 'the parts weren't all there'. That's not the LUFKIN tradition. That's not the LUFKIN image. If you were to buy a Mercedes you would be surprised if a door handle was missing or the upholstery was put on improperly. We must uphold our reputation. It must be right the first time."

How do customers respond to plant tours?

Horn: "In nearly every case that we have brought customers to the plant they have gone away very favorably impressed. We are just one of many plants that they visit. Customers have commented to me personally many times that when they've stopped in the production line and asked a question the employee always showed interest in answering and pride in the fact that they could help the customer."

Pittman: "I was in California recently and a customer told me that fifteen or twenty years ago he toured the LUFKIN plant. He said it was most impressive and that he would never forget the trip. Fifteen years later that tour is stuck in his mind."

A plant tour is one of our most effective ways to sell. It means that we have to be ready for visitors all the time."

How important are the details?

Horn: "Whether its a spot where the paint just didn't cover quite well enough or whatever, we have to think of the

customer's side of it just like we would if we had ordered a new car and then the car came in with some blemish on it. Appearance goes a long way toward the perceived value of the product."

Moseley: "Imagine how you as a consumer feel when someone messes up your schedule or doesn't fill your order correctly, or how you feel when you get a bill that is incorrect. If we do not make the customer feel good or provide the necessary service for him, we are going to eventually lose out with that customer."

Possibly you feel as though your job at LUFKIN is isolated from the customer. Be assured that whatever your job is, it impacts the customer. You might be pushing a broom and be observed by visitors touring the plant. What will they see...the way you hold the broom or the intensity with which you work?

You may have seen the PBS program "In Search of Excellence". The Disneyworld entertainment complex was one of many firms spotlighted for their success. The entire Disneyworld facility is steam cleaned each night and each employee receives in-depth customer relations training. Why do they do that? It's the attention to detail that keeps the customers coming back.

Who are we working for?

Borrowing some thoughts from Jim Horn, I think it goes together like this. We usually come to work thinking we have got to please the boss. Sometimes we expand the scope of "boss" to include all of management and maybe the stockholders. But if we can make our efforts benefit Mr. Customer so that our product makes him profitable..."If we can work our product to do what the customer wants then we have the opportunity to make a profit for ourselves."

Who is your Boss?

Promotions



Tony Ellington



Phyllis Kendrick



Truitt Dixon



Harry Mewbourn



Jimmy Little



Doug Hudson



Sue Massingill



Midge Cooney



Wayne Chamblee

Tony Ellington has been promoted to the position of Service Representative in the machine shop. As a Service Rep, Ellington will be responsible for servicing LUFKIN products world-wide.

Ellington joined LUFKIN in 1978 and has been a supervisor in the machine shop on the 2nd and 3rd shifts for more than 7 years.

A Huntington High School graduate, Ellington has also attended Angelina College.

Ellington, along with wife Michelle and daughter, April, 7, still resides in Huntington.

Phyllis Kendrick has been promoted to Purchasing Inventory Specialist at the Trailer Division.

Kendrick, who joined LUFKIN in 1986 as a Purchasing Clerk, is a Hudson High School graduate and a May, 1986, graduate of Stephen F. Austin State University with a degree in marketing and management.

Although having only recently joined LUFKIN, Kendrick is no stranger to the Company, since husband, Kenny, also works at the Trailer Division, along with her father, Henry Williams, and father-in-law, Horace Kendrick.

The Kendricks attend Herty Baptist Church.

Truitt Dixon has accepted a promotion to Scheduler in production control at the Trailer Division.

One of numerous employees who have left LUFKIN but come back again, Dixon has nearly two years with the Company this time, added to over 14 years previously. All of those years have been spent at the Trailer Division, with the time being split between shop work and office work.

A Lufkin High School graduate, Dixon has attended both Stephen F. Austin State University and Sam Houston State University.

An avid fisherman, Dixon still finds time for wife, Judy and children, Shane, 18, and on a baseball scholarship at Texas A&M University, and Trey, 15.

Harry Mewbourn has been promoted to the position of Manager, Industrial Gear Manufacturing in the machine shop.

Mewbourn signed on with LUFKIN originally in 1965, had a five year sojourn and has been back since 1974. In all of that time he has been

in supervisory positions in the machine shop's mechanical maintenance area, spending the eight years as the manager of mechanical maintenance.

Mewbourn, along with wife Patsy, has three children, Denise, 19, Angela, 16, and Kevin, 12.

The Mewbourns attend Calvary Baptist Church.

Jimmy Little has moved from the material control department to the corporate purchasing department as a Buyer.

With previous tenures of eight and three years respectively, Little has over six years back with LUFKIN now. Out of the total 17 years, over 12 have been in the material control department where the skills needed for this position were honed.

Little and wife, Susie, have two children, Jeff, 16, and Courtney, 5.

Doug Hudson has been promoted from Systems Analyst in the corporate data processing department to Senior Systems Analyst.

With over nine years at LUFKIN, Hudson is a transplanted Texan, having graduated from Woodlawn High School in Shreveport, Louisiana before attending and graduating from Stephen F. Austin State University.

Hudson, along with wife, Donna, enjoys fishing and hunting.

Sue Massingill has been promoted to the position of Secretary to the Vice-President at the Trailer Division.

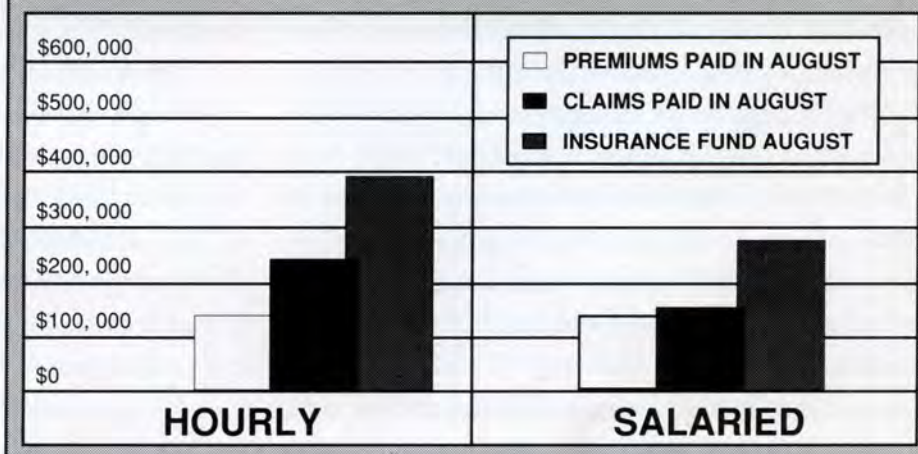
Since joining LUFKIN in 1976, Massingill has worked as the Secretary to the Sales Manager at the Trailer Division. Part of a LUFKIN family, her sister and brother-in-law, Sandy and Ronnie McMullen, both work downtown, Sandy in the corporate office and Ronnie in the machine shop.

A Lufkin native, she graduated from Lufkin High School, has attended Angelina College and attends the Central Baptist Church.

Carolyn "Midge" Cooney has been promoted from Secretary A to Secretary to the Engineering Vice-President.

Cooney is a graduate of Cleveland High School in

Insurance Update



OCTOBER ANNIVERSARIES

Accounting		Larry Stringer	20	Mark House	2	Material Control		William Smith	11
		James Lord	15	Martha Moreno	2			Lema Thompson	9
		Harold Walker	14	MIS				George Edwards	9
William Smith	10	Julius Cox	12			Floyd Hamilton	11	David Burris	8
Timothy Beamon	8	Willie Hartsfield	12			Leon Amie	9	Benny McGaughey	8
Mary Miller	8	Curtis Bryant	12	Machine Shop		Personnel		Henry Alexander	8
Mark Turk	3	Chester Benton, Jr.	11					Larry Russell	8
Lora Thomas	2	Jimmy Smith	11	James Elliott	31	Mathey Lightfoot	20	Juan Betancourt	7
Canada		Oliver Duirden	11	Thomas Nerran	30	Paul Crye	13	James Herrington	7
		James Davis, Jr.	11	Clifton Foster	25	James Horton	8	Michael Martines	7
		Bonner Davis	11	Edward Gardner	25	Vivian Purvis	6	Gary Latham	7
Nester Goshko	12	Noble Johnson, Jr.	11	Billy Rice	25	Structural		Freddie Jordan	6
Brian Stanton	4	Michael Cranford	8	James Cates	23			Leo Molandes, Jr.	6
Corporate Office		Nathaniel Logan	8	Richard Bivin	25			Jeff Sepulvado	5
		Winford Burns	7	James Youngblood	22	Calvin Scarbrough	22	Gary Pierce	3
		David Soto	7	James Cole	22	Sam Swindle	21	John York	3
		Jerry Summers	7	Michael Shuell	22	Craig Curry	19	Johnny Ebarb	3
Sandra McMullen	14	Bernardino Acevedo	7	Richard Williams	20	Jerry Williams	22	Robert Lamar	2
Engineering		Ruben Guevara	7	William Williams	20	Johnny Burrell	17	Michael Rea	2
		Elvis Grimes	3	Charles Jones	17	Paul Smith	13	Jeffrey Cole	2
		Miguel Munoz	3	Milton Atkinson	17	Bobby Ward	13	Clifford Duirden	2
Jerry Taylor	9	Leonard Thacker	2	Richard Dennie	14	Eddie Loche	13	John Zangarine	2
David Jones	7	Roy Burch	2	Ronald Smith	14	Barbara Smith	10	John Brown	2
Final Assembly		Industrial Supply		Jimmy Foster	12	Leslie Hagg	7	Michael Donovan	2
		Harvey Graham	25	James Lunsford	12	Trailer Plant		Robert Garrett	2
Hail Hawkins	15	Nora Smith	19	Thomas Loving	11			Steven Tamez	2
James McCroan	12	Billy Curry	3	Raymond Adams	11	Brown Hays	32	James Hutto, Jr.	2
Vernon Modisette	12	John McGilvra	2	Douglas Harry	8	Ronald Jackson	31	Lawrence Guillory	2
Foundry		Machinery Sales		Eddie Peveto	2	James McDuffie	31	Walter Jones	2
				Harold Donaldson	8	Earl Dover	31	Jeffery Eberlan	2
Odis Garner	36	Jerry Mullens	23	Dwayne Bynum	7	Charles Gault	22	Thomas Reynolds	1
Lonnie Greer	32	Harold Stevens	12	Von Mathews	7	Ernest Jenkins	18	Mark Strong	1
Steve English	30	Regina Meyers	9	Fred Mann	7	Albert Duffield	17	Paul Harrell	1
Lenard Anders	24	John Taylor	4	Horace Hill	6	R. Watkins	16	Welding	
Elmo Scott	22			Ronnie Martin	6	Kirby McAdams	14	Jimmy Stepherson	22
Jimmy Jones	20			Phillip Martin	2	Howard Price	13	David Kelsey	21
				Howard Pettet	2	Willie Smith	13	Judy Talton	20

Promotions CONTINUED

Cleveland, Texas, the Continental Commercial Business School in Lufkin and has attended numerous courses and classes at Angelina College.

Cooney and children, Stephen, 18, and Chris, 15, attend St. Patrick's Catholic Church.

Wayne Chamblee has been promoted to Utility Maintenance Foreman in the machine shop.

Chamblee, a 25 year LUFKIN employee, started initially in the Trailer Division as a welder and after 10 years there, moved over to the machine shop utility maintenance department where he was promoted to working foreman in 1973.

A graduate of Huntington High School, Chamblee spent four years in the U.S. Navy prior to joining LUFKIN.

Chamblee and wife, Marlene, have one daughter,

Marleisha, 9. The Chamblees attend the First Methodist Church in Huntington and he is also a member of the Veterans of Foreign Wars and is a Mason.

CREDIT UNION ADJUSTS INTEREST RATES

LOANS

New Car 11%
Used Car 13%
Signature 15%
Share 10%

ACCOUNTS

\$10 to \$2000 6.5 %
\$2000 &
above 7.25%

OCTOBER COVER

The prototype ultra lightweight steel dump, model ULD-38, is ready for testing. The thirty-eight foot dump weighs 350 pounds less than a leading competitors thirty-five foot steel lightweight dump. When compared to a 37 foot aluminum dump, the ULD-38 is equal in weight, but due to the extra length the LUFKIN can haul the legal maximum GVW of 80,000 pounds.

THE ROUNDUP

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The Lufkin Team



Jimmy Marshburn



Vivian Purvis



W. H. Tullos