

Not on His Watch

Company Veteran Prevents Plant's Closing



Chuck Hinshaw refused to let Federal-Mogul's Frankfort plant close without a fight.

Can one person change the world? Idealists have championed the theory, often altruistic in nature, for generations. The man who piloted retention of Federal-Mogul Corporation's Frankfort plant may not have altered world history. But on a smaller scale, he indelibly impacted the community by minimizing downsizing and defending one of its most well-known businesses. Armed with 25 years of experience at the company, Chuck Hinshaw was promoted to plant manager in May 2001. Just one week later, he was ordered to prepare it for closure at the end of 2004. Magnifying his challenge was an obligation to withhold the catalyst for any changes he executed; the location's pending closing was confidential. Guided by Hinshaw, the plant rebounded. Streamlined productivity and motivational staff training helped limit the job cuts. Of the ultimate reductions, layoffs directly impacted only 40 people. In 2005, the Frankfort plant earned Clinton County's Business of the Year award.

Lucky 21

Pacific Institute's Imagine 21-Fast Track to Change performance program accentuates the importance of positive thinking in relation to change. According to Hinshaw, its principles offer professional and personal relevance. It encourages workers to "face an opportunity and address it," he explains.

During a two-year process, key staff sought training as Imagine 21 instructors. All of the facility's employees participated.

"Keep in mind that we were training (some) employees who were not going to be working for us in the near future (due to layoffs)," he says. "Imagine 21 teaches you that you move toward what you think about. If I sat here everyday and thought 'the plant's going to close,' then the plant will close."

Instead, he focused on an optimistic self-fulfilling prophesy, one that involved the plant remaining operational.

I think probably the biggest change I had was trying to visualize what that future looked like," he reflects, "and that was one thing we shared with all of the employees."

Change in plans

The plant's signature product is Unipistons, an automotive seal. Initially, Federal-Mogul had

By Symone Salisbury

planned to move all business from the Frankfort plant to a low-cost country to save the company \$17 million.

"I've been here for 25 years," Hinshaw comments. "I couldn't see myself as the person closing this plant. And since I wasn't allowed to tell anybody, I just acted instead like 'we're going to run this like we're not' (going to close the plant)."

Based on progress over the next two years, plans were revised in May 2003: the company would transfer only 50% of the sales to another country (thus saving \$8.5 million) if Hinshaw could compensate for the remaining \$8.5 million.

His response? An immediate yes. His strategy? Value stream mapping, a method of eliminating unnecessary processes.

Working with a cross-functional team, he satisfied upper management's demands by eliminating 140 positions. Further reorganization involved plans to send 130 additional jobs to Mexico.

Early warning

Although Hinshaw couldn't reveal that the plant was to close, he informed employees that some jobs would be moved out of the country and others would be eliminated to advance productivity.

He notified them as much as 18 months in advance.

"I think that's huge rather than to keep it a secret and then put somebody out on the street," he stresses, "especially if they could have had an opportunity six months before and you didn't tell them. I couldn't live with myself, so I was very open with people about it.

"We called everyone back who we could call back," he adds. "Because the jobs (were scheduled to go) to Mexico, the employees were eligible for the Trade Adjustment Assistance (TAA) program. We actually had 17 employees who would not have gotten laid off, but participated in that program. The TAA allowed them to retrain here (to find future jobs)."

Surpassing expectations

Since the plant's restructuring, it has been designated the



Federal-Mogul operates globally.

lead plant for Unipistons. In addition, its quality, safety and delivery performance have improved.

"We pride ourselves on 100% shipping performance," Hinshaw declares.

Sales, which were \$60 million in 2001, had slightly declined to a current \$53 million. The latter figure was achieved with 38% fewer staff on board.

"We're going to double the sales in the next three to five years," he predicts. "Hopefully we'll get into the Japanese market (in terms of customers). I feel very optimistic that we're going to break through that. Once we get into that, there'll be no stopping us."

Refusing defeat

What would Hinshaw do differently if faced with another potential plant closing?

"I would probably fight harder to get more people involved from the beginning," Hinshaw considers. "It's not fair to put that on one person. Even if I couldn't have disclosed everything, I would have disclosed something."

He says that the workers at the Frankfort plant distinguish it from others.

"We're specializing in one product," he comments. "There's some danger in that, but we have a unique work group. I don't know of another facility that has gone through the amount of change we went through and come out on top."

He commends his staff for their teamwork, both within and outside of the factory.

The Special Olympics, United Way and March of Dimes are among causes employees support.

"It's hard to measure from others, but my feeling is that we have a much higher participation in terms of being involved."

Reflecting on the plant's near closing, Hinshaw asserts, "I still think American ingenuity and work ethic will always prevail."

INFORMATION LINK

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A "can do" attitude among staff contributed to the plant's turnaround.