



ELECTRONIC SYSTEMS INC.

LEGENDARY SERVICE

An ISO 9001:2008 and ISO 13485:2003 Firm

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Sioux Falls, SD 57104
www.electronicssi.com

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YOU CAN FIND US AT...

Midwest Design-2-Part Show

October 11-12

Indiana Convention Center

Indianapolis, Indiana

MD&M Minneapolis

November 8-9

Minneapolis Convention Center

Minneapolis, Minnesota



In August, ESI associates helped distribute thousands of backpacks full of school supplies to students in the Sioux Falls area. Project S.O.S. (Supply Our Students) makes sure children get what they need to begin the school year. Thanks to the associates and family members who turned out for this great effort!

SUPPLIER APPRECIATION

70-PLUS ATTEND SUPPLIER EVENT

By Colin Sabby, Materials Manager, csabby@electronicssi.com

In August, more than 70 of our supplier partners arrived for ESI's 13th annual Supplier Appreciation Day. Not only was the turnout impressive, but so was the opportunity to interact with these critical business partners. It was a full day, including providing updates on ESI's business, company metrics, facility tours, lunch and networking—and recognizing those suppliers who performed exceptionally well this past year. They are:

ESI values the relationship with our suppliers, and we use this time together to renew that relationship and share expectations. This year, that included a review of our Preferred Supplier program, discussing general guidelines and introducing enhancements that raise the bar on all of the improved conditional and probationary levels. It is one more effort to team with our suppliers to reach higher in providing on-time delivery and quality results for our customers. ♦

BEST IN ALL CATEGORIES (Total Overall Value, Quality and Service)
DIGI-KEY ELECTRONICS

BEST IN CLASS

Heiland Electronics
Active Sales Associates, Inc.
Watertown Box Corporation
Great Lakes Engineering

CATEGORY

Electronic Distributor
Printed Circuit Boards (PCB)
Custom Manufacturer (BTP)
MRO/Consumables/Equipment

LEGEND AWARD

Future Electronics (see page 3)



For the second year in a row, Digi-Key Corporation took home the Best in All Categories award. Left to right: ESI President Gary Larson, Digi-Key representatives Kari Jesme, Lynn Kartes, Tom Treichel, Chris Porter and ESI Materials Manager Colin Sabby.

Integrity,
Responsiveness
& Flexibility



**ELECTRONIC
SYSTEMS INC.**

LEGENDARY SERVICE

THE SUPPLIER RELATIONSHIP

By Gary Larson, President, glarson@electronicssi.com

In 2005, Electronic Systems, Inc. (ESI), launched our very first Supplier Appreciation Day. ESI had been on the receiving end of a similar supplier event, and I thought that concept was a great way to build relationships with our suppliers, thank them for their partnership and recognize those vendors who performed at the highest level. About 40 of our strategic supplier partners showed up that first year.

This August, more than 70 suppliers attended what has become an annual event. I continue to hear from these suppliers—this year more than ever—that we're the only company recognizing them in this way and they are already aiming to win one of our coveted awards next year.

That relationship-building effort doesn't start and end with one supplier event in the summer. It's an ongoing effort. In 2015, we initiated a Preferred Supplier program, an enhancement of an earlier supplier performance rating system. It provides us with a metric to rate our suppliers quarterly for critical factors like on-time delivery, quality and ease of doing business—with the best suppliers reaching the "preferred supplier" status. It's been an excellent tool to help us better communicate

with our suppliers, providing them with information they need to move into that highest level.

It's telling that even though we've tightened the criteria—and are continuing to enhance the program—the numbers of suppliers reaching the preferred status has increased from a handful that first quarter to more than double that number today. The scorecard and the feedback system has absolutely improved our suppliers' performance and service. Those results don't come from beating down a supplier, but building relationships, communicating and treating them with the utmost respect.

It's simply one more way ESI cultivates relationships that make such a difference in our success. We have excellent vendors who want to do business with us. They're the suppliers who, when we call with an urgent need, are ready to come to our assistance so that we can meet our customers' expectations. Thanks to all of our suppliers, and congratulations to our award winners this year. We appreciate your great service and support. ♦



OUR SUPPLIERS SAY

"It is a privilege to be part of [this] team and watch our partnership flourish with open, detailed and timely communication."

—Accounts Manager
Electronics Distributor



Stepping Up with Selective Solder

Manufacturing Engineers Paula Schmidt and Hans Haase stand beside ESI's new ERS A VERSAFLOW 3/4 selective solder system. The VERSAFLOW, which went on line early this summer, replaced one of the company's two selective solder systems. Paula, who researched the purchase, says the VERSAFLOW provides higher throughput, explaining that its three individual modules enable the machine to flux, preheat and solder different boards at the same time. "This is definitely a jump in technology," says Hans. "Not only does it increase our capacity, but it is much easier to program, enhances our versatility and accuracy, and improves repeatability."



CELEBRATING OUR LOYAL ASSOCIATES

30 YEARS

Doug Engesmoe came to ESI in 1987 as part of a group of vo-tech students hired to work a night shift. Soon he was at school nights and at ESI days. He worked his way from production associate to technician, tech team leader to test engineering technician, a position he's held since 2007. He builds testers, keeps them operating and writes test programs. Major changes in 30 years? "The amount of automation in our testing equipment," answers Doug. "In the old days, they were comprised of more user-dependent switches." Doug is married to Kari, who has worked as a production associate at ESI for 28 years. The couple has one grown son and enjoys golf, camping and fishing. What does he enjoy about his job? "I enjoy the designing aspect," he says.



couple now has a six-year-old daughter. "I'm glad this company is here," says Donna. "It's been quite a ride."

Brenda Scheerhoorn was working at a manufacturing plant across the street from ESI when she responded to an ad for ESI production associates. She has been building circuit boards ever since and especially loves to solder. "Since there are so many different types of assemblies, you're always doing something different," says Brenda. "I like that." The biggest change in the past 25 years? "Going paperless," says Brenda. When not at ESI, Brenda normally would enjoy camping with her fiancé Doug. Lately, though, she's been devoting most of her free time caring for her mother who is battling cancer. She says she's glad she responded to that ad in 1992. "I like the work," says Brenda, "and I take pride in knowing that I did a good job on a project."



25 YEARS

Donna Reinertson was making pizzas at a convenience store when a friend recommended ESI. "I started in production prepping parts all day long," she recalls. "The second day I did the same thing and didn't know if I was going to stay." But her job soon expanded. She has been a team leader, worked in quality and became an AI writer 12 years ago, helping transition to a paperless system. "I like the variety and the interaction with everyone," says Donna. "I also like seeing a new product progress from start to finish—and making the customer happy." Working at ESI impacted her life on a more personal level, as well. She met her husband, Kent, at work, and the



Tony Johnson has a dry sense of humor and he can tell you the exact day he started at ESI: October 5, 1992. This associate test engineer started as a production associate, was promoted to production technician and finally to associate test engineer. "I like to tinker and I've always been into electronics," says Tony. In his position, he helps develop test systems. "There's a lot of thinking, calculation and research that go into the job," he explains. "It's a higher form of technical work which is very challenging. I love my job. I have no real desire to go anywhere else." Tony and his wife, Chelsea, are foster parents. He is also an avid ham radio enthusiast and does some electronic work at home. ♦



To see all Q2 Preferred Suppliers, go to www.electroniccsi.com, click on the News/Events link and look for Preferred Suppliers of Q2 2017.

LIKING THE CHALLENGE

Here's a quick Q&A with Colin Sabby, who joined the ESI team as Materials Manager earlier this year.

Q. How much of your career has been involved in the materials side of manufacturing?

A. I've been in the materials business close to 20 years. Most recently, I was materials manager for Bell Inc., the manufacturer of McDonald's Happy Meal boxes. Prior to that, I worked for Interlaken Technology Co., a manufacturer of CNC hydraulic presses in Chanhassen, Minnesota, and was earlier a buyer for Miltronics USA, which produces shop equipment in Waconia, Minnesota.

Q. Are you a Minnesota native?

A. I'm originally from Wisconsin and moved to Minnesota when I was 10. I'm a Green Bay Packer fan but, when it comes to baseball, I follow the Minnesota Twins because it's more difficult to get to see my Milwaukee Brewers play.

Q. What draws you into the materials part of the business?

A. It's never the same thing and always changing. I like the challenge. In this business, you're often measured against yourself—and that push to get better.

Q. Why make the choice to come to Electronic Systems?

A. When I met with Jeff [Tornow] and Gary [Larson] I liked their approach with suppliers. I have always agreed with the mentality that suppliers are an important part of anyone's business... and that you can get just as much—and even more—from your suppliers if you develop a positive—rather than an overbearing—relationship. We want to be a preferred customer to our suppliers.

Q. Tell us a little about your life outside of ESI?

A. My wife, Holly, is a director of marketing at North American



Truck and Trailer in Sioux Falls. I'm a dad of two boys, ages 15 and six, and a seven-year-old girl. I used to do all kinds of sports, love to travel and was always on a lake while in Minnesota. Today, with work and the children's activities, I don't have much time to pursue those things, but I wouldn't have it any other way.

Q. How is the transition going at ESI?

A. I'm really happy with where I'm at. This is a fast-paced environment, and I say that after coming from a fast-paced environment. It's exciting to see the growth in business and the challenges involved with staying ahead of that growth in the materials area. ♦

2017 LEGEND AWARD WINNER

Future Electronics of Eden Prairie, Minnesota, took home the ESI Legend Award during the 2017 Supplier Appreciation Day in August. For the third year, a Legend Award was given to acknowledge a supplier that best exemplified the core values of Electronic Systems: legendary integrity, responsiveness and flexibility.

"They went above and beyond for us on a quote and offered unsolicited price reductions," explains ESI's Senior Buyer Linda Mohr. "Future Electronics offers solutions. If there's a part they

can't get for us they'll tell us if another vendor has it in stock and also what they can provide as an alternative—and then proactively send us data sheets for both. They simply make our job easier."

Gary Larson, who initiated the Legend Award for ESI associates several years ago, expanded it three years ago to include suppliers. He says Future Electronics was worthy of the coveted award. "They really helped on a couple of new business opportunities," explains Gary. "They went beyond our



ESI President Gary Larson (left) and Materials Manager Colin Sabby (right) congratulate Future Electronics representatives Tammy Julkowski and Jon Wildung (center) on receiving the 2017 Supplier Legend Award.

expectations in quoting, giving us aggressive pricing and helping us win a pretty significant piece of business." ♦