



ELECTRONIC SYSTEMS INC.

LEGENDARY SERVICE

An ISO 9001:2008 and ISO 13485:2003 Firm

600 East 50th Street North
Sioux Falls, SD 57104
www.electroniccsi.com

PRSR STD
U.S. POSTAGE
PAID
VISTACOMM

YOU CAN FIND US AT...

MD&M Minneapolis
October 31-November 1, 2018
Minneapolis Convention Center
Minneapolis, Minnesota

ESI associates helped distribute 5,549 brand new backpacks filled with school supplies to students in the Sioux Falls area in August. It's the fourth year ESI has participated in the S.O.S (Supply Our Students) program. "It's like Christmas for these kids," says ESI President Gary Larson. In June, ESI associates also participated in a blood drive. "These are great ways for the employees to get to know one another better and contribute something back to our community."



RECOGNIZING THE BEST

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



There's a race to the top among our valued supplier partners, and we're pleased to announce this year's winners of our Best in All Categories, Best in Class and Legend awards during the 14th Annual Supplier Appreciation Day in August. More than 70 supplier representatives attended the day-long event.

We value our suppliers, and at no time has the importance of good supplier relationships been more imperative. Not only are EMS companies dealing with long lead times on components, but the current trade war between China and the U.S. has a growing number of parts on the tariff list. In other words, the costs of the tariffs are starting to hit customers.

In response, ESI is working really hard to help customers avoid the tariffs and subsequent higher costs when and where we can—whether that means using a different manufacturer or working with a manufacturer to get parts from a factory outside of China. Those efforts are strengthened by the positive relationships we've built over the years with our suppliers. ◆



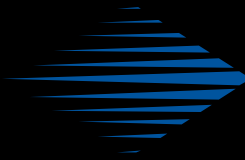
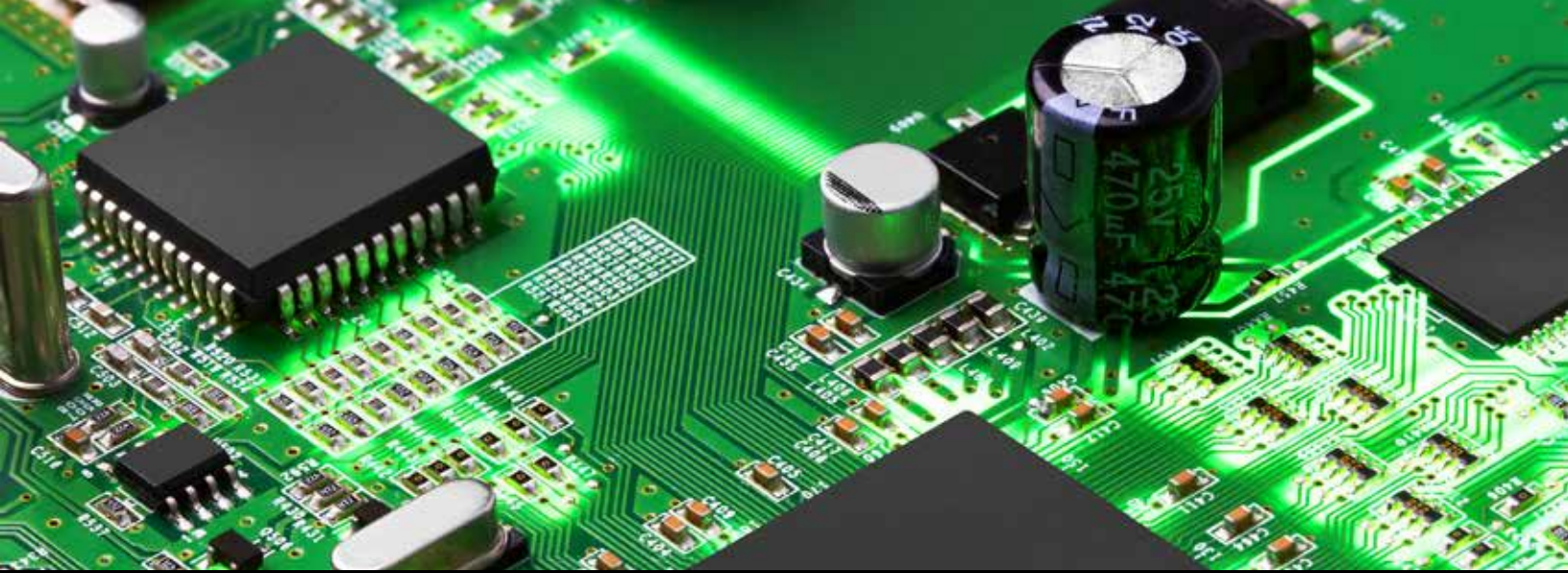
Digi-Key Corporation took home the Best in All Categories award during this year's Supplier Appreciation Day. Left to right: ESI President Gary Larson, Digi-Key representatives Kari Jesme, Tom Treichel, Lynn Kartes, Bart Trebnick and ESI Materials Manager Colin Sabby.

BEST IN ALL CATEGORIES (Total Overall Value, Quality and Service)
Digi-Key Electronics

BEST IN CLASS
TTI, Inc.
Active Sales Associates, Inc.
General Label
Test Equity

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

LEGEND AWARD
America II Electronics (see page 1)



**ELECTRONIC
SYSTEMS INC.**

LEGENDARY SERVICE
INTEGRITY, RESPONSIVENESS, & FLEXIBILITY

WWW.ELECTRONICSI.COM • FALL 2018

“ESI is committed to working with their suppliers to develop programs that help solidify long-term partnerships.”

—SALES REPRESENTATIVE,
ELECTRONICS DISTRIBUTOR

EXTENDING OUR CULTURE

By Gary Larson, President, glarson@electronicsi.com

During the South Dakota Manufacturing Summit this fall, one presenter focused on the importance of a company’s culture—and how to extend its mission and vision throughout its business practices. We had just held our company’s Supplier Appreciation Day, and I realized that the annual event has become an effective way for Electronic Systems, Inc. (ESI) to extend our culture to our supplier partners.

As suppliers came to Sioux Falls in August, we did what we always do—discussed what’s new at our company and how we’re striving to improve outcomes for our customers. We also celebrated those suppliers who came out on top the past year in terms of servicing ESI in various categories (see page 4).

Three years ago, we added another award to this event, opening up our Legend Award—previously reserved for our associates—to our suppliers. Presented to a supplier who goes above and beyond the expected, this year’s recipient was America II Electronics. The reason? Their extraordinary service. As our Materials Manager Colin Sabby put it: “If they don’t have a part we need in stock, they direct us to another supplier or they’ll find alternates. They get creative and come up with solutions, going above and beyond each and every time.”

continued on page 2



ESI President Gary Larson (left) and Materials Manager Colin Sabby (right) congratulate America II representatives Marc Spanke, Paul McGee and Jon Carlson on winning the 2018 Supplier Legend Award.

INSIDE

- Anniversaries That Matter.....2
- Q&A with Hans.....3
- Quick Response Saves Life.....3
- Of Tariffs and Awards.....4

YEARS OF SERVICE

25 YEARS

Lois Fett is the senior member of the materials team at Electronic Systems. In 1993, when she first walked in the door and started handling materials, she says there were not nearly the number of parts that there are today, but fortunately, computerization has made the job of labeling and tracking much easier.



Whether she's receiving materials or delivering them to the manufacturing floor, Lois returns each night to the organic farm she and her husband, Edward, run southwest of Sioux Falls. Lois says she loves country living, where she helps raise sheep—even when one of the older ewes, who has a habit of jumping fences, gets into her garden. "She jumps every fence we've got," says Lois. "I've decided there's no sense in gardening until she's gone." The sheep end up being more than a commodity. The Fetts recently sold 100 of the wooly animals to a farm near the Canadian border. "We had to drive up there to check on them because they're our pets," says Lois.

At ESI, she says she enjoys the variety of her job, doing something different each day. "I do whatever Ron (Warehouse Manager Ron Fuerstenberg) tells me to do, she says, adding "He's a great boss."

35 YEARS

There are at least two distinguishing facts about **Kathleen Dirksen's** career at ESI. She is the first and only person to hold the title of both planner and buyer at the same time, and she now carries the mantle of the longest-serving ESI associate following the retirement this August of long-time friend and employee Deb Sittig.



Kathleen started on the production floor at ESI in 1983. She's been a team leader, manager and then, in 1991, a planner. In 2012, she became both planner *and* buyer for some of her customers. "As a planner, I see any issues right away and can jump over to the buyer side," says Kathleen. "For me it's been a good fit." Needless to say, the job of both planning and purchasing for a customer can be stressful.

"My husband, Guy, owns his own exhaust and brake business. When he comes home at night he is physically beat," explains Kathleen. "When I come home my brain is just exhausted." Her refuge is the couple's two Australian Shepherd dogs, as well as her backyard and garden. "When I get home, I let the dogs out, walk around our backyard and breathe in the air." She also belongs to Sisters on the Fly®, an organization of women who have camping events across the country.

Despite occasional stress, she says she loves the job. "I like the type of technology we're doing," she says. "It's new and exciting. We're always getting new machines and can place parts faster, and our customers are varied in what they need. Plus, you make friends over the years and develop great working relationships." ♦

continued from page 1

EXTENDING OUR CULTURE

The Legend Award—in fact, any of our supplier awards—are not just plaques to hang on a supplier's wall. They are a confirmation that these partners understand and buy into our core mission to provide our customers with Legendary Service—doing it with integrity, responsiveness and flexibility.

Our associates are an extension of that culture, as well. In this issue, we celebrate dedicated team members who not only perform at the highest level within the walls of ESI, but also care for their fellow associates and their community. Legendary Service is what ESI is about in so many ways! ♦

BADGE OF PRIDE

ESI has always recognized momentous anniversaries of our associates—beginning at 10 years and every 5 years thereafter. Recently, we've added a physical reminder of their years of service. We have created patches that associates can wear on their work smocks to indicate those special anniversaries. "We want people to know we appreciate when they've been with the company for a long time," says ESI President Gary Larson. "Having a consistent workforce to provide a high standard of workmanship is a big deal." ♦



OUR OWN CITIZEN HEROES

It's frightening when a medical emergency happens at the workplace. But that's exactly what happened this past July when one of our associates, Gene Drong, collapsed on the manufacturing floor with a massive heart attack.

Fortunately, ESI has an associate-manned Emergency Response Team. Two of the team members, Doug Engesmoe and Dave Anderson, used a portable Automated External Defibrillator (AED) and administered CPR to Gene. Other members of the team called 911, managed the crowd and assisted until the ambulance arrived. With the help of his coworkers, Gene survived. In fact, he was back at work several weeks later. Doug and Dave were both presented a Citizen Hero award from the Sioux Falls Fire and Rescue Department.

We're so proud of Doug, Dave and the entire Emergency Response Team and so pleased that Gene is back with us. It certainly qualifies as an especially meaningful example of Legendary Service! ◆



ESI Associate Doug Engesmoe (right) receives a Citizen Hero award from Sioux Falls Fire Chief Brad Goodroad. (Not Pictured) Dave Anderson also received the award at a different time.



RADIOS, PINBALLS AND ELECTRONICS

MEET MANUFACTURING ENGINEER HANS HAASE

Q. You grew up in New York where you met your wife, Alba. How did you both end up in South Dakota?

A. I graduated college in flight operations and worked 13 years for ARINC in aviation radio. We basically had a radio relay service for the FAA (Federal Aviation Administration), helping them talk with airplanes halfway across the Atlantic Ocean. I was also in the National Guard as a radio technician. I wanted to be in aviation since I was a kid, but we were living in New York at the time and we hated it, so when we had enough money we quit our jobs and moved to South Dakota, where I had family connections.



Q. Your path to Electronic Systems was a bit unorthodox. Please explain.

A. Prior to starting at ESI in June 2017, I worked in electronics manufacturing for another company in South Dakota, after leaving New York. Here is where things get both amusing and weird. I also have my own electronics manufacturing company at home, building circuit boards for pinball machines.

Q. Okay. Now you've got to explain how you got into the pinball circuit board business.

A. I bought an arcade machine at a garage sale. My wife loves entertaining at the house and she loved how everyone came over to play it. Then I bought a pinball machine but didn't realize it had a reputation for being impossible to fix. But I did fix it, and so people said, 'If you can fix it, I'll send you my circuit board to fix.' I got so many that I started making my own little gizmos to make it easier to fix. People started buying them and it snowballed. It's a hobby that got out of control.

Q. Today you're working with and on equipment at Electronic Systems. These aren't pinball machines, but does the job satisfy that inner engineer?

A. There is always something new here—always a challenge. At ESI, I have the opportunity for ownership of what I do, and because I'm in tune with the needs of the company I have a longer leash to find solutions.

Q. Do you ever turn off the desire to get in and "fix it?"

A. We have a nine-year-old daughter and you can often find the three of us on a skating rink. I enjoy doing technical stuff but sometimes I like doing things just for fun and turning the brain off for awhile. ◆

To see all Q2 Preferred Suppliers, go to www.electronicssi.com, click on the News/Events link and look for Preferred Suppliers of Q2 2018.