

**ELECTRONIC  
SYSTEMS INC.**

**LEGENDARY SERVICE**  
INTEGRITY, RESPONSIVENESS, & FLEXIBILITY

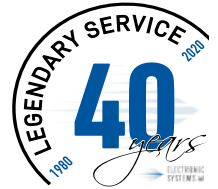
WWW.ELECTRONICSI.COM • SUMMER 2020

***“During a very difficult quarter, ESI demonstrated superior delivery, excellent quality and responded to our difficult planning patterns. ESI’s performance during the pandemic is greatly appreciated.”***

— VP of Operations,  
Industrial Controls Company

## ESSENTIAL AND COURAGEOUS

By Gary Larson, President, [glarson@electronicsi.com](mailto:glarson@electronicsi.com)



In the early weeks of COVID-19, there was uncertainty and fear. Many of us, including our associates, were worried. If they came to work and got sick, what would it mean to them, their family and their

livelihood? And I was worried. Are people going to show up for work? Every morning as I turned the corner to our Electronic Systems, Inc. (ESI) facility, I was concerned that our parking lot might be half empty, but it never was. Instead, our people showed up, came together and worked hard. I am blown away by their dedication and courage — and I am so proud of them.

That commitment was reinforced by our customer base, many of whom are in the essential markets of medical, energy, transportation and agriculture. We received letters early on from those customers expressing that we were part of their essential supply chain, and they needed us to stay open. Those letters meant a lot. Not only did it reinforce the company’s importance, but the importance of every person at ESI.

And stay open we did, taking steps to keep our associates healthy. We increased sanitation efforts, added hand sanitizer stations

throughout the facility, required masks, instituted safe distancing measures wherever possible and stopped all visitors to the facility until June 1. Employees were free to stay home if they felt uncomfortable or were at high risk, and if they felt sick, we insisted they stay home. As a result, we were able to maintain our capacity and go above and beyond for our customers.

It’s been a time to be the shining star in the supply chain. Not every company had that capability, for whatever reason. The point is, we’re still here, we’re fully engaged and able to take on whatever projects are out there. We can help you if you’ve experienced disruptions in your supply chain. After all, we’ve got a pretty mighty courageous group of people and we’re appreciative of every last one of them. As it states on t-shirts given to all of our employees, “We Are Proud to be Essential!” ♦

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# FINDING A NEW APPROACH

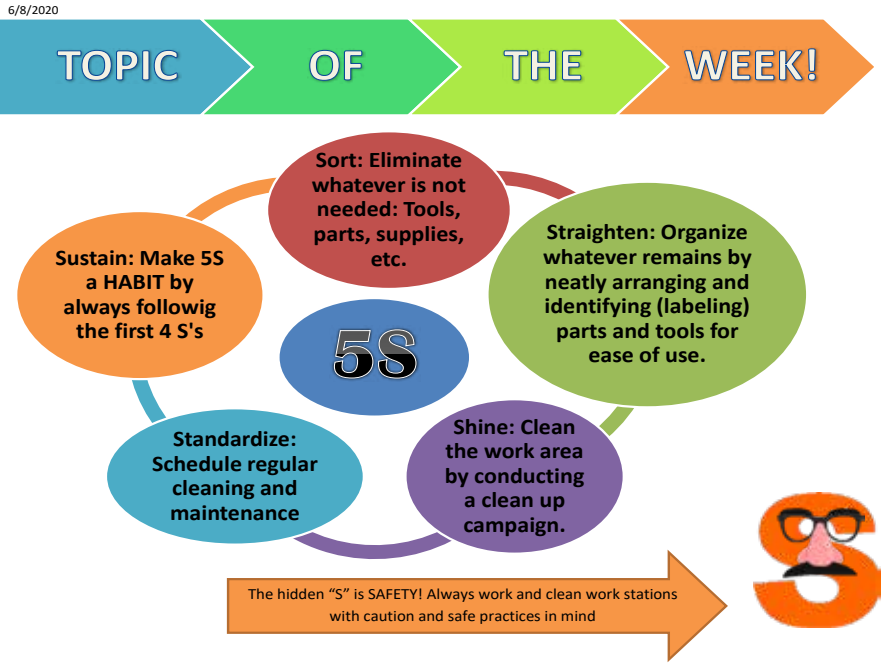
ESI's Employee Development Specialist Danielle Lammi has found a unique way to continually challenge our associates to expand their knowledge of production, processes and safety.

"We have information that is important for our associates to know, but was previously only reviewed with them annually," explains Danielle. "I wondered how we could better integrate that information into our culture and suggested implementing 'Topic of the Week.'"

Through the program, a different word, concept or piece of information is selected each week — topics like 5S, epoxy basics, emergency response or non-conforming materials. That topic is broadcast prominently on the break room bulletin boards, in emails and on the production floor screens. "We also expect our supervisors and managers to go over the topic with their team," says Danielle.

At the end of the week, she randomly polls the production floor, asking different associates questions about that topic. If they answer correctly, they receive a small financial reward. "It seems to be a new way to get people to really pay attention when we talk about these topics," she explains, "and to better understand how the topic fits into the work they do."

This summer, ESI intern Jenna Christensen has added something extra to the project. "With all of the COVID-19 concerns, we've added a health topic of the week," says Jenna. "We started covering basic topics about health care in the workplace, things like the proper way to wear a mask, how do you stop the spread of the coronavirus and the proper way to wash hands." ♦



ESI is using an innovative Topic of the Week program to keep basic and important information front and center for associates.

## Q1 PREFERRED SUPPLIERS' LIST:

- America II Electronics
- Bisco Industries
- Digi Key Corp.
- Future Electronics Corp.
- Quist Electronics
- TTI, Inc.
- Hisco
- Watertown Box Corp.
- Atscott Mfg. Co, Inc.
- Minntronix, Inc.
- Engel Diversified Industries, Inc.
- Harvey Vogel Mfg. Co.
- Kurt Mfg. Co.
- Active Sales Associates, Inc.
- Donnelly Custom Mfg. Co.

## STEPPING UP WITH BLOOD DRIVE



ESI associates are always ready to make a positive difference in our community. On June 23, many did just that when they donated blood through a mobile blood bank unit brought to our facility. We've hosted the mobile blood bank before, but it seems especially important this year as blood donations have fallen across the country due to the COVID-19 pandemic. A big "thank you" to our associates for their generous spirits! ♦

## REACHING MILESTONES

**15 YEARS**

- Egigayehu Debalke...January 24
- Melanie Rowell.....April 7
- Richard Harwig.....May 31
- Chad Wolfgang.....May 31
- Johanna Traylor.....June 27

**20 YEARS**

- Mary Buruiana.....June 5

# KEVIN HAALA: LEAN GURU

In April 2019, ESI created a new position: Lean manufacturing specialist, hiring Kevin Haala to take on the responsibility. “We’ve been practicing Lean manufacturing for many years,” says ESI President Gary Larson, “but it’s hard to stay focused if you don’t have someone leading the Lean charge on a day-to-day basis — making sure we are being as effective and efficient as possible.” Read on to find out more about Kevin and his position.

## Q. What’s your manufacturing background?

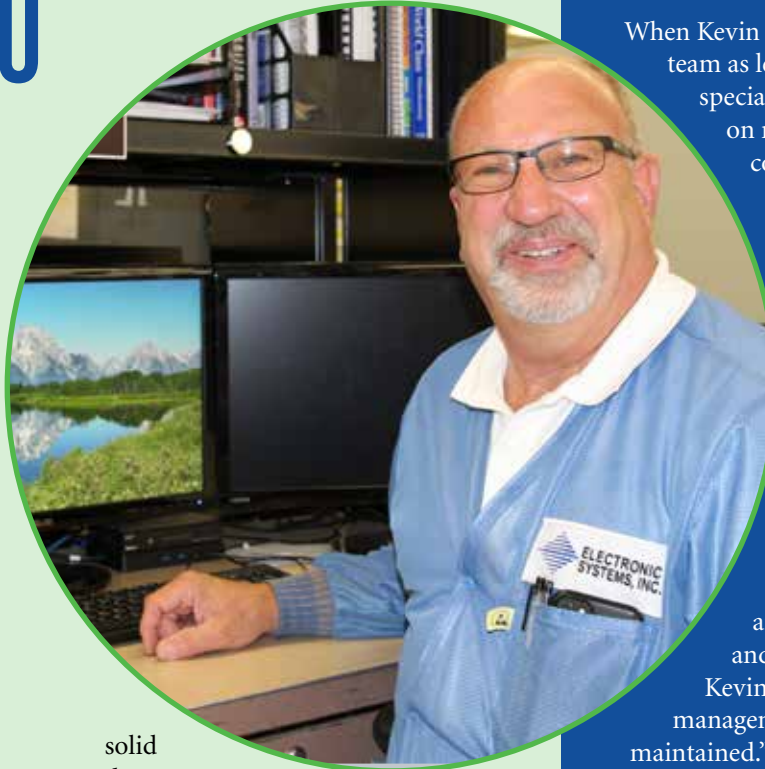
A. I have 40-plus years in manufacturing. I’m a small-town farm boy, born and raised in Sleepy Eye, Minnesota. I started as a temp employee at a company that manufactured promotional items in our town. I stayed with that company through acquisitions and name changes, working my way up through the ranks in roles including supervision, project management, quality and lean manufacturing.

## Q. What brought you to ESI and South Dakota?

A. We came to be closer to family, and I was looking for an opportunity for a Lean position. ESI was the right sized company and a little more personalized.

## Q. What appeals to you about the Lean process?

A. With Lean, small improvements can add up to big changes. I like taking a process and saying, “We’re doing pretty good at this but could we do better if we change the process a little bit?” I also like letting data drive where a problem in a process might exist. Everybody can and will have opinions about what might be wrong, and they may be right, but



solid data can tell you that 80% of a problem, for example, is a specific issue.

## Q. Besides data, what’s important in creating an effective Lean program?

A. Continuous improvement is all about employee engagement. You’ve got to interact with the associates. It can be a little challenging because people are in a comfort zone, but you talk to people and say, “What about if we try it this way?” And listen when they make suggestions. You need employee feedback.

## Q. What about family and personal interests?

A. My wife, Sandy, is a registered nurse at a senior living facility. In addition to working on home and yard projects, I enjoy classic cars and old tractors. We have three sons — one close to us, one in Minnesota, and another in North Carolina. We also have five grandchildren, ages one to eight years old. They are a big part of our life. We jokingly say we don’t have kids anymore, we have grandchildren. ♦

## MAKING A DIFFERENCE

When Kevin Haala joined the ESI team as lean manufacturing specialist, his focus was on re-energizing the company’s commitment to Lean — taking it to a new level. One 5S workplace organization project is a prime example. ESI has been updating an already existing database of tooling and test equipment. “The database has been there for a long time, and it’s a very useful and valuable tool,” says Kevin. “But it takes personal management to keep it maintained.”

The database includes an assigned number for each tool, that tool’s use, designated location, the customer associated with it and a photo. “We started area by area, looking at the database and evaluating each item,” explains Kevin. “We asked, ‘Do we need this tool anymore? Is it in its designated area? Is it an active customer?’ In some cases, tools were found to be obsolete and were removed from the database. In other cases, tools that weren’t currently being used but could possibly be put back to use were archived. If a tool stayed, it was relabeled and a new photo of it taken.”

“We’re probably 60-70% through the database,” says Kevin. What difference does it make? “If a tool is no longer needed, it’s taking up space and could increase the chance of error if it’s accidentally picked up and used on a build,” he adds. “If it’s not in the right place, and an associate has to go and find it, they are using time that could have been used making product. It’s not a real complicated thing, but it makes a difference.” ♦



**ELECTRONIC  
SYSTEMS INC.**

**LEGENDARY SERVICE**

**An ISO 9001:2015 and  
ISO 13485:2016 Firm**

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PRSR STD  
U.S. POSTAGE  
PAID  
**VISTACOMM**

YOU CAN FIND US AT...

**MD&M**  
**October 28–29, 2020**  
**Minneapolis Convention Center**

**ESI Supplier Appreciation Day**  
**Aug 27, 2020**  
**Sioux Falls, South Dakota**

Due to the COVID-19 pandemic, the events  
above are pending. Please check our  
Facebook page for updates.



FOLLOW US ON FACEBOOK AND LINKEDIN!

## FAST AND ACCURATE COUNTING

By Colin Sabby, Materials Manager, [csabby@electroniccsi.com](mailto:csabby@electroniccsi.com)

Inventory management became much more manageable this past December when ESI's new Scienscope AXC-800 III was put into operation. The x-ray component counter replaces an older manual system that took approximately three minutes to count parts on each individual reel. It simply couldn't keep up with an increased production pace, so associates often relied on spot checking how many components were remaining on a reel at the end of each job, which increased the possibility of running out of parts during assembly.

Instead, the Scienscope can count components on four 7" reels at a time within 23 seconds, or one large 13"-15" reel within 16 seconds — meaning we have an accurate count of tens of

thousands of parts very quickly. This machine is so fast and accurate that we can count every reel coming off of the production floor every day, so we always know the exact number of parts remaining on each reel. Being able to have accurate counts quickly has also allowed us to track down possible component production issues earlier. Easy to use, reels are placed in the system, the door is closed and the count begins automatically.

The Scienscope has additional features, including the ability to automatically scan our inventory tags as the reels are being counted. It will also print new labels for each specific reel being removed. Inventory accuracy is a corporate goal, and this new equipment is making a positive difference. ◆



*ESI's new Scienscope X-ray Component Counter can accurately count tens of thousands of components in seconds.*