

# FOLKS



CONNECTING OUR GLOBAL CATERPILLAR FAMILY TODAY

JANUARY 2006

## Employees Speak Out About The New Strategy And *Our Values In Action*

### Staff Report

**Editor's Note:** Following the unprecedented global launch of the company's new strategy and updated Code of Conduct, Folks asked employees around the world about their impressions. The overwhelmingly positive response proves the message was well received—one that will inspire Team Caterpillar to achieve the bold goals ahead.



Cynthia Guo

"As an employee from China, I was thrilled to see that my country had been made one of the CSFs. I feel proud that my work can help propel my company and country to higher places. Many years down the road, people may not be able to remember the company's

revenue and profit numbers, but values are unforgettable. Most importantly, having relocated to another country as an employee, I can strongly feel the value of Team Caterpillar through the support and encouragement from everyone. This makes me more confident to meet the challenges ahead in my new working environment because I know that with Team Caterpillar at my side, I am not alone."

**Cynthia Guo, Chennai, India**

"For me it's about being able to relocate to a different office in a different country and hit the ground running because we all know what success looks like. It's about being able to join a negotiation team with members from all over the world and be confident that the values will bring us together as a cohesive team and allow us to achieve the desired results in an efficient and ethical manner. It's about being able to call up any employee of the worldwide Caterpillar enterprise and ask for help. It's about being able to share a clear picture of our corporate culture with stakeholders and prospective hires. For me, it's about being effective—and sleeping well at night."

**Jurg Zundel, Zurich, Switzerland**

"There is no doubt in my mind that to be successful as a company and achieve our Vision 2020 goals, each employee needs to understand what it takes for him or her to be successful. Just like a class I taught, it is more than the students showing up at school each day—it is helping them to connect the dots between where they are now and where they want to be after they graduate.

If each of us takes it upon ourselves to connect these dots—in short, committing to make each of our employees successful—then Caterpillar as a company will be successful."

**Dennis Skarvan, Peoria**



Melchades Peron, Jr.

"Doing things planned as we are, creating the Vision 2020 and having the execution and leaders teaching us, I do not have a doubt that we can create a great company."

**Melchades Peron, Jr., Piracicaba, Brazil**

"After being in the work force for almost 15 years, I have realized that most people's work life can be divided roughly into thirds. As I work within the middle third of my career, my goal is to help build Caterpillar into a giant among companies. My goal for the final third of my work life is to be standing on the shoulders of 'the giant' looking toward my future, confident that my retirement is secure, my shares are of great value, and my legacy is one of which I can be very proud. Vision 2020 is the framework for meeting my goals, but my long-term security is a major motivator for my personal input into the Vision."

**Patricia Eastwood, Nashville**



Patricia Eastwood

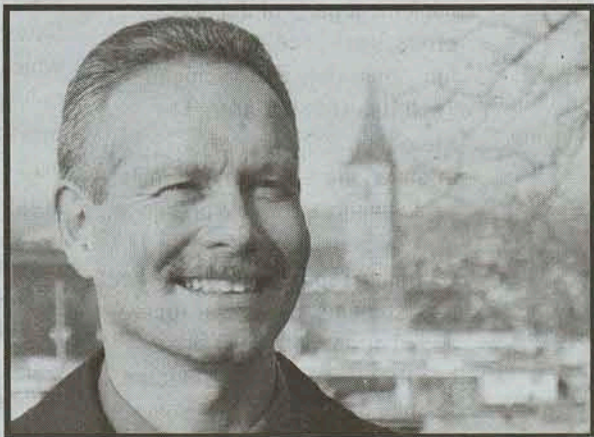


Zeca Santos

"The 'leaders as teachers' approach is fantastic. Definitely great efforts and resources must be invested in people to significantly

increase our company's intellectual capital and reach our long-term goals, but I am absolutely convinced that we will."

**Zeca Santos, Piracicaba, Brazil**



Jurg Zundel

"What's most exciting to me about the values and strategy is the pride I feel in working for a company with such a long-term vision. It will take the enthusiasm and involvement of all of us for Caterpillar to reach Vision 2020. With each of us having well-defined goals that align with the strategy and values,

we will make it happen."

**Alexis De Vlieghe, Gosselies, Belgium**



Alexis De Vlieghe



SS Koo

"I am very impressed with the speed and quality of the new strategy being cascaded to all levels of employees. This clearly demonstrates the commitment and leadership of Caterpillar in sharing critical information and ensuring all employees

understand the corporate direction. Our team should be very excited to be part of an area of the world that has incredible potential in growth and plays a very large part in China strategies."

**SS Koo, Singapore**

"There comes a time when you need to raise your head up above the daily tasks, look around, and realize that you are a vital part of a great organization. Vision



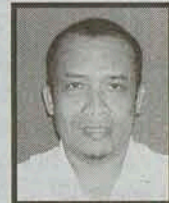
Darren Brooks

2020 is our worldwide pep rally. It's a time to reflect on our accomplishments, energize our global 'Cat spirit,' and dedicate ourselves to even greater success."

**Darren Brooks, San Diego**

"When 'People' was chosen as one of our strategic goals, I was delighted because I love to work with cooperative and creative people. For us to achieve our Vision 2020, I believe it's going to take more than just very strong commitment from the top management to the shop floor. We will need to educate employees, improve communication, and reward people who exceed goals. Most importantly, we will have to review our progress made towards our strategic objectives with great discipline."

**Edy Susanto, Jakarta, Indonesia**



Edy Susanto

"In my opinion, we, Caterpillar employees, need to outwork our competitors and share information and knowledge across the company with great speed to reach Vision 2020. At the same time, we need to be agile and perceptive as the marketplace changes. Vision 2020 encourages me that Caterpillar has a very bright future."

**Eric Hodel, Peoria**



Eric Hodel

"I felt that the values and strategy affirm our stand as a global leader. The rollout was especially significant to us in Asia Pacific as it reinforces our efforts of gaining leadership in the emerging markets. With China being one of our CSFs, we are definitely geared towards our Vision 2020 goals. However, we should all play our part on this road to success by focusing and attaining our 2010 targets. The strategy certainly helps us as it seems to strongly focus on the actions of all employees by going the extra mile to align our SMART goals to the objectives of the new strategy. Holistically as a team, we should all be structuring ourselves to move in one direction—the enterprise direction!"

**Suresh Kutaiyan, Singapore**



Suresh Kutaiyan

"Caterpillar's success was forged by bold men and women who undauntedly traveled the corners of the earth to source, design, build, sell, and support products that made its customers successful. In the process, Caterpillar employees earned the respect of



Dave Schmitz

suppliers, customers, and each other through high standards and morals while not being afraid to get their hands and shoes dirty. Vision 2020 regenerates Team Caterpillar's ancestral courage while raising the standards to unprecedented levels to ensure our growth and unrivaled endurance."

**Dave Schmitz, Los Angeles**



## Chairman's Corner



### Living By The Code

When we reissued our Worldwide Code of Conduct in 2005, we renamed it *Our Values in Action* for good reason. It's not just a collection of words—it's a practical guide for how we conduct business and treat one another every day. It provides clear guidelines on the actions we must take—and avoid—as we put integrity, excellence, teamwork, and commitment into action.

When we first issued our Code of Conduct back in 1974, we were one of the first companies to do so. And as we've updated and enhanced it over the years, our Code has become one of the most comprehensive documents of its kind. I'm especially proud of the current version because it includes your ideas. A 6 Sigma team collected input from thousands of you around the world and used your feedback to identify the core values and behaviors that have guided our success over the years—and will help us be even more successful in the future.

To help us all better understand the Code and how to apply integrity, excellence, teamwork, and commitment in our daily work, we are conducting an awareness and understanding assessment process. (See information below for details.) Some of you have completed this assessment in the past, but this year every one of us will do it—either online or in presentation groups. It's a process we plan to go through every year because understanding the Code is so important to our success.

When we all work to understand *Our Values in Action* and guide our individual behavior by them, we protect one of our greatest assets—our reputation. Generations of Caterpillar people before us built an honorable reputation and exceptional culture through their words and deeds. Now it's our turn to carry the banner, and that's a tremendous responsibility and opportunity. Let's work together to make those who came before us proud and set an example for those who will follow.

Thanks in advance for taking the time to participate in the Code awareness and understanding assessment process. Together, we are laying the foundation for the values-based culture that will carry us forward to even higher levels of success.

*Jim*  
Jim Owens, Chairman and CEO

### Assessment Starts January 12th—All Employees Must Participate

Beginning later this month, all Caterpillar employees—from production lines to the Executive Office—will be required to complete the Awareness and Understanding Assessment for *Our Values in Action*—Caterpillar's Worldwide Code of Conduct. Just like it sounds, this assessment is designed to help employees be more aware and then assess their understanding of the ethical principles, behaviors, and expectations contained in *Our Values in Action*.

Employees with computer access will be asked to take the assessment online between January 12th and February 28th. Those without computer access will be asked to attend facilitator-led sessions in their business units in March and April, where materials will be presented in the languages spoken.

The online assessment tool is available in 14 languages, and it can be found at <https://surveys.Kenexa.com/catcodeofconduct06> and accessed using user name CATUSER and user password CWBC. For compliance and tracking purposes, salary grade 24 and above (or local equivalent) employees will each receive a unique user name and password by e-mail.

More information about the assessment is available on the Office of Business Practices Web site at <https://buspractices.cat.com/obp>.

# 6 Sigma At Work

## New Year Brings New Process For Recruiting New Engineers

By Kitty Ryan

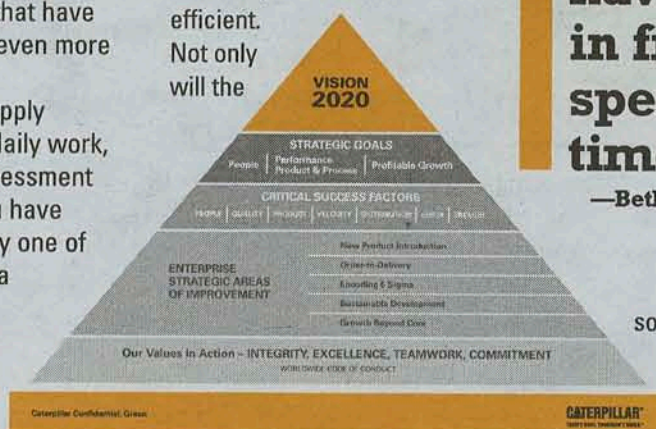
The campus recruiting process for attracting top engineering students to Caterpillar as co-op students, interns, and potential employees will change dramatically this year. The change stems from using 6 Sigma tools to improve recruiting and make the process more streamlined, effective, and efficient. Not only will the

we recruit," she said. "The new and improved recruiting process will enable us to track and engage the highest potential students throughout their school years. We'll more readily know which specific students to target

to help students with their career choice: Know yourself, know the company, and own your future. Taylor also told the students about how 6 Sigma positively impacted her career at Caterpillar. She helped the

**"This means recruiters will have more value-added time in front of students rather than spending non-value-added time shuffling paperwork."**

—Beth Hinchee, engineering recruiting coordinator



so we can focus our attention on the best and the brightest candidates. Then we can pursue those

students actively for Caterpillar scholarships, internships, and co-op opportunities on a personal level rather than just wait for top candidates to surface."

### Pilot Program, Keynote Address Kick Off New Process

In the fall of 2005, recruiting teams at Tuskegee University, Valparaiso University, the University of Wisconsin-Platteville, and the University of Wisconsin-Madison participated in a pilot program using a version of the new process. Other recruiting teams volunteered to implement parts of the new process at specific recruiting functions, including Michigan Tech University's Career Fair. More than 200 companies attended the fair, with Caterpillar exhibiting its strongest presence ever by bringing in a team of 17 recruiting representatives to meet with students. Caterpillar received added attention at the fair because the university selected Michigan Tech grad and Solar Master Black Belt Beverly Taylor to present the keynote speech at the opening event.

In her keynote address, Taylor focused on three interrelated keys

students understand 6 Sigma by saying, "6 Sigma is a way to solve problems. It is also a measurement of variation, including how many defects a process is producing. What would it be like to live in a 3 Sigma world versus a 6 Sigma world? Some say it this way: At 3 Sigma, it means you're dealing with unsafe drinking water for two hours every month. At 6 Sigma, unsafe drinking water enters your life less than one second every 16 years! 6 Sigma focuses on the customer and helps Caterpillar grow and be profitable."

According to Taylor, her 6 Sigma comments appeared to have sparked interest. "We enjoyed heavy foot traffic at the career fair—in part because students were intrigued and wanted to find out more about Caterpillar's use of 6 Sigma, which resulted in them wanting to learn more about potential opportunities at Caterpillar," she said. "With the new recruiting process, we'll be seeing all sorts of innovative approaches for reaching out to students and putting a face on Caterpillar. People connections are vital when Caterpillar is out there competing for top engineers."

**Folks**

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On the cover: This month's Cat family members shown next to the Folks name are (L-R) S. Pazhamuthir, B.A. Raju, G. Saravanan, T.E. Malathy, T. Natarajan, and K. Kamaraj from India.

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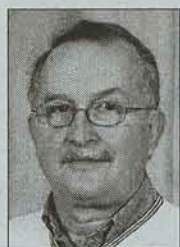
Alfonso Bulzomi  
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Asia-Pacific  
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Jim Kelly  
Track-Type Tractors  
40 years



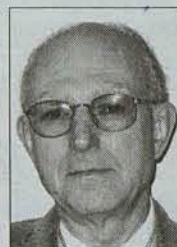
Mike Klasing  
Track-Type Tractors  
40 years



Lye Seng Lim  
Asia-Pacific  
25 years



C.W. Lo  
Asia-Pacific  
25 years



Bill Passie  
Technology & Solutions  
40 years

## Retirees

THANK YOU FOR YOUR CONTRIBUTIONS.  
ENJOY YOUR RETIREMENT.



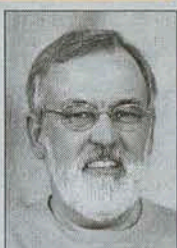
Paul Bateman  
Systems+Processes  
32 years



Tim Crumpler  
Fuel Systems  
28 years



Gary Demmin  
Systems+Processes  
40 years



Jerry Rutherford  
Track-Type Tractors  
31 years

### Retirees Will Meet In Arizona This March

Snowbirds, vacationers, and travelers planning to be in central Arizona in early March should plan on attending the annual retiree luncheon held at the Oakwood Country Club in Sun Lakes, Arizona, on March 11th. More information is available from Sharon and Jack Slocum, 5382 S. Amberwood Dr., Sun Lakes, AZ 85248; phone: 480-895-7596; e-mail: shaja5382@earthlink.net.

## Track-Type Tractors Facility Celebrates 419 Injury-Free Days

By Sarah White

DANVILLE, Kentucky—Employees who work at this Track-Type Tractors facility produce pins, bushings, and undercarriage components for track assemblies. They also produced—and celebrated—419 injury-free days.

In 2004, the facility leaders initiated a safety strategy that emphasized peer-to-peer observations with a continued focus on training. In July 2005, the facility adopted the DuPont "STOP™ for Supervision" program, where only positive feedback is given after front-line leaders observe safety behavior. "While safe work practices may not have gone unnoticed in the past, they certainly were not as openly acknowledged as they are today," said Operations Supervisor Luid Flynn. "Employees are grateful for the praise and recognition the program offers, and we are seeing an increase in safe work habits and improvement in employee morale."

Another step taken to improve safety has been in the area of ergonomics—the science that seeks to adapt tasks and tools of a particular job to fit the person rather than adapting the person to fit the job. Tilt tubs, lifting cranes, and rubber floor mats were added to reduce the

risk of injury, and the local medical center's occupational health therapist was brought in to provide on-site training. "The culture of our facility has changed to be more proactive in preventing unsafe conditions on the shop floor and to think about safety first," said Barry Sinkhorn, operations supervisor.

### Fun Activities Play A Role

One fun way the Danville facility keeps the safety message in front of employees every day is through safety bingo. In the lunch room area of the building is a bingo board with an array of 75 numbers. Each employee has a player card with numbers, and each day a new number is drawn until a winner has been named or an injury has occurred. "Each time an injury occurs, all employees are informed and educated on the incident through the issuance of a new bingo card and the start of a new game," said John Walenta, facility manager. "Safety bingo has had an amazing impact on employees." Employees' commitment to

safety is recognized through luncheons and cookouts. The most recent celebration had members of management cooking steaks for employees on all shifts for their efforts in working injury free for one year. Dessert consisted of cakes with hands and feet showing all 10 fingers and toes as a reminder that many injuries in the line of work done in the facility are to fingers and toes.



Peer-to-peer observations along with positive feedback play a significant role in the Danville facility's safety success. Shown (L-R) are employees Billy Brown and Homer Veach.

While Danville accounts for only a small portion of Track-Type's overall operations, the facility's commitment to safety is having a big impact on employees. "Safety is an issue that is taken seriously here," said operator Chris Yocum. "It is a team effort made by everyone—operators and management alike."

## Benefitbits



At Caterpillar, Total Rewards is more than just a paycheck—it encompasses pay, benefits, learning and development, and work environment. BenefitBits, produced by the Human Services Division's Compensation + Benefits Department, is a way to bring helpful tips and updates about Total Rewards to the entire Caterpillar family.

### Caterpillar Global HR Service Center

Phone: 309-494-2363 (tie-line 7-734-2363) / 800-447-6434 (non-local/toll-free)  
6:30 a.m. – 5 p.m. (CST) Monday, Tuesday, Wednesday & Friday  
6:30 a.m. – 2:30 p.m. (CST) Thursday  
HR\_Service\_Center@Cat.com is available 24 hours a day, seven days a week; inquiries will be answered within two business days.

### UnitedHealthcare Customer Service Center

Phone: 866-CAT-4215  
7 a.m. – 5 p.m. (CST) Monday–Friday

### Caterpillar—UHC Internet

www.CatHealthBenefits.com

### Cat Benefits Enrollment Center at Fidelity

Phone: 877-749-6724  
7:30 a.m. – 11 p.m. (CST) Monday–Friday

### RESTAT Customer Service

Phone: 800-248-1062  
7 a.m. – 1 a.m. (CST) Monday–Friday  
8 a.m. – 5 p.m. (CST) Saturday and Sunday

### Cat Savings and Retirement Express

Phone: 877-228-4010 (877-883-0775 outside the U.S.)  
7 a.m. – 5 p.m. (CST) Monday – Friday

### 2005 FSA Reimbursements Are Due Before March 31st

Participants enrolled in a Flexible Spending Account (FSA) for 2005 must submit expenses for reimbursement by March 31st. Please note that FSA funds can only be expensed for services incurred in the 2005 calendar year.

Employees with questions can visit CatHealthBenefits.com and click on the FSA tab or contact UnitedHealthcare at 866-228-4215.

### Address for submitting FSA claims:

UnitedHealthcare  
Attn.: Flexible Spending Unit  
P.O. Box 981178  
El Paso, TX 79998  
Fax: 915-781-1085

### Update Mailing Address

It's important for active employees to update home mailing addresses in PeopleSoft when they move.

To update a mailing address:

- Log onto PeopleSoft (pssoft.cat.com)
- Click "Self-Service"

- Click "Employee"
- Click "Home"
- Click "My Personal Information"
- Under "Contact Information," click "Home/Mailing Address"
- Fill out the information under "Current Home Address"

Employees do not need to fill out the "Current Mailing Address" section unless it is different from the home address. Retirees with a permanent address change should call Hewitt at 877-228-4010 to update address information. Retirees temporarily relocating should call Fidelity at 877-749-6724 to update address information.

### Life Change Events

Due to special HIPAA guidelines, there are life change events that will allow a healthcare plan participant to change between PPO plans (A, B, C) or to an HMO/EPO product if the participant is eligible.

Following is a partial list of some of the more common life change events that qualify:

- Retirement
- Gain Dependent Child

- Gain Dependent Spouse
- Spouse Employment Change (Lose Eligibility)
- Gain Dependent Qualified Medical Child Support Order (must meet Caterpillar eligibility rules)
- Lose a Dependent Spouse—Divorce
- Lose a Dependent Child

### Death of a Spouse, Sponsored Spouse, Child, Sponsored Dependent Child, or Retiree

When employees change healthcare plans, deductibles and Maximum-Out-Of-Pocket (MOOP) transfer from one plan to the other if the change is between PPO products (A, B, C). The deductibles and MOOPs do not transfer between different healthcare products such as a move from the PPO to HMO/EPO or HMO/EPO to PPO.

Fidelity must be notified within 31 days of a life change event.

### Deductible Review

Effective January 1, 2006, most employees enrolled in Caterpillar healthcare benefits will begin paying annual deductibles as part of their

healthcare plans. A deductible is the amount of money you pay towards medical or dental expenses for each family member before benefits are payable in most cases. After the annual deductible is met, future expenses are covered at the co-insurance percentage for the rest of the year.

The amount of deductible depends on the specific healthcare plan option. Employees and retirees should refer to the Benefit Plans Handbook, Fidelity NetBenefits (through CatHealthBenefits.com), or confirmation statement from Annual Enrollment to verify the healthcare plan chosen.

### Update Life Insurance Beneficiaries At Fidelity Web Site

Although Annual Enrollment has passed, employees can still update their life insurance beneficiaries at the Fidelity Web site at any time by visiting CatHealthBenefits.com and clicking on the Fidelity link.



# Employee Climbs His Way Out Of Poor Health

By Rachael Paul

Lafayette employee Don Lambert suffered for more than a decade from rheumatoid arthritis and a worn-out knee. Over time, he adopted a sedentary lifestyle and gained over 70 pounds. But when he attended a meeting and learned of medical procedures that could help him regain an active lifestyle, he didn't hesitate to get it done—even with facing the inevitable pain of a knee replacement and removal of the joints in his toes. "I was there to regain an active lifestyle, and the people I was with in similar situations acted as though their lives were over because of the surgery," he said. "That day, I decided to do something audacious to show those people there's life beyond medical procedures and poor health." And that led to climbing Africa's tallest mountain—19,340-foot Mt. Kilimanjaro.

Lambert and fellow Caterpillar employees Mike Simmons and John Szewczyk decided to climb the mountain together. However, prior to taking on the enormous challenge of steep inclines, long treks, and high altitudes, Lambert began an aggressive exercise program to get back into shape. Daily 10-mile bike rides up and down a steep hill along with various forms of weight training were a part of the plan. "Because of my knee replacement and later foot surgery recovery schedules, getting enough cardio work in was a challenge, and I knew it would be," he said. "So I did the bike and a lot of weights. I set up some equipment in my basement and hired a personal trainer who came three mornings a week to help me train."

Diet was also a part of Don's plan. He focused on eating the right combinations of foods throughout the day and



Don Lambert overcame many health obstacles to reach the top of Africa's tallest mountain, 19,340-foot Mt. Kilimanjaro. "I hope this shows others that an active lifestyle doesn't need to end just because of medical problems or aging," he said. "People can go out and do things to make life the best it can be."

reduced the processed food and desserts. "I began to take proactive discernment into what I ate," he said. "I would eat steadily throughout the day, limit carbs, and plan my meals." He also gradually cut caffeine from his diet and began to drink more water every day.

## Healthy Balance Was An Inspiration

Don said his diet and exercise goals were very similar to Caterpillar's Healthy Balance initiatives, which also focus on smart eating and exercise. "The aspects of Healthy Balance like eating right, regular exercise, and the kinds of exercise you can do are what I tried to do," he said. "It's a good program to help employees who want to make a change." As a result of working out and eating right, Lambert dropped 50 pounds of weight

prior to taking on Mt. Kilimanjaro.

In September, the three climbers traveled to Africa and began their ascent, and each one faced different challenges along the way. "Everyone had some place on the mountain where they struggled," said Lambert. "It was tough to sleep, our muscles ached, and we battled headaches and flu-like symptoms due to the altitude. But we all got through it by encouraging and helping each other through the tough times." And after seven and a half days, those challenges were forgotten when they reached the top of the mountain. "Once we reached the summit, I felt I achieved something for those people who have had joint and knee replacement surgeries," he said. "I hope this shows others that an active lifestyle doesn't need to end just

because of medical problems or aging—people can go out and do things to make life the best it can be."

As far as future mountain challenges go, Don said he will be facing another later this month. However, this time his goal is to reach the bottom. "I'm taking my son downhill skiing to teach him and test me," he said. "The point is I still need to have a goal." And continuing to work out and eat right to lose another 25 pounds with the help of Healthy Balance concepts are a part of his plan. "I don't want to go back to the sedentary lifestyle I had before the climb," he said. "It just doesn't appeal to me because I feel so much better now."



## Don's Tips For "Working Out" On The Job

As an IT supervisor, Don Lambert's job requires him to work sitting at a desk. He said he combats the habit of sitting for hours without exercise by getting up and taking a brief walk a few times a day. "When I get up and move around, it helps me think better," he said. "I also tend to take the stairs two at a time and do some light stretching exercises in my chair."

Lambert said picking healthy entrées and snacks from his business unit's cafeteria is another way he tries to stay in shape. "I don't deprive myself—I actually eat more than I used to," he said. "I just try to choose healthier things to eat."

The results for Lambert have been nothing but positive. He said he has more stamina and is more alert at work. And at home he's no longer immediately retiring to his recliner every night. "Now I have much more energy to invest with my family," he said.

## Retirees Can Now Access Great Information On Cat @work

Caterpillar retirees in the U.S. now have their own home on Cat @work, a company Web site filled with great information—including *Folks*, Cat World Webcast, Featured News, Classified Ads, and so much more. To obtain access to the secured site, retirees can visit <http://catatwork.cat.com> and follow the steps for New Account/Help, which is located on the top right-hand side. Once selected, a new window will launch with the language "Caterpillar Retirees: Please click here to request a CWS account." Choosing this link will open a page with a form for the retiree to fill out and submit. After submitting this form, a logon ID and password will be sent to the retiree in approximately seven business days.

Employees planning to retiree and recent retirees who already have a CWS login can use their current login ID and password. Expired passwords can be reset by visiting <http://catatwork.cat.com> and following the steps in the "Forgot Password?" link, which is located on the top right-hand side. Rehired retirees can access the new Web site now by simply selecting the "Retiree Home" tab on the top navigation bar on the current Cat @work home page.

Retirees from Peoria-area facilities will continue to receive *Folks* via U.S. mail; however, those who would prefer to get *Folks* online at Cat @work are encouraged to let us know via e-mail at [Cat\\_Folks@cat.com](mailto:Cat_Folks@cat.com).

### Breaking News

### Retiree News



much more!  
Full Story

### Welcome to the New Retiree Page on Cat @work

Access a wide variety of information including corporate communications, personal benefit information and

### Recent Stories

[Folks Features Caterpillar Products and 6 Sigma In Its December Issue](#)



# Bob Gilmore Talks About The Past And Great Future Ahead For Team Caterpillar

## Staff Report

*Editor's Note: Now 20-plus years retired from the president's post, Bob Gilmore recently sat down with Folks to talk about his life, his rise from the shop to the top over 55 years of service, and the great future he sees ahead for current and future employees.*

### **Folks: What was it like growing up Bob Gilmore?**

**BG:** I was born in Peoria in 1920. The Great Depression started when I was 10 years old and ended when I was 20.

Growing up during that tough economic trough probably had more influence on me than parents or teachers. Jobs were scarce. Money was scarce. My dad was a milkman who worked long hours. He was up at 3 a.m. to deliver milk and covered his route later in the day to collect from his customers. I saw little of him during those years. I had a paper route from the time I was 10 until I graduated from high school.

I knew college was not an economic possibility when I finished high school, so getting a job—any job—was a primary objective.

**Folks: How did you end up working for Cat?**

**BG:** When I got out of high school, I walked the streets and knocked on doors just to put in an application. My brother had recently become an apprentice at Caterpillar, and I rode to work with him one day to put in an application. I remember that because I had to walk home, a four-mile trek. Four days before Christmas in 1938, I finally got a job at Caterpillar as a machinist apprentice starting at 32 cents an hour.

There were only about 10,000 employees in the company's two plants at that time—most were in East Peoria and a few in San Leandro, California. My first assignment was running a heavy-duty drill press.

**Folks: What was one of the more memorable stories during your early years with the company?**

**BG:** At the outset of World War II, I was working on the development of a new tank transmission that would allow drivers to shift on the run. Before that, tank and tractor transmissions required operators to stop to shift gears. I assembled the first several hundred transmission clutches to be used in tanks.

My work on defense programs brought about military deferments that became embarrassing. Most of my friends were serving, and I was

a healthy 22-year-old. I asked my boss for a military leave, and he refused to petition for it. He said I was more valuable to the company and the country by continuing my work in East Peoria. I didn't buy it, so I quit.

I enlisted in the infantry at Fort Sheridan and was in one of the many lines recruits were subjected to when a sergeant came by and said anyone that would rather take an Air Force test than stand in line could do so in a nearby tent. I did that, passed the test, and became an Army Air Force cadet. Fourteen months later I was commissioned, served as a navigator on a B17, and flew 30 missions in the European Theater.

I was eventually accorded a military leave and so returned to Cat after my discharge. I was assigned to a job in the machine shop on third shift. It was pretty humbling to trade my battle stars and bars for the midnight shift in addition to the fact it wreaked havoc with rebuilding a social life.

**"I never even thought about becoming the president of Caterpillar. I was a factory worker given lots of opportunities and experience to take from one job to another and capitalized on the company's growth."**

**Folks: When did your career start to take off?**

**BG:** I thought about using the G.I. Bill to go on to college and get an engineering degree. About the time I was going to do that, I was given a job in the office and never looked back. That was 1946. In 1948, I married and started a family. By 1950, I had gone through three levels of management—from foreman to superintendent to division head. The company was growing, and I was along for the ride.

**Folks: Did you ever imagine becoming president of Caterpillar?**

**BG:** I never even thought about becoming the president of Caterpillar. I was a factory worker given lots of opportunities and experience to take from one job to another and capitalized on the company's growth. I didn't go looking for new jobs because I was always challenged with what I was doing. About every four years, though, a new opportunity came up, and I was able to grow from the experience.

**Folks: What sacrifices did you have to make along the way?**

**BG:** I don't believe I made any. I always worked 50 or 60 hours a week because that's what it took. I usually spent about 10 hours a day in the

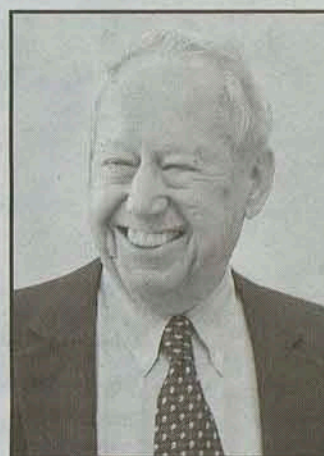
office and another couple hours a night doing paperwork, which was my least favorite thing to do.

**Folks: What was one of your favorite activities at work?**

**BG:** Talking with and learning from employees. When I was a plant manager, I spent a lot of my time on the shop floor talking with employees because you can learn so much. Even when I was president, I liked to walk the halls and talk with employees. I used some of those discussions to see if decisions I made or policies I put in place actually filtered through the organization. It was a good way to keep my direct reports on their toes.

**Folks: Is there one skill that helped you throughout your career?**

**BG:** I've always considered myself an aggressive listener. At meetings you can either pay attention with a great



deal of interest or let your mind wander. When I became a manager, I knew the people working under my direction were working hard to come up with solutions to problems. I owed it to them to be prepared and to listen aggressively so I could make better decisions.

**Folks: Besides president, what were some of your favorite positions?**

**BG:** Becoming the factory manager at Building KK in 1954 was one of my favorites. I was only 34 at the time, and KK was a newer facility with 2,500 employees making engines for worldwide use. That was a thrill. I still remember driving across the Cedar Street Bridge on my way to work thinking what a privilege it was to run the plant.

Another favorite job was being the plant manager in Grenoble, France, in 1963. When the European Economic Community (EEC) was formed in the early '60s, it imposed a 15-percent tariff on everything coming in. That's when Bill Blackie (Caterpillar chairman) and the other leaders at the time decided we had to manufacture within the common market. So Bill sent a couple of guys to scout all over Europe, and they bought this little plant in Grenoble with 125,000 square feet and a couple hundred

employees making about a tractor a day. Five years later we had 1.25 million square feet with 2,500 employees and much greater productive capacity.

Those two jobs were more fascinating than being president of the whole company because there was no buffer, no layers of management to filter information before it got to me. I felt completely responsible for the success or failure of the operation.

**Folks: What was it like serving internationally for the company?**

**BG:** I loved Grenoble. It's a beautiful area, and the mountains inspired me to learn how to ski. I remember my boss telling me to avoid skiing because it's just too dangerous. We had another manager who

had taken up parachuting and got hurt, so my boss didn't want to see a repeat. I couldn't stay off the slopes and of course broke my leg. That wasn't so great with the boss. I probably would have been fired had there been another person readily available to run the operation.

Since I started in the shop, I always liked to get back out on the floor to talk with employees. As soon as I was able, I walked the shop with a cane. The workers loved it. I couldn't speak French very well, so I'd wave my cane and they'd wave back and laugh. Not long after that I joined their ski club.

**Folks: What is the benefit of serving internationally?**

**BG:** In my view, the benefit of international service is that it opens your eyes to different cultures, governments, languages, and ways of doing business. In Grenoble, I learned more about marketing, parts distribution, finance, governmental relations, and other areas. It broadened me tremendously and helped me later on. I'm glad I took the assignment and gained the experience.

**Folks: Who had the greatest impact on you professionally?**

**BG:** My mentor was Bill Naumann, who would later become our CEO. I met him when I was an apprentice. He was an inspection foreman at the time and came up through the manufacturing ranks. He's the one who pulled me out of the apprentice course to assemble transmissions—and later gave me the advice to not take up skiing in France.

Bill was a really tough boss

who was great at giving advice—even if you didn't ask for it. One of his ways to do that was to make his point and then stare you down for what seemed like an eternity to make sure you understood. I admired him, respected him, and learned a great deal from him. He was my mentor throughout my career and a friend until the end. I was proud to be asked to perform the eulogy at his funeral.

**Folks: What was one of your proudest building accomplishments?**

**BG:** Selling the Board of Directors on Building SS in East Peoria, and that was no easy task considering the site's history. In 1943, I was pulled from the shop with all the other employees to work on the dike in East Peoria during the 100-year flood. We worked 12-hour days sandbagging, and because I was one of the youngest, I was at the bottom of the human chain from the top to the bottom of the levee. I'd catch those bags and sink down to my knees in the mud. The point of all that is that many years later we chose to build a new factory there, and my job was to convince the Board that the new building should go in a location that almost cost us the entire East Peoria plant many years earlier. That was a pretty challenging sales task.

**Folks: What were some of the best business decisions Caterpillar made during your career?**

**BG:** In the early 1950s, the industrial engine business was a pain in the neck, and many associated with it wished it would go away. We just about decided to get out of that business when guys like Lee Morgan came along and revived it. In fact, if anything highlighted my career at that point in time, it would be my three years helping to rebuild the industrial engine business into a major contributor to Caterpillar. I can't even imagine the company without this business today. It's almost as much luck as sense that we didn't abandon the whole thing.

The turbine business was another good decision. Back in the '50s, we bought patents from Boeing and began to do our own turbine research and development, but we did not succeed. In the '60s, we tied in with a company called Fabrique Nationale in Belgium. We thought we could make a 300-horsepower engine for trucks, and that failed. Finally we had the chance to buy Solar, and after a few years of struggling, it became a huge success. I don't

*Continued on page 6*



think any of us realized that it would turn out so well. The significant part of this business decision was to realize we needed to augment our own technology and market savvy with an acquisition, and Solar has been a marvelous addition.

**Folks: Who were some of Caterpillar's competitors during your career?**

**BG:** For most of my early career through the 1940s and early '50s, we really didn't have much competition. But in the 1960s and '70s, that changed. Our biggest machine competitors were General Motors, Terex, Allis Chalmers, Fiat, and International Harvester. John Deere was just beginning to be a competitor, and so was Liebherr in Germany. By the middle of the 1980s, Komatsu came on as our primary full-line competitor and remained so for the next two decades.

Most of the competition fell by the wayside. Allis Chalmers, Fiat, and International Harvester stopped making construction machinery; GM never got off the ground with its dozer program. I attribute that to our product innovation with such things as the elevated sprocket and sealed and lubricated track. Komatsu started to have problems with us when we developed the elevated sprocket—they couldn't duplicate the design. And our ability to provide technical assistance, our parts distribution now known as Cat Logistics, and service from the dealer network further strengthened our position.

Regarding the dealer network, if there is any one thing that was a strength to the company in the postwar years, it was that—and still is. Talk about products as much as you like, but none of our competitors have been able to come up with anything close to our dealer support, and that is a huge advantage.

**Folks: What do you think of today's competition?**

**BG:** Some of the players are different, and our markets are much different than when I was here because our product line is so much broader—the company has been much more aggressive in the last 15 years. But let me say this: Being first to the market is a tremendous advantage, and that's why engineering innovation is so critical to staying ahead of the competition. Caterpillar has always been very good at being first to the market with new products, and ACERT® Technology is a good example of that today.

**Folks: What was your toughest task?**

**BG:** In 1981, we had record sales and profits. The next year we had our first loss in 50 years. We raised the dividend early in 1982 and cut it later that same year—the fall was fast and dramatic.

Three things happened. First, interest rates skyrocketed to nearly 20 percent. A guy buying a \$200,000 piece of equipment simply couldn't afford to borrow at that rate. The whole construction industry was suffering. Second, the Japanese yen was exceptionally weak, which helped Japanese companies like Komatsu sell machines at more than half off our list price. In order to maintain market share, we had to try to match their

**BG:** As you get further along with the company, you develop a sense of loyalty, a sense of respect, and a sense of pride. At Caterpillar, that's "yellow blood." For many, many years, the company was paternalistic. Louis Neumiller, one of our first chairmen, helped establish that. In recent years, Caterpillar has had to change with the times and adapt to a different operating environment, but I'm hopeful the "yellow blood" still flows.



Bob Gilmore started in the shop in 1938 as a machinist apprentice and finished near the top as company president in 1985. Shown next to Gilmore above is former Caterpillar Chairman Lee Morgan.



prices at the expense of profitability. And third, our market intelligence simply wasn't good. I remember going to the Board in December of 1981 and telling them we were going to go from 88,000 employees to 90,000 employees in 1982. We raised the dividend in the first quarter, but before the year was out we laid off 14,000 employees and cut the dividend. If we had better intelligence, as I believe we do today, we would have pulled our horns in sooner than we did.

Collectively, those three things caused us to lose a billion dollars in three years, which led to the closing of nine plants and laying off more than 30,000 people. There is nothing more traumatic than laying off people and closing plants, but had we not done it, we would not have survived.

**Folks: What brings you the greatest amount of pride?**

**BG:** Seeing the company through record losses in 1982 to profitability in 1985—the year I retired. I'm reasonably proud of that.

**Folks: Many long-time Caterpillar employees and retirees talk about "yellow blood." What is it?**

I can tell you all over the U.S. there are pockets of retirees who meet to talk about the old times and the company today, and their "yellow blood" is still pumping. It's great to see the loyalty they have to the company after all these years. You just don't see that with other companies, and I have friends retired from some other Fortune 500 companies who tell me that.

**Folks: What do you like about today's company?**

**BG:** One is the business unit structure. The company is so much better organized today than when I was working, and I attribute that to George Schaefer and Don Fites.

Back in 1977, Lee Morgan and I realized that the company needed to change. We didn't know what business units were at the time, but we vowed during our tenure we would reorganize. And we were just about to when the bottom dropped out and we went into survival mode. During that time, George spent a couple years quietly talking with directors in order to plant the idea of changing into a business unit structure, which had already been adopted by other companies. It was a popular

form of reorganizing. In fact, George's spadework and Don's execution of the plan were as much watershed moments for the company as any other in the company's history. The right people at the right time came along, and I'm sure that is why the company is as successful as it is today—having split the stock three times in the last 10 years or so. But I can almost guarantee that somewhere down the road there will be another revolutionary change to improve the organization.

Another thing I like about today's company is the leadership team. I follow the company closely and still have friends working for Caterpillar. And I can say without a doubt we have the strongest pool of

**"I follow the company closely and still have friends working for Caterpillar. And I can say without a doubt we have the strongest pool of talent that I've ever seen in my 60-year association with the company."**

talent that I've ever seen in my 60-year association with the company. I attribute that to not only our career succession planning, but also being headquartered away from larger cities where CEO changes in particular are common. The stability of leadership is terrific for Caterpillar employees and stockholders. I certainly have a high degree of confidence in Caterpillar's future due to Jim Owens and the people around him, and while there will most likely be some bumps along the road, I'm sure Caterpillar will continue to grow dramatically.

**Folks: What do you miss about working at Caterpillar?**

**BG:** I served 55 years with the company—47 in operations and eight years on the Caterpillar Board of Directors—but I've been retired for so long now that I don't really miss working. I suppose it's because I've always had a lot of outside interests. I'm sure glad I did work until the mandatory retirement age of 65, though, because I was thoroughly challenged by what I was doing, and getting the company profitable again was very important to me.

**Folks: What have you been doing since retiring 20 years ago?**

**BG:** I keep in touch with people at world headquarters and follow the company through periodicals like the *Wall Street*

*Journal* and *Folks*. But I like to spend as much time as I can outdoors. I love to fish and hunt and walk the woods at my farm. Recently, I donated the farm to Children's Home, which is a terrific organization that helps homeless and abused kids. Originally, I was going to give it to Children's Home upon my demise, but this is better because I can go out there and see kids lined up fishing on the pond and enjoying the place. That feels pretty good.

**Folks: If you had to do it all over again, would you?**

**BG:** I would, and I wouldn't do anything different. In 1938, I needed a job. At the time, I wasn't thinking of a career or having visions of being president of the company. I was happy to

be making 32 cents an hour as a machinist apprentice. I look back at my decision to enlist in the Army and am glad I did that as well—even though there were substantial risks. I didn't plan all this. I was simply a participant of the times.

**Folks: Do you have any parting words you'd like to share with today's employees?**

**BG:** I enjoyed my time with the company, and so did the people I worked with. Fair compensation, great friendships, and company growth all played a role in that.

Sure, we all have some days better than others. I remember when Lee Morgan was named chairman. He and I are exactly the same age, and when I didn't get the top job, other companies came in with attractive offers. Obviously, I didn't bite—money isn't all that's at stake. Being number two and running day-to-day operations was great.

Even though we developed "yellow blood" in a different fashion in my era, and it may be harder to infuse today with all the brands under the Caterpillar umbrella, the results should be the same: You do a job you like for a company you feel good about, and the future will take care of itself. That's the way it was for me.



"At CBL, we can testify how powerful defining strategy is; even more powerful is the correct execution to bring the expected results. I am positive we can do it on a global basis with *Our Values in Action*, being one team, one Caterpillar family, so we can even surpass our goals. I am really excited about our future."

**Mário R. Bueno, Piracicaba, Brazil**



Mário R. Bueno

"As a rehired Caterpillar retiree, I am impressed with the company's direction more than any time in my career or recollection. I remember attending a conference several years ago where management expert Tom Peters spoke, and he said

companies have to dazzle customers in the 21st century if they're going to survive. Our company will survive into the 22nd century and beyond. Why? Because customers will continue to buy our products and people will strive to work for the enterprise due to Caterpillar doing the right things. I wish I were a new employee."

**Ray Hartwell, Mossville**



Ray Hartwell

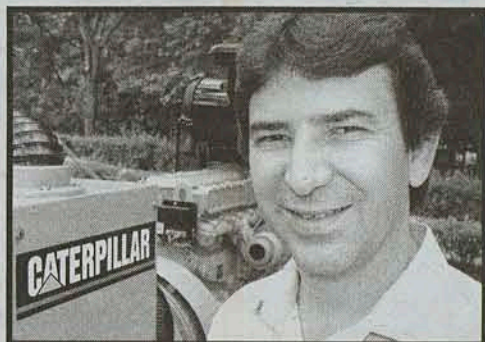
"What will it take for Caterpillar to reach its 2020 goals? Two words: quality and reputation. The key to better quality is giving people enough time to do their jobs right. Cutting down on defects will help

our already good reputation be even greater. This may cost more up front, but it will save in reputation and warranty, which will help us sell more products."

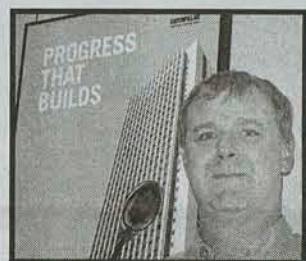
**Mark Reiter, Mossville**

"Our Vision 2020 has a solid foundation with *Our Values in Action*, and metrics based on the three Ps should engage employees around the world to make 'Today's work, Tomorrow's world' possible—we must transform our actions into numbers!"

**Paulo S. Della Muta, Piracicaba, Brazil**



Paulo S. Della Muta



Gary Smith

"Values should be in ink; strategy should be in pencil. How we conduct ourselves as a corporation—our ethics and our sense of fair and legal practices—must never change. How

we operate as an enterprise to meet customer needs, find better solutions, and provide the best value must *always* change."

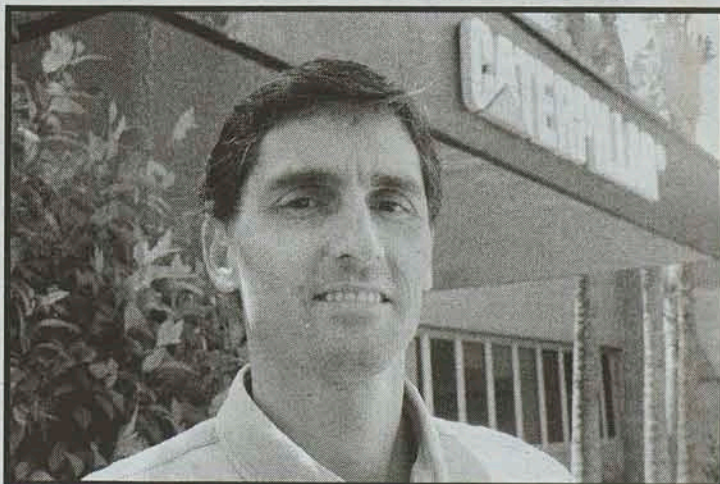
**Gary Smith, Peoria**

"The current values and strategy action plan that is being deployed is one I fully endorse. It is a huge task to communicate direction from top to bottom; however, the results that come from all employees focusing in the same direction will provide big dividends to our company, customers, and shareholders."

**Mark Gipple, Peoria**



Mark Gipple



Dennis Porto

"Confidence was the feeling I had when I first heard about the corporate strategy and *Our Values in Action*. The 6 Sigma process has shown that Caterpillar can pursue the same working approach in every place of the world we do business, and now, for the first time, we have a corporate strategy that will guide us to be a great company worldwide."

**Dennis Porto, Piracicaba, Brazil**

## Vision 2020

*Our sights have been set  
With teamwork and values*

*Our goals will be met.*

*We're all on a mission*

*Code of Conduct in place*

*With our values in action*

*We'll set the pace.*

*Integrity rules*

*Excellence drives*

*Everything that we do*

*We do it with pride.*

*Our people are assets*

*Diversity grows*

*A culture that's global*

*Wherever we go.*

*From cities to states*

*To countries afar*

*We make the world better*

*Wherever we are.*

*Customer service*

*Above and beyond*

*Cat is the name*

*That you can count on.*

*Commitment to strive*

*In whatever we do*

*To be number one*

*And not number two.*

*Past, present, and future*

*Our legacy stands*

*Caterpillar works*

*With hearts, minds, and hands.*

**Patty O'Connell, Peoria**



Patty O'Connell

## BusinessBriefs



### Caterpillar Pledges \$750,000 To SAE Foundation

DETROIT—Caterpillar recently pledged \$750,000 of support to the Society of Automotive Engineers (SAE) Foundation during the SAE's \$20 million centennial

**SAE International**

campaign. Called "Inspiring a New Generation," the campaign was launched to develop and fund programs

that foster student entry into the world of engineering, science, and technical education. "It's more critical now than ever that we reach out to young people as early as possible to develop their interests in math and science," said Mark Pflederer, Caterpillar vice president with responsibility for the Technology & Solutions Division. "That's why we embrace the opportunity to support SAE's educational efforts."

According to Raymond Morris, executive vice president and COO of SAE International, Caterpillar has always been a strong supporter of SAE programs. "Charitable gifts like this enable us to provide needed educational programs that introduce the wonders of engineering to school age children throughout the nation," he said. Caterpillar hopes to inspire additional support from industry and business partners as well as employees and retirees through a \$250,000 matching challenge grant. If pledges hit the \$250,000 target, the Caterpillar Foundation will match it, which could bring the total contribution to SAE up to \$1.25 million. "By supporting SAE Foundation's educational programs, we can spark the natural curiosity of young people, nurture their interest in pursuing engineering careers, and ensure a diverse talent pool for Caterpillar in the future," said Pflederer.

### Caterpillar, Dealer & Customer Earn Award Of Merit

CALGARY—Caterpillar, Cat dealer Finning in Canada, and mining customer Syncrude Canada Ltd. were each recently honored with the 2005 Award of Merit from the Canadian American Business Council (CABC). Established in 1987, the CABC is a non-profit, issues-oriented organization dedicated to elevating the private sector perspective on issues that affect the United States and Canada, and its award recognizes job creation, financial strength, environmental responsibility, imagination, and innovation. Caterpillar, the dealer, and customer were recognized for their collaborative work on developing technologically advanced mining equipment for the oil sands industry. "Caterpillar is honored to receive this award for product innovation, lower operating costs, increased productivity, and workplace safety improvements in the oil sands region," said Chris Curfman, Caterpillar vice

president with responsibility for the Global Mining Division. "It is the result of the unique cross-border relationship between Caterpillar, Finning, and Syncrude."

Ian Reid, president of Finning (Canada), echoed the appreciation, stating, "Finning's Canadian team is proud to be recognized for its innovative partnership with Cat—the world's best heavy equipment manufacturer—and the skilled team at Syncrude that has led to the development of world-class mining equipment solutions designed to address the unique needs of the Canadian oil sands." Jim Carter, president and COO of Syncrude, stated, "Syncrude is pleased to receive this award because it highlights our ongoing efforts to build strong business relationships with our suppliers and foster the sustainability and growth of the entire oil sands industry."

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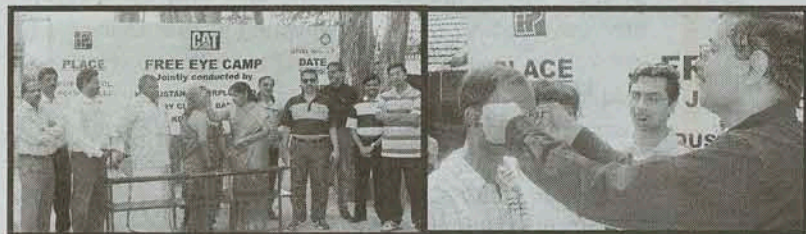


## Hindustan Powerplus Contributes Eye Care To Local Community

POONAPALLI, India—Hindustan Powerplus Limited (HPL), a subsidiary of Caterpillar, recently teamed up with a local Rotary Club and hospital to provide eye care for low-income citizens. Approximately 160 people were able to get their eyes tested free of charge. And following the tests, many received free prescription

Legal Entities, was one of the leaders of the initiative. "The educational attainment of the people in this area is very low," he said. "Most of these villagers are daily wage earners in agricultural activities and can't afford quality medical care. However, we truly changed the lives of those who attended the eye clinic. You could

HPL, which produces engines and generator sets, dedicated a 6 Sigma team along with the help of about 35 other employees to make the eye clinic possible. In addition to covering the cost of the drugs, HPL was responsible for bringing the Rotary Club and charitable hospital together for this effort. They also saw to it that doctors from as far as 60 kilometers away were able to attend. "I believe the action taken by our employees is important because it shows they really care about the local and surrounding communities," said Albert Brown, HPL's operations director. "They've demonstrated that our employees do 'walk the talk' when it comes to living our values."



glasses, eye drops, and other eye treatments, including cataract surgery. Badri Chellappa, the head internal auditor of Caterpillar India

visibly see the sense of rediscovery and happiness on their faces when they could see their world bright once again."

## WLED Wins Award For Performance Excellence

CHICAGO—The Lincoln Foundation for Performance Excellence recently announced the 2005 recipients of the Lincoln Silver Award for Progress Towards Excellence, and Caterpillar's Wheel Loaders & Excavators facility in Aurora was one of nine winning organizations from across the state of Illinois. "Lincoln Foundation awards help drive economic development because they help improve business productivity and work force efficiency," said Roxanne Nava, assistant director of the Illinois Department of Commerce and Economic

Opportunity.

This was WLED's first year for applying to the Lincoln Foundation for award consideration, and one of the facility's process improvements shared with Lincoln's assessment team was its 6 Sigma solution to a 345 excavator problem involving drive bolts. "The people at Aurora have a long history of making things happen for the better," said Don Bolin, Operational Excellence Lead Master Black Belt. "This award is another step on our continuing journey toward performance excellence."

## Facility Is Proving World-Class Safety Is Achievable

NUEVO LAREDO, Mexico—Caterpillar's remanufacturing operations in Nuevo Laredo extend over three separate plants, remanufacturing fuel systems for Caterpillar and Navistar and turbochargers for Honeywell. Recently these facilities reached a significant milestone—working two million hours without a recordable injury. Their last recordable injury occurred in July 2004. "We talk about safety every day," said General Manager Walt Mazzei. "It's a part of our culture and the way we work."

Caterpillar measures safety performance through Lost Time Case Frequency (LTCFR) and Recordable Injury Frequency (RIF). LTCFR measures how quickly employees are able to return to work after an injury, and it is impacted by the severity of the injury and by Caterpillar's ability to proactively re-engage the employee in productive work. RIF measures whether injuries are happening at all. "It's rare for even the best of companies to

achieve a million hours without a lost-time injury," said Ali Bahaj, the vice president responsible for enterprise safety initiatives. "Nuevo Laredo has gone twice that long without even a recordable injury. This is truly world-class performance and is unparalleled within Caterpillar."



According to Mazzei, new hires, supervisors, Black Belts, planners, and team leaders undergo extensive safety training, and learning how to observe unsafe behaviors is part of the curriculum. Safety is also written into leadership and facility goals, and the safety policy is visible and lets

employees know that they're responsible not only for their own safety but the safety of their co-workers. "An accomplishment like this is built one day at a time, and it happens because every person on all three shifts is dedicated to safety," said Mazzei. "My number one priority is to have everyone at Nuevo Laredo feel and share my safety passion."

## Corporate Services Division Becomes Global Finance & Strategic Support Division

PEORIA—Corporate Services Division is now the Global Finance & Strategic Support Division (GF & SSD). "The name change is more meaningful to our business and more accurately describes our new mission and strategic direction of providing world-class finance, business, and strategy support to drive increased profits, cash flow, and stakeholder value to our internal

and external customers," said Dave Burritt, vice president with responsibility for the division.

GF & SSD is made up of more than 600 employees working in North America, Europe, and Asia. Under the division's umbrella are Corporate Accounting, Corporate Tax, Corporate Treasury, Investor Relations, Business Strategic Support Group, Product Source Planning, Cat Strategic

Consulting, Business Resources with 6 Sigma, and Cat Strategic Investments. "We are a global division determined to be world class in both finance and strategic support," Burritt added. "We look forward to continuing our long-standing tradition of working with the highest integrity as well as striving for ongoing process excellence."

# Cat Facts

By Gary Ortman and Corporate Archivist Nikki Thaxton

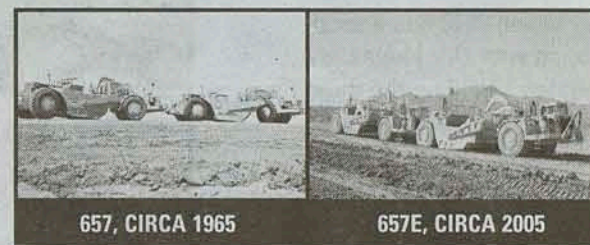
## Then And Now

**In 1953**, a 30-foot model of the Murray Baker Bridge was displayed at the Heart of Illinois Fair in Peoria. Cost of the bridge, which was expected to be in service for five years, was estimated at \$5.2 million. **Today**, the bridge is still in service, with its most recent upgrade being carried out in part by people utilizing big yellow machines.



Murray Baker

**In 1965**, R. A. Peterson of the Peterson Tractor Company, Caterpillar's dealer in San Leandro, California, and Caterpillar's Engineering and Research department joined two 657 wheel tractor-scraper with a hitch, creating a 110-foot-long hauling unit that could load 65 cubic yards of earth in about 1.25 minutes. **Today**, a similarly setup 657E can load a lot more dirt in a lot less time—88 cubic yards in less than a minute.



**In 1974**, production of the 3406 truck engine began in Mossville, and the company published its first Caterpillar Code of Worldwide Business Conduct. **Today**, Mossville continues to make market-leading truck engines equipped with ACERT® Technology, and the Code has been updated to reflect *Our Values in Action*. "When we all work to understand the values contained in this document and guide our individual behavior by them, we protect one of our greatest assets—our reputation," said Chairman Jim Owens. Copies of the Code—in 14 languages—have been distributed to Caterpillar employees around the world to serve as the foundation for the new enterprise strategy.

**In 1986**, an exciting new tool called electronic mail was taking root at Cat facilities, and about 2,000 users were expected to be on the system by year's end. **Today**, more than 60,000 Caterpillar employees use Lotus Notes to send and receive more than two million messages every day.

**In 1994**, as part of the U.S. Department of Defense Cooperative Threat Reduction/Nunn-Lugar Program, Caterpillar's Defense & Federal Products division put together a \$26 million fleet of Cat equipment for Russia and the Ukraine to help the countries destroy nuclear missiles, silos, and other armaments. The fleet included tractors, wheel loaders, ITs, motor graders, and excavators with shears. **Today**, as featured in the December 2005 issue of *Folks*, Cat generator sets manufactured in the U.S. are now on their way to Russia to provide reliable backup power for the country's first disarmament facility now nearing completion.

**In 2004**, Decatur employees celebrated the production of their 5,000th large mining truck—a 797B. The first large mining truck model was the 785 followed by the 789. Within two years of their introduction, each model became the leader in its size class. **Today**, the facility is coming off its 50-year anniversary celebration and is continuing the tradition of producing quality trucks and motor graders and wheel tractor scrapers.

## Is That A Fact?

If you have an interesting fact related to Cat, please send it to us at [Cat\\_Folks@cat.com](mailto:Cat_Folks@cat.com).

Employees may access the Corporate Archives Web site at <http://big.cat.com/brc/archives>.