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.

"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

"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."
Michelââîes 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

"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

"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 Vliegher, Gosselies, Belgium

"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 Kea, 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 2020 is our worldwide pop 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

"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

"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 restructuring ourselves to move in one direction—the enterprise direction!"
Suresh Kuttaiyan, Singapore

"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 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

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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.

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.

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 completeness and tracking purposes, salary grade 2 can be found at https://surveys.kenexa.com/catcodeofconduct06.

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 process migrate from a paper-based to an electronic-based recruiting management system, it will also place increased emphasis on personal contact with students throughout the year.

"Using a paperless solution will reduce or eliminate photocopying, scanning, and mailing of paper documents," said Beth Hinchee, engineering recruiting manager. "This means recruiters will have more value-added time in front of students rather than spending non-value-added time shuffling paperwork. It also gives us one safer electronic source for information, which will make tracking candidates from interview to employment easier. It will simplify sharing of information across the enterprise, candidate trend analysis, and reporting too."

According to Hinchee, who's also a 6 Sigma Black Belt and led the team developing the new recruiting process, the changes became necessary because of rising recruiting challenges. "There's an increased demand and more competition for engineers, and at the same time, we're dealing with stagnant to declining enrollment in U.S. universities in the majors 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 so we can focus our attention on the best and 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-Plattsville, 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 opportunities, including during the 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 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."
Track-Type Tractors Facility Celebrates 419 Injury-Free Days

By Sarah White

DANVILLE, Kentucky—Employees who work at this Track-Type Tractors facility produce grousings, 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 pair-to-pair 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 frontline 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 Luiz Flynn.

Employees are grateful for the prase 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 tools and tasks 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 lunch 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.

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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 employee Mike Simmons and John Szewczyk decided to climb the mountain together. However, prior to taking on the monumental 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 feet 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 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 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.”

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, Caterpillar 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.

Retired 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.

Breaking News

Retiree News

Welcome to the New Retiree Page on Cat@work

Access a wide variety of information including corporate communications, personal benefit information and much more! Full Story

Recent Stories

Folks Featuring Caterpillar Products and $250 Gift Card in 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 ago in The Great Depression. When he was a child, he 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: 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 growing up Bob Giimore?
Folks: Folks: 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 a mile and a half. Four days later, I was hired. By 1938, I was chosen 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 most 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 gear. I assembled the first several hundred transmissions in a series of cloth shoes 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 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 units recruited to subject to a sargent and said anyone that would rather take an Air Force test than an Army test 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 in B-17, 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 the heavy-duty drill press 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.

Folks: What sacrifices did you make to become 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.
BG: My mentor was Bill Boeing and began to do our own turbine research and development, but we did not succeed. In the '60s, we tied in our industrial engine business into a major contributor to Caterpillar. I can't even imagine the company without this business today. It's almost such luck as these that we didn't abandon the whole thing.

The turbine business was another good decision. In the '50s, we bought Solar and went 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 such luck as these that we didn't abandon the whole thing.

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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 the whatever was at Solar because Solar has been a marvelous addition.

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

**BG:** For most of my early career throughout 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 positions.

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.

**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 Neuhammer, 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.

**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 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 fire 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 now, we wouldn’t have done it.

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?

**BG:** It’s a tremendous advantage, and our markets are different, and our markets are different, and our markets are different, and our markets are different, and our markets are different...

I’ll end it here, and so was...
"[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

"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 Mota, Piracicaba, Brazil

"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

"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

"As a retired 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."
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 Nova, assistant director of the Illinois Department of Commerce and Economic Opportunity.

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 (LTCF) and Recordable Injury Frequency (RIF). LTCF 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, 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 the 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 strategic 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 driving for ongoing process excellence.”

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 glasses, eye drops, and other eye treatments, including cataract surgery. Badri Chellappe, the head internal auditor of Caterpillar India, visibly saw the sense of rediscovery and happiness on their faces when they could see their world bright once again.

Corporate Services Division Becomes Global Finance & Strategic Support Division

In 1953, the 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.

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-scrapers 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—86 cubic yards in less than a minute.

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