

Rubbermaid - February 25, 2005

For the Rubbermaid facility, operational excellence represents the primary focus and the primary result for 2004. "Operational Excellence" is the company's title for the new focus on lean manufacturing.

A majority of the operational excellence came from a combined effort of associates in all departments of the plant. Using value stream mapping techniques, small cross-functional teams spend two to three days focused on specific production lines looking for areas of waste. The teams start by identifying waste in the current methods of production.

Waste can come in the form of time, space, knowledge, effort, material, redundant processes, or money. Once the teams identify areas for improvement, they turn their focus on the future.

The next step is to create a "future state map" and a plan of action to get there. After the map is complete, new teams are formed of functional experts to work through the intricate details for each area of improvement within the value stream. The result of this intensive effort is an incredible progress.

In April, our facility started Lean Principles training conducted by a consulting company enlisted by Newell Rubbermaid for assistance in becoming more competitive and responsive to customer demands. The key tools used to become a Lean Manufacturing facility includes Total Productive Maintenance (TPM), Single Minute Exchange of Dies (SMED), Value Stream Mapping (VSM), Kaizen, Kanban, and 5S. Several visitors from other Newell facilities such as Amerock, Sanford, Rubbermaid Canada, and Rubbermaid Commercial Products traveled to Centerville to attend the three-day event along with several of our own Leadership Team Members.

The Centerville facility hosted a corporate wide Lean Manufacturing training event focusing on SMED. Simply put, within a Rubbermaid facility, SMED significantly reduces the time needed to change a mold. The goal was to implement new ideas and methods to reduce changeover times. Current mold changing times were greater than twelve hours; by the third day mold change times were under two hours. Rubbermaid recognized the vast improvements made as well as the hard work ahead to upgrade the whole plant. Training and sharing knowledge is crucial to do the job better and faster by working smarter, not harder.

Early in 2004, the plant initiated a program to use more post consumer regrind. A major reason for using regrind is the rising prices of raw materials. A strong focus was placed on using the regrind in all of our processes and a nationwide search for sources of regrind began. Purchasing and Engineering developed a program to determine what type and color of regrind were available within three categories: Injection, Blow Mold and Structural Foam, all three categories that are used in the facility. This initiative was very successful and we are continuing to seek new methods and sources of material.

Distribution went through many changes and additions in the past year. A new Kenworth truck was added to insure we meet our customer service requirements without relying on outside trucking services. By having our own truck and drivers, we can go to external warehouses 24

hours a day. Because of the consolidation of customer product lines in external warehouses, we are now able to store more product locally and have a quicker response time to our customers. Additionally, the Centerville Distribution team made numerous productivity gains to remain the lowest cost operation in the division.

In 2004, Rubbermaid implemented a Behavioral Based Safety Program. The majority of workplace injuries occur when a person chooses a work method that puts their safety at-risk. The goal is to provide associates with feedback and reinforce safe behaviors.

These observations are broken down by six main critical behaviors. Over 60 associates were trained to be observers and a steering team was formed to eliminate barriers for safe behaviors. The observers provide comments and suggestions during the feedback portion of the observation in order to improve the work process and eliminate at-risk behavior. This feedback is a very critical step in the process.

The year 2004 also provided opportunities for the Centerville plant to bring back product being made by external molders and sister facilities. The facility also assisted other Rubbermaid plants in producing products they no longer had the capacity to manufacture. Bringing production to the Centerville plant meant bringing more jobs to Centerville and the plant was able to continue its hiring for production and professional positions.

Looking to the future, plans are already in place for continued productivity, the introduction of new products and more breakthrough improvements in 2005. All of these efforts are part of the company's overall plan to develop a world-class organization and a winning culture

The plant's signature product, "Big Max" will be going through some changes in this next year. In order to maintain Big Max's competitive edge, there will be a new version call the "Big Max Ultra." This new shed will contain two skylights in the roof to allow light into the shed. This shed will measure 7 by 10 1/2 feet and include another door on the back. The Big Max Plus and Ultra will ship beginning April 1.

Progress through value stream mapping and other operational excellence techniques in 2004 resulted in the facility producing nearly 10 percent more product with only a slight increase in production hours. The plant also recorded a third straight year of reduction in operating costs and celebrated a record of 100 percent on-time and 100 percent complete deliveries to customers during the "peak" season. Much of this success is credited to a solid workforce accomplishing breakthrough achievements and a multi-million dollar investment in machine throughput and facility improvement.

All said and done, the Centerville team is credited for recording the most cost reduction and total productivity within the Rubbermaid division and is touted to be in an elite class within the Newell Rubbermaid Corporation.