



May 2006

AB&I Team Member Profile

# Ted Ray Reflects on Changes at Foundry Over 34 Years



When Ted Ray finished a couple of semesters of junior college back in 1972, he decided that college may not be his best ticket to success. While considering what he might do for a living, Ted turned to his father for some helpful advice. "Come down and work at the foundry," Jesse James Ray told his son, "you'll never last a day!"

Those words still ring in Ted's ears, some 34 years later. Needless to say, Ted did go down to his dad's workplace, AB&I, got a job in the cupola department, and has carried on the family tradition of working hard and earning an honest day's pay ever since.

Ted worked with his father at AB&I until Jesse retired in the late 70s. During his three decades of service to AB&I, Ted has held a wide range of jobs, in most every part of the foundry. Today, he's a Production Superintendent,

responsible for keeping his department running smoothly, no matter what.

Ted recalls his early years at AB&I as tough duty. "There was a saying," recalls Ted, "that you could go out with the boys, but you had to get up with the men." That meant there was no calling in sick after a late night out, or because of a minor cold or flu bug. The job had to get done, and you had to do it, no ifs, ands, or buts.

"The foundry was different back then," says Ted, recalling that most of the work was hard physical labor. "I remember unloading a scrap car by hand," says Ted. "We did have hardhats, but nobody cared if you wore them. There was no such thing as earplugs or safety glasses. You just showed up to the foundry and started working." Ted now boasts that he earned a Ph.D. from the School of Hard Knocks during those early years.

"Today," says Ted, "it's a much better place to work." Instead of constant back-breaking physical labor, much of the plant is automated. Air pollution equipment and baghouses take the dirt and dust out of the air, and the foundry is a much cleaner, safer place. "There use to be 24 people on a cleanup crew," says Ted, "now there are three." Most of the production equipment is computer controlled, making changes and fine-tuning much faster than before. "It's still a tough job," says Ted, "but nothing like before."

When asked why AB&I has survived while most other pipe foundries went away over the years, Ted responds immediately. "It's our people," he says. "There has always been a team feeling among the production people. The team members

have made the company."

Ted also attributes much of the success to the tone and business style of the management team. "Our management appreciates the production team," says Ted, "and shows it through programs like profit sharing. Allan [Boscacci] demands the best from us, but he appreciates the team members and that makes a big difference."

Adaptability has also played a key role in AB&I's longevity. "Management is willing to change," says Ted, "and the production team is willing to change." With a common goal and focus on the future, AB&I has been able to avoid many of the problems that have forced other industrial companies to close over the past several decades.

AB&I congratulates Ted Ray for his ongoing success at AB&I, and extends a sincere "thank you" for his years of service. It's people like Ted, his father before him, and the production teams that have turned out the products made at the foundry that have led AB&I to where it is today, a truly progressive company poised for its second century of industry leadership.

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### Perspective

## ***The best business advice I ever got: *Illegitimi non carborundum est****

As a Liberal Arts major, I had to take four years of Latin. Unfortunately, I haven't had too much occasion to break into Latin while talking pipe and fittings to my customers over the years, and my skills have gotten a bit rusty. There is a phrase that has stuck with me, though, and comes up every now and then: *Illegitimi non carborundum est*. Knowing that few people know the meaning of this handy little phrase, I am sharing it with you now so you can use it with as much enjoyment as I have.

When the contractor tells your people that he'd love to buy from you, but your prices are too high; when the general tells you, the mechanical contractor, that the job is yours, if only you beat the other guy's price; or when the general tells you, the engineer, that the only way to get the job is by value engineering it to get costs down below current bids, keep this phrase at the top of your mind.

Simply put, the phrase translates to, "don't let the bastards wear you down." Use the phrase when your customer tries to get too deeply into your pocket, or when the general grinds a bit too much, or when you're asked to do things that just aren't quite kosher. *Illegitimi non carborundum est*.

It's just good business practice to stake out a position and defend it aggressively. To be too quick to cut price or corners on a job is to set a precedent that will be tough to live with over the long term.

My father-in-law was a self-educated businessman, but could easily teach many lessons to today's crop of MBAs. One of the principles he lived by was, "Never give up something in a negotiation unless you get something in return."

For example, if his bid on a job was said to be 5% too high, he would only concede if the general would dig the ditches, or do something else to lower my father-in-law's costs.

His thinking was that if you give away something for nothing, you have established the rules of the relationship and it will be repeated and repeated. Getting your price next time never happens – you just get ground down again and again.

More importantly, when the engineer is told that if the specs get changed just a little the job can be done for 5% less, and a little quality is sacrificed in the process, the results can be very bad indeed. What the general is really saying is that if the engineer allows him to use cheaper materials, the job can come in at a lower cost. In many cases, the owner promotes this philosophy because he plans to sell the building in just a few years, anyway. Never mind that the new-looking building is falling apart a little at a time, and that the new owner's cost of operation will be far higher than it should be. All of this at the expense of the engineer, who really didn't benefit from the downgrading of quality at all.

So what do we say to the guy who wants us to cut our price or cheapen our methods? Think Latin. If we're pricing our products and services fairly, then the customer needs to be educated as to why our price is an overall better deal than that of the cheaper guy. Talk to him about the importance of filling orders on time and complete, about meeting deadlines and the cost of not meeting them, about the value we deliver, not just the price. If your prices are a little higher, your customer needs to know why, and nobody can make that case better than you. Remember, *Illegitimi non carborundum est*.

While we're on the subject of Latin, I was playing golf recently down at Tehama in Monterey, when I saw a hat in a pro shop that I just had to have. Emblazoned across the front were the words, *Fac Diem Meam*. It took me a second to put it together, and another to get the full meaning. We were at a club that is partially owned by Clint Eastwood. The translation: Make my day.

In celebrating our 100th Anniversary this year, we plan to feature, on the pages of this newsletter, some key players who have made the foundry what it is today. The first story is about Ted Ray, a production superintendent who first started at AB&I in 1972. Ted was brought into the AB&I family by his dad, another key player who retired in the late 1970s. We hope you enjoy Ted's story, and look forward to future interviews of other team members who have done the heavy lifting that has brought our company to our 100th year in business.

I just finished a book, *Never Before in the World*, about the building of the transcontinental railroad. It is truly an amazing story of grit and determination, with a dash of boondoggle, resulting in the joining of America that changed the entire world. What struck me, too, was the fact that our company was founded just 40 years after the completion of this railroad. Before the railroad, California was an outpost with relatively few people. After the railroad, our state grew like gangbusters, developing in just a few years into one of the major economic power houses of the entire planet. It's nice to think AB&I played at least a small role in this development, during our first 100 years.

## Tyler Pipe says fire repair cost forcing closure

The following is an excerpt from an article in April 26, 2006 edition of American Metal Market.

Tyler Pipe Co. is closing its Pennsylvania foundry as a result of a major fire a few months ago.

The decision affects 163 hourly workers and 34 salaried staff, although some jobs will be retained, as the manufacturer of cast iron water and sewage pipe plans to continue shipping and receiving operations, moving ductile iron pressure pipe from other plants.

"This is a sad day for all of us at Tyler, and this was an extremely tough decision to make," said David Green, an executive vice president at McWane, Inc., Tyler Pipe's parent company.

Unfortunately, the fire and the potential financial obligation associated with rebuilding the plant forced us to re-examine the



economic soundness of such a large capital investment," said Green, who is in charge of McWane's soil pipe and utility fittings divisions.

The fire at the Tyler Penn Foundry in Macungie, PA, started shortly after midnight November 7, somewhere in the soil pipe fittings finishing area. More than 100 firefighters spent hours trying to extinguish the blaze, according to the Morning Call newspaper in Allentown, PA.

The cause of the fire was never determined.

Tyler Pipe, based in Tyler, Texas, is one of three domestic soil pipe producers.

Bill Levan, the Cast Iron Soil Pipe Institute's executive vice president, said the closure won't have any affect on supply, because Tyler and the other two producers have the ability to add shifts and increase production.

## Fittings Now Shipped in Wooden Boxes

Somebody once said that all that is old is new again. Well, when it comes to the packaging of cast iron fittings, that saying certainly rings true.

Just like in the good-ol'-days, all fittings will now be shipped in wooden boxes instead of the cardboard crates used in recent years.

"We're going back to wood for a very good reason," said AB&I's plumbing division manager, Gary Wickham, "wood is stronger and holds more fittings."

In fact, the new wooden boxes hold about 20% more fittings than the cardboard versions, enabling our distributors to receive fewer boxes for any given order. "Besides," says Wickham, "many of the customers like to re-use the wooden boxes for other purposes."

AB&I will be phasing the cardboard boxes out over the next few months. New full box quantity sheets will be sent to all customers in the next couple of weeks.



## What Else Happened in 1906?

By now, you all know that AB&I got started in 1906. But, what else happened that year? Consider this:

March 15: Rolls-Royce, Ltd. started in business;

September 5: Brandbury Robinson threw the first legal forward pass in American football;

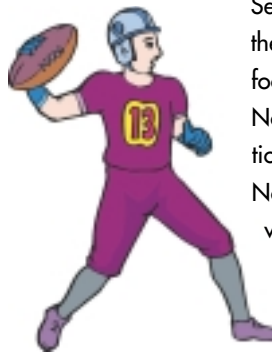
November 3 - SOS became the international distress signal;

November 9 - President Theodore Roosevelt visited the Panama Canal construction site.

This was the first time a sitting American president made an official trip outside of the U.S.

December 24 - Reginald Fessenden made the first radio broadcast: a poetry reading, a violin solo, and a speech.

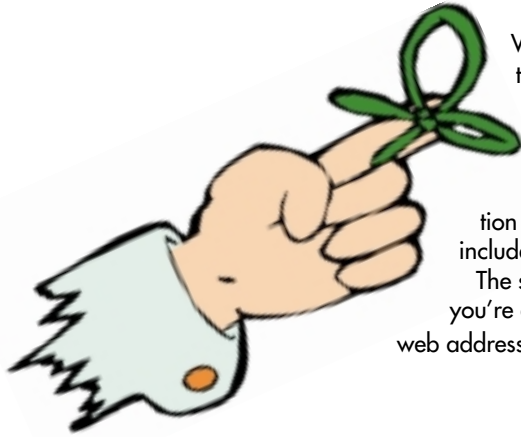
December 26 - The world's first feature film, "The Story of the Kelly Gang," was released.





Attention Distributors...

## Don't Forget to Send us Web and Email Info!!



We're making good progress at gathering email and Web address info on our stocking distributors, but some of you have yet to send us your details. Please send us your email address and web address so we can include in on our website at [www.abifoundry.com](http://www.abifoundry.com).

"To make this truly useful, we need everybody on there," said AB&I's sales manager, Greg Seiler, "so, if you haven't sent us your info, please do so now."

Once complete, the AB&I website will feature telephone, fax, email and web address information for all stocking distributors throughout the AB&I marketing area. A "quick-nav" map will be included to make it easy for website visitors to find the distributors in their town or area.

The success of this program, however, depends on the distributors sending in their contact data. If you're an AB&I stocking distributor, please take a moment to email or fax your telephone, fax, email and web address to our webmaster at:

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### Just for Fun...

#### The Next Time You Complain About Life, Be Glad You Weren't Around in 1500



Most people got married in June, because they took their yearly bath in May and still smelled pretty good. Just to be safe, brides carried a bouquet of flowers to hide the B.O. That's where the idea of brides carrying flowers came from.

Baths consisted of a big tub filled with water. The men bathed first in the clean water, followed by the boys, then the women and children. Lastly came the babies. By that time, the water was so dirty you could actually lose somebody in it. Hence the saying, "Don't throw the baby out with the bathwater."

Most houses had dirt floors. Only the wealthy had something other than dirt. Thus the expression, "dirt poor." The rich folks had slate floors over which they would throw thresh (straw) to keep from slipping when the surfaces got wet. A piece of wood was placed at the entryway of each door to keep this thresh from falling into the street when the door was opened. This is where "threshold" came from.

People did most of their cooking in a large kettle that hung over the fire. Every day they would add things to the kettle. Mostly, they added vegetables and not much meat, but sometimes they could get pork, which made them feel quite special. When visitors came over, they would hang their sidemeat for all to see. It was a sign of wealth for a man to be able to "bring home the bacon." They would cut off a little to share with their houseguests, and would all sit around and "chew the fat."

Those with money had plates made of pewter. Food with high acid content caused some of the lead in the pewter to leach into the food, causing lead death. This happened quite often with tomatoes, so for the next four centuries or so, tomatoes were considered poisonous.

Lead cups were used to drink ale or whisky. The combination would sometimes knock the drinkers out for a couple of days. Someone walking along the road would take them for dead and prepare them for burial. They were laid on the kitchen table for a couple of days and family would gather around and eat and drink and see if they would wake up. Thus began the custom of holding a "wake."

Bread was divided according to status. Workers got the burnt bottom of the loaf, the family got the middle, and guests got the top or "upper crust."

In old England, graves would be opened to remove the bones to re-use the grave. When reopening these coffins, 1 out of 25 coffins were found to have scratch marks on the inside, and they realized they had been burying people alive. So they would tie a string on the wrist of the corpse, lead it through the coffin up through the ground and tie it to a bell. Someone would have to sit out in the graveyard all night (the "graveyard shift") to listen for the bell. Thus, someone could be "saved by the bell" or was considered a "dead ringer."

*Do you believe all these stories to be true? Yeah, neither do we, but they make interesting reading. On the other hand, they did appear on the Internet, so there must be some truth to them, right?*

