



FABCON FOCUS

3RD QUARTER 2004

VOLUME 1, No. 2

QUARTERLY NEWSLETTER FOR FABCON EMPLOYEES

The President's Corner

By Mike Le Jeune, President and CEO



The year is progressing nicely. All the locations are busy, and we're making good progress on our automation project as well as the addition of wider-panel capacity. We've struggled with unprecedented increases in raw material costs (steel, cement, foam and freight) due to record demand in China; but we've been able to overcome the impact of that with higher than anticipated sales. It isn't easy to be this busy, but it sure beats the alternative. I really appreciate the effort put forth by each of you.

In August and September, I made the rounds of the facilities in an effort to update everyone on the new Strategic Plan. This plan is meant to bring focus to our everyday efforts, which is one reason that "Fabcon Focus" was chosen as the name for our newsletter. Everything we do should support our mission of improving quality and efficiency to such a degree that we are the only choice for walls. We must live our values every day. As you go through this newsletter, you will notice that the articles highlight our efforts to fulfill our mission and live according to our values.

MISSION STATEMENT

Fabcon sets the standard for construction innovation and safety. Continuous improvements in quality and efficiency make Fabcon the only logical choice for wall systems.

VALUES

- **Integrity:** Do what is right even when it is not the cheapest or easiest. Treat others the way we would like to be treated.
- **Quality:** Deliver products and processes that meet or exceed customer expectations in all aspects.
- **Innovation:** Nurture the spirit of invention and a culture that fosters creativity in all we do. Maintain an accelerated pace of change resulting in constant dramatic improvements and rapid internal adaptation.
- **Market leadership:** Be the only logical choice for wall panel systems in each of our chosen markets.
- **Rock solid customer relationships:** Collaborate with our customers, adding so much value that changing to a competitor is an unacceptable compromise.
- **Pride:** Be aware of our importance to the organization. Be proud to work at Fabcon. Be proud of the buildings we've helped create.
- **Communications excellence:** Committed to sharing essential information in a timely fashion so that our customers and employees know what to expect, where the company is going and why.

BE SAFE

ANNUAL SALES MEETING CULMINATES WITH NASCAR TRYOUTS

By Jim Houtman, VP Sales & Marketing



The 2004 Annual Sales Meeting held September 7-10 at the Sheraton Hotel in Bloomington, Minnesota, opened with a review of Fabcon's new Strategic Plan, followed by training on new work instructions and review of the 2005 sales forecast. Rick Speckmann and Dave Sawtell of EmPerform led a team building exercise with Sales and Project Management personnel and analyzed DISC personality profiles to gain insight on how to communicate more effectively.

Workshops and an open forum discussion between Sales, Project Management, Engineering (**Tom Kuckhahn and George Miks**) and Field Operations (**Bill Giles and Allyn McFarlin**) personnel focused on how to bring more creativity to their jobs to enhance customer service and personal growth.

Representatives from our public relations firm, Padilla Speer Beardsley, were on hand to brainstorm about lead generation and the Fabcon website. Personnel from our advertising agency, Arnold Ostrum, presented a new, more dynamic advertising plan, which will use direct mail to potential customers more aggressively.



The budding Mario Andrettis of the group were indulged with go-cart racing, revealing the competitive nature of many of the salesmen. The fastest driver of the day was **Dave Anderson** with **Jim Vozar** nipping at his heels. There have been several requests for a rematch next year.

PLANT COMPETITION THIRD QUARTER

The competition continues to get tougher. All facilities have been working hard on monitoring work hours, material costs, quality, plant cleanliness and safety. For the month of July the Pennsylvania facility won first place. August and September were won by the Ohio facility. Although **Ohio won for the quarter**, Pennsylvania was a close second. There is still time for the rest of the facilities to step up their efforts.

AND THE WINNER IS ... JESSA BEERS

... for her suggestion of "Fabcon Focus" as the name of our newsletter. Jessa's creative use of alliteration will serve as an ongoing reminder for all of us that if we increase our efforts to maintain our focus, Fabcon will continue to increase its growth as a successful company.



Jessa started in the Allentown office in August 2002 as receptionist, was promoted to drafter in February 2003, was promoted to team assistant in July 2004 and was recently promoted to Assistant Sales Engineer. Thanks to all of you who submitted your ideas, there were many great suggestions. A special thank you in the form of a \$200 check is on its way to Jessa.

“Fore!”

The Minnesota Field Employees Golf Scramble

On Saturday, September 25, 2004, approximately 20 Minnesota field employees gathered at the Daytona Country Club in Dayton, Minnesota, for a day of golf and camaraderie. Teams were organized by skill level to keep everything competitive for the two-person scramble event. Results and prizes are as follows:

First Place - **Jeremy Jimenez** and **Mike Webinger** - Golf shirt, Fabcon mug, sleeve of golf balls

Longest Putt - **Jacque Nadeau** - Putter donated by Daytona CC and the field employees

Longest Drive & Closest to the Pin - **Rob Staudenmayer** - Fairway Wood and a T-Wedge donated by Daytona CC and the Field Employees

Drawing - **John Derouin, Jesse Buckingham, Steve Dahl** and **Jason Buckingham** - Fabcon Accessories



Following the golfing, golfers and other field personnel gathered at Nature’s Hideaway in Rogers, Minnesota for food, beverages and a continuation of fun. All attendees had a good time. Thanks are owed to event organizers **Brian Steele, Jeremy Jimenez, John Derouin** and **Jason Buckingham**. A special thanks to whoever was in charge of arranging the weather. It was a perfect Minnesota day for golf and associated gatherings.

FIELD CONTEST

By Allyn McFarlin, Field Operations



The Top Field Crew Contest was initiated July 1 of this year. Its purpose is to recognize the professional efforts of those Field Foremen that run a tight ship onsite – maintaining labor productivity, watching equipment and material costs, and keeping a good safety record for all our men. These crews are evaluated based on the total number of man-hours needed to complete all the projects they are on in that quarter, the overall cost of equipment and site materials for those projects, and the record of safety for their crews during that time. Being a Foreman carries a tremendous responsibility and the following men have crews that are now recognized as the best that we have. For third quarter :

Top Crew **Joe Fox** – Indiana
Menards Homer Glen, Lowe’s Franklin, Lowe’s Big Rapids

First Runner Up **Gavin Allen** – Ohio
Home Depot Wadsworth, Home Depot Grove City, Del Monde Building

Second Runner Up **Brian McGinnis** – Ohio
3G’s Nail Pak Building, Home Depot Oil City, Kubota Building

All of these men will receive their awards at the Foremen’s meetings coming up in the next four weeks. Thanks to each of them for their efforts, dedication to good work and above all, their service to Fabcon.

HOT PROJECTS

INDIANA Fanimation



Dan Bible
Regional Manager

Square Footage	33,532	Estimator	Deborah Rushton
Finish	Steel form w/ reveals	Field Foreman	Joe Fox
Project Manager	Dan Bible		
Challenge	Reusable steel magnetic 1" reveals, decorative headers above windows		



This project brought a few new challenges that once would have made us say: "We can't do that." We were asked to provide steel form finish panels with four 1" reveals per panel. Until this point, even using a 2" reveal was considered a challenge. The Westfield facility overcame this obstacle and far exceeded expectations. The plant purchased 1" aluminum triangular shaped reveals to assure that there would be no movement on the bed along the 8' span of the reveal. Having the right material along with lasering-in each reveal resulted in near flawless band alignment. Even more challenging was being asked to provide the decorative applied window headers for the office area. Fabcon fabricated forms in-house, poured the headers at the Westfield facility and installed them using Fabcon patching crews. As you can see the whole project turned out to be a very attractive manufacturing facility.

OHIO Cabela's Triadelphia Distribution



Daryl Stroman
Project Manager

Square Footage	140,144	Drafting Coordinator	Dale Koskovich
Finish	8" VersaCore Plus steel form broom with trowelled bands	Engineer	Melanie Keith
Salesman	Robin Brown	Field Foremen	Terry Downs and Brian McGinnis
Project Manager	Daryl Stroman	Challenge	First VersaCore Plus Project
Drafter	Chris Noonan		



Cabela's Triadelphia Distribution facility was erected in March of this year in Triadelphia, West Virginia. This is the eighth project we have worked on with the Cabela's organization, but this Cabela's will go down in history as the first project Fabcon manufactured and erected with the new VersaCore Plus technology. The production out of our Ohio plant went smoothly, but the erection process was more of a challenge because the site was carved into the side of a mountain,

which made it necessary to drill into the rock to install our deadmen. Even with all of the challenges, Cabela's was pleased with the project and has two projects pending for future construction with Fabcon.

HOT PROJECTS

MINNESOTA Grand Rios Water Park



*Joe Buchholz
Regional Manager*

Square Footage 24,979
Finish Steel Form
Salesman Dave Anderson
Project Manager Bryan Fleck

Engineer Keith Burns-Christenson
Field Foreman Tom Munn
Challenge Complex design including slides through the panels



Grand Rios Resort is the largest indoor water park in the state of Minnesota. It contains six slides including the Hurricane where riders reach speeds of 45 mph. Grand Rios provided Fabcon many challenges. The project involved mezzanines, multiple water slides, attachment to an existing building, several remobilizations, and construction in sub-zero temperatures. Grand Rios is just one of a number of aquatic parks Fabcon will erect this year.

PENNSYLVANIA Barnes & Noble



*Bryan Fleck
Project Manager*

Square Footage 271,906
Finish 12" VersaCore with steel form reveals
Salesman Bud Moore
Drafter Chris Noonan
Project Manager Bryan Fleck

Estimator Deborah Rushton
Engineer Keith Burns-Christenson
Field Foreman Dave Evans and others
Challenge Huge project requiring 50' panels



Barnes and Noble Distribution Center is a huge warehouse with an attached office, requiring approximately 271,000 sf of wall panels to be produced and erected on an extremely tight schedule. Production was asked to provide 12" VersaCore panels with 9" billets, a unique product that had not been used on a project of this size. The 1600' wall of dock doors (approximately 5.3 football fields) required sawing the 4' partial panels separating the doors, an additional challenge for production and yard personnel to get done on schedule. Field personnel were able to keep a very aggressive erection pace on track by using two crews on the job. Patching crews raced to keep ahead of painters and

other subcontractors who were also racing to complete their tasks before fall. Thanks to the teamwork of all the departments involved, the job was successfully completed in far less than the 60 days which were originally scheduled.

“INITIATIVES” AT FABCON

By Dick Wesen, Senior VP of Operations



Can you name Fabcon’s “Initiatives”? You’ve probably heard the term and maybe you know that a group meets each Monday at 1:00 p.m. to discuss them, but a question that might still be on your mind may be, “What *is* an ‘initiative,’ and how does that impact my job at Fabcon?”

According to Webster’s an “initiative” is:

- 1: *The action of taking the first step or move;*
- 2: *The characteristic of originating new ideas or methods.*

At Fabcon an “initiative” is an opportunity for continued improvement in products and processes, specifically:

Rig and Swing

Focusing on areas such as improved setting rates, quick connects, less adjusting and setting panels off trailers has enabled us to increase the average panel setting rate by 11 percent.

Tolerances

Extra attention to panel width, length and thickness as well as band and blockout location has brought us approximately 80 percent closer to achieving our goal of architectural tolerances.

Blockouts

Ninety-five percent of blockouts are now cast out of wood instead of Styrofoam, and we will continue to push that number even higher. We are close to eliminating the slurry coat with the use of additional vibration.

Automation

This will have the greatest affect on Fabcon’s future because it will increase the edge that we have over our competitors. The automated gear and rack system that we installed on bed number three allows us to track exactly where the bed is at any time. This position is sent to a laser that provides a line to lay out our bed with great accuracy. We are close to rolling out the projection laser, which will project an image of our piece drawing on the bed as it travels. Automation is enabling us to produce panels with higher accuracy and closer tolerances.

Developing cheaper mix designs

A real success story! We have been working with our admixture vendors to reduce our costs by changing our mix designs and are now looking at the use of fly ash to reduce our costs even further.

Vertical Integration

We have added a number of field crews which enables us to better serve our customers by providing more efficient caulking, helo anchors and grouting of footings. Our “Helo Anchor” Department paid for itself in the first two months of operation by eliminating the need for outside crews to install deadmen in preparation for erection of our panels. We are now testing ways to efficiently contain the grout on our flat footing detail to reduce costs.

These “Initiatives” are just the beginning of the continuous improvement process that will ensure Fabcon’s future success. If you have an idea for improving our products or process, we’d love to hear it.

TIME IS MONEY

By Allyn McFarlin, Field Operations



One of the hardest tasks Fabcon has faced over the last 30-plus years is common to many companies in our situation - the integration of a manufacturing company with a construction company. Both types of companies have very different sets of challenges and very different sets of needs, yet they are required to act as a seamless organization in dealing with customers. While this combination is becoming more and more common in the United States, the challenges are very real.

A construction contractor's greatest risk is the cost of labor, whether union or non-union. There are so many factors that can affect labor costs on a construction site that it takes extreme diligence to "protect" the productivity of a crew. Even with very experienced crews, delay factors can come from personnel issues, union issues, weather, other trades, clients, architects, engineers, material suppliers, equipment suppliers, etc., etc., etc. The list can be very long and emphasizes the fact that the construction site is truly a place where the adage, "Time is Money" is an absolute for all of us.

While our needs may be very different, our approach to the construction site is actually similar to the approach in the plant and the office – the fewer interruptions we have to the normal work flow, the cheaper it is to accomplish that work. As you know, pouring five-foot-wide pieces costs more per square foot than pouring eight-foot-wide pieces. Pouring beds with additional bulkheads to change finishes costs extra per bed, as well. Stopping that bed altogether would cost us a fortune. It also takes longer to make a revision to a drawing after it comes back from approval than it would to make the same revision while the drawing was being generated, because the revision is now an interruption of work flow.

It is exactly the same in the field. Every time we change our "plan" onsite – it costs us time. Every time we have to clarify something onsite – it costs us time. Every time we have to deviate from our normal approach - it costs us time. Our greatest focus for field operations in the upcoming quarters will be to reduce the amount of time "wasted" on our jobsites to an absolute minimum.



There will always be some wasted time during each day that we cannot avoid – men need to put on safety equipment, use the restrooms, take a smoke break, get tools out of the trucks, pick up dropped items, talk with the superintendent, etc., etc., etc. These things are taken into account when labor rates are estimated. Also taken into account are things like reduced productivity for cold weather, worker fatigue during stints of long hours, tool repair, equipment fueling and maintenance, and other factors that interrupt the direct work time of a crew. These things are common to all construction sites and will continue to be with Fabcon.

It is the major work flow interruptions that we want to be diligent to avoid – as we avoid stopping the moving bed in the plant when we are pouring. As you see the next quarters unfold, give some thought to the idea that "Time is Money" when helping our field people. Think of not "stopping the moving bed" out in the field. Anything we can do to avoid or minimize interruptions of work flow will help us all make money. Something as simple as a ten-minute phone call to get a question answered can cost us up to \$100 on our construction sites. That may not seem like much, but it adds up very quickly when "Time is Money!"

To access the Fabcon Employee Newsletters in Digital Form go to: G:/Newsletters

PULLING TOGETHER

by Neil Kennedy, Controller



As a member of the crew (rowing) team while at college, I learned success is dependent on teamwork. In crew, it is critical that everyone in the boat pulls together in a coordinated motion. If any of the rowers are not in sync with his crewmates, it will cause the boat to rock and move off course. When everyone is rowing together, the boat can reach a magical level where it effortlessly glides across the water toward the finish line.

Fabcon's Accounting Department has been expending a lot of effort recently to get in sync as a team. The two ways we have done this is by looking at how we communicate and having regular structured communication. Early this summer, the entire department participated in a team building exercise that focused on communication. We each took a personality profile that showed our preferred communication style. Then we did activities that helped us see how to communicate effectively with people of different preferences.



In our monthly department meetings, we review major points of interest from the previous management meeting and look at the department's calendar for the next two months. Each group within the department gives an update on its major projects. Additionally, a guest speaker from another department does a presentation. On Thursday mornings, the managers from the Accounting Department have a brief huddle where we plan for the week ahead. In addition, each of the managers has a status meeting with me individually where we discuss the previous month's accomplishments and plan the direction for the month ahead.

The Accounting Department is still striving to reach the level of synchronization and effortless gliding that can be experienced in crew. However, the combination of our team building exercises and regular structured communication has helped us learn how to pull together.

Team Building Without the Oars

There are many other options for team building for all employees to consider. You can read about a recent foray into the world of go-carting elsewhere in this issue, and a variety of other group activities have been enjoyed or scheduled such as:

miniature golf
sporting events
fundraisers
horse shoes
lawn bowling
card games

teppanyaki dinners
golf
picnics
boat rides
ice skating
horseback riding

bowling
movies
contests
dance lessons
sledding
volunteering

Anything you've enjoyed doing with your friends can be a Fabcon team building activity when done with a group of your fellow employees – maybe with just your department, several departments or your entire group, whatever works best. Getting to know the people we work with every day in a different atmosphere and activity will provide the basis for better communication and cooperation, so funding has been provided for each location for whatever activity is selected (within reason). So convey your interests and ideas to your General Manager or Employee Club representative – and report back. We'd appreciate your sharing your experiences with us.



NEWS

FABCON, 6111 WEST HIGHWAY 13, SAVAGE, MN 55378 - (952) 890-4444 - FAX (952) 890-6657

FOR IMMEDIATE RELEASE

WHAT IS A PRESS RELEASE?

And why does Fabcon do them?

SAVAGE, Minn., Dec. 1, 2004 – A press or news release is a written announcement that is distributed to local, trade or business media. Press releases distributed on behalf of Fabcon may include the following types of announcements:

- New product or product enhancement announcements to increase industry knowledge of Fabcon’s offerings and generate sales leads
- Contract win or project announcements to increase Fabcon’s visibility and credibility in the market
- Literature news releases announcing the availability of technical papers, finish guides or other literature to position Fabcon as a knowledgeable resource on a variety of topics
- Changes to senior personnel

News release ideas are generated by Fabcon employees and by Fabcon’s public relations firm, Padilla Speer Beardsley. Once a suggested topic is approved, Padilla Speer Beardsley works with Fabcon staff, customers and other industry experts to develop the news release content.

The final news release is distributed to Fabcon’s media lists, (i.e. *Architectural Digest*, *Concrete Products*, *Engineering News Record*, etc.). Such editorial coverage supports Fabcon’s brand strategy, builds awareness among important audiences, delivers key messages to differentiate Fabcon from its competitors, promotes new products and services, and creates sales leads. The final two paragraphs on this page are called “boilerplate” and are included at the conclusion of each news release to enable recipients to request further details for publication.

In the future

All Fabcon press releases will be distributed to Fabcon employees at the time of their release to the media, so watch for “the news.”

About Fabcon

Fabcon, an ISO 9001 registered manufacturer, which produces and installs precast concrete panels throughout the Midwest and Eastern United States, operates production facilities in Minnesota, Indiana, Ohio and Pennsylvania. The company has completed more than 7,000 precast projects and is celebrating 34 years as a leader in the precast concrete business. Since 1971, Fabcon has manufactured, delivered and installed precast wall panels for virtually every type of structure. Fabcon’s experience helping customers accomplish their building goals includes 10,000-square-foot retail stores, million-square-foot distribution centers and 16-story housing facilities.

For Further Information

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Nissa French: 612-455-1724; nfrench@psbpr.com

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OHIO EMPLOYEE PICNIC



Mark and Linda McSweeney



Josh Brown



Orlando Mendez and his family



Rostyslav Bedeshko and Joy Harlor



Dmytro Khadzhayev



Tori Baldwin and Jeff Prewitt

More Employee Events

INDIANA

Holiday lunch

PENNSYLVANIA

Thanksgiving lunch in Allentown
Year-end holiday lunch in Allentown



OHIO

Holiday potluck
Thanksgiving candy count and turkey distribution for plant employees
United Way campaign
Lunch provided by United Rentals
Christmas raffle and distribution of vendor donations

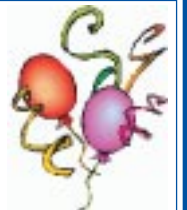
MINNESOTA

Emergency Foodshelf Network Food Drive
Alpha Women's Center Giving Tree
United Way Campaign raised \$17,459
Pee Wee Picasso Coloring Contest
Holiday potluck





Congratulations on your Anniversaries



Mitchell Owen
25 years
Westfield
Yard Supervisor



Mark Krieg
25 Years
Savage
Field



James Pankowski
20 Years
Milwaukee
Sales Engineer



Rick Randolph
15 years
Allentown
Regional Manager



Mike Kovarik
10 years
Savage
Field



James Gerard
10 years
Savage
Yard



Gary Simon
10 years
Savage
Yard

Five Years

Savage
Deb Stang - Materials
Adolfo Chavez - Plant
Lois Anderson - Accounting
Linda Whitmore - Project Manager
Scott Jorgenson - Yard

Field
Robert McManus
Dean Heins
Michael Goebel
Ross Kuehn
William Meyer
Jacob Lafferty
Jason Weis
Dale Kirby
James Mitchell
Randy Wade

Westfield
Travis Rose - Plant
Keith Zook - Yard
Teddie Hancock - Yard
Wayne Asbury - Yard

Grove City
Chris Rawson - Yard

Carmel
Earl Sutherland - Engineer





EMPLOYEE NEWS

Third Quarter congratulations to:



NEW EMPLOYEES

SAVAGE

Administration

David Lease

Team Assistant

Kara Cook

Engineering

Kristine Wood

Project Management

Bob Dylong

Quality Assurance

David Wellnitz

Jeffrey Norrel

Andrew Roalson

WESTFIELD

Production

Johnny Borrego

Harold Turner

Jeff Elmore

Jason King

Fred Davis

Quality Assurance

Richard Gregory

Maintenance

Douglas Lueck

Safety

Scott Terry

GROVE CITY

Production

Eric Grinston

Nelson Medrano

Curtis Martin

Mikhal Zhuchenya

Noe Perez

Kevin Ellis

Phillip Liles

Marq Bryan

GROVE CITY

Yard

Barry McGinnis

Sergio Medina-Delgado

James Stewart

Project Management

Bradley Dean

Tim Brown

Engineering

Eric Schmidt

MAHANOEY CITY

Production

Alexander Synyuk

Justin Fazio

Michael Neidig

Marlin Wolfegang

David Dolbin

MAHANOEY CITY

Production

David Smith

Robert Fisher

Shawn Cairo

Shawn Finneran

Robert Jones

Dennis Zimmicki

MAHANOEY CITY

Production

David Merenda

Eugene Shemansik

Kyle Lentec

Joshua Kholenberg

Edward Shuder

ALLENTOWN

Administration

Gloria McGilloway

Engineering

Patricia Hachey

Danel Snyder

Eric Klotz

PROMOTIONS

ALLENTOWN

Rebecca Hammond, from Assistant Sales Engineer to Sales Engineer

SAVAGE

Kara Cook from Temp to Team Assistant

George Miks from Manager of Design Services to Chief Engineer

Fred Wilson from Design Engineer to Senior Design Engineer

GROVE CITY

Eric Drozdowski from Design Engineer to Senior Design Engineer

BIRTHS

Jessica Elizabeth Prewitt was born to **Jeff Prewitt**, General Manager of the Ohio and Indiana facilities, and his wife Ronda on October 8, 2004. She came into the world twenty-one inches long, weighing seven pounds, two ounces and joins her sister Julia, who is two.