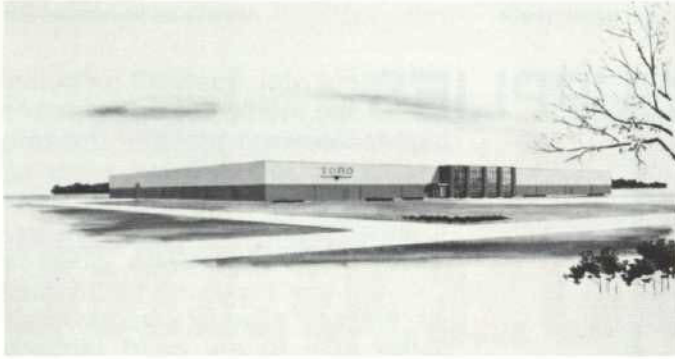




Made in Wisconsin

TORO IN TOMAH

By Monroe S. Miller



Architect's sketch of the Toro plant in Tomah. Except for the change in the company logo, that is what it looks like today.



David T. McLaughlin, president of Toro in 1974, holds a rendering of the Toro plant at the Tomah site of construction during groundbreaking ceremonies.

Tomah, Wisconsin: population — 7,200. Typical rural Wisconsin community. Clean streets and pleasant homes, grocery stores, fuel suppliers and feed mills. Home of Frank King, the cartoonist who created the funny paper favorite "Gasoline Alley." A small town with its roots in American agriculture. Yet it is the unlikely home of one of the most modern manufacturing facilities in the turfgrass industry — Toro in Tomah.

Well, maybe not so unlikely. Located on I-90 about halfway between Milwaukee and Minneapolis, it is close to Toro's home office. It's also close to the Wisconsin manufacturing facilities of several well known engine companies — Kohler, Briggs & Stratton and Tecumseh — that power much of Toro's equipment. Many of their other suppliers are located in the upper midwest. But most important of all, according to former director of operations at Tomah, Jim Bruha, are the people of Tomah. "Excellent people," Bruha says, "that have made this plant critical to the success of the Toro Company. The workforce here is better than anyone could hope for."

The Tomah Toro plant was not what I expected. You'd never find it by looking for a smokestack; it isn't surrounded by slums, old and rundown buildings or other factories. There is no noise and very little traffic. In fact, if you drive to Tomah you will have to stop and ask for directions. Located on the edge of town in an industrial park, first glimpse is of a very large building with clean and simple lines. It is surrounded by a well maintained grass area. But the pleasant, almost subdued exterior belies all of the activity inside.

And it is a big building. The manufacturing facility covers a total of 225,000 square feet. Of that, 160,000

square feet are dedicated to the manufacturing and 65,000 square feet are used for warehousing. Twenty-four thousand square feet of the warehousing total is off-site.

Toro purchased twenty-five acres in the Tomah Industrial Park in the early 1970's. The park was created in the late 1960's to attract new industry to the Tomah area and is jointly owned by the city of Tomah and the Forward Tomah Development Corporation. The Toro plant is one of their major successes.

Groundbreaking for the new plant was something. The ceremony took place on 7,500 square feet of fresh sod laid in the shape of a map of Wisconsin! Pat Lucey, governor of the state at that time, David McLaughlin, president of The Toro Company then, and Tomah mayor C. E. Bean each hopped on a Toro mower and cut a swath across the Merion Kentucky Bluegrass sod map.

Construction was completed in 1975 at a cost of something over \$3 million. It opened with an initial workforce of only 50, but in early May of 1986 there were 501 hourly employees and 48 who are salaried. I'm still reeling from what I think is a remarkable fact: the Toro plant in Tomah has never ever had a time clock! Never, since day one. That certainly speaks highly of the relationship between labor and management. Jim Bruha has said that there have been only a handful of abuses in the ten and one-half years he'd been there (Jim received a promotion and left the plant for another Toro factory in Minnesota at the end of the first week of May). Timecard cheating is cause for immediate dismissal. The plant is a non-union facility that is currently working two welding shifts and one assembly line shift each



Groundbreaking ceremonies at Tomah, which took place on a sod map of Wisconsin!

day.

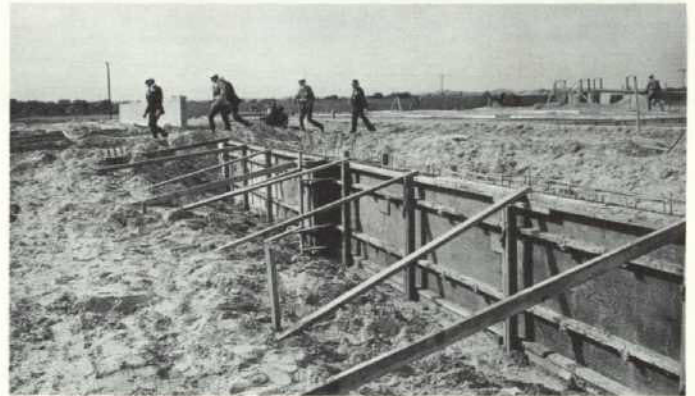
The basic charter of the Tomah plant is assembly, welding and painting. There is no piece/part manufacturing — that is all done in other Toro plants or by subcontractors. In fact, the Tomah plant is a big customer — they purchase parts from 850 different vendors. Complement that statistic with the fact that they have 12,500 unique part numbers in their system. If anything is obvious about this plant, it is the importance of being well organized. And if those numbers do not startle you, how about this one: they average \$9 million per month of parts inventory.

Painting is something else the Tomah operation does in a big way. About 23,500 parts are painted each and every day. Painted surfaces covered each year totals 7,500,000 square feet, consuming 83,500 pounds of powder paint and 11,500 gallons of wet paint per year. The welding operation uses 2,500,000 linear feet (470 miles) of welding wire in a year.

Have you ever wondered what pieces of Toro equipment are made in Tomah? The fact is that practically all Toro equipment you've purchased in recent years (and that you will buy in future years) was made in Wisconsin at Tomah. All commercial products, except the 350/450D are assembled in this factory. That means your Greensmasters, Grounds-



Ken Melrose's management philosophy is in evidence throughout Toro, including the Tomah factory.



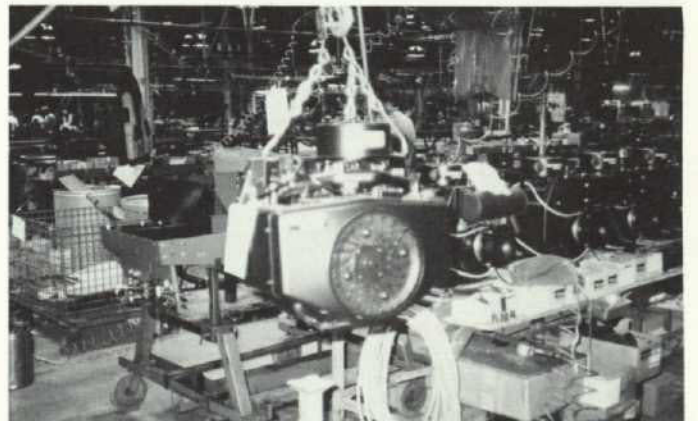
Construction progress at the Toro site in Tomah.

masters, Sand Pros, Parkmasters, Rake-O-Vacs and so on through the commercial lines that we use, were made right here at home! Toro will produce over 100 different models in Tomah during fiscal 1986. In addition to the commercial products, the following are made in Tomah:

- all large two-stage snowthrowers,
- all single-stage electric snowthrowers,
- all electric and gas weed trimmers,
- all front and rear engine riding rotary mowers, except the 725,
- all riding rotaries with baggers,
- all commercial reels, including those used on the 350/450D,
- new electric blowers and air rakes, and
- commercial kits.

At the end of the work day, 40 semi-trucks will have moved in and out of Toro's shipping docks. Their products go either directly to distributors or to their Mayville warehouse in Minneapolis.

For as modern, efficient and hi-tech as this plant is today, they are always looking to the future and planning for it. Major emphasis will be on robotic welding (although robots are currently welding some smaller pieces), E-coat painting system implementation, improved material handling within the plant, and electronic communications. Major sums of



A twin-cylinder Kohler engine, also made in Wisconsin, heads for installation in a Toro mower.



Jim Burha and a number of Toro's Tomah plant employees look at a photo album highlighting Jim's years at the Tomah plant.

money have been invested to move quickly into these improvements. The robotic welding currently done is somewhat limited — remember, there are two welding shifts — but the engineering staff sees these machines doing small, medium and large weldments soon, and at some point in time they will incorporate vision systems. I'm impressed by something significant: the decision making, training and programming for robotics includes employees currently on the welding line and in the booths, those very people likely to lose their jobs to robots. They are not, however, threatened by this inevitability. Their involvement insures them continued work, only in a little different area.

If the Tomah plant is new, relatively speaking, The Toro Company itself certainly is not. Known around the world for so many years as a major turf equipment manufacturer, Toro was founded in 1914 to build engines for a farm tractor producer. Under the name "Toro Motor Company" it kept its agricultural orientation until 1922 when the Golf Course Superintendent at a local country club suggested that Toro design and build a tractor towed gang mower for cutting golf course turf. In three short years Toro turfgrass maintenance equipment was found on major golf courses from coast to coast, as well as in the nation's parks and large estates. They were on their



Toro uses thousands of Milwaukee-made Briggs & Stratton engines.



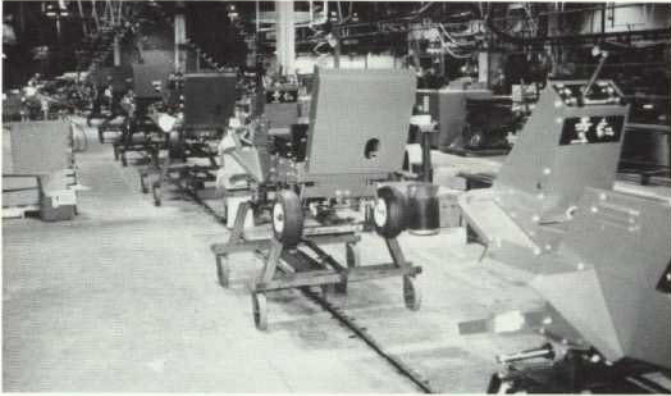
Toro's employees held a going away party for Director of Operations Jim Bruha.

way to becoming the nation's leading independent producer of maintenance and irrigation equipment for turf.

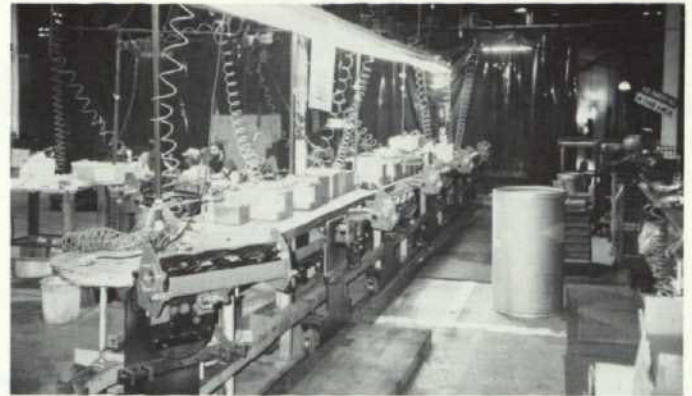
Toro's plant in Tomah is really busy. Business is good for the corporation as a whole. Things are pretty rosy these days. But that wasn't so not so long ago — red ink on the books matched the red paint of their equipment in the 1981-1982 period. You'll remember those years if you worked on a Wisconsin golf course — there wasn't any snow. The lack of snow coupled with Toro's almost unconscious increased dependency on snowblower sales as a larger and larger percent of their gross spelled disaster; they lost \$13 million in 1981 and nearly \$9 million in 1982. President David McLaughlin and nine vice-presidents left the company in 1981. A young vice-president of commercial and turf sales since 1976, Ken Melrose, was promoted to replace McLaughlin. Although youthful, he possessed the courage to make some very difficult decisions. Most dramatic among them was trimming the workforce by more than half. More than 2,200 jobs were cut, management and labor alike. He closed inefficient and unprofitable plants, sold a lawn care company and bought out of a lease for posh, new company headquarters. Melrose, who has admitted he was part of Toro's problem when inventories were



A few of the nearly 24,000 parts painted at Tomah each day headed for the paint booth.



A long line of Groundsmasters in various stages of assembly.



Assembly area for Greensmaster cutting heads.

allowed to grow to such enormous proportions, has been their salvation and the architect of solutions to their troubles. Educated at Princeton, MIT and the University of Chicago, he has increased productivity, frozen wages, required furlough days and instituted strict controls on the company's inventories.

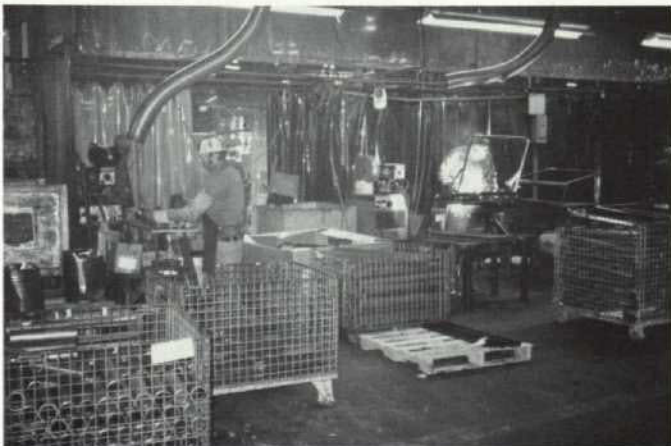
All of those actions were appropriate and tough decisions for Ken Melrose. They show he is a good businessman and are, in fact, the actions that make good stories in the Wall Street Journal, Forbes or Baron's Weekly. But several other things about his management style and philosophy impress me much more than his business acumen. He's a very kind and feeling person, a man I liked the first time I heard him speak and even more after I had a chance to visit with him. It does seem ironic to sense these things about a man who slashed Toro's payroll so drastically. But he was forced into it, and rather than focusing on that, I prefer looking at what he has done with and for those employees remaining with the company.

Ken Melrose decided immediately upon his ascendancy to the presidency that Toro must recapture their reputation for making quality products. My visit

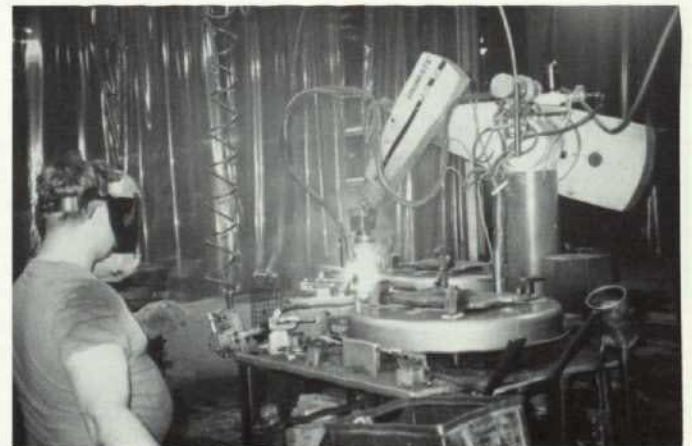
to Tomah confirmed that on the nuts and bolts level, as I watched a fork lift operator snatch a crated mower from a semi and deliver it to a quality control area where it was opened, checked and put through all kinds of tests. In fact, Tomah has some 109 hourly and salaried individuals involved in quality circles. Secondly, he not only maintained but increased expenditures on research and development of new products. All Golf Course Superintendents will benefit from this attitude and decision, as will Toro. It will also place them in a better posture to meet the inevitable assault from Japanese products entering our marketplace.

I am particularly impressed with Melrose's "Pride In Excellence" program. As you walk from Tomah's office area into the plant itself, what you first see is a large banner declaring their support for his philosophy. As he has said, the slogan is intended to keep everyone in the Toro family "visibly focused on our priorities of quality, productivity and innovation." You have to visit their various facilities to realize this isn't an empty or hollow slogan — they all really believe in it.

The most dramatic evidence of management belief in and commitment to the PIE program is their



One of the welding areas which will someday be replaced with robotic welding.



One of the robotic welding units at work on a Toro rotary mower deck in the Tomah plant.



Toro V.P. Ken Larson fastening a cable clamp to a rear bagger mower, as part of management participation in the PIE program.



Toro president Ken Melrose getting instructions on how to torque a wheel and tire assembly. "It's not as easy as it looks!"

participation. There are several ways they are doing this: top management officers working directly, in person, with dealers and distributors in their everyday activities in the turf business; spending time — lots of time — with customers in company programs like the Turf Professionals Club, and; spending a day and a half at one of Toro's plants, like Tomah. I like the last one best! The intention of putting on work clothes and assuming a place on the assembly line is simply to give these management personnel a keener awareness and deeper understanding of the various jobs performed in the manufacturing process. When they were in Tomah, some did work on the assembly line. Others were placed in expediting and receiving operations. And some spent the day as forklift operators. I'd love to have been there. The rules they operated under were simple: work a full shift with no interruption by phone calls; breaks only at scheduled times; "brown bag" lunches and work clothes (no coats and ties). Again, the whole idea was for the decisionmakers to walk in the shoes of a plant employee for a day and understand what he experiences. Who knows, maybe President Melrose or V.P. Larson was taken to task when they discovered leftover fasteners and did not have a clue as to

where they were supposed to be. The management participation program that included Tomah seems to exemplify their PIE program.

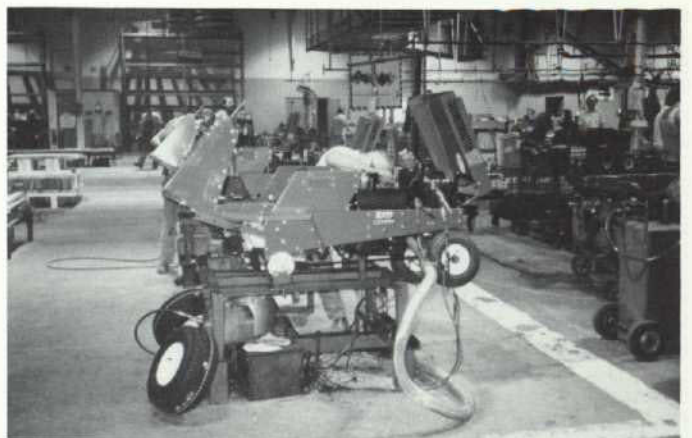
Toro in Tomah — valuable assets to the whole state of Wisconsin and an invaluable ally of the Wisconsin Golf Course Superintendent. Stop by and visit them someday. They are quality people building a quality product and **always** have the welcome mat at their door.



Welding on an assembly for Toro's new Greens Aerator.



The Toro plant in Tomah has its own testing facility. A staff person here is checking specs on the main piece for Toro's new Greens Aerator.



Groundsmaster production.