

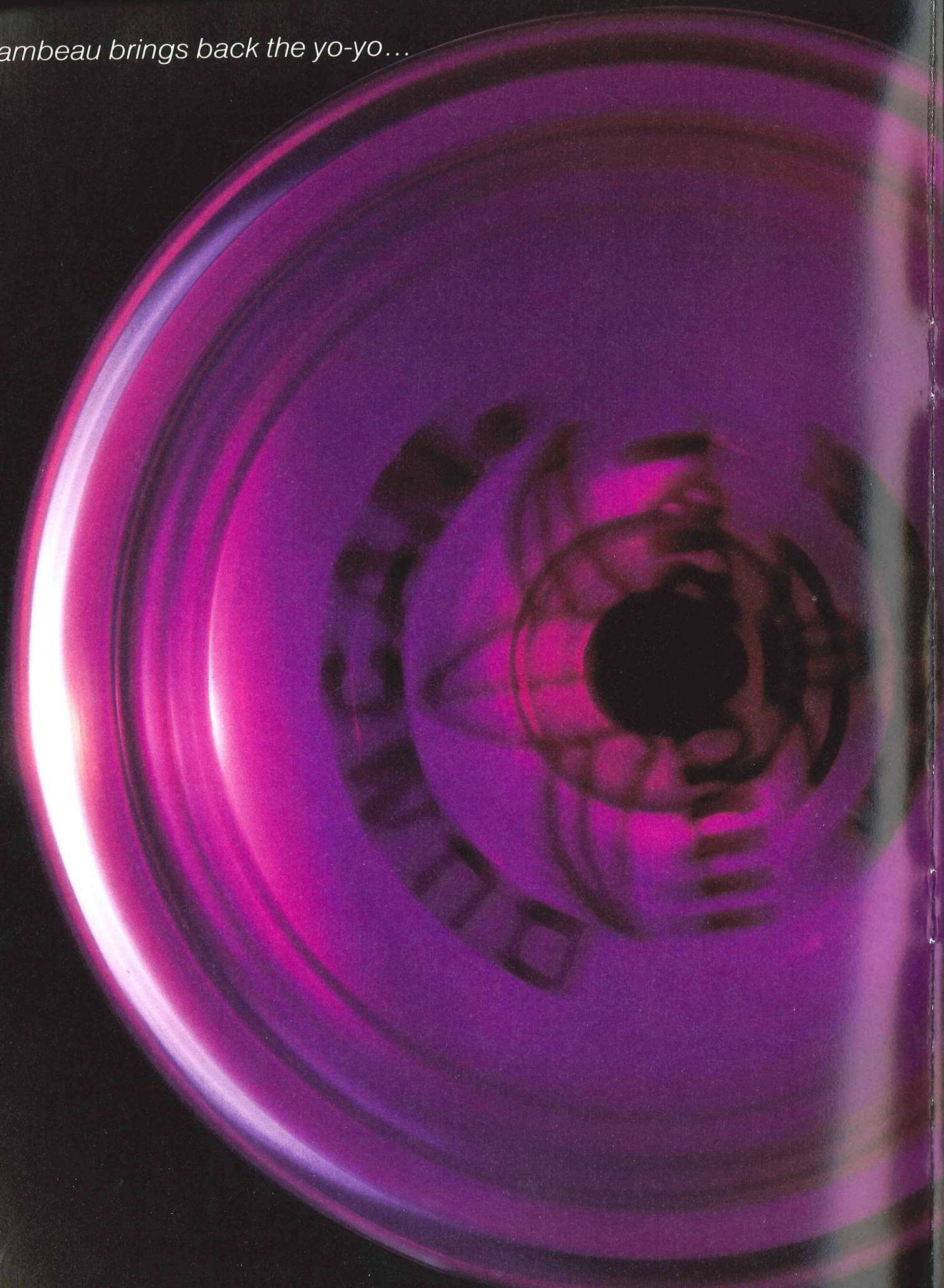
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A new generation learns to "rock the baby" . . .
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Flambeau brings back the yo-yo...





DIVERSIFICATION: --- **A WAY TO GROW IN PLASTICS PROCESSING**

Did you dazzle them with your ability to “loop the loop” — *two handed*? Do you think you still know how to “walk the dog?”

If these questions mean anything at all to you, you’re probably over 30 (to put it charitably) and there’s probably a Duncan yo-yo still spinning somewhere deep in the recesses of your childhood memories. Not any yo-yo, mind you: it had to be a Duncan. For the Duncan yo-yo, like Lionel trains and those delightfully pink “Spaldeen” (Spalding) High-Bouncers*, were among the few products that kids instinctively asked for by brand name.

*The actual trademark used is Spalding High Bounce Ball. Tradition has it that “Spaldeen” is a mispronunciation that first appeared in Brooklyn, N.Y., and spread.

Despite their product's popularity, the Duncan people fell upon hard times. The ubiquitous yo-yo, all the rage in the '30s, and a volume item through the '40s and '50s, became an object of neglect in the tumultuous '60s. Sales lagged, and the company went bankrupt.

But the yo-yo returned in the back-to-normal '70s, when the Duncan name was acquired by Flambeau Products Corporation, a diversified molder of plastics located in Baraboo, Wisconsin. And apparently the yo-yo is here to stay. Notes an article in the *Chicago Tribune*:

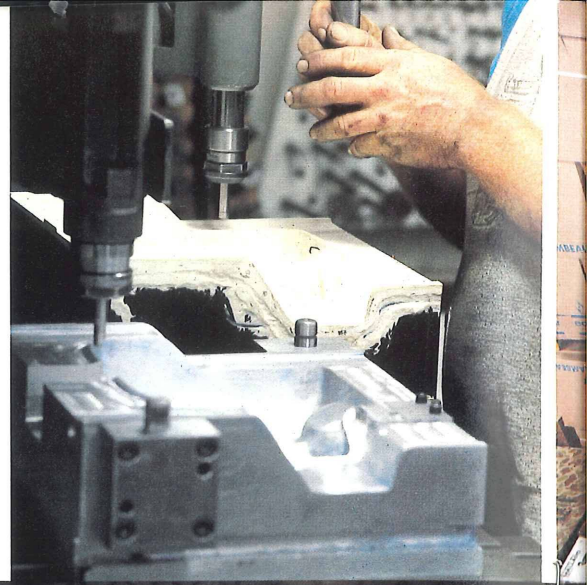
"In plastic profusion, the yo-yos seem to be frantically trying to stay in the public eye, never to be lost again. Starting at about 79 cents (for a Duncan Junior) and ranging up to \$2.49 (for the Duncan Satellite), the yo-yos come in countless colors . . . the Duncan Satellite has batteries and lights up."

Bringing back the yo-yo is but the latest in a series of diversifying moves that have characterized Flambeau since the Sauey brothers formed the company in 1950.

"Diversity can be an insurance policy in this business," says W. R. (Bill) Sauey, Flambeau's president and chairman. "We operate on a divisionalized concept, and each of our division managers has to meet both growth and profit objectives. When there's a choice between the two, our division managers are urged to diversify to insure growth, even at the expense of short-term profits."

Sauey's management philosophy has led to manufacturing plants in five states and a product/operational mix that's about one-third industrial, two-thirds consumer. Explains Jimmy C. Hall, Sr., Flambeau's vice president for Corporate Development:

"Varied as our operations may seem, there's darn little that's done around here that isn't by design."





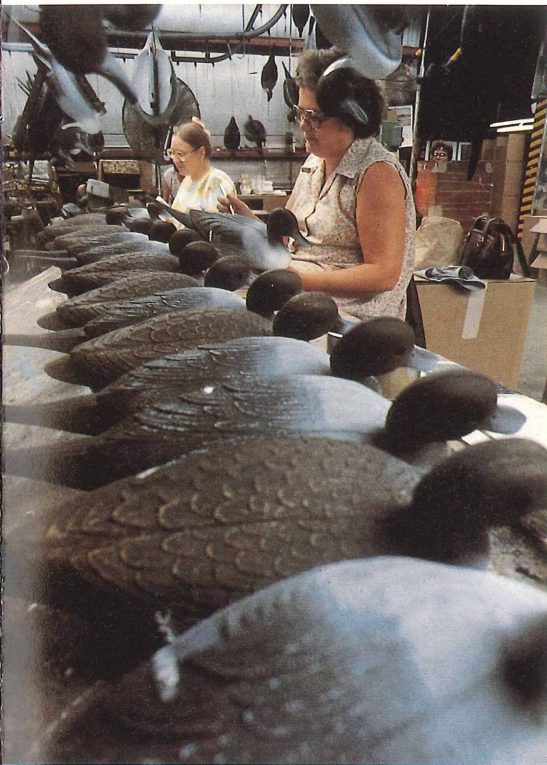
Left: Duncan yo-yos come off the assembly line at Flambeau Products.

Above Left: Flambeau has complete "in-house" facilities for mold-making.

Above Center: Efficient traffic methods speed variety of products through storage and distribution.

Above Right: Flambeau makes a variety of containers and packaging units to special order.





Left: Tackle boxes make use of polypropylene "living hinge."

Above: W. R. Sauey, president and chairman of Flambeau Products.

Center: Fine-detail molded duck decoys are one of several Flambeau products for the sports enthusiast.

Below: Craftsmanship is still the most important part of mold making.

Whether we're adding a new product — or a new plant — we look to two criteria: can we capitalize on and extend our established strengths? And, can we add value beyond material value so as to achieve an advantage in the market place."

At present, Flambeau's consumer products group divides into four divisions:

● **Duncan Action Toys** — which means the yo-yo, of course, but also includes a complete line of toy trucks, cars, boats and specialties such as "Wierdoh," a fluorescent blob-like material that kids love to "squish, splat or squeeze;"

● **Home Products** — a growing assortment of plastic mugs, slicing boards, and dishes;

● **Premium Products** — made-to-order toys, boxes, mugs, housewares and novelties, customized and imprinted for promotional use;

● **Flambeau Vlchek Division** — the company's most recent acquisition — specializing in the manufacture of sporting goods (tackle, rod and bait boxes, duck decoys, reloading cases), floral products and art bins and boxes.

Similarly, Flambeau's industrial products group divides into three divisions. "The Flow System Products Division," says Hall, "specializes in the design and manufacture of containers for materials flow and storage. The Industrial Box Division supplies industry with standard and made-to-order plastic boxes. The Industrial Plastic Division specializes in custom-molding."

Notes Charles Frank, director of manufacturing, "when operations become as complex as ours, they become either a study in chaos or a textbook study in logistics. So far, our inter-divisional coordination has kept things running smoothly.

"Part of the reason for this," adds Frank, "is that our strong division organization facilitates **intradivisional** coordination. Our custom molding operation, for example, is really a highly

structured five-phase process that takes a component from formal initiation and planning through design, engineering and manufacturing, to a final stage of market readiness that can include such factors as assembly, packaging, warehousing, transportation and even promotional support.

"In addition, we expect our suppliers' representatives to contribute to operational efficiency by relating material properties to such factors as styling, wear-resistance and processing," says Frank. "In the case of polypropylene, Steve Murrill, Exxon Chemical's representative on our account, has helped us considerably — as have other Exxon Chemical sales and technology representatives working on various aspects of our operations."

"Functionality is what really determines materials selection," says Bill Sauey, Flambeau president. "What works for our Home Products Division may not be appropriate for an automotive OEM component. That's one reason why a strong divisional organization benefits our company.

"Another benefit is in planning. We manage by objectives, and ask each division to project both profit and growth goals out as far as five years."

What of the next five years? Is there another Duncan yo-yo or Vlchek Plastics acquisition in Flambeau's future?

"I don't see extraordinary changes in our product mix," answers Sauey, "but I do see fantastic growth. We'll do what we have to do to make it happen."

by C. V. McBroom