



TRISEAL CORPORATION®

Wheel Seals for the Heavy Duty Industry

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<http://www.triseal.com>

... AS THE SEAL TURNS ...

THE PRESIDENT'S LETTER

Hello All,

Just as spring brings about its seasonal changes, the year 2002 opens with its own unique changes for Triseal. Our five-year marketing alliance with ArvinMeritor has ended. We have the opportunity to return to marketing and distributing our product in much the same way as when we began seventeen years ago – through Manufacturers Representatives. The decisions reflecting this change have been brought about by our customers who rely upon TRISEAL CORPORATION as their wheel-end experts. Our customers count on us to provide them with that expertise in a professional and personalized manner. Our reps do that – and they do it right!

We are known in the industry for our quality, our service and our on-time deliveries. Our customers depend, **make that demand**, the high quality of seals and hubcaps that we provide. These factors are our strengths, and this is our niche. In over seventeen years, these principles and have not changed. Our mission statement reiterates our daily philosophy:

To be recognized as a manufacturer and supplier of high quality, competitively priced wheel-end products for the heavy-duty market. We shall provide high-level customer service while emphasizing continuous

improvement. This will be accomplished at an acceptable degree of profitability while providing stability and opportunity to our employees, suppliers, customers, and community.

TRISEAL was built on a single idea... to be the only Wheel Seal Manufacturer dedicated to the needs of distributors and fleets in the heavy-duty aftermarket. After more than seventeen years, TRISEAL remains the only manufacturer focused solely on wheel seals. The result is a product that outperforms all others in tough aftermarket applications.

As the fastest growing seal and hubcap manufacturer in North America, we stand by this commitment. This past year has been difficult and challenging for our industry as well as for our nation. It was a year that saw the largest fall off in heavy-duty truck sales in history! This translates to a greater demand for aftermarket parts as used truck sales continue to

soar. This is the time when you can count on Triseal to be here to provide your wheel end parts. As our economy continues to strengthen, we look forward to being the wheel seal of choice for our customers who want the very best in service and quality.

Regards,
Patricia Wales



TRISEAL CORPORATION – Manufacturer Reps Sales Meeting, February 16, 2002

BACK ROW: Ken Cobb, Gary Slegger, John McKee, Patrick McKee, Phil Chatlosh, Andy Soleman.

MIDDLE ROW: Tom Spencer, Tom Shira, John Dickson (National Sales Manager, Truck Parts & Service Magazine), Mike Jackson,

Terry Richeson, Jason Miller, Wayne Covey, Gerry Stein, Bob Shimp, Ron Walkem, Jeff Stregiel, Chuck Matthias, Jack Garwood.

FRONT ROW: Tim Kraus, Bill Shimp Sr., Don Richburg, Jon Stoll, Patricia Wales, Claire Poehlman, Bill Shimp Jr.

“Hard work spotlights the character of people: some turn up their sleeves, some turn up their noses, and some don’t turn up at all.”

...Sam Ewig

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MARKETING NEWS by Tim Kraus**SUCCESS IN THIS BUSINESS MEANS COVERING ALL THE BASES.**

Triseal MVP is the fastest growing line of HD Hub Seals and Hub Caps in North America. There are many reasons for this fact but the one that stands out the most is our ability to respond to our customer's needs. We do this in a way that is seen as far superior than many other manufacturers. We pride ourselves as a very nimble manufacturer that can handle requests and orders, both regular and emergency in a way that pleasantly surprises our customers.

Service. Our normal order turn-around time is less than one day. Most stock orders are shipped the same day we receive the order. Special orders received before 3:00pm Central Time are most always shipped the same day. We know how important rapid response is in our industry.

Quality is everything! A major customer, Timken, grades all suppliers on quality on a quarterly basis. Triseal has consistently scored very high in this rating system, less than eighty parts per million defective. Last quarter, Triseal scored zero parts per million defective. This is a result of a diligent approach to quality that has become a part of the culture at Triseal.

Field Support. Another way we differentiate ourselves is through our superior field support. We have a network of almost thirty well-trained and experienced representatives in the field. These reps were chosen for their industry knowledge and local expertise in the fleet and distribution markets. Our distributors are also very carefully selected. We want to be the primary seal line handled by the distributor and provide the support to sustain that position.

Recently, I had the privilege of working with Gary Sleeper of Wesrep in Washington and various sales representatives of Kenworth Northwest in Seattle's multiple locations. We made 25+ fleet calls over a period of a few days. The primary purpose of the calls was to tell the Triseal story to the brake shops and fleet repair garages in the area. Through the process of the presentations and excellent follow-up by Gary and the Kenworth North-west sales team, most of the fleets and shops have converted to Triseal MVP. The converting shops were outfitted with a set of MVP installation

tools and recommended practices for installation.

Jim Hurlock, Manager of Parts Operations for Kenworth NW, has put together a promotion for his sales team. The first salesman to convert 100% of his customers to Triseal MVP wins a night at a Seattle Mariners game for two. The store with the greatest sales numbers on Triseal MVP wins a pizza party for the entire staff. Triseal is providing co-op support for this promotion, but it is Jim's idea and his guys are excited about it.

Sales Promotion is an integral part of Triseal's marketing mix. In addition to our well-received printed material and wall-charts and our installation tool program, Triseal runs seasonal promotions.

Our current Winter Special Volume Purchase Program ends May 15. With the introduction of our May 15, 2002 price list, we are continuing our popular Volume Pricing Program through September 15, 2002.

We are also bringing back the "Cool Deal on Seals" promotion from last year. Shops purchase a small assortment of our most popular part numbers and receive a five-day, 55-quart cooler and a set of installation tools for the seals. This was a terrific program last year and we expect it to be much larger this year, due to over 150 new distributors.

This was a successful 2001 program for AA Wheel in Kansas City. Armand Sikes, President, ran a promotion rewarding cash to the top two salesmen with this promo. The four-location company sold over thirty-five cooler assortments to their customers. Look for program details and flyers shortly.

Top Quality Distribution. We can't do all of this successfully without it. We are now up to 300+ locations selling the Triseal MVP product line, in North and Central America and the Caribbean. We will not over-distribute an area but we do have many market voids yet to fill. We regularly give out references for our prospective customers, so distributors, don't be surprised if you get a call from someone asking about your experience with us. We trust you will always have good things to say. We aim to keep it that way. •••

QUALITY UPDATES by Tom Smith**QUALITY CONTROL OF PURCHASED PARTS**

Triseal recognizes that the quality of our products is affected by the quality of our purchased parts. In response to this recognition our quality system includes a number of safeguards.

Before a vendor is accepted seq proc Triseal Corporation assesses the vendor and purchases only from those that can satisfy our quality requirements. A prospective vendor is requested to provide a Certificate of quality system registration or a completed Triseal Supplier Quality Survey. Purchasing and QA evaluate the submitted information and may request a visit to audit the subcontractor. When the evaluation is concluded with a satisfactory result, the subcontractor is considered for business.

QA inspects all shipments of production material upon receipt. Each shipment is unpackaged, counted and matched to the packing list and purchase order. The shipment is then inspected for conformance to the part print. The result of the inspection is entered in the computer SPC database and recorded in the receiving log. If the shipment conforms to the print and purchase order

it is tagged as "accepted" for production. When a nonconforming delivery is identified, the inspector marks the shipment as "rejected" and isolates it from conforming material. The vendor is notified via a Defective Material Notification form, informing him of the nonconformities and requesting a corrective action report.

TRISEAL requires 100% on-time delivery performance from its vendors. The receiving inspector records the timeliness and the completeness of the shipment in the receiving log. Any quality issues are also recorded.

The SPC data and vendor files are reviewed quarterly to assess trends in the quality performance of the individual vendors. Then Vendor Report Cards are sent to each of the vendors reporting their performance for quality and delivery. A vendor with unsatisfactory performance is asked to submit a corrective action plan. Vendors who repeatedly fail to deliver satisfactory products, and/or do not deliver on time are not considered for future business. •••

FINANCIAL MANAGEMENT by John Porritt

WHY USE A CREDIT CARD WHEN PAYING INVOICES?

Two years ago, Triseal Corporation introduced the concept of accepting either Visa or MasterCard credit cards. Our purpose in accepting credit cards is to allow our customers to utilize many of the benefits and features that credit cards offer. Some of those features are frequent flyer miles, consolidated statements, extending payment terms through the card's grace period, and ease of payment. The following is an example of a typical distributor, whose purchases average twenty thousand dollars a year or two thousand dollars per invoice. If timed correctly, you can obtain 200 additional payment days on your purchases without incurring any impact on your credit status.

<i>Example #1</i>	<i>Example #2</i>
Using Credit Card	Paying by Check
Invoice Date – Day 1	Invoice Date – Day 1
Invoice Due Date – Day 30	Payment Due Date – Net/30
Billing Date – Day 50	

Ten Cycles each year equals 200 Additional Days to pay. This translates into a cash savings of \$200 to \$250 (pending interest rate assumptions).

Also, that same typical distributor who averages twenty thousand dollars in purchases annually could also have the added benefit of earning frequent flyer miles. This may well amount to 20,000 frequent flyer miles or one free ticket. Cyclical payments of this type to the credit card vendors can amount to as much as a \$1,000 benefit. Case in point, our Director of Sales had to make a last minute trip to the west coast and did not have the minimum lead time to save on the airfare. The total cost of the flight was \$999, but we were able to utilize one of our frequent flyer tickets and save \$1,000!

This benefit is available to all our customers and we encourage everyone to participate. In this time of tough economics turmoil, every penny counts and the credit card payment options provide you with the opportunity to extend your payment terms (without hindering your credit standing) and earn additional frequent flyer miles. •••

ENGINEERING UPDATES by Larry Wirm

DISTANCE VISION... R&D UNDERLIES CORPORATE RESPONSIVENESS

Following our 2002 sales meeting, and largely motivated by input from Sales and Marketing, Triseal embarked on an ambitious program of improvement focusing on two-piece sealing products. Happily, it's going to look like an almost instantaneous response, because the R&D to support that action had been done much earlier.

Our objectives are two-fold:

1. To enhance the corrosion resistance of our leather seals to better meet the needs of our Caribbean customers. (Others will benefit, too, of course.)
2. To increase the endurance of leather seals by a factor of two or more.

To meet the first objective, we ran an extensive series of tests for optimization using a surrogate chemical reaction technique we had learned in earlier R&D efforts. Within hours, we were able to quantify the benefits of choices which have already been implemented. Our decision matrix for continued improvement currently holds a combination of industry standard and advanced technologies for even better corrosion resistance. Optimization is proceeding by surrogate reaction, salt spray and condensation testing, often with vendor assistance. Some of the products leaving our factory today are already better at resisting rust by a factor of two to four than they were back in January.

Our vendors have been a source of strength and progress in leather technology. More than a year ago, experimental work aimed at a better understanding of leather's physical properties and limitations provided us with the tools needed to meet our second objective – operational life extension.

Aggressive accelerated testing performed at our facility had shown the importance of creep resistance and radial load to sealing performance, as well as indicating a means of enhancing these key properties. Some have complained that our testing is a little too accelerated. Well, we play rough. Anyone's product can perform well under ideal conditions – textbook installation, precise bearing adjustment, new axles, zero axle deflection and modest temperatures. What we have found, and continue to perfect, is a proprietary combination of leather specification criteria and a coating that maintains the critical axle-tracking capability longer, under more extreme conditions.

We proved it first on our 65061 "silver bullet" for the Ingersoll A-19 axle, in order to master severe articulating operating conditions. Now we are deploying some of the same technology throughout the two-piece line.

Meanwhile, back in the lab, newer technologies are under development, new equipment is coming on line and new software and analytical techniques are improving our distance vision. Mechanical event simulation informs us about the probable response of seal components to driving forces. A proprietary numerical technique allows us to design a mold right the first time, rather than by trial and (mostly) error, as was previously the case in our industry. An advanced radial load fixture is undergoing acceptance testing as this is written. It will give us the ability to measure two of the principal dynamic properties of our type of seal – radial load and creep resistance – with automated precision. Our test data acquisition in general is becoming more and more automated and continuous, showing us trends and transients we could not have seen previously. We understand that it's not always easy for management to take the ding in the bottom line for all of this. But we know they know, because Triseal's management has passed the test on this, that doing your homework is the only way to ace the test that determines whether you grow or die in the marketplace: the distance vision test. •••

PRODUCTION UPDATES by Dave Paul

MULTI-CAVITY MOLDING IMPROVES CAPABILITIES

Over the past year TRISEAL CORPORATION has purchased several new multi-cavity molds. The goal was to improve our capacity on higher volume seals and thus improve deliveries to our customers.

The new molds are run in 565-ton compression presses. In most cases using the multi-cavity molds designed to fit in these presses improves our output by as much as nine to one.

Two of these molds are shown in the photo.



Two of the multi-cavity molds in operation at Triseal Corporation.

SALES UPDATES by Tom Spencer

TRISEAL SEES SALES BLOSSOM

“Spring has sprung” – a season of blooming, new things bearing fruit, “a rebirth”. How appropriately analogous for all of the exciting new developments, the “rebirth” so to speak, that has been occurring here at Triseal. Specifically:

First Annual National Sales Meeting: An unqualified success! Held over the weekend immediately following St. Valentine’s Day, it was like a hearts-and-flowers love fest. Most gratifying was the fact that about two dozen of our nationwide sales force gave up a full weekend in order to attend! Virtually our entire United States and Canadian rep force were present. Held in beautiful Lake Geneva, WI., all of our rep guests were treated to first-rate accommodations, dining delights, and superbly professional educational Training and Technical seminars. Thanks and appreciation to the super human planning and presentations by our Director of Marketing and Sales, Tim Kraus. Most of our reps learned first hand, how difficult it is to properly install and remove wheel seals – many of whom are probably still suffering aches & pains!

During the Sales Meeting, a number of particularly important issues were brought up and discussed in detail, i.e., our recent disassociation with ArvinMeritor. We (Triseal and our reps) are now able to provide more immediate one-on-one service to our customers. We can now work directly with our reps, and inherently more directly with our old and fledgling new customer partners. Further translated: our overall pricing, customer service and general attentiveness to the hopes and needs of our reps and customers is immediately and greatly improved with our being able to myopically focus on said critical relationship requisites.

Special mention needs to be made, of three very special awards that were handed out at our Sales Meeting: 1) the rep team of Terry Richeson and Chuck Matthias (MO, KA, NE, IA) won the award for having generated the most sales, during last summer’s “Cool Deal on Seals” promotion; 2) the father/sons rep team of Bill, Sr., Bill, Jr., and Bob Shimp (IL, MN, ND, SD, WI) won the award for having generated the most overall new sales and new customer business and, last but certainly not least, Mr. Jerry Stein (VA, SC, NC) won the biggest one: the “MVP” award as our most valuable player – our “Player of the Year.” CONGRATULATIONS to all you guys for jobs very well done!

A number of very special in-house teammates need also be mentioned and acknowledged for their own brand of “jobs well done”. To Dave Paul (Plant Manager) and his team, for stepping up and doing whatever was (or is) necessary, to assure that all orders are shipped immediately upon receipt. Our rebirth, sans Meritor has resulted in a dramatic influx of new customers – and new types of business. The result of which is customers without order history and therefore without a forewarning or forecast of product to build. Somehow, some way, Dave and his band of troops never let our reps, our customers, or us down! Awesome!

During plant tours, our heads of Engineering and Quality, Messrs. Larry Winn and Tom Smith, respectively, did a superb job of explaining their venues. The “nuts and bolts” of how we test, invent, evaluate, and otherwise guarantee – that no seal, tool, or hubcap leave the building unless absolutely perfect! Period! And we remain always focused – on the need to never stop tweaking and otherwise improving our product(s) already superior quality!

Other dedicated, behind the scenes staff (and I know, I’m going to leave some folks out – sorry), our great inside Sales Support team, our wonderful Customer Service gang: Ladies Mona Anthony (Accounting), Dee Hamill and Kathy Francisco (C.S.) – all of whom remind us daily, of the “old days”, when callers were treated and responded to as human beings, courteously, and with respect. During my thirty-plus year professional career, I’ve never had the pleasure of working with people as or more genuinely dedicated, committed, and simply “nice”. Thanx!!

Last but certainly not least (in our hearts as well!), no words could adequately describe the positive, morale-building impact felt by all, by the presence and words spoken to us by our esteemed President and CEO, Patricia Wales. The dedication evidenced, and the sacrifices endured since the passing of her husband – Triseal’s founder Ray Wales – is intentionally known to a very few, a study in inspiration and perseverance that left all of us deeply moved, and now more passionately committed – to helping Pat make her late husband’s dream a reality.

“Spring has sprung” indeed. Difficult economic times and conditions still do exist – and we remain in post-Meritor “growing pains” mode. However, despite (or because of) both given factors, we’re collectively as enthused, excited, and optimistic as has been the case for many years!! We’re “pumped”. And we’re daily cognizant and appreciative – of the fact: that we’re growing by leaps and bounds. That we have all of you, our dedicated reps and customer friends, to thank for that enviable reality! It’s your help, support, and faith in Triseal that has made our success happen. Thanx!! We’ll do all that’s necessary to evidence our heart-felt appreciation. •••

Questions & Answers

Q: Is it a good idea to use Permatex or any sealants on the inside and outside diameter of unitized seals?

A: No, never use any sealants on unitized seals, they may attack the rubber ID of the seal and the OD of the seal already has a bore sealant applied. You should, however, always apply a thin film of wheel-end lubricant to the inside diameter surface. This allows the assembly to slide into position and minimizes the stress applied to the seal body to the seal body during installation.

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**Address by Patricia Wales,
President of Triseal Corporation.**



**Presentation by Tim Kraus,
Marketing & Sales Director.**



**Address by Tom Spencer,
National Sales Manager.**



Larry Winn measuring wheel-end play.



Dave Paul in primary stamping area.



Demonstration changing an axle seal.



**Patricia Wales and Tim Kraus presenting
the "Jacket Prize" to Bill Shimp Sr.**



Some of Triseal's 300+ stamping tools.



**Tim Kraus with Patricia Wales and Tom
Spencer presenting the "Most Valuable
Player" Award to Gerry Stein.**

**TRISEAL CORPORATION
Manufacturer Reps Sales Meeting
February 16, 2002**



**Tim Kraus with Tom Spencer presenting
"Most New Business" Award to Shrimp
Associates, Bill Jr., Bob, and Bill Sr. Shimp.**



**Mike McKee and Don Richburg admiring
Richeson & Associates award for most sales
in the "Cool Deal on Seals" promotion.**

