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2016

BEHLEN WORLD

The Behlen World Is Published Annually For Our Customers And Behlen Partners In Progress



Columbus, Nebraska

2016 - The Year of Celebration and Positive Change

By Phil Raimondo



Phil Raimondo
President & CEO

Thank you for your business. All 950 Partners in Progress (employees) at Behlen know that you, our customers, sign our paychecks by sending us

your orders. The end of October is the end of our fiscal year. This annual edition of the Behlen World highlights some of the celebrations and positive changes we have made this year.

All of our plants had the opportunity to celebrate our 80 years in business with Columbus having the celebration on June 14th that included a steak cookout, presentation ceremony, and Supplier appreciation Day. We took this opportunity to update our History

Book (included in this mailing) that was originally published for our 70 year celebration (in 2006). It's exciting to see the positive changes at Behlen over the past 10 years. Please take a few minutes to read the latest news about Behlen.

As we finish 2016, total company shipments will be a top 10 year, ending below last year. We have seen a shift more towards Behlen Country products which will end up 5%. Building Systems will remain close to last year and 2014. Our press business (part of IDP) will also end close to last year. The business units were negatively affected by the stronger U.S. dollar and lower commodity prices (for Ag & Energy).

Export shipments were dramatically reduced this year especially for our

Grain Bin Markets. Distefano Technology & Manufacturing and Custom Fab were negatively impacted by lower Ag Commodity prices. The lower prices slowed demand for capital investment purchases by end users, like our grain bins, grain storage buildings, and components that go into Ag equipment. Fortunately, our diversification helps us in situations like this because smaller ticket items that Behlen Country makes for the retail market were in stronger demand.

We are very proud to be celebrating 80 years in business. At the same time, we are committed to getting to 90, then 100 years and more. In order to get there, we are actively working on succession plans. In 2016, 15 long time Partners in Progress have retired. We have re-organized many parts of our company and focused on having

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Omaha, Nebraska



Baker City, Oregon

Coach's Corner

80th Year Anniversary Creates Much Excitement!

By TR Raimondo



Tony Raimondo - "TR" Chairman & Coach

THANK YOU - Behlen customers from 950 Behlen team members.

WOW - what a great celebration for 80 years! See picture at each plant (above) and speakers (below) at the Columbus celebration.

HONORED - to have the Nebraska Lt. Governor and Director of Economic Development speak. Former Senator

Ben Nelson also honored us. Behlen also received a personal visit by Governor Pete Ricketts.

WOW - in one more year the Raimondo family will own Behlen longer than the Behlen family's 33 years.

TIME - can you believe how fast the time goes? Are you taking time to enjoy your family?

FAMILY - Jeanne and I have been married 56 years – 4 children, 12 grandchildren, and 1 great-grandchild.

WOW - Oh, I forgot to retire at 65, but I am working on it. Handball is taking over as Lyle Burbach and Phil and I

travel to tournaments around the country.

A summary of 2016 is very positive, while our total shipments remain in the \$200M range; they are actually a little less than last year. However, our Partners in Progress (employees) will receive an increase in their Profit Sharing check just before the Christmas holidays.

As customers, you frequently tell us our team members are more engaged than our competitors, and, of course, we believe it is a reflection of our Global Values of Trust and Respect and Continuous Improvement along with our commitment to share productivity gains and profit sharing with our Partners in Progress. Thank you for the opportunity to grow together!

As Chairman of the **Nebraska Advanced Manufacturing Coalition** and a board member of the **National Association of Manufacturers (NAM)**, I have been helping manufacturers and related businesses address the ever-growing talent shortage in the U.S.

The NAM has been addressing the skills shortage through the Dream It. Do It. initiative for ten years; the movement

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Director of DED Courtney Dentlinger



Lt. Governor Foley



Senator Ben Nelson



L-R: Dick Casey, TR Raimondo, Bob Theilen



McGregor, Texas



Sarasota, Florida

2016

Phil's Article continued from page 1

our Partners in Progress work in their areas of strength. This is an on-going effort that will continue in 2017 and beyond.

Actions have been taken this year to design an ownership structure that makes sure the Raimondo family stays in control for many years to come. We are excited about having a plan in place that provides stability in ownership for our Partners in Progress and you, our customers. We have also signed a five year extension to our bank agreement with our long term lender, Bank of America-ABL, based in Chicago. With all of the uncertainty in the world of economics and politics, we want you to know that we are here for the long run to take care of your needs. Thank you for your business and we look forward to a Bright Future together.

Behlen Website Gets Face Lift

By Brandon Hays

Over the last year, we have worked to make significant improvements in the Behlen Mfg. Co. website, as well as all of the business units. We worked to present the information more clearly and make it easier to show the public who we are and what we do. Whether it is job postings, event information, or company news, we want to make our websites the place to go for all of your Behlen Mfg. Co. needs.

Part of this work includes giving more control of each of the business unit's websites to the business unit leaders, allowing them to use the websites to communicate with you, our customers, and others we serve. Stay posted to the new sites and check out changes as they are published!



Coaches Corner

Continued from Page 2



has grown to 44 sites across the U.S.

The Nebraska program has been selected as a best practice in creating the Career Dream Team Ambassador program encouraging companies to use their talented young employees as Ambassadors to talk to students, parents, and educators through classroom visits, career

fairs, company tours, videos, radio programs, and more!

By participating in Dream It. Do It., starting a Career Dream Team Ambassador program in your area and opening your doors for tours, you can show students, parents and educators the skills needed in advanced manufacturing and related businesses!

Visit www.dreamitdoitnebraska.com

and help students select education paths to good paying careers.

October is Manufacturing Month in Nebraska! Behlen Mfg. Co. hosted over 150 students on October 7th!

The Raimondo family is proud to keep growing with all of you. Have a wonderful Holiday season and prosperous 2017.

Behlen Country

When You Speak, We Listen!

By Jen Miller



Jen Miller
General Manager
Behlen Country

2016 has been a year of positive Change for Behlen Country. We have heard you, our customers, and are working hard to meet your needs. Whether it's new products, quicker deliveries, or collaboration, Behlen Country is listening!



Our team designed an all-steel bunk this year to meet the needs you have been requesting. It has the capability of being attached to more units, and creates a great feeding solution.

We have also worked hard this year to improve our delivery times, and become more predictable. From how the orders come in, to how we schedule our loads we are providing a reliable delivery schedule that you can count on! On the collaboration front, we are evaluating our on-line customers and how we can better serve your needs.

Whether the end-user is rural or urban, Behlen Country products are being used in so many different ways! Just

check out Magnolia Market in Waco, Texas and you can see Behlen Country tanks with flowers

planted in them. Behlen Country is striving to be the dependable supplier in the industry, through great partnerships with you!



BMC Transportation

Fleet Growth Serves Customers Well

By Shandy Hand



Shandy Hand
General Manager
BMC Transportation

2016 has been a year with a lot to celebrate. I first must congratulate our Safety Director Tara Obrist for receiving the 2016 Woman in Manufacturing STEP Award (more details on page 8). This is a well-deserved honor for her.

This has been a rough year overall for the transportation industry. Although we have been through many of the same struggles as the rest of the industry, we have taken great strides in increasing our fleet size. We have grown our fleet size 10% in the last year, reaching numbers we haven't seen since 2013. We couldn't do that without a group of people who create a great work environment keeping our turnover rates

75% less than industry averages. Although the greatest majority of our fleet is and always will be our quality owner operators, we have expanded our fleet make up to include a handful of independent contractors and company drivers. As a result of this growth, we have been able to service you quicker and put more focus on all business units.

As we go forward, we are always looking for more ways to grow our fleet, service you, our customers better, and keep costs down. Collaboration with outside providers is reducing our fuel and maintenance costs, creation of escrow accounts are helping Owner Operators remain self-sufficient, and technology upgrades are improving communication and customer service. We are confident we are positioned to face the road ahead.

Behlen Building Systems

Celebrating Growth and Opportunities for Change

By The General Manager Team

2016 – A year of change and celebration – what a year it has been. Orders and shipments have been steady, our 80 year anniversary celebration this past summer, and we are closing in on the final months of a great year. So what happened in between?

The year of change encompasses many things for Buildings. Our number one area of focus has always been taking care of our customers in the most effective way possible. As part of this focus, Behlen Building Systems has developed a General Manager Team. This team design allows individuals in their area of expertise to improve customer responsiveness and allow seamless commitments with customers.

The General Manager Team is comprised of Steve Becker, V.P. of Sales and Marketing; Roland Augspurger, Director of Engineering; Jay Wetsch, Manufacturing Manager; and Jami Schoch, Director of Finance.

Another positive change has been our regional approach to Sales and Engineering. Each department has been designed to help customers based on pre-determined geographical areas consisting of the Eastern, Central and Western areas of the United States. In Sales, three field district managers are strategically aligned with three inside Customer Service Representatives to help support one another.

With change, opportunities arise. Behlen Buildings has also recently added an international facet. Our new V.P. of Business Development and International Sales Pat Kern will grow Behlen Buildings from a global perspective.

The Engineering department has a similar regionally focused functionality designed to be consistent with the sales department. Engineering has experienced phenomenal growth over the past year. With the addition of seven detailers; a 25% increase in workforce in drafting; we can serve our customers even better! With this growth, we also realized the value of getting these new Partners in Progress up-to-speed quickly.

To develop technical skills quickly, Gina Fisher accepted



General Manager Team L-R: Roland Augspurger, Jay Wetsch, Steve Becker, Jami Schoch

the new position of Drafting Trainer. The results of this training strategy have been a huge success. Drafters are mastering metal building detailing skills at twice the rate of any previous learning curve. This is a major accomplishment for Behlen Buildings to service our expected future growth.

Lastly, our shop has experienced similar growth and changes as well. A beam welder capable of 6

foot beams is now in place. To gauge the productivity of the new machine, we are focusing on Man Hours Per Ton (MHPT). Our first quarter MHPT was 17; second quarter was 15.7 – a production increase of 7.6% as a result of these changes quarter over quarter.

Tyler Bertsch, a multi-lingual welder trainer/recruiter has also joined our team to develop our manufacturing department and to achieve growth. This person has been tasked to grow our welding department by 30% which is a lofty goal.

Overall, we are looking forward to enhanced performance and increased customer loyalty through added value and strong engagement of everyone on our team. We believe these changes have made our 80th year, "The Year of Celebration and Change," our best yet.

2015 Building of the Year



Klim Sledwear built by Behlen Builder Steel Vision Construction, Inc. both of Rigby, Idaho

International & Diversified Products

Behlen Meets Customer Demands for Temporary Storage

By Kirk Nelson



Kirk Nelson
Marketing/Sales Mgr.
Grain Systems

New for the 2016 harvest season; Behlen Grain Systems has developed a patent pending design for temporary storage of grain.

With the large corn harvest projected for this year, our Sales and Engineering teams developed the product to compete in the temporary grain storage market.

Our galvanized, perforated trapezoidal panels are used to provide strength and air flow, optimizing the storage life of the grain pile. The panels use hot dipped angle iron to support the panels and provide a means to anchor the panels to the ground.

Our new storage panels come in 1 panel (40" tall) and 2 panel (72" tall) assemblies. The systems are partially assembled at our factory and shipped in a folded position to save space while in transit on BMC trucks. Once on site

the panels are unloaded and unfolded and put in place. A typical 100' wide x 300' long

1 panel high system can be assembled on site in less than a day and hold nearly 300,000 bushels of grain. The portability and low cost are appealing to many grain storage terminals allowing them the ability to take in more bushels at harvest while not adding a substantial cost.

Behlen has delivered a number of systems already, and expect a rush of additional orders as harvest progresses.



Strip Joining Presses

By Russ Bartling



Russ Bartling
Engineering Product Manager
Strip Joining Presses

For 2016, the trend of a higher demand for processing aluminum and higher strength steels continues. We listen to our customers and to meet your needs, we have developed and released a new punch design that reduces the amount of power required to make the joint. This change has enabled you to join heavier, higher strength materials, not possible with our standard dies. With this punch option we have

enabled you to upgrade existing lines by retrofitting existing joiners with a new special punch die.

Cycle times are a major factor in all coil processing lines. As line speeds increase, the speed of the joiner can become the limiting factor. To reduce cycle times we are offering joiners and retrofits with larger motors and pumps. This option can reduce cycle time by 30%.

We continue to research and develop features to improve the performance of our joiners. Making existing presses more efficient helps you improve productivity which is vital, especially with a changing world economy. We believe this is key to sustaining our relationships with you, our valued customers.

Custom Fab

By Heather Macholan



Heather Macholan
General Manager Custom Fab

Adding value to you, our customers, and improving our customer service levels is always important to the Custom Fab Team. We take pride in the partnerships and relationships we have built with you.

Did you know that our Custom Fab customers are all within a 300 mile radius of the Columbus location? We believe that having customers close to us creates stronger bonds that help us to cater to your needs.

Because of our growth, we have been able to invest in new capital equipment over the past five years. With our new tubelaser, our dual headed plasma cutter, our in house forming and galvanizing, we have the processes and capabilities to provide quick turn orders. Time and time again, our customers provide feedback that they are pleased with our great service, quality, and fast deliveries.

Distefano Technology & Manufacturing

Changing Needs and Meeting Expectations

By Brian Turner



Brian Turner
General Manager
Distefano Technology
& Manufacturing

We are proud to be a part of the Behlen Group as it celebrates 80 years. To make it that long, a company must demonstrate a real commitment to growth and customer service.

Distefano manufactures parts and assemblies for a variety of customers in different industries which means that we are touching many sectors of the economy during the

year.

Each market has its ups and downs. But the basic needs are still the same – customers want their products made right and delivered on time. No matter the business cycle these are the blocking and tackling concepts of manufacturing.

To meet the changing market conditions and to better meet your expectations we are always adding manufacturing expertise – did you know that we have the capability to perform PPAP (Production Part Approval Process) or PFMEA (Product Failure Effects Manufacturing Analysis) on any of your parts?

We have added high end quality measuring tools to meet that demand. From there we will work with your team to develop the best way to manufacture, kit and ship those parts.



Utilizing the latest precision measuring tools insures a correct part every time

We are encouraging you to include us in new product design and development. Manufacturing parts and assemblies is the very core of what we do; so we know that we can truly add value in how you are considering making single parts or complex assemblies – that value comes in the form of avoided costs so that it is produced at the best value possible from the beginning.

Taking all of that into consideration the mission here at DTM is the same in all market conditions – deliver on time, every time a quality product and work with each of you to bring value added solutions.

Hilton International Industries, Co.



Tom Morgan
General Manager
Hilton International Industries

Partnering for Success

By Tom Morgan

Since 1961, Hilton International has produced automation machines to wind and test capacitors. Our customers are global leaders in Power Transmission and related markets utilizing capacitors. We continue to add new technology as we support customers pursuing

productivity upgrades and the internet of things.

Behlen's support has been key in our pursuit of new products. We have added technical strength to our talented engineering team and now celebrate the delivery of the first Pioneer 225 Automatic Soldering Machine.

Hilton International sales are anticipated to increase 20%

in 2017. We have begun harvesting the low hanging fruit to gain productivity efficiencies. Each Hilton team member is empowered to make company wise choices (decisions) as we question everything from purchasing nuts & bolts to shipping internationally.

Partnering has made Hilton successful and we are doubling our efforts to service current and new customers. The Hilton team is working collectively to reduce lead-times which will improve our inventory turns and get product to customers faster. The late Tony Quinn stated, "Together we achieve the extraordinary" and 2017 will be extraordinary at Hilton. Thanks to everyone involved in this turnaround.

Like Behlen our parent company—**Hilton has a GREAT HERITAGE & BRIGHT FUTURE.**

BEHLEN WORLD

2016



Join Behlen Mfg. Co. online.
Stay Updated, Stay Connected

We are actively updating our social media pages with **company news, industry headlines, community events**, and more to keep you, our customers, even more informed all year!

FACEBOOK

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Behlen Mfg. Co.
P.O. Box 569
Columbus, NE 68602-0569

Obrist Earns STEP Ahead Award

By *Brandon Hays*



Tara Obrist
BMC Transportation
Safety Director

For the fourth consecutive year, a Behlen Mfg. Co. Partner in Progress was recognized by The Manufacturing Institute as recipients of the STEP (Science, Technology, Engineering, and Production) Award. This year, Tara Obrist, the Safety Director for BMC Transportation, was honored with this prestigious award. The STEP Award honors women who have demonstrated excellence and

leadership in their careers and represent all levels of the manufacturing industry. She now joins the ranks of our previous winners, Heather Macholan, Jen Miller, Autumn Longwell.

On April 21, 2016 The Manufacturing Institute recognized all of the recipients of the STEP Ahead Award at a reception in Washington, D.C. We are proud of Tara and the leadership she has shown. Tara continuously takes on additional responsibilities to further grow the communication, participation, and partnership within the internal and leadership teams. Our Leadership team also noted that she is a graduate of "Leadership Behlen," an

educational program focused on building leaderships skills, and that she regularly embraces the skills she learned through the program and is a great role-model for future Leadership Behlen participants.

When asked what it is that keeps her engaged and driving positive results in her manufacturing career, Tara said, "I have a passion for the process that makes up manufacturing. From design to finished product, manufacturing is both intriguing and complex. I welcome the challenge of refining a process to make the finished product more rewarding not only to those that manufacture it but to the end user."

The STEP Ahead Award gives women all across the country a platform to showcase the incredible opportunities the industry has to offer, whether they are running the company, designing the next big product, or testing innovations on the shop floor. This year the Institute honored 100 women and 30 Emerging Leaders, a category introduced last year to honor women under the age of 30 who have achieved unique accomplishments at the start of their careers.

For more information about the Manufacturing Institute, please visit www.themanufacturinginstitute.org.

