

INSIDE IPI

www.iaprisoinind.com Winter 2015

IPI STREAMLINES ORDER PROCESSING AT FIRST EVER LEAN KAIZEN EVENT

The week of January 5-9, 2015, nine IPI staff, one IPI customer and two State of Iowa Lean facilitators participated in IPI's first Kaizen event to apply Lean principles to IPI's order processing procedures from customer contact through order acknowledgement and shop notification.

IPI Co-Sponsors Bob Fairfax and Al Reiter, along with Director Dan Clark, brought together a cross-functional team to bring various viewpoints to the process. IPI staff included customer service, sales, marketing, production, purchasing and accounting staff. The team was fortunate to have a customer on the team, and IPI owes Carol Manternach from the Iowa Medical & Classification Center a huge Thank You for providing the customer's perspective to the process. The Kaizen event was facilitated by John Burke (Department of Human Services) and Marcia Tope (Department of Management).

The week-long event started with training on Lean principles and the Kaizen methodology. The group then moved right into mapping the current process, which took a couple of days. As the week continued, the team brainstormed and debated ideas for streamlining the process until it was determined which ideas would

end up in the new process. Finally, the new process was developed. It was definitely a long but rewarding week for all those involved, and the team is very excited about the new process.

The new process will be implemented in stages throughout the IPI shops, with the entire new process in place July 1, 2015. The team has significant amount of work to do over the coming months to meet this deadline.

The first step of the implementation plan is to communicate the new process and schedule with all IPI staff via meetings within each shop. At these meetings, team members will visit each shop individually, review the event process and then dive in to the details of the new process. The first few shops are scheduled to be on board in early March. Stay tuned for more details! ◀



From Left to Right: John Burke, Jim Conmey, Andrew Gogerty, Ann Baughman, Laura Mendez, Carol Manternach (ICIW), Deb Mahoney, Chris Guy, Mark Hollenback, Scott Klinefelter and Michael Gulick. Not pictured: Marcia Tope.



WHY THE PRICE OF BRISKET DOUBLED



Dan Clark - IPI Director

During a year in which grain prices were considerably lower, IPI Farms reported Calendar 2014 sales of \$2.1 million, a 6% increase over 2013! (Unlike the rest of IPI and most government agencies, IPI Farms reports its results on a calendar year basis due to the unique nature of its business cycle).

Net Sustainable Income came in at \$378,901, and the farm team was able to reinvest \$298,573 of this to modernize their buildings and equipment.

Under the leadership of Mike Lynch, IPI Farms was able to take advantage of record high cattle prices at the September auction in Manchester, receiving an unbelievable \$2.98 per pound, double what we received just a few years ago. There's your brisket price.

Calves from Newton and Anamosa averaged 520 pounds, which is the second highest over the past nine years. Normally, heavier calves bring a bit less per hundredweight, but the quality of IPI cattle is well known at the auction, and buyers bid the price up for our calves.

So good news for the IPI farm team and Corrections, but bad news for barbecue fans.

- Dan

Sales & Marketing

CUSTOMER SPOTLIGHT: CLINTON MIDDLE SCHOOL FURNISHED WITH A SMORGASBORD OF IPI PRODUCTS

Shortly before the Thanksgiving holiday, a time of year we all indulge in a smorgasbord of food, crews from Anamosa, Fort Madison, and Mitchellville were all busy installing a wide array of furniture in the new middle school in Clinton.

The products ranged from cafeteria furniture such as mobile booths and high tables, to classroom



desks and chairs, to lounge seating, conference room tables, and even a customized, plasma-cut sign spanning 7 feet wide by 5 feet tall – the centerpiece of the commons area and cafeteria that was fabulously designed by principal Dan Boyd and the Clinton school administration. It's an inviting area for students, staff, and the community alike.

Each classroom has a range of varying height, customized desks and variable height seating from Anamosa Metal Furniture, creating an auditorium-style feel. The first few rows of desks are set at 30" followed by several rows of 36" and finished off with 42" height desks in the back rows. A mixture of Enduro chairs, fiber-resin stools, and poly pneumatic stools were used for most of the seating.

Soft seating included Snap Simple Task chairs from Mitchellville as well as padded Revelation chairs for conference rooms and a mixture of Navigator sled chairs and Alexander armless lounge seating for the reception areas.

The Fort Madison facility provided the conference room tables as well as customized tables for the school library. All of the library shelving was manufactured and installed by Anamosa.



The centerpiece of the school – the large, aluminum, plasma-cut crown with the school's initials (CMS) – was designed and manufactured by the sign shop in Anamosa. The sign was such an attraction, the school has since placed orders for replica signs of various sizes which they are placing in different areas throughout the school. IPI was able to offer considerable cost savings to the district versus other competitive quotes.

The project was a success thanks to the ease of communication with Principal Dan Boyd and the Clinton Middle School secretary, Anne Clark. They were a true joy to work with and everyone at IPI says "Thank You" to the entire Clinton School District for their partnership on this project. ◀

IPI CONVERTS TO MARKET-BASED SALES & CUSTOMER SERVICE TEAMS

IPI has heard a common complaint from customers for many years: "I don't know who to contact." A customer may need to contact several IPI staff to place orders for different plants and even different shops within each plant. The IPI management team identified this lack of a "face of IPI" to each of our customers as one of IPI's greatest weaknesses. After much research and discussion, a plan was developed to implement market-based sales and customer service teams as part of IPI's long-term plan to improve customer service, increase sales and therefore increase offender work opportunities.

Effective July 1, 2014, the first step in the conversion process restructured the Sales Representatives' territories as follows:

- Dennis Barry - County, State & Federal Government

- Andrew Gogerty - K-12 Education
- Scott Klinefelter - Churches, City Government, Colleges & Universities, Health Care & Non-Profits
- Kevin Peterson - DOC/DHS Institutions, Regents University Facilities, Service Statewide

On August 1, 2014, the conversion continued with the assignment of market-based customer service staff in Anamosa. One staff transitioned immediately to test the process with the remaining staff following on October 1, 2014. The market assignments are as follows:

- Teresa Engelbart - County, State & Federal Government
- Deb Mahoney - K-12 Education, Regents Universities
- Diane Hughes - Churches, City

- Government, Colleges & Universities, Health Care & Non-Profits
- Chris Guy - DOC/DHS Institutions

The final step in the conversion process is coming July 1, 2015, with the Anamosa Customer Service staff assuming customer service duties for all IPI shops and plants. The implementation of the new order process from the Kaizen event will be instrumental in making this a smooth transition both within IPI and for our customers.

IPI thanks the staff involved for working so hard to make the market-based teams a success thus far. Change can be difficult and not always smooth, but everyone accepted the challenge, continues to expand their product knowledge and thus improve upon their already excellent customer service. ◀

Business Office

FINANCIAL STATEMENT SUMMARY Fiscal Year to Date December 2014

*As of December 31, 2014	MTD SALES		YTD SALES		CHANGE	
	FY-2015	FY-2014	FY-2015	FY-2014	\$	%
ANAMOSA						
License Plates	56,484	111,127	457,999	757,751	(299,753)	(39.6) %
Sign	216,292	262,771	1,650,884	1,655,143	(4,259)	(0.3) %
Graphic Arts	89,225	28,857	321,440	235,549	85,892	36.5 %
Housekeeping/ Laundry	49,471	45,094	350,838	266,244	84,594	31.8 %
Filters	54,102	45,598	280,656	209,833	70,823	33.8 %
Metal Furniture	240,278	153,195	1,494,593	1,985,318	(490,725)	(24.7) %
Custom Wood	25,691	97,369	552,537	1,007,116	(454,579)	(45.1) %
Braille	14,944	21,256	133,319	116,724	16,595	14.2 %
Rockwell City Oper.	41,413	15,587	129,935	216,132	(86,197)	(13.9) %
ANAMOSA TOTAL	787,900	781,141	5,372,201	6,449,810	(1,077,610)	(16.7) %
FT MADISON						
Furniture	103,143	608,320	2,616,618	4,830,978	(2,214,360)	(45.8) %
Textile	31,313	52,674	87,755	152,259	(64,604)	(42.4) %
Tourism	0	2,445	0	35,869	(35,869)	(100.0) %
FT MADISON TOTAL	134,456	663,450	2,704,373	5,019,106	(2,314,733)	(46.1) %
MITCHELLVILLE						
Panels & Seating	63,059	121,866	569,826	1,218,186	(648,359)	(53.2) %
Housekeeping/Chemical	96,628	62,584	424,664	297,051	127,613	43.0 %
Textiles	28,920	49,220	241,236	307,711	(63,474)	(20.8) %
Plastics	56,465	41,975	409,703	245,824	163,879	66.7 %
MITCHELLVILLE TOTAL	245,072	275,645	1,645,430	2,065,772	(420,341)	(20.3) %
DES MOINES						
DM Textile Services	4,427	3,211	20,809	18,837	1,093	5.4 %
Federal Surplus	31,033	9,201	109,706	59,957	49,749	83.0 %
Moving & Install	11,699	27,968	134,478	215,943	(81,465)	(37.7) %
DES MOINES TOTAL	47,159	40,380	264,993	294,737	(29,744)	(10.1) %
TOTAL W/O CANTEEN	1,214,586	1,760,616	9,986,997	13,829,426	(3,842,429)	(27.8) %
CANTEEN	608,603	567,917	2,827,378	2,705,179	122,200	4.5 %
TOTAL W/ CANTEEN	1,823,190	2,328,533	12,814,375	16,534,604	(3,720,229)	(22.5) %
LESS ESTIMATION OF ID SALES	39,782	59,048	362,354	334,239	28,115	
GRAND TOTAL	1,783,407	2,269,485	12,452,021	16,200,365	(3,748,344)	

SALES REPORT CARD

YTD CUSTOMER SATISFACTION CARD RESULTS

(Oct 1, 2014 - Dec 31, 2014)

RECENT NEW CUSTOMER/NEW PROJECT ORDERS

(For a complete list contact the Des Moines office)

	EXCELLENT	GOOD	BELOW AVERAGE	CUSTOMER	PRODUCTS	SALES
Sales Representative Knowledge	90.7%	9.3%	0.0%	Clinton Middle School	School Furniture	\$186,135
Timeliness of Delivery	77.3%	20.5%	2.3%	Child Support Recovery	Office Furniture	\$10,130
Delivery Service	89.4%	20.5%	2.3%	Ely Public Library	Library Furniture	\$9,564
Quality of Goods	93.1%	6.9%	0.0%	Fredericksburg Public Library	Circulation Desk	\$6,900
Value for Money	88.4%	11.6%	0.0%	Ronald McDonald House IA City	Furniture	\$5,386
Questions/Problems Handled Promptly	88.3%	10.4%	1.3%	DNR-Odesa	Outdoor Furniture	\$5,047
Average	87.8%	11.6%	0.6%	Peace Christian Church	Church Furniture	\$3,030
	YES	NO	MAYBE	Holstein Public Library	Bookcases	\$2,600
Would you recommend us to others?	100%	0.0%	0.0%	Washington CSD	School Furniture	\$1,530
				Schaller-Crestland CSD	Computer Tables	\$717

PANELS & SEATING INTRODUCING NEW PRODUCTS

Our chair department is expanding with some new designs from our long-time vendor partner Nightingale, Inc. Offenders are already working with the kits, patterns and instructions provided by the vendor, plus vendor staff will be in-house the week of February 16th for additional training and assistance.

- Lush: a light-looking contemporary and captivating lounge area chair
- Rane: sets the stage for creative thinking and a relaxed working environment
- Lakeshore Interlock Bench: offers a creative, confident lounge design
- Smurk: a contemporary, fun and chic all purpose chair
- IQ2™: sets ergonomic and comfort standards that are second to none
- WXO™: a perfect working chair with a refined, sleek profile
- VXO™: a simple, light scale design that delivers remarkable comfort



Visit the IPI website to view photos, specifications and pricing on these new products. ◀

FT DODGE TEXTILES FACILITY NEAR COMPLETION

Fort Dodge's new Textile Shop is making progress. The lighting has been updated, and the majority of sewing machines have been delivered. The Panels & Seating division is making cubicles for space as well. The next step will be getting offenders hired. ◀



MV CELEBRATES HOLIDAYS WITH WINTER PARTY

Mitchellville's holiday celebration was great as usual. We had several guests including ICIW Security Director Brian Reicks, ICIW Business Manager Steve Carroll, and IPI Manager Clint Schmidt who came with his own special brand of humor. Food choices included rotisserie chicken, pasta salad, veggie and fruit trays with dip and all varieties of chips. For dessert, we offered our favorite ice cream cake as well as every kind of new Oreo cookie. We left the party as stuffed as an Oreo. A good time was had by all. ◀

NEW PROJECTS KEEP GARMENT PRINTING BUSY

Garment print has been busy with a couple of new projects and look to remain busy the remainder of the year.

In addition to our repeat customers, we have been designing and will be printing tote bags for "Broadband." Iowa Law Enforcement Academy is a new customer for us with garment printing the uniforms for their academy attendees. Their uniforms include sweatpants, sweatshirts, t-shirts, and polo shirts, all with their logo printed on them. We are gaining a lot of experience and learning new techniques with this contract.

To help produce a more consistent product, we have a new climate controlled room for the garment printing operation. ◀

NEW EQUIPMENT TO IMPROVE QUALITY & SAFETY

The textile area in Mitchellville is awaiting a slitting machine to cut the waist band and belt loop fabric for the Denim Jean Line. This machine will slit the current rolls of fabric to the desired widths we need for our product, and it will reduce the risk of injury and improve the quality of the cuts when compared to the old traditional method on the table. The true cut will also reduce waste and improve the quality of the final finished jean. ◀

Fort Madison

FORT MADISON CABINETRY PROVIDES EXCELLENT WORK TRAINING

IPI trains offenders in both hard and soft skills so that they will have marketable skills and be productive citizens upon their release. We teach our offender employees positive work habits and work ethics that will improve their odds of a successful reentry into society. Offenders building cabinetry also gain excellent carpentry and finishing skills that they will find very useful upon release.

Recently, IPI-Fort Madison had the opportunity to collaborate with Iowa City Schools on supplying cabinets with 3mm banding for the new Archibald Elementary School scheduled for delivery and install this summer. The millwork for this building includes cabinets, wardrobes, cubbies, a custom reception desk and media

center furniture. This project will provide many hours of offender training.

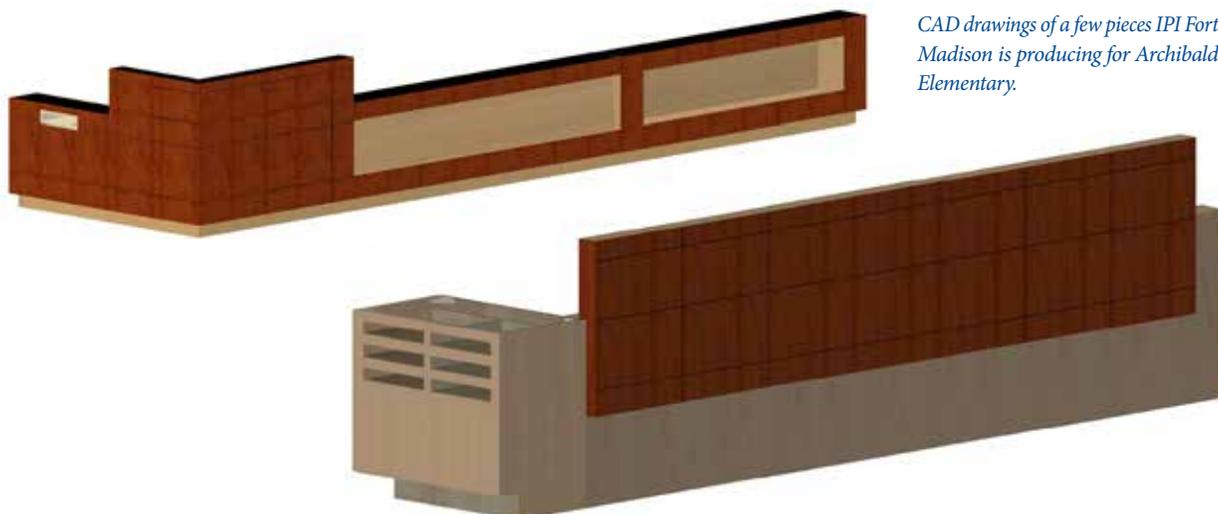
IPI-Fort Madison also continues providing quality cabinets for Iowa Habitat for Humanity Affiliates along with other customers. Our standard cabinets are handcrafted with solid red oak face frames. Tongue and groove joints are utilized throughout for added strength. The interiors are composed of architectural grade super-ply Baltic Birch. Drawers are also Baltic Birch and feature dovetail joinery both front and back which provides greater strength and durability. European style hinges are used for a concealed modern look. Custom cabinets are also available upon request. ◀



Jeff Bailey, IPI-FM Supervisor, was nominated for the South Central Regional 2015 NCIA Staff Award. As a finalist and first runner up, Jeff received a plaque from NCIA, presented by IPI Director Dan Clark. Congratulations Jeff!



Recently completed kitchen cabinetry projects.



CAD drawings of a few pieces IPI Fort Madison is producing for Archibald Elementary.



DARCY AUSTIN REMEMBERED



IPI lost a valued member of our organization with the death of Darcy Austin on October 22, 2014, at the age of 56 after a yearlong battle with cancer.

Darcy was a big part of the IPI family for 34 years, starting in 1979 and taking retirement in 2013. The majority of those years, Darcy worked in the IPI sales office in Anamosa. In 1996, she was instrumental in developing a new license plate process that is used nationwide today.

Darcy was a kind and caring person and infused that in her work. She was a friend to all, coworkers and customers, and enjoyed life to the fullest. IPI did not have a more trusted and respected employee.

Surviving are her husband Keith, and daughters Jamie and Ali. ♣

SHOP SPOTLIGHT: METAL FURNITURE SHOP

This month's spotlight is on the Metal Furniture Division. Since we last visited this shop in October of 2011, the shop has been operating at a record pace to complete the furnishings for the two new prisons in Fort Madison and Mitchellville. Along the journey, our staff and offenders were challenged to come up with new products to meet their needs, and the Metal Furniture Division was up to the task.

We have several new faces in Metal Furniture, but they are not new to IPI. Rod Schlee is now the Production Coordinator, and he works alongside Senior Technician Dave Schmitt, Technicians Dan Snyder and Jared Ash, and Supervisor Tim Diesburg.

Metal Furniture has changed with the times. The shop continues to reinvest in its operations with new equipment including a plasma cutting machine, new pinch roller, replacement shear, notcher and upgraded lighting. We continue



The Anamosa Metal Furniture Shop (from left to right): Jared Ash, Tim Diesburg, Rod Schlee, Dave Schmitt and Dan Snyder.

to provide training opportunities to our staff that include safety, lean manufacturing, and project management.

The Metal Furniture Shop also produced furniture for several important charities including Camp Sunnyside's new living facilities and an Extreme Home Makeover project in 2012 for an Iowa family.

Similar to many of our shops, they have a standard product line of furniture and metal products that are known for their durability and value. The shop also has the ability to customize product solutions that our customers request for specific applications. The staff and offenders work as a team to come up with solutions that customers want.

And not without mentioning one of our core purposes, Metal Furniture Division provides solid work training and skills that the offenders can and do use upon their release. This is the



SHOP & STAFF HIGHLIGHTS

- ▶ Our Braille Program has been working with educators and users to develop a quick-turnaround Braille service for students. This is in the testing phase, and we plan to soon have another option for the sight impaired to have equal learning opportunities.
- ▶ In November the Anamosa State Penitentiary and Kirkwood Community College held a graduation ceremony for offenders completing their high school equivalency diploma. For the first time, it also included the nine initial graduates of the apprenticeship program and was featured on a KWWL television news story.
- ▶ In December, we invited OSHA Consultation to review some of our processes and respirator usage.
- ▶ We were well fed in December! The Employee Relations Committee hosted the annual employee breakfast. The following week IPI had its annual Pizza lunch, and IPI Director Dan Clark was able to attend.
- ▶ Also in December, in preparation for the IPI Order Processing Kaizen event, Customer Service Rep Deb Mahoney traveled to Des Moines to meet with Alcohol Beverage Division to review their order processing improvements.



most valuable service we provide and not only benefits the customers with a durable, well made product, but serves everyone. ♣

GETTING TO KNOW IPI CENTRAL CANTEEN: STORE 2B



For the past several quarters, we have included a series of articles in this newsletter titled “Getting to Know IPI Central Canteen.”

Last quarter, we talked about the Store 2A position. This quarter, we will cover the Store 2B position.

Store 2B is the hygiene store. Bars of soap, razors, deodorants, toothpastes, floss, and laundry detergents are just some of the 70+ items that are sold from this store. ◀

RECORD HOLIDAY GIFT BAG SALES

Everyone at IPI Central Canteen worked diligently to process and distribute holiday gift bag orders.

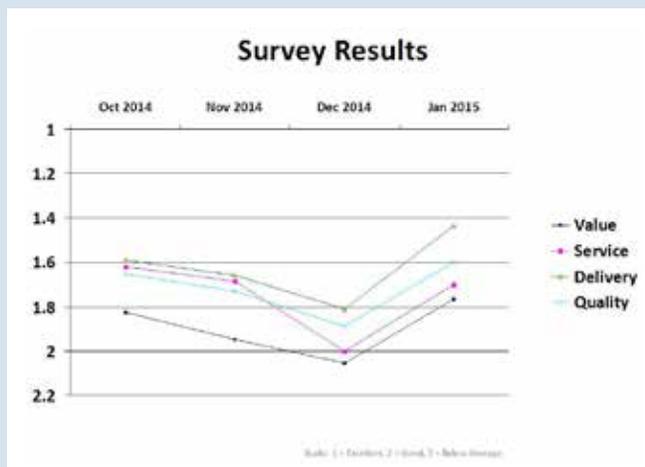
This year, we sold 740 regular gift bags and 3,140 deluxe gift bags. Both numbers set records for gift bag sales.

The high gift bag sales contributed to the Canteen also setting an all-time record for Central Canteen sales in December 2014. ◀



OFFENDERS RATE CANTEEN

The Canteen’s offender newsletter continues to offer offenders the opportunity to rate IPI on four categories: value for money (value), questions/problems handled promptly (service), order arrived in good shape (delivery), and quality of goods (quality). Customers evaluate us on a scale of 1 (excellent), 2 (good), or 3 (below average).



NEW EMPLOYEE

Welcome to Keith Kirchner, Transport Driver, who joined our IPI Central Canteen staff this December. ◀



MONTHLY SALE ITEMS

Starting in February 2014, we began offering monthly sale items. Over the past year, we have seen dramatic increases in sales of those items which we advertised.

Last month, we discounted tuna by only 17 cents, but sold an additional 972 units as compared to the previous non-sale month. ◀



ANNUAL ICE CREAM SOCIAL

On December 24, 2014, IPI Central Canteen workers enjoyed a reward for their hard work and dedication.

Three different flavors of ice cream and all the toppings filled our workers after a long day.

Dan Clark, IPI Director, and Chad Squires, Newton Plant Supervisor, gave an encouraging speech and thanked everyone for another successful year. ◀



Des Moines

BOB MESECHER RETIRES



From left to right: Claudine Mesecher, Bob Mesecher and Clint Schmidt

On January 29th, 2015, an open house was held at the IPI Showroom for Robert (Bob) Mesecher. A great turnout of current and former customers, family, friends and IPI staff from around the State stopped by to give many thanks to Bob for all his efforts and hard work. Bob and his wife, Claudine, are planning on a great deal of traveling around the United States and calling home where ever they decide to park the camper.

Bob has been an outstanding member of the IPI team for nearly 20 years, and we all want to wish him the best! Thanks Bob!!



Bob presents Clint with a "divorce decree" to end their working relationship.



Important Dates

Make sure to jot down these upcoming birthdays and work anniversaries* so you can make sure they have a great day!

Work Anniversaries*

January

- 02 – Deb Mahoney (AN) 1 year
- 03 – Kim Zimmerman (AN) 19 years
- 04 – Greg Hart (AN) 35 years
- 04 – Rod Schlee (AN) 24 years
- 05 – Chris Guy (AN) 4 years
- 08 – Doyle Austin (RWC) 16 years
- 15 – Kevin Peterson (DM) 16 years
- 19 – Jeffery Bufurd (Farms) 14 years
- 19 – Tommy Seibert (FM) 14 years
- 22 – Shane Blanchard (FM) 2 years

February

- 04 – Jim Conmey (AN) 7 years
- 09 – Becky Jones (FM) 28 years
- 11 – Brad Kite (FM) 2 years
- 16 – Mike Lynch (Farms) 19 years
- 18 – Justin Opfer (MV) 2 years
- 19 – Craig Hilpipre (RWC) 5 years
- 21 – Teresa Engelbart (AN) 18 years
- 22 – Cathy Benedict (AN) 33 years

March

- 03 – Mike Kuper (AN) 18 years
- 24 – Ann Baughman (DM) 12 years
- 26 – Ann Noska (AN) 22 years

April

- 17 – Laura Mendez (FM) 17 years

Birthdays

January

- 16 – Deanna Cross (NW)
- 17 – John Lynch (Farms)
- 22 – Dale Schwickerath (NW)
- 26 – Scott Klinefelter (DM)
- 27 – Mike Lynch (Farms)
- 30 – Kevin Peterson (DM)

February

- 01 – Kim Zimmerman (AN)
- 07 – Ruthanne Mosser (AN)
- 19 – Pete Quackenbush (AN)

- 21 – Jed Kinion (Farms)

March

- 04 – Steve Anderson (FM)
- 05 – Andrew Gogerty (DM)
- 08 – Brad Kite (FM)
- 09 – Sandy Bunce (AN)
- 23 – Tammy Luchtenburg (AN)

April

- 01 – Seth Essing (FM)
- 01 – Becky Jones (FM)
- 04 – Mike Kuper (AN)



Please submit any personal news you would like included in the IPI Newsletter to your plant manager or to Ann Baughman at the Sales Office.

*Work anniversaries include all State of Iowa Employment