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JOHN DEERE IN INDIA

WELCOME TIMBERJACK

AG ROLLS OUT NEW PRODUCTS
ON BOTH SIDES OF THE ATLANTIC

COVER: A John Deere 5310 tractor manufactured in India pauses on the northern



bank of the Yamuna River across from the Taj Mahal near Agra, India. This striking scene was filmed for a 60-second

television commercial that features John Deere equipment in use around the world. In a touch of movie magic, the animals, huts, melons, and local villagers transformed the previously barren riverbank into a colorful, bustling scene.

One of the commercial's purposes is to communicate John Deere's growing presence on farmsites, worksites, and homesites around the world. In India, that growth centers on a new 5000-series tractor factory near Pune. Our coverage of the impact that factory is having on this part of the world begins on page 14.

Deere's role as a global supplier of agricultural equipment is getting an enthusiastic boost from this fall's introduction of 63 new models of farm machinery in Europe.

Starting on page 8, see how dealers from 54 countries, speaking 49 different languages, learned about taking command of their markets during four days in Seville, Spain.

Cover photo by Dale Paschke, manager, advertising and marketing communications, Worldwide Commercial & Consumer Equipment Division.

Published for John Deere Employees, Retirees, Dealers, and Friends Worldwide

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SPECIAL FUND FOR AMERICA



Thanks to the quick action of employees, dealers, and suppliers, John Deere was able to provide Gator® utility vehicles and skid-steer loaders to help in the rescue and recovery efforts following the World Trade Center attack on September 11.

Employees throughout the company wanted to do more, so the "John Deere Special Fund for America" has been created to support recovery and relief efforts. The John Deere

Foundation will lead the donations to this fund with a \$250,000 contribution.

Employees, dealers, retirees, and friends can contribute to this fund by sending their donation directly to the John Deere Special Fund For America c/o the John Deere Foundation at One John Deere Place, Moline, IL 61265. Employees can also contribute through their unit HR department. The Foundation's board of directors will administer the fund.

FEEDBACK



I was looking through the JD Journal, and I really like the battery-powered kids' version of the Gator utility vehicle. I was trying to find this product on the Internet but could not find one. Can you please tell me how I can purchase one of these Gators? /Robin Culp, Bloomfield, Iowa

(The battery-operated Gator can be purchased at participating John Deere dealerships. To locate the dealer closest to you, visit www.johndeere.com on the Internet and click on the "Dealer Locator" at the top of the page.)

I have enjoyed the articles in JD Journal recently about various equipment companies that Deere has purchased, such as Cameco in the Summer 2001 issue.

As an accountant, I don't work with equipment directly, but understanding what we make, the markets, and how the businesses are integrated with our traditional products helps me get a handle on the business as a whole.

I also really enjoy the articles by Gene Ritzinger, especially the one on how language is used

in the corporate setting.

I have chosen my words more carefully since then! /Judi Berkley, financial analyst, Deere & Company

My family would like to thank the staff of Goodridge Farm Supply in Oakfield, New York, for their dedication and commitment to customer satisfaction and service. They went the extra mile in helping us get our 420 lawn tractor back up and running. Words can't express the happiness I felt today when I finished my five acres of lawn with it after getting it back from the shop. /Ron Smith, Shelby, New York

My five-year-old son, Brad, is the biggest John Deere fan I know. For every special occasion—birthdays, nursery-school graduation, Christmas—he receives a John Deere toy tractor. He has a special place for all his equipment in his bedroom next to his bed,

along with all his other John Deere paraphernalia. When his cousins visit, he makes sure he lays out the ground rules for playing with his tractors.

A perfect example of his obsession is when we went away for vacation recently. Before we could leave, my son made his grandfather promise that he would check on his John Deere tractors daily. When we returned, the first thing my son wanted to know when his grandfather greeted him was the status of his equipment!

We celebrated his fifth birthday with a party recently, and I'm sure you could guess the theme. We hung John Deere streamers, green and yellow balloons, and used custom plates given to us by the local John Deere dealership, H.C. Osterhout & Son in Ravena, New York. My wife and I made bookmarks and customized cups as favors for the party, both with John Deere

symbols. The cupcakes each had the John Deere logo embedded in the frosting. Each kid decorated a tractor-shaped cookie with John Deere colors.

The farmer down the road was generous enough to drop off his 4450 tractor with a huge plow right in the middle of the front yard. You should have seen the kids' faces as their eyes grew wider with each closing step!

It was a great day, and we all had a wonderful time.

Thank you for making such quality products. /Allan C. Jourdin, Coxsackie, New York

We invite your feedback and welcome news tips and story ideas as well. Write Feedback, JD Journal, One John Deere Place, Moline, IL 61265-8098, call (309) 765-4170, or e-mail jdj@deere.com.





TOP LEFT: This prototype Walking Machine harvester is designed to step over obstacles while treading lightly on the forest floor, minimizing soil erosion and damage to tree roots.

CENTER LEFT: This Deere 753GL harvester will also be marketed as the Timberjack 608L through Timberjack dealerships.

TOP RIGHT: Deere added forwarders to its product line through the Timberjack acquisition. Forwarders, such as the 1158 model pictured, collect cut-to-length logs from the forest interior and transport them to roadside-collection areas.

CENTER RIGHT: This Timberjack-designed 535 knuckleboom loader uses multiple hydraulic cylinders to mimic the movement of a human arm.

BIOMASS HARVESTING: TURNING WASTE INTO WATTS

Timberjack has been a pioneer in developing equipment for harvesting and collecting biomass—wood that is normally wasted in the logging process. Forest biomass is burned to produce electricity and heat at power plants in countries such as Finland. Timberjack makes a complete line of machines for collecting branches, treetops, and small trees for energy

production. The equipment includes:

- Harvesters that cut and gather small trees.
- Bundlers that collect and pack logging residue into bundles 2-1/2 feet in diameter by 9 feet in length. The bundles are crushed before being burned at a biomass energy plant. Each bundle contains the same energy as about 24 gallons of oil.
- Forwarders that gather and transport bundles from the forest interior to the roadside.

In Finland alone, it's estimated that 10 to 15 million metric tons of logging waste go unused each year. The Finnish Ministry of Trade and Industry is calling for 27 percent of the country's total energy consumption to come from renewable energy sources, such as forest residue, by 2010 and 35 percent by 2025.

It was a union of strength with strength. When Deere & Company acquired the Timberjack Forestry Group from the Metso Corporation of Finland in early 2000 for \$600 million, two world leaders in forestry equipment joined forces.

For years, John Deere has been a leading supplier of forestry equipment in North America and had marketed products in a few European countries including Spain and France. Deere has offered a full line of log skidders and a line of wheeled and tracked feller-bunchers. (A feller-buncher collects small groups of trees as it quickly cuts each one at the stump.) Some Deere construction equipment, such as excavators, crawler dozers, and wheel loaders, also have been used in various forestry applications.

"In order to expand our forestry business, it was clear to John Deere for some time that we needed to do two things," says Doug Anderson, managing director, international operations for the newly named Worldwide Construction & Forestry Division (C&F). "One, we had to either develop or acquire a broader line of forestry equipment, including the cut-to-length harvesters and forwarders that are mostly used in Europe but are growing in popularity in North America. (A cut-to-length harvester can remove a tree's limbs and cut the log to a

specific length in the forest. A forwarder is a combination tractor/boom loader/wagon that collects and moves logs from the forest interior to a roadside.) Secondly, we had to expand our presence into Europe, Latin America, Southeast Asia, and other regions where timber is harvested.

"Beginning in 1993, we had serious discussions with a number of the leading producers of cut-to-length harvesting systems about the potential for some sort of strategic alliance," Anderson adds. "Given that Deere and Timberjack had been such fierce competitors in the North American forestry markets, we had no idea that we would have an opportunity to develop an alliance with, or acquire, Timberjack. When we learned that Timberjack was for sale, we immediately suspended all other discussions and focused on acquiring the world's leading supplier of mechanized timber-harvesting equipment.

"When making our bid for Timberjack, Deere made it clear to the owners that we were not interested in acquiring Timberjack if we could not retain its key management," Anderson says. Those retained include Mikko Rysä, the company's long-time president. Rysä now serves as vice president, international and new business, for C&F.

The fit is excellent for both companies. "Deere and Timberjack have very little overlap in forestry-related operations, and our product lines and geographic coverage of the marketplace are mostly complementary," Rysä says. Product overlap was primarily limited to log skidders, and to a lesser extent, tracked feller-bunchers. Deere inherited some distribution overlap in the U.S. and Canada, and to a much lesser degree, overseas.

Anderson says Deere acquired Timberjack for its advanced technology and products, worldwide distribution, forestry-focused employees, and worldwide



This is the second in a series of articles spotlighting business operations recently acquired by Deere & Company. In the series, you'll learn how these new businesses are helping the enterprise achieve its goal of doubling value twice in this decade.

customer base. "Specifically, we acquired a world-class line of harvesters and forwarders used for the emerging cut-to-length harvesting method, a broader line of tracked feller-bunchers, and a line of knuckleboom loaders used primarily in logging in the southeastern U.S.," he explains. (Knuckleboom loaders are hydraulically operated loading booms whose mechanical action imitates the human arm.)

Deere also acquired a line of highly sophisticated harvesting heads, which are marketed as attachments for Deere and Timberjack feller-bunchers and harvesters and also sold under the Waratah trade name to other original-equipment manufacturers (OEMs), dealers, and customers. "And perhaps more importantly," Anderson adds, "there is no other group of people in the world who know the global forestry business better, who understand the needs of forestry customers worldwide better, than the Timberjack employees who are now part of the Deere family."

Timberjack will benefit from the purchase by using Deere's advanced business processes. Both companies will benefit from more-efficient supply management, manufacturing, and distribution. Deere's distribution channel and customers will benefit from the expanded world-class product line, while the Timberjack distribution channel and customers will gain from Deere's advanced

parts-distribution infrastructure and customer-support programs.

Anderson says the Timberjack brand will continue and grow under Deere ownership. The division is dual-branding most forestry products for distribution by both Timberjack and Deere dealers in North America. With dual-branding, the designated products are sold under both Deere and Timberjack brand names.

"Since we inherited dual distribution in North America, we have decided to dual-brand our products in order to provide the level playing field necessary for both dealer organizations to fairly

compete at the retail level on their own merits," Anderson says. "Outside of North America, we will distribute nearly every product exclusively under the Timberjack brand. The exceptions are skidders in a few countries."

Consolidation of log skidder production has begun at Deere's factory in Davenport, Iowa, using the Deere machine platforms. Skidders are now dual branded for distribution by both dealer networks in North America. Further consolidations in skidders and tracked feller-bunchers will accompany future product updates.

Plans are under way to dual-brand harvesters and forwarders for North American markets. "With the introduction of dual-branded harvesters and forwarders this summer, we met our goal to have all major products dual-branded within 12 to 18 months of closing the deal," Anderson says.

C&F now builds forestry equipment at Davenport, Iowa; Paragould, Arkansas; Woodstock, Ontario; Penticton, British Columbia; Filipstad, Sweden; Joensuu, Finland; and Tokoroa, New Zealand.

C&F's global-distribution network is a combination of Timberjack retail companies in 13 countries, independent Timberjack dealers with more than 300 outlets in 40 other countries, as well as C&F's independent network of Deere dealers. "C&F is now the preeminent global supplier of mechanized timber-harvesting equipment with the acquisition of Timberjack," Anderson says.

According to Rysä, the union of Timberjack and Deere will most likely touch off other restructuring moves within the industry. "It is, however, very hard to foresee any mergers or acquisitions that would result in a combination as strong as Deere-Timberjack," Rysä says. *Dan Brown*



TIMBERJACK MAKES DEERE A GLOBAL FORESTRY LEADER



PHOTOS BY STEVE DOLAN

STORY BY LARRY RINEY

EVENTS IN ALBUQUERQUE, NEW MEXICO, AND SEVILLE, SPAIN, SHOWCASE

AG ROLLS

ABOVE: Dealers from across North America watch a wheeled 8520 tractor and its tracked brother, the 8520T, light up the stage on opening night. **RIGHT:** Dealers were asked to “Take Command” of their marketplace with the wide range of new equipment. **FAR RIGHT:** Dealers inspect the 1760 NT planter which folds for easy transport over rural roads and through narrow field gates. The planter can also change seeding rates on-the-go using John Deere’s new Map-Based Seeding.



John Deere introduced an unprecedented 54 machines and a host of tractor attachments at its new-product introductions held July and August in Albuquerque, New Mexico. In September, 63 products were unveiled in Seville, Spain.

Six waves of North American dealer personnel, 5,000 in all, attended four-day “Take Command” sessions in Albuquerque. Each session began at the city’s convention center with a welcome celebrating sales successes and engineering achievements of the past year.

Doug DeVries, senior vice president, worldwide marketing, began the session by challenging dealers to take command of their marketplace. Later, Gary Frazier, vice president, North American sales, urged them to take advantage of volatile change by running harder, smarter, and leaner than their competitors. In between, the machines did the talking.

Video clips, white floor-to-ceiling drapes, and 300 computer-controlled robotic lights delivered

a theatrical punch as the new machines roared across the stage. Thundering Japanese drums and rock music built anticipation.

The extensive lineup of new equipment impressed Regina Herzlinger, a Harvard Business School professor and member of the John Deere board of directors. “The machines are awesome and beautiful,” she said as she stood between massive 8520T and 8520 tractors on the crowded convention center floor following the opening-night performance. “I’m an economist, and all I can think about is the great productivity, time savings, and the great buy for the dollar these machines represent and bring to agriculture.”

“Wow!” said salesman Randy Harlin, Heath’s Inc., Monticello, Illinois. “I had no idea the company would be able to come out with this much at one time. The next three days should be very busy.”

Divide and conquer. The next day, indoor classes covered business strategies, John Deere Credit, sickle windrowers, and pull-

type forage harvesters. The first three sessions also included a 9986 cotton picker walk-around, concentrating on new electronic header-height-sensing controls.

About 15 miles west of Albuquerque, dealers got hands-on experience at two demonstration sites. At one end of the first site, a concrete track and a tractor-pull weight sled were used to test “power hop,” or loss of traction, in the 8020-series tractor.

There was a buzz over the new Independent Link Suspension™ and ActiveSeat™ options that improve power transfer and operator comfort. “This new suspension and the ActiveSeat will help us go after new business,” said Paul Neuhaus, vice president, Barbee-Neuhaus, Inc., Weslaco, Texas, as he stepped from the clean air of an 8520 cab onto the dusty ride-and-drive course.

Next door, dealers put the new 5220 tractor’s fender-mounted controls to the test. Demonstrations of new backhoe and scraper attachments showed the versatility of the



THE MOST AGRICULTURAL MACHINES JOHN DEERE HAS EVER INTRODUCED ON EITHER SIDE OF THE ATLANTIC

OUT NEW LINES



ABOVE: Site demonstrations and informational “walk-arounds” of equipment, such as this 49 backhoe, provide dealers a quick and easy way to learn about all of the new products. **FAR LEFT:** Using different attachments, Deere’s new telehandlers can transport a wide range of materials including pallets, silage, and hay bales, shown here. **LEFT:** The ride-and-drive courses just outside Albuquerque gave dealers an opportunity to personally test the extensive line of new tractors and other ag equipment.

entire line of 40- to 79-horsepower 5000 TWENTY-series tractors.

One-source shopping. Grayson English, manager of Rappahannock Tractor Co., Tappahannock, Virginia, was impressed with the new CX-20 and HX-20 rotary cutters. “We’ve sold a lot of the competition’s products simply because the company didn’t have anything in that size. Warranties, ordering, freight, and parts availability are a lot easier and less expensive when we can deal with one supplier, John Deere.”

After his walk-around of the 1760 NT planter, Edward Coufal saw a clear fit for his area. “We’ve been into satellite mapping for five years,” said the owner of Coufal Equipment Co., Temple, Texas. “That planter will work right into the precision farming in our area with its variable rates as well as give us true no-till and minimum-till capabilities.”

After pulling a scraper with a 9020-series tractor, Gayle Gustafson, owner of Prosper Tractor, Ltd., Estevan, Saskatchewan, said the

tractor was well suited for the large farms in her area. “The advanced transmission and more horsepower means we can pull 70- to 80-foot tillage equipment. And the new scrapers let us go after mine reclamation work.”

The new 6403, 6603, and high-end 6020-series tractors were kicking up a lot of excitement. Added to the affordable Advantage-series models, the new machines cover the utility-tractor market from top to bottom in both cost and features. “Rental customers, weekend farmers, and government agencies especially will like the low-end 6003s,” said Ken Wagner, owner of Heritage Tractor, Baldwin City, Kansas, after his test drive.

The 4010-series tractors offer an extensive list of improvements. “The under-40-horsepower market is heating up,” said salesman Derek Hill, Northeast Equipment, Wayne, Nebraska. “We’re seeing a lot of weekend farmers with less than 50 acres. The 4010s and the Frontier attachments will fit right in.”

The all-new, telescopic-loading 3200 and

3400 telehandlers with a host of hooks, clamps, and forks for just about any job from haying to material-handling, new Frontier™ attachments for the smaller tractors, and new fixed-blade ejector scrapers rounded out the information-packed classes.

“A lot of big dairies are going up west of us,” explained Kerry Hurst, a salesman at Hurst Farm Supply, Lubbock, Texas. “With all of the feedlots, cotton gins, and commercial building, the telehandlers should get us into a great market.”

After finishing his jam-packed, four-day session, Donnie Meadows, Goldman Equipment’s manager in Tallulah, Louisiana, was surprised by the number of new products. “I’m proud to be part of John Deere, and I’m impressed by this show,” he concluded. “I was worried we’d see a lot of decal changes. We saw legitimate, important changes that will make selling easier. I’d hate to be the competition.”



LEFT: Spanish dealers see and hear the new features of this 9780 CTS combine described in their native language during the sound and light show. **RIGHT:** The driving course was designed to mimic the narrow passages and small turning areas found on many European farms. **FAR RIGHT:** Dealers enjoy traditional Spanish flamenco dancing at the Congress Palace Convention Center. **BELOW RIGHT:** Attendees were treated to Seville's magnificent architecture, including the Plaza de Espana. **BELOW CENTER:** Joaquin Hervas Bonafe of Alcadia Carlet, Spain, and 3,200 others tested the new equipment near Carmona. **BELOW FAR RIGHT:** Luis Fernando Zara, Patricia Mozo, and Miguel Angel Duque Garcia will share their hands-on experience with others at their dealership in Valladolid, Spain. Photo by Mark Moore.

DEALERS FROM 54 COUNTRIES POUR INTO SPAIN TO WITNESS DEERE'S MASSIVE AG EQUIPMENT ROLLOUT

Magnifico! Gigantisch! Incroyable! Fantastic! Praise was lavished in 49 languages on the "Take Command" product introduction at the Congress Palace Convention Center in Seville, Spain. Beginning on September 2, almost 3,200 dealers and dealership staff from 54 countries attended six consecutive four-day sessions packed with presentations and field demonstrations. Each session was conducted primarily in Spanish, German, French, English, or Italian, and additional languages were available through translation.

The most stunning statistic was the 63 new equipment models presented during a spectacular light and sound show. European dealers welcomed 6020-, 8020-, and 9020-series tractors, as well as new combines, balers, mower conditioners, telehandlers, crop sprayers, and more. Dave Everitt, president, Agricultural Division - Europe, Africa,

SHOW TIME

South America, and Global Harvesting Equipment Sourcing, described the introduction as "the most significant launch in any John Deere region ever."

Paul Enz, vice president, marketing, Agricultural Division - Europe, Africa, South America, said the products were being launched into a marketplace that holds great potential for John Deere. "In the United States, John Deere dealers receive nearly half of the total spend on farm machinery, while in Europe we get just over 15 percent (the percentage for tractors and combines is higher). This is important because the European market is larger than all of North America, including Mexico."

Such major dealer gatherings are rare in Europe, and dealers were delighted with the event. "What has impressed me is John Deere's unequivocal determination to gain

market leadership in Europe," said Claus Wiedenroth, a dealer from Moelln, Germany.

Full Agenda. Long days saw dealers on the move from early morning until evening. Attendees visited educational stations at the convention center and on a 2,500-acre farm near Carmona, 20 miles away. There were stations for each new line of equipment and for John Deere Credit, Agricultural Management Solutions, and sales.

Occasional touches of humor lightened the presentations. Dealers at the 8020-series tractor station were invited to hold glasses of water while sitting on the new ActiveSeat™ suspension during a simulated bumpy ride. Colleagues tried to steady their glasses while seated in a conventional seat. "That really got the message across," said Jose Maria Reseco Casado of Spain.

After hearing about the features of each



IN SEVILLE

PHOTOS BY ULRICH BÜKER

STORY BY MARK MOORE

new model, dealers could envision how the products would fit into their local markets. "The 6920S (tractor) with Autopowr (stepless transmission) is going to be a real hot item for us," said Patrick van Mellick, a Dutchman who has built a dealership in Stara Dabrowa in northern Poland. "It will precisely fill a gap we had just below the 7810 tractor. I can see it adding 10 to 12 additional tractor sales at our dealership each year."

"Autopowr has generated a lot of excitement," said Paul Smith, manager for a 6020/7010-series tractor station. "We've noticed that as soon as the presentation is over, dealers are immediately on their mobile phones to tell the world about it."

"I'm delighted to see the introduction of a new 8020-series tractor with over 300 horsepower," said Claus Heller, branch manager of the Scharpitz, Germany, outlet for the Drees

Company, a major German dealership. "Farms in eastern Germany are very large and need greater productivity."

Many dealers echoed Heller's point about customers' hunger for greater productivity. They were pleasantly surprised to learn how John Deere engineers have delivered products to boost operator output. "I have a customer who is desperate to get his hands on a combine with higher capacity to handle the four-tonne-per-acre wheat crops we get in Kent (United Kingdom)," said Nick Booth, salesman for Palmers Agricultural Ltd. "There is a clear trend to fewer, larger farms and contractors. Both groups are desperate for more capacity. The 465-hp STS combine, with its rotary threshing system and 11,000-liter tank (only available in Europe), is a world leader and is exactly what these farms need."

Delegates experienced some of the rich

culture of Seville, from where Columbus set sail to find the Americas. They enjoyed a visit on the program's final evening to a farm famous for breeding beef animals destined for the bullring and high-quality thoroughbred horses.

Dealers said that the event generated excitement they'll carry home. "We expected the event to be inspiring and that has proved an underestimation," said Heller. "We see the expense involved in bringing 19 of our staff here as a good investment, because the enthusiasm ignited in our people will spread to potential customers and generate new business."

"The significance of Seville was twofold," says Everitt. "Not only did we introduce 63 fabulous new models equipped with market-beating technology, but we have also given dealers new business tools with which to reach our ambitious business goal of doubling market share by 2005."

ETC

THEY JUST KEEP GOING

That's not a custom cutting crew from the 1970s—it's the Norris family of Wellington, Kansas, who have been harvesting their farm's wheat with John Deere 95 combines for three generations.

Larry Norris says the whole family gets involved when it's time to roll out their fleet of six model 95 combines to harvest 700 acres of hard red winter wheat. Larry, his sons, brothers, nephews, brothers-in-law, and family friends can't wait to operate the combines built between 1959 and 1969. A band of nephews

shovel grain and help with morning maintenance. Larry's wife, Debbie, transports loads of wheat from the field to on-farm storage or the local grain elevator in a vintage grain truck. Other family members keep everyone fed. Larry says these reliable, familiar combines have found a special place in his family's farming operation since his father bought the first 95 in the mid-1970s. "I grew up with these combines—I know them," he explains. "They do a really good job threshing, they're easy to work on, and I can still get parts from my local dealer."

THE HORSE LISTENER

Suekay Bedis uses listening and coaching techniques she learned at John Deere to train barrel-racing horses. As a Voice-of-the-Customer manager at Horicon Works, she observes customers in focus groups and at their homes to understand what they want in lawn-care products. Drawing on the Foundations diversity training she received at Deere, Bedis tries to be laser-focused on one conversation at a time rather than accommodating distracting interruptions. She calls it "being in the moment."

That disciplined listening also works in horse training. "When I start training horses, I just watch them, notice their actions, and try to see things from their perspective," she says. Then, rather than using force to get results as some trainers do, she works slowly and gently to win the horse's confidence. She reads the horse's body language and listens for tell-tale sounds that confirm the horse has overcome its natural fear and is comfortable enough with Bedis to allow her to lead. She says horses have some of the same communication needs as people. "I've learned to be very specific with horses," she explains. "They don't want you to be wishy-washy. I stay in the conversation until we're both clear about what is expected." Bedis also uses the listening and coaching concepts with young horse riders.

WORK INSPIRES ART

Les Reu's boyhood memories, career, and artistic talent converged recently in his drawing *Going Green*. Reu is a credit administrator at the Ag Marketing Center in Lenexa, Kansas. His colored-pencil drawing of a dealer shaking hands with a farmer after delivering a new Deere combine was a scene Reu recalled from dozens of childhood trips with his father, Dave, a John Deere dealer in Donnellson, Iowa. "The scene is a composite of those memories," Reu says. "I just updated the combines." He adds that it's a common scene today. "I've traveled to 28 states for this company, and I've seen this picture in about every area of the country."

The drawing took Reu about 75 hours to complete. It is one of his first works after making a "new millennium resolution" on Jan. 1, 2000, to start drawing again. He had drawn and painted throughout high school and began college as an art major. After his first semester, Reu switched to business school and packed away his art supplies for 14 years. Then his work inspired his art.



PHOTO: STAN GRAVES



PHOTO: MARY-CAREL VERDEN



PHOTO: TOM SIZEMORE

GOING WITH THE FLOW

Like most companies, John Deere traditionally has made products by “pushing” them through the production process. Manufacturing has been done in batches, on a schedule, based on sales forecasts, and designed to maximize stability and predictability of work and product flow.

Now the company is striving to change all that and become more responsive to customer needs by implementing flow-manufacturing principles.

Under flow manufacturing, facilities are designed to be flexible and responsive to customer demand. Manufacturing processes are honed to achieve the highest-quality product in the shortest amount of time and at the lowest-possible cost. As a result, products flow through the production process more efficiently.

Firm orders for equipment “pull” products through the process so customers receive what they want when they want it. Flow manufacturing also reduces excess inventory (of both raw materials and finished goods), cycle times, and capital investment. Ideally, work on a product won’t commence—including the ordering or stocking of raw materials or parts—until an order exists.

In contrast, when forecasts exceed customer orders, the traditional forecasts-based strategy often results in the buildup of inventories. While this approach makes planning and production more predictable, it leads to longer cycle times and excess inventory throughout the process. The rigid process also doesn’t allow for quick, unexpected changes in customer purchase patterns.

“Flow manufacturing gives us the capability to build to demand, to build to retail order,” says Gerald Russman, manager of process engineering for John Deere.

“Before, we were either sending dealers what they didn’t need, or not at the time they needed them,” says Doug Cheever, order fulfillment process pro, Worldwide Construction & Forestry Division. “So the new process

is better for the customer, and it’s better for the dealer.”

Building-to-order, however, requires adjustments in the whole supply chain, from production-line design to raw-materials management and supplier relationships to workers’ responsibilities—and more.

“The shift of thinking from building-to-

to build any given product,” says Dumolien. “Assembly lines are getting shorter and fatter, rather than thin and long.”

John Deere’s Augusta, Georgia, plant, which produces 5000-series tractors, used flow-manufacturing principles in designing expanded facilities over the past few years, says Don Corbitt, plant manager. Automated, guided

vehicles move product through the line from station to station, where special “smart tools” help workers do their jobs as efficiently and accurately as possible. The line is designed so that if work needs to stop at one station, the whole line doesn’t shut down; instead, work can continue in other areas. Also, feeder lines are better integrated into the main line.

A critical component of flow manufacturing is quality control, particularly in “getting it right the first time,” says Ron Scheitzach, production supervisor, backhoe assembly, John Deere Dubuque Works. A product is continuously evaluated for quality as it proceeds through production, so it does not leave a particular zone or station until the work meets appropriate standards and specifications. This eliminates rework

and delays at the end of the line.

Meeting high quality standards and quick production schedules requires higher levels of training for workers so they feel empowered to make decisions on the spot. In Dubuque, workers in each production zone can trigger material replenishment from storage or directly from suppliers. Some workers also discuss quality-evaluation reports directly with dealers.

The move to flow manufacturing is part of a bigger thrust to make all of Deere’s businesses leaner and more effective. The challenge is to bring together individual unit and division philosophies and merge them into common processes, language, education, and training.

Says Russman: “The ultimate hope is that this will enable Deere to make manufacturing a competitive weapon.” /Lori Hill



Quality facilitator Bob Saylor helped design a first-in, first-out inventory system for the backhoe assembly area in Dubuque. The system limits inventory and uses components in the order they were delivered.

PHOTO: GREG BAKER

schedule to building-to-demand is a pretty significant change,” Russman says. “This isn’t at all easy. You have to think differently about your business and the best way to respond to customer orders.” That shift also applies to suppliers, who must provide parts and raw materials on more of a just-in-time basis.

Different John Deere divisions and plants are at varying stages in moving toward the order-based model, says Bill Dumolien, process owner, flow manufacturing for Deere & Company. Some plants are using a combination of the traditional and new approach. But all are looking at ways to streamline the process of building high-quality products while reducing cycle time and excess inventories.

“In the assembly process, we’re looking to do work more in parallel to reduce the time it takes

BUSINESS BUZZ

PRO-AMS BUILD BUSINESS

Company executives used three days of pro-am and charity events prior to the John Deere Classic to build business relationships with key customers.

One of Deere's reasons for sponsoring a PGA event is to promote its line of professional turf-care equipment. Monday's pro-am tournament provided golf course superintendents and other turf-care professionals the opportunity to play the immaculately groomed TPC at Deere Run course, which is maintained exclusively with Deere equipment. Superintendents are the main decision makers for golf course maintenance



PHOTO: MIKE KLINE

GOSSETT WINS JOHN DEERE CLASSIC

In his first-ever PGA TOUR victory, David Gossett won the 2001 John Deere Classic, held July 26-29, with a one-stroke advantage over Briny Baird. The former University of Texas star and 1999 U.S. Amateur champion used a sponsor's exemption to get into the field. His 19-under 265 at the Tournament Players Club at Deere Run course in Silvis, Illinois, earned Gossett a \$504,000 first-place check and a John Deere Spin-Steer Technology™ lawn

tractor. Gossett was the first player since Tiger Woods in 1996 to win a PGA TOUR event on a sponsor's exemption.

The win graduates Gossett from the Buy.com Tour to the big-league PGA TOUR and allows him to play on the tour through 2003. Gossett didn't receive the largest check from the tournament; 300 charities within 100 miles of the Quad Cities split nearly \$1.3 million raised through "Birdies for Charity" and other fundraising programs.



PHOTO: MIKE KLINE

Pierre Leroy, president, Worldwide Construction & Forestry Division, celebrates a team birdie with Ryuichi Seguchi, president of Hitachi Construction Machinery Co., during the John Deere Classic Charity Scramble.

equipment purchases.

Tuesday's Charity Scramble raised \$13,000 for youth golf in the Quad Cities while Deere executives hosted customers, dealers, and suppliers.

Among the many Deere guests playing in the Wednesday pro-am were executives from Peter Kiewit Sons, Inc. of Omaha, Nebraska. The eighth

largest construction company in the world, in terms of volume, Kiewit owns a fleet of 17,000 pieces of equipment, valued at \$1.7 billion. A small amount of the fleet is John Deere equipment that was purchased two and a half years ago.

Like John Deere, Kiewit is looking to reduce their number of suppliers and align themselves with just a few strategic partners. Roger Mohr, director, corporate business

division, John Deere Worldwide Construction & Forestry Division, says the pro-am is an opportunity for Kiewit to learn more about Deere's strategies and philosophies, and how Deere matches up with the contractor's business plans. "To have them take three days off from their busy schedules is a real commitment," Mohr said. "It shows their interest in wanting to build a stronger relationship with Deere."

MARINES RECOGNIZE TRAM TEAM

Brigadier General Jim Feigley, commander of the U.S. Marine Corps Systems Command in Quantico, Virginia, visited Davenport Works in July to present certificates to members of the original TRAM (Tractor, Rubber-tired, Articulated steering, Multipurpose) team, which was awarded the Department of Defense's prestigious Value Engineering Achievement Award. John Deere recently received a four-year contract to "relife" TRAM 644ER loaders.

"It may only look like a fork truck to you, but it may be unloading medical supplies or ammunition—things critical to our survival," Feigley said of the TRAMs. "We need to have faith that those machines will work the first time, every time. The things you're doing for us are extremely important. I hope we have an extended relationship for many years to come."



NAME CHANGE REFLECTS FORESTRY IMPACT

The Construction Equipment Division has a new name—the Worldwide Construction & Forestry Division (C&F). With the company's acquisition of Timberjack last year, Deere was catapulted into a worldwide leadership position in the production of forestry harvesting equipment, as well as remaining a leading supplier of construction equipment. The new name more accurately reflects the division's standing as a leading supplier of both construction and forestry harvesting equipment.



SST™ LAWN TRACTOR SCORES DESIGN WIN

The John Deere Spin-Steer Technology™ lawn tractor received a Gold Award in the 2001 Industrial Design Excellence Awards (IDEA) sponsored by the Industrial Designers Society of America (IDSA) and *Business Week* magazine.

The award was one of 44 Gold Awards among 1,260 total entries in the 22nd annual competition. "Deere created a new category of lawn tractor by making a tractor that incorporates zero-turn-radius capability while hiding the mysteries of the technology from the operator," noted Clyde Foles, IDSA Center for Creative Studies.

MOLINE TRACTOR & PLOW OPENS

The Moline Tractor & Plow Co. officially opened its doors to the public Aug. 10 and 11. As part of the John Deere Collectors Center, the 1950's-style dealership is the newest addition to the John Deere Commons in downtown Moline, Illinois.

An estimated 10,000 people attended the grand opening and dedication of the restored 116-year-old building. Tractor-restoration fans basked in nostalgia as they munched on complimentary pork chop sandwiches and drank Coca-Cola out of original six-ounce bottles while strolling through the refurbished building. Among the attractions were a blacksmith from Grand Detour and a 1950s vintage John Deere Day film.

More than 100 restored John Deere tractors were sold during the grand opening's main event—the second annual "All Green" antique auction. A 1938 Model B Wide High 40 drew the highest bid of the day—\$73,000—from Darold Sindt, a John Deere dealer from Keystone, Iowa.

WELCOME TO THE FAMILY

RICHTON BRINGS IRRIGATION EQUIPMENT TO JOHN DEERE LANDSCAPES

Deere & Company has acquired Richton International Corporation, a diversified service company with two business lines, including irrigation and computer-related services and products, for approximately \$125 million. Century Supply Corp. is a wholesale distributor of irrigation products and systems, while CBE Technologies, Inc. and Creative Business Concepts, Inc. supply technology-related products and services.

Century will be combined with the recently purchased McGinnis Farms, Incorporated to form John Deere Landscapes, which will offer a full line of services and products to landscape and irrigation professionals.

Irrigation equipment sales comprised about 80 percent of Richton's total revenues. *Forbes* magazine named Richton as one of the 200 Best Small Companies in the U.S. for three consecutive years.

DEERE ACQUIRES EQUIPMENT SAVERS, INC.

Privately held Equipment Savers, Inc. of Denver, Colorado, has been acquired by Deere & Company. Equipment Savers provides on-site fueling and maintenance of all brands of heavy equipment, a service sought by owners of large equipment fleets.

The business now operates in Denver and Phoenix, but has the potential to become a national business according to Pierre Leroy, president, Worldwide Construction & Forestry Division. "The purchase of Equipment Savers helps Deere extend beyond our traditional businesses of product manufacturing into value-adding services," Leroy says. "We plan to be first in the national arena to offer these services."

Equipment Savers will be managed as an independent business reporting through the construction & forestry division. The service will continue serving all brands of heavy equipment and will retain its name.

JOHN DEERE, YANMAR, KANZAKI PARTNER TO BUILD TRANSAXLES

Deere & Company, Yanmar Diesel Engine Co., and Kanzaki Kokyukoki Manufacturing Co. have formed Transaxle Manufacturing of America Corporation, a joint venture that will manufacture transaxles for tractors and utility vehicles.

The newly formed company has selected a 40-acre site in Rock Hill, South Carolina, as the location for its new headquarters and manufacturing plant. Ground was broken for the \$35 million facility in September 2001, with production scheduled to begin in early 2003. The plant will employ about 150 people when it reaches full production.

A transaxle is a unit that consists of a combination transmission and axles used in small tractors and utility vehicles. The new plant will manufacture transaxles initially for John Deere Gator™ utility vehicles and compact utility tractors. Yanmar/Kanzaki currently supplies transaxles to John Deere from its plants in Japan.

Green fields, Golden yields



JOHN DEERE IN INDIA

STORY AND PHOTOS
BY MARK MOORE

Manufacturing and marketing operations in the world's second most populous nation illustrate how the company is expanding its worldwide customer base

When executives from Deere & Company and Larsen & Toubro Limited (L&T) cut the ribbon to a 37- to 55-hp 5000-series tractor plant near Pune, India, on October 6, 2000, the ceremony marked an important step toward expanding John Deere's global presence in ag equipment.

The L&T-John Deere Limited joint venture is part of a manufacturing network—including facilities in Georgia and Mexico—that will produce 5000-series tractors for major markets around the globe.

INDIA IS KEY. About as large as Alaska, the country produces over 200 million tons of grain to feed its billion-strong population. The effort it takes to produce that grain translates into impressive machinery sales. More than 254,000 tractors were sold last year—compared with 150,000 in the United States—though average horsepower is far lower in India.

A share of the Indian market is virtually all-new business for John Deere, because high tariffs keep imports of foreign-manufactured equipment to a trickle.

"India is an important growth market for the ag division," says Dave Everitt, president, Agriculture Division – Europe, Africa, South America, and Global Harvesting Equipment Sourcing. "It's a cost-competitive manufacturing environment. It's also a supply base for parts and components, which offer us a competitive advantage when we introduce them into our worldwide network."

The Pune factory will build 10,000 tractors this fiscal year. Klaus Ramsauer, CEO of the joint venture, says the plant is on target to produce 30,000 tractors by 2004, representing 10 percent of tractor sales in India.

CHALLENGES. Westerners from Marco Polo onwards have discovered that India is a potentially rewarding but challenging country in which to do business. For example, the tractor factory retains a qualified snake catcher. The outsourced service removes King cobras that seek refuge in factory buildings when heavy monsoon rains arrive in June.

Ramsauer says cobra appearances are quite

The Charminar monument in the city of Hyderabad towers above the 5310, the first model manufactured by the joint venture.

rare and that power outages, difficulties with water supply, and India's famously congested infrastructure are more serious problems.

Marketing the tractors also has its challenges. As much as 80 percent of landholdings are tiny—little more than a few acres. Some 5 million buffalo are used as draft animals to provide power on many small farms.

The demand for tractors is expected to grow, however, as a shrinking number of farms accumulate more land, and as draft animals are gradually replaced by tractors.

Hindi, the national language, and English are spoken widely, but customers prefer to buy in their local tongue. Fourteen main languages and dozens of dialects are spoken in India. In addition, each of the country's 22 federal states has its own tax and commercial laws and a unique mix of religions, customs, and traditions.

PARTNERSHIP. Everitt says working with L&T greatly increases the chances of success in this complex marketplace. L&T is a highly respected engineering company whose electrical, cement, and construction businesses have gained it a reputation for quality throughout rural India.

During the 1990s, L&T identified a gap in the agricultural-equipment market. "Research showed that the Indian market was ready for a more sophisticated tractor and higher levels of reliability and customer support than was provided by the seven manufacturers in India," says Ganesh Apte, deputy CEO of the joint venture.

L&T sought John Deere as a partner that could bring both a proven tractor design and marketing system to the joint venture.

Engineering remains the responsibility of John Deere, which receives a royalty for each tractor



Zora Singh, manager of product support, explains the workings of a 5310 to a group of farmers in India's Punjab state.

sold in addition to its share of the joint venture's profits.

The tractors are basic by Western standards. There are no plush cabs, and transmissions are built to a basic collar-shift design. Nonetheless, with features such as power-assisted steering, they are at the top end of the market for Indian customers. Oil-immersed disc brakes and high-performance engines are regarded as key selling points.

The 55-hp 5310 was the first tractor produced at the plant and retails for about 390,000 rupees (\$8,300).

It has already proven itself by gaining impressive market share in its horsepower segment.

The 47-hp 5203 and the 37-hp 5103, launched this summer, are expected to see the same kind of success in their market segments, which typically have much higher sales volume.

MARKETING. "As output has gradually risen, we have begun marketing machines state-by-state, beginning with those closest to the factory," says

Jyoti Banerjee, chief of marketing. "This approach

ensured we could support the product intensively from day one, and the reputation of the 5000 series is now well established." Territory managers and a handful of area offices support 75 independent dealerships. Banerjee says the target is 200 dealerships.

A rigorous selection process was used to identify qualified dealers, like K. Sudershan Reddy and his business partner, N. Ravindra, who own a dealership at Nizamabad, near Hyderabad.

"Indian farmers are concerned about the impact of globalization. We feel that our future and that of our customers is best served by offering a high-quality product," says Reddy. "The 5310 has proven exceptionally well-suited for use in rice paddy fields, a key application here."

The dealership facilities and signage conform exactly to the stipulations of their contract. The dealership is connected via the Internet with Pune for parts and whole-goods ordering.

Dealerships currently offer tractors only. The joint venture is planning to add locally sourced tillage equipment, because Western-manufactured equipment is currently not competitive in the Indian market. Salesmen receive salary and commission. Competition is tough and negotiations can last for weeks. Many customers plan purchases to coincide with one of about 20 days each year defined as auspicious by the Hindu calendar. Unless a tractor can be delivered on a particular day at a specified time, the deal may fall through.

MANUFACTURING. The Pune factory was built on a carefully chosen, green-field site within India's industrial belt.

"This location means the majority of our suppliers are within 150 miles," says Ramsauer. "Almost 95 percent of tractor content now comes from Indian sources." Engine castings are bought from Indian suppliers and machined at the factory. Transmissions are built at Pune to a Kanzaki design under an agreement with that company.

Indian suppliers are beginning to supply John Deere factories outside India. "Units worldwide are already sourcing parts from India through our wholly-owned international purchasing office based in Pune," says Ramsauer.

EMPLOYEES. "The Pune area is home to nearly three million people, and education facilities are good, which means there is a pool of highly qualified labor," says Ramsauer. A total of 460 employees work in market-

ing and in the engine, transmission, and vehicle-assembly focus factories.

Jobs at the factory are highly sought after. Working conditions are comparable with those at other John Deere facilities. Wages of \$1 to \$2 an hour represent substantial buying power in India, where the average wage is 50 cents per hour.

"What sets L&T/John Deere apart from some local manufacturers is the willingness of managers to listen and greater investment in employee training," says Sukhdeep Singh, a marketing department employee.

India's roads carry a chaotic mix of pedestrians, trucks, motorbikes, and vehicles of every type, making bus travel the safest transportation option. Tractor-factory workers ride busses from their homes in Pune to the factory 20 miles away, six days a week—the typical workweek in India.

On arrival, the staff stream out of the buses in the light-blue shirts and dark-blue slacks worn by staff and management alike.

The uniform helps offset India's traditional acknowledgement of class and hierarchy. Some wear turbans indicating membership of the Sikh religion, which is closely related to Hinduism, the religion of the majority. Since Hinduism discourages meat consumption, the outsourced food service offers exclusively vegetarian meals.

The staff's average age is 25, and worker enthusiasm extends past the workplace. Cricket, the top sport in India, is passionately followed by most, and teams from the focus factories play each other regularly.

The workforce is largely, but not exclusively, male.

"Women engineers are well-represented in some fields in India, particularly software, but we're still unusual in manufacturing," says Gauri Tavte, a 21-year-old mechanical engineer working in the transmission focus factory. "I like the challenge. Even at a company like L&T/John Deere, as a woman, you're a bit of a pioneer."

GLOBALIZATION. Everitt sees the Pune facility as an important piece to a global tractor-marketing strategy. "These are true John Deere tractors that we're producing in India," he explains. "They continue our heritage of product quality and design, which means they're not only suitable for India, but potentially other markets.

"And because we have a common platform in the 5000 series," he adds, "the cost advantages of Indian parts, components, and even services, can be more easily leveraged into our worldwide networks. It's a genuine win-win situation."



Below: Tractors are often used as the power source for custom-built combines. The tractors are removed and used for other tasks once harvest is completed.



Above: Tractors fitted with cage wheels are used to prepare paddy fields for rice planting.



Left: Gauri Tavte, a mechanical engineer, works in the transmission focus factory at Pune.



Far left: There are 75 L&T/John Deere dealerships in India. Jyoti Banerjee, chief of marketing, says the goal is about 200.

Left: The engine testing group at Pune uses some of the most advanced equipment of its kind in India.

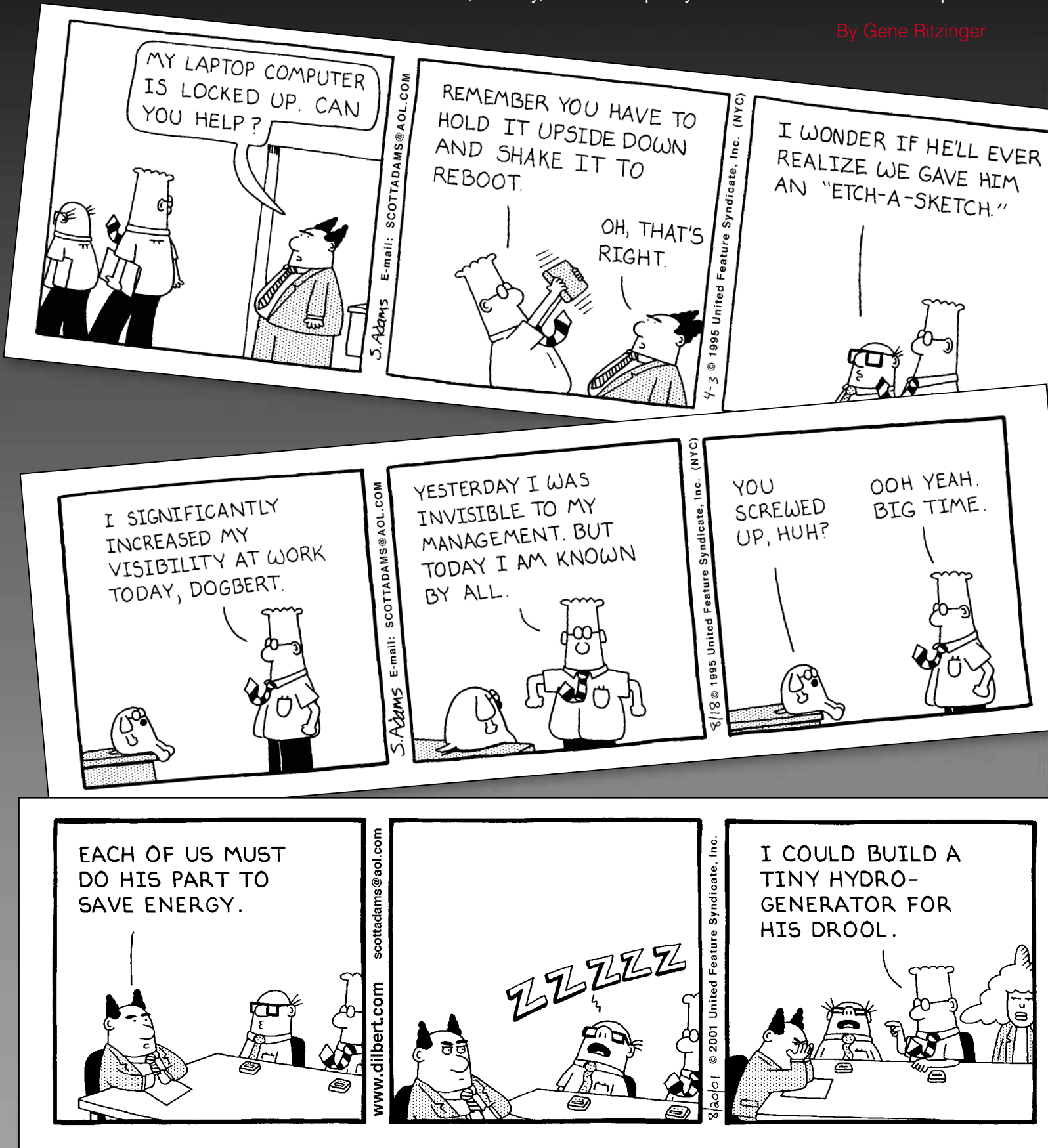


Left: Billboards are rarely available in India. Instead, advertising messages are painted on dwellings or farm buildings in one of dozens of languages or dialects.

WHAT'S SO DARN FUNNY?

Quite a lot, actually, and there's plenty of room for humor in the workplace.

By Gene Ritzinger



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A sudden widening of the mouth, the baring of teeth (a cross between a grin and a snarl), and a generalized tremor sweeps the body. Inhalation and expiration become spasmodic, sending vocalized blasts of air out the mouth, at times evolving into a respiratory convulsion. The body starts pumping adrenaline; the brain releases endorphins. The lungs pump out carbon dioxide, and the eyes cleanse themselves with tears. Heart rate, blood pressure, and muscular tension increase. You're a mess at this point, but you feel terrific. You're having a good laugh.

Laughter is a potent force. A real breakup-type, major-hoot, belly-laugh session is not to be trifled with, undervalued, or engaged in during brain surgery or while operating a motor vehicle. During laughter, endorphins are released that are natural painkillers which also stimulate the body's immune system to increase its disease-fighting ability. After laughter subsides, heart rate, blood pressure, and muscular tension drop to below-normal levels for about 45 minutes, leaving one very relaxed. Laughter also provides exercise for your diaphragm, thorax, abdomen, heart, and lungs, providing a mini aerobic workout.

C. W. Metcalf, author of *Lighten Up*, calls laughter "the cheapest medicine we can get under or over the counter. It's free, nonalcoholic, and singularly devoid of a downside." And, adds humorist and motivational speaker Kathleen Passanisi, any stress—from acne to a crabby boss—can be diminished with a good belly laugh.

Metcalf claims companies are finding that office humor and playfulness not only help reduce stress, but also keep employees creative under pressure and adaptable to change. Humor also aids communication, helps overcome defensiveness and conflict, and increases morale and job satisfaction. And, as a result of these collective benefits, productivity increases.

Steve Allen, Jr., a physician, humor consultant, and son of the late comedian, points out that in experiments, people who laugh at a half-hour comedy show before a test come up with more novel solutions to problems than people who just sit doing nothing while they wait.

Humor can often help ease negotiations and resolve a stalemate. For a time during

the Cuban missile crisis, when the United States and the Soviet Union were on the brink of what could have been nuclear war, neither side could agree on a resolution. It is said that the stalemate was broken, and a war averted, by a Russian who came to the negotiating table with a sense of humor. His riddle, given credit for restarting the negotiations that maintained peace: "What is the difference between capitalism and communism? The answer: In capitalism, man exploits man. In communism, it's the other way around."

If laughter is so good for us, why don't we do more of it? Babies and young children laugh more than adults, mostly out of pleasure or joy. Apparently they have more fun because they don't have jobs, mortgages, receding hairlines, or worries about the stock market. But adults give kids that act-your-age-don't-be-silly stuff early on, Allen says. Kids who are funny are often sent to the principal's office.

We've been raised in a culture that believes our problems can be beaten only if we get tough enough, work a little harder, and get really serious, according to Avner Ziv, author of *Personality and Sense of Humor*. "There's an assumption that if employees are having a good time and laughing, then they're goofing off," he says. "The key is being serious about your work and problems but not taking yourself so seriously."

Passanisi says her goal is to dispel the myth that work and play are opposites. "If the powers-that-be can poke fun at themselves, they become human in front of their staffs. Once they do that, there is instant bonding," she explains. "If you don't allow humor on the job, people will still laugh—but behind your back and at your expense."

Remember when you sat through a meeting with a piece of spinach stuck in your teeth? Or when you e-mailed your child's soccer schedule instead of a memo? Or when you forgot where you parked your car? Or some other situation like that? If you didn't laugh, you should consider why. These can be funny situations, and while they made you look a bit foolish, they're fairly harmless. Those who have the ability to laugh at themselves are more flexible and have less stress in their lives. And showing your sense

of humor can make you more likable.

Abraham Lincoln set a good example when he responded to an opponent's accusation that he was two-faced: "I leave it to you: If I had two faces, would I use this one?"

But there are risks to humor in the workplace. There's a nastier side of humor—its use as a weapon. The first cave man who cracked another over the head with a rock and shouted, "Ha, Ha" was probably the first humorist. Civilized society has replaced brutal hostility with verbal insult. Thus wisecracks, wit, satire, parody, and most jokes are all accepted forms of aggression. Instead of hitting each other over the head with a rock, we have put-downs like Churchill's retort to Bessie Braddock, a political opponent whom he stumbled into after imbibing a few drinks. "Sir Winston," she roared. "You are drunk, and what's more you are disgustingly drunk." Churchill, surveying Bessie, replied, "And might I say, Mrs. Braddock, you are ugly and what's more, disgustingly ugly. But tomorrow I shall be sober."

Sarcastic humor, although clever and funny if it's aimed at someone else, absolutely does not belong in the workplace, as Clyde Fahlman writes in *Laughing Nine to Five*. Neither do dirty, sexist, and ethnic jokes. Such humor hurts feelings, causes resentment and anger, and closes doors to creativity, openness, and trust. The emphasis must be on "laughing with" versus "laughing at."

And you have to know when humor is appropriate. The employee who constantly repeats the latest joke can be as tiresome as the multitude of jokes that clog e-mails. You need a clear, unequivocal signal that a laugh's in order. If in doubt, don't clown about.

What can you do to lighten up the atmosphere at your workplace? If your boss discourages humor, show him or her this article. Here are other tips from the humor experts: Create humor bulletin boards for cartoons and jokes. Put a comic twist on the routine things at work. One expert actually advises setting up a humor room filled with puzzles, comic books, games, and toys.

Fahlman says the greatest laughter in organizations doesn't come from contrived humor, but from situational humor that comes about spontaneously. What we really need to do most is to learn to laugh a little more and take ourselves a bit less seriously.



Two John Deere tractors are featured on an Italian postage stamp released in April. The Italian post office issued 3.5 million copies of an 800Lira (.41-Euro, 38-cent) stamp dedicated to the 100th anniversary of the Confederazione Generale dell'Agricoltura Italiana (General Confederation of Italian Agriculture). A commemorative folder and postcard were issued for stamp collectors. "John Deere's noteworthy presence on this public item indicates the growing relevance and awareness of our brand in Italy," says Luigi Tironi, sales branch general manager for John Deere Italiana.



JOHN DEERE