ANSEL KLEIMAN

In smaller Minnesota towns, Telex Communications has found a stable, well-educated, and trainable work force at a time when world competition has driven other manufacturers south or offshore in search of cheap labor.

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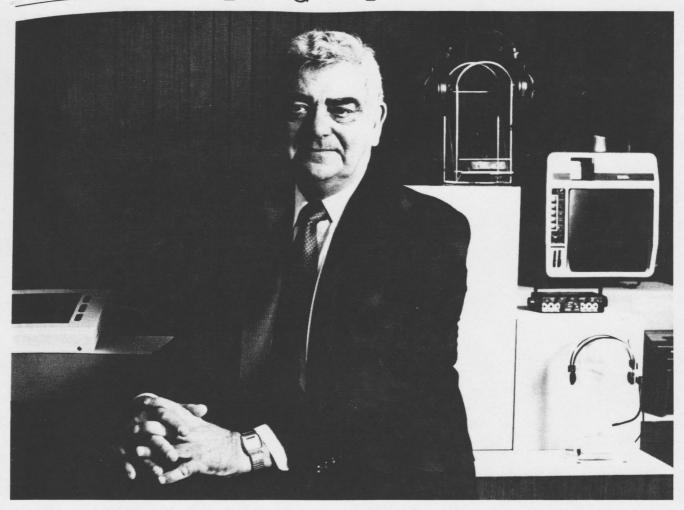
IF YOU WATCHED THE Super Bowl this year, or any of the season's NFL games for that matter, you may have noticed it. Whenever the TV cameras focused on the coaches or officials it was there—the word "Telex" printed on the headsets and wireless mikes worn for communication purposes. That exposure was worth about $20 million, figures Ansel Kleiman, chairman and CEO of Telex Communications, Inc. (TCI). At the time, though it appeared to be business as usual for the Bloomington company, below the surface TCI was furiously paddling out of a near disaster.

TCI is a subsidiary of Telex Corporation, a Tulsa-based Fortune 500 company of which Kleiman is also group vice president. Although Telex has been very successful re-

cently, with revenues of more than $800 million last year, through the end of 1987 it had been in what Kleiman describes as "somewhat of a turmoil."

"We had a dip, and it invited a raider in," he explains. To protect the company and keep it together, TCI merged with Memorex in a massive consoli-

dation that makes them a $2-billion company. TCI continues as a wholly owned subsidiary of Memorex-Telex, and Kleiman continues in his position at TCI and as a director of the parent company.

Kleiman, 62, got his start in the electronics industry in 1952, an exciting time to be in

the field. "It was crude, in retrospect, but the principles haven't changed," he says. A native of Cleveland, he had moved to Washington, D.C., to attend law school. Since he couldn't afford to attend full time, he went at night and worked for an electronics company by day. He ended up as general manager and liked it so much he never practiced law.

In 1964 Kleiman joined TCI as president. His charge was to develop analog products in the audio world, which the company was enormously successful at until 1983. By then the analog world was going digital, making reorganization essential. Kleiman became chairman and began developing new strategies based on a simple formula: new products and increased productivity. The company prospered under his

leadership. "Today we're probably one of the top three or four companies in this country in terms of revenue strictly in the audio world," he says.

Of course, it wasn't all roses. Remember eight-track tape players? TCI was the sole source of eight-track tape technology in the 1970s. "[Eight-tracks] were big, and they died very fast," Kleiman recalls. "When the music industry put music on cassettes, the automotive field changed over within two years. It devastated us. For about two years we were in deep trouble because that was more than thirty-five percent of our business. That's why we were going through a transition in the early Eighties."

Now TCI produces mainly educational and audio-visual equipment, hearing instruments, communication accessories, and industrial antennas. Under Kleiman's direction, a company-wide program for improving quality was established a few years ago. Last year productivity increased by eight percent. "If you could maintain that annually you'd have an almost infinite return on investment," he explains. "Once you improve quality, productivity becomes almost a by-product."

Another of Kleiman's strategies for the company's continued growth and success centers on its manufacturing plants, most of which are in smaller Minnesota towns. There TCI has found a stable, well-educated, and trainable work force at a time when world competition has driven other manufacturers south or offshore in search of cheap labor. "Our objective is to eventually be doing half of our business outside the United States and half within," he says. "We think we can produce [our] products in places like Blue Earth, Le Sueur, Rochester, and Glencoe just as cost-effectively as we could anywhere else in the world.

"We find the people in Minnesota to be industrious, intelligent, loyal," he adds. "They come to work, even when they have headaches. You find that kind of work ethic absent in certain parts of our country—large cities, the East Coast. If there's a snowfall, people call in and can't make it. [Here] our people get on their tractors and come in to the plant."

Over the years, Kleiman has been involved in every facet of operation at TCI. "There is a great reward in creating products that you can take into the world and be competitive with," he says. "There are things people need. We're not just creating things and then creating the desire. We're responding to real needs, whether it's an industrial need or a hearing loss. I've found it very gratifying to be a part of that process."

It is now Kleiman's job to make sure the company can branch into new areas of business and still maintain profitability. He has to ensure that TCI has management that can cope with the new generation. His concerns for the future don't just center on technology, but on issues like employee education and training, day care, and drug testing.

"We don't have enough college grads, enough skilled people, enough brainpower," Kleiman says. "We can't afford to waste any of it. I don't care if it comes packaged black, blue, yellow, female, male, whatever. We have to take advantage of every intellectual resource we have in this country. We're going to need every bit of it to be competitive."

—*Cheryl Weiler*

NEAL ROSCOE

The professionalism of Roscoe's show surprises many of his guests. "Most people think, 'This is a high-school kid. He's going to ask me questions like What do I do?'"

YOUNG PEOPLE ARE television's biggest audience. They come home from school or sports and square off with the TV, only shaking the stare to do homework during the commercials. Neal Roscoe, a senior at Minneapolis North High School, puts in his fair share of hours in front of the tube, but he has much more than just a

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