

REYNOSA SITE

Profile

Pentair Technical Products is a leading provider of enclosures and thermal management systems designed to protect critical electronics and the people who use them. From standard catalog products to custom designs, our global customers across a spectrum of global industries depend on Pentair Technical Products to provide one of the best-in-class enclosures for a variety of applications and industries.

People

Pentair Technical Products' Reynosa site employs over 980 people at its 336,000 sq. ft. fully air-conditioned campus for manufacturing, warehousing and administration, located in Reynosa, Tamaulipas, Mexico, a frontier city with McAllen, TX, United States.

Products

The Reynosa site facility divides its operations into 2 major businesses: Electrical business manufacturing products such as: commercial, industrial, modifications and custom OEM, which include large, medium, custom enclosures, NEMA 1 3R wire way, NEMA 12 wire way & fittings, large & small JIC enclosures, panels, inline & PB's. Electronic business such as: stampings, electronic enclosures, aluminum and integration.

Process

Pentair Technical Products, Reynosa site embarked on a lean journey in 1997 and launched a world-class manufacturing program.

Our initial focus was to introduce some of the basic tools into our processes such as 5's, Kaizen events, Poke Yoke, Escalation Process, Ideas Program, Andon Systems and give the employees the empowerment to continuously improve their jobs. Key metrics Profile Sheet

established were safety, quality, delivery & cost/productivity.

We then partnered with consultants to better understand the lean principles and subsequently begin our plant's lean transformation. This was a critical step in engaging 'hearts and minds' of our people in the lean transformation journey.

As a site, we are now in a position to align ourselves to the operational excellence principles. After having initiated our lean journey, we recognized the importance of developing our own enterprise-wide internal philosophy in lean named "PIMS" (Pentair Integrated Management System).

Bringing all the elements of improvement under one umbrella has produced a foundation for building a culture of continuous improvement.

Achievements

- **Quality:**
70% reduction in customer complaints since 2008.
- **Productivity:**
10% improvement since 2007.
- **Delivery:**
10% improvement since 2007.
- **Cost/Productivity:**
10% reduction in manufacturing cost & 7.2% improvement in productivity since 2008.
- **PIMS score:**
3.46 out of 4.0, highest in Pentair worldwide.
- **Award:**
Manufacturing Excellence Plant award for 2010 results.
- **Safety:**
43% reduction in lost days due to accidents.
- **Certifications:**
ISO 9001, ISO 14001, OHSAS 18001
- **Shingo**



Plant

When the Reynosa operation was first established in the mid-1990's, the vision was to develop best cost production capability to facilitate a cost leadership position in a highly competitive, price sensitive commercial enclosure market. Through additional expansion of the campus, this best cost capability was further expanded and we assumed a cost leadership position in the manufacture of small industrial enclosures with the transfer of production from the U.S. to Reynosa

In 2010, our Reynosa operation received the highest PIMS score in Pentair, 3.46. This score was not only the highest in Pentair; it was a significant improvement over the prior year score of 3.27. These PIMS scores represent Reynosa's strong commitment to PIMS and continuous improvement, but more importantly, represent a key competitive advantage to Pentair Technical Products.

Pentair's Reynosa site leadership team is headed by Daniel Amezcuita, Director of Campus Operation.

The main functions located in Reynosa site include Operations (Production), Materials (Planning, Warehousing, Import/Export, and Purchasing), Quality (Customer, Process and Supplier), New Product Introduction (Quotation, Customer Service, and Projects), Design Engineering (Product Development, support to other Pentair sites), Manufacturing Engineering (Manufacturing and Industrial Engineering), Finance, and Human Resources & Lean Manufacturing

Financial

With the best cost labor force and strong commitment to lean, Reynosa is the most profitable plant in the Technical Products global business unit. The gross margin for product produced in Reynosa (full-year 2010)

to 272.31 Pesos. This represents a 7.2% productivity improvement in conversion costs year-over-year and is particularly remarkable in light of the growth in volume and assumption of product transfers. From a cash perspective, inventory days on hand decreased from 58.4 days (2009) to 54.5 days through 1st Quarter 2011. Reynosa's commitment to manufacturing excellence is resulting in high profitability, productivity improvement and a decrease in inventory days on hand.

Corporate

Pentair is a global diversified industrial company headquartered in Minneapolis, Minnesota. Its Water group is a global leader in providing innovative products and systems used worldwide in the movement, treatment, storage and enjoyment of water. Pentair's Technical Products group is a leader in the global enclosures and thermal management markets, designing and manufacturing thermal management products; as well as standard, modified, and custom enclosures that protect sensitive electronics and the people that use them.

With 2010 revenues of \$2.7 billion, Pentair employs approximately 14,500 people worldwide.

Pentair Technical Products can be found online at

<http://www.pentairtechnicalproducts.com>

For more information please contact:

Teodoro Ortiz

Operational Excellence Manager

Reynosa, Tamaulipas, México

Phone: 01152 899 9094270

Email: Teodoro.Ortiz@pentair.com

At Pentair, we "Win Right." Those two words embody both our drive for success and our dedication to doing business led by the highest ethical standards. We are committed to building success on strong, fundamental values embraced by every employee. We believe that honesty and integrity should define our relationships with customers, business partners, investors, and each other.