

# SAME TRACK

THE CULTURAL NEWSLETTER FOR WABTEC EMPLOYEES

## Competitive Edge

Kathy Jones shares how SIOP aligns functions across Wabtec to deliver for the customer and how many facilities will contribute to the success of the UP deal.



## Leader's Letter

Justin Downs highlights the Union Pacific modernization order and explains how we can meet our customers' needs by taking a One Wabtec approach.



## Managers' Roundtable

Managers from several locations explain how we can integrate a customer focus in our day-to-day work, and how that positively impacts the employee experience too.



## Frontline Spotlight

Rodolfo Flores and José Carlos Martínez Montelongo discuss how a culture of customer focus in Saltillo also benefits employees and the facility as a whole.



## Picture This

We're showing our customer focus to meet Union Pacific's specific objectives for 600 locomotive modernizations over three years.



## Leader's Letter

# Uniting to Deliver

Working together to excel for customers

Justin Downs highlights the Union Pacific modernization order and explains how we can meet our customers' needs by taking a One Wabtec approach.



Team,

Wabtec received some exciting news last month as Union Pacific signed an order for 600 modernized locomotives. This win follows major orders earlier this year from Norfolk Southern for 330 modernizations and FLXdrives from various customers. As an industry leader, Wabtec has become a trusted, reliable partner that our customers can count on for transportation solutions. It is a tribute to your efforts in producing the locomotives that enable customers to achieve their business goals.

Now, it is on us to deliver on these orders. It will take a One Wabtec approach and a clear focus on our customers' needs. It is timely that the theme of this edition of the newsletter is Customer Focus.

Large orders like these require extensive planning and coordination across business functions and sites. I have talked about how everyone throughout Global Operations has a stake when it comes to delivering for our customers. Cost competitiveness, quality, capacity, and schedule are some of the key factors that will determine how we manage all the work. The sites that excel in those areas will be tasked to fulfill those orders.

As always, safety, quality, and productivity are paramount. Continuous improvement in those categories ensures that our function lives up to the Global Operations' motto — "We Deliver." Our customers are counting on us to provide the products they need to succeed in today's competitive market.

In this edition, we will focus on how we plan to fulfill large orders and what our various teams are doing to deliver for our customers. Focusing on what's best for our customers will drive new business for all of our sites.

Wabtec is best in the industry because we never lose sight of what our customers expect from us. We are poised to deliver some significant achievements, not only with this latest UP order but the many orders around the globe that are currently being executed. I hope you share the same pride that I have in this organization on the efforts our worldwide team is making right now as well as on the orders that are yet to come.

Thank you for your hard work on behalf of our customers,

Justin Downs

### JOIN OUR GLOBAL EDITORIAL BOARD

We're seeking employees from all regions to serve on the editorial board for this publication. You'll build global connections and help make the people in your plant or facility more visible. The time commitment is just one 30-minute meeting per month. If you're interested in joining, please email [WabtecCommunications@wabtec.com](mailto:WabtecCommunications@wabtec.com).

## Competitive Edge

# Aligning to the Customer

How we win when we deliver

Kathy Jones shares how SIOP aligns functions across Wabtec to deliver for the customer and how many facilities will contribute to the success of the UP deal.



On July 27, Union Pacific signed the largest locomotive modernization purchase in rail industry history with us. An order of this size is great news for all Wabtec employees — and it means we have a lot of work to do. Here, Kathy Jones, Vice President, Materials and Planning Execution, shares what happens behind the scenes for us to align workloads around the globe to deliver for the customer.

### Start and end with the customer

Kathy leads SIOP, which covers Sales, Inventory, Operations, and Planning. For her, the job is about driving efficiency. “We look across the company to see how we can optimize,” she says. “My team and I spend a lot of time at a higher level, looking cross-functionally to determine how to meet customer requirements and business needs as efficiently and effectively as possible.”

Two of the key functions that Kathy is responsible for are Sales and Operations Planning. “When we do any type of deal, we are the ones who coordinate cross-functionally. We work with the Commercial Operations team to identify any initial requirements based on what the customer is asking for,” she says. When we sign orders like the Union Pacific deal, SIOP determines how the organization will go about delivering for the customer.

Kathy and the SIOP team begin and end their process with a customer focus. “We always start with the customer needs,” Kathy says. With the specs established, everything else can be put into place. She continues, “Once we know what the specific requirements for these modification units are, we start to work cross-functionally and evaluate where the material’s coming from, what the lead times are, and what

kind of timeline we are working with.” The team also works with the commercial team for feedback throughout the whole process, and continually aligns with departments to reach the end goal.

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**We always start with the customer needs.**

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### Lining up the track

Kathy’s team works to ensure that all the different functions within the company





can work as One Wabtec to deliver for the customer — and what’s good for the customer is good for business. “Each of these individual groups have their own metrics and requirements, but we’ve got to help align them. Sales might have a certain goal, but they can’t do anything if operations can’t build it and do so in the timeframe they need,” she says. “We bring all these things together to optimize and meet both the customer requirements and the business requirements, because at the end of the day, we’re here to generate revenue and optimize cash.”

Aligning and optimizing different functions often means looking out for specific bottlenecks in a process. “Everybody always thinks about a plant having capacity, but other organizations have capacity issues also — for example, engineering and materials,” Kathy says. “We create solutions that facilitate and support what each group needs to do, working with the professionals in these functions to identify, acknowledge, and mitigate the issues that they face.”

With the current state of the world, the challenge of delivering for customers is elevated. SIOP knows that the best way to handle the situation is to make a plan and be ready for variables to change. “Sometimes it’s hard, especially with all the supply chain challenges with materials, lead times, and so forth. But we come up with a plan and do what we have to do to execute it and keep everyone aligned to any changes,” says Kathy.

### The big picture

One of the most important responsibilities for Kathy and the SIOP team is making data-driven recommendations for how work will be dispersed across different facilities. “Once we get the deal, we work with the

commercial team to see how it fits into our overall plan for all other demand,” she says. “It’s not as simple as building it in one place or another. A lot goes into an order as large as Union Pacific, and we’ll see where the best place for us to build these is over the life of the contract.”

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**A lot goes into an order as large as Union Pacific, and we’ll see where the best place for us to build these is over the life of the contract.**  
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Performance and delivery are key drivers to determine which facilities are trusted with our highest-value orders. “We’ll evaluate a lot of different factors, including the capabilities of different locations, the cost-effectiveness, and the availability of engineering for support,” Kathy says. “We also have to evaluate it based on our current volumes to determine which location is best.”

Kathy’s team makes their strategic recommendations, but the leadership team has final say on where work is slotted to go — and makes the call when unexpected changes come up. “It’s a very dynamic process, and the plans can change. We don’t like to make changes, because we have to move materials and shift

resources, but a lot of variables affect these discussions,” Kathy says.

### All hands in

With the size and scope of the Union Pacific order, many Wabtec plants will contribute to the success of the deal in some way — even if they never directly work on one of these mods. “When we plan demand, we don’t just look at the UP order. We look across everything else that we have in our order book,” Kathy says. “To meet certain customer requirements and timing goals, we may have to shift work originally planned for Location A to Location B so that Location A can work on Union Pacific.”

Ultimately, this deal is a badge of honor for our whole company. “This order shows how much confidence Union Pacific has in us. They want us to upgrade 600 locomotives so that they can last another 20 years with improved fuel efficiency and reliability,” Kathy says. “We’ve worked with UP for a long time, from new locomotives to modernizations and services, and it shows their trust in us that they are willing to sign with us for this kind of deal to help their business grow.”

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**This order shows how much confidence Union Pacific has in us.**  
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## Managers' Roundtable

### Good for Business

Every employee affects customer experience

Managers from several locations explain how we can integrate a customer focus in our day-to-day work, and how that positively impacts the employee experience too.



**Why do you think having a customer focus is so important at Wabtec?**

**Kathy:** It positions us to be a preferred supplier to our customers. It allows us to step into their shoes, so we understand what the customers' needs and expectations of us are. It also provides opportunities for additional growth for Wabtec.

**Amanda:** Our customers' success is Wabtec's success. It's important to bring innovation to our customers and work with them as partners.

**Martin:** The customer is the main reference point for the success of our company and for the quality of our products and services.

**David:** At the end of the day, if we don't have customers, then we won't have jobs. If we don't focus on what's important for our customers, then we risk losing those customers.



**Why is flexibility important in our industry?**

**Kathy:** We have to be able to be flexible and adjust. To me, that means being able to pivot at any time. With any of the challenges that come up when I'm working with internal or external customers, I have to process how I can address the issue and stay a step ahead of it.

**Amanda:** Our industry is always changing, and Wabtec wants to move and improve the world, so it's important that we can adapt to our customers' needs and be able to create more sustainable transportation.

**Martin:** We live in a volatile, unpredictable world, so we must be prepared for unexpected changes and be resilient to them. Agility and a clear focus on execution will determine how we take the opportunities that come our way.

**David:** In operations, we plan for the perfect world, right? But if I've learned anything over the last few years, it's that, no matter how many contingencies we plan for, they're not always going to work out. Adaptability and flexibility are not only important, they are required for what we do.



**The customer is the main reference point for the success of our company. – Martin**



**How can a customer focus come back to benefit Wabtec employees?**

**Kathy:** Having that focus allows us to remain competitive within the industry and within our community, bringing family-sustaining jobs. A customer focus impacts every one of us on every level of the organization, and allows us to be ready for opportunities for increased volume for new products.

**Amanda:** It can bring our employees closer to our customers' realities and ensure a long-lasting relationship. That provides a better understanding of what impact we have on our customers and over transportation systems.



**Kathy Facchiano**  
Senior Manager, Manufacturing  
Projects & Initiatives  
Erie, Pennsylvania



**Amanda Oliveira**  
Materials Planning Manager  
Contagem, Brazil



**Martin Tapia**  
Production Manager  
Monterrey, Mexico



**David Bates**  
Lead Production Specialist  
Fort Worth, Texas

**Martin:** As we adapt to meet customer needs, the business will continue to expand and become a world leader in the field of transportation. This growth will offer professional growth opportunities for Wabtec employees.

doing what we can to stay focused on what our customer needs and wants from us.

philosophy is to always give our best. If each role plays their part, then we will have a team committed to the work. Besides hard work, the other necessary ingredient is an openness to new needs that arise from customers.

**Q** What are some ways that employees can demonstrate a customer focus?

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**Adaptability and flexibility are not only important, they are required for what we do.** – David  
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**Kathy:** Number one is understanding what our customer needs. We need solid and clear communication with our folks so that we all know what we're here for. Another way is to participate. Participate in process improvement initiatives. Even if it's a small focus, think about improving a small part of our process that the customer will find value in. And leaders must make sure we're recognizing and rewarding those employees who participate like that.

**David:** Focusing on doing what's right is the main priority. If we can build our product with the utmost safety and the highest quality, the customer is going to be happy. Anything else above that is just icing on the cake.

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**A customer focus impacts every one of us on every level of the organization.** – Kathy  
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**David:** With any industry, at the end of the day, customer focus needs to be the main priority. If our customers are happy with the products we're providing them, then they're going to come back and be looking for other products across our offerings. We have to make sure that we're

**Amanda:** Employees can try to understand the impact that we have on our customers and how can we drive decisions.

**Martin:** Every employee plays a crucial role in customer satisfaction. My



## Frontline Spotlight

# All for One

## A customer-driven culture

Rodolfo Flores and José Carlos Martínez Montelongo discuss how a culture of customer focus in Saltillo also benefits employees and the facility as a whole.



It can often be difficult to focus on the end results of our actions for our customers when we're locked into our everyday tasks. Rodolfo Flores, Production Supervisor at the GEMC manufacturing plant in Saltillo, Mexico, demonstrates a strong customer focus while encouraging his peers on the front line to do the same. Here, Rodolfo and his manager, José Carlos Martínez Montelongo, Operations Manager, share how they've built a customer focus into the culture of the front line.

### Something to be proud of

José believes that the team's customer focus comes from the fulfillment they receive in being a part of the Wabtec team. "First of all, they have a lot of pride and conviction in being a part of this. They push their teammates to find better ways to meet our responsibilities," he says. "The team is really aware of our customers' expectations and how we can accomplish them."

Rodolfo feels strongly tied to Wabtec's success as a company. "Our growth as a company relies on our reputation and



José Carlos Martínez Montelongo

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**Projects like this have made us unite and communicate as a team more than ever.** – José

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the quality of the goods we are capable of supplying. This give us employees stability, opportunities, and a healthy environment to work in and to be part of," he says.

Rodolfo believes that committing to the success of Wabtec's customers will help him develop skills that he needs in all different facets of life. "The great part of this is that, once you get to learn this culture of discipline, you realize it's not just for the job — you can actually grow as a person, as a family member, and as a member of society."

### Problems are opportunities

A significant component of having a customer focus is addressing new and difficult challenges. The Saltillo facility has been tackling Egyptian National Railways projects lately, which José says is one of the most difficult things the facility has taken on in a long time. "Projects like this have made us unite and communicate as a team more than ever," he says.

In José's eyes, Rodolfo has been fundamental to the success of these projects. "He leads Action Work Outs, attends every meeting and makes suggestions in them, and encourages his team to look for, report, and resolve any feedback we receive from our customers," says José.

One of the reasons Rodolfo is so vital to the team is that he inspires everyone to take the initiative for the customer — and to use that motivation efficiently. "Having a variety of new products always comes with some challenges, such as process capabilities and facing unknown situations," he says. "To be able to succeed with these challenges, it's necessary to train our people, share knowledge, standardize procedures, and work as a team."

### Reaping the reward

Rodolfo's attitude toward helping the customer strengthens the culture of the whole facility, making it easy for new employees to make the best choices. "We meet customer requests on the front line through mutual support, empathy with other teams, and teamwork," Rodolfo says. "We tend to generate this culture in all our team members from the beginning to earn their trust and to be able to contribute to the common goal."

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**To be able to succeed with these challenges, it's necessary to train our people, share knowledge, standardize procedures, and work as a team.** – Rodolfo

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For José, this development in the culture, facilitated by people like Rodolfo, pays dividends for the facility at large. "It's not a coincidence that our demand grew almost 90% compared to last year," he says. "This is evidence of the hard work, focus on accomplishing commitments, and the teamwork to deliver and become a site of excellence for fabrication."

Picture This

## Breaking Records

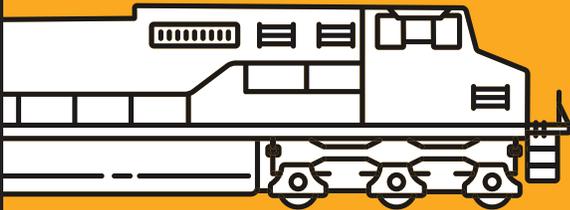
The largest modernization order in rail history

Union Pacific recently awarded Wabtec a contract for the largest locomotive modernization order in rail industry history. Strong focus on the customer will be required to deliver the 600 mods over three years that meet their specific performance objectives.

**600** modernized locomotives

**525** AC4400 and AC6000 locomotives

**75** Dash-9 locomotives



### Union Pacific's objectives



reliability



efficiency



haulage ability

Companywide goal:



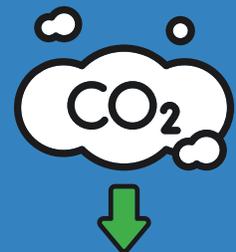
greenhouse gas emissions by 2030

This order is valued at over

**\$1 billion**



With our sustainability and reliability updates, Union Pacific will be able to haul more with a smaller fleet, leading to a greatly reduced carbon footprint.



**350** tons of annual CO<sub>2</sub> reduction per locomotive

**210,000**

tons of total annual CO<sub>2</sub> reduction



With this historic order, Union Pacific will have 1,030 modernized Wabtec locomotives across its fleet.