



American Red Cross

Blood Services
New York-Penn Region



Keeping Everyone on the Same Page

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In This Issue

<i>Division Update Corner.....</i>	<i>1</i>
<i>Empire Keystone Q & A.....</i>	<i>2</i>
<i>Retirement Program Transition Benefits.....</i>	<i>3</i>
<i>Oscar Ballots Due Tomorrow... </i>	<i>5</i>
<i>Region Announces, "The In-lines are Here".....</i>	<i>6</i>
<i>Eating Well While Dining Out.....</i>	<i>7</i>
<i>Advance Your Outlook Skills... </i>	<i>8</i>
<i>Quote of the Week.....</i>	<i>8</i>
<i>NHQ Recommends Movie Airing on PBS.....</i>	<i>8</i>

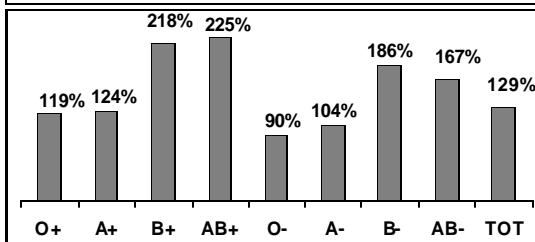
Division Update Corner

This week I would like to elaborate on the announcement of the Division's new directors and list their functional responsibilities.



- Chief Medical Officer for the Division is John Burch, M.D. Dr. Burch will oversee the Division's medical teams, as well as Clinical Services and Therapeutic Apheresis.
- John Pike is Division Controller. He is responsible for Finance, Materials Management, Payroll, and Customer Billing for the Division.
- Sybil Miller has been named Division Director of Communications. Sybil will oversee internal/ external communications needs for the Division.
- Rosemary Olchawski has been named Division Director of Technical Operations. She will oversee Manufacturing, Quarantine & Labeling, Distribution, the Quality Control Lab, and Reference Labs.
- Geoff Peters is the Division Director of Human Resources. He will oversee all Division Human Resources and Risk & Safety functions.
- Marianne Farallo is the Division Quality Director. Marianne will oversee Quality Assurance functions for the Division.
- Taryn Kohmann is the new Division Senior Director of Operations Support. Taryn will oversee General Services, Logistics/Fleet, Equipment, Change Control, Document Control, Training, Information Services (IS), and Donor Suitability.
- Tim Robinson is the Regional Director of Apheresis for NEPA and New York- Penn. Tim will report to both CEO's.
- Jeff Lindner heads the new NEPA Double Red Cell Collections Department.

Current Regional Blood Inventory



continued on page 2

"I would like to congratulate the new Empire-Keystone Division Directors," said Don Fipps, Northeastern Pennsylvania CEO. "I am confident Ann has selected the best team to work with her and the Chief Executive Officers of both Northeastern Pennsylvania Region and New York-Penn Regions to lead the entire Division through the consolidation transition and into the future to accomplish our strategic goals."

As I communicated in last week's memo announcing the appointment of the Division's directors, each director is responsible for developing their department's consolidation and implementation plan, including filling key positions within their department(s). All departments' final plans are to be submitted to me within the coming weeks. I will then review each plan. Once I have given approval for all departmental plans, I will share the highlights of each plan with all staff via *The New York Pen* and *Empire-Keystone Division Update*.

Lastly, I'd like to call your attention to this week's Q & A. Most of these questions pertain to my recent announcement of the Division's new directors. The questions were submitted anonymously and have not been edited for publication.

While I would like to please everyone with the decisions being made for the Division, that will probably not be the case. However, remember I am always open to hearing and addressing your concerns. I encourage all staff to utilize the Consolidation Infoline or leave any questions or concerns that they may have with their managers. I'd also like to reiterate the Division's commitment to making every effort possible to assist those who are affected by the reorganization.

As your Division's Vice President, I ask for your continued support. These are difficult days, but the painful decisions being made today throughout Biomed, will help ensure that the organization will continue to be a viable presence in all of our local communities in the future.

Empire-Keystone Division

Q & A

Q: Define "experienced, dynamic divisional leadership team. As a long-term employee of this region, I find it very hard to comprehend that three individuals from this region (Northeastern Pennsylvania) with a combined experience of over 50+ years, would not be chosen a part of the "experienced, dynamic divisional leadership team".

A: Experienced, dynamic divisional leadership team means just what it implies. Executive leadership is crucial to the success of achieving our organizational goals as a division. While length of service is important, the candidates were judged on other factors such as depth and scope of experience, education, and performance. While all the candidates interviewed were impressive, only one person could be selected for each position. Such decisions are never made lightly, and I firmly stand by the appointments of the selected divisional directors.

Q: What constitutes efficiency and effectiveness to our customers? Having a customer contact another region, located over 300 miles away, for product/service that can be provided in less than a 25-mile radius (and a quarter of the turnaround time) is efficient and effective? It is a well known fact that the cost of living for the NEPA Region is substantially less than that of the New York-Penn Region; how can you equate salaries/positions between the two areas, and this is cost efficient?

A: Cost of labor is only one consideration of many factors we scrutinized. Work location decisions depend on the capacity of one location to absorb the work, the efficiencies and quality control gained from consolidating operations, and its ability to maintain acceptable customer service. Ultimately the service we provide must be sustained as we reduce our costs to remain competitive. As for distance, the Albany location is the same distance to West Henrietta as the Ashley location.

Q: What happens after November 11, 2005? Will there be a "Keystone" in the Empire-Keystone Division?

A: Yes. Moving some of the functions from Ashley to West Henrietta is difficult for many. However, the NEPA Region will always play a vital role in the communities it serves and many people will be needed to achieve our mission. I look forward to continuing to build a unified division.

Q: Can someone who has been a long-term employee of the New York-Penn Region be an "unbiased" person to make decisions regarding the division structuring?

A: The answer to this question is yes. As Vice President for the Empire-Keystone Division, I went into this hiring process with an open mind. Additionally, if you recall, I invited two representatives from national headquarters, as well as the Division Director of Human Resources to help me interview and provide feedback on candidates. A key responsibility of any leader is to choose the team that she believes is best suited to move an organization forward. It is imperative that if we are to succeed that we all work together as a team. However, as the leader of this division, its success or failure ultimately falls on my shoulders, so it was crucial that I was part of the interviewing and selection process. Again, I stand behind my final selections, and I ask that all staff do likewise.

continued on page 3

Q: Was this restructuring (consolidation) pre-determined and we're just "going through the motions?"

A: No, nothing about the restructuring was pre-determined. During the months of December and January, I communicated openly about the process we were undertaking to develop a divisional plan. This began with two meetings of New York-Penn and Northeastern Pennsylvania senior management staff to brainstorm and offer suggestions for their respective departments. Then, in January, New York-Penn Region CEO, Kay Schwartz, and Northeastern Pennsylvania CEO, Don Fipps, and I met to study the proposals recommended by both regions' senior management staff and develop a preliminary plan for the division, which was presented and approved by national headquarters at the Field Leadership Meeting in January.

Q: How does having a records warehouse constitute Red Cross Blood Services "presence" in the community?

A: The Records department is clearly not the only presence. Along with the Records department, many other staff will be located in the Northeastern Pennsylvania Region, including Northeastern Pennsylvania Region CEO Don Fipps, DRD representatives, collections, communications, distribution, apheresis, reference and medical staff to name just a few. NEPA will also continue to have a local/regional Board of Directors helping to maintain a community presence in Northeastern Pennsylvania.

Q: How will decisions that have been made as a result of the reorganization affect the Problem Management in the NEPA Region over the next one to two years?

A: Problem management is a regional activity that will be "right-sized" with the problem activity level of activities in the region. The same holds true for the New York-Penn Region.

Q: Will there be any staff in the New York-Penn Region unemployed?

A: Yes, the restructuring will affect staff in both the New York-Penn and Northeastern Pennsylvania Regions.

**Next week's Q & A
will focus on questions left to date
on the Consolidation Infoline.**

Retirement Program Transition Benefits

The following message is from Rick Pogue, Senior Vice President, Human Resources at national headquarters:

When I provided you with details of the changes to the Retirement Program on January 31, I said that we were still working to develop special provisions to minimize any effects of the change on career Red Crossers who are relatively close to retirement. I am pleased to announce a very generous transition benefit that underscores the value we place on these longtime employees. In addition, this communication attempts to clarify answers to questions we have already received and commits us to a long-term communication strategy on this sensitive and important issue.

Transition benefit

As of June 30, 2005, Red Cross employees who meet the following criteria: a minimum of 10 years of Red Cross service under the Retirement System and have a combined age and years of service that equal 60 or greater – we refer to this as the "Rule of 60" – will retain the current early retirement benefits, with unreduced benefits for retirement at age 60 and the 25 percent reduction for retirement at age 55. There is no "sunset" provision to this Rule of 60 benefit; if you fall within the Rule of 60 on June 30, 2005, then its provisions will apply to you for the remainder of your Red Cross employment.

However, the following changes to the retirement program taking effect on July 1, 2005, will still apply to this group of transition employees, including:

- Effective July 1, 2005, employees will receive 100 percent match from the Red Cross on the first 4 percent of pay they contribute to the Savings Plan 401(k). Currently, the match is 50 percent for the first 4 percent of contributed pay.
- The new Retirement System benefit calculation formula will be based on 1 percent of the average pay for the highest 48 consecutive months of compensation within the last 10 years of employment, multiplied by years of benefit service.
- The automatic one percent annual increase will not apply to service after July 1, 2005 (however, the automatic annual 1 percent benefit increase will be still applied to service through June 30).

This transition provision affects approximately 4,500 employees. In fact, long-term employees as young as 40 could

continued on page 4

be covered by this benefit — a robust provision compared to approaches taken by other organizations.

My earlier announcement stressed that the benefits that have already been earned by employees and retirees are fully protected and will not be changed or reduced at all.

Today, I want to take a moment to reiterate that crucial message as strongly as possible.

Earned benefits fully protected

All benefits earned prior to July 1, 2005, including the unreduced benefit at age 60 for eligible employees and the automatic annual 1 percent benefit increase, are still protected. Both of these will be factored into your retirement benefits for service prior to July 2005. Only the pension benefit earned after July 1, 2005, will follow the new provisions. To put it plainly, employees who retire after July 2005 will receive a monthly pension reflecting both benefits earned before and after July 1, 2005. As a result, the closer you are to early retirement, the lower the effect of the changes will be, should you elect to take early retirement after July 1, 2005. Each individual's benefits will vary, and your retirement planning should factor in your personal goals, the benefits you have earned to date, as well as the results of participating in the enhanced Savings Plan 401(k).

Reasons for change

Our primary focus was to design a plan that was attractive for the increasing number of younger, non-career employees while retaining the elements that appeal to long-serving career Red Crossers. By basing the changes on a detailed and objective review of both the Red Cross retirement program and retirement plans for comparable organizations, management was able to tailor the retirement program to address the needs of the full spectrum of today's Red Cross employees. While the revised plan will be less expensive for employer units over time, the changes to the retirement program meet the need to offer competitive and attractive benefits in a marketplace climate characterized by cost volatility and uncertainty.

Communication plan

Since our last announcement, we have been working to bolster the communication and training resources devoted to help everyone understand these changes. Communication plan elements include but are not limited to:

- All previous announcements, Q&A, key messages and other materials on a special CrossNet section available today (see https://crossnet.redcross.org/people/benefits/retirement/05_retire_prog_chgs.asp) which will be expanded, continually revised and remain in place for the duration of calendar 2005.
- In mid-March, we will begin a monthly series of five news bulletins, the first of which will be mailed to your home to help you discuss the revised retirement program with your family.
- We will train human resources staff at the national, Service Area, and Biomedical Services field-unit levels to conduct employee meetings where information will be shared and dialogue encouraged.
- We will have a presence at the 2005 American Red Cross National Convention where we will take every opportunity to address issues.
- As July 1 approaches, we will mail to your home a personalized statement and retirement planning brochure.
- We also plan to provide e-learning tools that offer self-guided tutorials to educate you on the changes.

As we work to implement these changes, I know I can count on your continued candid feedback. Please contact us at NHQRetirementStrateg@usa.redcross.org. By centralizing this input, we can address your questions in the Q&A document and other materials which we will update regularly.



Oscar Ballots Due Tomorrow

Only **1** day left

to cast your ballot in the Region's Annual Oscar Contest.

Don't miss out on your chance to be an Oscar Winner!

4 GREAT AWARD PRIZES

1st Place Most Correct Answers: \$35 gift certificate to Best Buy and a chocolate Oscar statue from Stever's Candies

1st Place Random Winner: \$35 gift certificate to Best Buy and a chocolate Oscar statue from Stever's Candies

2nd Place Random Winner: \$10 gift certificate to Blockbuster and a chocolate Oscar statue

3rd Place Random Winner: \$5 gift certificate to Blockbuster and a chocolate Oscar statue

Get your ballots in to Tracey Wage, Communications, West Henrietta (fax: 585/760-5655) by 5:00 p.m., Thursday, December 24, for your chance to walk away an Oscar winner this year!

Region Announces "The In-lines Are Here!"

Unlike Paul Reeve shouting the "Red Coats are coming", the New York-Penn Region is shouting "the in-lines are here". What their shouting is all about is the implementation of the Baxter double in-line filter collection set and the way it is revolutionizing the way the Region collects and manufactures leukoreduced red blood cells and plasma.

This change is a result of a Lean Kaizen Event (continuous improvement effort) in the Manufacturing area. "The team looked at the value stream map of how Manufacturing produced the product, and opportunities started leaping out at us," indicated Karen Hopkins, Lean leader. "From our training, we looked at how we can eliminate waste and developed teams to achieve continuous flow for the blood product to Quarantine and Labeling.



Staff expressing and spinning in-line doubles.

"This new in-line collection set completely changes the way the Region manufactures blood products", said Kay Schwartz, New York-Penn Region CEO. The Kaizen team, consisting of Karen Hopkins (Lean team leader), Scott Chesna (former project leader), Don Albright (OCS lean trainer/facilitator), and Tony Anih (team participant) worked with many Manufacturing staff to document the way the Region used to process leukoreduced red blood cells by sterile docking the red blood cell, which took on average more than four days to process the whole blood and get into Quarantine and Labeling.

With the new collection set, the whole blood arrives and is triaged either onto "trees" that are similar to an IV pole, to be filtered or into bins and later placed on the trees. Because the collection set already has the filter attached, sterile docking is not required and the whole blood is filtered, not just the red blood cells. The leukoreduced whole blood is cut down or the filter removed and segmented and then it is spun to express off the plasma from the red blood cells. Both products can then be created and placed into Quarantine and Labeling inventory. The Manufacturing data for November and December indicates the Region's previous four day cycle time has been reduced to less than one day (on average 16 hours) decreasing the time factor by more than 75 percent. Additionally, the process also eliminates the need to sterile dock a leukoreducing filter to the line and eliminates labeling deviations.

This "kaizen", or continuous improvement project, could not have happened without a total team effort from Collections and Manufacturing staff working together. Trent MacBain (Collections Supervisor, Syracuse), led the effort to train every donor specialist in Syracuse and Binghamton, as well as train the trainers Dan Rangone (Albany) and Jennifer Fairbairn (Buffalo) on how to use the new collection set. Dan and Jennifer then trained their respective district Collection staff. One area of training that was stressed for this set is proper mixing of the blood during the collection process to prevent clots. In addition, Collections needed more MC-40 coolers because only 12 units of blood will fit, due to the filter already being attached to the set, versus the 16 units that fit with the old collection set. Materials Management ensured that the additional MC-40 coolers needed were available. The Manufacturing staff needed to be trained and signed off on the processing of the new set, and this couldn't have happened without Gina Sullivan (Training Specialist, P& D/Manufacturing, Rochester) multi-shift effort. For validation, QC lab had to process all of the samples to qualify the collection sets and process and staff sign-off samples. All of this took a thoroughly coordinated team effort.

"The major results of this project is blood products will be processed through our system faster, thus, we are improving our service to hospital customers and patients," said Rosemary Olchawski, Director of Production & Distribution. "In addition, we further mistake proof the process by not having to sterile dock red blood cells leading to fewer deviation and corrective actions, while achieving an overall lower collection set cost. It's a win for everyone."

Continued on page 4

Lean, continued from page 3

"This is a fantastic project for the Region. Since we have cut this collection set in, the Region has significantly reduced the number of days units are in work-in-progress (WIP)," said Kay Schwartz. "The blood we collect today is available for the patient tomorrow. Thanks to everyone involved, this provides a quantum leap towards achieving total system efficiency for the Region".

Other projects being implemented by lean teams are: improving the flow and reducing the cycle time by 35% in the Donor Record Management area; recommendations of the Triage and Manufacturing areas to enhance the process flow currently in for BHQ approval. Since lean is based on continuous improvement, a new Manufacturing team was formed in January. Members of the new team include Don Albright, Tony Anih, Tawnett Felton, Blaine French, Rob Dick Herman, Karen Hopkins, Brian Joslyn, Nowlan, Geon Nubin, Rosemary Olchawski, Jim Risely, and Gina Sullivan.

The new team's work will focus on to establishing work cells, organizing the workplace utilizing the 5-S tool, and establishing continuous flow for the in-line collection set. The goal of all these projects is to improve the system efficiency of the Region to deliver blood products faster, safer, and better to the hospitals and patients we serve.

Eating Well While Dining Out

Many Region employees spend a portion of their workdays on the road. For many, that means grabbing a quick bit to eat at whatever fast food restaurant is most convenient. Fast food doesn't have to mean food that is very bad for you- it **IS** possible to make some better food choices just by changing your order. The next time you stop at Burger King....

Instead of...	Try this...
BK Fish Fillet Sandwich	Side Garden Salad with Fat Free Honey Mustard Dressing
Large Onion Rings	Original Whopper Jr. With Cheese
Large Coke	Large Diet Coke
1,290 Calories	450 Calories
53 grams fat	26 grams Fat
1,535 milligrams Sodium	810 milligrams Sodium

Note: According to a web page on dieting, the average adult man needs about 2,800 calories per day and the average adult woman needs about 2,100 calories per day.



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Equals a healthy meal at Burger King!

Advance Your Outlook Skills

You've got the basics down, but want to learn more about Outlook and its uses. Procedures and Training has just the answer - attend the Outlook Advance Training Class on March 8 from 9:00 a.m to Noon. You'll learn several useful tools including options, voting, signatures, folders, appointments, meetings and tasks. Class will be held in the West Henrietta Training Room.



Advanced registration is required. Ask your supervisor for permission to attend the training, and then contact Susan Berends, Procedures & Training, at ext. 5694. Attendance is limited to 8 people per class, so sign-up early!

Quote of the Week

"You may have a fresh start any moment you choose, for this thing that we call 'failure' is not the falling down, but the staying down."

- Mary Pickford



NHQ Recommends Movie Airing on PBS

On Wednesday, February 23, at 9:00 p.m. EST, PBS will air a 90-minute film entitled "Dirty War." The film will be followed by a 30-minute pre-taped panel discussion about its implications. The film is a compelling, balanced and realistic portrayal of a terrorist attack in London involving a conventional bomb and radioactive material, commonly known as a dirty bomb. This television show will doubtless be of interest to all Red Crossers, especially those involved with preparedness and response. Since both the American Red Cross and the Department of Homeland Security were represented in the studio audience for the entire program, national headquarters strongly recommends it.

Visit

www.pbs.org/previews/dirty_war/
for more information.



