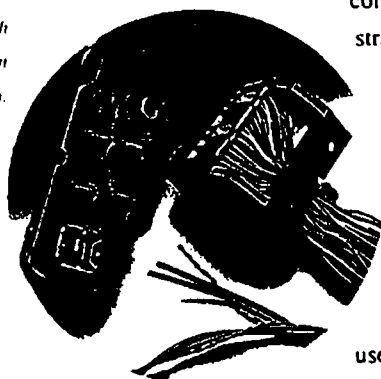


Eaton's new multiplexing system has an electronic control module linked to a single twisted pair of wires (at bottom in photo), which control numerous functions and replaces the cumbersome spaghetti-like cable laced with individual wires (right in photo) for each function.



Robert G. Neff makes headlamp adjusters at Eaton's new plant in Brunswick, Ohio. The adjusters fasten the headlamp to the vehicle and



permit vertical and/or horizontal adjustment. Eaton manufactures 26 million headlamp adjusters annually for leading

MORE NEW PRODUCTS

At Eaton, internal development is focused on two things: (1) more new products, (2) in less time. The company has a carefully crafted strategy driving this vision. The long-term objective is 10 percent sustainable earnings growth annually.

As part of its strategic planning, Eaton prioritizes many opportunities for growth: new products, new technologies, new uses for old technology, and, to a thriving extent, the application of electronics to Eaton's traditional mechanical and electrical products. We are placing special emphasis on opportunities that will generate substantial sales and earnings within five years. We recognize that some of today's promising projects will fail; others, however, will generate growth far in excess of expectations.

A team of carefully selected business and technical experts shepherds each project. These Simultaneous Product and Process Development (SPPD) teams often have 25 to 30 members. They include many disciplines: product design, engineering, manufacturing, marketing and sales, as well as customer representatives with various areas of expertise. The teams address both product and process workflows, simplifying them to develop and introduce new products in less time.

The SPPD team devotes its time exclusively to the new project, employing the best practices and technology. Rigorous analysis by the company's senior managers gauges progress along the way. Funding is a critical issue, and Eaton dedicates funds to permit projects to succeed long-term.

Substantial Rewards Ahead

This strategy has already generated new sales, but the substantial rewards lie ahead as the strategy spreads throughout the company. Eaton SPPD teams have already had notable successes.

◆ In 1995, Eaton will begin delivering multiplexing components to Chrysler that substantially reduce the wiring required in 1996 Jeep Grand Cherokees. Multiplexing permits electronic controls attached to vehicle components to communicate with one another via a single twisted pair of wires. This system reduces weight and lowers costs by eliminating the spaghetti-like wiring harness in vehicle doors and dashboards required to run individual wires to each switch. The sales potential is extraordinary if other automakers adopt the technology, and Eaton's leading-edge position provides outstanding growth opportunities.