



THE ROCKBESTOS COMPANY
NEW HAVEN, CONNECTICUT 06504 USA

INTERNAL MEMORANDUM

SHOW NAME, TITLE AND CORPORATION OF ADDRESSEE AND ADDRESSOR DATE: February 6, 1980

TO: Addressees Listed Above

FROM: E. S. Reed

SUBJECT: PRINCIPLES OF BUSINESS MANAGEMENT FOR ROCKBESTOS

To assist you in carrying out your assignments, I am attaching a list of principles that seem to be applicable, in general, to Rockbestos management.

ESR/rhd

attachment



OTHER ADDRESSEES - FOR INFORMATION:

E. E. Barth
W. F. Hogan
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RBB 01291

PRINCIPLES OF BUSINESS MANAGEMENT

FOR ROCKBESTOS

Every company has its own opportunities and challenges which must be handled with consistent, yet flexible response if the company is to continue to grow profitably and earn a satisfactory return of stockholder's investment that justifies reinvestment in the business. Some thoughts on this line.....

°We are in business for the long-term. This principle should be reflected in the products we design, in the quality that we produce, and in the relationships that we maintain with our customers.

°We should design and market products that instill a sense of confidence in the user that the product will perform its intended purpose effectively and without need for replacement or maintenance which might be experienced were he to buy an inferior product.

°We know that the environment in which our products are operating is constantly changing, therefore, we anticipate change and develop new product designs with needed performance characteristics.

°We cannot make a satisfactory long-term return on our investment with the buildings, machinery, and equipment representing that investment, but with the people who manage and operate the business. We must employ the most knowledgeable and highly motivated people available. They must be compensated fairly in proportion to their contribution to the growth and development of the company.

°When faced with problems, each individual must learn to act first and not to react later. If, however, our only choice is to react; we should react promptly and effectively to control the problem as quickly as possible.

°Facilities must be maintained to provide a hospitable environment for our employees with attention paid to the safety of our equipment and procedures and to the proper training of our workforce.

°Those responsible for the selection, purchase, installation, and operation of manufacturing equipment, should keep in mind that being in business for the long-term means that we need to carefully consider the cost per service hour of the equipment we purchase and not just the initial cost.

°Every individual employee should have a clear understanding of their function and how they fit into the overall success of the company. The supervisors have the responsibility of clearly identifying these factors for their employees, and the employee has the responsibility to himself to be certain that he understands and is effectively discharging his function. There should be no confusion on this point, but if there is, the individual should take the responsibility to clear it up immediately.

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PRINCIPLES OF BUSINESS MANAGEMENT FOR ROCKBESTOS

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E. S. Reed

°The Marmon philosophies relating to business ethics, equal opportunity and affirmative action are clearly one of the basic reasons for the long-term success of The Marmon Group. Rockbestos personnel should be completely aware of these policies and embrace them in all of their business relationships.

°It is our belief that to remain successful in our business on a long-term basis, we require a foundation constructed on our quality reputation and our fair treatment of vendors and suppliers of our basic needs.

°We believe that to be successful on a long-term basis requires that Rockbestos be the low cost producer in the selected product/market segments of the business plan.

°Manufacturing management has the responsibility to the rest of the organization to provide output of quality product on time with competitive costs. This can be accomplished provided that supervision controls losses from scrap, excess material usage, or inefficiently utilized labor. Overhead expenses are subject to control and must be controlled to the minimum necessary to provide essential services for the manufacture of the product.

°Marketing management has the responsibility to secure the volume of business at the profitability visualized in the business plan while maintaining a close control on expenses. At the same time, administrative control must be exercised to insure that orders are accurately and completely prepared to reflect our obligation to the customer so that cable produced meeting requirements of the purchase order can be shipped without delay and accepted by the purchaser.

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