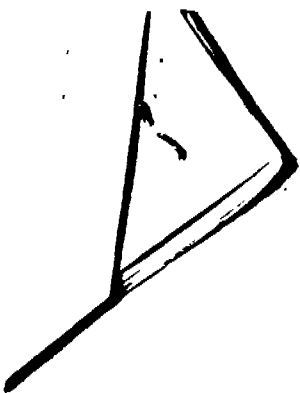




May 9, 1940

DR. R. A. KEROX

Dear Dr. Kerox:

Since our conversation in New York, I have devoted the greater part of my time to a study of safety operations. Because division office activities center upon field operations and customer relations, this report is confined to the component parts of those two phases.

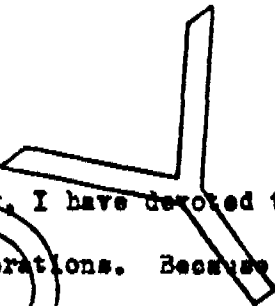
I have tried to prepare this report in the same spirit in which it was assigned and it is my sincere hope that any statement I have made will not be regarded as a criticism of Company policy or personnel. That the report may appear dogmatic is largely due to a desire on my part to eliminate a tiresome repetition of "I believe" and "I think." No attempt has been made to establish a connected report since I believe that the various phases can best be discussed in separate form and that agreement in detail is essential before the pattern can be assembled as a whole.

The Establishment of a Definite
Sales-Safety Management Policy

In the establishment of a safety organization, complete recognition must be given to the interlocking nature of our sales and safety programs. Directly or indirectly, the actions of one affect the other since both involve customer relations. Because of this fact, co-ordination rather than separation affords the only possible solution.

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It is, therefore, suggested that a small working committee be appointed for the purpose of coordinating sales and safety activities for the best interest of the Company. The formation of a two-man board is essential to division offices. It centralizes control, affords prompt action on any question raised in the field, and, at the same time, assures division office staffs that their problems are clearly presented to both departments. The working committee should definitely be limited to two men for the elasticity of a larger group would defeat its primary purposes, centralization of responsibility and control.

For the purpose of illustration, such a committee would consist of Mr. Kaley, representing the Sales Department, and Mr. Lewis, representing the Safety Department. All safety activities would be reported by division offices to Mr. Lewis, as under our present system. Copies of all safety correspondence, except that of a purely technical nature, would be sent to Mr. Kaley. Division offices should be instructed that the Sales Department is to be kept informed of all matters that might influence sales, safety or corporation policies. Such information would include:

1. Complaints registered by customers because of excessive costs due to enforcement of safety regulations.

2. Pressure brought upon customers in securing agreement to safety suggestions.
3. Violations by customers of manufacturing license agreements.
4. Progress of work toward establishment of tank cleaning control, plant supervision, and education of customer personnel.
5. Reports concerning increased or curtailed lead requirements.

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6. Developments of new refinery technique.
7. Detailed reports of all contacts with executive customer personnel.
8. Reports on all cases of alleged lead poisoning.
9. Field suggestions on improved safety technique.
10. Reports on ability and conduct of safety engineers.
11. Copies of safety engineers' weekly letters.

Under the committee system, the actual details of safety work would be handled by the Safety Department working through division offices. The interests of the Sales Department would be guarded by contact with division offices and through the report system suggested above. At regular meetings between Mr. Kaley and Mr. Lewis, agreement could be reached upon most of the problems arising. When agreement cannot be reached or where doubt arises as to the proper course of action, provision should be made to carry the matter to Mr. Taylor and Dr. Kehoe.

The suggestion of a dual board control system is not an inference that either department, left to itself, would fail to recognize certain conditions as inimical to the other - it is rather a basic plan to coordinate the activities of the Sales and Safety Departments along lines acceptable to both and in so doing set up a more efficient safeguard for our corporate existence.

Because the nature of safety work necessitates the establishment of close control, safety engineers must work directly under the authority of division offices. Any effort to control field operations from the safety headquarters in New York would be detrimental to corporation interests. It would not only prove inefficient from a cost standpoint, but it would defeat the essential feature of safety - rigid control.

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Primary control at division offices is necessary for the following reasons:

1. It serves as a centralization point for work assignment and insures a primary check of work progress.
2. It serves as a centralization point for contacts by customers.
3. It insures immediate and constant supervision of personnel, particularly from a customer relation standpoint.

The recommendations concerning the direct control of safety engineers is in no way motivated by any personal desire to maintain control over this group. They are based entirely on past field experience which has proved that rigid control and constant supervision offer the only approach to safety. It is also equally vital that the same control and supervision be maintained by the committee over the operations of division offices.

The Necessity for Complete Frankness in Customer Contacts

The complete cooperation of our customer companies cannot be expected until we make clear the seriousness of tank cleaning operations. I am suggesting below the procedure to be followed:

1. Since it is our desire to give to the meeting its full share of importance, preliminary arrangements should be made by Mr. Webb in a letter addressed to the presidents of our customer companies.
2. The customer attendance at conferences should include responsible executives of the sales, manufacturing and safety departments. This would serve as a check on any later shifting of responsibility.

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3. Facts should be presented by an executive member of our Medical Department who would be accompanied by an executive of the Sales Department. Any deviation from this plan would detract from the importance of our message.
4. Such statements as are made should be devoid of inference and establish in unmistakable terms the exact facts.
5. Since the direct purpose of the meeting is to develop and maintain closer control over tank cleaning operations, it is essential that we secure the agreement of our customers to properly bulletin all persons in their organization who have authority to approve work of this nature. Such a bulletin must be so strong that any later violation could not be disregarded by the management.
6. A letter of confirmation should be addressed to all executives attending each conference in which the subject matter discussed should be stated in general terms.
7. Provision should be made to check periodically the continued employment of the executives at the conference and the men receiving the original bulletin. Prompt action should be taken to instruct new personnel.

The Establishment of a Tank Cleaning Control System.

Effective control of tank cleaning in the field is dependent upon a complete knowledge of all points where authority for such work is issued. This information can be secured in only one way - direct field contacts. To accept, as final, information obtained from general or head offices has proved unsound. Such a course permits too many unknowns, including misinformation based upon lack of detailed knowledge and intentional

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or unintentional statements of fact. This approach further weakens our program by affording our own men an excuse in failing to cover a particular situation.

It is suggested, therefore, that an accurate field study be made of each customer company and covering the entire marketing area of that company. Every customer division office should be contacted and information secured as to the source of tank cleaning authority in their particular sales field. If it is found that such authority is delegated farther down the line to district offices, the survey must then begin from that point. In every case, the investigation must include the names of men authorizing the work, the number of tanks cleaned each quarter, and the procedure followed in cleaning the tanks.

The data secured should be coordinated at each of our own division offices. Boundaries of individual marketing areas, together with the location of local points of authority and tank cleaning data, must be plotted on a chart. Provision must be made for a periodic check-up of this data to determine areas not reporting tank cleaning activities. In such cases, an investigation should be made to ascertain whether this condition is caused by a lack of activity or a failure to report tanks cleaned.

A separate chart should be kept for each customer company (See Chart I). Where a division of authority exists within a company because of the overlapping activities of different departments, separate charts must be made. This would include terminal and refining points within a sales field (See Chart II).

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At first glance, this program might appear to present certain difficulties because of the scope of the survey. Actually, the difficulties are not insurmountable. In the Chicago Division, covering seven states, the data can be secured in about one hundred and fifty contacts. This would include not only basic contacts made at customer division offices, but also systematic check-up calls including regional and head office contacts. This data can be assembled within a reasonably short time if the calls are made by both the division staff and safety engineers.

I believe it will be agreed that, in general, our data on tank cleaning operations in the field is largely based on varying estimates. Therefore, the scope of our safety program, particularly from a personnel standpoint, is unknown and will remain unknown until a fact developing survey has been made.

Safety Conferences

It is recommended that conferences be held periodically for division staff and safety personnel. The arrangement for such conferences would take into consideration the active nature of safety work going on in the field.

Such conferences would serve as a refresher course for present safety engineers and a basic training course for new men who would form a reserve group upon which to draw in the event of emergency or expansion. Through group conferences, individual approaches and solutions can be exchanged and the representatives of each division can profit by the experience of others.

Such meetings should be of great value to the management not only because it gives them the opportunity of clearly establishing their

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views, but also because it permits them to know better, both technically and personally, the men responsible for safety operations in the field.

Instruction Manual

There is an immediate need for a loose-leaf book of instructions on safety. Such a manual would facilitate the training of new men. It would insure a source of ready reference at division offices, particularly when long distance phone conversations with customers require immediate answers. It would eliminate the possibility of acting under instructions issued in the past and later superseded. It would serve as a constant refresher course for safety engineers and division office personnel. Last, but not least, it would enable safety engineers to travel without the large file of circular letters they now carry with them on the road.

Customer Relations

It must be borne in mind that the safety operations of our company are largely associated in the minds of our customers with the word, "Expense." It is recommended that consideration be given to plans to eradicate that feeling. The recent purchase of the Fire Prevention Film is an example of action desirable on our part. At those points where this film has been shown, our safety engineers report a noticeable improvement in the attitude of certain individuals.

Medical Representatives

An effort should be made to impress upon executive personnel at refineries the true status of our medical representatives. I sincerely hope that what I am about to say will not be misinterpreted or, worse still,

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considered as applied to our own doctors. The fact remains, however, that to many industrial representatives, a "company doctor" is a first aid man selected from a field limited for the most part to young aspiring or old despairing doctors. Since, by no stretch of the imagination, could our doctors be placed in that category, it would seem wise to establish their true status. There are, of course, many ways in which this could be accomplished, but probably the most effective would be definite contacts between our doctors and executive refinery personnel. We are aware that our doctors are under pressure and that the increasing number of inspection points does not lighten their burden, yet we believe that time should be spent with refinery executives. Our doctors could help safety engineers by pointing out the necessity for certain improvements, they could explain the medical aspects of tank cleaning, and above all, they could develop a close relationship with refinery executives that would prove invaluable to the corporation.

Division Office Supervision

It is recommended that in those divisions where refining operations are extensive, the division managers spend at least twenty-five per cent of their time on safety work. This would include frequent field trips with safety engineers. In divisions where tank cleaning represented the chief activity, time could be devoted to a lesser degree.

In all safety operations, knowledge of conditions and rigid control are essential. It is my thought that time spent in the field will accomplish our purpose.

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Dr. R. A. Kehoe

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To reduce the report to a minimum, I have refrained from citing case histories to prove a point. The facts given, however, can be fully supported. The suggestions made are based on considerable study but not with the point of view that they are infallible.

Since all reports leave something to be desired, I shall be very glad to write you in detail on the points you will undoubtedly raise.

Very truly yours,

J. E. MORDREAU

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