

CERTAIN-TEED PRODUCTS CORPORATION

Ardmore

December 28, 1955

Paoli Laboratory

Mr. O. F. Grieve

AGENDA 1956GYPSUM PLANT MANAGERS MEETING

G. A. Hoggatt - mjs

cc: Mr. P. E. Fischer, V. P. - Ardmore
Mr. H. J. Zelms - Acme
Mr. H. F. Debo - Akron
Mr. K. W. Brown - Blue Rapids
Mr. Myron Read - Fort Dodge
Mr. A. H. TenElshof - Grand Rapids
Mr. E. L. Flinn - Sigurd
Mr. J. W. Hart - Pryor
Mr. M. M. Powers - Akron
Mr. P. W. Codwise - Thorold
Mr. H. C. Johnson - Paoli Eng.
Mr. W. G. Will - Paoli
Mr. H. C. Puckett - Fort Dodge
Mr. M. F. Fink - Ardmore
Mr. C. G. Shuttleworth - Paoli Lab.

In compliance with the requests in the third and fifth paragraphs of your letter of December 12, 1955, I have prepared a paper on assigned Topic No. 3 and I am attaching a copy of it to each copy of this letter.

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Topic No. 3
Gypsum Plant
Managers Meeting
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IMPROVING QUALITY AND REDUCING COMPLAINTS

I remember a slogan used many years ago by a wholesale hardware company. I have borrowed it before and I will quote it again now. The slogan was - "THE REMEMBRANCE OF QUALITY REMAINS LONG AFTER THE PRICE IS FORGOTTEN."

I believe each of us can readily recall instances in our own experience which verify the truth of that statement. We could also change the wording a little and state that the remembrance of unsatisfactory quality remains long after other less important satisfactory features are forgotten and the statement would also be true. Poor quality of any brand of product we purchase or use normally causes us to shun that brand in the future. If our experience with the quality of a certain brand is good we are inclined to favor the same brand for future needs.

For the good of the business of our company and for purely selfish reasons of personal pride and accomplishment, all of us should be striving to turn out products which are free from defects and of sound, serviceable quality in every way. No doubt every one of us feels that way. Sometimes we fail to reach our goal for various reasons.

I read that a certain Professor of Economics had a standard question which he used in student examinations. The question was -- "What is the function of a foundry?" The usual answer he received was -- "The function of a foundry is to make castings." The professor always passed out a zero on that answer. The correct answer, according to this professor, is -- "The function of a foundry is to make money."

Perhaps all of us will agree that one function of any business is to make profits but it seems to me that one function of the foundry in question would be to make good castings. If it made castings of consistently poor quality it couldn't consistently make "money", or profits.

Of course we must be ever mindful of costs when we are making products for sale. We couldn't stay in business if we carried the matter of quality to such extremes, regardless of cost, that the profits were wiped out. However, we can utilize the best materials we can afford and supervise their use to obtain their full value as regards quality of the finished products.

The topic of this paper relates improving quality to reducing complaints. Certainly if good quality of the products we ship to customers is maintained one major cause of complaints will be largely eliminated. If we can improve quality by any of a dozen or more means at our disposal the result is certain to be better acceptance of our products and less reason for the customers to register complaints.

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Complaint totals contain some items which are not strictly the result of poor quality of the merchandise, for example, shipping errors, incorrect branding, inadequate bracing, etc. These also can be recuded in number by various means such as double checking of loads, instilling in employees the desire to do the job better, etc. This is part of the job of influencing the customer to favor our products.

At last year's meeting certain goals for 1955 were established. No. 3 in the list of goals reads "Reduction in Complaints. A determined effort will be made to reduce complaints by 50% in number and in cost". At the time this is being written we do not have the December, 1955 complaint reports, therefore, we have compiled comparative data for the first eleven months of 1954 and 1955. The record is shown on the attached sheet.

Referring to the record we see there was a reduction in number of complaints for the whole division of 34% with two of the six plants showing increases. The "number" goal was reached by only one plant with a second plant almost reaching it.

The number of adjustments for the division was reduced by 45%. Only one plant showed an increase in this category and it amounted to only 9% of a total of 33 complaints in 1954.

The cost of adjustments made for the entire division was reduced 52%. Here the goal was slightly exceeded with four plants showing reductions and two showing increases. The effort to do a better job in 1955 has paid dividends and this has been accomplished despite the greater volume of business in 1955.

The whole team including the clerks who handle the orders, the chemists who select raw materials and develop finished product formulas, the engineers who design or specify production equipment, the production workers who turn out the products, the testers and inspectors who check quality of raw materials and finished products, and many others not specifically mentioned, is responsible for the record. Each of us bears some responsibility for improving quality and reducing complaints and we should remember that fact when considering what we can contribute to the performance for 1956.

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COMPLAINTS - GYPSUM DIVISION - FIRST ELEVEN MONTHS - 1954 AND 1955

	<u>REGISTERED</u>		<u>ADJUSTED</u>		<u>COST OF ADJUSTMENTS</u>		<u>CHANGE</u>
	1954	1955	1954	1955	1954	1955	
Acme	174	104	85	51	\$11,804.91	\$ 4,830.17	-59%
Akron	41	56	33	36	\$ 2,424.10	\$ 4,907.00	+102%
Blue Rapids	27	36	5	2	\$ 419.65	\$ 640.54	+52%
Fort Dodge	127	66	72	37	\$ 8,793.73	\$ 2,718.90	-69%
Grand Rapids	231	103	168	57	\$17,624.05	\$ 3,454.59	-80%
Sigurd	113	109	75	59	\$ 8,716.80	\$ 7,286.24	-16%
	713	474	438	242	\$49,783.24	\$23,837.44	-52%