COMMENTARY

A PUBLICATION FOR THE PEOPLE OF THE CHEMICAL GROUP OF MONSANTO

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REACHING FOR A STAR

Monsanto's Anniston, Alabama, plant wins top rating in OSHA's Voluntary Protection Plan.

It takes more than long arms to reach for a star. It takes an attitude.

In August 1991, when 102 employees of Monsanto's Anniston, Alabama, plant decided to reach for the Star Award — the highest safety rating awarded by the federal Occupational Safety and Health Administration (OSHA) — they already had a pretty strong safety program. By the time they won the coveted Star rating this past May 25, they had developed an attitude that united labor and management in making their workplace safer than the law required.

"... WE'VE SEEN SAFETY EVOLVE FROM AN ADVERSARIAL AND SOMETIMES PUNITIVE PROGRAM TO A COOPERATIVE, PROACTIVE APPROACH..."

"One of the principles of the Voluntary Protection Program is that strict compliance is not enough to ensure employee safety. You've got to go beyond compliance," says Lamar Freeman, Anniston's safety supervisor. "When the OSHA inspectors go on site, they expect to see that attitude. And we demonstrated that."

Anniston became the second of Monsanto's 46 domestic plants to earn Star status in OSHA's Voluntary Protection Program (VPP). The first was the Pensacola, Florida, plant in 1991. In 1992, Chairman and Chief Executive Officer Richard J. Mahoney announced that all of the corporation's U.S. plants would participate in VPP.

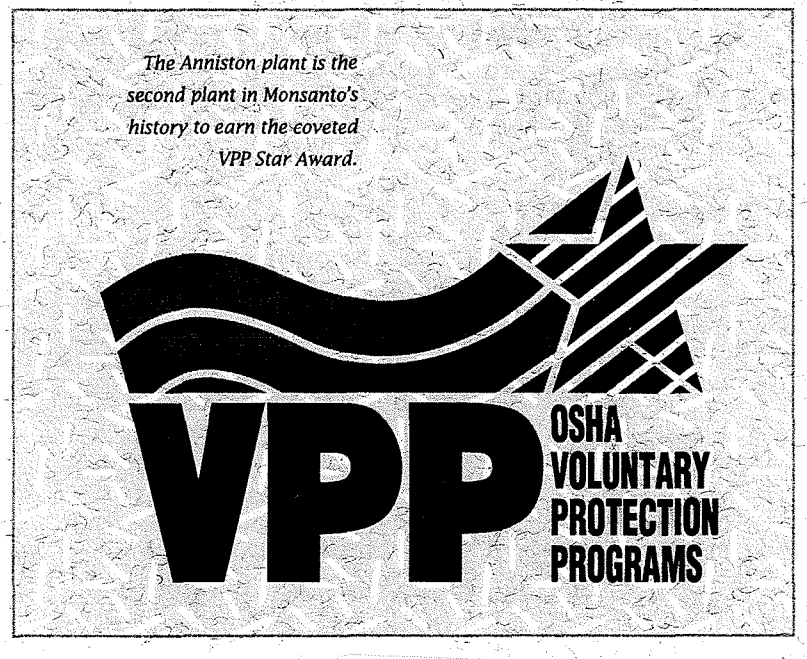
VPP, begun by OSHA in 1982, is an effort to extend worker safety beyond the minimum required by existing standards. Companies must have good safety records to be invited to participate in VPP. If they meet the program's criteria, they are exempt from random OSHA inspections.

"VPP is a quality system for managing safety," explains Bill DeFer, plant manager at Anniston. It includes all of the basics of safety — facility safety, fire permits, training — all the things Monsanto does well now. But it also includes employee participation. Plants must have a written statement of support from their unions. VPP insists on a thorough system of self-auditing to catch and correct deficiencies. It also requires management and employees to sit down and review their entire safety program together.

"Our strength is that we have very strong support by our union and its president," DeFer says. He refers to Local 125 of the International Chemical Workers (ICW) union and its president, Lee Sparks.

Sparks, who has worked at Anniston for 33 years and served as ICW local president

The Anniston plant is the second plant in Monsanto's history to earn the coveted VPP Star Award.



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for the past eight years, sees VPP as "the right thing to do."

"In the past, we've seen safety evolve from an adversarial and sometimes punitive program to a cooperative, proactive approach," Sparks says. The plant's safety board has been opened up to include hourly employees, and safety has become a high priority for both management and labor at Anniston.

In a 1990 visit to Anniston, Jack Molloy, director of safety for The Chemical Group, told them about VPP. Paul Villane, a safety specialist, had introduced the program at the Pensacola plant with great results. "I had a lot of respect for Jack Molloy," Sparks says, "but my attitude was 'Show me!' before I got involved.

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"I'd always had problems with OSHA," he continues. "It seemed their intention was to ram safety down people's throats. But as Jack Molloy explained it, VPP is another side of OSHA. The attitude of OSHA in VPP seemed to be, 'Why don't we work together to see if we can do this?'"

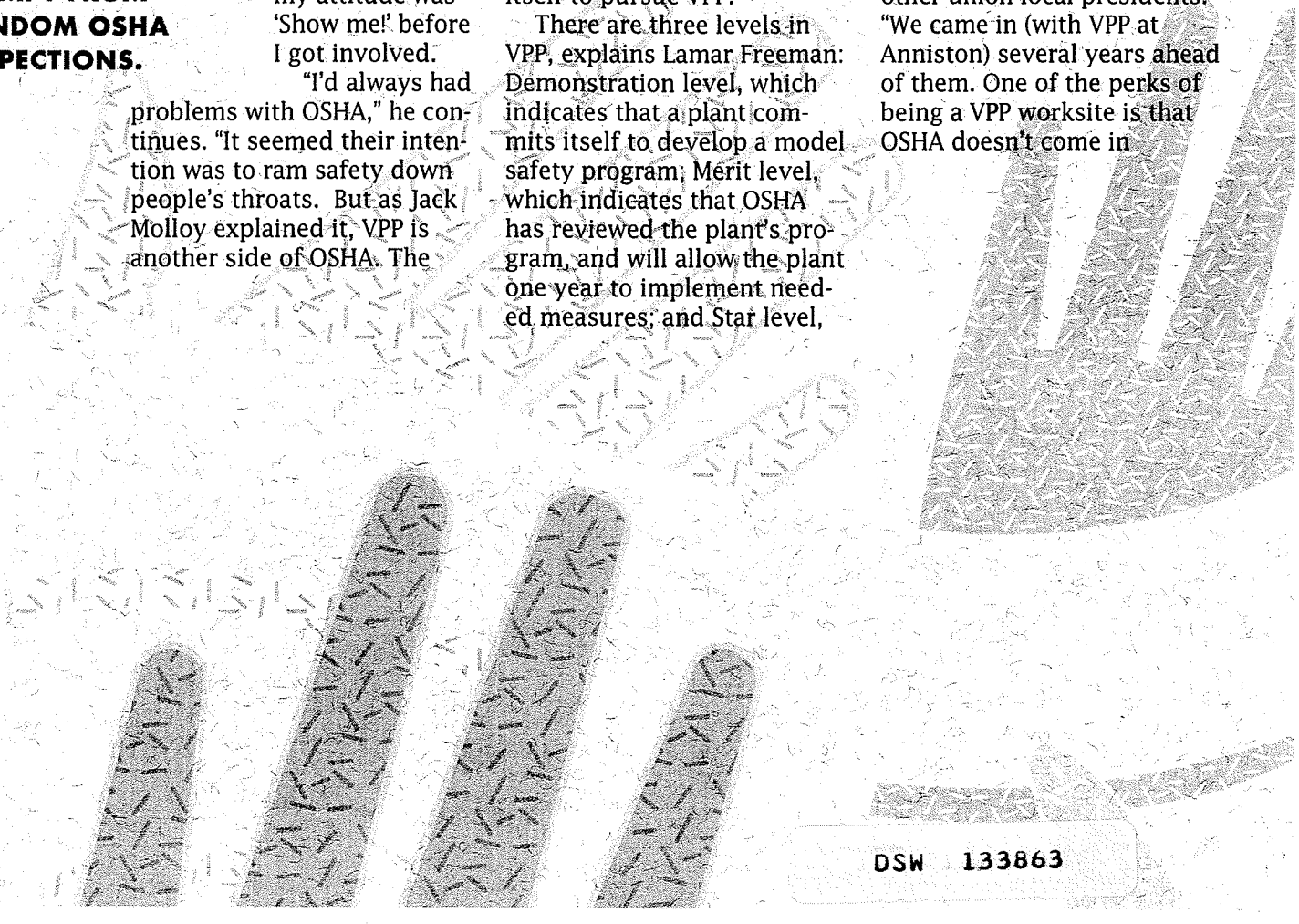
Indeed, Bill DeFer points out that VPP actually means the plant will get better, more useful inspections from OSHA. "The average workplace is visited by OSHA every 14 years," he says. "In this program, you get a more comprehensive, wall-to-wall inspection every three years. As a VPP participant, we are exempt from random inspections. But we will be inspected if there is an accident or if one is requested."

Intrigued by Molloy's idea, the Anniston safety people began a dialogue with Paul Villane. He eventually came to Anniston to make a presentation to their safety committee about VPP. By August 1991, the Anniston plant committed itself to pursue VPP.

There are three levels in VPP, explains Lamar Freeman: Demonstration level, which indicates that a plant commits itself to develop a model safety program; Merit level, which indicates that OSHA has reviewed the plant's program, and will allow the plant one year to implement needed measures; and Star level, which indicates that all necessary safety programs are in place and that an attitude of safety prevails in that worksite. Because union plants must provide written agreement to VPP, selling the program to Anniston's hourly employees was important. "Our people have a good attitude, and they are willing to make safety improvements," Freeman says. "It took time but they eventually bought into VPP."

Employees were skeptical at first. They suspected that this was just another management program. "But as people got into the program and started to make improvements, they began to buy in. They saw results in an improved plant," Freeman says.

Sparks encountered skepticism toward VPP from other union local presidents. "We came in (with VPP at Anniston) several years ahead of them. One of the perks of being a VPP worksite is that OSHA doesn't come in



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unannounced. Organized labor seems to take the position that if a company is warned, they'll dress things up for inspectors — and then go back to business as usual," Sparks says.

"... WE LEARNED MORE IN PREPARING OUR SITE FOR THE INSPECTION THAN DURING THE ACTUAL VISIT."

"In reality, OSHA has so very few field inspectors that most chemical plants are inspected only every seven years or so. VPP guarantees periodic inspections, and they are documented thoroughly," Sparks continues. "You can't pull the wool over their eyes. If complaints or incidents merit it, they'll still come in for spot inspections. I called my union boss, the vice president of region 5 (ICW), to talk about VPP. They asked if I felt the program would make the workplace safer. I said 'yes', so they said 'go for it.'"

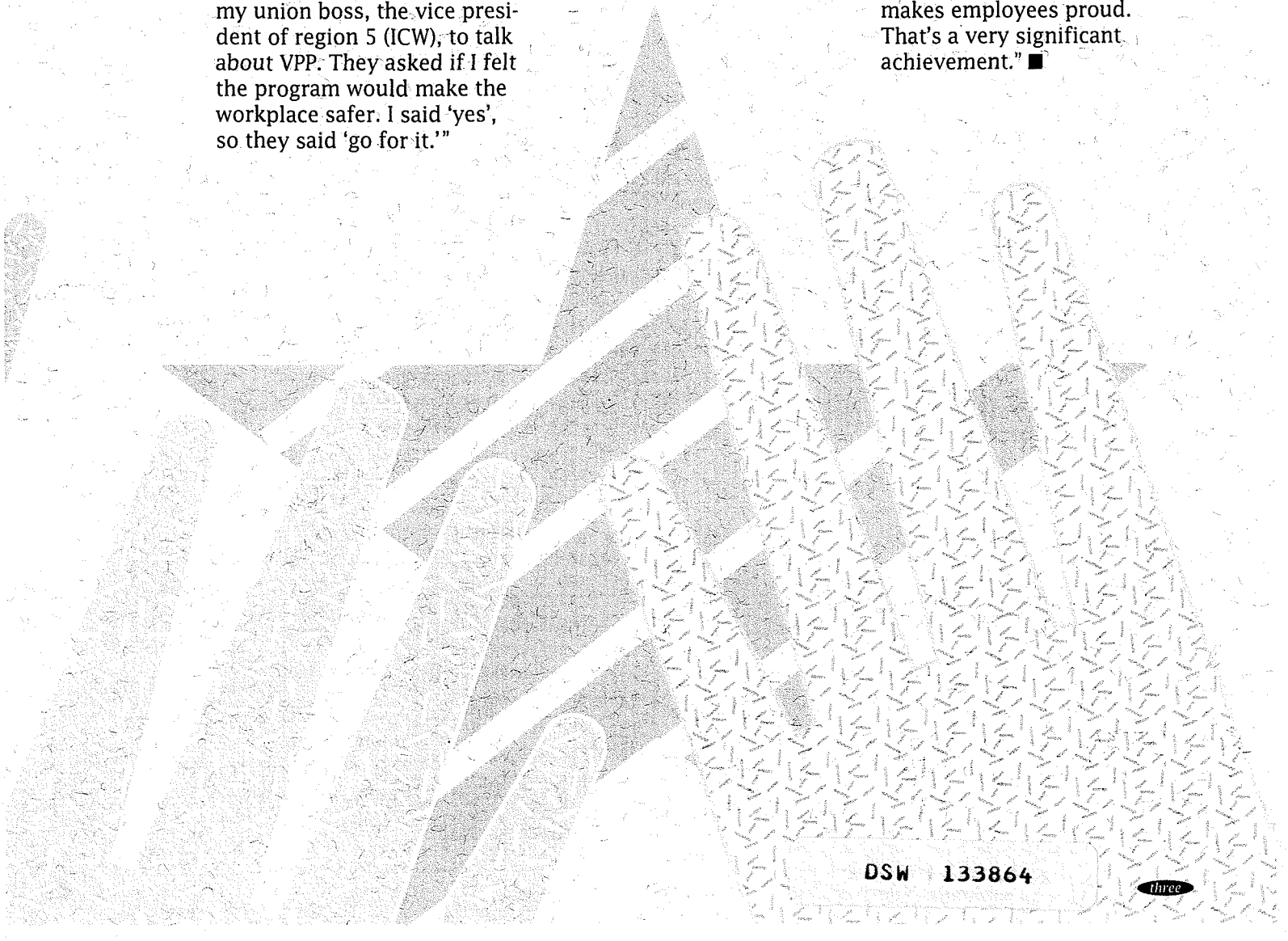
Over the next year and a half, Anniston completed the documentation for VPP. In January of this year, they were told to expect a three-member VPP inspection team for a four-day on-site inspection.

"I think we learned more in preparing our site for the inspection than during the actual visit," Sparks says. "It forced us to step back and take a good look at ourselves. We probably prevented some accidents."

The inspection team interviewed many employees and studied all documents. The plant received very positive feedback.

"When the inspectors left, they left a list of minor comments and five items for the plant to work on before giving final approval," DeFer says. "At least two of those items were not required by regulations. But a Star rating means that you're going above and beyond in safety. One of those items asked that employees wear seat belts 100 percent of the time in all vehicles."

"The improvements made in safety programs are the biggest benefit," Lamar Freeman adds. "The criteria that VPP gives you help improve already good programs. It also establishes a good relationship with OSHA and with employees. And it makes employees proud. That's a very significant achievement." ■



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PERSPECTIVES

A quick glance through the business pages reveals the world economy has reached a dramatic turning point. Today the names of many businesses long associated with success and stability are now coupled in the headlines with words such as "losses" and "decline."

This unsettling phenomenon is the byproduct of a wave of change sweeping through the business world. In the industry this wave is reflected in what I call a "revolution." Emphasis on reducing costs has become the name of the game for both producers and consumers.

"WE AT THE CHEMICAL GROUP, AND THROUGHOUT MONSANTO, ARE COMMITTED TO COMPETING AND WINNING IN THIS REDUCED COST ERA."

Why is this cost revolution happening now? First, many of the major markets in which we operate are suffering from persistently deflationary environments. Second, the economies of the world are requiring more time to recover from recession than was expected. And finally, global competition is more intense than ever before.

For all of these reasons, a successful company can no longer cover the rising costs of doing business by increasing prices. Their products simply won't sell. With this option gone, the only choice for businesses competing in the world market is to keep costs under the tightest possible control.

We at The Chemical Group, and throughout Monsanto, are committed to competing and winning in this reduced cost era. Toward that end, we have no choice but to thoroughly reevaluate how we run our businesses, so we can discover how to run them more efficiently.

The process is already underway. I'd like to share a few successful cost reduction projects initiated by Chemicals employees:

★ Product teams at our Delaware River plant realized that quality problems were generating substantial extra costs. Not producing top-quality material the first time around sacrificed time, effort and money in unnecessary reworking. Increasing product quality would actually reduce costs. Suggestions from plant operators led to modifications in the manufacturing process that improved product quality while eliminating almost $500,000 in costs over two and a half years.

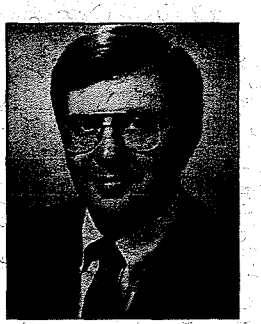
★ The year-old Chemicals Logistical Council intends to lower logistical costs by 5 percent of total sales by the end of next year. One of their efforts involved a volunteer team from Distribution which worked with our 20 main carriers to find transportation cost reductions. In many ways, carriers best understand customer needs because they interact with them on a regular basis. Our carriers helped us identify ways to better serve our customers while using resources more efficiently. Suggestions included using shorter trucking routes, increased bulk-trucking, and minimizing use of dedicated equipment.

★ In Engineering, a 10-member volunteer task force identified the potential for $1.25 million, or more than 3 percent of their total budget, in cost reductions. The task force trimmed the departmental budget in areas such as technology development, training, travel and other activities, through employee input from all grade levels. So far, their program is on target to achieve the projected savings.

These are just a few of the many cost reduction opportunities tackled by motivated employees in our offices and plants around the world. By continuing in this vein, we will eliminate the unnecessary costs we must trim from this organization.

Each one of us knows some area where we are spending more than we should; and it is our individual responsibility to do something about it.

To achieve our cost reduction goals, everyone in this company needs to make a personal commitment to the cause. I certainly can't do it alone, and neither can you. But together we can and will, because we must. It's the only way we can survive in this changing world economy. ■





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