Published for the information of management people of The Glidden Company

P. C. Herzog

August 2, 1961

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TO ALL MANAGEMENT PEOPLE:

This is a special issue of News and Views.

On June 30, 1961, Mr. Dwight P. Joyce, Chairman and President of The Glidden Company, completed 40 years of service with the company.

Mr. Joyce began his career with Glidden as an hourly worker in the Ripolin Paint Department, following graduation from the University of Michigan. A year later, he was transferred to a paint sales position. In 1927, he was elected a director of The Glidden Company and by 1930, was responsible for sales of paint, metal powders, lead, chemicals and pigments. Four years later, he was elected Vice President in charge of paint and varnish sales and distribution, and was appointed Regional Director of the headquarters paint and varnish plant. In 1943, he was Vice President in charge of all phases of the paint and varnish business. Later, he served in staff capacities as Vice President and Assistant to the President, and in 1947, was elected President of The Glidden Company. In 1955, Mr. Joyce became Chairman and President, and assumed the duties of Chief Executive Officer.

He has taken the occasion of his 40th Anniversary to summarize for News and Views some of the beliefs he has formulated during these years of service in all levels of the organization. We believe you will find his comments both timely and thought-provoking.

E. D. Pittman
Communications Services

First of all, let me point out that I'm not the only person at Glidden who has reached 40 years of service with the company. There are 34 other men and women who have been with us at least that long, so I am really only the newest member of a very select group.

It is no secret that things have changed in the company since I first came here. We see them almost daily. New products, new techniques, new ideas. This is as it should be, if we are to grow and progress as a company and as individuals. But we sometimes overlook the fact that some things have not changed - and should not. One of these is strict adherence to the principles of basic honesty and business integrity. Integrity is that quality within ourselves which causes us to do the right thing voluntarily, without being made to do so by any outside force, and it must come from within - not from without. This quality is just as important today as it was when The Glidden Company was founded, and will continue to be important as long as there is a Glidden Company. Basic honesty and integrity must be the cornerstone of all our policies and actions, whether these policies and actions concern our own employees, our customers, our shareowners, our suppliers, or the general public. To do less would bring about our downfall.

Another thing which should never change is the value of hard work. This may sound obvious to you, but I think it is important to re-emphasize it. There is a notion going around the country these days that hard work is going out of style. Some people seem to think that they can get more and more, while putting out less and less effort. There is a rule of the free enterprise system which says, "Before you can receive, you must <u>first</u> produce." This rule is applicable to us all, and no one can escape it. It is true, whether we are talking about ourselves as individuals, collectively as a company, or as citizens of our communities. We don't receive our salaries and then perform the work for which we were paid. We work <u>first</u>, and then we are paid. Our customers don't pay us in advance for a gallon of paint, so that we can produce the paint. We produce the paint <u>first</u>, and then we are paid. How much we receive depends on how much and how well we produce, and nothing else. The need for hard work has never gone out of style, and never will.

Over the past 40 years, I have had many different positions in the organization, have worked in many different circumstances, and with many people. Out of this, I have developed my own philosophy of business management, and I would like to pass a few of these thoughts on to you. In doing so, I don't intend to set myself up as an expert on people. Nor do I have all the answers to all the problems which we face as a company, and I don't think anyone else does. But there are some things which, from my vantage point, seem important, and I would like to talk about them. I hope that, as you do your job and grow in the company, you are developing your own ideas and philosophy of management. Only in this way can you make your maximum contribution to Glidden.

One of the things I would place high on the priority list is an intangible called <u>creativity</u>. Any business - including ours - thrives on new concepts, new ideas, new techniques. Our vitality depends on a constant stream of imaginative, creative ideas flowing throughout the organization. If we are to be first in our fields, we must be first in our ideas and first in our thinking. Either we lead, or we trail behind. There is no in between. An example close to us is Spred Satin. Glidden was first with the development and introduction of a latex emulsion interior paint, and look at what it did for us. It firmly established Glidden's position as a major paint manufacturer, and enabled us to obtain distribution, sales and profits which we would have otherwise missed.

We must continue and step up our research efforts to find more Spred Satins - other new products and new areas of growth. Only in this way can we be front runners, where we all want to be. I know that a Spred Satin, or a new product of its magnitude, does not come along every day. But just think how many other ideas for products, improved manufacturing and merchandising techniques - and how many other new concepts - are waiting to be found. Most of them will not be major innovations, but each could make a contribution to the company. And added together, they could have a tremendous impact on our business. This is not just the responsibility of our research people. It is the responsibility of every person on the payroll, no matter what his position in the company, or how long he has been here.

How do we develop and nurture this creativity? In several ways - beginning with ourselves. First, we should strive for an attitude which I have heard referred to as a "divine dissatisfaction." We should never let ourselves fall into the habit of thinking that things are going as well as they should, or that we are doing our jobs the best possible way. We should continually ask ourselves: "How can this be improved? What better ways can I find to get the job done? What new ideas can I come up with, which will benefit the company? Is this the best way to do it?" And we should not ask ourselves these questions only when things are going badly. The very time to question ourselves is when things seem to be at their best. Well conceived, carefully thought out and well executed new ideas and new methods are the lifeblood of our business. We cannot live without them.

Another way of developing this creativity is by encouraging those under us to contribute their ideas for improving the business. This applies equally to every manager in Glidden, from the newest foreman to the officers of the company. I think that one of the major responsibilities of every management person is to encourage creativity in his people, and to see that their ideas and suggestions are given a full and complete hearing. If we do otherwise, we are only cheating ourselves. No one person knows all the answers to the questions and problems which we face as a company. But collectively, we have the ability to solve the problems as they arise, if we seek out the right answers and have the courage to put them into action. The time has long passed that one single person can run a corporation. Success is a team effort. It is only through individual thinking and analysis, with a skillful blending of each individual's best efforts into the company's overall objectives, that we can hope to succeed. Any management person who is not actively encouraging his people to come to him with constructive ideas for improvement, is not making his full contribution to this success.

Now I would like to touch on another attribute of management people which is vital to the success of a company. That attribute is the willingness to take a risk. It doesn't take much effort to sit quietly and do nothing, rather than take a chance on failure. But it takes real courage to put corporate money and reputation on the line in hopes of making a significant gain, knowing the calculated possibility of loss. Yet this is the stuff of which astounding successes are made. The fear of failure should never overshadow the possibilities of success.

This does not mean that we can charge ahead as a company with no regard for the penalties of failure. Our risk-taking should always be calculated, weighing the advantages of success against the losses of failure. But we should never allow ourselves to do nothing simply because there is a possibility of failure.

I once read about a department head who, with some apprehension, approached an interview with the president of his company. The department head, after considerable study and planning, had instituted a new program in his department which had failed to achieve its objectives. The president listened carefully while the department head explained the plan, what the department had hoped to achieve, and how the plan had failed. Then he startled the department head by saying, "Congratulations, Bill. You had the courage to try something new, knowing it might not work; you had the good sense to stop when you saw it wasn't working, and you had the wisdom to profit by your mistake." A failure is a complete failure only when we do not learn from it.

If we are to be a dynamic, growing company, we are bound to make some mistakes. But there are ways to minimize the effects of mistakes. The best of these is the positive approach -- planning. Planning future growth gives us a sense of direction...a flight plan to follow. A plan also gives us a framework into which to fit day-to-day and month-to-month decisions. All decisions - whether long range or short range - must be based on careful and intelligent evaluation of all the facts available to us. As managers of The Glidden Company, we must examine the facts, and then make a decision for a course of action based on those facts, knowing that the decision might not be the right one. But if we do plan ahead, set definite goals and objectives, and make decisions on facts, then we have the comfort of knowing that our chances for success are infinitely greater.

This has been a fascinating 40 years for me. I have seen many fine things happen in The Glidden Company. From my vantage point, I can see many fine things ahead -- expansion and growth of our existing business; new products; new areas of growth. All we have to do is make them happen, and there is not the slightest doubt in my mind that we have the people and the resources to do those things which we plan for and set as our goals.