CTS

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General Offices

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ORGANIC MANUFACTURING
CHARTER AND OBJECTIVES - 1965

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Attached is a copy of the 1965 Charter and Objectives of the Organic Manufacturing Department. The format and definitions are similar to 1964. Where appropriate, the responsibilities for spearheading actions are indicated in parentheses. Within this framework, each plant and department may now proceed to develop specific 1965 plans.

H. L. Minckler

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Attach.

DSW 551682

STLCOPCB4090099

ORGANIC MANUFACTURING CHARTER AND OBJECTIVES

JANUARY 1, 1965

I. Charter

The Organic Division Manufacturing Department is charged with the following responsibilities:

A. To safely produce competitive quality chemicals at optimum rate and minimum long range cost.

B. To satisfy customer requirements by on-time shipments of uniform competitive products with superior service.

C. To recruit, train and develop personnel to supplement non-manufacturing needs of the division, as well as to provide for organization growth and manufacturing cost improvement.

D. To preserve and improve the physical assets of the division's manufacturing facilities and plan for the growth of each plant.

E. To develop plans for the constant improvement of manufacturing cost of Organic products world-wide.

F. To establish and maintain favorable employe and community relations.

G. To provide appropriate cost and manufacturing information to domestic and overseas personnel consistent with company policy.

II. Objectives, Goals and Actions - 1965

A. Safe, Competitive Quality, Minimum Cost, Production.

1. Attain a division record of 10,000,000 manhours without a disabling injury.

   1965 Goal:

   An accident frequency of .25 and a serious injury index of 7.0.

2. Productivity is increasing by 5% per year minimum (output - pounds per manhour).

3. Manufacturing costs are improving at a rate which more than off-set increases in wages and salaries and the adverse effect of price changes.

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1965 Goal:

Cost improvement as measured by the 1965 cost improvement program will be:

Category I	-	$2 Million
Category III	-	$4 Million
Category IV	-	$2 Million
Total Improvement	-	$8 Million (less effect of prices)

4. A 5% annual improvement in total maintenance cost is achieved as measured in the annual maintenance evaluation.

1965 Goal:

Complete all phases in first year of individual plant five-year plans.

5. A 5% annual improvement in "work to assist" operations costs is achieved.

1965 Goal:

Each plant to develop an approach to measuring improvement in "work to assist" costs with quarterly reports.

6. Utility costs have incorporated appropriate management controls.

1965 Goals:

a. Place budgeted cost system in operation January 1 and report on cost improvement periodically. (All Plants)

b. Develop more comprehensive method of measuring results. (Chandler)

c. Develop long range plans at each plant. (Utility Superintendent)

7. Written process improvement plans exist for all major products.

1965 Action:

Up-to-date list of products requiring written plans to be prepared. (Technical Production Managers)

8. All Organic plants will have their organization converted (or have a study in progress) to the "area accounting" system.

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9. A system for effectively determining our competitive position on our major products is in operation.

1965 Action:

a. Identify and report major quality problem areas. (Hehner)

b. Develop plans for elimination of major quality problems. (Technical Production Managers)

c. Survey and assess quality control program of each plant. (Hehner)

10. The Right-First-Time Index is 93.0 or higher.

11. On-stream time, on-stream rate and downtime reporting within the division is standardized.

1965 Goal:

Prepare guide for cost standard preparation. (Hosmer)

B. Customer Satisfaction with Superior Service.

1. Good coordination exists between Manufacturing, Marketing and Accounting on the sales forecasting procedure.

1965 Action:

a. Participate in the revision of Bulletin O-24. Have revised by May 1, 1965. (Sample)

b. Relate sales forecasts to plant of manufacture. (Sample)

2. Realistic minimum inventories for sales are established and maintained for all products at plant and outside warehouse locations.

1965 Goal:

Methods are in effect at each plant that will maintain a running balance of actual inventory vs. minimum inventory for sales.

1965 Action:

a. Up-date all minimum inventories for sales for plant and outside warehouse locations. (Sample)

b. Using the daily informational summary, each plant will report weekly the inventory status of those products below minimum for sales.

3. Comprehensive, timely information is available on the status of inventory for sales.

1965 Action:

Provide assistance to the RIM (Reporting of Inventory Measurement) project as requested. (All Personnel)

4. Prompt reporting of customer service and customer dissatisfaction problems and potential problems is in effect via complaints and service deviation reports.

1965 Goal:

By the end of 1965 have all districts filing complaints and deviation reports on at least 90% of the problems. (Malone)

5. Administrative control of finished goods distribution points is established within Manufacturing.

1965 Goal:

By the end of the year, have a minimum of 60% of consignment stock being handled without district office involvement. (Sample)

C. Recruit and Train Manpower.

1. Job offers are accepted by at least 40% of new technical graduates and 75% of experienced candidates interviewed.

2. A plan exists for systematic training of each individual to make maximum use of his potential.

1965 Action:

Inventory existing job specifications. Develop plan for publicizing job openings. (Each Plant)

3. All salaried employes to know the status of their own performance and have a specific plan for improvement.

1965 Action:

Review performance review procedure at each location. (Director of Manufacturing)

4. There are no technical employe resignations for lack of challenge or correct placement.

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5. All production supervisors and foremen know the specific function and limitations of each individual instrument system in their departments.

1965 Goal:

Develop a coordinated plan at each plant by October 1. (Plant Managers)

D. Preserve and Improve Physical Assets and Plan for Growth.

1. Up-to-date and revised formal plant improvement plans are prepared using local need and 1964 expenditures as a guide for 1965. Programed work is completed within budget.

1965 Action:

Review with Director of Manufacturing according to procedure. (Plant Managers)

2. No physical assets are considered to be maintained below acceptable level. This is done within repair budgets or by approved specific program.

3. Consistent practices in classification of mechanical costs are maintained.

1965 Action:

Provision will be made at each plant for some degree of formal auditing of the classification of jobs beyond that accomplished in routine project approval. (Plant Managers)

4. All new facilities are placed in operation in accordance with the Organic Chemicals Division Guide for Plant Start-Up. (Plant Managers - Technical Production Managers)

5. New facilities are started up with average "commissioning" cost not to exceed 10% of capital.

6. The number of plant projects under $50,000 and over one year old is less than 3% of those uncompleted.

7. Every project handled by Engineering at any location has the production and maintenance liaison men appointed before definitive design begins.

1965 Action:

Review 1965 start-ups to determine when and where we failed to meet this objective. Take corrective action. (Chandler)

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E. Improve Manufacturing Cost of Products World-Wide.

1. Technical comparisons between domestic and foreign operations is maintained.

1965 Goals:

a. Compare operating results on common products and identify problem areas. (Danna-Hosmer)

b. Develop written improvement plans to maximize over-all results. (Hosmer-Technical Production Managers)

c. Coordinate MCL process plans with MC. (Danna-Technical Production Managers)

2. A new, improved accounting system exists for the measurement, reporting and control of packing, container, warehousing, shipping and other physical distribution expenses.

1965 Action:

Cooperate fully with Division Accounting on the development of the new system, providing assistance as requested. (Sample)

3. Significant cost reports and indices on over-all physical distribution costs and major components are in effect.

1965 Action:

Provide assistance to Division Accounting as requested. (Sample)

F. Maintain Favorable Employe and Community Relations.

1. Internal communications are adequate to fill increasing needs.

1965 Goal:

Develop a plan for coordination of Creve Coeur-plant contacts to make better use of travel and various communications media. (Director of Manufacturing)

1965 Action:

Establish a manufacturing department staff plant visit plan for the year. (Director of Manufacturing)

2. Annually, every employe, salaried and hourly, has at least two opportunities to receive information on the economics of our business (talks or letters).

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1965 Goal:

Offer training in "Basic Economics" to salaried employes at all locations. (Plant Managers)

3. Contract settlements are negotiated within area patterns, eliminating restrictive practice clauses where possible. This is done with no work interruptions.

G. Provide Manufacturing Information, Domestic and Overseas.

1. Ideas and pertinent information are freely exchanged between plants.

1965 Actions:

a. Each plant manager and guest superintendent to circulate a copy of plant objectives to all other Organic manufacturing locations.

b. Director of Manufacturing to schedule one plant manager meeting at another division location.

c. Hold a manufacturing superintendent conference. (Director of Manufacturing)