

NEWSLETTER

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Joe Penne, Editor



The new decorations for the Decatur office building express the company's holiday wishes.

TO ALL MUELLER PEOPLE AND THEIR FAMILIES - - EVERYWHERE!

The shareholders, the directors and other officers join me in warm good wishes to you and yours for the merriest Christmas ever and a happy and peaceful New Year. We are fortunate in having a wonderful "family" in every one of our U.S. and Canadian Plants. Your loyalty and support are deeply appreciated.

Sincerely,

*John F. Thurston
President*

FAMILIAR FACES IN NEW PLACES

(Chattanooga) Ruben G. Skipper, Jr., has been promoted from products inspector to chief products inspector.

(Decatur) James R. Kissell, of the Industrial Engineering office, has been promoted to industrial technician in the IE group. In the same office, Walter H. Jenkins has been promoted from industrial engineer to senior industrial engineer. Martin L. Trolia, former cost and methods estimator, was named industrial engineer.

(Brea) Al E. Hembree, former general factory inspector, has been named acting brass machining and assembly foreman, succeeding Lacy L. Mayfield who is on a leave of absence because of ill health. F. M. (Mickey) Liebherr, former brass assembly foreman, has been promoted to Hembree's former position.

BRASS PRICES MOVE UPWARD

(Decatur) . . . Brass ingot, a prime ingredient for Mueller products, set new price highs twice during November.

Previously the top price for the type of ingot we use was 52 $\frac{3}{4}$ ¢ a pound, but on Nov. 10 it jumped to 55 $\frac{1}{2}$ ¢ a pound and then on Nov. 26 it went up again to 58¢. Considering that each 1¢ increase means about \$100,000 in additional costs for the year, we can see how the price of ingot influences our business.

In a newsletter published in 1965, we noted that the price of brass ingot then was 41 $\frac{1}{4}$ ¢ a pound, having risen from 32¢ a pound in 1962.

The increases are partly the result of the inflationary period we have been experiencing for a number of years, but the old rule of supply and demand is a big influence also. Large quantities of copper, a major element in brass ingot, are going for materials in Vietnam and one of the major copper suppliers in Canada has been on strike for a long period.

Experts expect the prices to drop back a little in the near future but it is interesting to note that a pound of brass chips is worth almost as much today as a pound of hamburger (on special).

THE BUSINESS OF BEING SANTA

Editor's note: As a business publication we like to keep our readers informed of economic trends and we attempt to give some in-depth coverage of current events as they reflect the nature of business and perhaps as they directly relate to Mueller Co. Via a special satellite hook-up through MAin ROuTe to INformation and Imagination (better known through its acronym of MARTINI) we bring you a special interview with the Chairman and President of the world's best-known, world-wide organization, S. Claus and Associates Inc.

Q: Mr. Claus your business is extremely seasonal. What problems does this present as far as inventories and scheduling?

A: Since our deliveries must all be made in a short period, we must gear up for one rush season and near the end we must put on extra elves and go into a lot of overtime. It is difficult to keep all of our elves working steadily during the late winter months and early spring so we are thinking about an acquisition or diversification. We are currently working on an exchange of stock with a fireworks manufacturer. As you know, we have many of the same markets.

Our biggest inventory problem lies in the fickleness of our customers. If we knew that the kids would want in December what is popular in June, we could build our stock through the year. Their desires change as new toys are introduced and then my crews have to scurry around to get new tooling, check on purchased parts and do testing. These all take time and sometimes it is difficult for the users to understand why we don't deliver when they expect it. We constantly strive to introduce new items in the line and this also takes many hours of engineering and checking. If we could get all of our customers to agree on a few products we could concentrate on producing them more cheaply and have them always available, but there are so many variations on a basic product. One child wants an item and another wants something similar--but different. For example, one little girl wants a walking doll with blond hair and another wants the same doll--but with red hair. Many of these doll parts are interchangeable but the final product requires special handling. We try to please them all, but specials take extra time and they add to costs. These various demands require that we maintain large inventories and since demands change so quickly we run the risk of having great quantities of obsolete stock. As you can see, the Dec. 25 deadline in our business cycle isn't as difficult as trying to stock the proper toys.

Q: Your image as a supplier has been a very fine one. How did this develop?

A: The fine image that we have built is the result of hundreds of years of effort to give the customer top service and a quality product at a fair price. During the last decade it has become harder to maintain quality because of the great emphasis being placed on price and cost. Price has become primary to quality and as a result we have had to find cheaper materials and faster ways to produce. Automatic machines, high speed equipment, computers, and other more efficient ways had to be used to keep up.

Q: Mr. Claus, you are a world-wide organization, but you only have 24 hours to make deliveries to all

of your customers. This must present a real warehousing and distribution problem. How do you do it, using such outdated equipment as a sleigh pulled by reindeer?

A: On-time deliveries are extremely important with us. If we can't deliver on time or when we promise, we might as well forget it until next year. But equally important is being accurate. You can't imagine the complaints we get when orders get mixed up. Think of the disappointment when a little girl orders a Cuddles Doll and gets a Cutie Doll instead. It serves the same purpose but in the customer's eyes it isn't as good. What about the little boy who orders a Hot Wheels to go with his track and we send him a Matchbox car instead. He can't use it and it ruins his plans. We lose a lot of goodwill through these boo-boos.



Q: Mr. Claus, what about competition?

A: This is one place where my operation differs from all of the rest. Competition may come some day, however. According to the free enterprise system, when it becomes apparent that the current supplier can't do the job or that there is room for someone else to get a profitable part of the business, competition will come in. So far, I have been able to meet demands, but it gets harder each Christmas.

Q: You mentioned profits. What about them?

A: Like most businesses, I am not the owner and the profits go to my shareholders--in this case, parents. They have made a very big investment in this very difficult business of rearing a family and the dividends of gratitude and happiness should go to them. As Santa Claus I am just a manager. I must be responsive to my customer's demands but also answer to my shareholders.

Q: One last question, Mr. Claus. What is the secret to your success? If I knew how you get around the world in one night in a sleigh or how you get down a chimney and how you communicate with all segments of the world, I could make a fortune and assure peace for everyone.

A: Son, I have been in business for a thousand years and I have just now gotten to know the territory. When and if I ever retire, and take advantage of my fringe program, I'll pass the secret along to my successor, but until then, you must have faith. There are some things that can't be counted on a cash register or calculated on a slide rule. You've just got to believe in them. MERRY CHRISTMAS to all of your readers.

PAPER WORK IS THEIR WORK

(Decatur) . . . Frequently we hear workers complain about paper work and the time needed to complete it, but in Mueller Co.'s Office Services Department paper work is their work--literally tons of it.

Basically this department exists because everyone else has so much paper work. Office Services people talk in terms of tons of paper, millions of sheets of paper, paper masters, paper envelopes, paper for mailings and paper clips by the gross.

The Office Services Department is commonly known in terms of its jobs, such as stationery, mailing, printing and office supplies, but these only serve to describe the varied duties performed by the 9 men and women in the department managed by John Dennis.

Much of the paper work carried on by others throughout the company begins in Office Services and its printing presses. Through August of this year about 60 tons of paper in seven different types, ten colors and twelve sizes went through the department's presses, producing forms for all plants, supplements to catalogs, letters and price sheets for customers, bulletins, employee handbooks, newsletters, scratch pads for salesmen, labels for product cartons and many others.

So far this year, about 9,000,000 printing impressions have been made on this paper--an increase of about 20% over 1965.

After a job is printed, it still must be handled in other ways. It may need folding, trimming, padding, numbering, collating, punching or mailing--operations which are carried out in Office Services.

With increased use of direct mail as a sales tool, plus product changes which demand supplements, catalog changes and additions, the inserting, sorting, and addressing of company bulk mail has become a big part of the job.

During August, about 64,000 pieces of printed material were sent out to employees, customers and suppliers, bringing the total pieces mailed for the first nine months to more than 200,000.

Mailings of this type often are sporadic and it is impossible to maintain a work force to stuff, for example, 25,000 envelopes with two or three pieces of material in each. As a result, help is sometimes recruited from other offices or temporary help is called in.

This past year, two new pieces of equipment have been added to ease manpower squeezes. One machine, which utilizes our computer and its data, can address envelopes at the rate of 7,500 an hour, far surpassing the old Addressograph system's speed. The other machine can stuff envelopes with as many as four separate pieces of material in each at a top rate of 6,000 an hour.

In addition to special bulk mailings, Office Services has a monthly postage bill of about \$1000 just to cover routine correspondence, billing, confirmation of orders, etc. Handling outgoing mail is a big job, but the department also handles all incoming mail, which includes magazines, newspapers and orders, plus delivering internal mail.

Requests for literature, catalogs, and supplements from salesmen and customers are also mailed from this department.

To see that the "Mail Goes Through" about 500,000 envelopes of assorted sizes, weights and type are used annually. At an average cost of .6¢ each, it doesn't take many mailings to have a large investment in envelopes alone.

When you order 75,000 paper clips at a time, issue a million staples or 6,000 pencils a year it is easy to see large costs in tiny items.

Thousands of items from waste paper baskets, erasers and non-electric pencil sharpeners are available from Office Services Department, and every order is charged to the requisitioning department's account.

Private printers who visit our Office Services Department look at its equipment, including its dark-room, with envy. They also look at Mueller Co. as being a difficult place to sell certain types of printing because they know it is hard to compete with such a shop in many situations. In other cases, Office Services finds itself bidding against outside firms and losing out. Jobs vary and there are some things that can't be done on Mueller equipment. In other cases the job stays "inside" because we can keep a closer control, offer some price advantage or we don't want confidential material to go outside the doors.

Most of us fight paper work, but Office Services Department thrives on it and exists because of it.

Retirements

The following Decatur employees plan to retire on Dec. 31. The listing indicates their job at the time of retirement and years of service.

Dan Ryan, key filer in Ground Key Division, 32 years, 9 months, 27 days.

Carl West, stop grinder "A" in Ground Key Division, 29 years, 1 month, 13 days.

Marie West, core blowing machine operator, 20 years, 3 months, 5 days.

Wayne McCoy, hand core maker "A", 39 years, 2 months, 15 days.

Bernard Wilkerson, stop grinder in Ground Key Division, 27 years, 2 months, 12 days.

David Brown, ground key packer, 18 years, 5 months, 12 days.

Paul Parsons, Foundry Division production manager, 23 years, 5 months, 2 days.

Charles Miller, assistant to the plant protection manager, 36 years, 4 days.

Edgar N. Stark, drilling and tapping machine assembler, 41 years, 7 months, 2 days.

RETIREES CHANGE JANUARY MEETING

(Decatur) . . . The regular monthly meeting of Mueller Co. retirees in Decatur will be held on Jan. 8 at noon in the House of Plenty. The change from the first Thursday to the second is due to New Year's Day. Fifty Mueller men, including guests Coy Butler, Galen Jenkins, A.G. Webber, Jr., and John F. Thurston, attended the December meeting.

News Briefs

(Sarnia) . . . Charles Labelle, stationary engineer with Mueller, Limited, helped set a sky-diving record this summer in Lebanon, Illinois. Charles, age 46, teamed with three Americans, two 59 years old and one 58, to successfully set a record for the highest aggregate age in the same jump. The four, whose ages totaled 222 years, jumped from 7,500 feet and attempted a four-man hookup. They failed in their attempt at a hookup because they ran out of altitude before they could all join hands. A hookup involves the jumpers joining hands and falling together before they open their parachutes. Charles is the only Sarnia member of POPS (Parachutists Over Phorty Society) an international skydiving organization, and also a member of Sarnia Skydivers.

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(Sarnia) . . . Carmen Weese, core room foreman, and his brother, Keith, recently were honored by the Corunna Minor Athletic Association and the village for their contributions to the village's civic and athletic programs. Fourteen years ago the brothers started two peewee baseball teams and the organization has now grown to include 30 teams and a full program. The brothers have held many offices in the association and Carmen is in his 14th year as Treasurer.

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(Mont Gabriel, Quebec) . . . On October 23 and 24 Mueller, Limited and its Quebec-based subsidiary, St. Jerome Industries, held a Sales Workshop at Mont Gabriel, Quebec. Mueller salesmen from Ontario, Quebec and the Maritime Provinces joined with the St. Jerome sales staff to discuss and exchange ideas on St. Jerome products and be introduced to a completely new St. Jerome cataloging program. Mueller, Limited has recently expanded its line of water products to include St. Jerome-made mechanical joint pipe fittings. It also is increasing the marketing area of its wide range of manhole covers and catch basin castings. Ron Nicolson, president of St. Jerome Industries, and vice president and director of marketing of Mueller, Limited acted as general chairman. He was assisted in the product seminars by Sig Sigurdson, sales manager, water and gas products, Mueller, Limited and by Paul Marot, sales manager, St. Jerome Industries.

WHAT IS A CUSTOMER?

- A Customer** is the most important person we know... in person or by mail.
- A Customer** is not dependent on us...we are dependent on him.
- A Customer** is not an interruption in our work...he is the purpose of it. We are not doing him a favor by serving him...he is doing us a favor by giving us the opportunity to do so.
- A Customer** is not an outsider to our business...he is a part of it.
- A Customer** is not someone to argue or match wits with. Nobody ever won an argument with a customer.
- A Customer** is a person who brings us his wants.

Service Awards

The following Mueller employees received service awards during December.

Decatur

- 5 Years: Gerald D. Hawkins,
- 10 Years: Doyle E. Talley, Barbara A. Morris .
- 15 Years: Onal J. Epperson, Christopher C. Suits, Lloyd L. Bruns, Bernard B. Jones.
- 20 Years: Harold E. Peer, Alice E. Jordan, Darel E. Jones, Richard C. Tish.
- 25 Years: Mildred M. Johnson.
- 40 Years: Charles E. Burcham.

Outside Sales

- 35 Years: J.K. Potts.

Chattanooga

- 15 Years: Earl Rodgers, Archie W. Brooks, Everage Holloway, John T. Logan, Cleatus Readus, David Moore, Charles E. Sledge, Henry F. Baker, William Hambright.

Some Time Ago At MUELLER

A 1907 publication produced by Mueller Co. says, "Christmas time in the Mueller factory partakes of all the joyousness of the Yuletide season. There is a temporary relaxation from the daily duties and a splendid spirit of good fellowship pervades every department from the president's office to the humblest employee. Gifts are exchanged and good wishes extended by the employees. It's the home-coming time of the traveling salesmen who come into the factory for the annual school of instruction and it is the one time of the year when all of the employees are here. The salesmen are the guests of honor." An illustration with the story shows rows and rows of baskets, each one containing a turkey, a bunch of celery and a can of oysters. The Mueller tradition of remembering every employee and retiree at Christmas time is one that has continued for many years.

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The August, 1923 MUELLER RECORD describes new offices for our Pacific Coast branches in San Francisco and Los Angeles. The company opened a branch in San Francisco in 1912 and in 1923 it moved into new quarters at 1072 Howard St. under the management of Tom Leary. The 1923 address of Mueller Co. in Los Angeles was 2450 Hunter St. and then 10 years later the company opened its manufacturing plant at 2801 E. 12th Street and remained there until the move in 1964 took it to Brea.

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The Sept. 3, 1933 issue of the Decatur Herald & Review carries a story about Mueller Co. purchasing the Groble Gas Regulator Co. of Anderson, Ind. The plant had about 20 employees and produced low pressure gas regulators.