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A. E. Staley Manufacturing Co.

Decatur, Ill.

## Staley NEWS

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**CENTER OF ATTENTION**—All eyes are focused on President Donald E. Nordlund during his address to some 550 employees gathered at Service Awards Dinner.

22nd Annual Awards Dinner

# EMPLOYEE SERVICE SPOTLIGHTED

The weatherman's cooperation, and the opportunity to gather for their annual reunion combined to bring out approximately 550 active and retired employees for the Company's 22nd annual Service Awards Dinner Jan. 23 at the Masonic Temple.

While it was cold outside the Masonic Temple, the mood inside was definitely one of warmth as employees renewed old acquaintances with co-workers, sat down to a good meal, and obviously enjoyed fast-paced program that kept everyone alert.

The weatherman's cooperation consisted of holding off a wind-whipped snow and rapidly-falling temperatures until after the program concluded and everyone had the opportunity to reach home.

In the spotlight for the evening were 210 employees who marked service anniversaries of 10, 25, 30, 35, 40, 45 and 50 years with the

Company during 1968.

Receiving top recognition was Ed Lashinski, the second employee in Company history to reach the 50-year mark. He shared the limelight with a banner group of eleven 45-year awardees, the largest group in that category in any year since the Awards Dinner was inaugurated.

The 45-year awardees included Archie Beals, Sr., Sylvester C. Bowman, Ira J. Cox, Irvin G. Cox, Walter O. Hansen, Dwight J. James, Claude W. Luster, Doris M. Murphy, Noble C. Owens, Paul J. Peters and George H. Sheumaker.

Attending the dinner in addition to the awardees were active and retired employees with 35 or more years service and representatives of various service levels between 25 and 35 years.

Led by the commentary of Commodities Vice President James W. Moore as master of ceremonies, the

program featured addresses by President Donald E. Nordlund and Dr. Herb True, writer, research psychologist and lecturer.

Dr. True's talk, punctuated by slides flashed on a screen behind him, kept the large audience laughing throughout his presentation of "The Great Treasure: A Sense of Humor." His rapid-fire delivery containing a rib-tickling punch line every second or third sentence, had some employees laughing so hard they could be seen dabbing at their eyes with handkerchiefs.

Also honored at the dinner were 55 employees who received gold watches to commemorate the 25-year milestone in their Staley careers, and 58 others attending their first Service Awards Dinner, who received gold pins for 10 years service.

Seventy-seven employees received a choice of jewelry to mark advanced service anniversaries of 30 and 35 years with the Company.

## Ed Lashinski Presented 50-Year Award



**'Congratulations Ed'**—President Nordlund presents Ed Lashinski with special 50-year award in highlight of awards program.

A highlight of the 22nd annual Service Awards Dinner was the presentation by President Donald E. Nordlund of a special award to Edward W. (Ed) Lashinski in recognition of his 50 years service.

"For more than 50 years, Eddie Lashinski's name has been inextricably entwined in the Staley saga," Mr. Nordlund noted, "whether it was setting an endurance record for hours on the job during a crisis, dreaming up some new way of getting a task done better, or just happening to be a part of some memorable event in the Company's history.

"But, it's not Eddie Lashinski the legend I want to introduce tonight, it's Eddie Lashinski the man, the man who after a half-century of innumerable contributions to the Staley Company is still willing to help when needed.

"At this very time, Eddie has his bags packed to help solve a problem as a consultant in Honduras, and I'm confident he'll tackle it with the zip of a 25-year-old and a savvy that comes only through many years of experience," Mr. Nordlund added.

In making the presentation, Mr. Nordlund said, "I could not begin to trace his accomplishments during those 50 years, but Eddie, in gratitude for your 50 years and contributions that will last forever, I take great pleasure in presenting you with this gold watch."

## President Calls Employee Service Base For Progress

President Donald E. Nordlund, in his talk at the 22nd annual Service Awards Dinner, viewed individual efforts as the basis for Company progress achieved in the past 60 years and as being the key to an optimistic outlook for multiplied growth in the comparable period ahead.

"I do hope that all of you realize the depth of management's pride in your dedication and loyalty to this Company," he told the 550 employees assembled in the Masonic Temple.

"I hope you all feel personally a part of this Company's progress, because you have been instrumental in bringing it about.

"If the Staley name is highly reputed in our various markets, if we are known for quality, dependability, integrity—this is a direct reflection of the dominant traits of our employees," Mr. Nordlund said.

"That is how reputations are built. I'm happy to say that ours is among the finest, because our employees traditionally have been among the finest.

"The qualities you have passed along through the years must be construed as our foremost asset as we look ahead to continuing in this tradition, indeed establishing new, faster tempos for new, faster growth and vitality."

In that context, Mr. Nordlund said we hear a great deal about change. "All history is a record of that change, of man's insatiable appetite for improvement, to make things better.

"And, we must acknowledge, albeit regretfully, that the colorful, closely-knit Staley Company known and loved by many of you is

a thing of the past, never again to be recaptured. Today, Staley is too large, our operations too widespread, our multiplicity of products and markets too complex, but this is the nature of our times," he said.

Mr. Nordlund noted that while new times breed different problems, different goals and different methods, the basic solutions transcend generations.

"The solutions are people, individuals with the same courage and foresight as those whose efforts made us what we are today.

"Reflecting on this, I see rather vividly what has made this Company strong, and perhaps more important, I see a basis for optimism for our ability to multiply in the next 60 years that which has been built over the past 60 years if we are successful in sustaining a highly motivated employee team with commonly held goals."

He then thanked the active and retired employees present and their counterparts throughout the Company for their contributions in providing today's builders with the soundest of foundations for facing the future with confidence.

"Hopefully, your influence has been such that Staley will always be the type of company where father and son work side by side.

"Hopefully, management will always conduct this Company's affairs in such a manner that you will commend Staley as a good place to work for your sons and daughters, grandchildren and great-grandchildren.

"And, assuredly, if we as a Company earn all this, Staley will always have the individual attributes necessary for success and progress," Mr. Nordlund concluded.



**AWARDS DINNER JESTER**—Dr. Herb True, dressed in a jester's costume, kept the large crowd laughing heartily throughout his presentation.



**LONG-SERVICE RECOGNITION**—Louis Brand, left, 47 years, and John Shyer, first employee in Company history to receive a 50-year award, stand as Master of Ceremonies James W. Moore, right, reads off list of employees with 40 or more years service. Seated are Ed Lashinski, left, who was presented a 50-year award at the dinner, and President Donald E. Nordlund.

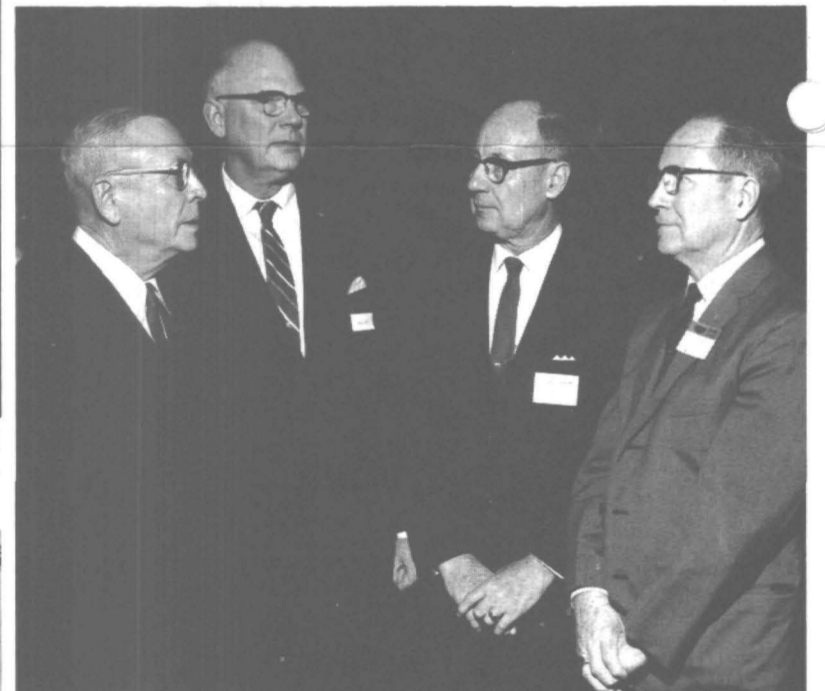
## Scenes From Twenty-Second Annual Service Awards Dinner



**PRE-DINNER CHAT**—President Nordlund, left, chats with Vice Chairman E.K. Scheiter prior to opening of Service Awards Dinner.



**GREETINGS EXCHANGED**—From left, Charlie Lawrence, George Jones, Sr., Everett Lewis and Paul Breyfogle exchange greetings upon arrival for annual employee reunion and presentation of awards for Company service.



**QUARTET OF 45-YEAR VETERANS**—Left to right, Sylvester Ivens, Walter Hansen, Irvin Cox and Ira Cox talk over old times as they lined up for parade of service. The Cox brothers and Hansen received 45-year awards at the dinner. Ivens, a former 45-year awardee, is retired.



**CORSAGES FOR THE LADIES**—President Nordlund does the honors in pinning corsages on long-time women employees prior to parade of service. The ladies, left to right, are Gertrude Hebert, Bessie Nyhard, Doris Murphy, Neta Kilburn and Kathryn Sheehy.



**CONSERVING THEIR ENERGY**—Glen Shelton, left, and Bill Moutray, center, both of the Training Section, and Plant Superintendent Bob Schwandt rest up in awards room prior to busy program activities.

# In Recognition of Employee Service



**PRESIDENT'S CONGRATULATIONS**—President Nordlund presents Wilbur Buis with gold watch and congratulates him on 25 years service. Helen Friesner, awards room helper, is at center.



**PLANT PROTECTION WELL REPRESENTED**—Mike Paczak, left, Plant Protection director, and Jim Cozad, superintendent of Utilities and Specialty Feeds Section which includes Plant Protection, received 35-year awards. Norma Guysinger, right, and Lila Bay presented the awards.



**HAPPY 35-YEAR AWARDEE**—Joe Grossman appears pleased as he accepts 35-year award from Frances Noland. Lila Bay, awards room helper, is at center.



**SILVER SERVICE AWARD**—Roy Finney receives congratulations from President Nordlund as he receives 25-year watch. John Homan, center, and Helen Friesner assisted with presentation of 25-year awards to 55 employees.



**10-YEAR PINS**—Evelyn Keller, right, and Ione Garver receive 10-year pins from Ann Carnock, left, and Diane Bosch.



**AWARD ADMIRER**—Gordon Jackson, left, a 35-year awardee, and Conard Hiser admire Hiser's 25-year watch.



**PROGRAM WORKERS**—Staley gals who helped make the Awards Dinner program go are, from left, Kathy Poe, Jane Stickel, Lila Bay, Frances Noland, Diane Bosch, Rosemary Curtis, Rosie Rozanski, Barbara Sheay, Norma Guysinger, Ann Carnock, Janice Petzel, Bonnie Jess and Helen Friesner.

# Moore Details the What, When, Why and How of Profit Center Plan

Vice President James W. Moore described the what, why, when and how of the profit center concept as it applies to the reorganization of our commodities activities in a meeting of Staley managers and supervisors Jan. 24.

Reorganization of the commodities and soybean functions into an integrated profit center was announced by Chairman A. E. Staley, Jr., and President Donald E. Nordlund several weeks ago and has been a major topic of discussion at Staley since.

"Our assignment from management is to organize the Commodity Group as a self-contained unit responsible for all of its functions from manufacturing through marketing," Moore said.

He explained that there are two routes which may be used in achieving this goal. Both will be used.

## Operational Control

"First, and to every extent where it is both possible and practical, the Commodity Group will do for itself, so to speak. As an example, it will have its own accounting staff, do its own transit work, enter and schedule its orders and have its own production staff."

Moore noted there are other functions which clearly do not lend themselves to decentralization, mentioning personnel, public relations and law, as examples.

"These areas and others will continue to be handled as now, but with the Commodity Group accepting full responsibility for expenditures in its behalf.

"In making these changes, it is obviously not our intention to weaken in any way the basic structure of the Company. While we think in terms of assigning chemical engineers directly to the Commodity Group, as an example, we also envision that they will receive functional guidance and backup from Roger Mauterer, the Company's chief chemical engineer. Industrial engineers would have the same relationship with Bob Richardson."

## Communication Lines Open

Moore emphasized that to move ahead with the reorganization on this basis, lines of communication must be kept open in these and other areas. "The big difference under the new plan is that the individual's assignment will be to the Commodity Group."

He said the most complicated job to accomplish in the reorganization plan is in the areas of manufacturing, manufacturing services and maintenance.

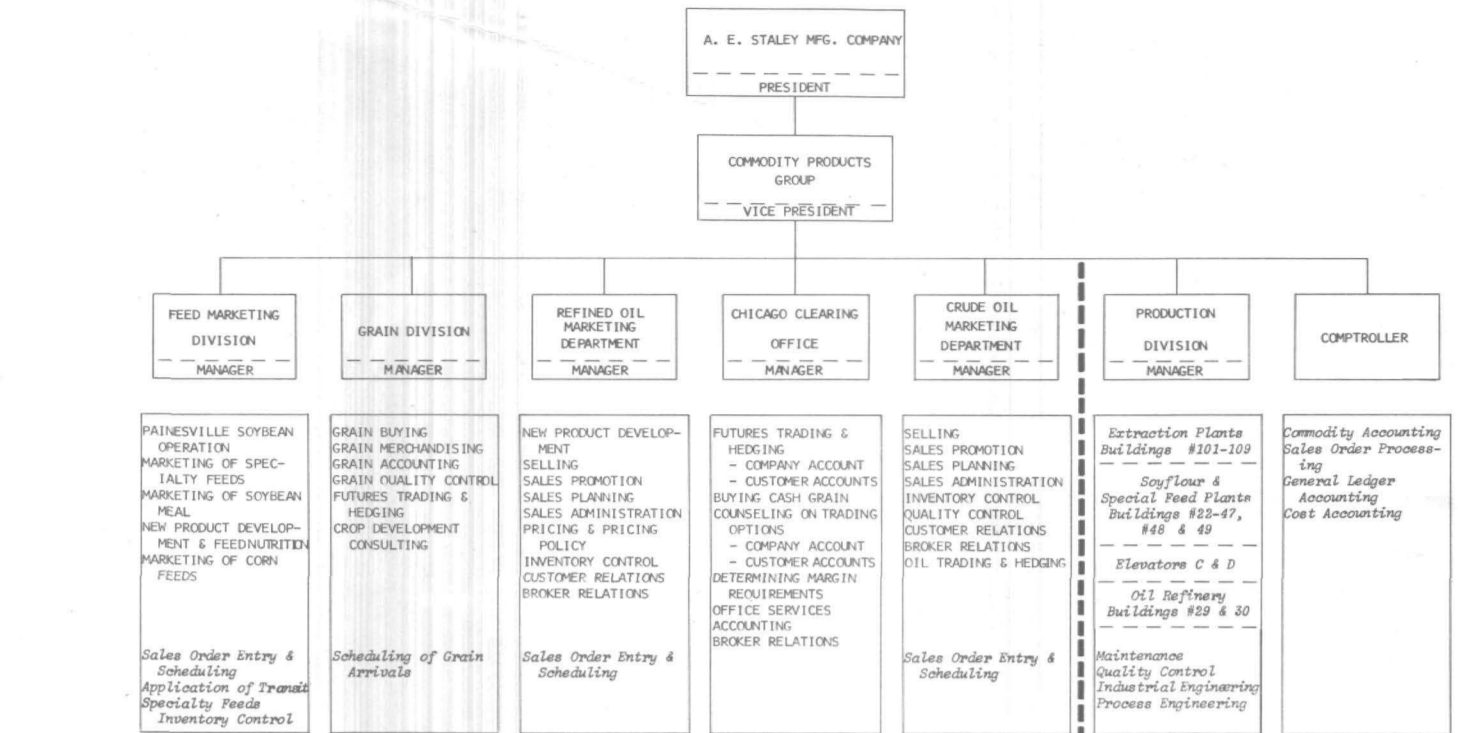
It is likely that most of the manufacturing support services, such as the Garage, Sanitation, Plant Protection and the Extra Board, will continue to function as they are now, he explained.

"We will supervise and be responsible for our own maintenance program. Again, this can only be accomplished through backup by Al Foley and his organization. We plan to assign most of our maintenance people on a permanent basis and draw on the central shops only when necessary."

Production supervisory personnel will be involved in maintenance problems to a great extent under the new plan. Much of the work supervision will be done by building and shift foremen, Moore said.

## New Assignments Imminent

He noted that preliminary planning for implementing production and maintenance units within the Commodity Group has virtually been completed and requests for assignment of people in the units to the Commodity Group will be made soon.



**SHAPE OF COMMODITIES REORGANIZATION**—Chart shows the status of our Commodities reorganization, reflecting changes which have been implemented and others that are due soon. The heavy, dotted line separates those activities which have been and continue to be a part of the Commodity Group (the five columns to the left of the line) from those being integrated into the new organization. All activities and facilities, which are new responsibilities for the Commodities organization, are indicated in italics in each column. This represents the initial part of the reorganization as our Commodity Group moves ahead in the plan to shape it into an integrated profit center.

Moore pointed out that the plans discussed for manufacturing and maintenance in the Commodity Group represent the initial state of implementation.

"We retain at the outset some elements of the functional approach within the Commodity Group, such as a technical section common to all production centers, a Group-wide maintenance section, as well as a single production superintendent for the Group.

"A next phase, some time off, could be to break down these activities further — such as on a product line basis."

## Increased Versatility

Discussing the why of the plan, Moore said the fundamental reason for making the change is the recognition of a need for versatility and improved control in the management process.

"By switching from our present approach of doing things by functions to a concept of integrating these functions within one organization, we greatly increase our ability to meet problems, develop ideas and, in short, to turn a profit."

Moore said that with any new approach, involving far-reaching changes, two serious problems emerge.

"The first is the built-in implication that what you are really saying in proposing change is that the old way was worthless. A world of good ideas have gone down the drain as a result of this reaction and it is not necessarily true — certainly not in respect to this discussion.

"The truth is that the functional approach to management suited this Company well for a great number of years. It cannot be a subject of much debate, however, that the Company has now grown so big and varied that this approach is cumbersome and expensive," he explained.

## Individual Concern

The second serious problem connected with change is the concern of individuals as to its effect on them, a trait common to all, Moore added.

"In this matter, I want to emphasize that the reorganization will increase responsibility at all levels and promote decision-making at the 'doing' level rather than reserving it for top management.

"I can't help but feel that those who will be included in this change

## Mr. Staley Sees Correlation Between New Plan and Way Company Started Doing Business

Chairman A.E. Staley, Jr., commenting on the profit center organization currently being implemented in Commodities, drew a vivid correlation between the concept and the original organization that spearheaded the Company's early growth.

In its early days, Staley was, in fact, a single integrated profit

center by virtue of its size and the singleness of purpose—the processing and sale of corn products.

On this basis, Staley grew on its ability to move fast and decisively, to exercise close control on all costs of doing business and to have close employee identification with total Company performance.

Mr. Staley indicated that as the Company has grown and become infinitely more complex in terms of products, markets, intricate production facilities, and much larger labor force, management and operational methods formerly successful in achieving profitable performance have become cumbersome in producing the kind of thrust needed for maximum results.

Thus, he suggested that the current move in Commodities, as well as others which may follow, should be construed as "a return to the

basic way this Company started out doing business."

Mr. Staley said he favors the plan because of its inherent advantages of transforming the complex into more mobile, workable units, increasing individual responsibility for results and creating a unified purpose.

He said the transition from functional Commodities organization to a profit center approach will require a great deal of work and cooperation. He asked the dedicated efforts of employees in many areas in assisting with the implementation of the far-reaching move.

"What this concept basically will afford us are the strengths of the small company combined with the advantages of size and resources of the large company," Mr. Staley concluded.

## Function vs. Mission

Referring to a discussion by a Monsanto Co. executive of the functional versus mission management approach in attacking a problem of bringing new products to decision points in as short a time as possible, Moore said the Monsanto executive listed under the "Functional" side of the comparison the phrase, "Momentum of Style."

Moore said in the functional approach, this means, "We have always done it this way." Opposite this on the "Mission" side was listed "Needs of the Market," which he interpreted as "Do what has to be done."

Illustrating this further, he said under the functional approach, there is a strong commitment to profession or skill, while under the mission approach, the total of people involved is usually less and the lines between functions blur. This produces a wider approach to problem solving, he added.

"My favorite of these comparisons is that by function we try to 'do things right' and by mission we 'do right things.'"

"With the functional approach, the workers are separate from the decision makers, but with the mission concept, they ARE the decision makers," Moore concluded.

Discussing the organization of our Commodities activities, as well as other moves which may follow, Mr. Nordlund emphasized two points:

1. The profit center organization will offer broader individual responsibility for results. Thus, individual growth opportunities will become more widespread and real management opportunities will be more abundant.

2. One of the principal assets of the new approach is increased versatility at the decision-making level. A main goal will be to give decision-making authority and corresponding accountability to operating management.

On the latter point, he said, "We believe this will eliminate many of the roadblocks to development and increase responsiveness to the needs of our various activities, and will gear us organizationally for faster overall growth and exploitation of new opportunities."

In his comments, Mr. Nordlund indicated that functional organizations tend to be more resistant to change because of the tendency to think in terms of specific areas of specialty rather than of the interests of the Company organization.

"As most of you know," he added, "this is a concept I personally endorse. I am convinced that, realistically adapted to our business, profit-accountable market-oriented mission management is the most effective means of mobilizing the resources of this organization for growth and overall corporate vitality."

## 'News' Will Carry Continuing Coverage Of Reorganization

Because of the importance to the Company of the reorganization of our Commodities activities into an integrated profit center, the "Staley News" will present continuing coverage on the far-reaching plan.

In the next issue, a discussion of the reorganization will be centered around the question, "How does the move affect me?"