

## E. K. SCHEITER RELATES SALES PROBLEMS

Jim Richey dropped in the other day to chat about the relationship of the men in the plant to our sales problems. I said that, if every employee had the Sales Department viewpoint of just four words we could and would sell more goods and all of us would be more secure in our jobs. Jim asked, "What four words?" My answer: "Competition, Quality, Price, Cost."

Jim smiled. "I think you under-estimate our men. They know what it is all about, but let's hear your story."

When I finished, Jim, who had been listening intently, asked me to write for him, a brief summary of what these four factors—Competition, Quality, Price and Cost—mean to us in the Sales Department and how each individual employee has an effect on these all-important factors.

### COMPETITION

The most serious mistake a company (management and employees alike) can make is to under-estimate the capabilities of their competitors. We, in the Sales Department, are figuratively battling our competitors every day, trying to keep our customers and acquire some of theirs. We know that most of them are old established firms with good reputations and keen, hard hitting management and personnel.

Competition takes many forms. Never forget that most orders are placed after a comparison of values. The quality of our products, the attention that we give to orders, the courtesy and ability of our salesmen, the condition in which goods arrive, the attractiveness of our packages, the kind of service our technical men give, the kind of letters we write, the friendliness, courtesy and attention to details that we display, are all matters of competition.

The employee in our plant who puts the labels on our syrup cans is most certainly in direct competition with the men who do the same work in our competitor's plants. Just think of the grief that a grocer encounters when he receives Staley's syrups without labels or if the labels come off while on his shelf. Do you think that it would be easy to sell that retailer more Staley's Syrups after such an experience?

The packer who weighs too little or too much starch in a bag is not doing a good job in competing with the packers in our competitor's plants. The man in our Shipping Department who permits improper loading so that Staley products arrive in the customer's place of business in damaged condition is not competing successfully with the loading crews in the plants of our competitors.

If we fall short in any respect in delivering what we promised and what the buyer expects, we have failed in competing for that buyer's good will and business and jointly we pay the penalty of smaller sales and less factory hours.

### QUALITY

At Staley's we have a quality standard for every product that we make. Each time we decide what a standard shall be, we must realize that a higher standard will probably be necessary in the future. The history of all successful industrial development has been continuous improvement.

All of our sales representatives send in samples and prices of our competitor's products at stated intervals. These products are carefully tested by our laboratory so that we will know exactly with what quality we are competing.

It is well to bear in mind that there are just five general situations through which we can take customers and orders away from our competitors:

1. *If Staley's quality is better and our price is lower.*

In a highly competitive industry like ours this situation rarely continues very long. If a competitor cannot match our quality, he will at least bring his price down to our level.

2. *If Staley's quality is better and the buyer is willing to pay a premium for it.*

There is always resistance to paying more. The advantages must be outstanding or a large percentage of the buyers will not pay a premium.

3. *If Staley's quality and price are equal to competitors'.*

On an equal basis a buyer may give us all or a part of his business because he likes our sales representative or our sales service or our general method of doing business. He may even give us some business on an equal quality and price basis because he was irritated by something our competitor or his salesman said or did. Remember that Staley buyers sometimes switch their orders to our competitors because of some "little" thing.

4. *If Staley's quality is poorer and our price is lower.*

Such a proposition appeals to very few buyers and they are usually poor credit risks or "sharp-shooters."

5. *If Staley's quality is better and at an equal in price.*

We can really go to town with this kind of a proposition. We know that this is the strongest competition that we can offer because we know how difficult it is to sell a buyer when he proves that he can buy a certain product, which is a little better than Staley's, and he does not have to pay more than Staley's price.

### PRICE

The price on any Staley product is what we can get the buyer to pay. This is very largely determined by the price of our competitor's goods of like or similar quality. (Continued on Page 3)



**DECATUR HOSPITAL SERVICE REPORTS BENEFITS**

With three months of operation behind them, the Decatur Hospital Service Corporation reports a total of 2,094 enrolled for benefits under their plan. According to the Managing Director, the enrollment has been sufficient to assure them of practical operation in the City of Decatur. The number of members, however, has not reached the point desired and applications are still being received.

At a recent meeting of the Directors of the Hospital Service Corporation, the following facts were pointed out as illustrative of the advantages they have to offer:

A total of 34 claims amounting to \$1,778.75 has been paid and 271 days of hospital care provided for subscribers. Eighty-seven and one-half percent of hospital costs are met by the plan.

Of the 21 organizations enrolled, 10 have members who have already received benefits due to illness requiring hospital care. The average stay in the hospital to date has been eight days. The average saving to members who have required this care has been \$45.80, less dues.

The experience of the 206 Staley members points to eight claims. The bill footed by the Decatur Hospital Service Corporation on these claims totals \$353.35 with three persons still in the hospital adding to these benefits.



**AVERAGE INCOME OF STALEY WAGE EARNER \$1,392.94 IN 1937**

During 1937, the average employee on the hourly basis here at Staley's worked an average of 37.9 hours a week, had an earned income of \$1,341.35 for the year and drew a vacation check in addition for \$51.59.

The actual number of days of productive labor during 1937 fell 40 days short of 1936 but pay increases during the year plus vacations with pay combined to offset the shortage so that the income for the year was somewhat higher than the year preceding.

The following facts were derived from figures just mailed to the Government. The average weekly check was \$25.79, there was an average of 1,282 employees on the hourly basis, 1,229 of these male. More than 2½ million man hours were worked by this group. Total wages amounted to over 1¾ million dollars and vacation checks added \$63,085.10 to that figure.

**COMPARED TO OTHERS**

The following chart has been provided and shows the earnings and hours worked by other industries during the year. This chart is based on figures given in the Monthly Labor Review, official publication of the U. S. Department of Labor, Bureau of Statistics, February issue. The figures below are only comparative since they are for the months of September, October and November and do not show seasonal adjustments. Staley figures are for the entire year with seasonal fluctuations taken into account.

Type of Industry	Av. Wkly. Earnings	Av. Hrly. Earnings	Av. Hrs. Worked
*Staley's	\$25.79	68.06c	37.9
Iron & Steel	27.50	76.6	35.8
Lumber	20.70	52.4	39.3
Textiles	16.41	51.5	32.2
Food	23.75	58.6	40.5
Paper and Printing	27.78	75.3	38.2

\*\*All reporting Industries 24.75 66.37 36.8

\* Staley figures are not listed as a separate industry but have been included in the above table for ease of comparison.

\*\* All reporting industries are not shown above, only those who by size or connection with our business have been selected.

**IS**

**SAFETY YOUR BUSINESS?**

*Roy Rollins, Director of Safety*

Hand tools cause about a third of all the injuries in our plant. Because of that fact it would be well for you to give more attention to the tools you use and the way you use them. The favorite explanation for a bruised or cut hand is to say, "The wrench slipped and I hit my hand on a bolt." Now a wrench doesn't slip just because it is mad at you or because it doesn't like you. It slips because it is the wrong size or kind for the job in hand, because its jaws are sprung too far to allow it to take a firm grip, because it is carelessly handled or because the person handling it is in an awkward position. Look over the wrenches you are using. Good tools are, in the long run, the cheapest and best tools as well as the Safest. If your tools are in good condition and fitted to the work you are doing pay some attention to the way you are handling them. Be sure that you get a firm grip and be sure that you are in such a position that if the wrench *should* slip it won't catch your hand or cause you to fall. *Wrench slipped* is an old alibi but not a very good one.

What is the Safe angle for a ladder? We have provided ladder shoes for all the portable ladders in our plant and they do help keep ladders from slipping but they don't provide the whole answer. Ladders must be carefully placed and there is one simple rule to remember in placing them. *The bottom of the ladder should be one fourth of the ladder's length away from the wall against which it is leaning.* In other words, a sixteen foot ladder should be four feet away from the wall at the bottom. If the bottom of the ladder is too close to the wall there is danger that it will tip over backward. If it is too far from the wall there is danger that it will slide away at the bottom. Remember, it is always best to tie the ladder or have someone hold it but if that is impossible *keep its foot one fourth of the ladder's length from the wall.*



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**THE A. E. STALEY  
 MANUFACTURING COMPANY**  
 DECATUR, ILLINOIS  
 W. G. Reynolds, Manager of Personnel  
 J. M. Richey, Editor

All news and suggestions should be given the editor by the 10th and 25th of each month.

**LOOKING OVER BUSINESS**

If you aren't interested in the ups and downs of business, just speak up. They have been mixed in with these columns because they reflect what we may expect in our own work here because what makes business good for others will mean improved business for us and what hurts others is bound to hurt us.

Here Is What Is In The Deck To-Day Summarized from the numerous bulletins that come to our office we find—

**BUSINESS LEADERS** are not expecting the Automobile Industry to lead us out of the present slump. This time they are depending on home building. Keep your eye on vacant lots.

**PRACTICAL ECONOMY** gained by reorganization of governmental departments to lop off overlapping jobs will not take place during this administration. Fear for Dictatorship on the part of the people and loss of jobs on the part of public servants both comprise effective opposition to plans along this line.

**BUSINESS**, meanwhile, with a heavier tax load than ever, is wondering where two dollars will be found to repay each one with the necessary interest when the government faces the maturity date on loans.

**RETRENCHMENT** in industry, which has been propagandized as a strike on the part of capital dissolves into a simple matter of caution on the part of investors. They fear a reduction in capital rather than a return of it with a reasonable gain due to so called "meddling with private enterprise."

**ATTACKS** on business with the inference that to be big is to be bad, lends further fuel to keep their fears burning. Business needs less telling and more under-

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Can you imagine any large textile mill paying more for Staley's Pearl Starch unless there is a recognizable superiority? Do you believe that the average housewife would continue to pay from 2 to 5c per can more for Staley's Syrups unless she felt that the syrup was purer and better? Why should a cattle feeder pay more for Staley's 25% Gluten Feed than a competitor's 25% Gluten Feed?

Competition is so keen in this industry for the very reason that every manufacturer makes a very high quality. We must always face the fact that the price that we can charge for a product is largely a result of competition and quality. We must be in line with our prices or someone else will get the orders.

**COST**

It is the job of the Sales Department to sell Staley products at something more than the cost of producing them. If we sell our products at less than cost very long bankruptcy will follow and we will all be out of a job.

The more efficient a competitor becomes, the more aggressive he is for orders. We must remain competitive on costs if we are to survive and remain competitive on price.

When our competitors find ways and means of profitably selling an improved quality without advancing the price, we are forced to follow suit or lose the business.

We must never forget that within our own wet milling corn industry we have ten competitors who have been successful for many years. Many of them have consistently shown more profit per bushel than Staleys, in spite of the fact that we know that they get no more for their merchandise and that they pay as much or more for their corn and coal.

The buyer of products from corn is the real boss for whom everyone in this industry is working. Every day our competitors are trying to gain the favor of that buyer through improved quality, lower price and new products. We at Staleys must continually prove to that buyer that we, too, are progressive and have the capacity to compete aggressively and favorably for his orders.

**CO-OPERATION ESSENTIAL**

There is only one answer. Everyone of us is competing with men in identical capacities in all of these competitor's plants and the sum total of our ability, ambition and work determines how successful our company will be and to what extent each of us will have a full time job and security.

Every Staley employee has a vital interest in producing better products at lower costs.

I look forward to the time when these four words — Competition, Quality, Cost, Price — are not vague dictionary words but are alive and forceful in their full meaning to every Staley employee.



An average of 2,330 pieces of outbound mail per day are handled by our Mailing Department. (R. Dennis).

\* \* \*

The cost of the postage on this mail averages \$26,000 per year. The cost on the single largest day was \$194.00. The average is \$76.55. (R. Dennis).

\* \* \*

(There is no job half as hard as the one we have and no job half as easy as the one someone else has already grabbed).

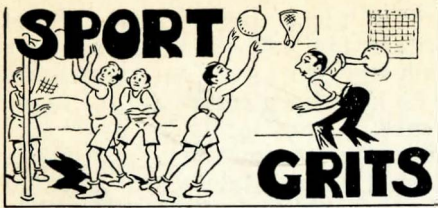
\* \* \*

Weekly batches of mail are sent via air mail from our Mailing Department to the far corners of the earth. 1/2 ounce costs us 70c to China, 30c to India and 55c to the Argentine.

\* \* \*

The average monthly payroll of our company during 1937 was \$256,652.79.





By Bill Brumaster

The squeaks and groans drifting through the air from Johns Hill direction each Tuesday and Thursday aren't from mechanical causes. They are the rusty arms and backs of some twenty Staley hardball plays who are getting ready to go into action under the eye of Manager Chet Boyle.

\* \* \*

A few old settlers have been conspicuous by their absence and rumor has it that they have retired from the wars. New faces on hand and pre-season showing indicates that Staley's will have a fast, aggressive, young ball club ready for semi-pro and inter-city competition.

\* \* \*

Present possibilities are that there will not be a City League this year. This means most of the games will be of the challenge variety, a good many of which will be played in foreign fields. Art Long, booker of games is losing sleep trying to line up the competition and says, "We will take any of them, where are they." If you know, don't keep it a secret from Art. So far he only has two or three games lined up and plenty of dates are still left.

\* \* \*

Weather has dampened the progress in both the men's and women's tennis tournaments with the dampening being mostly in the male group. So far seven contests have been worked off in the Women's event with only six reported for the stronger sex.

\* \* \*

Winners and still in the running for prizes in the "A" division of the Men's tourney are Shildneck, Gill, Roberts, Rollins, Deetz, and West.

\* \* \*

In the Women's arena, the following survivors of the first round, Florence Brinkoetter, Mary Doherty, Mary Jane Long, Lois Van Deventer, Ruth Pownall, Dorothy Minick and Gene Davidson. All are headed for the quarter finals, in the "A" division.

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standing to promote the mutual welfare of the government, the people and itself upon which all three depend.

**MONEY AND FOOD APLENTY** but no takers. Banks are in excellent condition, borrowers don't care to take a chance. Farmers have great surpluses of food products and we have 1 million under-fed people.

**OUR GUESS** is more government spending. When people must be wards of the government to obtain work in their trade, people are going to make the shift. A hungry man is left no choice, it is WPA or else.

**EASY TERMS** on money to build homes, credit for railroads and utilities may overcome the inertia. Economists regard these things as more effective than relief. May bring upturn before close of summer.

**BUSINESS IN FOREIGN COUNTRIES** continues the swing upward according to financial reports of American companies with foreign branches. Our present condition must be from causes within our borders. Just as the failure of a bank in a small European state is credited with freezing credit all over the world and precipitating the last depression, so may present conditions in America affect the rest of the world. We are the largest importers in the world and our imports have shown great drops.

**IN AMERICA**, steel output has shown a 10 per cent gain but is still 61 per cent below last year at this period.

**AUTOMOBILE SHIPMENTS** for April were 20 percent above March but only 1/2 of last year's level.

**COMMODITY PRICES** are dropping but still considered high.

**WHEAT PROSPECTS** are for a bumper crop. This will mean more curtailment of farmable areas and more subsidization of farmers.

**CAR LOADINGS** are off 25 percent below March of 1937.

**DEPARTMENT STORE SALES** down 14 percent, and

**ELECTRICAL OUTPUT** has declined better than 8 percent.

**EMPLOYMENT** in manufacturing industries stands 19 percent below March, 1937.

**PAYROLLS** have declined 27 percent.

## SHIPMENTS OF STALEY PRODUCTS RECEIVE PRAISE

Perfect shipping is more than one month's extra effort to pack, stencil and brace cars so that they will arrive at our customer's undamaged, at least here at Staley's.

Last year the blanks and letters we sent out during Perfect Shipping Month were continued through most of the year. This practice is being extended again this year and is demonstrating itself as an excellent method for checking our packing methods as well as in letting the customer know that we have more than a sales interest in him.

The comments that are coming in to the Traffic Department are high in praise of all those who are connected with the delivery of our products, especially those connected with the packing and inspection of cars before they leave the plant.

The following is a portion of one of the letters received recently and is typical of the replies we are receiving,

*"We are pleased to advise that this car arrived in excellent condition, as do practically all of your cars."*

Considering the number of shipments we make, the complaints have been very few. They are just as welcome, however, as the reply quoted. According to the Traffic Department, "It is by learning where our mistakes are that we have been able to improve on our work."



### FOR RENT:

3 room furnished apartment, newly decorated. Stoker heat, hot water and refrigeration furnished. Apply apartment No. 4, 2325 E. Eldorado after 4 P. M.

### FOR SALE:

Argus candid camera with leather case for same, lens filters, exposure meter, tripod camera support and small ABC developing set. Practically new, well cared for. Very reasonable. Marion Trow. Personnel Office.