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Resume of Address made by  
Mr. Albert M. Kinsley, General Mgr.,  
Oneida Community, Ltd., April 9, '24.

"You are endeavoring to prepare for materials and how to manufacture those materials, transport them, etc., - in other words, how to get business going during war". It is hoped, in a general way, to help solve the problems. The thought had occurred to the speaker that after all plans have been prepared by the War Department, which will never be completely up to date, "what were you then planning to do to put into shape some sort of system <sup>to keep track of production</sup> which would be placed before the various branches responsible therefor when war comes?"

The human side of actually carrying out the pre-arranged plan is the master key - actually being able to perform what is planned.

The flow of production for each and every item must be carefully balanced. The term "knives and forks" were used by the speaker in referring to his company's output, as a whole, when speaking of production. "Knives are no good without forks, and in war Manpower is of no avail unless there are a thousand and one things which go to make up the equipment of an army. In the same sense, we have the same problem, how to make balanced output."

The Oneida Community, Ltd., has about 3,000 employees, 16 patterns and about 1,100 items to manufacture. Up until 1920 they had difficulty in getting "knives and forks" together. This has been solved now.

"The incentive for us to try to make a success of levies, profits, finance, etc., which make up a well going, commercial business, lies first of all in idealism, which still exists for the "Old Community" \* \* \* such as for a college. Secondly, personality at the head of this business \* \* \* with the desire of the employees to serve".

Emergencies and troubles arise in business, caused in some instances by guessing at sales. The whole of business is a great deal a matter of, first, changes in sales estimates which no one can easily foresee and which upsets business; second, finance. If figured sales are not made, business is over-stocked, and there is no capital with which to manufacture new goods.

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One of the difficulties of almost all organizations is not in the fact that they deal with so many different items, but that no definite data is available on production as a whole, due to the fact that so much detailed time is spent on various parts of the whole. It is not possible to obtain figures on all steps of work required, for any organization.

"Unquestionably, if your plans are well along and there should be a war, there would be some individual who should feel responsible in the actual functioning of these plans. There has to be some individual who has a real influence and a real part in whether this plan is a big success, or not. First of all, how to show him what is going on in every branch; how to show him a picture on which he doesn't waste any time on what is all right, but immediately puts his finger on what is going wrong".

In the Oneida Community, Ltd., all statistics are combined and made into graphs, in two sets. Advantages gained therefrom have been marvelous for the General Manager, giving him ten to twenty times the scope he formally had. Too much attention should not be paid to details by executives, and red tape should be cut in order to be able to balance the production when necessary.

During the war, when the Sales Section was topheavy and the Purchasing end of the game was weak, salesmen were sent to Pittsburgh to buy steel, etc., - shifting forces in order to balance production program. The Carpentry Department was called upon to do work ordinarily performed by the Machine Shop. The trading of work and labor lightened the load, and in some instances discovered skilled workmen in wrong trades. For instance, the very best engineer of the company has been located and taken from the woodworking department.

Production sheets of the company are posted, item by item - in accordance with importance, so that all workmen can see it in detail. In addition to that, a master sheet is in the office of the General Manager.

Whoever is going to be the head man in the War Department in time of war should be in a room large enough to accommodate detailed information, on the walls thereof, from all the branches, thereby enabling him to pick out the worst spots in the whole production programs of the various branches and checking up on same.

"Selling is our ground work. If we have \$12,000,000 or \$15,000,000 sales, that means so many gross of this item or that.

We divide the amount into parts, according to their proportion, and, figuring this out, make our plans for sales for the year." All this is done by means of graphs, carrying into detail each part of the whole production. Cost, expense, production and purchase figures, etc., can be clearly seen through the whole operation. Data sheets are kept pertaining to the actual process of each item involved in production. If a production program balances, the graph or "work line" of an item is very even.

"We had our troubles during the war \* \* \* which was in welding steel and still having the item come up to specification, a problem which had never been solved - and we might have gotten some help from Washington if this had been wanted very badly. It looks funny that more action was not put on items in Washington regarding various specifications and materials requested. Cooperation between the Government and factories should be closer \* \* \* if you know where the weak spots are, helping to plan as well as giving the orders. You have splendid facilities for this, such as the Bureau of Standards".

It is easy to follow production, as a part and a whole, by means of graphs. Trouble can be easily discovered through any part of process of manufacture .

"If your preparedness plan is ready, and it has to function under such a complicate thing as a war organization and necessary red tape - how, in case of emergency, have you made arrangements to cut that red tape? If not, it ought to be considered and some way found. Like in an industrial organization, it looks all right in general, but is a poor thing when you have to have things in an emergency. But this should not be overdone by others after an emergency has passed."

Balancing production with requirements: If an unforeseen demand develops, sales are guessed at the beginning, balancing the entire production accordingly; if it does not come up to production, a meeting is called to discuss and locate the weak spot in the program, and then draw the line to normal again. The necessary overtime is paid to the men in order to bring back items necessary to normal production rate.

The labor problem of the Oneida Community, Ltd., is negligible, owing to the community spirit of meeting production and to Mr. Noyes' personality. Men aiding him in the earlier stages of production were given partnerships in the business; and workmen are treated on the same basis. Schools are provided for the children; milk obtained by means of certified dairies; etc.

Wages, during the war, were paid in accordance with the Bradstreet Index Number, 1% for 16 points, monthly. By mutual

agreement of all employees, (obtained by personal contact, which is the only way the company deals in), the difference in wages of the men who volunteered or were drafted into the service was paid at all times during their period of enlistment.

The wages were cut 33-1/3%, after it was found necessary to reduce in order to meet expenses. There is a contingent wage scheme in effect now, paying a base wage to everyone, and, at the end of the year, after allowing our preferred dividends, 7% on our common and surplus outstanding, and taking care of the government taxes, the balance is split, 50-50, giving the men what has been actually earned according to profits made during the year.

About 65% of the stock is owned by employees and only 11% by non-residents.

Labor is recruited from any source, but men are paid in accordance with length of service.

At no time has the surplus of the company been allowed to drop below 50% of the capital, in order that dividends, etc., may be met.