

Michael Engineering Ltd.
Manufacturer of two-part resin handling systems

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Michael Engineering, Ltd. - disk495

I. Date of meeting May 12, 1995 - 3:02:22 PM

II. Location - rjs office

III. Agenda

A. Discuss empowerment of family.

B. Discuss internal benchmarking.

C. Discuss development of a data base related to production and other business operations.

D. √Discuss succession and what it means.

1. √Ralph

2. Mike

3. Jeanette

E. √Review management plan questions.

F. √Define terms.

IV. General information

A. Those involved

1. Family members and management

a) *Jeanette Prewett - 58 - no salary

b) *Michael Prewett - 58 - salary

(1) Started business in 1971.

(2) Decided to work for himself.

c) *Ralph Prewett - 32 - hourly

(1) Started in November 1986

(2) Education

(a) CMU 2 yrs in computer sciences

(3) Training

(a) Worked as mechanic

(b) Has made epoxy pumps since he was seven.

d) Eric Prewett - 29

(1) BS in packaging from MSU

e) Leah Prewett (Sias)- 27 - (Eric's wife)

f) Beth Kepner (Prewett) - 25

g) Charlie Kepner - 25 (Beth's husband)

h) Marcille Prewett (Brecht) - 32 (Ralph's wife)

2. Employees

a) *Rob Clendenning - 40 - general shop work (hourly)

b) *Brad Weeks - 20± - factory labor and other miscellaneous jobs (hourly)

B. Reasons for meeting

1. Transmit pertinent knowledge from rjs.

C. Questions

1. Succession
 - a) Why does Mike want a board of directors.
 - b) How is Mike going to empower?
 - c) Who is Mike going to empower?
 - d) What does Mike's empowerment mean?
2. What is Ralph's view of succession?
 - a) Expectation that sometime within the next eight to fifteen years that he would have control of the company.
 - (1) See control of company in definitions below.
 - b) That the sequence of how the succession is to take place be clearly defined to the mutual satisfaction of those involved.
 - (1) Control
 - (2) Ownership
3. What is Jeanette's view of succession?
4. What is Mike's view of succession?
 - a) Considerations
 - (1) What happens if Mike is gone and Jeanette has the company?
 - (2) How does the corporation decide if Ralph is the proper successor to Mike?
 - (a) Who else is their?
 - (b) What will it take to make Ralph happy?
 - (c) Who owns the company as a result of succession?
 - (3) What would be the differences between Ralph running the company for Mike, as compared to Ralph running the business as the owner?
5. What are the elements of the company plans that each have now?
 - a) Mike
 - (1) Advertise in trade journals.
 - (a) Industrial Product Bulletin
 - (b) Industrial Equipment News
 - (c) Adhesive Age
 - (2) Develop a national sales representation model.
 - (3) Develop and design one or more advertisable products.
 - (4) Improve ability of the support staff to help develop and market products.
 - (5) Develop a good on-phone sales representative and technical order taker.
 - b) Jeanette
 - c) Ralph

D. Miscellaneous

1. Has been trying to get outside members for his board of directors.

V. Questions

A. What business are we in?

1. j-Meter sticky stuff.
2. r-Manufacture two part meter-mix equipment.
3. m-Help epoxy users meter-mix and apply epoxy.

B. What is our principal product or service?

1. j-Metering pumps.
2. r-Two part meter-mix equipment.
3. m-Pumps to mix or apply resin.

C. What market do we serve?

1. j- Industrial, boats, airplanes.
2. r-
 - a) Industrial side
 - (1) Predominately electronics potting.
 - (2) General plural component metering.
 - b) Hobby/repair shop
 - (1) Aircraft
 - (2) Marine
3. m-Marine (25%), aircraft (25%), electronic (10%), molded plastic products (3%), laminated, embedded and/or coated decorative items (3%), sealing bolts on engines. (.02%)

D. What common qualities define our customers?

1. j-Use two-part resins.
2. r-Have sticky fingers and benches.
3. m-Need help with two-part resins.

E. What is our predominant image with our clients?

1. j-Small, inexpensive, accurate.
2. r-No answer.
3. m-Low cost, simple, durable, practical, quick service.

F. Mike, Jeanette, and Ralph should complete this list.

VI. Creativity

CREATIVITY

Creative thinking is an essential ingredient to successful project management. It helps the alert project manager to solve problems, establish management patterns, provide leadership and motivation, and to insure that design, quality and cost integrity of a project is maintained.

Creative thinking is applied to the management process on a routine basis by continuing to learn with an open mind; being among the first to accept something new while being among the last to discard the old.

There is also a special requirement for creative thinking that demands getting rid of what Roger van Oech in his book, *A WHACK ON THE SIDE OF THE HEAD*, calls mental locks. These mental locks are recognized by such familiar phrases as:

1. I'm looking for the right answer.
2. That isn't logical.
3. Be certain to follow the rules.
4. Let's be practical about this.
5. And don't make any mistakes.
6. Playing is a waste of time.
7. That's not my area of work.
8. Don't be silly.
9. But I'm not a creative person

The above statements indicate a set pattern of thinking, that when used blindly, gets in the way of the creative process.

Other major obstacles to thinking creatively include making premature judgments, and excessive use of the self fulfilling prophecy. The self fulfilling prophecy usually indicates you have your mind made up before even starting any heavy thinking about the idea. You then never give your brain a chance to do any creative thinking.

Remember, it is nearly impossible to be creative and judgmental at the same time. So, in project management it is a good idea when creatively considering a complex matter to prepare a random, or non judgmental, laundry list of things that have to be done or thought about. The list should include all items within reason, whether or not you and the others involved think it should be included. Often the combination of a single idea of doubtful merit is a brilliant thought in league with other ideas.

Processes of creatively tackling a problem have been used for hundreds of years by many excellent thinkers. The creative procedure can be described in six major steps.

1. Gather all facts that time will allow, about the subject under consideration. Try

not to be judgmental while you are collecting information.

2. Think hard about the data and the other information you have gathered in relation to the problem or situation you are involved with.
3. Forget about the problem! Let the material looked at so far, and the ideas you might have, get mulled over by your subconscious. This period is called gestation.
4. Ideas (illumination!) will usually start springing to mind soon after the gestation period starts. However, in some cases it might take several days, weeks, or even months. Be alert for the sudden revelation of the solution. When the solution or idea or lost thought appears grab it and write it down!
5. Act on the solution, idea or thought!
6. Follow up and check to see if the solution was a good one and if it has worked.

Creativity is a simple, elegant way of life. All you must do to enjoy it is to unlock your thinking, exercise your mind and use your imagination!

VII. Definitions

A. **Accountability**

B. **Accountable**

C. **Authority**

The prerogatives, either vested or acquired over a long period of time, that allows an individual to carry out their responsibilities and duties. This includes the right to determine, adjudicate, or otherwise settle issues or disputes; the right to control, command, or determine.

D. **Baseline**

E. **Benchmark**

A way of comparing Michael Engineering with other businesses in the same line of business and identifying where they are better or worse. Benchmarking implies improvement by comparing good performance and finding out how others are achieving it.

F. **Benchmarking**

G. **Better**

H. **Business plan**

I. **Business planning**

J. **Cash flow**

The difference between income and expense and what is done with it.

K. Communications matrix

A multi dimensional chart showing the communications, organization, authority, and responsibilities of each person in relation to each other person in an organization.

L. Company

A group of people using equipment and resources to take advantage of opportunities to create money under leadership of the boss.

M. Company culture

The inherent nature of the company as determined by its leaders, owners, managers and customers. Of or pertaining to the essential nature of the organization. Inherent.

N. Company philosophy

O. Competent

P. Completed

Q. Control of the company

Managerially - Authority to make and implement decisions that are involved in running the company.

Responsibility - To accept and respond to the needs and desires of the company staff while accomplishing the company mission.

Financially - To be responsible for, and have the authority to allocate the company's financial resources, and to be rewarded when the company is successful, and penalized when the company is not successful.

R. Cost center

S. Create

T. Culture

U. Diversified market areas - divisions

V. Employee

W. Empowered

Given responsibility and authority by someone authorized to give & accepted by the person to whom it is offered.

X. Funded

Y. Future

Z. Group

AA. Growth

AB. Horizontal Growth (Integration)

A management system that emphasizes diversifying by expanding existing functions by classes. For instance a design office could accomplish horizontal integration through dividing their operations into various kinds of projects such as commercial, institutional and industrial. These all use the same or similar functional disciplines but the organization is divided into separate groups that concentrate mainly on one of the three main building types.

AC. How to measure savings in benchmark tracking

AD. Implement

AE. Industry

AF. Innovation

AG. Insure

AH. Interact

AI. Internal benchmarking

AJ. Internal networking

AK. Leadership

AL. Macro

AM. Manage

To define, assemble and direct the application of resources.

AN. Management

The act and manner of managing.

AO. Management systems

AP. Marketing

AQ. Marketing

The process of conceiving, formulating and implementing a process by which the ultimate service or product of an organization can be successfully sold.

AR. Matrix

A two or more dimensional display of related data.

AS. Means

AT. Methods

AU. Micro

AV. Mission

AW. Model organization chart

AX. Networking

AY. Office

AZ. Operative words - to be defined

BA. Out of control

01. The company can deteriorate or improve (change) in terms of cost of production, labor content, and other related items without management knowing it.

02. The company can deteriorate or improve (change) in terms of cost of production, labor content, and other related items without Mike knowing it.

BB. Ownership

Having the legal right to the possession of a thing.

BC. People

BD. Personnel

BE. Persons

BF. Plan

BG. Planning

BH. Political involvement

BI. Proceed

BJ. Profit

BK. Provide

BL. Ready cash

The amount of immediately available money for business or other related uses.

BM. Relentless

Steady and persistent; unremitting.

BN. Requirements

BO. Resource

BP. Responsibility

The assignment, spoken or understood, that a person in an organization has as his or her part in maintaining the organization's health and vitality.

BQ. Reward

Something, as money, given or offered especially for a special service. A satisfying return or result.

BR. Risk taking

BS. Sales

BT. Sales

BU. Security

BV. Selling

Establishing and implementing the strategy of achieving the objectives of the marketing plan. The physical process of closing the negotiation for services and products for a consideration.

BW. Strategic

BX. Strategic planning

BY. Success

Meeting your goals and objectives.

BZ. Succession

CA. Succession

The act or process of succeeding to the rights or duties of another.

CB. Support operations

CC. System

An assemblage or combination of things or parts forming a complex or unitary whole.

CD. Tactical

CE. Tracking

CF. Vertical Growth (Integration)

A management system that encourages diversifying by adding new functions to existing functions. New functions added usually bear an organizational relation to the existing. An example of vertical integration is incorporating real estate control, building design, financing, construction, leasing and asset management into a single development operation.

CG. Worse

