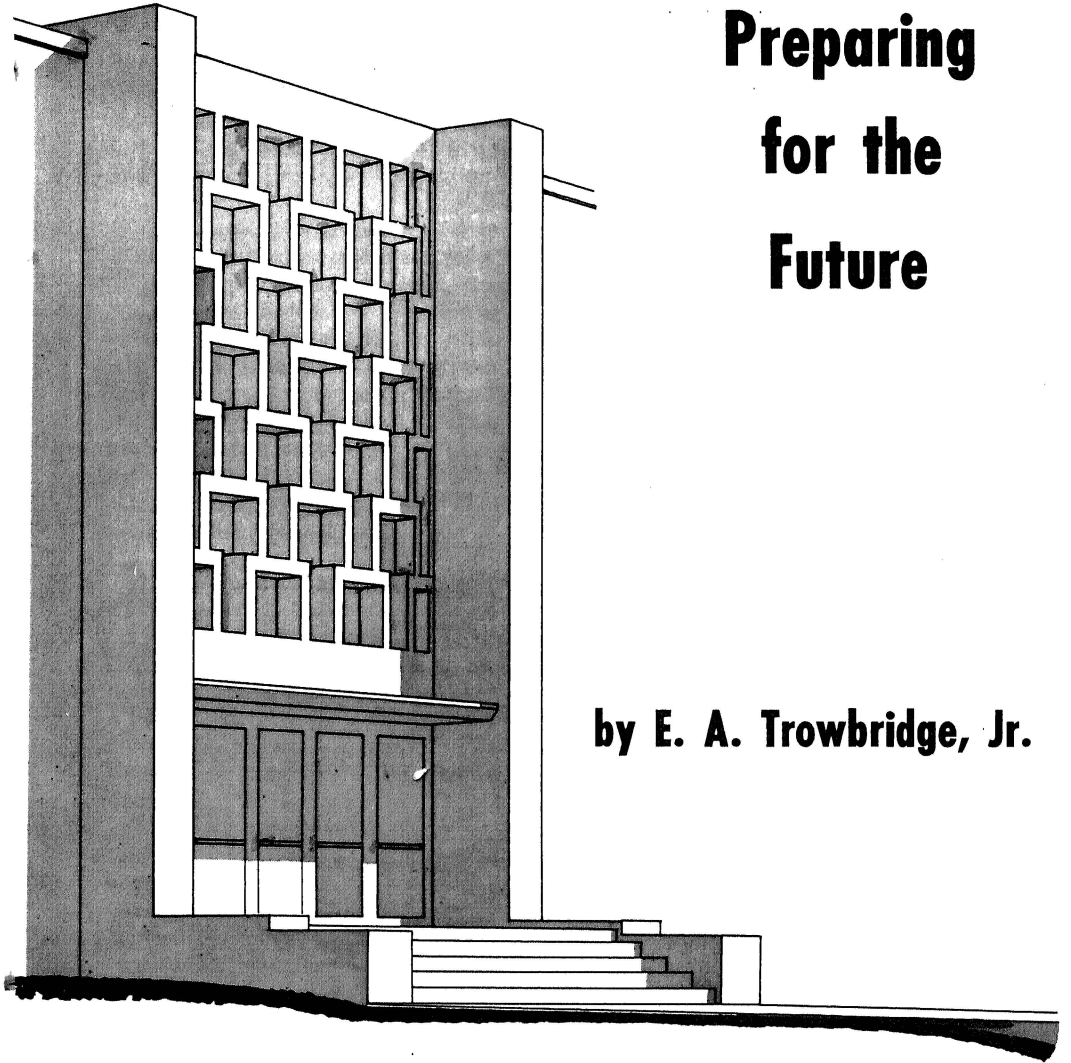


Preparing for the Future

by E. A. Trowbridge, Jr.



UNIVERSITY OF MISSOURI
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SUMMARY OF REMARKS BY E. A. TROWBRIDGE, JR.,
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In common with probably more than one graduate who returns to his favorite campus to talk to a captive audience, I might as well concede now that the urge does exist to reminisce--to discuss so-called exciting events of 'the good old days'. But before you become too concerned, let me quickly add that I do intend to try to suppress this desire; you folks are certainly more interested in the 1960's than in the campus exploits of the class of '33.

However.since we have brought up the subject.there are a couple of contrasts I would like to draw between the environment of today and that of 30 years ago for the young man who had just received his degree. Many of us, I believe, in the class of '33 went with some degree of trepidation out into an economy where one out of every four persons in the labor force was unemployed. The typical graduate of that day who was ready to look for his first job had a great deal more to do than stroll over to the college placement office. He found no company recruiters beating a path to the campus, nor did he find companies freely offering to pay interview travel expense. When he did get a job located, he seldom found it accompanied by any training or development program, nor by such things as pension, insurance and hospitalization benefits. Needless to add, he made no fuss about the absence of such prerequisites.

How different is the environment today. Given a willingness to work, practically every Ag. student can pursue his schoolwork with complete assurance there is a job for him somewhere upon graduation. Perhaps partly because of this confidence, today's students also appear to be acquiring automobiles, apartments and families at an unprecedented rate. Or could this also be partly due to a rapid upsurge in the number of credit agencies in recent decades? In any event, we know that far more students are today sampling the delights of a so-called affluent society than did those of yesteryear.

I do not want to leave the impression from these remarks that I am pining for the good old days. Far from it! The contrast provides vivid evidence of economic progress. It is important, however, that we maintain an awareness of the exceptional opportunities that are offered to us these days and be mindful and appreciative of the basic characteristics of our economic system which are responsible for this progress. These economic principles, basic to free enterprise, must be preserved. I will have more to say on this subject a little later.

It has often been said that we must first study the past in order to appraise and forecast the future. I certainly endorse that statement, but I am reminded of one rather glaring exception to it that took place right in our own livestock and meat industry. At the time of my graduation, one could look back for thirty years to check on the rate of growth in this industry and he couldn't find enough to talk about. Total meat production had gone up only about 20 percent between the early 1900's and the 1930's, and meat consumption per person in this country had dropped from some 155 lbs. down to about 130 lbs. over that period of time.

Furthermore, I don't recall many people who made any predictions at that time of any major change in the situation. Obviously, those of us who went into the livestock and meat industry during the 30's did so more because of its promise of stable employment than because of its outlook for growth.

However, starting during the 1940's, two very important things happened: first, there was a major breakthrough in farm technology--all of our old limits on ability to produce went into the discard. Secondly, there was a sharp increase in consumer purchasing power, which brought meat into direct contact with far more people than ever before who now had the ability to buy this highly prized product.

As a result of these twin forces, meat production began expanding much faster than population growth. Meat consumption per person moved from 130 pounds during the 1930's to about 145 pounds by 1950, and on up to the 160-pound level by 1960.

Is this growth of recent decades going to carry on into the foreseeable future? I firmly believe that it will. One could easily spend an hour on each of several reasons for this belief, but I won't do much more than enumerate some of them here. Starting with the consumer, there is every reason to expect continued growth in consumer demand for the high protein products of livestock. Upgrading the diet is part and parcel of rising overall standards of living. The retailer's meat department in most cities is being increasingly transformed into an exciting shopping center: one that contains higher quality, more attractively packaged, products than ever before; one that effectively competes with other departments for the consumer's dollar.

To meet these demands of a growing population of consumers, it seems to me that virtually all segments of the livestock and meat team are today pushing more aggressively than ever in history to do the basic thing that they must do to perpetuate a healthy and thriving industry: namely, to deliver to the consumers the quality of meat products that they want at the lowest possible cost. At the farm level, a larger and larger part of total production is moving into the hands of managers who are innovation-minded, and who have the know-how to tie land, labor and capital together into a highly efficient package.

Illustrative of the drive for efficiency at the marketing level are the extensive modernization programs that we find today in meat packing, with numerous old and obsolete plants coming down and being replaced by new and highly efficient facilities. At Wilson, the company which I of course know best, two large packing plants that were built 50 years ago, one at Oklahoma City and one at Los Angeles, are to be replaced shortly by the most modern facilities that present-day technology will permit us to construct. Needless to say, our costs will be sharply lower in these new facilities, and we can count upon the time-tested forces of competition to see to it that both producers and consumers will also be benefitting from these changes.

Another key reason for expecting continued industry growth can be found in the research contribution which both college and industry seem destined to make over the years ahead. In the case of college research, I have the definite impres-

sion that the output today of livestock and meat research programs at most of our midwest land-grant colleges substantially exceeds that of, say 10 years ago, in both quantity and quality. Within industry, there is a greater premium placed upon research than ever before. The more farsighted managers well appreciate that high-quality research is the key to new products that should bring in new profits in the decade ahead.

Insofar as university research may tend to be more basic in nature whereas industry research will be concentrated on areas of more immediate payoff, good communications and cooperation between these two groups will continue to be highly essential. I don't know the extent to which you undergraduates may be aware of this, but I think that Wilson is just one of a sizable number of companies which is extremely proud of its research relationships with staff men at the Missouri College of Agriculture. We have come to have the highest respect for the ability and scientific objectivity of such men as Dean Kiehl, Don Naumann, Jim Rhodes and numerous others. For our part, we hope to work even more closely with the University in the future than in the past on projects of mutual interest.

Now as you may have guessed by this time, I do believe that there is some correlation between a man's career growth and the growth of the industry in which he locates. To take an extreme case to make my point most quickly, visualize a young man going into the railroad industry today, a business that is literally fighting for survival. Projection of the number of good jobs in that industry 20 to 30 years from now--a time when today's graduate should be reaching the peak of his career--may indicate a drastic reduction from present numbers. This is a sharply different picture from that which I described for the livestock and meat industry. . . I of course have nothing against the railroads; in fact, I believe that their management is putting up a most gallant economic battle. However, regardless of the example used, a young man with alternative choices among industries can profit, we believe, by making a comparative growth analysis.

In the case of the undergraduates present this evening, we know that you have already begun your career evaluation and that it has brought you to the Ag. school and an Animal Husbandry course of study. This is a fine start--nothing in my own experience suggests you have made any mistakes to date. However, many of you still have important judgments to make before you narrow down your range of career opportunities to one specific job. Animal Agriculture is a big field, and we all know that in some degree you are soon to become eligible for a sizable number of career opportunities. How will you make your choice?

In the final analysis, I think you will select one of these opportunities by basically combining your own personal set of interests and values with your state of knowledge as to what each alternative job opportunity is really like. This latter point is one I want to emphasize. One's state of knowledge or understanding is a highly relative matter, and, in my opinion, too many students make crucial career decisions without securing enough information about their job alternatives.

You can of course give any name you wish to this information gathering process about jobs that I am suggesting, but in many respects it has the basic elements of a research project, junior-size. Even for those of you who perhaps

can most safely bypass this project--those returning to the farm, not only for the cash income but because you place a high value upon the intangible satisfactions of farm living--I still think there would be merit in approximating what, if anything, these intangibles may be costing you. To do this is of course not easy because it involves a long-term projection of your farm earnings in comparison with your estimated earnings from your next-best career opportunity. However, even a rough estimate is much better than no estimate at all when we are considering something as vital to a man as his earnings potential.

Let's now turn to the information-gathering process in terms of the man who is giving serious thought to an industry career as one of his alternatives. A few of his earliest questions might be these: Is my animal husbandry major really qualifying me for a good job in industry? What courses should I take to supplement my animal husbandry training? What is a job in business really like? What is it that really motivates a young man in business to give his very best to his job? Do I have the right kind of personality to go up the managerial ladder in the business world? How does a young man in a big company keep from getting lost in the shuffle? What are some of the hardest parts of a manager's job? Are there any characteristics that all successful managers seem to have?

To the extent that time permits, I want to pass along some thoughts on this series of questions if you will keep firmly established in your mind that they represent the judgments of only one man in the business world. As I will doubtless repeat several times, your job of becoming fully informed concerning your alternatives involves exposure to just as many knowledgeable people as possible. By knowledgeable, I don't mean only company officers; for certain kinds of information, I'm sure that a well-planned discussion with young men who have been out on the industry firing line for just a few years pays good dividends.

It is through a distillation of these various viewpoints that you will be able to make up your mind and enable you to begin your career with a feeling of confidence that you are headed in the right direction, uninhibited by fears that perhaps the grass is a lot greener on the other side of the fence. All this is not to say that every young man going into industry must spend all of his career with one company, such as I have done to date. Circumstances develop that make changes mandatory, or at least desirable. However, I have seen more than one employment application over the years showing frequent job changes, and these men appeared to be no further along toward a productive career than when they left college. There is good evidence in such cases that valuable career time is being wasted.

Turning now to one of the questions I posed earlier regarding the adequacy of your curriculum for a position in our industry. Frankly, I don't know exactly how I would go about designing a perfect curriculum, but I do know this: the one you are following should certainly do a far better job of equipping a man for management responsibilities than the one I completed in 1933. Perhaps the reason why I like your program will be better understood if I take a moment to briefly describe the management promotion process, not only in meat packing but I believe in industry generally.

By and large, the initial years of a young man in business will be spent in practicing his specialty, in whole or in part. Thus, we find men trained as food technologists, as lawyers and as engineers stepping directly into those roles in industry. Men trained in Animal Husbandry and in Marketing may receive additional industry training to become livestock buyers and salesmen, respectively, but here again we see them as essentially specialists who are without managerial responsibilities.

Then begins something of a paradox in much of industry. The man who stands out as a specialist--whether he be salesman, beef grader, or lawyer--is given a promotion and additional responsibilities, and these are often managerial in nature. The man's climb up the managerial ladder is now underway, and the farther he goes the greater the extent that he will be called upon to act, not as a gifted specialist, but as a gifted generalist on a wide variety of issues far removed from his original specialization.

I'm sure you have already spotted the most difficult aspect of the business career that I have described--it is that of making the breakthrough from being a good specialist to being an effective generalist. The latter person requires quite a different set of talents from the specialist; even though unfamiliar with technical details, he must get quickly to the heart of issues; he must accurately analyze situations; he must be able to see causes of problems and lay out courses of action for specialists to follow. In short, he must walk with confidence on unfamiliar ground.

Coming back to your curriculum, my review of it first was focused on the courses designed to make you highly adequate specialists. The need for this is obvious. I then started looking for courses that I believe would help in the business world in bridging the gap between the specialist and the generalist, and you know what they are--they range from economics, accounting and business law to logic, psychology and personnel management. How much these courses will ultimately help you depends significantly, of course, upon you and the quality of your instructors.

Another question I posed earlier asked what a job in industry was really like. While this depends upon the job, let me answer it in a way that cuts across all management jobs, in Wilson & Co., at least. We must begin with the prime company objective which can be simply stated, namely, to maximize profits. Each of our packing plants of course has the same objective. In turn, each of the numerous departments within each plant is organized on a profit and loss basis, and each of them has a single job, that of profit maximization. What I am saying is that no individual is very far removed from a profit-center, and his performance is appraised in relation to its degree of earnings success to a significant degree. I should add that competitive pressures do bear more heavily at times on certain areas than others, and this is taken into consideration in employee appraisals.

Therefore, in a company that is truly profit-oriented, its entire management team is continuously evaluating alternative courses of action in terms of their effects on results. Should we make this sale to A&P or not? What would be the effect on results if we did or if we didn't? Should we slaughter cattle eight hours today or nine hours? Should we add another quality control inspector to the sliced bacon operation or not?

These questions are illustrative of day-to-day problems, and finding answers--the right ones--is how management must spend a good share of its time. What adds to the complexity of the manager's job in our business is that frequently there isn't much time available to find the right answer, which places a premium on a man's ability to act intelligently on the basis of limited evidence.

And then there were a couple of questions I listed which dealt essentially with characteristics of successful business executives. If you were to take the time to search the literature, you would find a lot written on this subject, mainly for two reasons: first, companies themselves would like to have a sure-fire method of selecting men destined to be successful managers, and if, for instance, it had ever been found that such men all had big ears, you may be sure only these individuals would get the top jobs; secondly, young men also have a naturally keen interest, because their path to success would be insured if there was some executive image that they could pattern.

Very briefly, some of my thoughts are as follows--and I throw out a double caution here that no two men in business are going to answer this quite the same way--first, I think it is generally taken for granted that all good managers are expected to have certain attributes such as a reasonable level of native intelligence, a willingness to work and an ability to get along with others.

Secondly, I don't think there is such a thing as one set pattern of personality that goes with managerial success. To take a simple example, whether you tend to be quiet and reserved or whether you lean to the boisterous out-going type is not of great import because good executives across industry are as frequently of one type as of the other. I think it is fortunate that this is the case, since efforts to graft new traits onto a man's existing personality is probably a pretty tough job. Now this does not say that a man's habits, in contrast with his basic personality, cannot be changed through training; a man can learn to get to work on time when he finds it essential, and he can learn to stop saying things that irritate people when he finds that it is mandatory to get along with others.

In developing my last point, I hope it is not out of order to first mention the fact that we in Wilson & Co. have developed a manual which is called "Principles of Professional Management," and in it are laid out the four key elements of any manager's job, namely, planning, organizing, executing and measuring. These are easy for you to remember because the first letter of each word spells POEM, and it sometimes is referred to as the poem of management, planning, organizing, executing and measuring. In a very real sense, any manager is going through this four-step process over and over again as he moves from one project to another. He first has to plan the job, he then must organize his resources for carrying it out, he then has to execute or direct the actual operation, and lastly but by no means least, he must measure the effectiveness of the program or project.

Now, within the context of these four essential elements, which ones will constitute the biggest challenge for the manager of tomorrow? By tomorrow I mean, say, 10 to 15 years from now. Putting it another way, in which of these elements will the successful executive tend to pull the furthest away from the mediocre one?

In our judgment, there are two: organizing and measuring. Business is inevitably going to become more complex in the future, rather than the reverse. With new tools and techniques coming into the picture, such as growing sophistication in the use of electronic computers, there will be more specialization in a number of areas. The successful manager will effectively harness these specialists through the use of teams, task forces or whatever you choose to call them. This calls for unique organizing ability.

In the case of measuring, this is today one of management's toughest jobs and hence one of its greatest challenges. What golden opportunities exist here for the new generation of young men that move into business. I could give you all kinds of examples. Should one spend \$100,000 in advertising in a given market this year--or should it be \$50,000 or \$200,000? Is a new product really good enough to justify a substantial investment, or should it be laid aside? What is the optimum ratio between supervisory and production workers? What is a certain white-collar worker really worth--we know his cost, we appraise his performance, but we have no reliable means of truly measuring his contribution to the business.

My last judgment on the successful manager of tomorrow is that he will be more gifted as a generalist than in the past, and he will have developed to a high degree the ability to make things happen. Nicholas Murray Butler, once head of Columbia University, said that there were three kinds of people--those who make things happen, those who watch what goes on, and those who don't know what happened. Within my own orbit, Judge Cooney, Chairman of Wilson & Co., is illustrative of a man who has demonstrated rare talent in this art of making things happen. For instance, he was the first major packer to break with decades of tradition by taking a large packing plant out of the Chicago Stockyards area. In fact a list of the things that the Judge has made happen to Wilson & Co. since 1953 would make for a fair-sized talk in itself.

This evening we have in effect taken a quick stroll through Animal Agriculture and found a demand for trained and educated persons capable of becoming tomorrow's leaders. During this trip we also stopped at a place called Industry to get the briefest of exposures as to what goes on in the business world. As a minimum, I hope I have conveyed to you the feeling that a business career can be challenging and exciting, because that is exactly what I have found it to be.

While I must quickly bring these remarks to a close, there is one vital challenge and opportunity that we all have in common, regardless of the ultimate career path we follow, and I want to dwell upon it just briefly.

Upon graduation, which we trust will come sooner or later for each of you enrolled, you are going out to seek your fortune and raise your families in what can be called a free society. You will have freedom of enterprise--you will be free to enter any line of work for which you are qualified; you will have freedom of choice--you can spend or save your income as you see fit. You will have such privileges as freedom of contract and private ownership of property; lastly, you will live in essentially a free-market economy where profit is the motivating force, and where prices are determined in the main by the forces of competition--not by some master mind that imposes them upon society.

In terms of freedom, we are today truly the blessed of the earth. Furthermore, it has clearly been our free enterprise system, with its highly efficient means of elevating living standards, that has made possible the educational opportunities which you and thousands of others are enjoying. This great privilege of acquiring an education carries with it an appropriate responsibility and obligation, which is simply this: every educated man must actively help to perpetuate the way of life which made his education possible.

Clearly your first job is that of gaining a rich understanding of our economic system--how it functions, how it can be preserved, how it could be destroyed. Once you have such knowledge, you will be more ready and willing to stand up and be counted, to participate in public affairs as an informal citizen, to provide leadership for the many who are confused and uncertain as to the means of preserving a free society.

The evidence of the urgent need today for such leadership is all around us. For instance, current discussions of further government centralization of economic power, of a stronger consumer voice in government, of government regimentation of American agriculture--these are all burning issues involving the extent to which we are ready to further socialize our economic system. While these issues will by no means be resolved during 1962, the odds are great that irrevocable choices will be made during the years not far ahead--years that will place heavy responsibilities upon those of your generation.

Clearly, this job of essentially economic education is a terribly vital one because everyone agrees that institutions around us are not self-perpetuating. Our American way of life will be preserved only by the efforts of all the people, and the responsibility for leadership lies with the educated men and women, including all of you in this room.