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# HCO POLICY LETTER OF 28 OCTOBER 1970

### **Org** Series 9

## **ORGANIZING AND HATS**

"Org Bd" is actually an abbreviation not for an organization (noun) board but an organizing (verb) board.

The org bd shows the pattern of organizing to obtain a product.

A board then is a flow chart of consecutive *products* brought about by terminals in series.

We see these terminals as "posts" or positions.

Each one of these is a hat.

There is a flow along these hats.

The result of the whole board is a product.

The product of each hat on the board adds up to the total product.

#### WORKING IT OUT

When asked to work out an Org Bd (or when the board there is doesn't work) one might think the task very difficult.

In studying this subject so as to be able to communicate it, I made several small breakthroughs in the subject itself.

Several questions on this can be very easily answered now.

Does an org bd have any value?

Yes. Without an org bd there is no group product, there is only a mob.

Yes. When there is no org bd there is much greater effort involved in getting anything done.

Yes. The waste of people involved in no org bd and the loss of product justify any amount of effort to work out, make known and use a proper org bd.

Man instinctively uses an org bd and protests the lack of one. The rawest recruit walking aboard a ship assumes the existence of an org bd, if not a posted one, at least a known one. He assumes there will be somebody in charge and that different activities will be under different people. When there is no known org bd he protests. He also feels insecure as he doesn't know where he fits into this organization.

Almost all revolts are manned by people who have been excluded out and are not on the country's org bd. This is so true that the ridiculous circumstance recently occurred in the U.S.. The president found he had "professional relief receivers". Certain people had assumed the status of "government dependent" and were giving this as their profession. It was of course a post of sorts. And because it wasn't admitted as a post by the government there were some riots. HCO PL 28 Oct 70 -2-

The effort to belong or to be part of is expressed by an org bd. A person with no post is quite miserable. A person with an unreal post feels like a fraud or a mistake.

Morale then is also considerably affected by the quality of an org bd or its absence.

The overall test for the group, however, is its viability. Viability depends on having an acceptable product. Groups which do not have an acceptable product are not likely to survive.

The volume and acceptability of a product depends in no small measure on a workable known org bd. This is true even of an individual product.

An individual or small group, to get anywhere at all, requires a very exact org bd. The oddity is that the smaller the group the more vital the org bd. Yet individuals and small groups are the least likely to have one. Large groups disintegrate in the absence of an org bd and go non-viable in the presence of a poor one.

The quality of a product, usually blamed on individual skill only, depends to an enormous extent upon the org board. For example, one disorganized mob that was trying to make a certain product were worked to death, harassed, angry at one another and had a wholly unacceptable product at about twice the usual cost; when organized to the degree of a third, still without proper schedules, still largely untrained, they began to turn out an acceptable product at about half the effort—so even some organization worked.

The product volume and quality depends utterly and totally upon the org board and hats and their use. You can train individuals endlessly but unless they are operating on a workable org bd they will still have a poor or small volume product.

The traditional reliance of British Intelligence on star agents instead of organization cost them (along with misused PR) their empire.

Lack of a known and real org bd can spell failure. And lack of knowledge of the *subject* of organization has to be substituted for by pure genius at every point.

Thus to make anything at all, to improve any product, sustain morale and distribute work equitably and make it count, one has to have a real and a known org bd.

So how do you make one?

#### HATS

An org bd is made up of hats.

The definition of a hat is the "beingness and doingness that attains a product".

Let us take a train:

The engineer wearing his engineer hat has the title of engineer. That's the beingness.

He accepts orders, watches signals and general conditions, operates levers and valves to regulate the operation of his engine and to start change and stop. That's the doingness.

He safely and on schedule moves the train passengers and/or freight from one location to another. A moved train and load is the product.

So how do we find out there is a hat called engineer?

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As people are continually accepting or viewing already existing posts, when you ask them to dream up an org bd they at first may not realize that you are asking them to *invent* the correct posts.

They don't have to invent "engineer". Everybody knows "an engineer runs a train".

So if you didn't know this? You'd have to figure it out.

One would do it this way. One would have to think along these lines.

The idea comes about because of a concept that people and goods have to be moved over distances on land. Or that a new area building up has to have transport of people and goods from and to it.

Ah. This will be viable in an economic framework because people will pay to be moved and pay for their goods to be moved.

Trains do this.

So let's use trains.

Arranging finance (or by prepayment) and obtaining a franchise for a right of way, track is laid, rolling stock and stations and roundhouses are built.

Now it emerges that somebody has to drive the train. So somebody had better be hired to drive the train.

So there comes into view the post of Engineer.

How do we know this? Because we have to have a *product* of moved people and goods. That was what we were trying to do in the first place.

Therefore, the Engineer Hat.

So supposing now we did not have any org bd at all.

The engineer hat would be the only hat. So he collects fares, runs stations, fixes his engine, buys fuel, loads the cars, sells stock....

Wait a minute. If the engineer did all that the following would happen:

- 1. He would be exhausted.
- 2. His temper would be bad.
- 3. He would have machinery breakdowns.
- 4. He might have wrecks.
- 5. The railroad property otherwise unhandled would disintegrate.
- 6. He would have a low volume of product.
- 7. His product would be uneven and bad as he could maintain no schedule.
- 8. There would shortly be no railroad.

Now let's go wog and "solve" this.

Let's appoint a person for each station and say "There we are!"

Well, it would still be a mess.

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So let's hire more engineers and more station agents and more engineers and more station agents.... and wind up with a confused mess, a huge payroll and a lousy product. That's how governments do it. And it is notable that current governments have no product but disaster.

No, we have to solve this in quite another way.

We do not get anywhere and we will not get a sensible org bd and nothing will work or be viable unless WE COUNT THE PRODUCTS CORRECTLY AND DEVELOP HATS TO ATTAIN THEM.

When we have done this we can arrange the hats on an org bd so there is a *flow* and command channels and communication channels and we've got an org bd.

You cannot work out an org bd until you have counted products!

As volume increases you estimate the products before the final product and hat those.

Quality of final product depends on a real org bd and hats, both complete, real and trained in and the functions DONE.

Let us see now how you break down a *final* product into the products which, put together comprise it.

We have the final product of a railroad-viably moved loads. How many lesser products go into the big product?

There is a matter of machinery here. Any machine has 2 products (a) the machine itself in good operating condition (b) the product of the machine. A repairman and machine shop man and a roundhouse keeper each has a product under (a). That is just for the machine, the engine.

Under (b) we have what the machine itself produces (hauled trains in the case of an engine).

Here we have then 2 major products—and these break down into lesser products, earlier in sequence to the final product.

There is even an earlier product to these-bought engines. And an earlier product to that-finance for equipment.

As for the load itself, a delivered load, accepted by a consignee at the end, as you back up the sequence you will find a product-stored freight. And before thatunloaded freight. And before that-moved freight, And before that-loaded freight. And before that-freight assembled for shipment. And before that-freight contracts procured. And before that-advertising placed in public view. And before that-surveys of public freight requirement. And before that-survey for activities requiring freight service.

Each one of these products is a hat.

Surveying this again we see there's no charges or money involved so no economic viability. Thus we have a product, money made. This has earlier hats of course. The bewilderment of some people (and a lot of executives) who gape at a no-dough situation is laughable. They aren't product-minded. They think money falls into a company's lap or out of a TV set. They can't think the product-sequence necessary to obtain money. So they go broke and starve. There are always a lot of prior products to the product MONEY. Fixated people just fixate on money itself, have no product sequence and so go broke or are poor.

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Someone has to have a desirable product that is sold for more than it cost to produce and have to sell it and deliver it to have money. Money even makes money. And even a pool of money has to have a product sequence or it vanishes.

Even in socialism or communism the how does it support itself question must be understood, answered, its product sequence identified, org boarded and hatted. In such a moneyless society the org boarding has to be much tighter as money adds flexibility and lack of it as a working factor makes problems that are hard to solve.

## ORGANIZING

In order to organize something one only has to

- 1. Establish what is the final product.
- 2. Work backwards in sequence to establish the earlier products necessary to make each next product and which all in a row add up to the final product.
- 3. Post it in terms of vertical greater and greater completeness of product to get command channels.
- 4. Adjust it for flows.
- 5. Assign its comm sequence.
- 6. Work out the doing resulting in each product. Write these as functions and actions with all skills included.
- 7. Name these as posts.
- 8. Post it.
- 9. Drill it to get it known.
- 10. Assemble and issue the hats.
- 11. Get these known.
- 12. Get the functions done so that the products occur.

This is what is called "organizing".

As a comment, because railroads didn't fully organize their viability decayed and they ceased to be so used.

Railroads think it's the government or airplane rivalry or many other things. It isn't. They had too many missing hats, were actually too disorganized to keep pace with the society's demands, ceased to fully deliver and declined. In fact there has never been a greater need of railroads than today. Yet, disorganized, badly org boarded and hatted, they do not furnish the service they should and so are opposed, government regulated, Union hammered and caved in.

To have a quality product, organize!

To raise morale, organize!

To survive, organize!

L. RON HUBBARD Founder

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