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REALITY OF PRODUCTS

The character of the VALUABLE FINAL PRODUCTS OF AN ACTIVITY is something which must be established EXACTLY.

Example: Ajax Ball Bearings Ltd. did well for a while and then went into a decline. The exact change point into the decline coincided with a change to new stockholders and considerable executive and staff turnover. At first glance the WHY would have seemed to be so many transfers—musical chairs. However, a complete survey shows that the definitions of Ajax valuable final products were changed from “Useful Ball Bearings Sold in Quantity at a Profit” to “World acceptance of Ajax”. The big ad campaigns, internal shop and accounting policy shifts to accomplish this, the new fuzzy ideas about it and failure to spot the WHY took Ajax down. Traced further it was found that the new Advertising Manager had originated this policy and the new board had only a foggy notion of its duties and knew nothing of “valuable final products”. The whole company started “manufacturing” acceptance instead of ball bearings. The Production Shop got more and more idle, more and more neglected, had fewer and fewer men in it. Admin got more and more people and down down down went the stats.

A survey of any activity, requesting a list from each member of the company answering the question, “What are the valuable final products of this company?” can reveal much and can show that many are setting policies and doing things in the company name which have no real relation to what the company is doing and therefore drive the activity in contrary and conflicting directions.

After all it is the crew, staff members and workers who do the work. When they have to set their own policy and use their own ideas of the valuable final products, you can get a lot of conflicts and upsets which should never exist.

Make no mistake: an activity can be totally unmanageable and become non-viable over just these points. Possibly all labor-management upsets come from them.

1. Policy is set by top management after experience and agreed upon by others. Where policy is needed it should be requested from the top, not set independently by the supervisors or workers.
2. The valuable final products of an activity must be *very* carefully surveyed, established and clearly released at policy level AS POLICY.

Anarchy appears to fail (as it did before the Spanish revolution 1936) and strong central management succeeds around this one point of policy. Everyone sets his own in an anarchy. Businesses succeed only on that point and the precise establishment of valuable final products.

When the exact valuable final products are known and agreed upon, only then does successful group action become possible.

The car industry looks easy. The valuable final product is a car. But automotive labor and unions have not agreed to that. Their “valuable final product” is “a big pay check”. This one point damaged and may have irreparably destroyed the US economy in 1970 when General Motors, the country’s largest industry, had a walkout and layoff. Failing to handle this one point GM management was failing duty as management (they lost their General Manager last year due to a Ford manoeuvre of hiring him over, then firing him). Labor in this case ruined their future pay checks and lost thousands of jobs.

Forty years ago a similar inability to set policies and establish valuable final products began to wipe out the coal industry in the US. Under a John L. Lewis, the miners made coal mining economically impossible. Management, mostly absentee and careless, half a century before that had begun to make errors, run unsafe mines and look on an appearance in society pages as a valuable final product. Today "Appalachia" is a ruined poverty area. And oil is the fuel—of which there is little compared to US domestic coal.

So do not discount these two points. They are capable of wicked backlashes when not done right. They are the WHY of not only organization failures but also the failures of civilizations.

#### PRECISE WORDING

The valuable final products of any activity small or large must be very precisely and totally listed and totally continually posted.

The valuable final products of a division should be on the org board under the division and the valuable final products of the org should be on the org board in a glaring red list.

Let us take a college. US colleges and others are so clouded up with "government projects" and "scientific findings" and "published papers" and "sport wins" and "general public awe of their greatness" that they have pretty well forgotten a "well trained and successful student in the field of his major". So the student body product becomes "revolt". And the college product becomes "???" in the public mind. I do not speak idly. The very last thing a college wants in a student is one who is an individual success. A downtrodden anonymous member of some industrial team or an underpaid professor is about as high as a college will tolerate from their student bodies according to surveys. For several hundred years, since Francis Bacon (1561-1626) in fact, there has been no renowned philosopher who has not been eased carefully out of his college long before graduation. The list exceptions are tame sell-outs like Dewey, part of the Leipsic death camper crew.

So here is civilization at risk. The valuable final product of its educational institutions is not stated and is neglected in favor of a multitude of false or valueless products. They are not known by their students but by their arrogance and political connections. This is not idle data. Failure to understand this fact of valuable final products began around 1862 the downfall of Imperial Russia, spearheaded by its college students. Having no real valuable final product, clearly stated and agreed upon opens the door to conflict not only in the company but in the state and the entire civilization. (Granted, Imperial Russia stank, which is my exact point. So did Stalinism.)

Studying back and forth over history, poking about in old ruins, remembering, adding it up, the apparent causes of organizational decay are:

- (a) Failure to have an informed, trained top management capable of setting real policy in accordance with the need of the organization.
- (b) Failure of top management to set policy.
- (c) Company members, supervisors and workers setting their own policy out of agreement with or in ignorance of the needs of the organization and themselves.
- (d) Failure of top management to wisely, completely and precisely establish the valuable final products of the activity.
- (e) Ignorance of or disagreement with the valuable final products by workers and company members.

In a much more general sense we would have:

- A. Unwise or unset policy.
- B. Unreal or unstated or undone valuable final products.

These apply to any organization of any size. The most flagrant offenders are governments. I have never met a political leader or police officer who had a clue about valuable final products of the state. You or I might feel that "public safety" was a valuable final product of police, but the police don't say so.

In amongst psychiatry I have worked for hours trying to make numerous psychiatrists state what they were trying to accomplish. I have never even gotten one to hazard even a suggestion of why he was doing what he was doing, much less say "a cured patient" or "a safeguarded society".

The confusion on these points of valid policy and valuable final product is so great in the world of this writing as to be intolerable.

So do not feel strange that in our early organizations it has been hard to handle things—they were cheek by jaw with a society that believed itself a jungle and where "moral" standards were being set by the psychiatrists who gave the world Hitler and twelve million exterminated Germans.

When the society goes in this direction (war, murder, psychiatry) it conceives its valuable final product to be dead men.

Thus it is very very important for us to get these hitherto obscure or unidentified principles up into the light where they belong and to USE them.

1. The beings of top management must be fully informed and capable of setting or knowing and publishing policy according to the need (including viability) of the organization which will be agreed upon by the whole activity. This means an informed trained top management and includes org management.
2. Top management and managers must KNOW policy and be able to set or request policy where it is unknown or non-extant.
3. All members (top management, managers, supervisors, technicians, workers) must understand the mechanisms of setting policy, how to get it set, know policy that is set and know what is valid policy and who sets it.
4. The valuable final products of an organization must be known to, precisely and completely established and defined by top management.
5. The valuable final products of an activity must be known fully to and agreed upon by all beings in the organization including why and the abandonment of random products which are being done but which do not in any way add up to valuable final products.

### ECONOMICS

The economics of any group is such that it cannot tolerate offbeat products and remain sound. This is true of any political or commercial form, group or commercial company.

All of the activities of a group in some way must add up to known valuable final products of a group or it will, as an entity, shatter.

Even in a "moneyless state", a barter economy, this remains factual.

Western civilization and Eastern alike have decayed on the altars of war gods. Diplomatic and political incompetence have squandered their efforts and brought them to inflation and then dust. A socialism where the population goes unshod or a capitalism where a barrow load of bucks will not buy a loaf of bread are paying for ignorance of their actual valuable final products and the squandering of funds and effort on side issues.

One cannot appropriate or apportion funds without an intimate knowledge of the valuable final products of the activity.

One cannot handle property unless one knows the valuable final products of the activity.

One cannot assign personnel without huge waste of manpower unless one knows the valuable final products.

Therefore *one must* be able to list and know the valuable final products of an activity before one can:

- i. Do Financial Planning.
- ii. Arrange, buy or sell property.
- iii. Allocate spaces assigned for different functions.
- iv. Assign personnel.

If one tries to do these things first and discover final products later, all efforts to organize will be cancelled.

#### CENTRAL AUTHORITY

The valuable final products must be agreed upon and issued as policy and additions to the list must be referred to the policy making level of the group before being confirmed as valid.

The aimless meanderings of contemporary societies show the absence of such lists. It some time ago began to be stated and believed that society "just took in each other's washing"; and the joke, Parkinson's Law in which bureaucracy multiplies automatically both give evidence that society is believed not to have any valuable final products even as faint as "a good life".

Individual members of a group or society must know the valuable final products of the activity and must be in some agreement with them to have a successful group.

#### SURVEYS

Surveys of what should be the valuable final products show mainly the spirit of the matter. It should not be believed for a moment that a standard survey would apply: a standard survey being the adding up of the answers and taking the majority as useful.

Such a survey measures willingness concerning types or directions of activity.

Given this, setting the exact *things* the group can or should produce and wording them exactly requires a lot of looking and a lot of work.

What products of the group are economically *valuable*? This is the key point that will be overlooked.

What, in short, can this group exchange with other groups or society that will obtain things the group does *not* produce? This is the heart of economics. The law of supply and demand applies.

This is too hard-headed an approach for a whole group to decide upon without a great deal of personal work.

If the group has a past to assess, then it will previously have produced products from time to time that did demonstrate economic value. A search for and a list of these is of primary value.

If the group has no past, it has some experience available from the society which it can employ.

It can be taken as a rule that group members will not identify or phrase the valuable final products. And it can be taken as another rule that it will in the course of time lose those products from its production that were valuable.

*Final* is another word that will probably escape grasp. Sub-products leading to final products will be given equal billing with the final product.

So three surveys have to be done.

What does the group think its final product should be? This gives willingness and direction.

What have been the previous valuable final product successes of the group? (That did exchange with other groups so the producing group can obtain things it does not produce.) This in a new group would be a survey of what similar groups have produced.

There would then be a period of intense and expert work by or for central policy authority where questions like: Have times changed? Were these items ever thoroughly offered? What was the relative value in light of their cost? Is re-costing necessary due to money value changes? Which ones really brought value back to the group from others? Can we still produce these? Thus a list is drawn up, precisely worded.

Then the final (3rd) survey can occur. This is the issue of the reworked list above to the group to get them to look at it from their viewpoint and see if it is feasible and any points missed and any expert opinion taken amongst the experts in the group.

The final list of valuable final products could then be drawn and issued as policy.

A special watch dog production tally officer could then be appointed to make sure *these* valuable final products are being prepared for and produced.

Yes, it would take all that to get the list of valuable final products of an activity.

The valuable final product list does not come wholly from top management.

The list does not come only from the group.

Major social and business catastrophes occur when (a) no list is set (b) top management only sets the list or (c) the group sets the list up.

Phrases like "a better world" or "a big car" or "lots of customers" are quite incomplete and unreal. Even the words "an auditor" or "a release" are correct but are not fully enough described to be good statements of a valuable final product.

A notable example of all this occurred in the car industry when Edsel Ford, ten years ago, did not survey past products and current demands and produced "The Edsel". Henry Ford half a century earlier had established the company products as a cheap, small rugged automobile that would put America on wheels and a big, expensive car to hold up the company image. "The Edsel" went in between and millions were lost and scores of dealers were wiped out. No survey. No precise product.

If all this seems commercial, remember that in any civilization a group has to buy or acquire those things it does not produce. This is true in Capitalism, Communism or tribal barter. There is no Santa Claus and even a Corn and Games welfare state can go broke and always has.

Thus the *valuable* final product of a group must be valuable to another group or individuals in society around it and sufficiently so that it can receive in return things it wants or needs but does not produce. And it must DELIVER its valuable final product, a point most often missed.

A group of knights in a castle on a hill had protection for the peasant as a valuable final product. When they ceased to deliver and used only threat and robbery the peasant eventually invented a long bow whose arrow could penetrate armor and knighthood was no longer in flower.

All this is really quite simple. It is even in the Factors.

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