

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

HCO POLICY LETTER OF 18 MARCH 1972

Remimeo

*Establishment Officer Series 10*

FILES

The lowly and neglected item called FILES is the cause of more company downfalls than desks and quarters and sometimes even personnel.

Because files are looked upon as routine clerical work they seldom are given enough attention by executives. Yet the downfall of most executives is lack of information and FILES.

Files are often considered an area of overwork on the shoulders of one person or a part time action. This is the most expensive "saving" an org can get itself into.

Example: One org (Jbg early '60's) did not have file cabinets or proper respect for files and kept losing their 6500 Central Files of clients. The org remained in income trouble.

Example: Another Org (SH '60) would not file into its bills files or keep them up and routinely overpaid creditors. In '64 for lack of these proper accounts files, it thought it owed £1000 when it actually owed £22,000! And don't think *that* didn't cause management overwork!

Example: An org didn't have its CF straight and its address was therefore incorrect and not tabbed for publics. (AOLA 1971-72.) This cost thousands of dollars a week in (a) Promo wasted to wrong addresses (b) low returns (c) Insolvent Cash-Bills.

I could go on and on with these examples. FSM pgms broken down as Dept 18s had no proper FSM file or any real selection slip file. Inability to promote to correct publics because of no tabbed address plates. Inability to locate suppliers due to no purchaser files. No personnel obtained as personnel files non-existent. And so on.

There are LOTS of Files in an org. HCO P/L 23 Feb 1970 "The LRH Comm Weekly Report" lists the majority of these.

ORGANIZING FILES

The Establishment Officer will find all too often that in the flurry to get products, the file forming and maintenance function is by-passed. He will find files are being pawed through and destroyed by frantic staffs.

He will seldom find similar attention being given to files. He will even find local (and illegal) orders like "They are spending too much time organizing and too little time producing. So just produce, don't organize."

Such people are getting this week's stats at the expense of all next year's income!

They even order files destroyed as "old" instead of setting up Archives.

Half to two-thirds of an org's income comes from having a well kept Central Files and Address and FSM files and a lot of Credit rating and correct payment comes from bills files. P/L and HCOB files almost totally monitor training and processing and Admin quality.

So files are FINANCIALLY VITAL TO AN ORG.

Efforts to block or cheapen files supplies and personnel must be countered. This is the first step of organizing files.

The next step is using a simple system that lets one recover things once they are filed.

The next step is collecting everything to be filed *while filing it*.

The next step is *completing* the files (usually by extra hands).

The final step is MAINTAINING the files by keeping people there to do it and having exact lines.

Independent files all over a division are liable to file out of date or lost. Therefore it is best to have DIVISIONAL FILES. These usually go in the last Dept and section of the Division. Usually every type of file in the Div is kept there.

In this way you *can* keep a files person on the Division's files.

A big deep FILES BASKET exists in the Div Comm Center.

A Log out Log in book exists to locate where files have gone. This can be a large colored card that takes the place of the file.

A Pre-File set of boxes A-Z sits above the files and is used, so one isn't opening and closing file cabinets every time one files in one scrap of paper.

Files personnel HAVE TO KNOW THEIR ALPHABET FORWARDS AND BACKWARDS LIKE LIGHTNING. This is the biggest cause of slow or mis-filing.

All Hands of the Division actions can be taken for an hour or two a day to catch a sudden inflow or backlog.

There are *no* "miscellaneous files" or catch all "that we put things in when we don't have another place for them".

Clerks must be able to get things out of files rapidly as well as file in.

The files location must not be so distant from the users (like letter regs or accountants) that use of them is discouraged by the delay or the time lost. When this is true they start keeping their own independent files.

#### MEMORY

A person without memory is psychotic.

An org without files has no memory.

#### EST Os

The Est O is responsible for organizing, establishing and maintaining files even when there is a files I/C. The Div Head and Dept Heads are in command of files and their use and over files people. But this does not excuse an Est O from having the Div's files established.

If an Est O only did this file action well, the increased income of an org and the decreased cost would cover his and the file clerk's pay several times over!

FILES ARE VALUABLE TO AN ORG.

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L. RON HUBBARD  
Founder

[See also HCO PL 9 May 1974, *Prod-Org, Esto and Older Systems Reconciled*, on page 438, which modifies the above Policy Letter.]