

Mueller Service Lines

JUNE 1981

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

Lyons new marketing VP

Join us, please, in "piping" on board Robert Lyons as vice-president for marketing. Bob reports directly to President Ed



Bob Lyons

Powers and is responsible for the overall sales and marketing programs of the corporation.

Until now, Bob had been with FMC Corp. his entire career, most recently as director of marketing with worldwide responsibility for fluid control products. Bob also had experience in direct selling for FMC. He really knows valves and related fluid-control hardware.

Bob is a graduate of Fullerton College, Fullerton, Calif. He and his wife, Dee, come to Decatur from Houston, home of FMC's Fluid Control Div.

Look for an in-depth interview with Bob Lyons in the next issue of **Service Lines**. □

Educational Matching Gift Program Announced

The Educational Guidance Committee of the Board of Directors has approved a new Educational Matching Gift Program to "help your dollars help." Effective July 1, 1981, any employee contribution to a four-year college, two-year college, graduate school, professional school, or technical school will be matched by Mueller Co. — dollar for dollar.

Individual support of schools and colleges is becoming more and more important to these institutions in their efforts to maintain current programs and expand into new fields. For some people, contributions to their alma mater is an excellent way to express gratitude to the people and institutions that so greatly influenced their lives.

All active Mueller employees are eligible to contribute through the Educational Matching Gift Program. Your gift must be at least \$25, however, and matching grants apply only to those organizations with exempt status under U.S. Internal Revenue Service rules. The maximum con-

tribution from an employee to any one institution that will be matched is \$500.

HOW TO APPLY

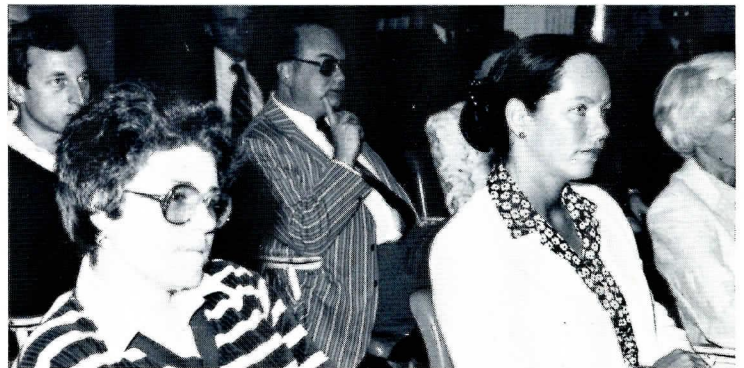
Application forms are available in the personnel department where you work, along with complete details of the program.

If you would like to contribute through the Educational Matching Gift Program, you should complete an application and send it along with your contribution (check or money order, but no cash) to:

Mueller Co.
500 W. Eldorado
Decatur, Illinois 62525
Attn: Secretary-Treasurer

Mueller Co. will then mail its check, along with your contribution, directly to the institution and you will receive a copy of the cover letter.

Remember, with the Educational Matching Gift Program, you decide where the money goes, and Mueller Co. matches your gift. □



Ed Powers (top left), president of Mueller Co., reports on the company's performance at the recent annual shareholder's meeting. Also addressing the group (top right) is Mr. Philip Mueller, one of the principal owners of the company. The meeting was held April 24th at the Mueller Lodge in Decatur. Other presentations were made by several officers of the company concerning past performance and future plans.

Adams to consult on foundry operations

Willard "Bill" Adams, a foundry veteran of wide experience, is our new corporate foundry engineer. Bill reports directly to Charles W. Moore, vice-president for manufacturing, and works with foundry managers and superintendents at all locations. He'll have his office in Decatur.

Most recently, Bill was vice-president of Kenzler Engineering, a foundry engineering firm in Milwaukee, where he was active in new product development, process planning and new plant start-ups. Before that, he worked with other companies as salesman, foundry consultant, plant manager and director of new product development.

We can learn a lot from Bill, and hopefully Bill can pick up a few things from us. □



Willard "Bill" Adams

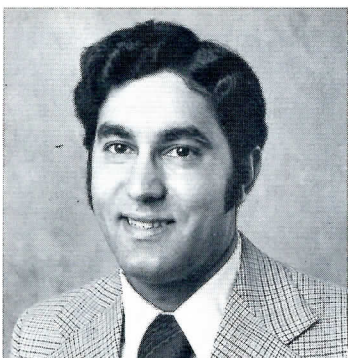
Clarke takes over Canadian operations

Paul Clarke, executive vice-president of Mueller Ltd., our Canadian subsidiary, has been named to the additional post of chief operating officer. Paul will have total responsibility for



Paul Clarke

D'Angelo assumes Western command



John D'Angelo

manufacturing and marketing operations, reporting to Harry Dowding, who will continue as president and chief executive officer.

Paul signed on with Mueller Ltd. as executive vice-president in February 1980, coming to us from U.S. Ringbinder Corp. He was market manager of their New Bedford, Mass. operations. Before then, he was with Imperial Oil Ltd. in several capacities, including sales, finance, and marketing research.

A born Canadian, Paul holds a B.A. degree from Wilfred Laurier University in Waterloo, Ont., and an M.B.A. from McMaster University, Hamilton, Ont. □

John D'Angelo has been promoted to Western District sales manager, succeeding Cliff Auer, who retired in May.

John started with Mueller in a factory capacity, where he gained extensive product knowledge. In 1968 he switched to the order desk. Since then, he's made the climb from sales service correspondent to sales rep to, most recently, product specialist, Western District.

Congratulations, John. □

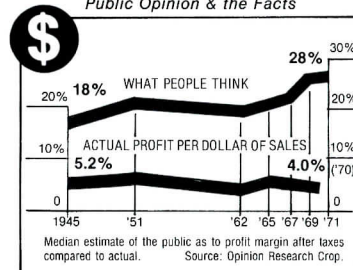
Company profits: how much & where to?

Have you ever wondered what happens to the profit left over after a company has paid wages and benefits, paid for materials, paid for utilities such as phones, lights, water, sewer, etc., bought new or replacement machines, made payment on its buildings and paid its taxes? These are the major costs of doing business. After all expenses are paid, profits are what remain.

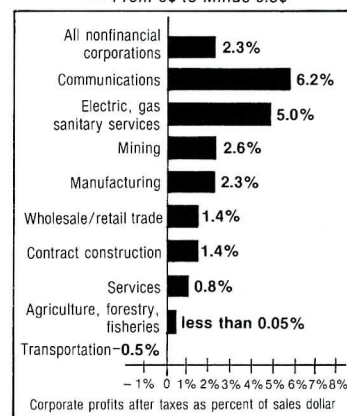
What percentage of sales is profit? Take a guess. Surveys show that most people think that companies average 25 percent profit. If that's about what you guessed, you were wrong. The truth is, the average is about 4 percent. But even so, 4 percent of a lot of money is still a nice piece of change. What happens to it? Who pockets the profits? Is it the corporate executive and his inner circle alone? Or do they share it with salesmen, department heads, and other key operatives such as the newsletter editor?

None of the above. Profits that are left after all expenses are paid are distributed as follows. Approximately 60 percent of profits are re-invested for growth, in new facilities (offices, plant additions, etc.) or new equipment (foundry and machining equipment, etc.). Much of this expansion creates new jobs and improves productivity. The remaining 40 percent of profits are then turned over to the people who own the company, Mueller Co.'s stockholders. A person who

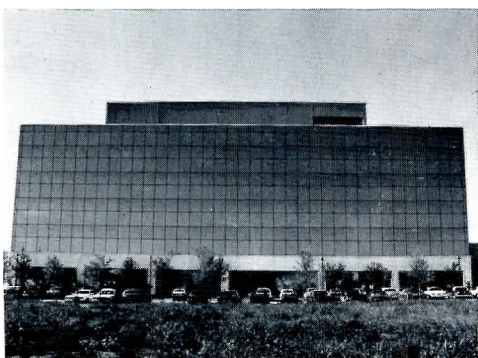
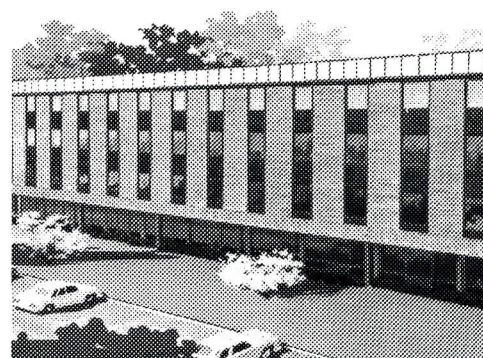
HOW HIGH ARE PROFIT MARGINS?
Public Opinion & the Facts



HOW PROFITS PER DOLLAR OF SALES VARY FROM INDUSTRY TO INDUSTRY
— From 6¢ to Minus 0.5¢



owns stock in a company is entitled to receive dividends and share in the profits. Mueller is a "private" company in that its stock is not traded publicly on the stock exchange, but is owned entirely by Mueller family interests, not by the managers of the company. □



Mueller Co. district sales offices now open (clockwise from bottom left): Dallas, Texas; Elgin, Ill.; Irvine, Calif.; Avon, Conn.; Atlanta, Ga. Offices will open in the Midwest and Southeast districts in 1982.



Strictly Personal Decatur

NEWS ABOUT MUELLER CO. EMPLOYEES AND THEIR FAMILIES

COOPERATIVE OFFICE EDUCATION: A COMMUNITY SERVICE

As a good corporate citizen Mueller Co. and its employees become involved in numerous outside activities.

Such organizations as the Boy Scouts, Girl Scouts, Junior Achievement, YMCA, United Way and both local hospitals profit as a result of the untold hours of service that our employees volunteer at no compensation aside from the pleasure that others receive as a result.

Here in Decatur, the company has been involved for many years in an experienced-based career education program. This program (in cooperation with the Decatur Public School System and the Area Vocational Center) provides on-the-job training and experience to 2 senior high school students from September to May of each school year.

During this time, the students are rotated through numerous departments, working approximately 6 weeks in each department. Each student is expected to perform productive clerical work during the assignment.

Office Education (formerly called Cooperative Office Occupations) started in Decatur in February, 1946, at Stephen Decatur High School, with Mrs. Mabel Scheiderer Rutherford as the teacher-coordinator.

Decatur had the first office education class in the state of Illinois to be under state supervision and, therefore, reimbursed. That first February, 17 students started their on-the-job training in

various offices throughout Decatur.

Eighteen years ago, Pat Funk started coordinating the office education program at Eisenhower High School; and John Smith started at Lakeview High School.

Both Funk and Smith worked with Cecil Coffin to get Mueller Co. into the program. Coffin received approval from management to pay an hourly wage to these students; and, in less than 2 years, Mueller Co. was added to the list of cooperative businesses.

Along with on-the-job training, Cooperative Office Education offers job-related classroom instruction for those students interested in office occupations as a career.

Designed to prepare the high school student vocationally for a clerical career, Cooperative Office Education helps the student to acquire basic secretarial and clerical skills.

Each student in the Cooperative Office Education Program receives $\frac{1}{2}$ unit of high school credit for class per semester and $\frac{1}{2}$ unit for job training per semester. Also, each receives a grade from both the teacher and the employer—as well as pay from the employer.

The effectiveness of the Cooperative Office Education Program is best summarized in the comments of 2 current students, Lisa Peck (Lakeview High School) and Sheri Adams (MacArthur High School), on pages 1 and 4 of "Strictly Personal."



A WORD FROM LISA PECK

Hi! My name is Lisa Peck, and for the past nine months I have worked as an office education student at Mueller Co. I have profited greatly from the experience in each of the departments in which I have worked during this time.

My first department was Corporate Engineering. I learned how to run the blueprint machine and how to file tracings and blueprints. I also had my first experience with the CRT.

The next department I moved to was Industrial Engineering. In this department I typed operations and filed routing sheets.

I then moved on to Office Services, where I filled orders and put together mailings.

Continued on Page 4

A WORD FROM SHERI ADAMS

My experience at Mueller Co. was a great one, and I have enjoyed it very much.

The people have all been nice and patient. I learned a lot of various skills, some of which I hope will be helpful in the near future.

It was interesting to learn about the different departments and how they are run. By the end of the year, I will have gone through 8 different departments.

When I started work in September, 1980, I went into the Purchasing Department, filing invoices and doing some typing.

Then I went to Research and Development Engineering and did more filing and typing.

Continued on Page 4



SERVICE AWARDS

Pictured below are recipients of Mueller Co. Service Awards:

Lew Miller
Pershing Griffith
Tom Ossowski
Carl Schuman

Louis Seibert
"Slim" Lewis
Jessie Ohl
Don Bathe
James Bratcher



RETIREMENTS

Pictured below are recent retirees:

Robert Leipski

Claude Inman

Roy Thompson

Vaughn West

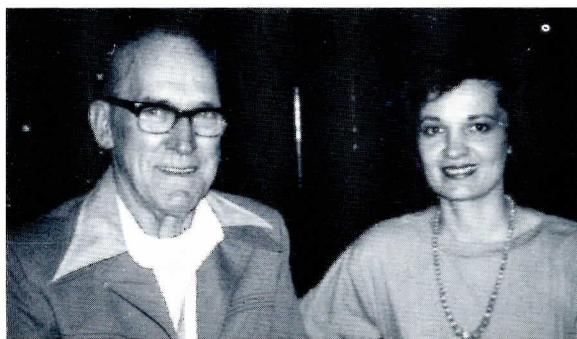
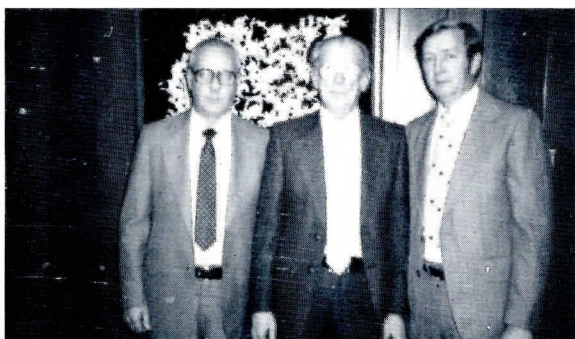
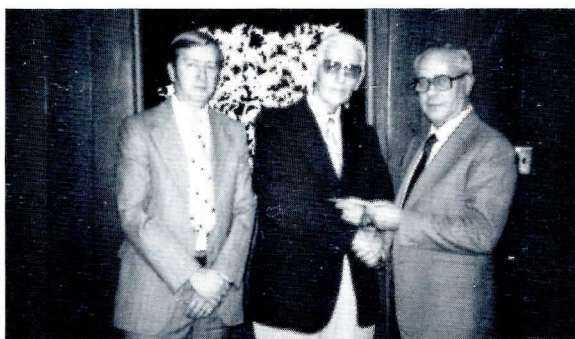
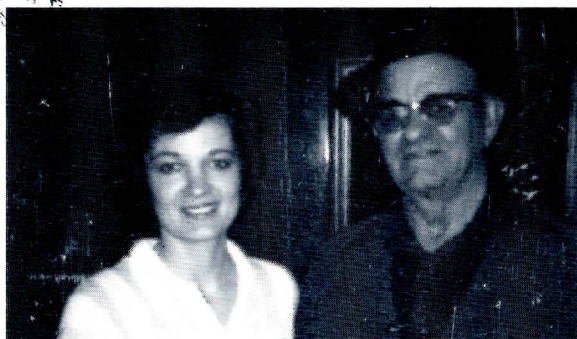
John Linn

Roy Denney

Lew Miller

Willie Rohman

Walter Jones



POLICY STATEMENT: EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the Mueller Company not only to comply with all aspects of government regulations in the area of equal employment opportunity, but also aggressively to promote an atmosphere, within the company and the communities which it serves, that assures all persons the opportunity to succeed on their own merit, without regard to color, religion, national origin, race, sex, mental or physical handicap, age, or veteran's status when capable of performing the job. Nor shall any persons be subject to sexual harassment in or while seeking employment, or during the course of their employment. As President of the Mueller Company, I affirm that the above policy reflects the attitude of the company toward the principle of equal employment opportunity and that it is the obligation of each officer, manager and supervisor of the company to conduct himself or herself in conformity with the principle of equal employment opportunity at all times. All employment activities, including—but not limited to—hiring, promotion, demotion, transfer, recruitment, advertising, layoff, discharge, rate of

pay and selection for training, shall be conducted without sexual harassment or regard to race, color, religion, sex, age, national origin or veteran's status.

In furtherance of the objective of equal employment opportunity, I have appointed Mr. Stanley J. Bogaczyk, Vice President-Personnel and Industrial Relations of the company, to serve as Equal Employment Opportunity Administrator. In this capacity, Mr. Bogaczyk is charged with directing and implementing the company's affirmative action program in conformity with the principle of equal employment opportunity. Mr. Bogaczyk will be assisted in this regard by the Personnel and Industrial Relations Managers of each company plant, whose duty it will be to administer the company's affirmative action program on a day-to-day basis, and to submit written reports on a quarterly basis to Mr. Bogaczyk, indicating the progress of the plant in implementing its affirmative action program.

EDWARD D. POWERS
President & Chief Executive
Officer
Mueller Company

RETIREMENTS

ROBERT G. LEIPSKI, Tool Maker A, 40 years, 9 months, 2 days. December 31, 1980.

CLAUDE S. INMAN, Supervisor Production Control, 40 years, 2 months, 29 days. December 31, 1980.

ROY A. THOMPSON, Senior Cost Estimator, 34 years, 10 months, 20 days. December 31, 1980.

WALTER A. ARNETT, Field Sales Representative, 38 years, 6 months. January 1, 1981.

GARNETT A. SMITH, Field Sales Representative, 35 years, 7 months. January 1, 1981.

CARL M. DODWELL, Corporate Manufacturing Cost Analyst, 44 years, 4 months. January 7, 1981.

VAUGHN H. WEST, Preventive Maintenance Person, 30 years, 20 days. January 31, 1981.

JOHN W. LINN, Warehouseman, 30 years, 2 months, 14 days. February 2, 1981.

ROY E. DENNEY, Angle Valve & Ductile Iron Tester, 27 years, 5 months, 20 days. February 27, 1981.

LEW A. MILLER, Lodge and Shipley Numeriturn II, 40 years, 1 month, 29 days. March 10, 1981.

WILLIAM C. ROHMAN, Sales Service Manager, 44 years, 4 months. March 23, 1981.

CARL W. SCHUMAN, General Foreman-Iron Foundry, 42 years, 8 months, 28 days. March 31, 1981.

WALTER B. JONES, Core Flowing CB-5 Operator, 30 years. April 7, 1981.

CLIFFORD W. AUER, District Sales Manager-Western District, 35 years. May 5, 1981.

SERVICE AWARDS

10 Years:

Jerry L. Strahle
Randall Brewington
William Bell
Ted Workman
Stephen Dunn
Robert White
George Stranc
Gail Chapman
John R. Nash
Robert Hess

20 Years:

Harold Colclasure
George Madding

30 Years:

Jessie M. Ohl
John Ossowski
Louis Seibert
Vaughn West
James Bratcher
Lawrence Lewis
Donald Bathe
Walter Jones

40 Years:

Lew A. Miller
Pershing Griffith
Isaac Gowan

LISA PECK

Continued from Page 1
My fourth department was Accounting. The duties I performed there were typing and helping with the billing.

I then went to Sales, where I filed invoices and typed from a dictaphone.

After Sales, I traveled to Finished Stock. In this department I wrote out and filed shop orders. I also keyed in orders on the CRT.

I am now working in Traffic. In this department I do different things each day, such as type United Parcel Service tracers, Loss Claims and letters.

I have not had the pleasure of working in Personnel yet. That will be my last department.

Through working in many department, I have noticed how each person doing his job properly molds the company together to contribute to a smoothly run operation.

The help and confidence I have received from all the nice people with whom I have worked have made my stay a special learning experience.

I hope to someday be fortunate enough to be employed here again.

A heart-felt "thank you" to all of you!

SHERI ADAMS

Continued from Page 1
In the Accounting Department I worked on calculators and numbers. I even had a chance to mail out different types of correspondence.

I worked in Office Services where I boxed up Mueller catalogs and material on Mueller gas and water prices. I then went to Production Control where I did some more filing. But, the most interesting part of being in this department was learning to use their computer. It was great fun, and I enjoyed it the most.

I went to the Sales Office, filed some more, and learned how to use a dictaphone—something I had never used before. I hope this skill will be helpful to me in the future.

From there, I went to Personnel, where I filed, typed and made badges.

The last department I will work in will be Traffic.

In the time I've worked here, I have done a lot of filing and learned many skills. I will not forget the people who helped me by showing me these skills.

I would like to thank everyone for their patience. I also would like to express my appreciation to Mueller Co. for the opportunity they have given me during this school year.

Benefits: the 'hidden' side of your salary

Each payday we are reminded of the rewards of working at Mueller Co. Whereas the paycheck is our most visible reward, we receive many other forms of compensation, too. They are generally referred to as "benefits." These benefits are a sizeable part of each employee's compensation and a large expenditure for Mueller Co.

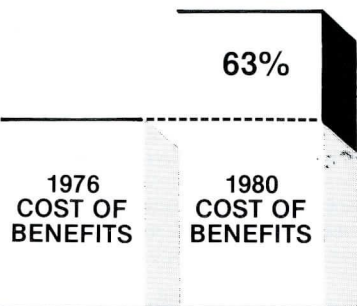
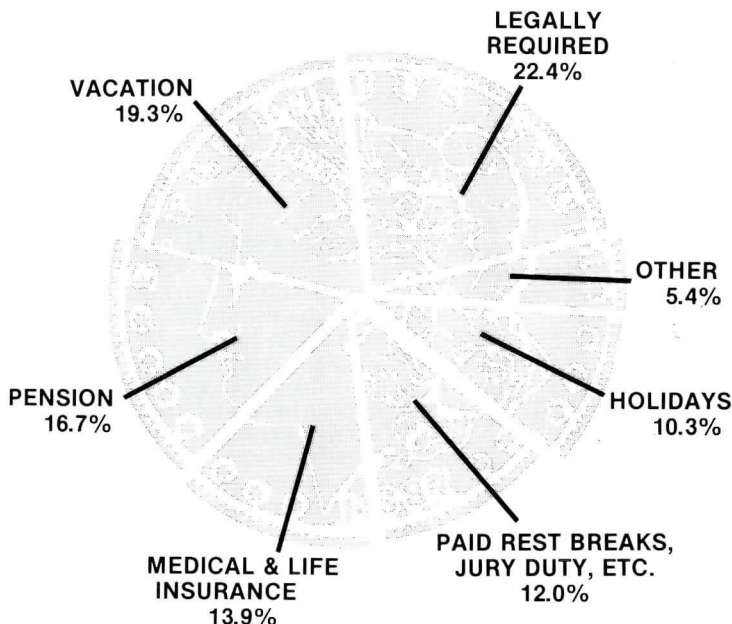


Almost all of your benefits are paid for entirely by Mueller. This is unusual. Company-sponsored benefits include medical, dental, sickness and accident, life insurance, vacation, holidays, pension — and on and on. Legally required benefits are worker's compensation, social security, and unemployment insurance. You don't see these things on your paycheck, but you receive them all the same.

Benefit costs depend on a number of variables, but it is safe to say that for every dollar you are "paid," you receive well over 37 cents in benefits.

Mueller provides an excellent benefits package at all locations because the health and prosperity of all employees is directly related to the health and prosperity of the company. That's the reciprocal benefit that Mueller Co. derives from these programs, even though the cost of providing them has risen more than 63 percent just since 1976. Besides inflation and improvements in your benefits package, much of the increase has been due to government legislation and regulation.

Here's how Mueller benefit dollars split up:



No doubt benefit costs will continue to go up, taking a bite out of corporate profits. But the loss can be made up at the other end — in production. We'll keep the benefits we have and improve them as we can by increasing production efficiencies and output. That way, every employee

will continue to be buoyed up on the company's success.

Remember, your so-called "fringe" benefits are really a central and significant part of your compensation. So, let a little of that payday mood shine through every day. □

SUMMARY - ANNUAL REPORT MUELLER GROUP BENEFITS PLAN Year Ending September 30, 1980

RECEIPTS:

Payments by Mueller Co.\$ 2,297,835

DISBURSEMENTS:

Payments for Benefits:
Weekly Indemnity Payments\$ 209,385
Doctors, Hospitals and
Other Medical Costs1,886,257
Total Benefits Paid2,095,642
Insurance Premiums Paid to Republic
National Life Insurance Co. for
Life and Accidental Death and
Dismemberment Coverages\$ 152,346
Service Fee to Self-Insurers
Service, Inc.49,847
Total Disbursements\$ 2,297,835

Balance Sheet as of September 30, 1978

ASSETS: None

Benefits for medical and doctors' expenses are paid from the general assets of the sponsor, Mueller Co.

Life and accidental death and dismemberment benefits are insured with Republic National Life Insurance Company.

LIABILITIES

The only liabilities are the amounts for claims in process and which were incurred prior to September 30, 1980.

The above statement shows only cash receipts and payments. It does not include amounts for claims in process at the end of the year. Payments for benefits are paid as claims are submitted and approved. Insurance premiums are paid monthly. The plan does not operate from an established fund.

There were no party-in-interest transactions, no loans, obligations or leases in default. The statement of receipts and disbursements includes all transactions.

Those participating in the plan and their beneficiaries can obtain a copy of the

plan's annual report filed with the Internal Revenue Service for 30¢ per page from the plant personnel department. A copy of the report may be examined at any of the company's personnel offices without charge.

Booklets describing the coverages and benefits in detail have previously been distributed to all employees. Extra copies are available without charge from any of the company's personnel offices.

Other documents are available from the plan administrator by specific request.

PLAN ADMINISTRATOR:

Robert W. Mallow, Secretary-Treasurer
Mueller Co.
500 West Eldorado Street
Decatur, Illinois 62525
Telephone 217-423-4471

Computers help keep us ahead

George Hrubecky, Mueller's corporate director of management information systems, feels right at home around computers. He lives with them. But, he says, so does the average American — or soon will.

"Computers are becoming a part of all of our lives," he says. "There have been incredible advances in computer technology accompanied by surprisingly lowered costs."

Indeed, many children are learning to program the mini- and micro-computers sold at most shopping centers. Computerized games help pass the evening in millions of homes. Sears Roebuck plans to offer a computerized catalog in several cities this fall. And through our telephones and cable TV hook-ups we will soon be able to do our banking or consult a medical specialist at home — thanks to computerization.

For Mueller Co., computerization means better control and use of all types of information. Computers perform the same role for us that we try to perform for our

customers; that is, help them do their jobs better. Processing data using computers helps us by connecting and inter-relating millions of bits of information about our operations. And we can call up this information on a computer display in seconds.

"Our data processing department is totally committed to providing service to all of our employees, managers and customers," says Hrubecky. "We have installed computers in Decatur, Chattanooga, Albertville and Sarnia; and terminals are installed throughout the company." Computers and terminals are hooked together through leased phone lines into a large network, permitting messages and data to flow from one computer or terminal to another.

Just what do these computers and terminals do that provides better service?

First: Computerized inventory control allows us to plan production sales and shipping schedules better than ever before. Without an accurate inventory, it is very difficult for our

marketing people to know what they have to sell. It is also difficult for Shipping to find it.

"One goal we expect to reach soon," says Hrubecky, "is to have our inventories in Chattanooga and Albertville accurate and reported daily." The inventory control programs now in place in Chattanooga and Albertville will be expanded to all plants, and additional capabilities will be added to them.

With computer terminals in the five district offices now on line, we're able to place orders, determine shipping schedules, production schedules, stock status, and even send printed messages between offices — all in a matter of seconds.

It used to take as much as a week to process a customer's order, not counting the time it took the Post Office to get the order to us. Now we can process most orders in 24 hours. And we can give shipping schedules to our customers in seconds, instead of days.

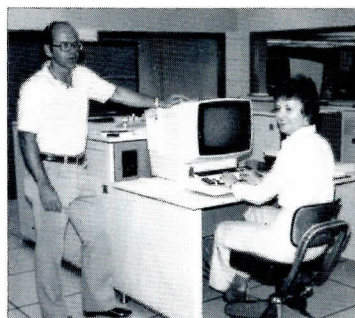
Second: Financial statements and reports are being prepared faster, allowing management at all levels to react faster in matters of planning, overtime, shipment, costs, etc.

Third: Substantial reductions in our accounts receivable (money owed to us) were made over the last 18 months due to a computerized system which provides better and more timely control of these accounts. This allowed us to change our cash discount payment terms, so that we have less cash tied up in unpaid accounts and more for investment in facilities and equipment.

Better cash management — investment of company funds to provide the best returns — is possible when we are able to predict and control where our cash will be at any given time. In addition, new systems for accounts payable (money we owe to suppliers) are scheduled to be installed in the next few years.

Fourth: Weekly sales reports have been carefully examined the last few years to forecast trends and help us make important business decisions.

What's ahead in data processing for Mueller Co.? We have a five-year plan for each division. Our goals are simple: to plan, operate, and control our major assets in the most efficient ways to provide the best possible service to our customers. We will establish systems over the next few years to allow orders to be entered on our books immediately after being taken in any of our



Mueller Co. computers and some of the people who work with them. Top to bottom: in Chattanooga, Walt Smigiel and Jacques Stafford; in Albertville, Virginia Oliver; in Decatur, George Hrubecky "talks" by phone with another computer or computer terminal in the Mueller network.

district sales offices, and provide our offices up-to-the-minute reports on inventory. To help put these systems in place, a number of people have been added throughout the company.

As for computers themselves, they can process from 240,000 to 880,000 individual instructions per second. Computers have their own languages, unintelligible to most of us; many of our programs are written in COBOL (Common Business-Oriented Language). All that means is that a person can give instructions to the computer using words commonly used in business. And the people who operate computers often speak a jargon that's also obscure to us. Nevertheless, when you hear somebody say something like "Let's get the data up on the tube and check it out" — you'll know the computer is going to work again to help us do a better job in the marketplace. □

MUELLER CO.
DECATUR, ILL. 62525

'Ya doesn't have to call it Service Lines'

Since we announced the "Re-name the **Service Lines** Contest" in our last issue, the response has been impressive. Impressive, but not overwhelming. We've received scores of interesting suggestions. But we have a hunch there would be a lot more good names to choose from if all the creative people who held back at first, entered now.

So, go ahead — overwhelm us. We're moving back the deadline for name suggestions to July 31st.

Think of a good new name for **Service Lines** and send it in by July 31st, and if your name is chosen you'll now receive a \$200 U.S. Savings Bond, rather than

the \$100 bond as first offered. But what is money compared with higher things — like the pride of authorship? Think of it: the name you came up with appearing in banner type on the masthead of your company newsletter. Every three months you'll feel a fever of anticipation. (Note: this will not be considered sufficient grounds for absenteeism.)

We're still open to suggestions — so send us yours. Address your entry — or entries — to Loyd Hawkey, Director of Personnel, Mueller Co., 500 W. Eldorado St., Decatur, Ill. 62525. In the event of a tie, the entry received earliest will win. □

To: Mueller Co.
"Re-name the **Service Lines** Contest"
500 W. Eldorado
Decatur, IL 62525

Suggested Name (please print): _____

Submitted by: Name _____

Address _____

Clock # _____ Dept. _____