



MGE Executive Seminar Series

MANAGEMENT TOOLS & TROUBLESHOOTING



Based on the works of L. Ron Hubbard

MGE: Management Experts, Inc.

PLEASE NOTE: This seminar, *Management Tools & Troubleshooting* provided by MGE: Management Experts, Inc. and its accompanying materials is being provided as suggestions and ideas from which to improve the performance, solvency and viability of your practice. This is not to be taken as a guarantee that the information provided is appropriate to your practice. Due to the high ethical standard in business expected of MGE: Management Experts, Inc. clients, it is assumed that each client and/or their staff would observe and follow applicable laws relating to employment, taxation and general business. Each practice, their owners, officers and staff are individually responsible for ensuring that any system implemented complies with the applicable federal, state and local accounting, tax and employment laws, rules and regulations governing the place in which your practice is located. These suggestions do NOT constitute legal or accounting advice. You should seek advice from your own accounting and legal advisors as to what is appropriate to implement in your practice, prior to implementation. MGE: Management Experts, Inc. is not responsible for any claims, real or otherwise, associated with this material and information or any part thereof.

© 2010 MGE: Management Experts, Inc. All Rights Reserved.

Quoted material: © 1952, 1958, 1963, 1964, 1965, 1966, 1968, 1970, 1972, 1973, 1974, 1976, 1978, 1990, 2001, 2006, 2007 L. Ron Hubbard Library. Grateful acknowledgement is made to L. Ron Hubbard Library for permission to reproduce selections of the copyrighted works of L. Ron Hubbard.

IA # 061610

MGE: Management Experts, Inc.
11800 30th Court N • Pinellas Park, FL 33716
(727) 530-4277 • Fax (727) 532-9497
info@mgeonline.com

TABLE OF CONTENTS

1. ADMINISTRATIVE STABLE DATA	1
2. THE "MAGIC" OF GOOD MANAGEMENT	3
3. MAIL VOLUME AND SOLVENCY	7
4. ON PROMOTION	11
5. THE CYCLE OF BOOMS AND DEPRESSIONS	14
6. EXECUTIVE COMMUNICATION LINES	15
7. ETHICS AND ADMIN – SLOW ADMIN	17
8. MORNING PRODUCTION MEETINGS	18
9. WEEKLY STAFF MEETINGS	20
10. DANGER CONDITIONS, INSPECTIONS BY SENIOR EXECUTIVES, HOW TO DO THEM	22
11. INVESTIGATION AND ITS USE	28
12. FACT VERSUS OPINION	32
13. LOGIC	35
14. SUMMARY OF OUTPOINTS	39
15. FAMILIARITY	44
16. THE SITUATION	46
17. FINDING SITUATIONS, EXAMPLES	50
18. THE REAL WHY	55
19. DOING AN INVESTIGATION	57
20. SEMINAR SLIDE SHOW	61

ADMINISTRATIVE STABLE DATA

By L. Ron Hubbard

There is an error being made by many executives. They apparently have as a stable datum "Get the work done," or "Do all I can do." Chaos results.

The only possible datum on which an executive could work effectively is "Get people to get the work done."

Otherwise the executive does as much as he can and leaves the willing personnel standing around unhelped and unguided. If we all did this we would go nowhere. One personnel cannot do all the work of an entire organization.

If each person in the organization wears all the hats or one wears all and the rest wear none you will have:

1. Bad morale
2. Overburdened personnel
3. Underburdened personnel
4. Rapid staff turnover
5. Bad dissemination and delivery
6. Low income
7. Low income
8. Chaos.

An executive has only two jobs:

1. Policy, promotion and planning
2. Getting people to get the job done.

A post or terminal is an assigned area of responsibility and action which is supervised in part by an executive. Supervision means helping people to understand their jobs. Supervision means giving the responsibility and wherewithal to do their jobs. Supervision includes the granting of beingness*. Supervision does not mean doing the job supervised.

To double dissemination and income in an organization, study this well.
Organizations that aren't run this way aren't real.

L. RON HUBBARD

Grant Beingness: Letting a person be what he or she is and allowing or granting that person the right to be him or herself completely. This can be done through the courtesy of really listening to what the person has to say; letting them know they have been heard, or letting them know that their point of view has been taken into consideration; expressing appreciation for something that person has said or done.

THE "MAGIC" OF GOOD MANAGEMENT Based on the works of L. Ron Hubbard

The sole actual criteria by which skill in management is estimated in this society and by us in any one management person is financial volume and solvency.

This does not mean that you are obsessed with making money. But money does buy a lot of things organizations and staffs need and under poverty-inspired propaganda, "making money" has come into bad repute. In actual fact, the only real sin in our present system of economics is to be poor, even in Russia.

Financial volume and solvency are the final test of any manager of an organization or area, large or small. If the organization isn't making lots of money, if the staff isn't well paid, if there's no good cash surplus to hand, and the percentage to reserves is behind, then the natural conclusion is that there isn't much good managing being done. The criticism is leveled solely at the person managing the organization and no other factors or explanations are taken into account.

Finance, in this society, is still our best index, and so we use it to judge the competence of management. People who say you shouldn't have money merely want you to fail. The data is looked at this way: A good manager's organization is highly solvent; a bad manager's organization is broke. Staff, conditions of the area, local flaps,* these are never taken into account. There are no forgivenesses for insolvency from the society and there is no better index of the kind of job the manager is doing.

To have high financial volume and to be solvent, a manager need only (a) follow established patterns, (b) see that there are competent people on staff and that they are doing their work, (c) that service gets rendered on a highly personal basis, (d) that there isn't a lot of entheta* and natter coming from disaffected staff members and hangers-on, (e) that people aren't driven downtone by the "dangerous environment," and (f) that there are lots of bodies* moving through the shop. Given just these things, success is certain. Given one or more of these poorly done or badly out and failure starts to creep in; given several out and there's no organization, much less no manager.

These points of success mean many other things but they also mean high-volume solvency. And high-volume solvency is the index of success in the present economic framework of society no matter how socialistic the society appears.

The route to volume and solvency is milestoned by following these few points:

A. ESTABLISHED PATTERNS

Follow established patterns of the organization. Don't keep breaking them up (or distracting personnel on post) with new projects and wild ideas. And don't follow them so Simple Simon* that there's no initiative ever displayed in handling organization problems. The best promotion channels are already built into the organization pattern.

B. STAFFING

See that people want to work for the organization and make it a pleasant and happy thing to work for the organization. Make it worthwhile to be employed by your organization. Have a means for your staff to increase their status within the organization through continuing education and production. Get competent people on staff and keep them in your employ. Don't go in for transience. And see that they do their own job, not a lot of others. And treat them with courtesy and respect.

C. SERVICE

Be sure service gets rendered. Service should be delivered both well and interestedly. Tear the place apart if poorly serviced clients emerge from the Production Division. Don't ignore these ever. Give good service. Give the people what they came for. Schedule their time briskly and oversee their progress alertly. Look at your clients every week and see *how* they look and act accordingly.

D. MALCONTENTS

See that the place stays clean of entheta and natter.* Spot the spinning malcontent and do something energetic. Don't get reasonable about natterers. If they have a real complaint they'd talk to the management, not everybody else. They drive off all the good staff members and prevent new ones, yet there they stay nattering madly about things. Don't hire them in the first place, but if you do by accident, deep-six* them early on. Don't fill up an organization with nonproductive malcontents just because you have to have bodies. This is a tough one because at least half the people about are incapable of understanding what's going on but capable of howling like mad about it. They prevent work. They're just chaos merchants.

E. THE DANGEROUS ENVIRONMENT

Keep down the danger in the environment by actually winning steadily against it. Don't increase it. Only the merchant of chaos does that. The natterer is obsessively selling a dangerous environment, trying to frighten others. Don't increase the danger in the staff member's environment by sudden firings, wholesale staff reductions, etc. It's the manager's job to find work for his staff to do, not reduce the staff to fit the work. Use

job security, reassurance and nice steady wins to reduce the danger of the environment. Don't fire or let off permanent staff members. Increase the volume of work to do. The staff uncertain of its jobs, cowed by raging executives and threats is in an apathy of no work. One sweeping firing can wreck a place for a year. One threatening staff meeting can reduce work for weeks. Raise staff tone with raised security, good temper, and wins they know about. And publish the wins so they don't come only on a rumor line. And boot out the chaos merchant—whose sole task is selling "dangerous, hopeless environment."

F. BODIES IN THE SHOP

Make sure that lots of bodies move through the shop, no matter whether they're spending or not. Just work all the time to move lots of bodies through the place. Don't let Reception turn everybody away. Move bodies through the shop in volume. The instinct unfortunately is to keep the place quiet and stop traffic. Don't let it happen. Just keep people pouring in and out, no matter how or for what. And your standard promotion lines if in place will produce as expected. The manager's first job is not to "run an organization" but to see that bodies move through the shop and build an organization to care for them and then to keep bodies moving through the shop and increase the body volume. All else, if other points here are in place, will follow. You can forecast any slump coming by a body count. When that public body traffic drops, watch it. Within a few weeks, there goes the income.

Mail in the mailbox is an index of how many bodies are going to be in the shop. Get large volumes of letters out and large volumes of answers. Any letters out are better than no letters out. Too much emphasis on quality of letters is just another way of excusing low mail volume. And will result in few bodies in the shop. Do your best to hold quality up and keep goofs down—but get mail pouring into the mailbox.

No organization was ever solvent without bodies in the shop and channels for new bodies to put in the shop. However you get them in or why, do it. Concentrate hard on new traffic flow.

Success in our times is measured by quantities and material gains. However much you may regret this, we do live in this society and operate within its financial framework.

The manager's record before the Board of Directors' eyes is considered basically successful or unsuccessful by measure of balance sheets. It is just a measure. Good income means good quarters, a cheerful staff, successful service and everything listed

above in place. It means the organization is winning. The basic point, not forgiven by any other point, is that good and well-done organizational management is a high-volume and solvent organization. And all new appointments and changes in organization top personnel are made by the board with that point in mind.

Of course, you can sell your organization short, grab a lot of money for no service and have an apparent solvency. But I have found that this takes about six months to catch up with an organization, at which time it starts to go broke in earnest in a soured community. So all solvency is measured by yearly averages, not sudden spurts. Consistent income means all above points in.

Solvency is your best broad yardstick of consistent service and high activity and the quality of management of any organization is judged accordingly.

Bodies in the Shop: An informal term for clients or customers present or receiving services at your place of business or organization.

Deep-Six: To remove, get rid of.

Entheta: [*en-*, enturbulated + *theta*, thought or life] *Enturbulate* means cause to be turbulent or agitated and disturbed. *Theta* is Greek for thought or life or the spirit. **Entheta** means irrational or confused or destructive thought. It especially refers to communications, which, based on lies and confusions, are slanderous, choppy or destructive. **Entheta** would also be anger, sarcasm, despair or slyly destructive suggestions.

Flap: a disturbance, upset or commotion.

Natter: To grumble or complain about something; find fault with or gripe about a person, place, situation, etc.

Simple Simon: Of or like a foolish person or simpleton.

MAIL VOLUME AND SOLVENCY

By L. Ron Hubbard

One of the principal routes to solvency is mail volume.

If you are not receiving mail and telephone calls in volume, your income will be low. Mail volume is a measure of success. I can look at a "mail count" and tell, by comparing it to earlier periods, whether an organization is going up or down. It's a very good barometer, a reliable crystal ball, a teller of fortunes.

Mail *volume* is important, quite aside from what the envelopes contain. As soon as "quality vs. quantity" arguments start, it shows somebody is being uninformed. The datum "mail volume" is just mail volume, and trying to drag in other factors simply shows that somebody didn't get the point in the first place. It's too simple a point: current mail volume indicates current and future business volume. It's a pure datum. It's a gross index you can rely on without having to know anything else. It's an executive slide rule. Executive: "What's the week's mail count?" Answer: "1400 pieces out, 75 pieces in." Exec: "We're a bit below last week. I guess I'd better promote something." See? The executive didn't have to find out "what percentage of the letters were business? How many applied for anything? Were all the i's dotted?" It's just a good meaty rough datum that says how things are.

If a person were as alive as he gave and received communication, then an organization could be considered as alive as it gave and received pieces of mail. It's that simple.

So you watch mail *volume* in and out if you want to know how you're going to be doing a bit into the future. Knowing that, we can gear up promotion to cope *before* we get hit with the *income* slump.

A mail volume slump is always followed in a few weeks (usually six) by an income slump. So it's a valuable danger signal.

Mail volume rise always presages* an income rise in the next few weeks.

So that's the total use of and extent of "mail volume." It does not have anything to do with what the letters are about or who is getting or receiving them. Even circulars count, out or in. Even requests for donations for the Eskimo seal fund count. Out or in. It's simply volume. And it's an index which, when compared to an earlier period, estimates future rise or fall of income.

The mail clerk does the counting in and out and chalks it up for the head of the organization or its enrollment or income section or all three. Then they can PLAN and ACT before the organization goes down for the third time or they get caught in a boom.

Mail volume is a good datum because it gives about a six-weeks warning. A mail count slump in mid-May gives you an income slump about July 1.

PROMOTION

Now *what* the mail *says* in or out is under the head of Promotion.

Promotion covers "quality versus quantity" and other such questions.

What is said in outgoing letters and what may be said in incoming all depends upon promotion.

If the head of an organization or its enrollment executives are very sharp on promotion, mail volume will increase steadily. If they are not, then volume gets one-sided – mostly outflow, but oddly enough, though the ratio shifts to outflow, mail volume and income will stabilize at a certain level and not increase much.

You can tell if *good promotion* is being done by examining this outflow-inflow ratio of mail.

Poor promotion gives you a ratio of maybe 98% outflow and 2% inflow, i.e., 98 pieces of mail (of all kinds) mailed and 2 pieces of mail (of all kinds) received.

Fair promotion would perhaps consist of 90% outflow and 10% inflow, meaning that for 90 pieces of mail (of all kinds) mailed by the organization, 10 pieces of mail (of all kinds) were received.

Fantastically wonderful promotion would consist of 50% outflow, 50% inflow.

A miracle would be 10% outflow and 90% inflow.

No exact index or chart of this has ever been made. But the above is an educated guesstimate. The figures are given to make the following point:

The better the promotion, the higher the inflow rises in proportion to the outflow.

The lesson has been learned, and proven many times in exact studies, that *regardless* of promotion quality, a high volume of outflow is vital to return any inflow. So regardless of the promotion, high volume of outflow must be maintained. There is no arguing with this datum. If you want activity and income, you must have a high volume of outflow. And the point of *what* is said does not enter that datum at all at all.

So, given volume, one now begins to consider what is being said *in* that volume and one gets promotion. And all promotion does is change the outflow–inflow ratio and prevent a fixed outflow–inflow ratio.

It is obvious that an organization can only outflow just so much. Finance available, personnel, effort – all limit how much outflow there can be. So to increase outflow one must use PROMOTION to increase inflow in order to increase outflow. Only in that way can one escape a fixed income. An organization that does *not* do this (does not use intelligent promotion), then gets into a fixed income which does not increase.

Promotion consists only of what to offer and how to offer it, that will be responded to. That's the extent of it and even Madison Avenue (US advertisers' row) can't better that. Indeed, they may not even know it. Contemporary advertising has gone off into aesthetics and art and often forgets the product or service entirely.

So promotion is the art of offering what will be responded to.

Production is the activity of *providing* a product or service. Promotion relates to production in this way: One can produce without promoting (ordinarily quite disastrous); one can promote without producing (which is very disastrous indeed and is the only thing that gives promotion a bad name). So these things, promotion and production, are not independent of each other.

One must make production adequate to promotion and must make promotion adequate to production to be SOLVENT or ETHICAL.

If you are producing something and can deliver, then that is what you must promote.

The bottleneck of income is the fixed ratio of outflow–inflow, the inability to afford more outflow personnel and any and all unrealities between promotion and production. If these factors cannot be handled by the head of an organization, by

its Sales Department, income will remain fixed and probably low. If these data are understood and intelligently used, given good management, then income will rise and the organization will flourish.

And at any staff meeting the wins of the person responsible for raising outflow-inflow ratio should get a big hand.

Presages: Serving as a prediction or warning of a future event or occurrence.

ON PROMOTION

By L. Ron Hubbard

If you try to straighten up comm lines and the organization in the face of threatened financial disaster, you will always be too late. *When financial slumps are in view* or forecast, always promote first and fast, ignoring the lines and organizations, and straighten up comm lines and organizations afterwards.

If you know this and do it, you won't ever have a complete financial disaster.

If you tried to straighten up the lines and organization in order to use them to promote, the disaster will be upon you before you have a straight set of lines and an organization. So the result is always a *smaller organization* if you reverse the correct sequence of action.

Organizations that grow smaller have not promoted first and reorganized second. They reorganize first and so can only save themselves by reducing staff. They should have promoted first and *then* reorganized in the time thus bought.

You buy time with promotion and in that time you can straighten up the house.

Never, when promoting organizations out of a threatened financial disaster, consider whether or not it is easy to do or if staff can do it. Remember that the staff involved started the slump. Just promote, and regardless of anyone, get it executed.

Then repair the lines and personnel malfunctions or improper placements.

This is a new idea. The world of business and government does not know it. They sometimes accidentally use it. Some dynamic director or manager might instinctively do it. But the high incidence of business failure (one in nineteen fail in the first year) and chronic governmental failures and insolvencies show the datum is not used by man even if known. Big businesses with huge sinking funds* alone can use the system of "make it solvent next year by improving our structure" successfully. And even many of those miss and go bankrupt.

The shrinking empire has always (a) experienced but failed to handle financial emergencies, (b) sought to resolve the situation by administrative changes and economic measures.

Nobody can save himself or a country out of a slump. You can't save what you haven't got. Therefore, enforcing economy is aimed only at keeping outgo from being more than income. Enforced economies is no solution to a slump. When it is used as a sole salvage measure, everything gets smaller and the former position is never regained. When politicians start talking economy more than they talk of prosperity, the country is going to shrink in its sphere of influence.

England has done and is doing just this. Its empire shrank for no other reason than that it sought to reorganize itself out of too many financial crises and failed to promote.

Talk economy, yes. But talk promotion harder and sooner.

No empire stands still. They expand or shrink. They expand by (1) intelligent promotion and (2) good administration and (3) sensible economy, in that order. They shrink by using the wrong order – (1) economy, (2) more administration and (3) some promotion. They shrink because they never regain the former position by administrative management alone and the economy has nothing to economize on.

An organization must continue to expand in order to live at all. Therefore, one (a) keeps promotion going, (b) administers intelligently, (c) practices necessary economies, in that order. And in emergencies one promotes before one even thinks about reorganization. Doing that maintains the expansion.

Where an organization has the same income year after year, they will soon begin to have less income. They are handling their various crises by administration and economy only.

If they watched their comm lines and every executive kept on his executive hat and corrected all dev-t, they would never have to do frenzied promotion as by the design of organizations they would be promoting constantly. And if they handled bad crises by everyone grabbing some old, tried-and-true promotional project and making it fly before they even wondered why they got into a slump and afterwards put their house in order when the promotion project was done, they would only expand.

When income itself starts to fall in an organization, one then uses this datum – Promote first and ask questions afterwards. Always use sure-fire-type promotion, broad and huge, an old action in a bigger, new dress; never use risky, untried ideas. Now, with *that* getting done (and making sure it is being done by inspecting its progress day by day personally or doing it yourself), start getting lines and personnel straight. If the promotion idea is big enough and practical enough, it will pull through the period of reorganization.

Promoted business always has a delay. It takes six weeks to get the first response to a magazine or a barrage of letters. It may take five months to flood the place with money.

You can never promote too early. You can often promote almost too late.

My early-days maxim about organization finance was "make more than they can waste." Later it became "make more than they can waste and patch them up so they can deliver." Now it's "make sure they will make enough and hide some of it and make sure they deliver so they will make even more."

Intelligently observed and handled comm lines will buy enough time to make frenzied promotion unnecessary. Orderly promotion over a long term can then be done. It's the short-term money necessity that makes promotion genius level. The shorter the time available, the more genius it takes.

Sinking Funds: A company fund contributed to regularly and set apart for the retirement of a debt, the redemption (buying back) of stock or to make up depreciation losses (losses when company property goes down in value) on a property investment.

THE CYCLE OF BOOMS AND DEPRESSIONS

By L. Ron Hubbard

The cycle of a boom and depression is created by the outflow and answer cycle of the department. You don't have any answers coming in so you sit there and outflow very heavily.

Then your mail beefs up and you spend your time answering the letters and you don't outflow and after a while business drops off and goes in the trough* on the curve and then you get anxious and promptly outflow which brings in lots of business and replies but no outflow.

Trough: A low point for a business or organization. On a stat graph this could be represented as a low point or "drop" on the graph.

©1976 L. Ron Hubbard Library. All Rights Reserved.

MGE Executive Seminar: Management Tools and Troubleshooting

EXECUTIVE COMMUNICATION LINES

By L. Ron Hubbard

A senior executive (or any staff member) is liable to upsets or misemotion* by reason of comm lines or hats.

This nearly *always* comes from being forced to wear somebody else's hat without noticing it.

To remain sweet tempered, refuse to wear other people's hats for them and *always* check up at least once a month to see if you are wearing somebody else's hat. Otherwise your origins may become misemotional, whether verbal or by despatch.

Analysis of your comm lines will rapidly show whose hat you're wearing. Lots of despatches will concern that hat, not your own hat. Example: You have a mail clerk but you are always sorting mail or querying about lost or misrouted mail. You are wearing a mail clerk or a Division 1* hat. You will soon be furious with somebody, not always the right person. Recognize you are wearing someone else's hat long before you start getting snarly, and act, not by wearing the hat, but getting it worn by the incumbent or, failing that, finding somebody who can wear it.

Executives who sweep doorsteps instead of chewing up janitors are already in deep apathy from having had to wear, without noticing it, somebody else's hat too often.

It affects your comm lines this way: You are working to pay a janitor's salary. You are also being the janitor which detracts from the time you must spend to earn enough to pay the janitor. Thus, you *double* work, both to cover the salary and to do the work being paid for. Thus you must either get the janitor to do his job or transfer or fire him, thus reducing your load by twice. Even if you only fire the janitor without replacement *and* sweep up yourself, you have still reduced your load to the degree you had to earn his pay. So not noticing whose hat you're wearing when one is foisted off on you increases your workload double and will shortly pull you off your routine lines which then again reduces income. The end product is a feeling you have no time to do your job. And this messes up comm lines remarkably by causing one to short-cut and omit which in turn develops new situations which further reduce one's available time.

So to handle a set of comm lines one must be very wary of inheriting a hat from somewhere.

This, as a senior executive, is very easy to do as one is responsible for such a multitude of things it seems natural to wear a lot of hats to the neglect of one's own hat of coordination and supervision.

Misemotion: Anything that is unpleasant emotion such as antagonism, anger, fear, grief, apathy or a death feeling.

Division 1: The Establishment Division. The first division of the seven-division organizing board. Responsible for hiring, training and placing new staff, company communications, and maintaining an orderly disciplined working environment.

ETHICS AND ADMIN – SLOW ADMIN

By L. Ron Hubbard

The secret of any executive success is the ability to Complete Cycles of Action* Quickly.

The operative word is COMPLETE.

Ability is the ability to complete a cycle of action, to handle the matter so it does not have to be handled again.

Referral is irresponsibility. Executives who refer to others to make a decision aren't executives. They are irresponsible or are afraid of responsibility. People who are afraid of taking responsibility are not executives. They are laborers.

An executive who doesn't handle but puts something on wait is also irresponsible. Slowing an admin line by not acting NOW is also suppressive.

Suppressives cannot complete cycles of action. They either act in an altered direction or they continue an action beyond any possible expectancy. In either case they do not COMPLETE.

THEREFORE this ethics policy is brought into being:

EXECUTIVES WHO DO NOT HANDLE MATTERS SO AS TO COMPLETE THEM, WHO REFER OR SLOW ADMIN ARE LIABLE TO DISCIPLINE ON THE CHARGE OF OUT-ADMIN.

Cycle of Action: The sequence that an action goes through, wherein the action is started, is continued for as long as is required and then is completed as planned.

©1968, 1978 L. Ron Hubbard Library. All Rights Reserved.

MORNING PRODUCTION MEETINGS

Consider this analogy: A professional football team spends several days planning and practicing their game plan before the game. When Sunday comes, they hit the field and execute. If their plan is sound and they execute well, they achieve their objective – a win. Spending no time on planning and all of your time executing would bring about confusion and an uncoordinated team. If you are having trouble meeting production goals in your practice (in other words – executing) it may be due to lack of planning *how* to meet these goals. One effective method we have found is to have morning "production meetings" done in a very specific format. To implement this in your practice, follow along with this article.

I. PURPOSE OF THE "MORNING PRODUCTION MEETING"

The purpose of this meeting is to coordinate **the sales and delivery activities of that day**. It is also used to "line-up" which patients you will be selling to and when they will be seen to ensure that all of your patients are moving along on their treatment plans.

II. WHEN TO HAVE IT

The morning production meeting needs to be held at least fifteen to twenty minutes before the first patient of the day. It should take no more than this to get it done.

III. WHO SHOULD ATTEND

In attendance should be you, your office manager, your financial coordinator and your scheduler. Other staff may wish to attend, but it is not mandatory. In reality, we have found that having too many people there can throw the meeting off track (the assistant asking what type of cement to use for your 1:00 patient, etc.) as well as cause too much confusion. Try to keep it limited to the staff mentioned above. Detailed clinical discussion of cases should not be covered at this meeting. These should be covered in a separate "clinical meeting" accordingly.

IV. PRODUCTION MEETING RULES

Several rules should be followed to have an effective "production meeting":

1. The meeting should be kept brief and efficient (no more than 15-20 minutes).
2. Every person attending needs to be on time and come prepared.
3. Keep the tasks that you assign simple and doable. Do not set "unreal" or unattainable targets.

V. SEQUENCE OF THE MEETING

1. Take that day's charts that have outstanding treatment in them and review with those present what would have to be done to get those patients scheduled to do it. This may include: figuring out the patients' accounts, having you talk to them, etc.
2. Examine any openings that you have in the immediate future and review which of the patients coming in that day could fill those openings with a productive procedure (i.e., Mrs. Smith is a housewife and can come in almost anytime before 2:00 PM, etc.).
3. Have your receptionist highlight the patients' names who need to be seen by you to be sold on all copies of the schedule posted around the office. Your assistant, associate, hygienist, etc. should understand that by highlighting a patient's name, you need to see that person before they are discharged that day.
4. Before the close of the meeting, have each person present note their tasks as applicable — i.e., the Financial Coordinator may need to check on Mr. Jones' account, etc. Also, set or reaffirm the production and collection quota for that day in accordance with your weekly/monthly goal.
5. Adjourn the meeting and have the office manager ensure throughout the day that everyone is accomplishing what was discussed.

VI. SUMMARY

The first step in getting production to occur is to figure out where it is going to come from (i.e., state exactly what is going to be accomplished). By following the above, you put CONTROL in on your office and can push yourself to new heights!

WEEKLY STAFF MEETINGS

By L. Ron Hubbard

All staff should be gathered together, once a week, to hold a staff meeting.

Weekly staff meeting is not just a meeting where an in-charge lectures the group.

Each person is responsible for his own stat or stats of his sector and, at the meeting, must personally stand up and report on them and show the graph or graphs.

The evening of the day when all the weekly stats are in must be chosen as the staff meeting day. At that time all the stats of the past week would have been graphed.

The order of business of the staff meeting would be:

1. Flaps* and handlings.
2. General business announcements.
3. Presentation of stats and trends by individual staff members and a condition assigned to each stat with a battle plan* for each.

In a large organization where it is not feasible for each staff member to present their individual stat and battle plan, the organization's senior executives would determine which stats and battle plans are to be presented. Minimally, even in a very large organization, this would include each department and division head and the senior executives.

4. Summary of conditions assigned to be the condition of the whole group.
5. Bonuses for the week announced.
6. Combined battle plan.

All stats must be included that should come under the group and they must be individually assigned to persons. And that person must report on them.

Stats must be real and represent actual production, leading toward a valuable final product.

The number of minor stats developed must not then overshadow the major stats of the group and if they do, then the major stats must be given greater weight in the assignment of the final group condition.

Each person in the group is personally responsible for:

- a. having a correct stat which reflects production factually,
- b. the stats of his area of responsibility,
- c. graphing the stat or stats on time,
- d. presenting the stat and any clarifications,
- e. presenting a battle plan for each stat for the coming week,
- f. full knowledge of reading stats, stat interpretation and conditions.

The staff meeting is chaired by the Executive Director or CEO.

The group as a whole is responsible for the accuracy of individual stat conditions.

The purpose of the staff meeting is to develop a team spirit of mutual cooperation and coordination. It links bonuses to production and gives the group, by that, control over their own income.

Battle Plan: A series of exact doable targets for the coming day or week which forward the strategic planning of an individual or a group.

Condition: One of the states of operation or existence which an organization, its parts or an individual passes through. Each condition has an exact sequence of steps, called a formula, which one can use to move from the current condition to another higher and more survival condition.

Flap: Something that causes a commotion or uproar or disturbance.

DANGER CONDITIONS INSPECTIONS BY SENIOR EXECUTIVES, HOW TO DO THEM By L. Ron Hubbard

A senior executive* who does not get around his or her divisions* now and then and see what is going on can make a lot of mistakes.

Inspections are desirable. But when a senior executive makes one, he or she commonly issues an order or two; and if this is done without that division's senior being present, it is a bypass and willy-nilly* begins the formula of the Danger condition and can unmock* a section* or department* or even that division*.

A senior executive can inspect, chat, advise, but must never issue an order on a bypass unless he or she means to handle a dangerous situation and start the formula. For the formula will run, regardless, if a bypass begins.

The way to inspect, then, is to collect the seniors and go around, and issue orders only to the next senior on the command channel*, never to his or her staff.

Example: VP Administration* wants to see if books are stored safely. The VP Administration can nip* out and look on his or her lonesome *providing* no orders are issued. Or the VP Administration grabs the Sales and Marketing Executive* and the Director of Publications* and the head of the books section and goes out and looks. And if the VP Admin wants a change in it all, the order is issued to the Sales and Marketing Executive only.

It is a great temptation to tell Books In-Charge* how and where to put what, for a VP Admin is one normally because he or she is smarter and more knowledgeable about organizations. But if one is to advise Books In-Charge, one had better have the rest of the command chain right there and talk to the next senior below VP Admin.

You would be surprised how many random currents a senior-type senior like a Vice President can set up with a few comments that skip the command channels and what a mess it can make for a division head* or director*, no matter how wise the comments.

Division heads who order a director's officers* in the absence of the director or, much worse, section staff without director or section officer, thereby court and make trouble.

You can unmock a section or a whole department by sloppy command lines. It is not merely the "correct" thing. It's the vital thing to follow command channels as nobody can hold his job if he is being bypassed by a senior. He *feels* unmocked, and the Danger condition formula begins to unroll.

The correct way to route an order to a person two or three steps down the command channel is to tell the next one below you to order the next, and so on.

If you have to tell the Director of Client Services* to have his Housing Officer* post a list of houses on the bulletin board, you really don't have a Director of Client Services anyway as he would have done it as the natural thing. So an order in such an obvious case is not the right comm. The right comm is an ethics report on the Director of Client Services for not posting the available houses on the bulletin board.

A smart senior is a senior because he is smarter. But when this is not true and the junior is smarter, you get an intolerable situation where the senior interferes. If a dull senior interferes continually on a bypass, it's a sure way to start a mutiny. And a senior who doesn't inspect or get inspections done does not know and so looks dull to his juniors who have looked.

The safe way in all cases is to issue orders that are very standard, on-policy and obvious and to issue them to the next one on the command channel and then in the future inspect or get an inspection. If on the inspection one finds noncompliance with a standard, on-policy order, one promptly calls for disciplinary action on the next one down the line who received the order.

Here's a terribly simple example: VP for Operations* sees statistic for the Technical Division down. Issues order to Technical Executive*, "Get the gross divisional statistic* up at once." Now nothing could be plainer or more standard. In two weeks the VP for Operations looks at the statistic, sees it is even further down and calls for a disciplinary hearing or investigation on the Technical Executive for noncompliance.

This is about as basic as you can get with an inspection, an order and a further action all by a senior, the inspection being done by OIC* and reported by graph.

Life in actual fact is very simple and an organization is today a very elementary mechanism.

It is easy to run an organization providing one makes it run and handles things in it that refuse to run.

Where a senior executive is baffled on occasion is the apparent unwillingness of a section to function. Now this is so far down the command channel that info on it does not easily arrive back at the top.

The thing to do where possible is personally inspect. Or get it inspected. One often finds the silliest things.

Example: Book Shipping statistic is really down, man, down. One orders and harangues* and argues trying to get books shipped. One gets the quantity of books looked into. It's okay. One gets shipping materials looked into. They're okay. A Shipping Clerk is on the org board. But orders to the Sales and Marketing Executive just never get books shipped. So finally one gathers up the Sales and Marketing Exec, Director of Publications and Books In-Charge and goes down to Book Shipping – Lo! They have been building a machine that wraps books tightly when a rock is rolled off a bench! (This actually happened in about 1958.) It has taken a month to build it and will require another to finish it and one and all in that division are convinced this is the answer. The order? "Break that machine up and start wrapping books by hand and I want that backlog gone in one week." To the Sales and Marketing Exec, of course, in front of everyone for his soul's sake. And publish the order in writing as soon as possible.

So you see, you have to inspect because what seems logical and okay to juniors may be completely silly. Remember, that is why they are juniors and have seniors.

Frankly, you can never guess at what holds some things up. You have to look. Often you can solve it for them. But solve it with their agreement and on command channel if you want it done.

You can't always sit in an ivory tower* and issue orders. You have to know the ground and the business.

Over a period of fifteen years of active management of organizations I have a pretty good idea of what can happen in one. And to one.

I try to be right more often than wrong. I don't try to be perfect as one's best plans are often goofed. I try to get done what can be gotten done. And I carry a *little* more pressure on the organization than it can really accomplish.

I inspect. You would be surprised at how often I do and what I find out.

It sometimes looks to people that I use a crystal ball in taking the actions I take

because they see no possible route by which the data could have reached me.

They forget how many lines I keep in operation. And also, I *do* operate on a "sixth sense."

For instance, all accounting summaries today are done for governments, not for management. A manager has to develop a sixth sense concerning financial status of the organization. One has to be able to *know* when the bills are up, the income inadequate and to know when to promote hard and stall creditors, *even with no data from Accounts* or contrary data that proved false.*

Today with OIC this is easy. But I ran organizations successfully with no OIC for years just by sensing the financial situation. In theory, Accounts keeps one fully posted. In actual fact they often goof in filing bills owed and even in depositing money.

There are many things one can sense, OIC or no OIC.

The thing to do is to inspect or to get the area you sense is wrong inspected.

A senior executive or a division head has Division One's Inspection and Reports and a system to check compliance. And this is how it should be.

But nothing will substitute for inspection by one or for one.

And the senior executive who thinks it's a desk job is being very naive. The organization would run better if senior executives had no in-baskets.

If a senior executive watched statistics like a hungry cat at a mousehole and inspected like fury every time one went down or stayed down, the organization would expand and prosper.

Providing inspection was done.

Accounts: (The Department of Accounts) The Department of Accounts receives, safeguards and expends funds in the organization.

Books In-Charge: Manages the Book Section in the Department of Publications. Is accountable for all orders, stocks and shipments.

Command Channel: A line that runs junior to senior to senior's senior or on down.

Department: A part of a division on the seven-division organizing board. Divisions usually have three departments, whose production adds up to the overall product or products of the division.

Director: On a seven-division organizing board, a director is in charge of a department (see above for definition).

Director of Client Services: On a seven-division organizing board, the Director of Client Services is in charge of the Client Services Department, which is located in Division 4 (the Technical or Production Division). They are responsible for all customer or client scheduling, housing and transportation. They also ensure clients or customers receive excellent and brisk service.

Director of Publications: The executive in charge of the Publications Department, which is located in Division 2 (Sales and Marketing). Publications would include books and materials sold by the organization and the Publications Department would be responsible for book sales, stocking and delivery.

Division: One of seven parts of the seven-division organizing board. Each division handles specific functions and actions resulting in an exact definable product.

Division Head: On the seven-division organizing board, a division head is the executive responsible for managing a division.

Gross Divisional Statistic (GDS): Each division in an organization has a gross divisional statistic. This is calculated to reflect the production of that division by all its divisional members.

Harangue: To address someone in a loud, angry or forceful manner.

Housing Officer: Located in the Department of Client Services (see Director of Client Services), the housing Officer is responsible to ensure that clients or customers arriving for services with the organization have adequate and workable living arrangements (hotel, etc.) while on services with the company.

Ivory Tower: a secluded place, retreat or a state of mind where one is sheltered from the realities of real day-to-day living.

Nip: To move or go quickly.

Officer: On a seven-division organizing board, an Officer is in charge of a section (see definition below).

OIC: Abbreviation for *Organization Information Center*, a large display of the graphs of each of an organization's key statistics. It is updated weekly and used by organization executives to easily monitor and correct the functions of the various departments and the organization as a whole.

Sales and Marketing Executive: The Executive in charge of Division 2 (The Sales and Marketing Division). The Sales and Marketing Division consists of three departments: Marketing, Publications and Sales.

Section: A portion of a department. Departments normally have between three to five sections. The combined production of each section adds up to the overall product of the department.

Senior Executive: In this instance a member of Executive Council, which would be a Vice President (an executive in charge of two to three organizational divisions on the seven-division organizing board) or above.

Technical Executive: The Executive in charge of Division 4 (the Technical or Production Division). Division 4 produces the organization's product.

Unmock: 1) To take down or destroy. 2) To make nothing of.

VP Administration: (or VP Admin for short) A senior organizational executive. On a seven-division org board, the VP Administration would be the senior over Division 1 (Establishment) and Division 2 (Sales and Marketing).

VP for Operations: The senior organizational executive over Division 3 (Finance), Division 4 (Technical or Production) and Division 5 (Quality Control).

Willy-nilly: Happening without any choice—whether one wants it to happen or not. Also could mean to happen in a manner which is not planned for or by chance.

INVESTIGATION AND ITS USE

By L. Ron Hubbard

From day to day and week to week, one can face many less-than-desirable circumstances in his life. Somehow one manages to slog through these situations, convinced there is not much he can do to improve his lot. Perhaps a project planned for months at work doesn't come off with the expected success; productivity in the office has declined sharply during the past quarter; or the addition to one's house takes longer than first envisioned. Such situations are common enough occurrences for many of us.

But these need not be the usual state of affairs. People can live a happy existence and accomplish their goals in any area of life – individually, with the family, the job and so on. The aims an individual once visualized for himself can be accomplished.

If such goals are not being attained or if one is in a situation that has deteriorated or worsened, there is a valid, locatable cause for this. This concept is one people often do not realize – things are actually *caused*. They don't just happen. There are reasons behind every situation – reasons that people themselves can control.

Without knowing this, man often relies upon "fate," superstition, fortunetelling or astrology to determine his destiny or future. Many just hope vainly that nothing else will go wrong or they deceive themselves with the belief that life is ordinarily a struggle.

For example, a farmer with a very poor crop one year has no credible explanation for it. He has no concept that he himself caused this condition. However, looking into it, one would find that he had earlier failed to keep seed grain secure for the spring planting, and thus it fell prey to insects. Not knowing this, he might come up with all sorts of odd "reasons" or just blame it on bad luck.

In a factory with low production, management could be shifting personnel, hiring new workers, etc., in an attempt to raise productivity before the organization goes under. But executives might not have the skills needed to really examine the company's own operations to find the cause of the situation. Upon inspection, one could discover that the suppliers of its raw materials refused to deliver because the company's accounting office wasn't paying the bills.

To look into, handle and improve any such situation in any area of life requires skill in *investigation* – the ability to think logically and get to the bottom of things.

Investigation is the careful discovery and sorting of facts. In investigating, one is searching out and examining the particulars of something in an attempt to learn the facts, especially in an attempt to find a cause.

A proper investigation gets to the bottom of the state of affairs facing one. For instance, in an organization, one could observe that its production was down. This is a nonoptimum situation which should be investigated and the cause located. Investigations can also be utilized in an individual's personal life to improve conditions.

DOING AN INVESTIGATION

In doing an investigation, you are asking the question, "What don't I understand?" with regard to the existing conditions. You'll find that two facts don't agree – they contradict themselves and can't be understood. So you try to rationalize these two facts: you question these two facts and you will get another point you don't understand. And when you try to get *this* point understood, you will now find another fact that you don't understand. And someplace along the way, you will find the reason for the circumstances you are investigating.

Any investigation should proceed along these lines. Sometimes many questions have to be asked, sometimes it only takes a "What's that noise?" to lead one to the source of a difficulty. Here is an example of an investigation done on a rapid, emergency basis: An engineer is on duty in a ship's engine room. He has normal but experienced perception: is observing his area. Hears a hiss that shouldn't be – something contradictory to the expected conditions in an engine room. Scans the area and sees nothing out of order but a small white cloud. Combines sight and hearing. Moves forward to get a better look. Sees valve has broken. Shuts off steam line.

In a nutshell, (a) one finds an imperfect functioning of some portion of an organization or whatever he is investigating and then (b) finds something that one doesn't understand about it and then (c) questions the individuals in that portion connected with the imperfect functioning or looks into the area to get more data.

Following this sequence isolates the cause of the trouble which can then be handled so the area properly operates again. In an organization, one can apply just

these three steps over and over again, and it will usually be quite enough to keep it running quite smoothly.

Statistics play a role in investigations. A statistic shows the production of an activity, area or organization, as compared to an earlier moment in time. It reflects whether or not the area is achieving its purpose – if statistics are up, it is more closely accomplishing what is intended for the area. In doing an investigation, one looks for *down* statistics. These aren't understandable, of course, so one questions the people concerned. In their answers there will be something that doesn't make sense at all to the person doing the investigation – for example, "We can't pay the bills because Josie has been doing a course." The investigator is only looking for something he himself can't reconcile. So he questions the person who gave this data *and* Josie. Sooner or later the real reason shows up.

As one is going down the trail of things he can't understand, one of two things will happen. Either it is a dead end and it doesn't go any further, at which time he returns to the main line of the investigation, or it produces further material. And if it produces further material, one will find more things he can't understand.

The trick of this procedure is to find a piece of string sticking out – something one can't understand and, by questioning, pull on it. A small cat shows up. Pull on the string by asking more questions. A baby gorilla shows up. Pull some more. A tiger appears. Pull again and wow! You've got a General Sherman tank*!

It *isn't* reasonable for people to be lazy or stupid. At the bottom you find the *real* cause of no action in a portion of an organization or continuous upset.

When you have your "General Sherman tank," you can take action.

There's always a *reason* behind a bad statistic. Question those involved until you *have the real reason* in view. It will never be "Agnes isn't bright." It is more likely, Agnes was hired as a typist but never knew how to type. Or the executive over the area simply never comes to work.

The real explanation of a down statistic is always a very easily understood thing. If you question enough, you'll get the real explanation and then you can act.

This technique of investigation, while elementary, is highly effective. It can be applied when faced with simple or complex situations to get to the bottom of them, and therefore enables one to resolve them and improve conditions in life.

Investigatory skills improve with practice. They can be sharpened and made more effective so that one is able to instantly spot something he doesn't understand. This ability is not innate in people but can be easily acquired. To make investigations even more rapid and effective, one should be able to understand and apply the principles of logic — a subject that until now has not only been misunderstood but has been made unnecessarily complex.

General Sherman tank: The primary tank used by the Americans (and some of the Allied forces during World War II. *(Used here figuratively.)*

FACT VERSUS OPINION

By L. Ron Hubbard

Thoughts are infinitely divisible into *classes* of thought.

In other words, in thought there are certain wide *differences* which are very different indeed.

A FACT is something that can be proven to exist by visible evidence.

An OPINION is something which may or may not be based on any *facts*.

Yet a sloppy mind sees *no difference* between a FACT and somebody's opinion.

In courts a psychiatrist (who is an AUTHORITY) says "Joe Doakes is crazy." Joe Doakes is promptly put away for ten years, tortured or killed. Yet this statement is just an OPINION uttered by somebody whose sanity is more than suspect and what's more is taken from a field "psychiatry" which has no basis in fact since it cannot cure or even detect insanity.

A vast number of people see no difference at all in FACTS and OPINIONS and gaily accept both or either as having equal validity.

An administrator continually gets opinions on his lines which are masquerading as facts.

If opinion instead of facts are used in solving problems then one comes up with insane solutions.

Here is an example: By *opinion* it is assumed there are 3,000 pounds of potatoes available in a crop. An order is therefore written and payment (\$300 at 10¢ a pound) is made for the crop. One sack of potatoes is delivered containing 100 pounds. That sack was the *fact*. Loss is 2,900 pounds of potatoes.

An administrator runs into this continually. He sends somebody to find an electric potato peeler "just like the one we had." He gets back a paring knife because it is the *same*.

The administrator orders a *similar* type of shirt and gets overcoats.

The administrator feels he is dealing with malice, sharp practice*, laziness, etc., etc. He can lose all faith in honesty and truthfulness.

© 1970 L. Ron Hubbard Library. All Rights Reserved.

The ACTUAL REASON he is getting such breakdowns is:

SANITY IS THE ABILITY TO RECOGNIZE DIFFERENCES, SIMILARITIES AND IDENTITIES.

The people with whom he is dealing *can't think* to such a degree that they give him insane situations. Such people are not crazy. Their thinking is suppressed and distorted by modern "education." "You can't really communicate to anybody because the same word means different things to everyone who uses it." In other words, all identities are different.

A BASIC LAW is usually confused by students with an INCIDENTAL FACT. This is conceiving a similarity when one, the law, is so far senior to the fact that one could throw the fact away and be no poorer.

When a student or an employee cannot USE a subject he studies or cannot seem to understand a situation his disability is that basics are conceived by him to be merely similar to incidental remarks.

The law, "Objects fall when dropped," is just the same to him as the casual example "a cat jumped off a chair and landed on the floor." Out of this he fixedly keeps in mind two "things he read" – objects fall when dropped, a cat jumped off a chair and landed on the floor. He may see these as having identical value whereas they are similar in subject but widely different in VALUE.

You give this person a brief write-up of company policy. "Customers must be satisfied with our service," begins the write-up. Of course that's a *law* because it has been found to be catastrophic to violate it. On down the page is written, "A card is sent to advise the customer about the order." The employee says he understands all this and goes off apparently happy to carry out his duties. A few weeks later Smith and Co. write and say they will do no more business with you. You hastily try to find out WHY. If you're lucky enough to track it down, you find the shipping clerk sent them a card saying, "Your order was received and we don't intend to fill it."

You have the clerk in. You lay down the facts. He looks at you glumly and says he's sorry. He goes back and pulls another blooper. You threaten to fire him. He's now cost the company \$54,000. He is contrite.

All he understands is that life is confusing and that for some mysterious reason you are mad at him, probably because you are naturally grouchy.

What he *doesn't* know is what the administrator seldom taps. It isn't that he doesn't

know “company policy.” It’s that he doesn’t know the difference between a law and a comment!

A law of course is something with which one thinks. It is a thing to which one aligns other junior facts and actions. A law lets one PREDICT that if ALL OBJECTS FALL when not supported, then of course cats, books and plates can be predicted in behavior if one lets go of them. As the employee hasn’t a clue that there is any difference amongst laws, facts, opinions, orders or suggestions he of course cannot think as he doesn’t have anything to which he can align other data or with which to predict consequences.

He doesn’t even know that company policy is, “Too many goofs equals fired.” So when he does get sacked he thinks “somebody got mad at him.”

If you think this applies only to the “stupid employee,” know that a whole government service can go this way. Two such services only promoted officers to high rank if they sank their own ships or got their men killed! Social acceptability was the only datum used for promotion and it followed that men too socially involved (or too drunk) of course lost battles.

An organization, therefore, can itself be daffy if it has a concept that laws and facts and opinions are all the same things and so has no operating policies or laws.

Whole bodies of knowledge can go this route. The laws are submerged into incidental facts. The incidental facts are held onto and the laws never pointed up as having the special value of aligning other data or actions.

An administrator can call a conference on a new building, accidentally collect people who can’t differentiate amongst laws, facts, opinions or suggestions – treating them of equal value – and find himself not with a new building but a staggering financial loss.

As the world drifts along with its generations less and less taught and more and more suppressed in thinking, it will of course experience more and more catastrophes in economics, politics and culture and so go boom. As all this influences anyone in any organization it is an important point.

Sharp practice: Deceitful dealings, particularly in business.

Sacked: (British) Dismissed/fired from a job.

LOGIC

By L. Ron Hubbard

The subject of logic has been under discussion for at least three thousand years without any clean breakthrough of real use to those who work with data.

LOGIC means the subject of reasoning. Some in ages past have sought to label it a science. But that can be discarded as pretense and pompousness.

If there were such a “science” men would be able to think. And they can’t.

The term itself is utterly forbidding. If you were to read a text on logic you would go quite mad trying to figure it out, much less learn how to think.

Yet logic or the ability to reason is vital to an organizer or administrator. If he cannot think clearly he will not be able to reach the conclusions vital to make correct decisions.

Many agencies, governments, societies, groups capitalize upon this lack of logic and have for a very long time. A population that is unable to think or reason can be manipulated easily by falsehoods and wretched causes.

Thus logic has not been a supported subject, rather the opposite.

Even Western schools today seek to convince students they should study geometry as “that is the way they think.” And of course it isn’t.

The administrator, the manager, the artisan and the clerk each have a considerable use for logic. If they cannot reason they make costly and time-consuming errors and can send the entire organization into chaos and oblivion.

Their stuff in trade are data and situations. Unless they can observe and think their way through, they can reach wrong conclusions and take incorrect actions.

Modern man thinks mathematics can serve him for logic and most of his situations go utterly adrift because of this touching and misplaced confidence. The complexity of human problems and the vast number of factors involved make mathematics utterly inadequate.

Computers are at best only servomechanisms* (crutches) to the mind. Yet the chromium-plated civilization today has a childish faith in them. It depends on who asks

the questions and who reads the computer's answers whether they are of any use or not. And even then their answers are often madhouse silly.

Computers can't *think* because the rules of live logic aren't fully known to man and computer builders. One false datum fed into a computer gives one a completely wrong answer.

If people on management and work lines do not know logic the organization can go adrift and require a fabulous amount of genius to hold it together and keep it running.

Whole civilizations vanish because of lack of logic in its rulers, leaders and people.

So this is a very important subject.

UNLOCKING LOGIC

I have found a way now to unlock this subject. This is a breakthrough which is no small win. If by it a formidable and almost impossible subject can be reduced to simplicity then correct answers to situations can be far more frequent and an organization or a civilization far more effective.

The breakthrough is a simple one.

BY ESTABLISHING THE WAYS IN WHICH THINGS BECOME ILLOGICAL ONE CAN THEN ESTABLISH WHAT IS LOGIC.

In other words, if one has a grasp of what makes things illogical or irrational (or crazy, if you please) it is then possible to conceive of what makes things logical.

ILLOGIC

There are 5 primary ways for a relay of information or a situation to become illogical:

1. Omit a fact.
2. Change sequence of events.
3. Drop out time.
4. Add a falsehood.
5. Alter importance.

These are the basic things which cause one to have an incorrect idea of a situation.

Example: "He went to see a communist and left at 3:00 A.M." The omitted facts are that he went with 30 other people and that it was a party. By omitting the fact one alters the importance. This omission makes it look like "he" is closely connected to communism! When he isn't.

Example: "The ship left the dock and was loaded." Plainly made crazy by altering sequence of events.

Example: "The whole country is torn by riots" which would discourage visiting it in 1970 if one didn't know the report date of 1919.

Example: "He kept skunks for pets" which as an added falsehood makes a man look odd if not crazy.

Example: "It was an order" when in fact it was only a suggestion, which of course shifts the importance.

There are hundreds of ways these 5 mishandlings of data can then give one a completely false picture.

When basing actions or orders on data which contains one of the above, one then makes a mistake.

REASON DEPENDS ON DATA.

WHEN DATA IS FAULTY (as above) THE ANSWER WILL BE WRONG AND LOOKED UPON AS UNREASONABLE.

There are a vast number of combinations of these 5 data. More than one (or all 5) may be present in the same report.

Observation and its communication may contain one of these 5.

If so, then any effort to handle the situation will be ineffective in correcting or handling it.

USE

If any body of data is given the above 5 tests, it is often exposed as an invitation to acting illogically.

To achieve a logical answer one must have logical data.

Any body of data which contains one or more of the above faults can lead one into illogical conclusions.

The basis of an unreasonable or unworkable order is a conclusion which is made illogical by possessing one or more of the above faults.

LOGIC

Therefore logic must have several conditions:

1. All relevant facts must be known.
2. Events must be in actual sequence.
3. Time must be properly noted.
4. The data must be factual, which is to say true or valid.
5. Relative importances amongst the data must be recognized by comparing the facts with what one is seeking to accomplish or solve.

NOT KNOW

One can always know something about anything.

It is a wise man who, confronted with conflicting data, realizes that he knows at least one thing - that he doesn't know.

Grasping that he can then take action to find out.

If he evaluates the data he does find out against the 5 things above, he can clarify the situation. Then he can reach a logical conclusion.

DRILLS

Is it necessary to work out your own examples of the 5 violations of logic.

By doing so, you will have gained skill in sorting out the data of a situation.

When you can sort out data and become skilled in it, you will become very difficult to fool and you will have taken the first vital step in grasping a correct estimate of any situation.

Servomechanism: A mechanism that serves, services or aids something.

SUMMARY OF OUTPOINTS

By L. Ron Hubbard

OMITTED DATA

An omitted anything is an outpoint.

This can be an omitted person, terminal*, object, energy, space, time, form, sequence or even an omitted scene. Anything that *can* be omitted that *should* be there is an outpoint.

This is easily the most overlooked outpoint as it isn't there to directly attract attention.

In crime it is as bad to *omit* as it is to commit. Yet no one seems to notice the omissions as actual crimes.

Man, trained up in the last century to be a stimulus-response animal, responds to the therenesses and doesn't respond as uniformly to not-therenesses.

This opens the door to a habit of deletion or shortening which can become quite compulsive.

In any analysis which fails to discover a WHY, one can safely conclude the Why is an omission and look for things that *should* be there and aren't.

ALTERED SEQUENCE

Any things, events, objects, sizes, in a wrong sequence is an outpoint.

The number series 3, 7, 1, 2, 4, 6, 5 is an altered sequence, or an incorrect sequence.

Doing step two of a sequence of actions before doing step one can be counted on to tangle any sequence of actions.

The basic outness is no sequence at all. This leads into FIXED IDEAS*. It also shows up in what is called disassociation, an insanity. Things connected to or similar to each other are not seen as consecutive. Such people also jump about subjectwise

© 1970, 1976, 1978 L. Ron Hubbard Library. All Rights Reserved.

without relation to an obvious sequence. Disassociation is the extreme case where things that are related are not seen to be and things that have no relation are conceived to have.

Sequence means linear (in a line) travel either through space or time or both.

A sequence that should be one and isn't is an outpoint.

A "sequence" that isn't but is thought to be one is an outpoint.

A cart-before-the-horse out of sequence is an outpoint.

One's hardest task sometimes is indicating an inevitable sequence into the future that is invisible to another. This is a consequence. "If you saw off the limb you are sitting on you will of course fall." Police try to bring this home often to people who have no concept of sequence; so the threat of punishment works well on well-behave citizens and not at all on criminals since they often are criminals because they can't think in sequence – they are simply fixated. "If you kill a man you will be hanged," is an indicated sequence. A murderer fixated on revenge cannot think in sequence. One has to think in sequences to have correct sequences.

Therefore it is far more common than one would at first imagine to see altered sequences since persons who do not think in sequence do not see altered sequences in their own actions or areas.

Visualizing sequences and drills in shifting attention can clean this up and restore it as a faculty.

Motion pictures and TV were spotted by a recent writer as fixating attention and not permitting it to travel. Where one had TV-raised children, it would follow, one possibly would have people with a tendency to altered sequences or no sequences at all.

DROPPED TIME

Time that should be noted and isn't would be an outpoint of "dropped time."

It is a special case of an omitted datum.

Dropped time has a peculiarly ferocious effect that adds up to utter lunacy.

A news bulletin from 1814 and one from 1922 read consecutively without time

assigned produces otherwise undetectable madness.

A summary report of a situation containing events strung over half a year without saying so can provoke a reaction not in keeping with the current scene.

In madmen the present is the dropped time, leaving them in the haunted past. Just telling a group of madmen to “come up to present time” will produce a few miraculous “cures.” And getting the date of an ache or pain will often cause it to vanish.

Time aberrations* are so strong that dropped time well qualifies as an outpoint.

FALSEHOOD

When you hear two facts that are contrary, one is a falsehood or both are.

Propaganda and other activities specialize in falsehoods and provoke great disturbance.

Willful or unintentional, a falsehood is an outpoint. It may be a mistake or a calculated or defensive falsehood and it is still an outpoint.

A false anything qualifies for this outpoint. A false being, terminal, act, intention, anything that seeks to be what it isn't is a falsehood and an outpoint.

Fiction that does not pretend to be anything else is of course not a falsehood.

So the falsehood means “other than it appears” or “other than represented.”

One does not have to concern oneself to define philosophic truth or reality to see that something stated or modeled to be one thing is in actual fact something else and therefore an outpoint.

ALTERED IMPORTANCE

An importance shifted from its actual relative importance, up or down, is an outpoint.

Something can be assigned an importance greater than it has.

Something can be assigned an importance less than it has.

A number of things of different importances can be assigned a monotone of importance.

These are all outpoints, three versions of the same thing.

All importances are relative to their actuality.

WRONG TARGET

Mistaken objective wherein one believes he is or should be reaching toward A and finds he is or should be reaching toward B is an outpoint.

This is commonly mistaken identity. It is also mistaken purposes or goals.

If we tear down X we will be okay often results in disclosure that it should have been Y.

“Removing the slums” to make way for modern shops kills the tourist industry. Killing the king to be free from taxation leaves the tax collector alive for the next regime.

Injustice is usually a wrong target outpoint.

Arrest the drug consumer, award the drug company would be an example.

Military tactics and strategy are almost always an effort to coax the selection of a wrong target by the enemy.

And most dislikes and spontaneous hates in human relations are based on mistaken associations of Bill for Pete.

A large sum of aberration is based on wrong targets, wrong sources, wrong causes.

Incorrectly tell a patient he has ulcers when he hasn't and he's hung with an outpoint which impedes recovery.

The industry spent on wrong objectives would light the world for a millennium.

SUMMARY

These are the fundamental outpoints required in data analysis and situation analysis.

They have an infinity of variation. They should be very well known to anyone seeking third dynamic sanity.

They are the basic illogics.

And while there may be others, these will serve.

Aberration: A departure from rational thought or behavior.

Fixed Idea: Is something accepted without personal inspection or agreement.

Terminal: A post or terminal is an assigned area of responsibility and action which is supervised in part by an executive.

FAMILIARITY

By L. Ron Hubbard

If one has no familiarity with how a scene (area) ought to be, one cannot easily spot outpoints (illogical data) in it.

This is what also could be called an *ideal* scene or situation. If one doesn't know the *ideal* scene or situation then one is not likely to observe nonideal points in it.

Let us send a farmer to sea. In a mild blow, with the sails and their gear creaking and water hitting the hull, he is sure the ship is about to sink. He has no familiarity with how it should sound or look so he misses any real outpoints and may consider all pluspoints as outpoints.

Yet on a calm and pretty day he sees a freighter come within five hundred feet of the side and go full astern and thinks everything is great.

An experienced officer may attempt madly to avoid collision and all the farmer would think was that the officer was being impolite! The farmer, lacking any familiarity with the sea and having no *ideal* as to what smooth running would be, would rarely see real outpoints unless he drowned. Yet an experienced sailor, familiar with the scene in all its changing faces sees an outpoint in all small illogicals.

On the other hand, the sailor on the farm would completely miss disease in the wheat and an open gate and see no outpoints in a farm that the farmer knew was about to go bust.

The rule is:

A PERSON MUST HAVE AN IDEAL SCENE WITH WHICH TO COMPARE
THE EXISTING SCENE.

If a staff hasn't got an idea of how a real organization should run, then it misses obvious outpoints.

One sees examples of this when an experienced organization executive visiting an organization tries to point out to a green staff (which has no ideal or familiarity) what is out. The green staff grudgingly fixes up what he says to do but lets go of it

© 2001 L. Ron Hubbard Library. All Rights Reserved.

the moment he departs. Lacking familiarity and an ideal of a perfect organization, the green staff just doesn't see anything wrong or anything right either!

The consequences of this are themselves illogical. One sees an untrained executive firing all the producers and letting the bad hats (corrupt or worthless people) alone. His erroneous ideal would be a quiet organization, let us say. So he dismisses anyone who is noisy or demanding. He ignores statistics. He ignores the things he should watch merely because he has a faulty ideal and no familiarity of a proper scene.

OBSERVATION ERRORS

When the scene is not familiar one has to look hard to become aware of things. You've noticed tourists doing this. Yet the old resident "sees" far more than they do while walking straight ahead down the road.

It is easy to confuse the novel with the "important fact." "It was a warm day for winter" is a useful fact only when it turns out that actually everything froze up on that day or it indicated some other outpoint.

Most errors in observation are made because one has no ideal for the scene or no familiarity with it.

However there are other error sources.

"Being reasonable" is the chief offender. People dub in (presume or have a false, delusory perception of) a missing piece of a sequence, for instance, instead of seeing that it *is* missing. A false datum is imagined to exist because a sequence is wrong or has a missing step.

It is horrifying to behold how easily people buy dub-in. This is because an illogical sequence is uncomfortable. To relieve the discomfort they distort their own observation by ignoring the outpoint and concluding something else.

THE SITUATION

By L. Ron Hubbard

Probably the hardest meaning to get across is the definition of "SITUATION."

One can say variously, "Isolate the actual situation" or "Work out what the situation is" and get the most remarkable results.

To some, a despatch *is* a situation. A small error to others is a situation.

Yet if one wishes to know and use data and logic, one must know exactly what is meant *in this* logic series by SITUATION.

English has several meanings for the one word. In the dictionary it's a "place," a "state or condition or affairs," "a momentous combination of circumstances," "a clash of passions or personalities," or "a job." One gets the feeling that people are fumbling around for a meaning they know must be there.

For our purposes we had better give an *exact* definition of what is meant by SITUATION. If we are going to do a situation analysis by doing an analysis of data, then WHAT is a *situation*?

We can therefore specifically define for *our* purposes in logic the word SITUATION.

A SITUATION IS A MAJOR DEPARTURE FROM THE IDEAL SCENE.

This means a wide and significant or dangerous or potentially damaging CIRCUMSTANCE or STATE OF AFFAIRS which means that the IDEAL SCENE has been departed from and doesn't fully exist in that area.

THE IDEAL SCENE

One has to work out or know what the ideal scene would be for an organization or department or social strata or an activity to know that a wide big flaw existed in it.

To be somewhat overly illustrative about it, let us take a town that has no one living in it.

© 1970 L. Ron Hubbard Library. All Rights Reserved.

One would have to figure out what was the ideal scene of a town. Any town. It would be a place where people lived, worked, ate, slept, survived. It could be pretty or historical or well designed or quaint. Each of these would possibly add purpose or color to the town.

BUT this town in question has NO people living in it.

That is a departure from the ideal scene of towns.

Therefore THE SITUATION would be NO PEOPLE LIVE IN THIS "TOWN."

Data analysis would lead us to this by noting outpoints.

6 P.M. - No smoke from house chimneys. (omitted item)

9 P.M. - No lights. (omitted item)

Dawn - No dogs. (omitted terminals)

1910 election poster. (wrong time)

That would be enough. We would then realize that a SITUATION existed because data analysis is also done against the ideal scene.

We would know enough about it to look more closely.

No people! That's *the* SITUATION.

HANDLING

Thus if one were responsible for the area one would now know what to handle.

How he handled it depends upon (a) the need, (b) *availability of resources*, and (c) *capability*.

Obviously if it's supposed to have people in it and if one needs a town there one would have to get a bright idea or a dozen and eventually get people to live there. How fast it could be done depends on the availability of resources — those there or what one has (even as little resource as a voice, paper, pen, comm lines).

One's own capability to get ideas or work or the capabilities of people are a major factor in *handling*.

But so far as *the* SITUATION is concerned, it exists whether it is handled or not.

HOW TO FIND A SITUATION

When you are called upon to find out if there IS a situation (as an inspector or official or soldier or cat or king, whatever) you can follow these steps and arrive with what the situation is every time.

1. Observe.
2. Notice an oddity of any kind or none.
3. Establish what the ideal scene would be for what is observed.
4. Count the outpoints now visible.
5. Following up the outpoints observe more closely.
6. Establish even more simply what the ideal scene would be.
7. *The situation* will be THE MOST MAJOR DEPARTURE FROM THE IDEAL SCENE.

HANDLING

Just as you proceed to the MOST MAJOR SITUATION – go big, when it comes to *handling* it usually occurs that reverse is true – go small!

It is seldom you can handle it all at one bang. (Of course that happens too.)

But just because the SITUATION is big is no real reason the solution must be.

Solutions work on gradient scales. Little by more by more.

When you really see a SITUATION it is often so big and so appalling one can feel incapable.

The *need* to handle comes first.

The resources available come next.

The capability comes third.

Estimate these and, by getting a very bright workable (often very simple) idea, one can make a start.

An activity can get so wide of the ideal scene the people in it are just in a confusion. They do all sorts of odd irrelevant things, often hurt the activity further.

Follow the steps given 1 - 7 above and you will have grasped the SITUATION. You will then be able to do (a), (b), (c).

That begins to make things come right.

In that way most situations can be both defined and handled.

INTERFERENCE

Lots of people, often with lots of authority, get mired into situations. They do not know they are in anything that could be defined, isolated or stated. They bat madly at unimportant dust motes or each other and just mire in more deeply.

Whole civilizations uniformly go the route just that way.

So do organizations, important activities and individuals.

One can handle exactly as above, if one practices up so he can really do the drill on life.

The only danger is that the situation can be so far from any ideal that others with fixed ideas and madness can defy the most accurate and sensible solutions.

But that's part of the situation, isn't it?

Data analysis is done to make a more direct observation of exactly the right area possible. One can then establish the exact SITUATION.

It's a piece of freedom to be able to do this.

FINDING SITUATIONS – EXAMPLES

What follows are several examples of investigations leading back to finding the Situation. Note that these are *examples* of application of the logic and investigation technology developed by L. Ron Hubbard. These examples were created by MGE Executives. As such, they do not supersede, replace, alter or substitute for the investigation methodology developed by Mr. Hubbard.

EXAMPLE #1

Observation: *Doctor's profit margin is under 20% and she is struggling financially.*

Ideal Scene: *Doctor has been in practice 2 years and in her situation overhead should hover in the 60% range or slightly higher due to loans and the like. All overhead categories should meet standards (i.e. 22.5% for payroll, etc.).*

1. We start by examining collection percentage – it is 97% and there are no PPOs or HMOs, so no heavy write-offs.
2. Examining the doctor's overhead, we see that rent, labs, supplies and most other categories are at about where they should be.
3. Getting to the payroll area, we see that her payroll percentage is over 42% (way too high – should be 22.5%), indicating that the office is paying people too much or they are not productive. So, we dig deeper. Listing out all of her staff, we see that they are paid normally and more or less at the median standard of pay for her area. She is not particularly overstaffed based on volume.
4. We see that she has two hygienists, which she verifies are fully booked, but her hygiene production is below what one hygienist should be producing. We also find that her hygiene salaries are at close to 100% of what they are producing!
5. We look at the ideal scene more closely, as an office with two hygienists and one doctor should be producing at least 30% more than hers is, with the hygiene salary running in the 30-35% range at most.

SITUATION: HYGIENE AREA UNVIABLE, CAUSING FINANCIAL PROBLEMS FOR THE PRACTICE.

EXAMPLE #2

Observation: *Parent gets note from teacher asking to spend more time with child doing homework as child not doing well in school.*

Ideal Scene: *Child doing well in school as evidenced by ability to apply what they are learning. Can read, write and do proper arithmetic and perform the work required of him or her by the grade they are in.*

1. Parent sits down with child and begins to go over his or her homework. Finds that child skips several words while reading his text
2. Parent points this out to child and child cannot read these words, despite being in third grade. Parent knows these words are on this child's reading level.
3. Parent takes the words that the child can't read and asks him to sound them out for her phonetically. Child can't.
4. Parent takes the words child CAN read and asks him to sound out phonetically and he can't.
5. Parent pulls out the alphabet and has child demonstrate the sound each letter makes - child gets 5 out of 26 right.

SITUATION: CHILD CANNOT READ AS DOES NOT KNOW PHONETIC SOUNDS LETTERS MAKE.

EXAMPLE #3

Observation: *OM notices a large number of cancellations on the hygiene schedule (at least 4 a day) for past week.*

Ideal Scene: *Hygienist fully booked with no more than a 2% missed appointment rate and booked according to schedule.*

1. OM begins to investigate.

2. Notices that hygienist's production is not down as she has been doing everything she can with patients (i.e., using the extra time to have occasional perio patients stay and get the next quadrant done, etc.).
3. Looks into the FD area, gets the list of patients who were scheduled that missed. Finds that each one had a confirmed mark next to their name. Each person who missed was scheduled 3-6 months ago.
4. Questions the Recall Secretary about the confirmations and she swears she did them.
5. Looks into the recall area and finds last month's recall cards in the Recall Secretary's drawer buried under some papers. They were supposed to go out a month ago.
6. OM calls half of the patients who missed and they apologize for missing appointment, but say that no one ever called them and they never got "that card they always get in the mail."

SITUATION: RECALL SECRETARY IS FALSE REPORTING.

EXAMPLE #4

Observation: *Salesman's closes are at 0 so far for the week.*

Ideal Scene: *A productive salesman with at least 8-10 appointments per day closing at least half of them.*

You pull up the following information:

1. Salesman and assistant have made 750 calls out for the week. This is verified by phone records.
2. They have sent out 300 letters and emails.
3. Contacts are at 75.
4. From these contacts, 40 appointments have been set.
5. So far – we are not off of the ideal scene. We look further.

6. Number of appointments cancelled are highest ever and three appointments (out of the 40) have been kept.

SITUATION: APPOINTMENTS KEPT STATISTIC CRASHED RESULTING IN NO SALES OPPORTUNITIES.

EXAMPLE #5

Observation: *New Patient stat down by 20% the past two months despite more promotion than ever.*

Ideal Scene: *A high volume of new patients being driven into the practice by each type of promotional effort, so that each effort has an excellent return on investment.*

1. OM starts off by seeing if anything has changed on how new patients are handled by the office. Sees nothing has changed.
2. Lists out each of the promotional activities by the office and checks stats. Sees that:
 - a) The promotional mailer is pulling in more new patients than it used to.
 - b) Patient referrals are actually going up.
 - c) Checks the yellow page ad and sees office is getting 75% less patients off yellow pages ad and the new Yellow Pages came out three months ago.

SITUATION: YELLOW PAGE AD MALFUNCTIONING.

EXAMPLE #6

The following example is based off of an example given in Mr. Hubbard's works on the subject of logic.

Observation: *Restaurant not doing well at all. About to go out of business.*

Ideal Scene: *A busy, clean, attractive restaurant with a pleasant atmosphere serving great food and is very profitable.*

1. Examining the scene, you see that the restaurant is clean, with high hygiene standards, is well lit and has nice signage and a busy location.
2. The servers are up tone, on time and dressed very well.
3. There were only three customers at lunch and five for dinner.
4. None of the customers ate any of their food after tasting the appetizer and refused to order more.
5. Even though much food was left, none of the customers asked for any doggie bags.
6. You taste the food and it tastes horrible.

SITUATION: RESTAURANT IS SERVING TERRIBLE FOOD.

THE REAL WHY

By L. Ron Hubbard

“WHY” as used in logic is subject to noncomprehension.

WHY = that basic outness found which will lead to a recovery of stats.

WRONG WHY = the incorrectly identified outness which when applied does not lead to recovery.

A MERE EXPLANATION = a “Why” given as THE Why that does not open the door to any recovery.

Example: A mere explanation: “The stats went down because of rainy weather that week.” So? So do we now turn off rain? Another mere explanation: “The staff became overwhelmed that week.” An order saying “Don’t overwhelm staff” would be the possible “solution” of some manager. BUT THE STATS WOULDN’T RECOVER.

The *real* WHY when found and corrected leads straight back to improved stats.

A wrong Why, corrected, will further depress stats.

A mere explanation does nothing at all and decay continues.

Here is a situation as it is followed up:

The stats of an area were down. Investigation disclosed there had been sickness two weeks before. The report came in: “The stats were down because people were sick.” This was a mere explanation. Very reasonable. But it solved nothing. What do we do now? Maybe we accept this as the correct Why. And give an order, “All people in the area must get a medical exam and unhealthy workers will not be accepted and unhealthy ones will be fired.” As it’s a correction to a wrong Why, the stats *really* crash. So that’s not it. Looking further we find the real WHY. In the area there is no trained-in organizing board* and a boss there gives orders to the wrong people which, when executed, then hurt their individual stats. We org board the place and groove in the boss and we get a stat recovery and even an improvement.

The correct WHY led to a stat recovery.

© 1970 L. Ron Hubbard Library. All Rights Reserved.

Here is another one. Stats are down in a school. An investigation comes up with a mere explanation: "The students were all busy with sports." So management says "No sports!" Stats go down again. A new investigation comes up with a wrong Why: "The students are being taught wrongly." Management sacks the dean. Stats really crash now. A further more competent investigation occurs. It turns out that there were 140 students and only the dean and one instructor! And the dean had other duties! We put the dean back on post and hire two more instructors making three. Stats soar. Because we got the right Why.

Management and organizational catastrophes and successes are ALL explained by these three types of Why. An arbitrary is probably just a wrong Why held in by law. And if so held in, it will crash the place.

One really has to understand logic to get to the correct Why and must really be on his toes not to use and correct a wrong Why.

In world banking, where inflation occurs, finance regulations or laws are probably just one long parade of wrong Whys. The value of the money and its usefulness to the citizen deteriorate to such an extent that a whole ideology can be built up (as in Sparta* by Lycurgus* who invented iron money nobody could lift in order to rid Sparta of money evils) that knocks money out entirely and puts nothing but nonsense in its place.

Organizational troubles are greatly worsened by using mere explanations (which lead to no remedies) or wrong Whys (which further depress stats). Organizational recoveries come from finding the real WHY and correcting it.

The test of the real WHY is "When it is corrected, do stats recover?" If they do, that was it. And any other remedial order given but based on a wrong Why would have to be cancelled quickly.

Organizing Board: A board which displays the functions, duties, communication routes, sequences of action and authorities of an organization. It shows the pattern of organizing to obtain a product.

Sparta: A region in ancient Greece

Lycurgus: (700? - 630 B.C.) A legendary lawmaker of Sparta.

DOING AN INVESTIGATION

By L. Ron Hubbard

When one begins to apply data analysis, he is often still trying to grasp the data about data analysis rather than the outpoints in the data. The remedy is just become more familiar with the materials of this booklet.

Further, one may not realize the ease with which one can acquire the knowledge of an ideal scene. An outpoint is simply an illogical departure from the ideal scene. By comparing the existing scene with the ideal scene, one easily sees the outpoints.

To know the ideal scene, one has only to work out the correct products for it. If these aren't getting out, then there is a departure. One can then find the outpoints of the various types and then locate a Why and in that way open the door to handling. And by handling, one is simply trying to get the scene to get out its products.

Unless one proceeds in this fashion (from product back to establishment), one can't analyze much of anything. One merely comes up with errors.

An existing scene is as good as it gets out its products, not as good as it is painted or carpeted or given public relations boosts.

So for *any* scene, manufacturing or fighting a war or being a hostess at a party, there are *products*.

People who lead pointless lives are very unhappy people. Even the idler or dilettante is happy only when he has a product!

There is always a product for any scene.

STANDARD ACTION

A beginner can juggle around and go badly adrift if he doesn't follow the pattern:

1. Work out exactly what the (person, unit, activity) should be producing.
2. Work out the ideal scene.

3. Investigate the existing scene.
4. Follow outpoints back from ideal to existing.
5. Locate the real Why that will move the existing toward ideal.
6. Look over existing resources.
7. Get a bright idea of how to handle.
8. Handle or recommend handling so that it stays handled.

This is a very sure-fire approach.

If one just notes errors in a scene, with no product or ideal with which to compare the existing scene, he will not be doing data analysis and situations will deteriorate badly because he is finding wrong Whys.

THINKING

One has to be able to think with outpoints. A crude way of saying this is “learn to think like an idiot.” One could also add “without abandoning any ability to think like a genius.”

If one can't tolerate outpoints at all or confront them, one can't *see* them.

A madman can't tolerate pluspoints and he doesn't see them either.

But there can be a lot of pluspoints around and no production. Thus, one can be told how great it all is while the place edges over to the point of collapse.

One who listens to people on the scene and takes *their* Whys runs a grave risk. If these *were* the Whys, then things would be better.

A far safer way is to talk only insofar as finding what the product is concerned and investigating.

One should observe the existing scene through data or through observers or through direct observation.

One often has to guess what the Why might be. It is doing that which brings up

the phrase “Learn to think like an idiot.” The Why will be found at the end of a trail of outpoints. Each one is an aberration when compared to the ideal scene. The biggest idiocy which then explains all the rest and which opens the door to improvement toward the ideal scene is the Why.

One also has to learn to think like a genius with pluspoints. Get the big peak period of production (now or in the past). Compare it to the existing scene just before.

Now find the pluspoints that were entered in. Trace these and you arrive at the Why as the biggest pluspoint that opened the door to improvement.

But once more one considers resources available and has to get a bright idea.

So it is the same series of steps as above but with pluspoints.

SUCCESSFUL INVESTIGATIONS

Correct investigations depend on correct Whys. You can understand a real *Why* if you realize this:

A REAL WHY OPENS THE DOOR TO HANDLING.

If you write down a Why, ask this question of it: “Does this open the door to handling?”

If it does not, then it is a wrong Why.

When you have a right Why, handling becomes simple. The more one has to beat his brains for a bright idea to handle, the more likely it is that he has a wrong Why.

So if the handling doesn't leap out at you then THE WHY HAS NOT OPENED THE DOOR and is probably wrong.

A right Why opens the door to improvement, enabling one to work out a handling which, if correctly done, will attain the envisioned ideal scene. Investigatory Technology can be applied to situations good or bad, large or small, dispelling many of life's puzzles and making real solutions possible.



MGE Power Program Executive Seminar

**Based on the works of
L. Ron Hubbard**

MANAGEMENT TOOLS & TROUBLESHOOTING

© 2008, 2010 MGE: Management Experts, Inc. All Rights Reserved.

Intention is Cause

By L. Ron Hubbard

“Intention is cause. Without intention nothing can be accomplished. With intention, almost anything can be accomplished – perhaps anything can be.

Intending is a continuous process.

The intention is what causes the job to get done. All the steps that follow the intention are just technical details.”

© 1952 L. Ron Hubbard Library. All Rights Reserved.

Definition of “PRODUCT”

By L. Ron Hubbard

“PRODUCT:

1. a completed thing that has exchange value within or outside the activity.

2. a product is a finished high quality service or article, in the hands of the being or group it serves, as an exchange for a valuable. That’s a product.”

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Product Examples

Some examples of a PRODUCT:

- a. **Receptionist** - A properly routed phone call.
- b. **Scheduling Coordinator** - A patient who shows up on time for their appointment for the correct amount of time.
- c. **Collections Person** - All funds collected for services rendered.
- d. **Cook** - A promptly served meal that tastes good, and the value is commensurate with the amount paid.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Name, Want and Get Your Product

By L. Ron Hubbard

"IF PRODUCTION IS NOT OCCURRING,
THE ABILITY TO NAME THE PRODUCT
IS PROBABLY MISSING."

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Subproducts

Based on the works of L. Ron Hubbard

Sub - a smaller part of a whole. You could break any "product" down into individual smaller "subproducts."

Mr. Hubbard explains this in the following quote:

"If you take any valuable final product and trace it backwards step by step, using a BE-DO-HAVE breakdown of what it took to create it and then wrote up the list as preliminaries, you would have a subproduct list."

© 2008 MGE: Management Experts, Inc. All Rights Reserved. Quoted Material: © 1978 L. Ron Hubbard Library.

Subproducts

By L. Ron Hubbard

"Let us take a cup of coffee as the valuable final product. The minimum subproducts list would divide into what you had to be, what you had to do and what you had to have to wind up with a cup of coffee.

Be: Somebody who wanted a cup of coffee, somebody hatted to make coffee.

Do: Boil water, add coffee, put coffee in a cup, put it someplace where it could be drunk, let it cool until it was drinkable."

© 1978 L. Ron Hubbard Library. All Rights Reserved.

Subproducts

By L. Ron Hubbard

"Have: Money to buy the necessary, or the ability to make money so you can buy the necessities or the skill to create the necessities: water, a pot to boil water in, fuel to make a fire, a fire to put a pot on, time to boil the water, coffee, the skill to make a cup of coffee, a cup to pour it in when made, a place to put it or drink it."

© 1978 L. Ron Hubbard Library. All Rights Reserved.

Subproducts

By L. Ron Hubbard

"Now, from the above you could work out the subproduct list of a cup of coffee. Now, if at some future date you found out there was something wrong with the coffee valuable final product all you would have to do is assess this list and find out how come no valuable final product."

© 1978 L. Ron Hubbard Library. All Rights Reserved.

DRILL

1. Twin up with another attendee or your Office Manager if he or she is here.
2. Take up an area of the office where you are having trouble with production.
3. Work out what the product for that area is.
4. Now list out the subproducts in making this product.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Name, Want and Get Your Product

By L. Ron Hubbard

“The question of WANT the product has to be included in any examination of reasons why a person or an organization isn’t producing.”

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Name, Want and Get Your Product

By L. Ron Hubbard

“All science and technology is built around this single point in the key phrase ‘Name, want and get your product.’ Managers and scientists specialize in the HOW TO GET part of it and very often neglect the rest.”

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Definition of "TARGET"

From *Modern Management Technology Defined*

"An objective one intends to accomplish within a given period of time."

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Definition of "QUOTA"

From *Modern Management Technology Defined*

1. A production assignment. It would be the number assigned to whatever is produced. As an example, the Director of Training is given a quota of 45 letters to produce per day.
2. A quota is a future expectancy. The way one sets a quota is quite important. If it is too impossible, a quota gets overwhelm not stats. Too low a quota is no challenge at all and gets no quota."

© 1976 L. Ron Hubbard Library. All Rights Reserved.

Targets vs. Quotas

Quotas

- Production to be \$5,000 each day.
- We are to get 25 new patients this week.
- We need to get 50,000 pieces of promo out.
- Collections quota is \$150,000 this month.

Targets

- Mrs. Jones is to see the doctor at 4PM to present her case.
- Have the hygiene patient moved to my room to get her treatment started.
- Get the financing completed with Mr. Smith so we can begin treatment.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Targets and Quotas

Quotas can be met by assigning the necessary targets to be done that would make the quota a reality.

For Example: Collections quota for the day is \$10,000. All patients coming in that day are reviewed to see who needs to pay what, insurance is estimated, etc.

The products and sub-products are "lined up," and who is doing what when is figured out and times assigned, etc. If the "line-up" will not meet the quota, one would have to look for an additional means to pull off the quota (additional targets).

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Product Officers

By L. Ron Hubbard

"A product officer has to name, want and get his products.

This means one says, 'You there. Joe Blow. Want him completed. All right get it DONE.' Product by product. There is no general 'get the stats up.' Hell, you never get a product that way.

Push, debug, drive. Name it, want it, get it."

© 1972 L. Ron Hubbard Library. All Rights Reserved.

Product Officers

By L. Ron Hubbard

"That's the *only* way you ever get a product. Sad but true.

They don't ever happen by themselves.

And all the public relations chatter in the world is not a product. I know this product officer beat.

It's a piece of cake.

But it has to be DONE."

© 1972 L. Ron Hubbard Library. All Rights Reserved.

Meetings

Examples of meetings that should be held to coordinate/plan:

- Executive Council (weekly)
- Morning production meetings (daily)
- Clinical (production staff) meeting.
- Staff meeting.

(This would not replace the regular interaction the OM/Execs would have with staff to check battleplans and debug productivity.)

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

DRILL

1. With your twin, find five things that would be considered *facts* in the newspaper.
2. Now, find five *opinions*.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Added Time

By L. Ron Hubbard

"In this outpoint we have the reverse of dropped time. In added time we have, as the most common example, something taking longer than it possible could.

Added time must be called to attention as an outpoint in its own right for there is a tendency to be 'reasonable' about it and not see that it *is* an outpoint in itself."

© 2001 L. Ron Hubbard Library. All Rights Reserved.

Added Time, Examples

Examples of Added Time

- It takes four weeks to get a new patient in for an appointment.
- Your assistant takes an hour to make simple chart notes.
- You ask a staff member to enter practice stats in the computer and it takes all day.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Outpoints/Illogics

Based on the works of L. Ron Hubbard

1. Omitted data
2. Altered Sequence
3. Dropped Time
4. Falsehood
5. Altered Importance
6. Wrong Target
7. Added Time

© 2001 L. Ron Hubbard Library. All Rights Reserved.

Pluspoints

Based on the works of L. Ron Hubbard

1. Related Facts Known
2. Events in Correct Sequence
3. Time Noted
4. Data Proven Factual
5. Correct Relative Importance
6. Expected Time Period
7. Correct Target

© 2001 L. Ron Hubbard Library. All Rights Reserved.

DRILL

With your twin, come up with two examples for each outpost.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Outpoints

He yelled at his dental assistant because his stocks lost money.

WRONG TARGET

Outpoints

I have no idea why 80% of the patients didn't show up, I personally confirmed them all!

FALSEHOOD

Outpoints

I have an idea – let's raise our production by scheduling lots of patients and doing the work before we tell them how much it costs! After we do the work they'll have to pay!

ALTERED SEQUENCE

Outpoints

Bill: I met this lady Jane today at work. Do you know her?

Mary: (note: Mary has not seen or heard from Jane in 20 years since they were in high school together).

"Oh yeah...I know her – she's does a lot of drugs and drinks a lot."

DROPPED TIME

Outpoints

I know the doctor is worried and has trouble paying her bills because the office isn't very productive. But, the staff are happy and as the office manager that is the most important thing.

ALTERED IMPORTANCE

Outpoints

When new patients go up we always have more production. But, even though we haven't changed ANYTHING the last three months, new patients are way up and production keeps going lower. Maybe the new patients that are coming in just don't care about their mouth.

FALSEHOOD (AND AN OPINION)

Outpoints

The Schedule Coordinator changed her statistic to "Appointments Scheduled" when she found she could produce more of this product than "Number of Appointments Kept."

ALTERED IMPORTANCE

Outpoints

France lost the war.

DROPPED TIME

Outpoints

We are a very busy successful office.
As a matter of fact, it takes four weeks
just to get an appointment!

ADDED TIME

Outpoints

The teacher had all students stay late
for detention because one of them got an
"F" on their test.

WRONG TARGET

Outpoints

We're not really marketing right now as
money's tight and we have to spend the
marketing money to redecorate the office. Once
we redecorate, hopefully we'll get some money
to market and bring more people in.

ALTERED IMPORTANCE

Outpoints

There are tons of complaints from people about our marketing. They're coming in by the BOATLOAD!

OMITTED DATA

Outpoints

Your schedule is really empty.

OMITTED DATA

Outpoints

I know that your last hygienist spent one hour with each patient - I am going to need at least three to do *a really* good job.

ADDED TIME

Outpoints

I know she has only been here three months, but I think we should give her a raise. She is threatening to quit if we don't. The reason people usually quit is failure to get raises.

WRONG TARGET & A FALSEHOOD

Outpoints

No one wants to pay their bill!

OMITTED DATA

Outpoints

His production is down. Let's raise his commission rate so that he will produce more!

ALTERED SEQUENCE

Outpoints

We need to move the practice. The people don't want dentistry around here - their dental IQ is really low.

WRONG TARGET

DRILL

With your twin, find ten outpoints in the newspaper - it doesn't matter which ones (i.e., types of outpoints) you find.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Ideal Scene

By. L. Ron Hubbard

"THE PURPOSE OF THE ACTIVITY MUST BE PART OF THE IDEAL ONE HAS FOR THAT ACTIVITY.

All one has to ask is 'What's the purpose of this?' and one will be able to work out what the ideal scene of 'this' is."

© 1970 L. Ron Hubbard Library. All Rights Reserved.

DRILL

1. Work out the ideal scene for three different areas or things that you *are* familiar with.
2. Share your results with your twin.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

DRILL

1. Take three areas of your practice that are not functioning well and work out what the ideal scene of each would be.
2. Share your results with your twin.

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Data Defined

By L. Ron Hubbard

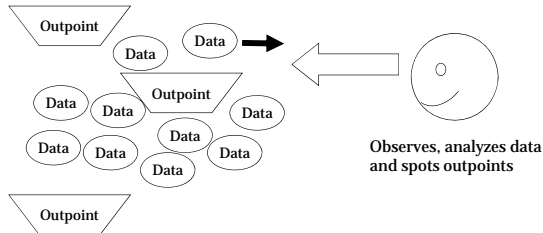
“Data is defined as facts, graphs, statements, decisions, actions, descriptions, which are supposedly true.”

© 2001 L. Ron Hubbard Library. All Rights Reserved.

Data Analysis

Based on the works of L. Ron Hubbard

"The way to analyze data is to compare it to the outpoints and see if any of those appear in the data."



© 2001 L. Ron Hubbard Library. All Rights Reserved.

Narrowing the Target

By. L. Ron Hubbard

"When you look at a broad field or area it is quite overwhelming to have to find a small sector that might be out.

The lazy and popular way is to generalize. 'They're all confused.' 'The organization is rickety.' 'They're doing great.'

That's all very well but it doesn't get you much of anywhere.

The way to observe so as to find out what to observe is by discarding areas."

© 1970 L. Ron Hubbard Library. All Rights Reserved.

Narrowing the Target

By. L. Ron Hubbard

"One looks broadly at the whole scene. Then discards sections of it that would seem unrewarding. He will then find himself left with the area that contains the key to it.

Example: One has the statistics of a nine-division organization. Eight are normal. One isn't. So he investigates the area of that one. In investigating the one, he discards all normal bits. He is left with the abnormal one that is the key."

© 1970 L. Ron Hubbard Library. All Rights Reserved.

Situation Finding

By. L. Ron Hubbard

“WHERE YOU FIND OUTPOINTS, YOU WILL THERE ALSO FIND A SITUATION.

If several outpoints come to view in any scene (or even one), if you look further you will find a *situation*.”

© 1973 L. Ron Hubbard Library. All Rights Reserved.

Finding a Situation, Example

Let's start simple: *Ideal Scene would be house kept at a comfortable temperature at all times.*

1. You walk in your house and its hotter than it should be (OUTPOINT).
2. The fireplace and stove are off.
3. You go to the thermostat and it says the AC is set for 68° and it is 80 ° in the house. (OUTPOINT)
4. You go to the fuse box and it is fine.
5. You look at your outside unit and it is not running, even though it is switched “on.” (OUTPOINT)

SITUATION: *A/C IS NOT WORKING*

© 2008 MGE: Management Experts, Inc. All Rights Reserved.

Drill

With your twin, create three sample investigations leading back to finding the Situation.

Drill

1. With your twin, take three of the outpoints you found in the newspaper earlier and work out:
 - a) Briefly, what the ideal scene for that area, thing, etc. would be.
 - b) The next action you would take to investigate to find the Situation.

The Test of a Real Why

By. L. Ron Hubbard

“A REAL WHY OPENS THE DOOR TO HANDLING.

If you write down a Why, ask this question of it: ‘Does this open the door to handling?’

If it does not, then it is a wrong Why.”

© 1974 L. Ron Hubbard Library. All Rights Reserved.

A Real Why

By. L. Ron Hubbard

“A real WHY *must* lead to a bettering of the existing scene or (in the case of a wonderful new scene) maintaining it as a new ideal scene.”

© 1972 L. Ron Hubbard Library. All Rights Reserved.

A Real Why

By. L. Ron Hubbard

"The WHY must be something which

YOU CAN DO SOMETHING ABOUT
YOURSELF FROM YOUR LEVEL OF
AUTHORITY OR INITIATIVE that will lead to
THE IMPROVEMENT OF A POOR
EXISTING SCENE TOWARD THE IDEAL
SCENE."

© 1972 L. Ron Hubbard Library. All Rights Reserved.

Whys, Wrong Whys, Mere Explanations

With the slides that follow, reasons will be given for situations. Identify which would most likely be right Whys, wrong Whys or mere explanations.

Whys, Wrong Whys, Mere Explanations

Situation: *There is no office manager.*

"Whys"

- The owner of the office does not understand what an office manager does and as such doesn't think he needs one.
- It's only a small office.
- The office's hiring system is too old.
- There is no one good enough for the job.

Whys, Wrong Whys, Mere Explanations

Situation: *The printer won't print anything*

"Whys"

- a. It works only when dropped.
- b. It was made in another country.
- c. It has not been plugged in.
- d. The person who owns it is ill.

Whys, Wrong Whys, Mere Explanations

Situation: *Nine year old can't read.*

"Whys"

- a. His parents have not spent enough time with him.
- b. He has a low aptitude for reading because he is a "verbal" type personality.
- c. Kids today spend too much time playing video games.
- d. He hasn't been taught phonics in school or anywhere else (his school believes in a "new method" of teaching reading which does not work) and his parents assumed his school taught phonics as this is how they learned to read.

Whys, Wrong Whys, Mere Explanations

Situation: *High volume of promotion going out, but low responses.*

"Whys"

- a. People are on vacation this time of year.
- b. Most people in town already have a dentist.
- c. The receptionist is too slow. She answers 50 calls per minute - we need one who can handle 75.
- d. The mailing list is ten years old and 60% inaccurate.

Whys, Wrong Whys, Mere Explanations

Situation: *Appointments are being put off too far into the future resulting in lowered production.*

“Whys”

- a. The hygienist and assistant don't get along.
- b. The scheduler is new on post and has no idea about how long appointments take or what a production target is.
- c. Office hours should be reduced to make less time available.
- d. Patients are really busy.

Whys, Wrong Whys, Mere Explanations

Situation: *Associate post has been unmanned for 3 months, resulting in lowered production.*

“Whys”

- a. Doctors want to own their own practice.
- b. Nobody has been designated to do it and as a result, no one in the office is doing anything (ads, calls, etc.) to find an associate.
- c. All of the patients only want to see the main doctor.
- d. Don't hire an associate until you are booked six months in advance.

Whys, Wrong Whys, Mere Explanations

Situation: *Salesman not closing despite adequate interviews.*

“Whys”

- a. The economy is tight.
- b. The salesman has gone into lowered conditions by committing financial irregularities to close an SP.
- c. The prices for company services are too high!
- d. He “lost his touch.”

Whys, Wrong Whys, Mere Explanations

Situation: *Profit down despite higher income.*

“Whys”

- a. It’s tough to save money.
- b. All money should be spent immediately to avoid taxes.
- c. There is no financial planning or reserve account in place as no one knows how to do it.
- d. Expenses are up – inflation you know!

Whys, Wrong Whys, Mere Explanations

Situation: *Restaurant’s food tastes bad.*

“Whys”

- a. Some people just don’t like the kind of food we serve.
- b. You can’t please everybody!
- c. We just can’t keep up with the competition. We should charge less.
- d. The cook is buying older food supplies and pocketing the difference personally without telling the owner.

Whys, Wrong Whys, Mere Explanations

Situation: *Two countries have been at war for decades and the leaders refuse to reconcile differences.*

“Whys”

- a. The people just hate each other, always have and always will.
- b. It is human nature to fight.
- c. These countries are fighting, and should continue to fight until one is destroyed.
- d. A hidden unseen third party is promoting the conflict and making billions of dollars selling arms to both sides.

Whys, Wrong Whys, Mere Explanations

Situation: *Stats are crashed in the hygiene area, despite rising doctor production.*

“Whys”

- a. Stats are always down this time of year.
- b. The Scheduler is spending too much time filling the doctor’s schedule – she should be ordered off of it and onto scheduling more hygiene.
- c. This area is sort of funny – this just happens from time to time.
- d. The hygienist does not want to be a hygienist anymore. Has been secretly planning on quitting while starting another business.

Drill

- 1. With your twin, pull out the sample situations you came up with earlier.
- 2. Now for each one, work out a:
 - a) Mere Explanation
 - b) Wrong Why
 - c) What might be a Real Why

Standard Action

By. L. Ron Hubbard

“A beginner can juggle around and go badly adrift if he doesn’t follow the pattern:

- 1. Work out exactly what the (person, unit, activity) should be producing.
- 2. Work out the ideal scene.
- 3. Investigate the existing scene.
- 4. Follow outpoints back from ideal to existing.”

© 1972 L. Ron Hubbard Library. All Rights Reserved.

Standard Action

By. L. Ron Hubbard

- “5. Locate the real WHY that will move the existing toward the ideal.
6. Look over existing resources.
7. Get a bright idea of how to handle.
8. Handle or recommend handling so that it stays handled.”

© 1972 L. Ron Hubbard Library. All Rights Reserved.

Drill

With what you have learned this weekend, determine an area of your practice that is not functioning properly and bears investigation to get it turned around. Work out a list of actions you will take to begin your investigation.
