ADDRESS

BY MR. G. E. STEADMAN

Mr. President, Fellows and Women: I made a special trip up here from an assignment in Detroit because I wanted to have the pleasure of meeting the gang that has forced my wife to buy 90 pounds of cheese a year.

This noon I had lunch with Leonard and two or three of the boys and had one of the most delicious deserts I ever had, prune whip and some natural cheese. So I got started off well in the old state that is my own.

You have some great opportunities and you have some unpleasant conditions under which you are laboring, but you can correct them.

I happen to be identified with modern conveniences such as Maytag and a number of others who are set up in a big national way to serve the American housewife, and we have to know what is going on in the home. And we know that today there is a greater story back of the home life. How many of us in 1929 were getting all our pleasure outside of the home? How many people are now starting new home life themselves, and in doing that and creating new eating habits.

Take calcium—I haven't time to talk about this, but you do this. Read what the effect of organic calcium is on health and if you know, and if every woman in America had some knowledge of that, she would go for cheese in a big way.

Now I want to tell you one more story. Two or three weeks ago I read of a shipwreck in South American waters. This ship had been drifting for days with its sails down and its rudder gone, and the crew was famished and dying for want of water. They skimmed the horizon for a rescue ship, at last they found it and their first yell was, for God's sake, give us some water, and the rescue ship came back to reply, well, throw your bucket over the side of your boat, you are in the mouth of the Amazon, and there is fresh water for a hundred miles around you.

You are talking about over-production. You are worrying about 17 million pounds of over-production. I dare say to you as a marketing expert that all around you today, all around you there is fresh water, the thing that you have been waiting for, and the only trouble is that you are too wise to create a co-ordinated progressive interest in the community to grab hold of it and save you and this great industry that means so much to Wisconsin and its buying power.

Now I came up here to do you a service, to be of help, that is the only thing I am trying to do. I made a special trip up here away from a busy assignment, and I have to go back tonight. I don't believe you want me to throw you any bouquets. I will lay the cards on the table and say that in my young life I have attempted in eight different instances to help create a community of interest in a large associational group like this towards a movement that ought to be more aware of

the benefit than I. There are too many reactionary minds, too many old fogies, too many dangerous, disastrous types of mental view point that hold a project and its progress back.

The thing that makes you get ahead, that makes you successful as a business consists of three constant factors and one variable. The three constants are plan, progress and prospects. Those things can be engineered good or bad in relation to one variable. If the management's mind is bad they will be bad; if it is good they will be good. I will stop right here and say that it has been my pleasure and privilege in the last three or four weeks to come in close touch with Mr. Mulloy and how we are doing in terms of this Wisconsin Cheese Makers Publicity Association. I know the effect they have had in going around and visiting your factories, and such men as Kohler and McCarthy, and they have the right management in seeing you boys through, and it is for that reason and that alone I have come here and made this special trip, put myself out to be of help to you.

Now I will say this, for you know much better than I do, it is the subject of your conversation at the fireside, you think of it on your pillows at night, and you wake up with it in the morning,—and that is your lack of control of your business. You lack control of every vital part of your business, you lack control of consumption, you lack control of distribution, you lack quality, you lack control of price. You are in business to make a profit and you can't make a profit and stay in existence withut the control you need, because you are unprotected men; because you are unprotected you are paying the cost on the Board today which is greater than any cost you have to pay for anything.

If you will take the time to see it and study it you will know that the one thing you are doing today is cheating yourselves from having something that you really want to have. It isn't the cost of what it is going to be, it is the cost of what you are paying now that counts.

Now none of us can do this job alone. 2176 cheese factories, more factories than there are towns in the state; 90 per cent of the production sold outside of the state and none of us could afford, if you wanted to, if you were that altruistic, to do the marketing job alone. On the other hand, if you were to get together and do it you would do it at a lower individual cost than you could if you were able to do it alone. So for a moment instead of thinking of 2176 that are separate, let's think of these 2176 being put into one factory, into one bowl, into one outlook, into one drive ahead, to solve the problem which can only be solved in union, and if there are some of you individualists here today, good old rugged individualists, you will realize that it is a day which is coming.

Union is the thing which gives us strength. It takes coordination of these purposes and sometimes a little tendency to give and a little tendency to forget your individual conception of communal good. The first thing is to take the business as a whole. You are a producer. Your factory and all of its few hundred assets amount to nothing, only in relation to how well you worship the American housewife. She

rules your business. Find out what she wants and aim to do it and you will grow and succeed. The consumer rules, and you fellows have a duty to the American housewife.

Emerson said that if you want to make a great profit, and we all want to, the automatic rule, the easy rule, the self-evident rule to make a great profit is to render a great service. So you have got to render a service and the profit is automatic. You have not rendered a service to the American housewife, otherwise she would be eating more cheese. You have failed the American housewife and it is showing up in your pocket books.

There has come a new day in your business, that all of these physical properties you have, have amounted to nothing only in terms of your ability to sell. If you sell they become liquid, negotiable and profitable and if you don't, they become income losers and so let's consider for just a moment that fact that here is a time when we need to give attention to the manufacturer of the customer, not the manufacturer of cheese. All of you know you can produce cheese, and quality is the thing that counts, and this plan under consideration has no other purpose than that. In an evolutionary rather than a revolutionary way it has slowly, painstakingly, translated cheese to the American housewife in a way that will give her a new understanding and appreciation of it, to a point where she will become a greater customer and more people will eat more cheese. Don't forget that the American housewife after all runs her business. If she runs your business, and she doesn't know anything about your business, she is apt to ruin it and that is just what has happened.

So in the terms of the manufacturer of the customer, let me just bring up two or three things that are essential. All the details of these things can be worked out, every one of these things and practically every one of them have a long supporting chain of evidence behind them. Every one of these things are exactly what you would want if you study this matter yourself.

Lucky Strikes have the toasted process; Chrysler has floating power; the Maytag has the gyrator. All throughout the merchandising picture you will find this vital difference, and boys, haven't we got it in Wisconsin cheese in any of its forms? Vital difference in taste, in quality, in the replacement of the blood stream, in health factors, whatever way you want to look at it. It is certain you have to arrange better sales exposure.

I can take a package from a shelf and put it down in front on the counter and increase the susceptibility of its purchase twenty-two times in just so simple a move as that in the manufacture of a customer. Why? Because a woman can see it, she can feel it and she can handle it. I say to you, women can't see cheese often enough, they can't feel cheese often enough, they can't taste cheese often enough in the store. You have got to get cheese out where it is exposed to these influences.

I want to tell you another thing, that is, that the average grocer has no proper conception of the contribution which cheese can make

to his own profits. Now, I happen to know that the margin is pretty fair but there are things you can do to influence that grocer to give better exposure to cheese that will increase the turnover and will pay him better in terms of profits than other items in his store and that is a job that has to be referred to the grocer, otherwise he won't have the interest in his cheese and he won't get the professional effect of the influence of the customer in this way.

All right, from my standpoint, what should be a good plan? Forgetting all the details—you men are not so much interested in the detailed mechanics of this thing; you are interested in getting a proper judgment of whether it is going to help you out and how it is going to work. I could call up here instances by the hour, Northwest Salmon Packers, California, all the Associations in California, the Idaho Potato Growers, all down the list and prove to you the terrific evidence to you in dollars in your pocket of such a movement. But how? It is a matter of surveying the best way to make it easier for you to do this.

First of all, this Wisconsin Cheese Makers Publicity Association has to move carefully and slowly to put into your hands a proper conception of what the market is from the consumer's standpoint, the dealer's standpoint and from a competitive standpoint. I am supposed to be acquainted with it. I am supposed to be a research expert. Somebody sometime is going to find me out. I know a lot of sources for statistics, and I went to those sources for statistics on cheese and I found less data, fresh market data on cheese than anything else. I say the first step in this thing is to get some more research based on the influence of the customer that will tell you something about the consumer, what she wants and what the variety of things is that most appeal to her, and what will interest her, mostly like this economy appeal and so forth. From the dealer's standpoint, what does he know or what does he think about cheese and what is he doing now. From the competitive standpoint, what can stop these process people from making monkeys of us.

The second thing we must consider is packaging, all of its operations and in all of its ramifications, as to whether it is feasible or not. We know this that the American housewife prefers to buy in a package and it is more sanitary and it is more convenient and easy for her to carry. She is sold on buying in a package. She will pay from ten per cent to double for a thing in a package over what it is in bulk. Package gives identification of quality. From the standpoint of packaging it is a value to the dealer in the conservation of waste, sanitation, convenience and from the standpoint of display.

My wife taught me this lesson long before I read it in the book. Women can see things 28 times faster than they can hear them. Remember, 90 per cent of the cheese is bought by women. And if you get a package out where it is properly exposed, where they can see it and if you can appeal to as many other of their senses as possible in terms of the great variety of things you are doing, make them feel, make them handle, make them taste, and make them hear the favor-

able story on the part of the retailer, you will be making customers. You wouldn't have the worries you have now.

Last of all you have to advertise. You know better than I that your life, your actions, the things you do, the car you ride in, the radio you listen to, the food you eat, everything you do is controlled by the impact of some advertising message you have read or studied. I am going to close but I want to point out to you that advertising is vital to the correction of your fundamental condition and it can be done on a basis that will return you ten-fold for its investment because of its effect in increasing consumption.

Now, in closing I would like to say this, am I right in presuming that you boys are satisfied with your business condition today? The only way to go is forward. You can't stand still, and you have been standing still for fully a year. Maybe you don't like to have me talk this way, but I paid my own way to come up here and I will pay it to go back.

It isn't meetings that is going to win this thing; it is action and force. You can hold meetings until the cows come home but if you are the intelligent boy you look like, you can put it in the hands of the committee you have here.

To conclude, remember these four things. If you build a steam engine or make cheese, these four essentials are necessary. You have to mobilize everything. We are talking about the making of customers for cheese. Second you have to organize everything. Third, you have to vitalize it, that is, make the American consumer feel he does need the proper amount of cheese, and then, you have to use it.

Up in the Northwest the Indians tie their meat up in the trees 37 feet above ground and let it cure there in the winter. That is their refrigerator. Go up there and ask them why. The Indian will tell you, well, a fly can only fly up 35 feet so we put it two feet above it. Wouldn't it be remarkable if some fly came along and was different than all the rest, more dissatisfied than all the rest, and who had more ambition than all the rest, who had the nerve to fly the other two feet and get the meat? Have you in this association got it? Thank you.

REPORT OF THE NOMINATING COMMITTEE

MR. WINTER: Due to the fact that Mr. Whiting was instrumental in bringing about these many things for the good of the association, he was nominated for president for another year.

PRESIDENT WHITING: Any other nominations?

MR. MULLOY: Mr. President, I move the nominations be closed.

Motion seconded and carried.

MR. MALCZEWSKI: Mr. President, I move we suspend the rules and elect Mr. Whiting president unanimously.

Motion seconded and carried.

PRESIDENT WHITING: Ladies and gentlemen, I thank you for this and I am sure I will try and do all I can in the coming year for this association and you want to remember, this is your association. Any suggestions you have to bring to the officers of this association for the good of the association will certainly be appreciated. Thank you.