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Agenda for 10 AM Meeting

W. H. Howard

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MEMORANDUM

Corporate Planning Committee

W.H. Howard

AGENDA
Meeting - 10:00 AM 16 August
Large Sales Conference Room

1. Open Active

1.1 Hazelett Strip Casting Corporation
1.2 Scanning Rod Gage - Shimadzu, Kyoto
1.3 Russian Hot Saw for Billets and Blooms
1.4 Non-tez Rolls - Toho Ltd.
1.5 Ferrous Continuous Continuous
1.6 Government Business
1.7 Epicylic Gears - IHI or MAAG

2. Open Dormant

2.1 Micro-Mills (Cold Rolled Shapes)
2.2 Lawrence Pumps
2.3 Foster Miller - Waltham
2.4 Robotics
2.5 Koelling - Universal Drives
2.6 GFM
2.7 Hallden Machine Company
2.8 Wertli
2.9 Association with Tippins
2.10 Hydrostatic Tension Leveler - IHI

To Be Reviewed By
PaSM
MG
MG/WHH
LSS/WHH
PaSM/WHH
WHH
WHH/HEM

WHH
PRM
HEM
WHH
WHH

PaSM/WHH
WHH
PaSM/WHH
WHH
AGENDA - Corporate Planning Committee Meeting

3. Dropped
   3.1 Sundwig/Sendzimir
   3.2 Ferrco
   3.3 Bliss Presses
   3.4 Geartech, Ltd. (Power Transmission Components)
   3.5 Helicon Reducers - Spiroid Corp. (Otis Elevator)
   3.6 Navy Gears
   3.8 Bloom Continuous Cast - Nippon Steel
   3.9 Schumag, Aachen, W. Germany and New Jersey
   3.10 Specialized Low Tonnage Mill (R.J. Pasquarelli)

4. Review of Morgan
   4.1 Preferred Acquisition Guidelines
   4.2 Corporate Objective and Policy Statement
       (Current copies attached)
   4.3 Review PRM memo of 14 January 1982

Warren H. Howard
CPC - Chairman

Attachments

Copies: MGilvar
        HEMacNutt, Jr.
        DMorgan
        PaSMorgan
        PRMorgan
        ENRandall
        LSSalter
        SSargent
PREFERRED ACQUISITION GUIDELINES

A potential acquisition should:

1. Be a capital goods manufacturer.

2. Meet the financial criteria as outlined in the Corporate Objectives.

3. Be a leader in its field.

4. Be a proprietary product, requiring sophisticated engineering and manufacture.

5. Have a steady growth record (or potential) to facilitate our growth.

6. Have management in place and effective.

7. Have an area of expertise not involving many competitors.

8. Have a cost of entry into the market that is significant.

9. Ideally be compatible with our current product lines. We are seeking diversification in counter-cyclical products.

10. Have a price of up to 10 mm.

11. Depend on quality and service for sales, not price.

12. Have a market in which there is room for growth.

13. We will not make unfriendly offers.

WHH: lc

9 August 1983
CORPORATE OBJECTIVE AND POLICY STATEMENT

1. Manage the Company to accomplish
   - Steady income and stable employment
   - Continue to pay dividends
   - Gross profit before tax 15% - 20%
   - Growth at the rate of inflation plus 2%

2. Maintain or create a dominant market position on all present products.

3. Continue to serve the metals industry with heavy emphasis to be placed on the development of new and improved proprietary methods, processes and products aimed at serving the needs of these industries in the years ahead. Engineering is the Company's primary strength. The metals industry utilizes that strength most effectively.

4. Maximize engineering toward system capability.

5. Consider diversification into other capital goods fields.

6. The Company's immediate aim is to provide an average sales volume in capital goods products to allow for 1/4 to 1/3 in excess of the present manufacturing capability to be sub-contracted.

   We must maintain a modern well equipped manufacturing facility in order to control the quality of our products and to service our customers.
Because of the cyclical nature of our business we must not increase the size of our manufacturing facility and must maintain subcontracting capability for handling overloads. New product needs could alter this strategy.

7. Any acquisition or diversification must contribute to our basic objectives and must be within the area of our expertise.

8. In the acquisition of a new product, purchase and/or license only a leader or a clear potential leader in its field. Morgan does not want to offer just another product in a given field. Going first-class, offering the best, is compatible with the Morgan image and hence, takes advantage of Morgan's reputation.

9. Study and plan for longevity of Morgan seamless tube machinery business.

   - Morgan and Morgan/INNSE Developments
   - When should be negotiate an extension (Expires Jan '91)