





Collected Work

Volume 2

An Uncle Joe Pieface Production (R17)  
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First Revised Edition  
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This is a work of fiction. Names, characters, places, events, products—none of it happened. There is an Oswego, KS, but I've never been there. I used the name because it sounds like "Off we go," which sounds like the start of an adventure. And I'm sure there are people in the world with names a lot like the ones I used, because I riffed a bit on Atlas Shrugged, and such people may work in similar positions in similar industries, but I've never met them and nothing I've written should be interpreted as a slur on their characters, fictional or otherwise. The only thing that's true is that the Kansas grand jury law was changed, but whether it could be used as depicted is a matter of opinion.

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## Preface to the Revised Edition

As I was originally finishing this, I was going back over Vol. 1 and deciding that I'd ventured one rewrite beyond where I should have. Not wanting to make the same mistake twice, I said of Vol. 2 "Release it," then spent the next three years endlessly rewriting Vol 3. "It's just not right yet," I kept saying, until I got to pretty much where I was with Vol. 1—one rewrite over the line, forced to undo the previous rewrite's changes. However, it occurred to me that that's actually the correct number of rewrites, the point at which I couldn't make it any better, and when I went back to this one, I realized that I hadn't gotten anywhere near that point. So I started refining the text, which led to refining the arguments in the text.



Santa Dophina



## One

At the time, she had no way of knowing if it would work; whether the idea was brilliant or batty or merely a dream, the way anything half-baked was. There were risks, as with any endeavor, but she figured if they started slowly and waited for results, those of a monetary nature at least could be minimized. Worst-case, they might lose a month's worth of profit, an account or two. No more than that. And if it was a problem, the whole thing could be undone—easily. That, more than anything else, convinced Daphny of the risk worth taking.

Because she had had enough of the old way of doing things—of fighting over scraps, inspiring people to fight over scraps, casting about for new scraps to fight over. The economy—the whole country, it seemed—had ground to an agonizing, emaciated halt. Soon there wouldn't be anything left.

But she didn't tell anybody, not right away. Not her boyfriend Hank, not the department heads who

kept her business running, not even her colleagues at the Oswego Independent Businessmen's Association, which met once a month at an undisclosed location to grouse about why things weren't improving. They were the ones most likely to share her concerns, to see that the whole system was about to go belly-up, but the Association was and had always been an old-boys bastion of inertia. If an idea had no data behind it, or was seen as any sort of leap into the unknown, you'd get no support, only catcalls or silence. And it was doubly bad if you were a woman. Even as treasurer of the organization, most of Daphny's suggestions were dismissed long before she finished pitching them.

So she made the decision herself, the next Monday, setting in motion a process that would transform the company she had built with her father even as it lead to her arrest and the prospect of 15 years to life as determined by a jury of her "peers." A process that would roil the corporate landscape, exercising courtrooms, boardrooms and legislatures from Texas to New York. For the future of the free enterprise system was at stake, and those who held onto it loath to let go.

It was at the end of the interview with Angela McIlvane, a brilliant but complicated girl six months out of graduate school. With no job experience, just

her MBA and a bright, breezy materialism, she was not so different from other grads. But she made Daphny laugh, with off-color references to her passel of shelter strays, and seemed less a creature of the straight-and-narrow than the others. So she broached the subject.

“I know you’re interviewing for the data mining position, and the helmet is a nice touch, but I’m thinking of offering you another position. A Special Assistant.”

Her face darkened, which Daphny took as a good sign. “Special Assistants” positions ran the gamut from reluctant typist to corporate concubine. She was right to be suspicious.

“What sort of assistant?”

“It’s in our Production facility—there are some ideas I’d like to explore. Nothing’s been implemented yet, but I’ve been thinking about it since the recession started. For example—”

“That sounds interesting.” Angela didn’t need to hear the rest. Even before graduating, she had decided against playing the “right fit” employment game. In a still-tepid recovery, PhDs were sniffing around the MBA space, and she needed to land something—quickly, before her money ran out. Besides, she’d already researched the company. Smaller than she wanted, with paychecks commen-

surate, Oswego Products was nobody's first choice. Their customers were the increasingly impoverished middle-class, and paths to management were non-existent. At the same time, none of her classmates would ever have Production on their resumes. The payoff could be huge if companies ever started making things again or she wanted to work overseas. And a role on any CEO's pet project might yield unexpected benefits. "Would I be supervising?" she asked.

"No. Coordinating. Looking into dark corners, solving problems nobody knows are problems."

"Oh, I could do that. I don't feel ready to supervise."

"So noted." Daphny appreciated her honesty. It would help as she envisioned the position. "You will have to talk to people though."

"Oh, I can talk to them. I just don't want to be in charge of telling them they don't measure up."

It was a curious admission, more personal than professional, but it raised no red flags. Quite the opposite. It's a learned skill," Daphny told her. "Nobody *likes* to do it."

Angela nodded, and there followed a silence. Daphny eventually broke it, saying "Well, I guess that's it. What would you be looking for in terms of salary?"

“Are you offering me the job?” Angela asked.

“Well, there are other people I need to talk to,” Daphny started to say, but stopped. Though the girl had no idea what she was getting into, she was game. That was the quality she wanted. The rest of it would be common sense.

She took a breath. “I guess I am.”

“Then I guess I’ll take it.”

“You don’t want to discuss salary?”

Negotiation from a position of weakness was another game Angela saw no point in playing. “I assume there’s a pay scale, and that I fit into it some place. That’s enough to start.”

Daphny was pleased. “I think this will work out. We’re not that formal, though. The pay scale is whatever I can convince Rob Johnson in HR to pay. We’ll send you the Employment Agreement, and if it’s too low, work on him after you’re here.”

“Thank you.”

They shook hands. Angela left the office and turned, then turned again. Within a minute she was lost, and in a suddenly foul mood as she retraced steps she hoped no one had seen. Was this the life the brochures had promised? There had been no bidding war for her services, no on-campus interviews, no cold-calling recruiters. Nothing to restore the upward mobility her parents had over the years

surrendered. Perhaps, she thought, that would come later—after she'd been around a while and they'd seen what she could do. Perhaps that's how it worked. In the meantime, newly employed and making headway against the mountain of debt she had amassed, Angela resolved to be content. Other opportunities were sure to appear as the economy, and with it her prospects, improved.

## Two

“Come over here.” Daphny turned her computer screen so that Angela could see. She brought up the company’s website, then clicked on the page marked “Products.”

“This is what we make,” she said. “A hodgepodge of things designed in-house and things other companies came up with but didn’t want any more and let us have for almost nothing.”

“Hello Kitty toilet seats? With GPS and Bluetooth?”

“It’s actually ‘Hello Katie’—trademark issues. But it’s so you can track when the toilet seat’s up or down. A must for families with small children.”

“I see.” She pointed to the screen and read, “An elegant solution to ‘The Brady Problem.’ Is that a real thing?”

“No, no. Marketing made that up. That’s the kind of thing I want you to work on.”

“I can do that,” she responded. “Marketing was

my undergrad degree. Is there a 'Hello Katie' dog bed?"

Daphny frowned. "What? No. Should there be?"

"Well, Chester chewed his up last night. Not just the cushion, the whole bed. He must have dreamt he was a beaver."

"No, we don't make pet products."

"But we could, couldn't we? There's a market."

"Once a year we have a new products retreat. You could bring it up then. For the most part though, we tend to tweak the products we already make."

"To keep the patents fresh?"

Daphny laughed. "No. Good guess though. Companies that do that really annoy me."

Now Angela frowned. "What for, then?"

"To keep the accountants and sales people happy. Every year, stores want something a little different, or the cost of material goes up, so as part of continuous improvement"—Daphny quoted the words with her fingers—"we try to drive out cost, like replace a metal part with a plastic one. And the sales people love having a story to tell, so making that change becomes Improved Rust Resistance."

"Like here." Angela indicated the best-selling Leaking Turtle™ brand lawn sprinkler. My father says you changed to cheap plastic connectors that

crack in the sun and spray all over. He likes the turtle, though, so as long as that doesn't break, he'll still buy them."

"Can I have his address? We'll send him a coupon. But that's kinda my point. I remember when we used to make good stuff. We don't now—at least not as much of it—and nobody's really better off. Not your dad, not the Water Works whose pipes break from excessive demand. Not even the company, really—we make 37 cents less per unit than we did the year it came out."

"But you make it up in volume, right?" Angela liked to show off her command of the literature. "I had an course on that. 'The Futility of Utility.'"

"Exactly. You sell five sprinklers two years apart instead of one sprinkler that lasts ten. But if everybody does that, think of the over-capacity, the unnecessary overhead. The landfill space. What's the point?"

Angela looked at her curiously. She'd studied that as well. Innovation. Which led to disruption. Which led to growth, which led to recurring revenue streams. Which led to jobs. The world was ill-served by products that lasted forever.

But she held her tongue, and Daphny continued. "That's what I want you to focus on. Flip the equation. Instead of making things cheaper and

crappier and getting caught in this downward spiral, I'm thinking we should try to make things better. When costs go up, instead of taking something away to compensate, I want you, using the same quantity of materials and labor, to figure out how to add something. Improve it. Let the price float if necessary."

"I'm not sure I understand," Angela said. "Improve it how? We certainly aren't going to be making it more competitive."

"Quality. Functionality. Make it prettier, or nicer, or longer-lasting, or easier to use. Like a high-end product, without the high-end mark-up."

That was it. That was her Big Idea—to somehow stop thinking "How do we make this less?" To move Oswego Products forward, she had to ask the opposite question. "How can we make this more?"

Angela was skeptical. "Yeah, right," she said. "Do you have a death wish?" It was pretty much the reaction Daphny had expected, which is why she had developed the idea privately. She knew there would be resistance. But from a subordinate? Even an opinionated one with a tendency to blurt—that was a bit of a surprise. That was Resistance.

Even more of a surprise was that she didn't do it. At least not right away. Over the course of several weeks, as Angela found her way around the office,

Daphny had to convince her that it was just something she was noodling with. An experiment, not a change in direction. Certainly not a repudiation of the degree she'd spend the next ten years of her life paying off.

To soften the blow, Daphny allowed her to work on ideas for a new kind of dog-proof dog bed. But that was a nearly impossible task, which is why it had never been done before. After a week of increasingly spectacular failures, Angela had no choice but to sidle up to the Big Idea, ridiculous as it seemed.

Reference material began to appear in the general location of her cubicle. Manila folders thickened and moved around her desk, and different web addresses came up in the internet usage reports the company ran each night. There were fewer videos of dogs running obstacle courses; more visits to IEEE and ASME.

## Three

Angela maneuvered a rake into the first of her monthly progress reviews. No chit-chat, no formalities. Not even a passing reference to the Westminster Dog Show.

"I see you've met the Waylon," said Daphny. It was the low-end garden implement they supplied to retailers all across the region.

"Yes. You told me to pick a product that could be improved. And at first I really couldn't find one. We make good stuff here. But then I had to go home for March Madness, and my Dad spent an hour ranting about this rake that he bought. The rake *and* the sprinkler."

"The coupon didn't help?"

"It made it worse. Now he complains about everything, even things he thinks are good, on the off chance he can get a freebie."

"I'm sorry," Daphny said. "But you were saying..."

“Anyway, so I took a look at his rake. Mom runs a daycare out of the basement, so I went downstairs into the mess and tried to rake up some toys. It worked pretty well, except the coloring books kept escaping. And that’s when I noticed…” She grabbed the rake and tossed it out in front of her, holding onto the handle.

“Do you see? Even though it’s got like 32 legs, only ten of them actually touch the ground.”

“That can’t be,” Daphny said, passing a sheet of paper underneath to make sure. “This is the original Waylon design from 1974. I think we’re still paying royalties on it.”

Angela shook her head.

“In 2000, because steel prices had gone up, you changed from metal to plastic. But the materials have different qualities, and that caused problems. To make it grab, the legs had to be thicker, but that made it less flexible. So even though you added legs—that’s the new and improved—unless you push down, it doesn’t work as well as the old one. I have the curve plotted here.”

Daphny looked at the diagram. “Well, that’s an easy fix. It’s just an injection mold.”

“There’s more. You see how the handle doesn’t really fit the attachment? At some point, the handles, which we buy from Ar-Kansas Burl and Twig, got

thinner. But nobody redesigned the mold. In production, they've always dealt with the occasional variation by putting a screw in to hold everything together, but the instructions don't say to drill a pilot hole, and now that the handle is too thin, every rake needs a screw, even though they're too short and go in crooked and just barely hold."

Daphny took the rake from Angela. She shook it, then pressed on the tines with her fingers. "Geez, this is crap. You didn't spend company money on this, did you?"

"No, I got it from Maintenance. They've got hundreds of them, mostly broken. But I was thinking, what if we got rid of that screw, and instead put threads on the handle and the attachment?"

"Like on the H.R. Mop-n-Stop?"

"Exactly. You've already got the tools, and what you go through in additional router bits, you'll more than make up for not having people drive screws into round handles."

"Yes! *That's* the kind of change I was hoping to see. Good work."

## Four

There were other benefits, as Daphny saw when she visited the factory. She hadn't imagined that a process as simple as driving a screw could be dangerous, but the assemblers' workbench looked like an emergency room. Band-Aids outnumbered fingers in most cases.

There seemed to be an excitement about the project. She couldn't point to anything specific, as Angela and the junior engineer explained everything in Spanish, but when prompted, a worker named Oswaldo twisted the pieces together in less than a minute and playfully raked up the sawdust around his workbench. He then thrust his gauze-wrapped thumb into the air, signifying approval.

Later, she asked Angela how it went. "They like it," she said. "They think it's a better product, and won't get blood poisoning from drilling into their hands."

Daphny laughed. "I think they're pulling your

leg on that," she said. "We have workman's comp records to prove it. I do have one concern, though. Should they be twisting the handle into the attachment like that?"

"Well, they could spin the attachment onto the handle. But that takes longer, and they have to do them one at a time. This way they can lay out ten in a row."

"Maybe. But why protect their hands only to ruin their wrists?"

Angela shrugged. It didn't seem like a big deal, but it wasn't her decision. "Sure. We can tweak the work instruction, if that's what you want us to do."

Though she tried not to let it show, Daphny felt pangs of both satisfaction and disappointment. It *was* what she wanted, but Angela and the junior engineer had done all the work. So it was *their* project, and she wanted them to want it to be perfect. If she couldn't tap into that, if somehow their capacity for excellence had been attenuated, they should just go back to making Hello Katie Pez dispensers.

But later that night, as dreams of future projects made sleep difficult, she began to see her assistant's lack of enthusiasm in a different light. For Angela, the rake was a challenge. No more and no less. A measure of mastery in the early stages of a career everyone knew would include things much greater.

For Daphny though, it was something more than that. It was an accomplishment, a way of incorporating what she'd learned, of overcoming the feeling she hadn't truly made her mark on the company, even though her father had founded it and she had worked there, on and off, her entire life.

This was her redemption, her legacy. And as the numbers trickled in, and orders for the Waylon jumped 30% the month they began shipping the new version, and Oswaldo went from part-time to full-time—at that point it became vindication. And she felt secure enough to finally go public, even if only to her boyfriend of two years, Hank.

## Five

“You did what!?” He pulled his hands from her shoulders, leaving a knot as big as Oswego Lake. “You violated the Oath?”

Two years ago, when she first met Hank, Daphny wasn’t even sure she wanted another boyfriend. Though they seemed compatible, he was younger—a lot younger—and less ambitious and less capable than her previous boyfriends, in ways that surprised and softened and made her suspicious. He was supportive, but not always clear on what she was trying to achieve, and she found the combination problematic.

The oath he was referring to was “Cheaper, cheaper, cheaper,” which, they had agreed, had supplanted “Cheaper, faster, better” as the official mantra of American design. Daphny couldn’t remember if it had ever been true.

“Oh yeah. Big time.”

“And you haven’t been struck blind? Called up

to testify in front of the House Un-American Activities Committee?"

"Not yet. Are they even still around? So far, there's been no evidence of any downside. I've got a reluctant but whip-smart assistant, some *muy grati* workers with healing hand wounds, and a whole lot of Wal-Mart customers finally getting the kind of deal they were promised." She placed his hands back onto her neck.

"Well, I'm not buying it. There's no way you can make that big a change without repercussions. They just haven't shown up yet."

"Repercussions!?" she laughed. "It's a garden rake! Now get back to work. Oh yeah, right there."

## Six

Truth be told, there'd been no repercussions. Well, maybe one. A month after they changed over to the new model, before the initial sales reports came in, Daphny got a call from the owner of a company named Plastique, down the road in Parsons. She was used to feelers from other companies who didn't know they were a majority-owned unit of the far-flung Chokehold Consortium, but this was a different kind of call.

"Please hold for Mr. Caulfield."

"Ms. Taggart? Hello, good morning. Hayden Caulfield, Plastique Enterprises. Listen, I'm trying to identify an anomaly in our revenue stream, and our legal team has directed me to you."

Spies? Really? They had spies? Who paid for *them*? she wondered.

"You recently made a change to a product, your part number 5B-7421, correct? A garden rake? Well, we're looking at the list of features, and it would

appear you've strayed two full satisfaction levels above your price point."

"And this is a problem?"

"Of course it's a problem. Maybe not for you, but my warehouse now is full of units I can't move. And I'm the deluxe brand. Whoever's in the middle has probably been eviscerated."

Eviscerate. Now that was a word, Daphny thought. It sounded a lot like commiserate, which she had no intention of doing. Not this early in the morning. If there was a problem, it was *his* problem.

"Oh, come on. We made a few simple changes. It's not like we rebranded it."

"You might as well have. I'm sure you understand that a coordinated approach to the market is the most efficient. We can't have people going off in every direction. So I'm asking you to please rescind these changes. And in the future, if you feel a need to shift the market up or down, a heads-up would be appreciated."

Daphny pretended to be offended. "I'm sorry, but these changes cannot be rescinded," she said. "We're on a two-year design cycle. You're an ass for even suggesting it."

Caulfield's voice rose. "I feel I've been reasonable, Ms. Taggart, contacting you directly. I could have gone to the trade association, you know."

“Be my guest. If you think that’ll repair your sagging margins.”

“There are penalties for non-compliance,” he snapped.

“As there are for restraint of trade,” she replied. “You’re not recording this conversation, are you?”

“Of course not. This is my private phone.”

“Well, your spies screwed up, then,” she chor-tled. “Because this is my office phone. The one the Justice Department monitors.”

She really had no business saying that. The Justice Department didn’t monitor the phones—that was just a lie Chokehold asked them to tell to keep the rumor mill quiet.

“Hey, now. This is all off the record.”

“Is it!?” She slammed down the receiver, jolting the remotely-located NSA operative from a deep sleep. “Huh, what?” he stammered.

## Seven

Nothing came of any of it. No lawyers were retained, no trade associations petitioned. Plastique stayed in business, perhaps doing a little redesign of their own, and Daphny had no further exchanges on the subject, positive or negative, with colleagues, competitors, or boyfriend Hank. Rather, she asked Angela if their success could be repeated. Would it scale? Angela, abandoning her earlier reticence, said she didn't see why not. So one project became four, and then eight. Progress reviews went from monthly to weekly—they had a lot of work to do. But one day Angela arrived for her weekly review with a frown on her face, hair up and shoes shined.

Daphny had been waiting for this moment ever since she'd failed to convince Human Resources of Angela's enormous potential. "Whatever the offer is, I'll match it," she said.

Angela shifted gears. "Really? What sort of documentation would I have to produce?"

“Umm...none, I guess.” Daphny wondered if she was serious. “It’s a joke,” she explained. “Based on the fact that you’re wearing the same suit you interviewed in.”

“Oh. Well, I only have this one suit. But you don’t have to worry about me going anywhere. I talk to people all the time. I’ve been to Young Pro O, I’ve been on the web...Nobody’s interested in the unique skill set I’m developing here, trust me.”

So Angela too was joking. But at the same time, her response was so automatic that Daphny assumed she was hiding something. She had to be.

“What’s the problem then?”

“It’s not a problem, really. More of a confession.”

“You’re not pregnant, are you? I told you to keep that aspirin between your legs.”

Angela rolled her eyes. As if that happened any more. “No. But you keep asking for ideas, and while I said they were easy to come up with, they’re not always. So I’ve been using other people’s suggestions as my own.”

Daphny considered this, then smiled. “Is this part of your unique skill set?” They had had eight successes in eight tries, and were working ten more. She didn’t really care where the ideas came from. In fact, if they were percolating up from the line, that might be a good thing.

“So where are the ideas coming from? Are people mad because they think you’re taking all the credit?”

“No—mostly they’re happy because they get to fix things they think are wrong. Once it was the original designer, redoing something that had bothered him for years. He sent me flowers.”

“Then I don’t think we have any cause for concern. It’s a good thing, actually.”

“How so?”

“Well, the changes can’t just be about you, me and this office all the time. Other people have to get involved. Without that—if people feel they’re being pushed around, or left out, you’ll get resentment. There’ll be sabotage. Maybe intentional, maybe unintentional, but it’ll happen.”

Angela was relieved. She hadn’t really thought she would be in trouble—they were making money, in however unorthodox a fashion—but ethics were always a gray area. You never really knew where the line was.

Apparently, though, she wasn’t even close to it. Pausing momentarily to let Angela recover from her conflicted state, Daphny brushed the matter neatly aside. “What do you have for me this week?” she asked.

## **Eight**

The pace of projects accelerated. As more and more came to fruition, evidence of Daphny and Angela's initiative began to appear beyond the core of the business—the employees, products, and markets they sold into. The public's perception of Oswego Products began to change. Locally, the Labette Leader reported increased freight traffic, and job applications began to skyrocket, especially from new graduates. Suddenly, responses to other companies' offers became contingent on "What Oswego says." The pay was still less than it needed to be, but the company had acquired a certain cachet. And on a survey taken for the Chamber of Commerce's yearly "Oswego Works!" promotional campaign, one job seeker had written "Finally. The ability to use my brain as well as my education."

Daphny welcomed this sort of outside validation. Inside the company, of course, everyone had an interest in declaring every action successful, whether

or not the data supported it. Judgment was easily suspended. But when disinterested parties began to notice your success, began to comment on and try to dissect it—that was something completely different. That was a whole other level of success.

## Nine

There was an area Daphny wanted Angela to look at, a part of the business that had never drawn much attention. “Customer Service,” she said. “Is there anything we can do there?”

“Same parameters?”

“Spend what we spend now. Provide as much service as humanly possible.”

“I’m sure we can find something,” Angela replied. “This place is a black hole of inefficiency.”

Surprised and a little hurt, Daphny suppressed the urge to remind her that, eight months ago, she’d thought the exact opposite. “Then bring me something good,” she said instead.

The answer that came back, though, was immense. Unimaginable, even by Daphny’s standards. What they’d done before were tweaks—assemblies changed, features added, designs reworked—but Angela’s ideas, fully implemented, would change

the way they, and maybe everybody else, did business. It was way, way, way too much. But Angela argued with her, saying “They offered me a 10-dollar warranty on a 25-dollar clock radio!” and Daphny knew she had a point. Still, it was a lot of revenue to give up, most of it pure profit.

“Customer Service,” she said, bouncing into Daphny’s office one day after lunch. Dressed up again. “Or shall I say ‘Customer Abandonment?’”

“Because we don’t bombard them with a hundred emails a week? That’s just common courtesy.”

“I can appreciate that. Last year, I got a great rate at a hotel in Iowa City that accepted pets. Little did I know that that rate would include endless solicitations to re-visit Iowa City.”

“Don’t you just block them?”

“Of course. But the next month it’s somebody else. And even if you block them, all that spam still has to get where it’s going. It clogs the fiber. In fact, every time my Netflix freezes, I don’t bother to call the cable company. I just assume they’re waiting on a slow-moving spam train to pass.”

She laughed at the image, a little too loudly, then composed herself as Daphny had instructed. “I know—focus.” She took a breath.

“In a way, it would help if we had an enormous junk infrastructure, so that we could kill it and free

up resources. We don't really spend much on Customer Service. So I had to work with Alan Knapp in Warranty. He's the one who came up with 'Customer Abandonment.'"

"Lovely."

"What he means is we sell something, and that's the end of the relationship. Kind of like mine with Alan."

"Unless they return it under warranty."

"But have you ever tried to return a 25-dollar clock radio? I'm sure that's below your pay grade, but it's an enormous hassle. Even if you keep all the paperwork, the girl at the register has to call the manager, who makes this huge show of finding the right key. Like it's Fort Knox. Then there's the 20-foot long receipt you have to sign in blood. It's designed to be unpleasant, so most people just eat the loss."

"And this constitutes abandonment of the customer?"

"Duh. You buy something, you're on your own. Whether it works or whether it doesn't. *Caveat emptor.*"

Daphny accepted the characterization. But there were reasons for it, she thought, data-driven reasons that explained how everything came down to the initial decision to purchase. After all, how many

clock radios was a person likely to buy in his or her lifetime?

Angela continued. "Like I said, Alan and I didn't have much to work with, so there wasn't much we could do. But there are things we do that don't help, and those can be eliminated."

"Like what?"

"Those customer lifestyle survey cards we include with each of our products? Four-tenths of one percent of the people actually return them, and half of those have fake names like L'il Dipper."

"L'il Dipper? Is he a rapper?"

"No, it's 12-year-old penis slang."

Daphny colored. "Oh. Well, there must be other things we can sell them. Hello Katie Member Extenders, perhaps?"

Angela forced herself to laugh. Focus yourself, she thought.

"So we can get rid of those. The whole customer data collection apparatus, such as it is, can go. And that will make up for some of what we lose when we stop selling extended warranties."

No, not that, Daphny thought. "What's wrong with offering customers peace of mind?"

Angela gave her a look—pity mixed with contempt. "You know that answer. First of all—almost nothing breaks between thirty days and three years.

Second of all—it's not even our warranty. We just take payment up front, then let the retailer trash our reputation in order to sell a service plan. Third—shouldn't peace of mind be included in the original price? And fourth—nobody ever sends back reports, so we don't know what, if anything, even breaks. It's customer abandonment!"

## Ten

Daphny agreed, reluctantly, but when Angela asked, a few days later, “Does the enormity of this assignment get me any closer to management?” it sounded ominous. To drive the point home, as well as introduce Daphny to the proposed new structure, Angela had created a Powerpoint presentation.

Click. “To produce more customer service, we have to look at where we are in contact with the customer.” Click. “Aside from when they are using our products.” Click.

“Which restricts us to two periods of time—before they buy, and after they’ve stopped using the product in question.”

Click. “We think we can make improvements in both these areas.” She double-clicked, and a picture of her 25-dollar clock radio stuffed haphazardly back into its box popped up.

“Why not while they’re using it?”

“No comments from the peanut gallery, please.”

“Anyway. Before the sale, we supply information about the product on the box—here you can see a list of features, the product number, length of the warranty, as well as the ubiquitous ‘*fabrique en Chine,*’ which is more assumption than actual fact. Aside from having renamed the snooze alarm a ‘Two-Stage Rest Enhancer,’ it’s pretty standard stuff. What’s missing, though, besides a battery back-up, is an answer to the customer’s real question. Will I be happy with my purchase?”

Click. “Will they be able to remember the button sequences? Would they prefer a lime green to Kelly green display? How many gizmos do they have to charge? Some of that we can’t know. But some of it we can. Will it stop working the day they have to wake up for work at 5 AM? If they knock it off the nightstand in a drunken stupor, is it toast?”

Click. “Customer Service could be enhanced by addressing some of these concerns, perhaps by adding failure-rate information to the label. We have in-house test data going back years, not unlike Consumer Reports, and could supply it for no more than the cost of re-formatting the label.”

“And we could call the snooze alarm a snooze alarm again,” agreed Daphny.

“The second thing we could do is reduce the overall failure rate. Manufacturing defects are low,

but we don't do much in the way of verifying the components used. And if we were to ship everything Busted Axel Enterprises rather than splitting it 50/50 with Dented Trailer, we could cut transport-related failures almost in half."

"But the 50/50 split is how we keep shippers honest," Daphny objected. In the past, they'd awarded single-source contracts, but inevitably, over time, a series of mysterious surcharges would appear. Angela hadn't been around long enough to know that, to see how sometimes local inefficiencies supported the whole.

"Really? That's beyond the scope of this project, but maybe we wouldn't have to go to a hundred per cent. In any case, that's a relatively small part. The third thing we can do is longer term—completely eliminate the need to return *anything* by making the parts that break replaceable."

Ah, sweet fantasy of youth! For the first time, Daphny began to have doubts about Angela's judgment. "You're dreaming, girl."

"I don't think so. If you break it down, the electronics we make have five basic parts—the switch, the board, the motor, the payload, the case. We just need to rearrange them so that the pieces that break—primarily the switch—are accessible."

"And stock spare parts," Daphny interjected.

“We just got inventory down to zero, and you think it’s a good idea to build it up again?”

“No, *we* wouldn’t do it. Fulfillment comes from suppliers. On the website, we create a place where the customer can diagnose the problem, order a part and watch a video on replacing it. The supplier absorbs the cost of the new design and inventory carriage in exchange for the insanely high-margin spare parts business.”

Daphny forced herself to listen. “You know, at some point we used to sell spare parts,” she remembered. “And cases went together with screws. I don’t know whether it was legal or accounting that got rid of them.”

“I did some research on that. I think ultimately it was determined to be a liability issue.”

“Yes, I remember. I was a kid, but there was a lawsuit. Somebody got burned. How do we deal with that, or is that also beyond the scope?”

“In the seventies and eighties, you had exposed wires and eighth-graders like my little brother with soldering irons. Not a smart combination. Now there are keyed connectors, and the parts that break are switches and LCDs.”

“Well, the lawyers will still have to give their blessing.” Daphny hedged and capitulated at the same time.

“Wait, I haven’t explained how this provides customer service.” Angela advanced to the next slide. It was her favorite part. “The principal flaw in the customer abandonment strategy is that the customer doesn’t abandon the supplier. Research shows that when a product works, the customer forms an intense attachment—to the product, not the company who made it. That’s the mistake most companies make with branding. The worst customer experience is not when a product fails. Everything fails eventually. It’s when a product, after it fails, can’t be replaced. You live five years with this device that makes toast or whatever just the way you like, and then one day it’s gone. That’s bad enough, but then *we* come along and tell them that, good as the thing was, it’s never coming back. We’ve stopped making it, or have replaced it with something that doesn’t work as well, or charge five times as much for it. That’s when they feel abandoned. But if you can extend that product’s life, and all it takes is a switch—that would be the opposite of customer abandonment. That would be customer fulfillment.” Click. “The end.”

## Eleven

It was a bravura performance. Parts of the plan were unworkable, but the analysis was hard to fault. True to her word, Angela had produced a management-level product, so after a bit of arm-twisting, Daphny managed to secure her a small raise.

“You’re busy down there,” said Rob Johnson as she submitted the required paperwork. Normally, as head of Human Resources, he didn’t take much interest in the operational aspects of the business, preferring to extract his conclusions numerically, but the sheer volume of activity, based on employee charge numbers, was causing raised eyebrows. Cross-departmental interaction to this degree was typically only seen in crisis situations, but he saw no evidence of that.

“That’s true,” Daphny told him. “It looks like marketing adjustments on a massive scale, like when we got rid of lead and went to soy-based inks at the same time, but this is a fundamental change. We’re

becoming a company that provides rather than just sells.”

“That’s interesting,” he offered noncommittally. He’d read about a trend in Silicon Valley, a “coddle-the-customer” paradigm, but had thought it limited to over-capitalized “new economy” companies. It didn’t seem like something somebody in a mature market would try.

But they were. As Phase I rolled out, and boxes of new labels were distributed to different product lines, Daphny could feel the company awaken. People began to ask questions, but from the standpoint of wanting to be included rather than hide from what was happening. Changes in philosophy began to appear, hand-written, in the margins of the employee handbook and other documents. “Is this the best we can do?”

But there were also rumblings. The next week, on Wednesday, Angela once again returned from a late long lunch dressed in her one good suit. *Another* interview? Daphny felt she had to ask the question directly.

“No, it’s not that,” Angela assured her, although sometimes it was. “It’s for the courthouse. You know, that law that lets citizens call grand juries when they think a crime has been committed? Well, I’m part of the group that’s trying to take down

Sleepy Fetus Crisis Centers. It's a crime, what those people are doing."

"I didn't know you were involved with that."

"That's my political side. And it's not just me—it's a movement. People's Justice. Dozens of issues are being adjudicated. On abortion, guns, eminent domain, sex-ed in schools, personal vendettas...You name it, people are mad as hell and looking to indict. Malpractice cases by the truckload, and there's even some nut down there who thinks an equal share of land is every American's birthright. He wants *everybody* out of business.

"Anyway, as you may be aware, this year they tweaked the law to let accusers call witnesses rather than rely on government lawyers. Witness is defined kind of loosely, but on days I might need to testify, I try to look respectable."

It was a plausible explanation, but Daphny couldn't shake a sense of foreboding. In the past year, the company had grown dependent on Angela's ideas, more exposed than they should have been to the risk of her leaving. To mitigate the threat, Daphny had endeavored to explain to her the risks, personal and professional, of entrusting the company's future to those ideas. That was how it worked, she knew—how loyalty was engendered. Whether or not it took, of course, was always a crapshoot.

Some people, however, wanted no part of the revamp of Customer Service, to say nothing of Angela's enthusiastic hobby. "There's such a thing as being too flexible," Hank warned. "In government or business. People will take advantage."

Daphny sighed. Hank's support of her had fallen off, and increasingly, she thought she might have to dump him. She needed somebody who would ask "How does this work?" rather than pointing out all the ways it wouldn't. And he had some bug up his butt about Angela; thought her both callow and unappreciative.

However, he was a pillar of support compared to her colleagues at OIBA. She had yet to describe the initiative to any of them, but there had been discrete inquiries, and quiet, animated discussions. To their credit, judgement had been withheld, but once failure rate and other information began to appear on shipments coming out of Oswego's facility, any reticence they may have felt vanished.

"What's next? Stickers that say 'Don't buy this crap?'"

"Look, Honey—my broken hedge clipper has arrived."

"Let me guess—a hot flash of inspiration?"

There were friendlier voices, or at least not so condescending, but they too struggled. "Our

productivity has plummeted,” laughed Tony Li, owner of a small electronics fabricator. “My engineers spend their days checking to see if you’ve opened their resumes. Even though the pay is worse and the hours longer.”

Was that an accusation or a complaint? Daphny couldn’t tell, so remained silent and let him rant. “Maybe I should try that approach. Level the playing field.”

“Maybe you should,” she wanted to say, but held back. She didn’t want to give anyone any ideas.

Ultimately, she told herself, none of it mattered—the catcalls, the criticisms. You could pretty much expect it any time you shook things up, and it wasn’t always a bad thing. Conformity suppressed innovation, but sometimes it prevented you from doing something really stupid. Not this time, of course, but it *had* saved her in the past. This time, she had faith in her gut and a wave of increased sales. Changes, both real and anticipated, kept her from becoming distracted, filled her with confidence as the company went into its annual “New Product Retreat.”

## Twelve

One week each year, Daphny invited people offsite to come up with ideas for new products. She joked that it was their confinement, because it had a lot in common with giving birth, especially in terms of difficulty. This year, primed by the raft of changes, she hoped it would be easier, because she wanted to nudge the participants in a different direction.

She welcomed the group of twenty-five at the start. “Normally,” she said, “This is an exercise in trying to figure out what we can do. What product lines can be extended or augmented, or inventors leveraged, but this year—as I’m sure most of you are aware—we’ve started doing some things differently. So I want you to ask yourselves not ‘What can we do?’ but rather ‘What should we do?’ Not in the sense of right or wrong, but from a quality-of-life perspective. What products or services don’t yet exist, but should? Moreover, how can we provide them?”

It was, by all accounts, a tremendous speech, and extra whiteboards were brought in to capture the

anticipated flood of new ideas. But after two days of team-building exercises with people from other departments, the attendees spent two days in tentative, lifeless sports chatter. Hadn't anybody been paying attention?

She cornered two of her more dependable creatives as they headed home (it was a local, 9-5 retreat, not the Big Sur kind, with drums and chanting) after the fourth day, and inquired. "How's it going? Anything?"

"Not really," said the first. She seemed unconcerned. "It's a slog. The designs you're looking for aren't easy to come up with, especially on demand. If they were, the world would be full of great products and we'd be out of jobs."

"Yeah," the other agreed. "If we get one that doesn't completely suck, it'll be a major cause for celebration."

Daphny was put off, and wondered about her decision to let the process unfold naturally. Part of her went looking for a whip to crack, to push them to find a solution. Another part though, worried about the depth of the problem. Would one idea be sufficient?

She ran down the list of everything the company made, all the tools and devices and doo-dads and wrapping paper. Was there even one of significance?

One product she could put in front of people, say “We make this,” and not redden with embarrassment? Probably not. Even among the products Angela had had redesigned. Nothing really made anybody’s life any easier or better. Everything turned a profit, the newer ones especially, but they were still knock-offs of other people’s ideas. She was hoping something original might come from this retreat.

“Like that guy in *Atlas Shrugged*,” she told Angela. “The one with the metal. I’m sure you’ve read it, right?”

“Sorry. Will it fit on my phone?”

“No, probably not.” It was a long book. Angela was dressed to the nines again, and Daphny wondered who she was dating.

“Then I guess the chances of me reading it are between 1 and 0,” she smiled.

“You know, I never get that joke.”

“It’s digital. There is no between.”

Daphny nodded, though she still didn’t understand, and Angela continued. “But why put so much focus on one meeting? There are still a thousand fix to be made to existing products. Maybe someone will come up with something as we work on them.”

“But nothing’s occurred to anyone yet, and we’ve been through what—40? I worry that if the

process improves but the products stay the same, people will lose interest. They'll begin to wonder what it is we stand for."

She realized she wasn't making sense, because that wasn't at all what she was worried about. For better or worse, Oswego Products had its identity. Their products weren't great products, in the overall scheme of things. They were minor conveniences. A rake, however well-made, wasn't going to change anybody's life. Was she thinking it would?

Angela was sympathetic. "Making a profit, that's what we stand for. Other companies are mad at us, and it's chicks doing most of the heavy lifting. That's not nothing."

Daphny smiled. "At this stage, I'm just not sure that's enough." They still had a lot left to accomplish, and she was exhausted. "Maybe I should just go home—I'm sure you're late for the Grand Jury."

Angela got up to leave. "You're right." She clipped a pen over her papers, took a step or two towards the door, then turned around. "Remember," she said, "There's always the dog-proof dog bed." Then she laughed and exited stage left, leaving Daphny alone with her thoughts.

## Thirteen

No new products were conceived, despite Daphny's best efforts, and an air of defeat permeated the room as they gathered up their notes and doodle-filled binders. Nobody could remember a retreat from which nothing had emerged. There was always something new they could do—a Garfield shower caddy, a cute coordinated set of measuring cups and spoons, a clever omni-wrench design. *Something*. But Daphny had rejected all these as unworthy. "We had those ideas, years ago," she'd said, and people weren't sure how to react. Five days wasn't enough to change an entire culture.

They weren't losers, though. It was just a temporary setback, and by the time the group returned to their desks the next Monday, most were again feeling optimistic. Beyond the relatively minor crisis of not having anything new for the next year, they all had jobs to do, so they went back to work and picked up where they left off. Next year's retreat would be better.

It was coming up on year-end. In addition to the 12-month reckoning, department heads needed to get together to hash out the next year's compensation and benefit levels. Like many of the firm's activities, this one followed a predictable pattern, based on the temperaments of the people involved. Alex Andriotti, Oswego's comptroller, had never been convinced, in the 20 years Daphny had known him, that the sky was *not* falling, that their success had *not* been a fluke, that they would *ever* have enough cash to fall back on. He was skeptical to the point of annoyance, but often right, and amongst managers paid to be overly optimistic, a countervailing force. People deferred to his judgment.

Rob Johnson—RJ—directed personnel. Tougher than you might expect in a people-oriented position, he knew what each person in the tri-state area made, how much they might make elsewhere, and whether or not they were leaving, how and why and when. Master of both carrot *and* stick, he liked to see his employees happy, but not so happy that they took things for granted. Which put him at odds with both Ted Wunderlich of Sales, inured to failure as all sales people were, and Alf Landon, Engineering Manager, whose pinched face reflected a lifetime of squeezing—costs, employees, schedules—anything he thought he could get to yield.

Finally, there was Miki Ledbetter, Oswego's legal "department," and Bob Donovan, who had started as a draftsman back when Daphny's father ran the company and now ran production. Nephew of a founder, Bob was a company man, having rolled with the punches of a changing workforce for 40 years, but Miki was the one who most interested Daphny. She was the only other woman, and served a dual purpose, protecting the company from threats on one hand, pushing the legal envelope with the other. So far, they'd only ever acted on one of her suggestions, but her creativity shed light on corners they might need to cut, if things ever really got bad.

Which they never had. Some years were good, like this one, and some not so good, but as long as Daphny had been with the company, some degree of success had always been granted them. No one had miscalculated disastrously, been taken advantage of, dashed off into some ego-driven black hole. When products began to show their age, or a fad faded, they'd always been able to react.

It was, for the most part, a well-oiled machine, though not one Daphny was willing to take credit for. She hadn't been there at the beginning, privy to the arguments she knew must have occurred as the partners hashed out the responsibilities of each department. Any issues had been resolved long before

she took over. And since then, as competitors like Plastique stumbled over internal or external obstacles, or imploded upon succession, she'd come to understand their success as a function of the structure and personnel her Dad had left her. She'd had to make few changes, and none of the principals had considered leaving. Each had his or her job to do and did it, without stepping on other people's feet, without getting in the way.

Up until this past year, she hadn't had that much to do, really, and her attitude towards management tended to reflect that. Though her colleagues at OIBA often disagreed, she saw puffery in most of the executive-level resumes they asked her to vet; was less impressed by them. Outrageous successes could be claimed, but she knew from experience that managers were not miracle workers. Their function was to steer the vehicle. Other people worked the signals, the gas, the radio, the locks. Other people provided the power, read the map, absorbed the bumps. The group as a whole drove. That way, no one took too much risk, and what might have been an enterprise continually at the edge of extinction could aspire to be a low-key, reliable generator of livelihoods.

## Fourteen

Angela wasn't part of this meeting, but she was on Daphny's mind as the principals straggled in and chose from among a selection of sandwiches. Were the practices they'd instituted sustainable? Applicable across a variety of disciplines? Could a company actually be run this way, or were they in the throes of an insight that would eventually exhaust itself?

"All right, let's get started," she said. "Alex, why don't you give us the summary?"

"All right. I'll give the numbers in percentages, because that's how the Consortium wants everything reported now."

"You still have the raw figures, don't you?"

"Yes. I can show them to you after this meeting. In the meantime, we didn't do badly. Sales were up eight per cent, mostly second half. So the trend is positive. Earnings were up five. Production costs rose two-and-a-half per cent, mostly material, very little recouped by pricing. Labor was flat, pretty much what we expected. On the positive side, mar-

gin net of ops and cap looks to be about 8.4. Not ten like we hope for, but it's the first time we've been above seven since the recession started."

This was good news, and rounds of high-fives greeted the results. Years of three and four had been hard on morale, even if they'd never actually lost money. Now they were ecstatic. Take that, sluggish, overstimulated economy!

But pride quickly gave way to practical concerns. "Now we can make up lost ground," said the leaders of Sales and Engineering, almost in unison. "Most of our people have been frozen for three years."

"There may be some room for thawing." This suggestion, from Rob Johnson, was completely unexpected. Normally, his view was that payroll could and should be cut. "Where are they gonna go?" he'd say. And if they'd learned anything from the Great Recession, it was that wages affected the bottom line more directly than sales. The argument to reduce expenses always carried disproportionate weight.

But RJ had apparently leapt off that bandwagon, and Daphny wondered how deep his conversion went. Could he be counted on to take her side in what she was planning? "We're getting a much better quality applicant," he explained. "Turnover is up slightly, but that's not a problem. For the most part, it's old people retiring, which helps the overall cost

profile, as replacements are typically younger and cheaper.”

“But we can’t just fill the company with rookies!” said Alf Landon, whose department had endured much of the shift to youth. “Eventually, that catches up with you. My senior guys are feeling *very* unappreciated, having to train people all the time. They call it babysitting. And they’re the ones with the institutional knowledge.”

“But they’re already overpaid!” exclaimed Bob Donovan, as RJ threw up his hands and tried to say “Hey, I’m on your side!” But Daphny could see that rifts had opened up during the downturn. Between salaried and non-salaried, between young and old. There was probably tension between ethnic groups, genders, people with teeth and people without teeth. “More soft foods in the vending machines!” Would it ever end?

“Well, we want to be fair to everybody...” she began.

“Health insurance is going up 10%.”

“Have we considered self-insurance?” Daphny asked.

“We always consider it. Short of hiring our own doctor, though, I don’t see it. And these days, I’m not sure any doctor would leave the safety of group practice until this grand jury insanity plays out.”

“You know that’s right. I went to mine last week, and they videotaped my entire colonoscopy. Just like on the Today Show.”

“I think they do that for everyone now, Bob.”

“Did you know that Angela’s part of that?” Daphny volunteered. “Not the colonoscopy, the grand jury insanity. I think she’s a witness on an abortion case.”

“Pro or con?”

“I can’t tell. I’m not even sure she told me the name of the place. She prefers to be mysterious. And these days, there are certain things you can’t ask. Right, Rob?”

“Right. If it’s health-related or political, it’s off limits. “

“Remember, we have tons of cap ex we didn’t do last year. Ovens to be calibrated and stuff.”

“Do we want to talk promotions during this meeting?”

“No, let’s restrict it to general compensation. How are the retirement accounts coming along?”

“In terms of expenses, or participation?”

“Both.”

“Participation is up; expenses down. We tried to get them to give us better statements, or access to better funds. Better anything, but all they did was cut their fees. The executive plan is solid—every

single option issued in the last four years is above water.”

“The golden handcuffs remain operational,” cracked Ted Wunderlich.

Informalities out of the way, Daphny began her pitch. “I’ve been wondering...” she said. That’s how she always started, so nobody was suspicious. She was a lot like her dad, only preachier.

“Every year, we struggle with the cost of labor, just as we do bills of material. Sometimes, like last year, we work the issue directly, by not giving out raises and cutting back on benefits. Other years, we do it indirectly, by attrition, not replacing people, rearranging workloads after somebody leaves.”

Nobody said anything. So far, so good. But the difficult part was coming up. “This year, as you know, much of our success came from taking a more relaxed approach to material costs, even letting them go up slightly if we felt we could materially improve the product. So I was wondering—what if we tried the same thing with labor?”

No response, so she continued. “Work backwards. Instead of holding down compensation to drive earnings, what if we were to put a ceiling on earnings, and let labor float? If we assume 8.4% next year, but factor in stronger sales, how much could we afford to put in the compensation pot?”

She paused to let them work the math. It was an equation—the flip side of the downward spiral. Traditionally, you wanted to lower the cost of things, so you paid people less to make them. Which meant, of course, they could pay less for them. So things had to be made cheaper, which made their pay lower, which meant they couldn't pay as much, and down and down and down. A downward spiral.

But what if you wanted to stop the spiral, or even reverse it? First, you had to improve the products. That they were doing. But it wouldn't work if people couldn't buy them. So what if, at the same time, you gave them the ability to pay more? Might everyone come out ahead? Almost everyone? That was what she was aiming for, as pens scratched and pencils whirred. That was the problem she was trying to solve.

## Fifteen

The silence in the room extended to comic proportions. It didn't make much sense to any of them, and they wanted to disagree, but weren't exactly sure how to go about it. Was she really serious?

Finally, Alf Landon ventured an opinion. "Are we talking some type of pre-profit-sharing? What if returns don't meet projections?"

"Daphny," said Rob Johnson, scribbling. "That could be upwards of a quarter-million dollars, if I understand you right. Maybe half a million, at the high end. Even if we could afford it..."

"But I think we can afford it," Daphny argued. "Maybe not all in salary. Maybe bonuses, maybe benefits. Maybe we relax a policy or two. But I think we should ask the question, as we have in other parts of the business. 'Do we scrimp to the detriment of the company? What are the effects of paying people as little as possible?'"

At this point, Miki Ledbetter, general counsel,

spoke up. "I'm not sure it's legal to do otherwise," she said.

"It's not?" half the room chorused. Inadvisable, surely, but illegal?

"I think we have a fiduciary duty. There's a lot of leeway for mistakes—errors of judgment—cutting into shareholders' returns, but paying people more simply because you can? I'm not sure that would fly. I think it has to be tied to the market somehow. Otherwise, we could be sued."

"That can't be right. We're aligned with the shareholders—hell, most of us *are* shareholders. And like Alf says, it's not that much different than profit-sharing."

Murmurs of agreement convinced Daphny of her legal standing, but they still had to deal with the insanity of the proposal. Wasn't it just giving money away?

"I think the idea could have some merit," Ted Wunderlich addressed the group. "You could make it an incentive—like those guys on Wall St. who get half the business they bring in."

"Rainmakers. But that's one person. You can track it. We're talking 200-some."

Bob Donovan was ashen. Daphny knew he would struggle with the idea, even though he represented the people who would benefit most. He liked

tradition, and was a late-in-life, enthusiastic convert to the notion of market as moral authority. "I'm not sure the system is supposed to work that way," he said. "If it's not based on competition, decisions become arbitrary."

"But Bob, it is based on competition. We—they—compete as a company against other companies. Other makers of stuff like ours. So perhaps the question should be 'As members of the team, do they deserve a larger share?' After all, they do the majority of the work." Daphny had a figure in mind, but the conversation had wandered into ideological territory. It was dangerous. They were just here to come up with some numbers.

Alex Andriotti growled back into life. He had buried himself in his ham sandwich; had no patience with anything as tasteless as philosophy. "Here's what I see," he said between bites. Keep everything the same. No COLA, eat the health insurance premium, work on the 401K. If we get above ten like we think we might, maybe next year we can look at our base labor costs, but I don't see a compelling argument for any more than that. How much are the overlords expecting?"

"The same as always. Whatever's left."

They laughed, as much out of relief as anything else. The numbers guy had broken the impasse, and

Daphny could see nods of concurrence, even among those who had originally agreed with her. It was a disheartening case of groupthink. Was it really that obvious? It wasn't to her, but as president, her job was not to ignore consensus. In all the traditional ways, Alex was right. Reduce your costs, reduce your prices, maintain your margins. Worry about next year next year.

So she was disappointed, even as she realized she *had* made progress; grabbed a concession on insurance costs. That was something. In a normal year, employees would shoulder every bit of any increase, plus a little bit extra as the whole world backed away from that benefit. Maybe one day they could get rid of internal HSAs. Years ago, Oswego had instituted, at Miki Ledbetter's urging, an internal Health Savings Account plan. Every year you didn't have a heart attack or stroke or other major medical expense, 3,000 dollars went into your account, payable when you left the company. It had worked as intended, as young couples put off having kids and people who felt sickly took new jobs before suffering "The Big One," but now Daphny began to see it as just one more part of the problem. Too much focus on keeping costs low, too little on what you were getting for them.

## Sixteen

All but two of Daphny's direct reports were on the compensation committee, so she seldom had to break bad news to people. It was one of the perks of the job, though she knew it made her more likely to acquiesce to things others would find distressing. "We understand, with inflation and all, that your family may be a little worse off than last year, but we just don't feel secure enough in our profitability to be able to help." It felt cruel, though she took comfort in the fact that there had been fewer takeaways than in previous years. That's when things really got ugly, when you had to close your door against the shouting. Lots of anger, lots of tears. Threats, accusations, security. At least they weren't doing that.

But her guilt didn't dissipate as quickly as it had in previous years. Indeed, it was beginning to feel permanent. True, it could have been worse, but it could also have been better. A lot better, at little cost to anyone who couldn't afford it.

What still concerned her was that no one, in the end, had sided with her. No one. She didn't want a rubber stamp, that was no way to run a company, but she did want consideration. Was there *nobody* on the side of the employees? Was that *also* her job? If so, she knew she would have to come up with something more powerful than a suggestion. She would need a strategy, even if it meant taking on people one at a time.

She had made an impression, though, and over the next few days, people reacted to it. "What's this socialism I hear you've been spouting?" asked Hank one evening. "Are you trying to get yourself voted off the island?"

"Well, it made sense to me. Owners, not to mention a lot of unsympathetic managers, receive much too big a piece of the pie. After fifty years in business, I don't see how you can argue uncompensated risk. It's not like the early days—even Chokehold's investment has been returned ten times over. Why people continue to expect the same rate of return is beyond me. Retained earnings should be considered a secured loan. At *best*."

"Is that why you suggested it?"

"No—that's my wounded she-bear talking. The actual plan would have cost a year or two of growth. As we got ahead of the market and tweaked the per-

centages. After that, though, I think it would have been self-sustaining.”

“And you’re surprised they didn’t go for it?”

“Well, I thought I’d explained that everything doesn’t *have* to be a downward spiral. That properly executed, the spiral can ascend. Before the government mandates it.”

“One year’s not a trend.”

“Apparently not,” Daphny grouched.

Angela was somewhat more encouraging. “I think you’ve gone off the deep end,” she said at their next meeting, trying to scowl. “People need to earn what they get. But I do think, as word gets out, you’ll be seen as a hero.”

“I appreciate that, Angela.”

“Until, like Christ, they change their minds and crucify you.” She laughed.

“Santa Dophina.”

“Patron Saint of Collectivity. Martyred 2014.” She laughed again. “Did you guys talk about my promotion? I could be your ally in the boardroom. Vice-President of New Ideas.”

“I’d like to, but can you imagine the scandal? Older woman, younger woman? Special projects?” She quoted the word with her fingers. “It would be so much easier if you were the dull-witted nephew

of a founder. You'll have to be content with money and power."

"Well, power anyway."

They went back to work. Angela pulled several sheets of paper from a shiny new attaché. "From the Ceramics division—we have a suggestion to redesign the 'Leg-Splasher' line of men's urinals to make them a little less...splashy."

"That's a joke, right? We don't have a Ceramics division."

"True. But my Dad always complains about the one at Red Lobster, so I thought you would appreciate the opportunity to reject him."

"That's very considerate. Now what do we really have?"

"A proposal to put a shovel handle on our weed-digger."

"The Matthew 312?"

"Yes. Separating the weeds from the chaff."

Daphny smiled. Little escaped this girl's notice.

"And why does it need a shovel's handle? Are there new super-weeds?"

"No. According to the suggestion, we have an ergonomic line that, while cheaper than other ergonomic lines, is really no more ergo than the standard model. A shovel handle would transfer more of the stress to the shoulder without all the extra rubber

molding. And look—“ She held out the form. “It’s obviously been written by somebody with carpal tunnel!”

They discussed the possibility, how it could work and why it could work, but although the give and take was the same, Angela could sense that something had changed. Daphny had stumbled, perhaps fatally, and it had altered the relationship; made them both uncomfortable.

Luckily though, today was the day the Grand Jury was handing down indictments, and since Angela was hoping to be interviewed, she begged off early. But as she packed up her belongings and checked her reflection in the computer screen, she was unable to escape the feeling that Daphny’s initiative, or whatever it was called, had run its course, and her role would soon become diminished. Promotion or no promotion, it might be time to move on.

## Seventeen

Daphny had the same feeling, though not to the same degree. And she wasn't going anywhere. Her response to any setback was to work harder, to analyze failure into a plan for success.

Hank was right. She needed more data. One year was *not* a trend—certainly not enough to reboot an entire organization. Seeking a broader view of the issues, she reached out to one of Angela's contacts in the computer department, a shaggy-looking statistician whose cubicle was overgrown with Post-it notes.

"I need a model," she told him.

"That dream never dies," he wisecracked. "A model of what?"

"I don't know, exactly," she said. "This." She moved her hands around her head to indicate the swarm of her thoughts.

Jayson Fraser, the shaggy-haired programmer, had fielded a lot of user requests in his years in IT,

but this was the first time he'd been asked to design from a gesture. "Could you be a *little* more specific?" he asked.

Daphny considered this, and realized that she really couldn't. It was still too early. So she withdrew the request and went at the problem herself, trying to sketch numerically just what she thought she saw—what an ascending spiral might look like. She unearthed her old laptop, plugged functions into flow charts, dragged arrows, tried to normalize the claims different parties laid against the organization. Almost everyone exaggerated their importance to the firm's success. Who really was responsible for what?

In a way, she came to realize, management was right to be concerned. Once she started down this path, the system they'd spent their lives working in would change—would have to change. Compensation at most companies was based on a kind of ownership-inspired, multi-level-marketing structure. Rewards were tied to revenues, the number of people under you in the org chart, the quantities they produced. You owned a tiny portion of each.

It was easy to see how this maximized production at the expense of quality. More sales meant more people meant more money. Bigger departments, bigger companies. More people dropping dollars into your bucket.

But what if a company set itself up to maximize quality? she wondered. And not just of its final product—what if you thought of the lives afforded to it workers as one of its products? Overall, the goal would be to pay people more to assemble superior products. If you did that—she pasted Oswego’s numbers into the spreadsheet—if you did that, working with a fragmented market—she tapped her fingers on the desk—most of the time you’d end up ahead. Sales would go up more than costs, you’d generate excess profit, and—*that’s* what she was looking for. Earnings no one was counting on could be ploughed back into the labor part of the business, leaving the balance sheet untouched.

Furthermore, over time, the effect would compound. People on the low end of the scale would earn more, and need less to waste their money on ill-conceived, short-lived products. Gradually, they would move into the middle-class. There, products with higher margins would allow companies even more wage flexibility, and the cycle would repeat. After a while, other companies would have to join in or go out of business; the practice would spread. The downward spiral would grind to a halt, then reverse itself. It was easy, really. Somebody just needed to step up.

The problem though, she realized, would be

management. They would undoubtedly object if the pay of the people beneath them advanced more quickly than their own. It shouldn't be a problem, as long as they could afford a comfortable lifestyle, but most had built their lives around the old system's entangling of authority and status and wage. It was part of their psychology. The higher up you were, the more important you were, the more valuable. As these threads unwound, she knew, the ownership model for managers would have to be dismantled. You don't manage the people, you coordinate the people. You don't own the company, you manage a bunch of assets.

She opened the model of the downward spiral already on her laptop, replaced negative assumptions with positive and clicked "Redraw." The computer whirred and rattled and spun, struggling to process the unfamiliar inputs, until at length something miraculous appeared. A single-stranded DNA-like structure, ascending, and pretty spectacular. She checked and re-checked her figures, then went back and reworked her arguments. What had been incoherent or emotional became clear and dispassionate, and after a while she had proof. Profits could be generated such that that everybody's life would improve.

She leapt ahead to the next year's review. By

the time she finished this new analysis, no one would remember the timidity of her original argument. She would bring them a concrete proposal, maybe in six months rather than a year, and she would be armed with both data *and* a business case. The presentation would be so polished, so compelling, that resistance would be futile. Angela would of course help. The board would demand she proceed, would anticipate progress reports. She might have failed on her first attempt, but with 20/20 hindsight and a bit more research, Daphny knew, the committee could be brought around to her view. Maybe even Bob Donovan.

## Eighteen

It came about suddenly; the offer, the acceptance. Given that she'd been searching for months, broadcasting her availability, trumpeting her accomplishments, Angela shouldn't have been surprised, but she was. Good jobs were still hard to come by.

Her grass-roots attempt to rally justice had failed, but others had succeeded, and she'd had her hand in. "You've been a great help," they told her after the indictment had been sealed, and she fought back a pang. "Well, my loyalty is to the status quo," she said. "At least until my loans are paid off." Then they hired her away.

But she still had to give notice. The next morning, as she approached the office, Daphny was inside reading a letter, a man in uniform standing outside. Was this *the* letter?

She knocked. "Ms. Taggart? Is this a bad time?"

"Depends on your definition of bad." Daphny seemed confused. "The Grand Jury indicted *me*?"

Angela wasn't sure how surprised to act. "For what?"

She waved the letter. "Who can tell? 'Anti-Competitive Practices, Restraint of Trade, Price Fixing, Tampering, Fomenting.' Whatever the hell *that* is. In the old days, they would just buy you out if they thought you were a threat. Now..."

Angela sat down, her face blank. "I'm sure none of it will stick. Aren't companies always being sued?"

"Did you know anything about this?"

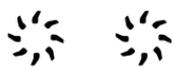
"Rumors. There were a million things going on down there. Everybody had some axe to grind. There were groups targeting specific businesses, but I really only paid attention to my stuff."

For a minute, neither spoke. There were the muted, background noises of any office, people walking by on their way to the Xerox machine—no, not Xerox, a different brand, cheaper.

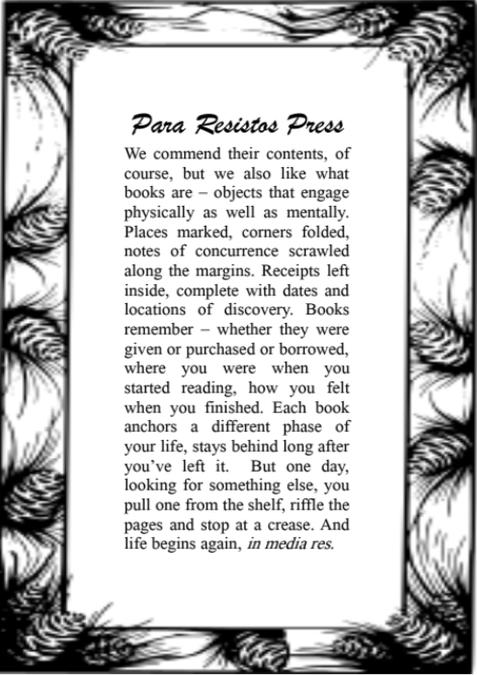
The air conditioner clicked on. Angela took a deep breath, wondered if she would come to regret. "It's not related," she said, "but I really came by to give you my two weeks' notice. I'm going to be taking a job with—" She let her voice trail off. It wasn't important. "Not doing the same thing as here. I...Um...It's..."

"Oh, not you too," said Daphny, her face (and her heart) breaking.









*Para Resistos Press*

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