Homelite Takes Stand On Pro Saws

By Jim Sleeper

Homelite, a giant in the chain saw industry, in recent years has been confronted with the option of recall familiar to most major automobile manufacturers in America.

There is a glaring difference in the recall of automobiles and the recall of chain saws by Homelite and *Chain Saw Age* set out to find out the position of the Charlotte, North Carolina, company in the professional chain saw market.

During an exclusive interview with three Homelite vice presidents — Franklin W. (Webb) Maddux, marketing v.p., Heinz A. Jaffe, engineering v.p. and William S. Nochisaki, operations v.p. — the magazine learned Homelite instituted the recalls for the purpose of quality and not because of consumer investigations, per the automobile industry.

Homelite executives, in a candid interview to follow, answer questions pertaining to the recall

and future plans for the professional line chain saws manufactured by the Textron Division company:

QUESTION: Why did you pull the Homelite 450 Chain Saw off the market after announcing it was ready to go for the pro last fall?

ANSWER: (Jaffe) After we announced it and actually started in production, we started having some field failures . . . bearing failures . . . and we decided that we had better have a look at this. We pulled it back off the market and went through re-examination and re-testing of the bearing. We re-designed the bearing and — after we proved to ourselves in the laboratory it would work—we went through a positive zone operation, putting out roughly 150 units in the field. Only after we honestly convinced ourselves that we had honestly solved the problem did we decide to re-introduce the saw in the summer.

QUESTION: Whose decision was this to call it back?

ANSWER: (Jaffe) This was a joint decision made by marketing, engineering and manufacturing ... by the manage(continued on page 26)

Stihl Introduces Farm Boss Promotion

Stihl Incorporated, Virginia Beach, Virginia, recently announced the Spring 1976 introduction of their new Farm Boss chain saw was so successful that they sold out.

Now, Blake Stretton, Stihl's Marketing Services Manager, has announced a "—totally comprehensive nationwide sales and advertising effort on the 'Farm Boss' chain saw,"

The ad schedule will begin with full page, color ads in Successful Farming in August for the northern part of the United States. Then Progressive Farmer will begin their "Farm Boss" ads in September for southern farmers.

Both publications will continue their schedules through the entire fall and early winter to tell all farmers about this great chain saw for the farm. And there's plenty of point-of-purchase material to generate lots of interests in Stihl's dealer showrooms, too.

According to Jack Guthrie, Stihl's advertising manager, "the advertising will stress those points most important to the farmer when he considers buying a new chain saw. The Farm Boss—'It Starts Easier', It's More Reliable', 'It's More Powerful', 'It's



Quieter', 'It'll Last Longer' and 'It Costs Less'.

The 'Farm Boss' comes with over \$30 worth of accessories at no additional cost to the farmer. The bonus package includes a spare saw chain, a protective scabbard and a whole pouch full of maintenance tools.

"When you put this kind of bonus package together with all the quality features built into every Stihl chain saw", says Blake Stretton, "no wonder you sell all you can make. So we've got plenty for this fall's push."

Stihl is also finalizing a national television schedule of 30 second commercials which dramatize the ease with which the Farm Boss starts and how tough it is made. These commercials will begin running in late August or early September.

ment of Homelite . . . all the facts are put on the table and it is up to us. We felt that we could not put a product on the market under the Homelite name with that kind of a defect. These are not easy decisions, but it is one we felt we had to make. (Nochisaki) There are weekly management committee meetings at which Homelite officers meet with the president. It was a joint decision of that committee. The defect that Heinz talked about was one where there was a certain percentage level of potential and we had a choice. We could have gone out with the introduction and knew that it was laid to mathematics that there would be a probability of some level of bearing failures. We took the path that we did not want this unit released as a pro model with a potential defect in it. We went through the re-design, re-test and it is now going out with a re-designed bearing.

QUESTION: You had a similar problem with the 650 chain saw and brought it back. You had the Super 650 out for awhile. What does it look like?

ANSWER: (Maddux) Let's go back to the beginning. We had a similar problem with the 350. We introduced it and then we bit a bullet. We took every 350 in the field, in the dealers' stock on a Gold Seal program and we brought them completely back and replaced them with new, current models that had been completely corrected. Then when we introduced the 450 built on what Heinz and Bill are saying, that criteria, we told our Gold Seal dealers that we brought in at that time - September of '75 - we would not put out a professional chain saw until we were sure that it was right ... even if we had announced it if something turned up wrong in the meantime we would not put it in the customers' hands. The same thing with the 650. Now we have brought out the Super 650. We tested the 650 and found some problems not dissimilar from what Heinz indicated on the 450. We corrected them and took care of all the customers' 650's we put on test. Pulled them all back and



HOMELITE'S PRO CHAIN SAW position was spelled out to CSA's Jim Sleeper, left, by Charlotte, North Carolina, based executives, from left, Marketing Vice President Franklin (Webb) Maddux, Engineering Vice President Heinz Jaffe and Operations Vice President William Nochisaki.

(Photo by Ray Lorenz, Building Supply News)

put an axe to them. We came out with the Super 650. We have it out on test now for approximately six months. We have a few hundred out there and to the best of our knowledge under those conditions which are actually user conditions, the saws are holding up and doing a beautiful job. The 450 which is coming has been out on test for over six months . . . multiple hundreds out there holding up and doing a beautiful job. We have been selling the 350 successfully since January, holding up doing a beautiful job. So at this point I think we have to say we are ready to get back into the pro market with — we expect — three highly successful chain saws.

QUESTION: Do you think three saws will be enough to reach your market areas?

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To Help Conserve Energy... Walbro calibrates its carburetors to engines to produce the most efficient use of fuels and lubricants.

ANSWER: (Maddux) We think that those three saws as a starter will be enough to reach the market area. We do have some other saws coming. One which you saw today is the 360 which is being introduced this month as the replacement. It's an upgrading of the 350 in power. The eventual program is to come with replacement saws for the 450 and the 650. We will not talk about those saws at this time. (Nochisaki) Except to reiterate the units will be preceded by a prototype built and released for field testing.

QUESTION: Do you have any prototypes currently out being field tested?

ANSWER: (Jaffe) We have our normal method for testing saws. The saws that Webb has referred to are an increased power 450 and an increased power 650. We have been developing those in our own laboratories. Our own cutters... who are Homelite employees... have been using them and testing them. We also have a number of saws out. We have two field test camps. One is out in Oregon where we bring the saws out to professional cutters and they use them. Another area is in Arkansas. We have saws out for test preliminary to releasing a pilot run for production where we put a couple hundred saws out. The saws we do have out there are few in number in order to get additional information on the saws' performance before we go into the pilot run.

QUESTION: Do you have anything bigger than the 650 currently out there?

ANSWER: (Maddux) Yes, we do, on test designed and put together in models being tested. Not production run models. (Jaffe) Engineering models.

QUESTION: We understand there has been a realignment in the engineering department to stress your different areas of market. What exactly is the new realignment and how does it fit the pro dealer? ANSWER: (Jaffe) Basically, we have been operating on what is known as a functional organization. A functional organization is where you have three departments divided up into a profit group, a design group, development group and so on. What we have changed the organization to is a product oriented organization. Now we have a consumer chain saw group, a professional chain saw group and our other product line, the construction equipment engineering group. What that really does is place an emphasis on our three product lines and organizes the engineering department which will now be in step with the marketing department. It will allow for better internal communications between engineering and marketing. It will also allow for more efficient operation in that all the consumer chain saws will be under one head. His title will be director of consumer chain saw engineering. Conversely, there will be a director of professional chain saw engineering and director of construction equipment engineering. This allows putting focus directly by a group of engineers on a specific product

QUESTION: Webb, you have a lot of strength in certain areas with your pro line saws and a lot of weaknesses in other areas which is natural for everyone. Because of your problems in introducing your 650 and 450, you are well aware that you lost probably a lot of market share in the professional market. What are your aims at regaining that market share and what do you have coming down the pike to put yourself in a better position?

ANSWER: (Maddux) First of all, your statement is correct. We did lose market share over the last five to seven years in the pro market. Second of all, we have just introduced at a sales meeting last week three brand new saws which we previously mentioned to reach the pro market. Next, we have put together a merchandising program where we have set up for the dealer a method of allowing him to buy these saws so that he can get them out to the user on a trial basis

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and on a demonstration basis. Also, we have allowed him to take the saws, put them in a user's hands and if that user is dissatisfied for any reason whatsoever, we will take the saw back and refund his money at no charge. The professional user.

QUESTION: Is that your entire line of professional saws?

ANSWER: (Maddux) Just the three new models of professional saws and it is good from now until December 31. In other words, right through the fall buying season.

QUESTION: Otherwise, what you want to do is give the dealer a package with which he can get back into the market with the red saw?

ANSWER: (Maddux) That is right. We want to give him an opportunity with the Homelite red and black saws to go back into the woods and let the saw convince the user that the dealer now has something of value to him. The cutting rates on these saws are exceptional.

QUESTION: That is a costly project?

ANSWER: (Maddux) That is the way to get the market share back!

QUESTION: What else do you have planned? We noticed a Super 1050 that looked like a 925.

ANSWER: (Maddux) We haven't lost, by the way, the emphasis on Homelite in the woods. There is the latent recognizable feature of Homelite as a quality product in the minds of the user and also the pro dealer. They haven't forgotten Homelite. They have had the 1050's, they have had the 1130's, the 925, the 955, the 923's. We have been selling those all along. They are not the latest state of the art. They are not the modern, current, up-to-date models that we wanted. But Homelite's position was and is if the saw is not right and if one of these is not right, we will pull it back until it is.



QUESTION: Bill, along with these new saws coming on board, you also have replacement parts. Service is going to have to be provided. What has the operations end done to really fit the pro and the pro dealer?

ANSWER: (Nochisaki) Part of the introduction of the new model consists of marketing defining the service requirements - coming up with a forecast based on past experience in engineering projections on parts. They come up with a forecast of service parts requirements. We will then meld those into the production requirements as we release our products. We have a separate organization reporting to me that deals strictly with procuring the service parts and riding herd on them until they get into the service department for release. They have the authority to take, if necessary, service parts off the top of the pile. In other words, if we are running a thousand parts and a hundred are identified for service, the first hundred can be picked out for service and then we run the remainder for production. We must state that our current rate of shipment, and this happened in our trend of '75 and we extended it in '76, that our rate of shipment of line items is the highest in the history of Homelite. Our availability is at the highest rate that it has been.

QUESTION: What is the rate?

ANSWER: (Nochisaki) It is over 85 percent. The thing that prevents us from being better than that is that we still supply service parts for out of production models. Those are the most difficult ones. Current production models, and especially the service parts on the new models - with the policy of making sure that service requirements are identified first and provided for first - will not give us a problem. But out of production models will continue to be some problem. (Maddux) We need to indicate that the policy with Homelite - and it comes back to what Bill just said is that our first obligation as a manufacturer and a supplier of product is to take care of that customer who already spent his money on Homelite products. In other words, to supply the service parts first. Our next obligation is to produce new units and try to get sales for them. That is a stated policy within the company. (Nochisaki) As a matter of fact, we will be stocking the service department with service parts before the first unit goes off the line to ship out to the distributor.

QUESTION: So your 360 is coming out in July, right?

ANSWER: (Maddux) The 360 is being produced; you saw it today. We plan on shipping 360 as we move the 350's. It looks like we don't have a problem. As a matter of fact, it looks like we have a little gap in there of a week or 10 days when we won't have either one because the plant is on vacation. But it isn't going to create any kind of a problem. We've got enough 350's in the field. And effective from July 1 on, we will be supplying 360's.

QUESTION: Heinz, I understand there are 20 basic changes in the 360's in comparison to the 350's. Is that to compete with the new modifications and changes in the new saws that we see coming from Europe?

ANSWER: (Jaffe) Only partly so. Basically, the changes in the 360's are to correct parts of the unit that have not performed as well as we have expected to: the changes in casting, changes in seals, and so on. We've also put through some changes to increase the power of the unit slightly. When I say slightly, we weren't trying to upgrade the unit to a higher power level. We want to make sure that we have achieved the power level that we had expected when we put the unit in production. So, basically, the 20 changes are aimed at making: No. 1, the unit more reliable; No. 2, to achieve the power that we expect to get from the unit. These are the two things we have achieved in the 360. (Nochisaki) We have improved as a total model, the 360, including an improved vibration isolation system. It has an improved power head which will give increased power that Heinz was referring to and we have done things to the carburetion, the structural parts and testing of the chain saw to make it more reliable. (Jaffe) Worthy of being named a new model.