

GLIDDEN-DURKEE

FROM: Mr. W. M. Tomc

June 21, 1973

FOR: Mr. J. Sainsbury - UCB

CITY: Strongsville, DPJRC

cc: Mr. J. D. Russell - UCB
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SUBJECT: SPRED GLOSS - SPEEDENAMEL
CONSOLIDATION OF WHITES -
COST ANALYSIS

Thanks for the chart on the 1974 costs of these products as well as the production figures at four points of manufacture. Based on these figures the analysis shows that to produce comparable quantities of the consolidated line in the present 900 quality would decrease costs by \$5432. To produce the same quantity of the consolidated line in the 4550 quality would increase costs by approximately the same figure. Details of the analysis are attached.

However, this analysis reflects current actual costs and may not be a realistic basis for a decision to consolidate. To have a more valid basis for decision I recommend that the following be completed.

1. Cost V-2377 on same basis as current V-2390, that is comparable reactors and batch sizes.
2. Use this new cost for V-2377 to calculate the costs of 4550 and 4575 as well as the prototypes for 980 and 987 which are attached.
3. Compare these costs with the present costs of 900, 918, 987, 980.
4. Base decision on these comparisons.

W. M. Tomc
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