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MJL

PRELIMINARY BUSINESS PLAN

ORGANIC DIVISION

PYDRAUL, SKYDROL

IV

Entity : MJL/Japan
Division : Organic
Group : Functional Fluids
Product : Pydraul

Sales Summary: $ x 1,000 (FAS-NY)

	Actual 1967	Prospect 1968	Budget 1969	Forecast 1970	1971	1978
Pydraul	56	73	189	311	-	-
(Transfer to MMK			-	-	400	3,000)

Business Situation

When the newer Pydraul 312 type fluids became available in 1965, a new service-distribution system was set up with MSK and Matsumura, strongly backed up by MJL and MTS support from St. Louis. The expected market development time lag for testing and qualification has been encountered, and sales growth on a sharply rising curve is now expected.

Troublesome problems delaying acceptance Short-Term are:

1. Delayed development of compatible accumulator bladders.
2. Marginal stability in certain steel mill applications.
3. Reservations about fire resistance of 312.
4. Preference for fluids in the 200 SSU viscosity range.
5. Suspected chlorinated hydrocarbon toxicity problems.

A new Nihon Accumulator bladder was successful in trials and should be commercially available soon. Problems 2, 3, and 4 are being met with a new formulation of Pydraul in the 200 SSU range with greater stability and fire-resistance. The toxicity scare was accelerated by a highly publicized rice bran oil poisoning case wherein the toxicant was traced to contamination by Kanoka's Kaneclor (chlorinated biphenyl).

Longer range, a more serious problem exists in introduction of competitive products, the first being one by Idemitsu Kosan presumably based on Kaneclor. A sample is being

analysed to check properties and determine if it falls within MC's unissued patent applied for in 1966. It had been planned to turn formulation and sales of Pydraul 312 types over to MMK in 1971, but competitive local products may force a transfer during 1970.

Timetable and Specific Action

		Responsibility	Date
1.	Have accumulator bladders available to customers.	MJL (HI)	12/68
2.	Start marketing 190-220 SSU fluid.	MJL (HI) MC (DFS)	4/69
3.	Yearly MTS visits.	MC (DFS)	Until 1972
4.	Assess competitive fluids and combat with patents if possible.	MJL (HI, DTM) MC (DFS)	Continuing
5.	Evaluate MMK blending plant and schedule start-up.	MMK (JRD) MC (DFS)	12/69