Questions:

When are you going to know who will be affected?
A: The implementation team will be reviewing resources and needs and making decisions over the next month. As soon as we have anything to report we'll let you know.

Q: Will those affected get the same packages offered under past downsizings?
A: Any packages offered will be consistent with what the company has offered during the past 12 months. Our goal is to treat people fairly as we manage this process.

Q: Is the Queeny plant going to report to Krummrich management?
A: No, Both plants have viable businesses. Each operation will still have ~~their~~ its close links to ~~their~~ its business team. The leadership will be merged to better manage resources over both plants.

Q: How many people will be affected?
A: It's too early to know at this point. We'll let you know as soon as we know more.

Q: Is this going to affect any of our guest operations?
A: We will consult with all of the businesses with interest at the site so their needs ~~inputs~~ will be considered in the new management structure.

Q: If this doesn't work will we eventually be shut down?
A: This is one element in a number of cost redesign efforts taking place at both sites. It is designed to complement these efforts, not replace them. All of these efforts contribute to the long term viability of the two plants. There are no guarantees, but these changes will position us best to be competitive in the future.

Q: Are we the only two plants going through this or is this a company-wide exercise?
A: Every plant must determine how best to structure for the future. Many redesign activities are going on throughout the company. This move made sense for these two plants.

Q: Will this affect our union?
A: These moves should have no effect on the unions at either Queeny or Krummrich.

Q: How will you evaluate people to decide who is offered a package?
A: The structure is now being developed. Once that structure is determined, the people who best provide the competencies and skill base to fit that structure will be chosen.

Q: How much is this action expected to save Monsanto?

A: Although we do not discuss specific financial data about our individual businesses the redesign is a sound business decision which

will yeild a return to the units. Remember, two sites close together duplicate a number of services.

Q: Why not include the Carondelet plant?

A: Both the Krummrich plant and the Queeny plant are in the Speciality Products Business Unit of Monsanto and thus have common manufacturing leadership in St. Louis. The Carondelet plant is in the Performance Products Business Unit and manufactures predominently different products to different markets. All three plants do participate in some regional services today.

Draft Statement

The J.F. Queeny Plant in St. Louis and the W.G. Krummrich in Sauget, Illinois, have significantly restructured over the years and both sites continue to be under major cost pressures. In an effort to reduce costs and enhance responsiveness at both plants the decision has been made to consolidate the plants under one management team. This effort is being done in support of and in concert with other important ~~excellent~~ redesign activities at each site.

A team has been established to design and implement the desired change. The team is sponsored by Mike Miller and consists of Russ Sackett, Steve Henderson, Bob Jones,Robert Ashton, Larry Spickard, and Bob Lorah.

The expectation is to create a single management and support structure for the Krummrich and Queeny plants by year end.

At this point, we don't know how many people will be affected by these changes. We realize this action will cause uncertainty and we'll communicate as much as possible as soon as we know more.

e-mail to Russ

internal
internal

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1 Q - When is Monsanto doing this?
2 Q - When will this change take effect?
3 Q - What $ savings does company expect?

DSW 135160

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AUDIENCES

- 1. PLANT LEADERSHIP
- 2. UNIONS (VIRGIL, LOCAL 9 IFPO, ICWU (2 LOCALS))
- 3. GUESTS: OXYCHEM
  HUNTSMAN
  FLEXSYS
  PERFORMANCE MATERIALS
  RHONE-POULENC
  NUTRASWEET KELCO
  RANDY SPEAR
- OP COM STAFF
- 4. PLANT SPECIFIC (EVERYONE
- 5. MLC
- 6. COMPANY WIDE ANNOUNCEMENT
- 7. CUSTOMERS
- 8. COMMUNITY
- HERNDON, CAHILL, PIERLE, REDING

  VEHICLES
- FACE TO FACE MEETINGS
  - SMALL GROUPS
  - ONE ON ONE
- WRITTEN
  - ANNOUNCEMENTS
  - ORGANIZATION CHARTS
  - EMAIL
- B.U.L./SUPERINTENDENTS Q&A PACKAGES

VUW
Donna Kinnel
Reding
McDermott
Ingenthron
Beckmann

- Customers → through Sales or SBU?

DSW 135161

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WHAT CAN WE SAY NOW?

- CONSOLIDATE OVERHEAD STRUCTURE OF THE SITE
- TEAM EXISTS WORKING ON DETAILS
- WHY (SEE KEY MESSAGES)
- TIME LINE

PARAMETERS

1. 3 LEVELS
2. DIVERSITY
3. INTEGRATION OF FUNCTIONS
4. ALLOCATE RESOURCES TO WORK
5. QUEENY SITE LEADER
6. APPROACH WORK FUNCTIONALLY
7. DECISIONS AT LOWEST LEVEL
8. PERFORMANCE ISSUES / GRADE LEVELS
9. COMMUNITY INTERACTION CONSOLIDATION

ORGANIZATIONAL ISSUES

P2S5 SIZE / CAN WE COMBINE
SECURITY ORGANIZATION
NIGHT SUPERINTENDENT
DO WE REALLY NEED A SITE LEADER AT QUEENY

TRIGGERS

- FORMATION OF TEAM
- INVOLVEMENT OF NEXT LEVEL
- INVOLVING GUESTS, OTHER BUSINESS DIRECTORS
- SEPTEMBER 4TH INITIAL LIST
- SEPTEMBER 20TH FINAL LIST
- OCTOBER 20TH PACKAGES
- ANNOUNCE NEW ORGANIZATION
  1ST LEVEL
  ETC

OUTCOMES

- INFORM TO COUNTERACT RUMORS
- EDUCATE AS TO WHY & HOW
- BUILD/REINFORCE OTHER RESTRUCTURINGS
- REDUCE CONCERNS OF EMPLOYEES
- REINFORCE '96 COMMITMENTS TO INTERESTED PARTIES
- EDUCATE GUESTS ON IMPACT OF THIS EFFORT ON THEIR BUSINESSES
- UNDERSTAND THE DIRECTION

KEY MESSAGES

- TIME LINE / WHAT WILL HAPPEN WHEN / WHAT DOES IT LOOK LIKE
- PROTECT THE LONG TERM VIABILITY OF THE BUSINESSES (REDUCE COSTS) SURVIVABILITY
- THIS IS BEING DONE IN SUPPORT AND CONCERT OF OTHER CHANGE INITIATIVES
- EXPAND COST REDUCTION OPORTUNITIES BEYOND TRADITIONAL PLANT BOUNDARIES
- TREAT PEOPLE FAIRLY, PACKAGES, ETC. (EDUCATION ON COSTS FORMAT)
- EQUITY BETWEEN PLANTS

Russ Lockett 8/30/96

Internal/External comment.

Tues - opening announcement - Miller
set the stage

Timeframe - end of year have new
Managers

Employees
Guest Operations — ASHTON
Labor unions — NORLANDER
Customers
SBUs
Community

Q + As
Statement

Messages:
- Formal restructuring efforts underway now
- This enhances those efforts NOT a replacement for those efforts
-

DSW 135164

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Communication Plans

What each plant makes

Time driven by window that open for MRI

Design team to report back to implementation team Fri
to need to communicate early

Tues AM staff talks + guest ops
- Will merge plant staffs
- Studying what to do
- Keeping people informed

Pts to outside

Prep statement

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