

PLAINTIFF'S EXHIBIT

USG-1943



UNITED STATES GYPSUM COMPANY

2510 FOSHAY TOWER

MINNEAPOLIS, MINN.

BB023 0183

HISTORICAL FILE

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DO NOT DESTROY

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R O O F I N G P R O G R A M
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BB023 0185

February 20, 1942

I. What is the outlook for new construction?

- a. At present there is no priority help on houses costing more than \$6,000 for land and construction.
- b. Loan companies will not advance finance money unless owner or builder has materials available.
- c. F. W. Dodge figures for contracts awarded for month of January were 5.6% less than January a year ago in residential--33.4% less in non-residential--a total of 14.2% less for all new construction.
- d. Kiplinger has predicted from Washington that all new building defense as well as non-defense, in city areas will require a federal government permit.
- e. Within a period of months new construction in city markets is going to be practically at a standstill for the duration of the war.
- f. There is good reason to believe that the great activity in defense building of houses and plants will level off in the next few months.
- g. This war building while it lasts will be tremendously competitive--with building material salesmen focusing attention on the large orders.
- h. New construction in non-defense areas has already dried up and dealers as well as builders must immediately find some other source of business.

II. What is the outlook for repair and remodel?

- a. If new homes can't be built--old homes must be repaired in defense as well as non-defense areas.
- b. Migration of labor to defense areas is requiring immediate repair and reconstruction of old homes in these areas.
- c. Finance money is available for remodel and repair work in both defense and non-defense areas.
 - (1) Defense areas have 36 month financing.
 - (2) Non-defense areas have 18 months for jobs under \$1,000 and 36 months for over \$1,000.
- d. Defense workers are making the highest wages in history and are restricted in their buying by priorities--therefore many will put their money into homes and property--and since they can't build, they will remodel.

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- e. U. S. Department of Agriculture forecasts an increase in the farm income from 11 billion in 1941 to 13-1/2 billion in 1942.
- f. The farmer is rich and will continue to be--the U. S. Department of Agriculture shows that 75% of 45,000,000 farm buildings in America need repair--55% of the farm homes are over 25 years old--29% are 10-24 years old--the average farm has eight buildings--equal to a small city block of homes. The farmer therefore must repair his buildings and he now has the money to do it.
- g. In an independent survey by Ross Federal Research Corporation farmers were asked "Which of the following have been built or done within the last 12 months?"

	Have Built (or Done) <u>This Year, %</u>
General Barn	9.7
Dairy Barn	1.8
Hog House	1.8
Poultry House	5.8
Sheds	5.0
Residence (Built)	4.2
Remodeling House	15.5

- h. Every one of these farm buildings must have a roof--and with the shortage of metal--asphalt is the most logical roofing material available. Don't overlook this market--it will be tremendous and a "business saver" for the rural roofing dealer or applicator.

III. What is the outlook for the roofing business?

- 1. In new construction-
 - a. Big orders are the order of the day-- attention is focused on defense areas with tremendous activity in new building.
 - b. All major roofing companies are prosperous--salesmen are battling for the large defense area jobs--orders are available but selling is highly competitive.
 - c. Within a few months forecasts indicate that new construction orders will be over for the duration.
 - d. Large defense orders can jeopardize dealer and applicator establishment unless these are continually serviced, increased and helped.
 - e. Dealers and applicators are the only factors that will keep us in business when the defense jobs are over--and this may be soon.

2. In modernizing and repair-

- a. The replacement roofing market is perpetual in good times and bad.
- b. Statistics show that the average home has 3 roofs in its life-time. One new roof--and 2 re-roofs. Therefore the re-roof market is twice as big as the new roof market.
- c. In 1939 and 1940 over 85% of the roofing business was re-roofing work.
- d. During the same period over 90% of the siding business was remodel work on old buildings.
- e. 65% of roofing material sold is asphalt.
- f. With no new building in a few months--and a tremendous repair building boom in the cities and on the farm as a result--roofing men must position themselves to get the re-roofing business--if they want to stay in business.

V. How can this be done?

1. Who does the new roofing work?

- a. Chiefly the lumber dealer and carpenter contractor.
- b. To be successful in the new roof market requires a firm connection with these two factors.
- c. We have had this connection for 40 years. It is natural therefore that in many markets our sales run strongly to the new roof market.

2. Who does the re-roofing work?

- a. Chiefly the ~~aggressive~~ roofing applicator whether he is an
 - established re-roofing company
 - part of a lumber dealer organization
 - an individual re-roofing operator.
- b. To be successful in the re-roof market requires a strong connection with the applicator who does the best selling and gets the most business.
- c. Before we went into the roofing business in 1934 this man was a total stranger to us--during the past eight years we have become identified with many--but believe we'll all agree we have a long way to go.

V. How are the new roof and re-roof markets promoted?

1. The new roof market

- a. By doing job selling for the roofing dealer.

2. The re-roof market

- a. By giving the applicator tools to do his own job selling.

VI. What kind of sales tools does the applicator require?

1. He must have--Prestige!--because he is not a well known retail outlet and does not have prominence in the community.

USG gives the applicator--Prestige!--as the largest manufacturer of building materials in the world and 40 years of progress in the manufacture of building products.

2. He must have--Acceptance!--because he does not get repeat sales or build up an established clientele--he is a total stranger to most of his customers.

USG is accepted by the public everywhere because of aggressive national advertising and extensive publicity at present and in the past.

3. He must have--Exclusive Items!--because his selling is highly competitive and he requires exclusive sales arguments against his competition.

USG supports him with exclusive shingle designs in a variety of price ranges such as Random Tab, Thatch, etc.

4. He must have--Dramatic Selling!--because he must close the sale quickly by superior salesmanship and showmanship so that he can move on to another prospect.

USG is ready now to launch the most dramatic roof selling plan in the industry. After a full year of development USG has perfected a plan that--"Puts the Roofing Business in a Brief Case."

To-day--there is no company in the industry that equips roofing salesmen and applicators with as powerful a re-roofing program as the 1942 plan of USG. A plan that will increase our applicator establishment now--so that we can participate to a major degree in the re-roofing market!

The spearhead of the program is the, "SHINGLE-VIEW", Roof and Siding Selector.

(a) For 30 years roofing applicator salesmen have been selling from the floor -- fussing with heavy sample panels -- musing up the prospects' home -- selling roofs the hard way!

(b) Ten years ago the sample board showed colors and blends because these were confined to individual shingles -- variegated colors or two shingle blends.

To-day we blend over 5 and 6 shingles and a sample board won't show these blends.

(c) Ten years ago the sample board showed design because there were very few styles and they were simple.

To-day designs are many and varied. A sample board does not show Random Tab or Thatch to give any idea of roof appearance.

(d) Sample boards to-day -- don't show style or color unless they are big -- and if they are big they are too heavy to carry. They are old fashioned, heavy, costly and unsatisfactory.

(e) Applicators to-day have no way of showing a prospect in a clean cut, dramatic and descriptive way --

1. How various roof designs and blends will look over any type of siding.
2. Who makes the roofing they are selling and why this company is dependable.
3. How the roof is made and why it is better.
4. How the roof will be applied to assure long life.

This is what USG "Shingle-View" will do.

1. It puts the roofing business in a brief case.
2. It opens into an easel presentation that can be set up at eye level -- on the finest table in the house.
3. The presentation starts from the left -- to introduce the subject, arouse interest and pave the way for specific selling.

The Story of Fortified Roofing --- book

Page 1 - 2: Here the applicator opens up on a cold or hot call to the "Danger Spots" story and protection against the battle of the elements.

Page 3 - 4: Drives home the importance of a good product and good application.

Page 5 - 6: Here is a spread that makes our "Fortified", slogan mean something -- gives the applicator a distinctive sales talk by explaining how USG Fortified Roofing is made and why it is better.

Page 7 - 8: The company behind the product and actual photos of USG roofing mills -- to give the applicator the -- Prestige -- he needs.

Page 9 - 10: Backing the applicator and the product up by a story of our research test and development work.

Page 11 - 12: Here we begin to sell the applicator -- his services and his workmanship. From the very beginning this series shows how a roof is properly applied -- with the first full series of pictures in the industry we believe.

(a) Preparing the old roof --

(b) Beginning application -- Starter roll method
-- Inverted Shingle method

(c) Inserting the valley properly.

Page 13 - 14: (a) Shingle application and correct nailing.
(b) Flashing around chimneys.
(c) Flashing vent pipes.

Page 15 - 16: (a) Flashing dormers.
(b) Applying hips and ridges - roll method
- shingle method.
(c) Safety measures - to assure a good job.

Page 17 - 18: A new exclusive X-ray method for showing the coverage provided by basic designs -- in percentages --

NOTE: USG exclusive Thatch -- versus -- Hextab design - proves USG superiority at a similar price.

Page 19 - 20: Here the applicator if he is selling a roof reaches a point where he will do specific selling -- talk design and color as related to the prospects home.

NOTE: This front section is complete on roofing. For areas selling Glatex the applicator has a complete section in the back of this book.

Page 21 - 22: The outstanding sales features and distinctive qualities of Glatex are sold here with pictures.

Page 23 - 24: Color reproductions of the full Glatex line and the beginning of a full series before and after section.

Page 25 - 26: More "before and afters", there is nothing better to help sell siding.

Page 27 - 28: The full protection of Glatex and tested methods of correct application.

Page 29 - 30: Other items in the full USG asbestos cement roof and siding line.

Pocket for Calling Cards, Literature, Finance forms, etc.

What "Fortified" means in USG Roofing.

- (a) This section shows USG quality and superiority with a practical, down-to-earth story and actual progressive samples to show how USG roofing is made.
- (c) The applicator will use his own words here, as in all other sections of the brief case.

"Fortified" Shelter for your home.

- (a) Here are actual samples of the various weights of roofing from which USG shingles are made.

Standard weight -- Thick Butt -- Giant (55 point Felt).
(Dubl Thick - Dubl Butt
J.C.Area)

- (b) Under these asphalt samples is a complete section on Glatex.
 - 1. Samples of green - white - brown.
 - 2. A complete descriptive selling label.

"Shingle-View", Roof and Siding Selector.

- (a) On the lower section are 9 different types of house siding -- so that applicator can match the roof to the prospects home.

1. Green Glatex	2. Brown Glatex	3. White Glatex
4. Red Brick	5. Buff Brick	6. Stone
7. Stucco	8. White Clapboard	9. Wood Shingle siding.
- (b) If desired applicator can sell Glatex to match any color of roof -- or sell both Glatex and a roof.

- (c) On the top section are seven USG shingle designs and blends -- in actual scale size to the siding -- a true facsimile of a roof on a house.
- (d) These shingles are not printed -- they are made with the actual granules used in our manufacture -- ground down in scale to a miniature size -- blended by miniature equipment. They show exactly how our roofs will look on any home.
- (e) On the back of each single panel is a full color label -- which identifies the shingle and shows full specifications.
- (f) On the front of each panel is printed the color or blend of each individual sample.
- (g) All material in this case is replaceable and will be available on standard requisition forms -- when ordering describe the piece required.

USG "Shingle-View", puts the roofing business in a brief case.

- (a) Nothing like "Shingle-View", has ever been done.
- (b) Nothing like it will be done for some time -- because it is completely patented.
- (c) This is actually all that an applicator needs to call on his customers. It is dramatic selling of the highest type.
- (d) With priorities on tires -- it permits USG applicators to carry the roofing business under one arm and travel on foot or by available conveyance -- whereas sample board equipment demands a vehicle to transport because of weight.
- (e) The total weight of "Shingle-View", is only 9 lbs.
- (f) The equivalent in sample boards, etc., would be close to 80 pounds -- would require a car to carry -- and couldn't show blends, designs or appearance on a home, at that.
- (g) No roofing manufacturer can equal USG service to an applicator with -- Prestige
Acceptance
Exclusive Items
Dramatic Selling
- (h) We need greater establishment with aggressive applicators in almost all markets -- now we have superior equipment -- now is the time to invade this market.

Applicator Brief Case -- ordering and distribution.

- (a) The "Shingle-View", brief case will be sold to applicators or active roofing dealers at an introductory price of \$5.00 each delivered.
- (b) Later orders will probably cost more because of the increasing price of leather, metal, etc.
- (c) Each roofing specialty man will be given a case and a quota to sell before April 15, 1942.
- (d) Each line salesman that does not have a roofing man covering his territory will also be given a case and a quota to sell before April 15, 1942.
- (e) Your District Manager will have a spare "Shingle-View", case in his office for use by line salesmen in selling an account whenever they require it.
- (f) Applicator companies can either purchase the cases for their "closers", or the "closers", can be sold direct -- in either case it may be advisable to have the applicator hold a meeting of his salesmen to present this plan and take orders.
- (g) Orders from lumber dealers with roofing applicator departments can be handled in the same way -- individual applicators, of course, can be sold direct.
- (h) The order form provides two methods of payment -
 - (1) In advance with order
 - (2) By C. O. D.
- (i) If the dealer or applicator company is paying for the cases and is on our books as a roofing account we will invoice him as with any other order -- this will be considered "Cash in Advance".
- (j) If the "closer" or applicator salesman who is not on our books is buying the case for himself he can give you the money with the order -- or we will ship C. O. D.
- (k) On all orders that are "Paid in Advance", however, we will imprint the name of the purchaser, as indicated on the order blank, on the front cover of the case in gold letters. No C. O. D. orders will be imprinted.
- (l) On the inside front cover of the order pad is the selection of blends and colors available in each shingle design. From this selection the purchaser can select 7 shingles for his brief case. He must list his selection of seven on the order form in the space provided.

- (m) Also he must check whether to, "include or omit", Glatex asbestos cement siding -- in the space provided on the order form.
- (n) The two white copies of the order are sent to the "Advertising Dept., Chicago Office". The third copy is for the purchaser and the fourth copy for you.

"Shingle-View", Brief Case -- Trade Advertising.

- (a) A two page ad will be run in the March issue of the "American Roofer", magazine which reaches nearly all active roofing applicators. Replies will be sent a descriptive folder and then forwarded to the district offices.
- (b) A six page 8-1/2 x 11" folder in two colors clearly describes this revolutionary development in roof selling -- it is on requisition for you and it can be mailed out by your jobbers to their roofing accounts, etc.
- (c) We are immediately mailing this folder to all of the applicators sent in on a recent list by the roofing men. Reply card returns will be forwarded to the districts for follow-up.

- (d) In 1942 you can be sure that --

in any market where you have a good roofing applicator you will get your share of the roofing business

But --

in any market where you don't have a good applicator you will not get your share this year.

Dealer "Shingle-View", Counter Display.

- (a) This unit is adapted from the applicator case for use in the lumber dealer's office who sells roofing.
- (b) It is designed for all places where the customer calls on the roofing dealer.
- (c) It contains the complete "Shingle-View", unit and the actual samples of roofing and Glatex. The set of 7 shingle panels, however, is constant -- cannot be changed -- shows complete basic line because dealer sells the full line.
- (d) This display will not be sold.
- (e) Each man who sells roofing will be given an allotment by his District Manager free of charge.

- (f) A list of roofing accounts which you will give this display to must be given by you to your District Manager within a week's time.
- (g) We will ship your supply in about three weeks to your home address so that you can explain and set up each display in a prominent location for each dealer.
- (h) You should use some care in distributing these displays to place them where they will do the most good in obtaining roofing sales.
- (i) Since this new development -- does more than sample boards ever did -- you should be able to cut down greatly on the use of sample boards and thereby cut your selling cost.
- (j) This year is your opportunity to reduce your sample costs by establishing this new, improved, exclusive sampling method in your territory.

These shingle panel samples will cost about .21¢ each for replacements -- about the same price as Sheetrock samples.

New Roofing "Sample Board", Procedure.

NOTE: See attached complete description of new sample board policy and display racks.

Additional 1942 Roofing Advertising and Promotion.

(a) "How To Modernize Your Home".

1. Nearly 7 full pages in full color this year will advertise roofing in this completely revised book. Product Section (P 57) Pages 4-6-8-9-10-11.
2. Powerful national advertising will give it national distribution.
3. First full page ad in February issue of Better Homes and Gardens pulled tremendous return of over 8,000 inquiries. Public wants to "Repair", and must "Repair".
4. Very soon the dealer plan on this book will be announced and carry the USG roofing story to thousands of prospects everywhere.

(b) New Applicator Color Catalogs of Shingle Products.

1. A new pocket size catalog in full color for each of the eastern mills is available on requisitions -- showing the full line of USG shingles. Every applicator and roofing dealer should have a supply.

(c) New Glatex Folder.

1. Now available for requisition in all Glatex areas -- a brand new folder -- with a brand new sales story that proves the difference between Glatex and ordinary asbestos cement siding.

(d) Window Display Material.

1. With the counter display "Shingle-View" -- the new, "Sample Board", display -- and RF 90 or RF 90-A display cards -- every applicator and dealer with a good window should have a window display this spring.
2. For a few cents you can install it -- the entire roofing account will take pride in it -- will be strengthened in their USG connection -- will promote more sales. You have the equipment -- its ready -- use it this spring!

NOTE: Suggested window display layout in the back of this guide.

SUMMARY

- (a) Never before has a roofing manufacturer had such equipment and such an opportunity to show a sales increase as USG has in 1942.
- (b) Never again will we have such an advantage -- so let's make the most of it -- and make progress this year.
- (c) Every roofing trade factor in your area will be told and sold the fact that USG is in the roofing business to stay in a big way-- from the applicator with ads and the "Shingle-View" unit to the architect with Sweet's and the dealer with the 1942 Red Book in full color.