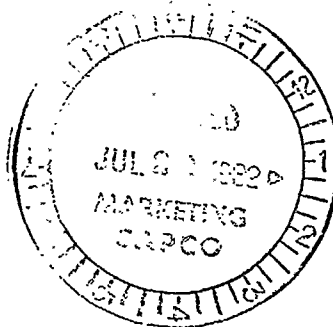


A/C Pipe
Producers Association

TO Executive Committee

FROM *J. F. Welch*
J. F. Welch, Vice President



Internal Correspondence

DATE July 28, 1982

SUBJECT Status Report - PAC-01-82, Municipal Market Program

REF: JFW correspondence, same title, June 16, 1982

ACTION REQUIRED: Review for information and follow on discussion at 8/2/82
Executive Committee meeting.

File
JFW
8-9-82

Background

On June 28-30, 1982, Staff met separately with all member company district/territory sales managers in Texas and California. The purpose of the meetings was to complete program start-up. Specifically, municipal account priorities and schedules, seminar content, logistics of invitations, meeting space, entertainment, etc., were discussed. The district managers were extremely cooperative and, without exception, receptive to a program to defend against encroachment by competitive products. This status report summarizes the findings and recommendations of these meetings.

Account Priorities

A revised seminar schedule is attached (Enclosure 1). District managers in California felt that recent corporate reorganizations would affect their ability to accommodate the schedule previously proposed by Staff (see above Reference). To maintain progress during the reorganization, Staff will conduct seminars at major municipal accounts in Texas, New Mexico and Colorado, where reorganizations have had less impact. Municipalities in California will be visited in the last quarter of 1982.

Logistics

1. Invitations

With one exception, district managers agreed it should be the local salesman's responsibility to invite municipalities to the seminars. Where direct communications exist between Staff and the utility, e.g. San Antonio or U.S. Bureau of Reclamation, Staff will initiate the contact. Invitation accountability therefore will be assigned to member companies (see Enclosure 1).

Salesmen will use a Staff-developed checklist to isolate issues of interest to the utility. When a seminar date is selected, the salesmen will advise AACPP and Staff will confirm the invitation by letter to the utility manager, copying all district managers.

2. Meeting Size

Although there were some differences in opinion about optimum meeting size, most felt that the utility manager would determine which of his staff members should attend the seminar. The general feeling was that if more utility personnel attended, the seminar would be more likely to have benefits for the industry.

3. Seminar Location

Sites considered were (1) the utility itself and (2) "neutral ground" i.e. a conveniently located hotel or motel. The consensus was that meeting location was not critical, but it would be desirable to be away from the utility. Although local salesmen may not be able to strictly control meeting locations, attempts will be made to locate them at sites away from the distractions of telephones, secretaries, supervisors, etc.

4. Participation by Salesmen

There was split opinion on this issue. Some district managers felt that salesmen's attendance was mandatory. Others felt that the absence of salesmen might create more open discussions about the product and the industry. Staff concurs with the latter view but recommends that the district manager with invitation accountability make the judgement whether all salesmen should attend the seminar or only the entertainment function. AACPP counsel may also wish to comment on the desirability of having all salesmen at the seminars.

5. Participation by Other Utilities

Staff explored the desirability of having medium or small accounts (in the immediate area of a large account) also attend the seminar. District managers felt that important utilities such as Houston and EBMUD merited full and undivided attention. In other cases, the matter will be discussed with the utility manager and handled on a case by case basis.

6. Participation by Distributors and Contractors

Where distributors are a strong sales factor at an account e.g. Houston, it may be desirable to have them in attendance. The seminar could be a "resell" for them as much as for the utility. The consensus was that this should be discussed with the utility manager and resolved on a case by case basis.

It was agreed without exception that contractors should not attend the seminars.

7. Entertainment

Luncheons were endorsed as the best medium for entertaining. It was acknowledged, however, that type of entertainment would be dictated by the time of day the utility manager and his staff are available.

There are many potential benefits to Turbeville's suggestion. A large number of A/C pipe accounts usually attend these sectionals. Thus, it offers the prospect of getting more "bang for the buck" through seminar attendance by a larger number of A/C pipe customers. Moreover, it enhances the industry's presence at these important regional meetings, a factor which may overcome perceptions about withdrawal from the market. It also could be a "confidence builder." Utilities wavering in their loyalty to A/C pipe may find reassurance in seeing that other utilities are continuing to use the product.

There are some potential problems with seminars at AWWA sectionals. These include scheduling the seminar at a time that does not conflict with the formal or business programs of the sectional and competing with entertainment functions, tours, exhibit hours, etc. Staff will determine whether these logistical problems can be overcome.

If approved, the sectional seminars should also include an entertainment function. Staff recommends the sponsorship of a cocktail party either following the seminar or at a separate time or date during the sectional meeting. Attendance would be restricted to utility personnel invited to the seminar and their wives. District managers also felt it would be desirable for AACPP's Executive Committee to attend these functions to strengthen upper management's visibility before these key customers.

Even if Staff cannot schedule a seminar during these sectional meetings, it is recommended that program funds be allocated to sponsor a cocktail reception for the A/C pipe industry. It must be acknowledged seminars conducted at AWWA Sectionals are likely to be more costly than individual account seminars. This may reduce the number of individual seminars that can be given with existing program funds.

For Executive Committee Action

1. Discuss and approve/disapprove staff recommendations on participation by salesmen and distributors.
- 7 2. Advise Staff of official corporate explanations for plant closings of Santa Clara and Stockton.
- AW 3. Approve or disapprove recommendation to conduct seminars at California-Nevada and Texas-Southwest Sectionals - AWWA and Arizona Water Association - NAWC.
- AW 4. If seminars can be scheduled at AWWA Sectionals, approve or disapprove entertainment function.
5. If seminars cannot be scheduled at AWWA Sectionals, approve or disapprove AACPP sponsorship of industry entertainment function.

These matters should be discussed and resolved at the August 3, 1982 Executive Committee meeting. If you have any questions in the interim, please do not hesitate to call.

ENCLOSURE 1

SCHEDULE - MUNICIPAL ACCOUNT SEMINARS

<u>Date</u>	<u>Municipal Account</u>	<u>Invitation Responsibility</u>
	Pilot Presentations	
August 30	U.S. Bureau of Reclamation	AACPP Staff.
August 31	Pueblo Board of Water	JM (Sorenson)
September 1	City of Albuquerque	CertainTeed (Duffy)
September 2	City of El Paso	CertainTeed (Duffy)
September 3	City of Lubbock	JM (Pronske)
September 20	Cities of Beaumont and Port Arthur	JM (Pronske)
September 21	City of Houston	CertainTeed (Duffy)
September 22	San Antonio Water Board	AACPP staff
September 23	City of Corpus Christi	CAPCO (Woodworth)
September 24	City of Arlington	JM (Pronske)
October 18	Texas-Southwest Section (Oklahoma City)	All district managers
October 19	City of Phoenix and surrounding utilities (Tempe, Mesa, Scottsdale)	JM (Turbeville/Bogart)
October 20	Arizona Water Company	JM (Turbeville/Bogart)
October 21	City of Tucson	CertainTeed (Himmelberger)
October 25	EBMUD	JM (Turbeville/Bogart)
October 26	Contra Costa Water District	CAPCO (Reichel)
October 27	California-Nevada Section (Sacramento)	All district managers
October 28	Alameda County Water District	CertainTeed (Himmelberger)
November 15	San Diego Water Department	JM (Turbeville/Bogart)
November 16	Irvine Ranch Water District	CertainTeed (Himmelberger)
November 17	Santa Margarita Water District	JM (Turbeville/Bogart)
November 18	San Gabriel Valley Water Co.	CertainTeed (Himmelberger)
December 13	City of Thousand Oaks	AACPP Staff
December 14	San Clarita Water District	JM (Turbeville/Bogart)
December 15	South California Water Co.	JM (Turbeville/Bogart)
December 16	Coachilla Water District - Eastern Municipal	CertainTeed (Himmelberger)

Note: More than the program target twenty four (24) seminars are listed. It may be necessary to drop some accounts because of scheduling problems.