

MINUTES OF THE SPRING SALES CONFERENCE

HEADQUARTERS OFFICES, CLEVELAND, O.

JUNE 15 TO 17 INCLUSIVE 1921.

This copy is for Mr. G. H. Griffiths.

MINUTES OF SPRING SALES CONFERENCE
OFFICE OF PRESIDENT COTTINGHAM
JUNE 15, 1921

W. H. Cottingham, Chairman.

A. H. Burt, Secretary

In attendance:

Executive Officers
District Sales Managers
Executive Sales Department Managers
Executive Department Managers
Auxiliary Department Managers
Manufacturing Department Managers
Sales Managers of Affiliated Companies.

1. REVIEW OF REPORTS

(a) Mr. Cottingham announced that the meeting had been called for the purpose of talking over plans for the re-adjustment of our business to present-day conditions, in order that it may be directed in the most profitable way during the present period of business depression, and to so plan for the future, that when business conditions begin to pick up, this Company will be in a position to seize each opportunity as it presents itself, and thus carry the business on to greater records.

(b) Mr. Cottingham discussed the sales figures for the year to date most comprehensively, and commented upon the showing of each district. Particular mention was made of the showing of the Pacific Coast District, which has the best record of any district in the Company. Mr. Cottingham congratulated Mr. Wolcott upon the showing. The sales figures of the Acme White Lead & Color Works, Martin-Senour Company and the Detroit White Lead Works, were also commented upon.

(c) In reviewing expense reports for the present year up to May 31st, Mr. Cottingham announced that each district will be expected to limit their percentage of expense to sales to 20%, and that anything over 22% would be considered unsatisfactory. Each district is expected to work out its own individual problems to attain this end.

Mr. Ballow brought up the point that since the increase in transportation expense for Texas is approximately 5%, he suggests the expense for the Texas District be figured minus the transportation caption. This suggestion will receive due consideration.

Mr. Cannon suggested that a higher percentage of profit be figured on all products to take care of increased expenses of all kinds, including transportation. This matter has received careful consideration in the past, but the suggestion will again be taken under advisement.

Mr. Quinn brought out the point that due to unsettled market conditions, our agents are carrying lower stocks than ever before, making it necessary for us to carry larger stocks in our warehouses. He stated however, that he was confident that business in Western District could be conducted on a 20% to 21% to sales basis.

Mr. Kydd put himself on record to the effect that the reduction in expenses which he was accomplishing in North Central District, would result in a percentage of expense to sales of not more than 22% for this year.

Mr. Stout stated that his percentage of expense to sales will be reduced to 20% by August 31st.

Mr. Haynes asked that the district managers be supplied with an estimate of definite percentages under each caption of expense, to guide them in their efforts to conform with the management's idea of the proper percentages under each caption. He was informed by Mr. Whittlesey that these figures would be supplied.

(d) Mr. Cottingham brought up the matter of the increased number of warehouses, and asked the district managers if they felt that we are justified in maintaining all of them.

Mr. Kydd stated he did not feel that the elimination of the Detroit and Saginaw warehouses would cut down the North Central District expenses in any way.

Mr. Quinn stated that the situation in connection with the Indianapolis and Minneapolis warehouses would be adjusted immediately as far as expense is concerned.

Mr. Jarden stated that while the showing of the Atlanta and Savannah warehouses is not good at the present time, in normal times these two warehouses are indispensable. Mr. Jarden is to use his own judgment in continuing the operation of these warehouses.

Mr. Kurtz stated that he felt that all of the warehouse facilities in Southwestern District are required, and that he is confident the percentage of expense to sales can be kept below 22% in his district without the elimination of any present facilities.

Mr. Cottingham stated that the Portland warehouse had the worst showing of any in the Company, having a percentage to sales of 45%. Mr. Wolcott assured him that the situation was receiving his careful consideration, and asked that the matter be left in his hands.

The matter of centralization of invoicing and billing at headquarters points was discussed. Mr. Cottingham stated that it was his desire that everything be centralized as much as possible in the districts. The district managers promised to give this matter most careful attention.

(e) Mr. Cottingham announced that our percentage of expense to sales for the year to date is 28%, and brought out the necessity for still further effort to reduce expenses for the remainder of the year in order to improve this record. Special estimate figures on sales and expense for the months of June, July and August, covering the entire Company were read. By fulfilling these estimates, it will make it possible for the Company to reduce the percentage of expense to sales to 25.12%. Definite figures will be furnished to each district manager for his district.

2. ANNOUNCEMENT OF PRICE REDUCTIONS

Mr. Cottingham brought up for consideration, the matter of announcement to be sent to the retailer in the form of a circular letter over his signature, announcing the reduction of prices on certain products of our manufacture, effective July 1st. He stated that the management had been cognizant of the fact that the trade has been expecting a reduction in prices effective July 1st, and that we have wanted to reduce our prices, but that when we made a survey of our costs we could not see an opportunity for a reduction in prices on anything with the exception of varnishes. He brought out the fact that we are bound to take into consideration the fact that there are many items included in the cost of our products, other than the cost of raw materials. These items include increased taxes, increased transportation expense and increased labor costs.

Mr. Cottingham then read the draft of the announcement to go to the trade, and requested suggestions for its revision. Several suggestions were made which were favorably considered and Mr. Cottingham announced that the letter would be revised in accordance therewith, and that the re-draft would be presented for further consideration at the afternoon session.

There was considerable discussion regarding the various products on which our prices should be reduced. The consensus of opinion appeared to be that prices should be reduced on all lines on which varnish manufacturers have already reduced prices, namely, clear varnishes, Floorlac, Old Dutch Enamel and Auto Enamel.

Mr. Martin made some special remarks regarding the proposed plan of reducing prices on certain products, with which those in attendance concurred. Mr. Cottingham therefore asked Mr. Martin to take special action as outlined by him, and to submit further recommendations.

3. INVENTORIES

(a) Mr. Cottingham fully explained the necessity for the reduction of inventories and the advantages to be derived therefrom. The district managers expressed themselves as fully in accord with the plan outlined by the management.

(b) Mr. Weber stated that approximately \$500,000. of our present inventory is of MSD products, and brought out the fact that we have been lax in permitting this condition, as these MSD stocks are carried at the expense of Trade Sales stocks, and are jeopardizing the service which we should render to our established agent and dealer trade.

Mr. Quinn stated that he has given this problem his careful attention, and as a result is decreasing the stocks of MSD products in his district.

Mr. B. B. Cannon stated that the problem is also receiving his careful attention in his district.

4. LEAD BUSINESS

(a) The matter of White Lead sales was discussed by Mr. Cottingham, who brought out the fact that the demand for White Lead is one of the bright spots in the paint industry at the present time, and that the Company should take advantage of present conditions. He announced that our increased facilities for the production of White Lead at Chicago will practically double the amount of that product available for sale.

(b) Mr. Martin announced that it is the Company's intention to supply a lead consisting of 75% Old Dutch Process White Lead and 25% Carter White Lead to be sold to the trade in the future under the name of Old Dutch White Lead, in place of our present Old Dutch Process White Lead. He further stated that where there is a demand for same, Old Dutch Process White Lead can probably be supplied, as well as the straight Carter White Lead for which Mr. Kydd assured him that there is a definite demand in his district. The details regarding the new lead will be definitely announced later.

Mr. Martin further announced that the Company has decided to undertake the manufacture of red lead, which will be added to our regular line of products. Definite announcement regarding this product will be forthcoming at a later date.

THE MEETING ADJOURNED AT 12:30 TO BE RE-CONVENED AT 2 P.M.

AFTERNOON SESSION

Meeting held in office of Mr. H.D. Whittlesey

Mr. H. D. Whittlesey, Chairman

5. ADVERTISING

(a) Mr. Lemperly presented a plan which if followed, will enable the Company to save \$90,000. in local advertising expense for June, July and August. He demonstrated by a chart how the local advertising expenses had mounted in each district during the present fiscal year, and then on a supplementary chart outlined the district local advertising estimates for the remainder of the year, month by month. Each district manager agreed to accept his estimate and work to it carefully. It was suggested by Mr. Quinn that the best way to keep within the estimate is to keep a daily record of the value of advertising shipped. Mr. Lemperly thought this was a good plan, and suggested that each district manager arrange to have this record kept by the local sales promotion department.

It was definitely decided that the estimate for local advertising expense would be based upon the number of agents in each district. Mr. Lemperly is to send the figures to the sales promotion managers at once, with copies to the district managers.

(b) The advisability of continuing the Decorative Department was discussed. The consensus of opinion of the district managers was that this department is a valuable asset. However it is felt at this time that the activity of the Decorative Department should be curtailed and small operations be eliminated as far as possible. Immediate steps will be taken by Mr. Lemperly to further reduce the staff in this department. It was suggested that immediate steps be taken to work out standard elevations with a view to reducing the high degree of specialization in the Decorative Department. Mr. Cottingham stated that he felt in some cases we have spent considerably more money on decorative operations in both materials and time than was justified by the resulting sale. Mr. Lemperly is to watch this matter carefully.

6. REPRESENTATIVES' VACATIONS

(a) Mr. Whittlesey called upon the district managers for recommendations for the vacation period which will be given to our representatives this Summer.

Mr. Kurtz stated that the Country Trade Sales representatives in Southwestern District will be off the entire month of July, and possibly up to the 15th of August.

have the representatives route themselves, forwarding Approximate Route Sheets to their sales managers two weeks in advance. The representatives will prepare these route sheets in duplicate. Any changes in the route desired by the sales manager will be noted on the sheets. One will then be referred to the sales promotion department, and the other, containing the sales manager's OK will be returned to the representative.

18. STOCK ORDERS

Mr. Whittlesey stated that next year we will not start to stock orders until Nov. 1st. This will necessitate the revision of the stock order terms. Definite announcement will be issued by the General Trade Sales Department, regarding the new terms.

19. ESTIMATES FOR SEPTEMBER AND OCTOBER

Mr. Whittlesey suggested that each district manager issue estimates for the months of September and October for each representative, to show them what the Company is expecting from them for these two months.

20. DISTRICT CONVENTION

Mr. Whittlesey stated that there will be no district conventions this Fall, but that consideration will be given to a plan for holding meetings at division points in January.

21. SALESMEN'S COMPENSATION

(a) Mr. Whittlesey stated that as the representatives' contracts expire, revisions will have to be made in salaries, as there are certain cases where the salary is not justified by the sales which are being secured from the territory.

(b) The advisability of continuing to make salary contracts with our representatives, was discussed. Most of the district managers seemed to favor the continuance of the plan. It was decided however, that the new contract be more on the order of a memorandum, and that it should contain a clause permitting the termination of the contract upon 30 days notice from the Company.

(c) Mr. Whittlesey ruled that no contracts are to be made with new men. He recommended that all new men be employed by the week and paid by the week until they prove their value to the Company, at which time they may be placed on the regular basis.

22. SALARY SCHEDULE

A schedule of salary estimates will be prepared by the Executive Sales Department. This will be worked out on the basis of class or type of territory. Copies will be sent to each District Manager.

ADJOURNED UNTIL THURSDAY 9:30 A.M.

THURSDAY MORNING SESSION 9:30 A.M.

OFFICE OF MR. H. D. WHITTLESEY

Mr. H. D. Whittlesey, Chairman

23. ROOF & BRIDGE PAINT

It was announced that we have enough paint skins at factory points to make 1200 barrels of Roof and Bridge Paint. We are very anxious to get this supply of skins moving at once. In order to accomplish this end, a price on Eastern basis of \$1.15 per gallon in barrels was authorized on Roof & Bridge Paint.

24. TERRITORIAL LISTS

It was decided to keep the re-writing of territorial lists down to a minimum. New lists will only be prepared for new territories.

25. LEAD-ZINC

The new Lead-Zinc package was shown and approved. It was decided to market this product in 100-lb and 50-lb packages only. The prices are to be the same as ODP Lead prices. It was emphasized that Lead-Zinc bulks 10% more than White Lead.

26. SALESMEN'S OUTFIT

(a) Mr. Collister showed a dummy of the proposed representatives outfit. The district managers approved the outfit in the form submitted. This outfit is to consist of a demonstrating outfit and nine folders, each devoted to a certain part of our agency proposition. The folders are to be on the following subjects and numbered as indicated: No. 1 Facilities, No. 2 Advertising (National, Local and Store,) No. 3 Sales Promotion, No. 4 Book of Color Cards, No. 5 Decorative Service, No. 6 Re-Sale Work, No. 7 Floorlac, No. 8 Architectural Cultivation and Master Painter Sales, No. 9 Specialty Products.

(b) Space will be left in the Facilities folder to permit the insertion of pictures of the various warehouses in the district in which the outfit is to be used. Space will also be arranged for in the Re-Sale folder to permit the insertion of testimonial letters from agents in each territory.

27. FORMAL INVITATIONS FOR AGENCY DEMONSTRATIONS

Mr. Quinn suggested that formal invitations be prepared for use of agents holding demonstrations. This suggestion was approved. The invitations are to be of a stock nature which can be imprinted with the agent's name.

28. MOVING PICTURE FILM

The Executive Sales Dept. will consider the advisability of getting out a moving picture film, which can be used in agency demonstrations, the education of agent's staffs or in BPA work.

29. NEW ACCOUNTS REPORT

It was decided that our report of new agents, new dealers and other accounts will be continued.

30. REDEMPTION OF INACTIVE ACCOUNTS

(a) Mr. Whittlesey asked that attention be given to the matter of inactive accounts. It was agreed that a letter should be sent over the district manager's signature to all accounts in each district which have been inactive on our records for a period of one year. It was recommended that care be exercised in sending out these letters so that no one will be written to whom credit has been refused or cannot be extended at the present time.

(b) Mr. Douglas is to work out the system for handling this work. The Executive Sales Dept. is to draft letter.

31. PAINTING CONTRACTORS' STOCK ORDER PLAN

Mr. Burt presented a plan for going after the business of important painting contractors of good credit, with a special stock order sales plan. All stock orders taken under this plan will be under the same terms as those which our agency stock orders were taken this year, namely, stock orders can be taken for shipment in September on the basis of a 2% cash discount if paid before January 10th or due March 1st net. A special schedule of discounts for bills discounted before regular discount date, will be worked out.

This stock order plan makes the purchase of a certain amount of floor varnish, interior varnish, Velvet Finish, Old Dutch Enamel and ODP Lead, or Lead Zinc obligatory. Any other product of our manufacture can be included on the stock order. The only limit which will be placed on a stock order will be the credit limit.

The advantage of this plan to us will lie in the ability of our representatives to land the stock orders early, before our competitors get around and fill their Fall requirements. Immediate consideration must therefore be given to a list of painting contractors whom we are going to endeavor to sell in each district. Lists will be submitted to the credit manager in each district for notation of credit limits. Under no circumstances shall our representatives endeavor to take stock orders before first obtaining a notation of credit limit from the credit manager, nor shall any stock orders exceed these limits.

A special stock order blank will be prepared at once and complete details regarding this new plan will be forwarded to each sales and district manager by Mr. Burt.

32. SCHOOL AND COLLEGE UPKEEP BUSINESS

Mr. Burt brought up the matter of standardization of colors for the decoration of school room walls and ceilings, and asked the district managers if they felt that we should continue in our effort to secure standardization in every State in the Union. The consensus of opinion was that we should continue in this effort as it will be productive of a great amount of good, on account of the vast quantities of materials used for upkeep in the schools of this country.

33. OFFICE BUILDING UPKEEP BUSINESS

(a) The district managers were asked to give the matter of office building upkeep business careful attention, as this is volume business. It was stated that there is considerable activity in paint and varnish purchasing in this sales field at the present time.

(b) A number of district managers stated that they are receiving strong competition from Hockaday's Gloss Wall Finish, and it was decided, therefore, to give immediate attention to the matter of preparing a line of gloss paints which can be sold in competition. Special color cards showing the selection of colors in this new line will be prepared. Mr. Quirn will arrange to send wet samples and color cards of Hockaday's Gloss Wall Finish to Mr. Burt.

34. SALES MANAGER'S HAND BOOK

Mr. Whittlesey presented for the consideration of the meeting a dummy and outline of a hand book for sales managers which was prepared by Mr. Burt as a suggestion. The district managers thought that a book of this nature would be a valuable thing at this time. This book is to be divided into the following sections: General, Traffic, Stockkeeping, Insurance and Taxes, Credits and Collections, Return Goods and Allowances, Agency and Dealer Sales, Architectural and Contractor Sales, Manufacturers Sales, Railway and Marine Sales, DC&C Sales, Specialty Products Sales, Advertising Policies and Miscellaneous.

This book will do away with a great deal of correspondence, and will act as a sort of sales manager's "bible." It is to be devoted to Company policies and rules for doing business. It is to be bound in loose-leaf form to permit the addition of pages of special instructions covering local conditions to be issued by the district managers. The size of the book is to be the same as that of the representative's hand book.

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35. WEEKLY INSPECTION REPORT

Mr. J. G. Weber brought to the attention of the district managers the fact that the weekly inspection report is not being received regularly and promptly.

This report enables Mr. Weber to cooperate with the districts, and give valuable service and assistance. It is urged that each district manager issue definite instructions insisting upon the prompt filing of this report.

36. OFFICE INSPECTION

Mr. Whittlesey asked that office inspections be held once a week in order to eliminate all irregularities in the manner in which our offices conduct their work.

37. DAILY REPORT OF STATUS OF ORDERS

Mr. Weber suggested that each sales manager arrange to have a daily report submitted to him of the number of orders filled during the day, number of unfilled orders remaining, and the number of orders which have been CF'ed.

38. RETENTION OF STOCKKEEPERS

Mr. Weber urged the careful selection of stockkeepers. He asked that the district managers retain all good stockkeepers in the position of stockkeeper, rather than sending them out on a territory.

39. BONDING OF SHIPPING CLERKS

(a) The consensus of opinion of those in attendance was that our shipping clerks should be bonded. This matter will be brought before the Board of Managers by Mr. Whittlesey.

(b) Mr. Whittlesey recommended that the district managers check up on the kind of men which we have on our trucks, as far as honesty is concerned.

40. S D & E LIMITS

Mr. Whittlesey placed the S D & E limit at a 6.73% maximum. 4.73% is the mark toward which each district manager should strive.

MEETING ADJOURNED AT 12:30 until 2 P.M.

AFTERNOON SESSION 2 P.M.
Mr. WHITTLESEY'S OFFICE

Mr. H. D. Whittlesey, Chairman

41. INSECTICIDE PROPOSITION

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A letter from Mr. A. E. Holst, containing a number of suggestions for the conducting of our Insecticide business was read by Mr. Minnich. This was followed by a discussion of what our future Insecticide Policy should be. A definite decision was withheld. This matter is to be given attention by the management at Cleveland, after which any variations from our present policy will be announced.

42. BALANCE SHEET

Mr. W. H. Cottingham took the chair, and explained our new Balance Sheet (Abstract of General Ledger) in detail. This new report was very favorably commented upon by the district managers, who welcomed its introduction.

43. WORK OF MR. H. J. DOUGLAS

Mr. Cottingham spoke of the special efficiency investigation which is being conducted by Mr. Douglas and requested that each district manager cooperate with Mr. Douglas to the fullest extent.

44. CONSOLIDATED EXPENSE REPORT

(a) Mr. Whittlesey discussed the Consolidated Expense Report in detail, and urged attention to all captions of this report during June, July and August.

(b) When discussing transportation expense, Mr. Whittlesey asked that each district manager make a special effort to arrange for the shipment of stock orders from factory points, as far as possible next year. The pooling of cars in shipping of stock orders from factory points will save large sums of money in re-handling at warehouse points.

(c) Mr. Whittlesey instructed the district managers to be sure that all local freight bills are re-checked at district points before approving. The district managers will look into this matter upon their return.

(d) Mr. Whittlesey urged a more careful analysis of complaints in the future. In the case of MSD products which are not satisfactory to the purchaser, an effort should be made to adjust the complaint thru a slight allowance rather than permit the return of the material.

(e) The district managers and sales managers will be expected to conserve their travelling expenses just as much as the representatives. The district managers will watch this closely.

(f) When discussing the matter of the reduction of stationery expense, Mr. Whittlesey asked Mr. Spettigue to tell of the saving he had accomplished on the one item of typewriter ribbons. Mr. Spettigue stated that he had purchased a typewriter ribbon re-inking machine at a cost of \$7.50 and ink for approximately \$2.00. Mr. Spettigue will write each district manager and Mr. Burt at Cleveland, advising of the name and address of the company manufacturing these machines.

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(g) Mr. Whittlesey made the ruling that all trucks will be sold and that we will contract for trucking in the future. It was suggested that one of the best plans is to contract with a chauffeur owning his own truck.

(h) The district managers disagreed somewhat regarding the type of expense book which is most desirable. The expense book

in its present form did not seem to be very popular, altho most of the district managers felt that the present book could be worked out so that it would be satisfactory. This matter will be taken up by the Sales and Advertising Committee of the Executive Sales Department, in order that the book may be improved.

(i) It was decided to continue with the present plan of not permitting the use of automobiles on territories until after the first of September. Each district manager will then use his discretion regarding the representatives who will be permitted to use automobiles.

(j) It was suggested that Mr. Douglas investigate our present method of paying district vouchers, as some of the district managers have run across cases where we have paid bills twice. District Managers should insist that bills and invoices be rendered in duplicate, forwarding one copy to Cleveland and retaining one for their files.

MEETING ADJOURNED AT 6 P.M. UNTIL FRIDAY
MORNING AT 9 A.M.

FRIDAY MORNING SESSION
OFFICE OF MR. WHITTLESEY

Mr. H. D. Whittlesey, Chairman

45. COMPETITORS' PRICE ANNOUNCEMENTS

Copies of competitors price announcements will be sent to each district manager in the future. Mr. Kinsey will be advised to this effect.

46. SEMI-PASTE PAINT

Mr. Whittlesey stated that this is a logical time to concentrate upon the sale of Semi-Paste Paint, as there are excellent sales prospects for this class of product under prevailing conditions. Attention of the district managers to this matter is urged.

47. ARCHITECTURAL REPRESENTATIVES

For the time being all architectural representatives will be given definite sales work to help carry the expense of their territories. Not more than 50% of the representative's time is to be taken away from the regular architectural cultivation work however, since reports indicate that there are signs of greater activity in architectural offices. The division of time on the part of architectural representatives is merely a temporary condition. Mr. Jarden is to re-adjust Mr. DeMott's territory as soon as possible so that he will be on the same status as other architectural representatives.

48. RAILROAD REPRESENTATIVES

Mr. Maury recommended that our staff of special railway sales representatives be cut down, retaining only the high grade men, and eliminating the men who have made only a half-way success. Mr. Maury stated that the less important railway accounts could be turned over to trade sales representatives.

49. Q.D. CELLULOID SETS

Recommendation is that we have it figured in the cost of the goods and not be considered as advertising.

Reference should be made on the back of the celluloid chips that they are made also in Quick Drying colors and in Color Varnish, giving the name of the Color Varnish in each case.

I recommend that a greater distribution of Q.D. celluloid sets be made this year. Black Finishing Color Varnish has met with splendid success and all district managers are enthused with the possibilities.

50. SUR-FAS-RITE

There is a demand for this product in quarts, more particularly in the Southwest.

Sur-Fas-Rite in some sections is having a better sale than in others. Mr. Wolcott feels a splendid opportunity on the Pacific Coast exists for this product and will get in behind it in a definite way, which all the district managers are willing to do.

51. CUSTOM REPAIR SHOPS

The district managers agreed upon their return to call the sales managers together for determined effort to clean up on custom repair shop business. Also make a determined effort to get the mill upkeep business, realizing the advantages of Egg-Shell Mill White.

52. VARNISH SALES

Information is to be passed by the Varnish Sales Dept. to all the districts, who in turn will advise the representatives that quicker drying finishing varnish should be used in the summer-time and 01526 is recommended for this work.

Bergers English Finishing Varnish continues to be a splendid leader. The Manufacturers Sales Dept. will furnish the district managers with definite sales talks on the six leading lines which are, Industrial Up-Keep, Automobile Finishers, custom repair shops, toy manufacturers, machine manufacturers and metal furniture manufacturers.

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53. EGG-SHELL MILL WHITE

Egg-Shell Mill White can be washed and representatives should be so advised.

54. ENAMEL PLANT AT CHICAGO

Letter from Mr. Bigelow was read. All district managers were impressed with the splendid facilities we have at present for turning out enamel in quantities. Everyone agreed that the toy industry and machinery finishing of various types offer a big possibility.

All were in accord with a closer supervision of sales efforts among specialized industries which would secure a greater volume of this business.

55. D C & C DEPARTMENT

Mr. Hasson explained in detail the policy regarding Union Dyes, emphasizing the need for closer work on the part of the representatives on all dyeing accounts in the large centers. We have master stocks at all district points and the consensus of opinion was that this offers a splendid opportunity for future business if properly worked. Plans to this end were agreed on.

It was the opinion of Mr. Jarden that specialized effort with special representatives calling on large dye industries should be fostered to a greater extent and that this business would never reach the volume it should unless this specialization was arranged. Mr. Hasson feels that the volume is not sufficient at the present time for this effort and that we must confine our distribution to the districts and our regular representatives, and if the proper attention is given to Union Dyes, a very large volume will be secured.

ADJOURNED FOR LUNCH

AFTERNOON SESSION

56. DIG DEEP CAMPAIGN

The question was raised as to whether it will be advisable to continue the distribution of Dig Deep campaign prizes in view of the fact that the representatives for the most part will be off their territories the greater part of the time for the remainder of the year. The district managers expressed themselves as favoring the discontinuing of prize awards from this time forward, including the accumulative prize for the year.

57. REPORTS FROM DISTRICTS

The Executive heads at Cleveland will not call upon districts for special reports, except under most unusual circumstances.

58. TOP NOTCHER COMPETITION

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The advisability of continuing the Top Notcher Competition during the coming year was thoroughly discussed. It was decided to retain this competition for the coming year. The management will entertain any suggestions for an improved competition plan which possibly will more fully fit the present-day requirements of the Company.

(b) Mr. Cottingham suggested that the present Top Notcher schedule be revised to make it less complicated.

(c) Mr. Cottingham does not favor the salary and bonus plan for businesses where there is still a big opportunity for expansion, stating that under this plan representatives bitterly fight the taking away of certain accounts from them, which they have been responsible for building up, whereas this situation does not occur where the representatives are on a salary basis.

59. PLANS FOR CUTTING DOWN OF INVENTORY

Mr. Wolcott suggested a plan for cutting down inventories, which is to be adopted in each district. Instead of giving some of our representatives an extended vacation, a certain amount of this time is to be devoted to selling of discontinued colors, MSD stocks and other stocks. The district manager is to carefully study the men selected to do this work. These men are to be sent to the larger centers to dispose of the class of materials outlined, by selling painting contractors of good credit and other prospects.

(b) Representatives assigned to this work are to be cautioned about the matter of expense.

(c) All stocks are to be gone over carefully with a view to taking out odd stocks and stocks of MSD goods, which should be disposed of. Sales managers will point out to the representatives the various ways in which the various classes of materials can be used. Just because an enamel is labeled "Marine Enamel" is no reason why it cannot be used for regular architectural work.

60. RETAIL STORES COMPANY

Mr. Davis submitted a most comprehensive plan for the organization of a retail stores company to take over our retail stores. The plan was thoroughly discussed and in many cases favorably commented upon. The consensus of opinion was that if this plan is to be favorably acted upon, certain revisions should be made in same, so that it would fit in with our proposition, and not handicap our regular sales organization in the sale and distribution of our products.

(b) Every district manager expressed himself as favoring the centralized control of buying for the retail stores.

61. CLOSING REMARKS

Mr. Cottingham in bidding the district managers and managers of affiliated companies Good-Bye, impressed upon them the fact that the management has confidence in the results which will be produced in the next two months in cutting down expenses, cutting down inventories and maintaining sales. "We are counting upon you," he said.

Mr. Whittlesey thanked all those in attendance for the fine spirit which they displayed all thru the meeting and he expressed his confidence in the results which will be shown by each district. "Take our good wishes back to the boys in your districts," he said. "Tell them that we appreciate the good work they are doing."

MEETING ADJOURNED