

Monsanto

DATE

September 25, 1968

NTJ/DAO

SUBJECT

MARKETING PLAN SESSIONS

H. S. Bergen - HBERG

REFERENCE

TO

All Attending Sales Meeting

1968

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On the Sales Meeting Agenda is a period where we will all have an opportunity to review our 1969 Product Goals and Objectives, and contribute to our action plans for the coming year. Our commitments will be agreed to by all concerned, making the ensuing document the most valuable to our cause to date.

Our own business objectives when completed will be instrumental in reaching our ambitious goals and, of course, be a valid tool for management in reviewing our individual achievements for merit increases, S.I.C. and advancement.

Attached are two product goals and objectives lists (two more will follow) which you may study and comment on or add to during these sessions.

You will be required to attend those sessions only as indicated in the agenda but will have an opportunity to contribute to any or all product areas on Wednesday during the meeting.

While it is the primary responsibility of the Product Group to establish the goals and objectives, your input is considered valuable and most welcome.

Your Meeting Committee

S. Shaw
R. Meyer
R. Steenrod
L. Bradford

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AROCLOR

LONG-RANGE OBJECTIVES

- A. Maintain 100% of the business in the U.S. and the U.K. - at maximum profit. Increase sales in these domestic markets from 17,650,000 pounds in 1966 to 28,000,000 pounds in 1971.
- B. Except for the EEC, Switzerland and countries where there are local producers - establish a dominant position in supplying transformer askarel to the rest of the world - at maximum profit.
- C. Increase non-domestic sales from 4,400,000 pounds in 1966 to 5,900,000 pounds in 1971.
- D. Establish a "pull through" advertising and promotion program in the U.S. and U.K. designed to establish preference for askarel designed transformers over the open dry type units.

GENERAL STRATEGY

Monsanto now supplies approximately 60% of the world's requirements for transformer askarel. Our major markets are the U.S., the U.K. and Canada where we have 100% of the available business. We have a share of the markets in many other world areas in the face of stiff competition - primarily from Bayer and Prodelec.

Fundamental to our attempt to get additional business around the world is the complete understanding that we do nothing to jeopardize the profitability of our domestic markets in the U.S. and the U.K. Every aggressive move we make to take business away from the competition must weigh the risk of losing any portion of our domestic markets. There is no indication that this will happen in the U.S. (as far as importation of fluid is concerned) but the U.K. market could be open to competitive moves by Bayer or Prodelec. We will make every attempt to strengthen our position in the U.K. through a reduction in manufacturing cost.

Our basic marketing strategy for transformer askarel around the world will include the following:

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- A. We will concentrate our efforts where we have maximum strength rather than dissipate our resources by trying to attack every world area simultaneously (for example: we will concentrate on the U.K. market in the European area). In the selected areas, we will use all available Monsanto resources, including frequent and in-depth account coverage, technical assistance, customer service, supply and quality position and price innovation where desirable.
- B. We will encourage the maximum sales activity on a local basis - involving all Monsanto marketing strengths that are available. This will include local Monsanto salesmen, agents, etc. This involvement will be spelled out in the area strategies.
- C. We will develop area strategies for all important marketing area. These strategies will describe what we plan to do and how we will accomplish our objectives in the selected areas.
- D. We will investigate selected areas where we do not now have market information and establish a plan accordingly.
- E. We will develop accurate cost and profit information from the various producing locations within Monsanto (U.S. and U.K.) and ship material from that source which yields maximum profit - always considering customer needs and market requirements.
- F. We will investigate our competition in depth in an attempt to get more detailed information regarding processes and estimated production cost. This information will guide our marketing program, especially our pricing strategy.
- G. We will use all available Monsanto personnel in the most effective and efficient manner on a worldwide basis - regardless of their present location. Additional people will be added as required to meet agreed upon objectives.
- H. Constantly review the technical innovations which could adversely affect the use of transformer askarel - for example, improved and lower cost dry type insulation, non-flammable gasses and vapors, etc.

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- E. Maximize profit on export transformer askarel blends by shipping from lowest cost production plant.
- F. Attempt to establish blends with a high Aroclor content - reduce M.C.L. dependence on Prodelec for TCB.

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THERMINOL

LONG RANGE OBJECTIVES

- A. Increase world-wide sales of Therminol fluids from 0.87 million dollars in 1968 to 2.6 million dollars in 1972.
- B. Make Monsanto and Therminol synonymous with heat transfer in the minds of the specifying influences in the market.
- C. Develop the market for Therminol in space heating.

LONG RANGE STRATEGY

- A. Accelerate sales growth by:
 - 1. More emphasis on field sales coverage
 - 2. Concentration on "quick sale" applications
- B. Compete with Dowtherm A and petroleum oils in established applications in the process industry, selling our benefits of liquid phase, non-pressurized, safe (fire-resistant) operation.
- C. Concentrate on markets with emerging requirements for heat transfer fluids, and not familiar with the old standard Dowtherm A or petroleum fluids (food and rubber processing, etc.).
- D. Sell to applications not available to competition, such as:
 - 1. Space heating ... which requires our unique product position with fire-resistant fluids, and possibly,
 - 2. direct contact heat exchange, which requires the oxidative and chemical stability of our "FR" line.
- E. Concentrate sales effort in U.S.A., then Canada, U.K., Europe, and possibly Japan--in that order.

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- F. Continue to educate all specifying influences in our chosen markets of the CPI and space heating: customers, system designers, process engineers, heater and other component manufacturers, architects and engineering firms, consultants, university professors and students.
- G. Make use of Monsanto's broad contact with the manufacturing industry.
- H. Utilize a strong program of advertising and promotion to educate specifying influences and develop sales leads.
- I. Utilize sales tools such as visual aids to get maximum impact from field sales coverage.
- J. Provide engineering and marketing tech services sufficient to assure a record of at least 95% successful applications. Assist heater builders and system engineers in proper design, and customers in proper operation of Therminol systems.
- K. Expand the line of fluids to meet the changing requirements of our chosen markets. Concentrate on existing Monsanto chemistry and on formulations turning to new chemistry where necessary.
- L. Seek profitable opportunities in related components and system services, and propose to management appropriate programs for expansion.

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1968 - 1969 GOALS

1. Increase sales to 1,000,000 in 1968 (worldwide).
2. Exploit the following specific markets:
 - a. Petroleum, Petrochemical and gas as defined in Sales Plans
 - b. Food and rubber - as defined in Sales Plans
 - c. Space heating - as defined in Sales Plans
3. Develop area strategies for heat transfer fluids in selected world areas after adequate potential is identified - consider U.K. and Canada first, then Europe.
4. Personally contact 100 important equipment fabricators, architect and engineering companies, system designers and builders to influence them to design for and recommend Therminol fluids.
5. Make formal presentations to 50 engineering groups in large, prospective customer companies.
6. Initiate a strong, creative advertising and sales promotion program to educate the specifying influences in the market and to draw leads.
7. Follow up all screened ad response with a personal call by field salesmen; provide equipment manufacturers with periodic lists of active prospects.
8. Make use of field sales capabilities not only in following up leads but in creating demand by local promotional programs applicable to the territory and the industries in it.
9. Continue to update and use our growing mailing list of customers, prospects and equipment and component manufacturers in promotion of our products.
10. Publish three trade journal articles promoting applications with greatest growth potential.
11. Broaden the acceptance of space heating with Therminol achieving at least three major installation commitments.
12. Manufacture sufficient Therminol 77 to meet forecasted customer requirements - evaluate and review price structure and profitability.
13. Develop and, if successful, commercialize chlorinated biphenyl heat transfer fluids with an additive package to prevent iron oxide deposits on heat exchange surfaces...engineer techniques capable of improving system performance.
14. Develop a plan to market a Monsanto hydrocarbon heat transfer fluid in the U.K. and Europe.

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15. Develop life data on commercial and developmental Monsanto heat transfer fluids.
16. Expand the use of Therminol within Monsanto - including Textiles and Plastics Divisions.
17. Continue to evaluate opportunities for profitable application of Monsanto technology in the heat transfer systems business.
18. Revise the engineering design guide to include new products and new technology.
19. Train and equip field staff to use new Therminol movie effectively.
20. Promote and sell Therminol in "automated boiler room" applications for process and/or space heating.
21. Prepare for future sale of Therminol to campus space and/or process heating complexes by achieving an engineering/economic study of Therminol vs. high temperature water and identifying design firms interested in this application of our fluids.

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ADVERTISING AND SALES PROMOTION

STRATEGY/BUDGET PLANNER 1970

THERMINOL
I, Petroleum & Gas, &
Space Heating

Product, project, market:

Sales Situation:

The major market for Therminol remains the CPI; chemicals, foods, plastics, rubber, paper, textiles, etc. Two additional markets demand special attention.

Space heating is an application not available to the other synthetic heat transfer liquid, Dowtherm. The River House Co-operative Apts. and Holy Cross Hospital in Detroit, Monsanto's regional offices in Akron and the Sisters of Charity Hospital on the West Coast are heated and cooled with Therminol systems.

The petroleum and gas market, offers additional promise. It has an emerging requirement for heat transfer fluids and is less familiar with Dowtherm than the bulk of the CPI. Moreover, Therminol offers safety features (fire resistance and no system pressure) that are uniquely applicable to offshore installations.

The audiences in all these markets, however, remains design and project engineers of a mechanical or chemical engineering background. Often these buying and specifying influences are found in architect and engineer firms, consulting offices, and construction outfits as well as target accounts.

In an \$8.5M market of petroleum oils and Dowtherm, Therminol's 1969 market share was approximately 10%. Estimated actual sales for 1969 are \$1,030M. A 59% increase to \$1,636M is forecast for 1970.

Competition takes two forms: Age-old processes like direct firing and steam; and, newer (20-years-old) processes like petroleum oils and Dowtherm. The oils are known but suffer basic product shortcomings. Dowtherm is generic with heat transfer; engineers know how to use it and are confident with it. Yet Therminol is a superior (and newer) product: no pressure (remains liquid), fire resistant, lower capital and operating costs, flexibility (-40° to 800°F).

The general goal is to continue educating the buying audiences, making them aware of the benefits of liquid heating systems. A more specific goal is direct conversions from Dowtherm to Therminol in established systems.

Timing is particularly important for new installations. A qualified sales call, made at the right moment in a project, has proved successful in getting the order about 80% of the time.

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Advertising Objectives:

1. Increase the awareness of Therminol and close the awareness gap between Therminol and Dowtherm by 20% (using the 1968 Chemical Engineering Recognition Rankings as a benchmark.)
2. Increase the total number of inquiries by 33% from approximately 1500 in 1969 to 2000 in 1970.
3. Develop specialized promotions to develop 100 leads in the space heating market and 100 leads in the petroleum/gas market.
4. Improve the inquiry handling system so that leads will be qualified and contact will be maintained with inquiries.

Advertising Strategy:

1. Continue frequent advertising in publications that cover the specifying CPI influences.
2. Participate in publication-sponsored post card mailings.
3. Test a three-part direct mail campaign to space heating influences in George Fague's territory and a similar campaign to petroleum/gas influences in Mel Ritterhouse's territory.
4. Make three mailings/year to the Therminol inquiry list and forward all second-inquirers on to marketing as "qualified" leads.

Evaluation Plans:

1. Compare the awareness levels of Therminol and Dowtherm in Chemical Engineering's 1970 Recognition Rankings.
2. Compare the total number of leads and the leads from special promotions to the Advertising Objectives.
3. Monitor salesman feedback (special form) to judge the value of inquiry leads.

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DETAILED ADVERTISING AND PROMOTION BUDGET

ADVERTISING

<u>Large</u>	<u>Publication</u>	<u>Ad Size/ Color</u>	<u>No. Insertions</u>	<u>New Ads</u>	<u>Unit Cost</u>	<u>Total</u>
3	Chemical Engineering (preferred position)	1p, 2c	9		\$1,971	\$17,739
3	Chemical Processing	1p, 2c	4		\$1,870	\$ 7,480
3		1p, 2c		1	\$1,500	\$ 1,500
						<u>\$26,719</u>
						TOTAL ADVERTISING..... <u>\$26,719</u>

PROMOTION

<u>Large</u>	<u>Description</u>	<u>Cost</u>
5325	3-part direct mail for space heating	\$ 3,000
5325	3-part direct mail for petroleum	\$ 3,000
5325	Inquiry handling	\$ 1,200
5325	Two post-card mailings	\$ 1,100
7347	Literature storage	\$ 120
0350	Update Design Guide	\$ 5,000
0350	Reprint Sales Brochure (5,000)	\$ 2,300
0350	Misc. literature (article reprints, price sheets, tech. bulletins)	\$ 1,100
6366	Special Promotion (machine tags, slides)	<u>\$ 200</u>
		\$12,020
	TOTAL PROMOTION.....	<u>\$12,020</u>
	TOTAL ADVERTISING & PROMOTION.....	<u>\$43,739</u>

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