

1973  
OBJECTIVES  
SPECIALTY PRODUCTS BUSINESS GROUP

I. PROFIT

A. Related to 1973 Budget:

1. Improve upon the 1973 gross profit budget by \$200M. This will be accomplished by:
  - a) Sales Volume \$500M; \$120M gross profit
  - b) Sales price increases \$50M gross profit
  - c) Manufacturing cost improvement \$30M gross profit gain (\$160M loss to overcome)
  - d) Achieve the M-E budget as measured by volume and net transfer cost of rosin to Monsanto
  - e) Maintain MAT expenses within budget

2. Financial Control:

Control all financial aspects of the business in order to achieve at least budgeted operating income and tighten finished goods inventory control to 55 days' supply quantity using the standard formula based on cost of goods sold and the combined goods in process and finished goods inventories.

B. Related to Longer Term: (Mfg. Cost of Goods Related)

1. Decide on need and plan for biphenyl manufacturing relocation site and justify AR
2. Develop and implement a Coolanol manufacturing plan so as to achieve long term, consistent quality production at 50% gross profit

DSW 283826

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1973 SPECIALTY PRODUCTS OBJECTIVES continued

Page 2

3. For 1974 budget renegotiate chlorophenol fraction transfer price (gross profit gain \$450M) and set tougher targets on chlorine (\$58/ton at flange) and para cumyl phenol (5¢/lb. reduction)
4. Fill out EE Building occupancy to reduce idle costs (\$600M potential)

II. GROWTH

A. Short Term Growth

- 1A. Exceed sales budget on EVCl by 2 million pounds and operate at 20 million pound rate by year end
- 1B. Introduce and gain commercial acceptance for high T<sub>g</sub> product and a crosslinkable product with dry cleanability and washability characteristics. Sell \$50M
2. Successfully develop and establish Santo-Res (RPC 1110) in three tissue mills and meet budget. Develop plan for profitable expansion and growth worldwide on Santo-Res. Achieve budgeted Santo-Res 23/21 sales.
3. Develop manufacturing plan and gain capital approval for domestic liquid Scripset facility, considering alternatively a joint facility with Santo-Res products
4. Develop AR and gain approval for the DPO project
5. Jointly with D&F Chemical Group, develop AR and gain approval for OPP and PPP

DSW 283827

1973 SPECIALTY PRODUCTS OBJECTIVES continued

Page 3

6. Develop one significant new use or new product derivative based on biphenyls/terphenyls including dye carriers, waxes, resins, etc.
7. Develop competitive product for dispersed rosin size and develop a project
8. Maintain leading supplier position worldwide on paper encapsulant solvents--proprietary or family tree related to Monsanto
9. Develop a business plan and gain approval for an acquisition in the metalworking and/or specialty textile chemicals
10. Develop a plan and gain approval for developing a specialty chemical business in textile chemicals

B. Long Term Growth

1. Develop a new product and market franchise with \$10 million sales potential in some new area
2. Develop the Long Range Plan by 2/1/73
3. Develop plans for profitable worldwide expansion of EVCl with minimum capital and cost of goods. Develop Long Range Plan for EVCl by September 1, 1973
4. Implement the European paper program strategy and gain first year's plan objectives. Also study opportunities for expansion of specialty paper chemical business into Brazil and other foreign countries on an opportunistic basis
5. Continue orderly development of replacement dielectric fluids and have at least one candidate technically and commercially acceptable by our own inhouse standards

DSW 283828

STLCOPCB4065247

1973 SPECIALTY PRODUCTS OBJECTIVES continued

Page 4

6. Gain at least one OEM approval for turbine hydraulic fluids and lubricants

III. POLLUTION, ENVIRONMENTAL PROBLEMS AND SAFETY

1. Maintain close contact with worldwide government bodies on any pending regulations relative to penta or Santobrite, and define a plan of action should such regulations be instituted
2. Complete corporate surveillance program on Specialty Products' products
3. At each manufacturing site meet our commitments as part of the Site Plan to meet local pollution and OSHA standards

IV. ORGANIZATION AND PEOPLE

1. Achieve full staffing to the approved manning tables and maintain at that level
2. All personnel clearly understand their function, job responsibilities, agreed upon objectives and annual appraisals
3. Business group plans will be established at the lowest appropriate level with inputs and approval by management. At least two reviews will be held to cover each product group's plans and performance

V. IMAGE

Demonstrate enthusiasm and optimism for future growth and expansion through achieving our objectives and in our relations with associates and management

DSW 283829