

A meeting of the Managers was held in Buffalo, December 3 and 4, 1969, the following being present:

Mr. Askin	Mr. Kellaway
Mr. Beckman	Mr. Kessler
Mr. Brewster	Mr. Le Ve
Mr. Brown	Mr. Lunden
Mr. Castiglia	Mr. Lutz
Mr. Dilsner	Mr. Meidinger
Mr. Edwards, Jr.	Mr. Morgan
Mr. Fisher	Mr. Rhode
Mr. Groff	Mr. Ringle
Mr. Hardy	Mr. Schmitt
Mr. Harshfield	Mr. Schroeder
Mr. Heindl	Mr. Slauter, Jr.
Mr. Hromadka	Mr. Solly
Mr. Hubbard	Mr. Stevens, Jr.
Mr. Huettel	Mr. Wilkinson
Mr. Jeffe	

Mr. Fischer - Secretary of the Meeting

(Minute 69-22 through 69-53)

69-22 PRODUCTION REPORT

During the last "Report on Production" in April, Mr. Brewster described several new pieces of equipment installed or to be installed in Buffalo. These included new 3,000-gallon finishing tanks and a new filling and packaging line for gallon cans. The equipment is now in operation.

The new equipment is quite efficient and will be a substantial factor in helping to hold the line against increasing costs.

In response to the request for improved differentiation of cartons containing Vapex products, they are now marked with colored stripes along the bottom edge of gallon cartons, using different colors for Vapex Flat Wall Finish, Vapex House Paint and Vapex Masonry Paint. If a "foreign" carton gets in a specific pile, the colored stripe will make this mistake noticeable. To date there have been no comments as to whether or not this is a useful service. If it is, we can expand this system to Waggner and Orange and further extend it to use on quart as well as gallon cartons. Sales Divisions are requested to express their views, in writing, to the Production Department.

69-23 1970 SALES MEETING

The Marketing Department reported that the Sales Managers recommended adoption of the proposal to hold one, three day National Sales Meeting in Chicago during the month of October.

Proposed meeting sessions were outlined as follows:

First Day

Morning - Corporate subjects.

Afternoon - Product presentations which combine Technical, Marketing, Advertising and Sales.

Second Day

Morning and Afternoon - Product presentations which combine Technical, Marketing, Advertising and Sales.

Third Day

Divisional Meetings.

Comparative 1967, 1968 and 1969 Sales Meeting costs were reported and it was proposed that a 1970 Sales Meeting budget be established. An expected cost of \$35,000. was recommended for consideration.

It was proposed that a Buffalo Headquarters Chairman be appointed to coordinate all details and a Convention Committee be designated to assist him. It was further recommended that only those directly connected with sales or who are participants attend the Sales Meetings.

It was agreed to adopt the proposal for one, three day National Sales Meeting to be held in Chicago at the Sheraton-Blackstone on October 19, 20 and 21. Mr. Schroeder was authorized to make room reservations for the nights of October 18, 19 and 20, and to reserve parlors and other meeting rooms for the 19th, 20th and 21st. The following schedule was approved:

October 18 - Arrival
October 19 and 20 - Regular Meetings
October 21 - Divisional Meetings in parlors

Mr. Schroeder was authorized to arrange for buffet breakfasts on the mornings of October 19, 20 and 21.

69-24 PERMALIZE HOUSE PAINT

The Laboratory reported sales resistance in the Eastern Sales Division due to the brushing of Permalize House Paint. It was further reported that at the present time there is no way to improve the brushing without sacrificing flash-resistance.

It was agreed that the Laboratory will continue work to improve brushing without a sacrifice in flash-resistance. It was agreed to continue marketing the present formula.

69-25 PRICING OF ADVERTISING AND PROMOTIONAL FEATURES

Mr. Hubbard proposed that a uniform cooperative price be established for certain advertising and promotional pieces and that all Sales Divisions follow established prices.

It was agreed that the Marketing Department would develop a proposal relative to cooperative prices for advertising and promotional features and circulate the proposal to the Sales Divisions for their approval or modification.

69-26 MULTIPURPOSE TINTING COLOR

The Laboratory reported on All-Phase Tinting Colors. The Laboratory has developed a colorant vehicle system which can be utilized for either Multipurpose Tinting Colors or Machine Colorants. It has miscibility in all our latex paints as well as most of our solvent-thinned paints. The complete line of colorants has not been developed at this time. The Laboratory raised the following questions:

1. Should we start work to convert our Multipurpose colorants to this type of vehicle?
2. If so, what priority should the project be given, and when would the colorants be required?
3. Are the current 20 colors in the line satisfactory? Their sales volume in 1968 ranged from 73 gallons to 1,215 gallons.
4. Is the use of plastic bottles still a factor? The new colorants have not been evaluated in plastic although it is expected that a suitable plastic container can be located.

It was decided to defer Laboratory work on Multipurpose Tinting Colors until after the Machine System project has been completed. It was also decided that consideration of plastic bottles could be deferred until the Machine System line itself is revised.

69-27 MACHINE SYSTEM OF CALIBRATED COLORS

The Laboratory and the Marketing Department presented a proposal for a revision to the Machine System of Calibrated Colors including the following features:

1. A new colorant vehicle system, providing complete miscibility with all of our latex paints, as well as most of our solvent thinned paints.
2. New color pigments, which are lead-free. The colorants would comply with all existing and proposed legislation regarding use of lead in paints.

3. Better coverage of the color spectrum, which would allow reproduction of many of the "today" colors (especially in the purple, red and orange families) not now matched with our system.
4. Exterior durability in all colors, as well as in many reflectance levels.
5. Compliance with any contemplated "Truth in Packaging" legislation, which may one day be directed at the paint industry. All machine formulas would be devised to produce a 128 oz. gallon after tinting.
6. Better hiding in both light and accent colors, without resorting to tinted primers.
7. Stronger colorants, to allow for a better accent color range.
8. An orderly, scientific layout of colors, enabling faster matching to a color sample.

In order to achieve all of the above features, we would need:

- a. Replacement of our 15 present colorants with new ones, currently estimated to be 12 in number.
- b. A full filled, high hiding, controlled strength, pure white, in each line in which the system would be used.
- c. A 124 oz. base, identical in formula to the white.
- d. A 124 oz. base, about 1/2 strength of the white. This base would have somewhat higher hiding than our present deep base.
- e. A 120 oz. base, for fairly deep colors.
- f. A 116 oz. clear base, for accent colors presenting no hiding problems.
- g. A 116 oz. red base, for reds and some oranges with hiding problems.
- h. A 116 oz. yellow base, for yellows and some greens and oranges with hiding problems.
- i. Formulas for the new colors, as well as new formulas for the present popular colors to be retained in the system.

It was decided to modernize our existing color system by improving the hiding bases, by using lead-free colorants, and by going to a mathematically graded series of colors. The laboratory was authorized to limit initial work to four color families; namely, Yellow Orange, Red Orange, Red and Violet, and the seven new proposed bases for Vapex Flat Wall Finish. This

work is to be given top priority. When the laboratory has concluded its work on these four color families, a meeting of the Color Committee is to be called to chart the course for further laboratory work.

It was estimated that the total cost for developing and implementing this new system would be \$470,000. of which \$25,000. will cover basic laboratory work, \$55,000. production and \$390,000. color tools. It is estimated that the laboratory work alone will take nine months minimum and that production of necessary color tools will take six months after the entire system has been developed by the laboratory.

It was agreed that we would aim for a deadline date that would permit us to announce the new machine system at the October 1970 Sales Meeting. Customers can then be guided in their thinking as to what we are going to do. It was the general consensus that the existing color system should be scrapped and that a new one be instituted without going through the intermediate step of matching existing colors in the new system.

It was also decided to spend only the amount of money that is necessary for the laboratory to do this initial work. Production and color tool expenditures are to be reviewed at a later date pending Laboratory progress.

69-28 COUNTER BOOKS

It was agreed to defer consideration of the production of additional Counter Books until a later meeting.

69-29 SUPER HIDING WHITES

It was decided to make no change in Vapex Flat Wall Finish White, Aqua-Satin Latex Enamel Stay White and Vapex Latex House Paint White in as much as Minute 69-27 favors retention of pure whites for the production of clean tints in the new Machine System.

69-30 VAPEX LATEX HOUSE PAINT 33 CHALK RESISTANT WHITE

It was agreed to adopt the formula for Vapex Latex House Paint 33 Chalk Resistant White as Vapex Latex House Paint White and to assign a new code number. This decision applies to both the U.S. and Canada. Existing stocks are not to be relabeled, but future batches are to carry the new code number and be labeled as Vapex Latex House Paint White.

69-31 COLOR COMMITTEE MEETING, JULY 22, 1969 REPORT

The following items noted in the July 22, 1969 Color Committee Meeting Minutes require no action but were reported for the record:

Item CC/1 - Floor Paint Colors

(Action taken, Ref: August 25, 1969 Marketing Committee Meeting Minutes)

- Item CC/2 - Color Sampler
(Action taken, Ref: July 15, 1969 Marketing Committee Meeting Minutes, Item MC/1)
- Item CC/4 - Bone White
Comparison of machine tints in 12 products to color standard. Considered good matches. No action required.
- Item CC/5 - Standard Colors (Review)
(Defer to next Color Committee Meeting)
- Item CC/6 - Exterior Latex Trim Colors
Laboratory progress report. Laboratory projects completion and marketing date of two years.
- Item CC/3 - Ceiling White
Requires Managers' authorization:
- A. Present Color The Color Committee recommends changing the name of the present Ceiling White to Antique White in all lines in which it is manufactured. It is proposed that the face label carry the following designation:
- ANTIQUE WHITE
(Formerly Ceiling White)
- B. New Product The Sales Managers recommend the Laboratory be instructed to develop a new product tentatively named Latex Ceiling Flat White in a color to match Downy Gray #2553. The new product should be a one-coat, ultra-high hiding flat for ceiling work. It should be extremely flat and competitively priced.

Adoption of the proposed Latex Ceiling Flat White would provide an opportunity to drop Pro-Hide Flat Wall Finish from the line.

It was agreed to adopt proposal A.

It was agreed to adopt proposal B and the Laboratory was instructed to develop a new product to be known as Latex Ceiling Flat White. The color of which is to match Downy Gray #2553. The new product is to be a lower cost latex paint than Vapex Flat Wall Finish and the new product is not to be marketed under the Vapex Flat Wall Finish brand name. It was further agreed that Latex Ceiling Flat White be packaged in one's and five's. Latex Ceiling Flat White is to be classed as a standard listed item as soon as the Laboratory is able to develop a suitable formula.

69-32 P&L ONE COAT LATEX HOUSE PAINT

It was agreed to defer further discussion of P&L One Coat Latex House Paint until such time as market studies have been made and more data is obtained.

69-33 PAL-COTE LATEX HOUSE PAINT WHITE

It was agreed that the Marketing Department will determine whether the sales of Pal-Cote House Paint White were increasing or decreasing and study the comparative profitability of the proposed Pal-Cote Latex House Paint formula versus the Pal-Cote Oil Base formula and Vapex House Paint White and then report back at a future Managers' Meeting.

It was further agreed to defer discussion of light bases until the basic marketing policy is established.

69-34 SPRING 1970 PROMOTION

The Sales Managers recommended for adoption a Spring Promotion featuring five exterior product lines; namely, Vapex Latex House Paint, Permalize House Paint, P&L House Paint, Supr-1-Kote and Vapex Masonry Paint. Each customer will be allowed one order at a discount of 10%. The duration of the promotion is one month but the customer may select either April, May or June. The promotion package will consist of a large display, banners, hangers, newspaper ads (2 col. X 5", 4 col. X 12"), radio and TV scripts and a slinger.

The proposal was adopted. It was further agreed that each Sales Division will notify its customers immediately and customers will be encouraged to take their one Spring promotion order on featured items early in the year at the 10% discount. Customers' fill-in orders on featured items at the 10% discount will not be honored.

69-35 SIGN PROGRAM

a. Exterior Illuminated Sign

It was agreed to adopt in principle the design for a new 4' X 6' outside plastic sign displayed by Mr. Askin. The color scheme is to be decided upon at a later date by the Marketing Committee. This sign will entail an initial cost of \$300. for dies. P&L will be obligated to purchase 100 plastic faces at a cost of \$34. each or a total cost of \$3400. as the signs are ordered out, but we have the privilege of doing this over a period of one year. It was proposed and agreed that the dealer imprint be in Scotch-Cal letters.

It was also agreed that the customer be charged on the same basis as the present POSL sign; namely, the customer will pay 1/3 and P&L will pay 2/3. The customer is to erect the sign at his own cost and is to pay the freight. The cost will be \$227. F.O.B. for the sign plus a one foot dealer imprint, and \$295. for the sign with a two foot dealer imprint. Both prices are based on the double faced sign. If desired, the sign can be offered as a single faced unit with a metal back in which case the total cost will be less.

b. Exterior Deluxe Illuminated Sign

It was agreed to offer as a second option, a single faced, 4' X 16' sign consisting of the standard P&L plastic face plus the dealer imprint unit of 10 feet in length. The total price of this sign is \$689. It involves no commitment on the part of Pratt & Lambert since the plastic face will be part of the initial unit (see a.)

It was further agreed that the pricing arrangements are to be the same as we now have for the POSL unit; namely, 1/3rd would be paid by the customer, 2/3rds by P&L. The customer would pay for erecting the sign and pay for the freight.

c. Metal Non-illuminated Sign

It was agreed to place an order for each of the two components of this sign:

1. A 3' X 5' embossed 3-color P&L Trade Mark panel @\$8.91 each or \$2,227. total.
2. A 3' X 8' dealer imprint panel, white, at \$11.30 each, total \$2,825.

Total P&L commitment: \$5,052; supplier has agreed to bill P&L after April 1, 1970 for total amount and hold signs for dealer imprint orders for 1 year at no charge. After 1 year, a warehousing cost of 1% per month of the value of the balance of signs on hand will be assessed.

When signs are ordered out, dealer names are imprinted in black Scotch-Cal letters, 1 or 2 lines, at a cost of \$7.25. An additional charge of \$5.25 for handling and packaging is made so that the total cost of a 3' X 13' sign comes to \$32.71.

It was agreed that when the complete sign is ordered out, the cost to the dealer will be \$16.00. When the trade mark panel only is ordered, it will be supplied without cost to the dealer as a replacement for the present PDS sign. In all cases, the dealer pays shipping and erection costs.

69-36 PDCA CONVENTION

The Marketing Department reported that the 1970 PDCA Convention will be held at the Roosevelt Hotel in New Orleans, Louisiana, February 16 and 17, 1970. Booth No. 115 has been reserved at a cost of \$375.

The 10 foot section of the itinerant display, which features the new seal and the signature, will be exhibited. The Eastern Sales Division will act as host and supply the necessary manpower for exhibit installation.

69-37 ALKALI RESISTANT PRIMER

It was agreed to adopt formula GZ1150 in place of P119 for this item. The Marketing Committee was instructed to finalize the product name. GZ1150 is to be packaged in the same size as it is now stocked, and it is to be available in both the U.S. and Canada.

It was further agreed that the product is to appear in the new catalog; also that the reference to Alkali Resistant Primer be included on the back labels of all P&L products used as overcoats.

69-38 VITRA-TILE EPOXY SATIN/PALGARD EPOXY EGGSHELL ACTIVATOR

It was agreed that the name of this item be Palgard Epoxy Eggshell Activator No. 6433. It should sell at the same price as the present Palgard Epoxy Activator. The Sales offices are to be notified as to the method of billing. The Sales Divisions and the Waggener Paint Co. in the aggregate ordered 156 gallons and 156 quarts for the test purposes. It was also agreed to adopt Palgard Epoxy Eggshell Activator No. 6433 as a special for potential field tests to produce a Palgard Epoxy Eggshell Finish. This matter is to be reviewed again at the next Managers' Meeting.

69-39 FIRE RETARDANT FINISHES

The Eastern Sales Division reported that Fire Retardant Satin Overcoat GZ1139 had not yet been tested. The Eastern Sales Division will order a sample of Fire Retardant Varnish No. 6220 for tests.

It was agreed that any Sales Division that believes there is a genuine market for either of these items will bring the subject up for discussion at a future Managers' Meeting.

69-40 SALES TRAINING PROGRAM

The Sales Managers recommend for adoption a four week Sales Training Program scheduled to begin Monday, March 2, 1970. The proposal and program outlined below were adopted.

Sales Managers estimate the number of sales trainees attending the school as follows:

Eastern Sales Division	5
Central Sales Division	5
Western Sales Division	3
Canadian Sales Division	4
Pacific Sales Division	2
	<u>19</u> total

FIRST DAY

Morning: Opening of Meeting - Marketing Department
Welcome - Mr. Wilkinson
History and Policies - Mr. Lutz
Corporate Structure - Mr. Stevens, Jr.
Financial Structure - Mr. Castiglia

Afternoon: Manufacturing and Production - Mr. Brewster
Plant Inspection - Mr. LeVea
Laboratory Facilities - Mr. Ringle
Laboratory Inspection - Mr. Lewis

SIX DAYS

Product Discussions:

Mr. Kellaway
Mr. Lunden
Mr. Slauter, Jr.

Note: Production Application - Mr. Losi

Application Techniques - Mr. Kellaway

TWO AND ONE-HALF DAYS

Architectural Market - Mr. Potee

Promotion and P&L Service

- 1) Use of architectural color tools and Specification Manual
- 2) Blue print reading
- 3) Specification writing
- 4) Engineering Specification Manual

ONE AND ONE-HALF DAYS

Color - Mr. Fischer

- 1) Color Wheel
- 2) Color and Light
- 3) Color Planning

ONE-HALF DAY

Builder Market - Mr. Kellaway

- 1) Promotion

- 2) Specifications
- 3) Application of color layouts
- 4) Selling methods

TWO DAYS

Maintenance Market - Mr. Kessler

- 1) Apartment buildings
 - 2) Hotels
 - 3) Office buildings
 - 4) Hospitals
 - 5) Schools
 - 6) Industrial
- Promotions
Specifications
Application of color layouts
Selling methods

ONE DAY

Painter Market - Mr. Slauter

- 1) Promotions
- 2) Selling methods

SIX DAYS

Distributor and Dealer Market - Mr. Schroeder
Presentation by instructor and by student

ONE DAY

Advertising Program - Mr. Askin

ONE DAY

Handling Complaints - Mr. Kessler

ONE-HALF DAY

Examinations

- 1) Written examination after each section
- 2) Final written examination

It was agreed that those participating should meet in early January to coordinate and finalize the program. The cost per sales trainee was estimated to be \$900. including hotel, meals and travel fares. The trainees would stay either at the Holiday Inn or at the Continental Inn on Delaware Avenue. The expense of the individual trainee, including his salary, would be borne by the Division that sends him.

69-41 VITRALITE ENAMEL ULTRA-GLOSS WHITE

The Laboratory reported that thixotropic formulas for Vitralite Enamel Ultra-Gloss White, Light Base No. 175, and Deep Base No. 190, all designated EH are in production. The hiding of the White, EH7 has been improved 34%.

69-42 VITRALITE ENAMEL UNDERCOATING

The Laboratory reported that a thixotropic formula for Vitralite Enamel Undercoating, coded ED11 is in production. ED11 has better brushing, leveling and color than the prior formula. ED11 is not suited as a first coat on bare wood.

Work is continuing, as directed in Managers' Meeting Minute 69-7, to develop an acceptable "61" Enamel combination primer and undercoating.

69-43 VITRALITE ENAMEL DULL BLACK

The Laboratory reported that the proposed formula G36569 was considered unsatisfactory by the Sales Divisions. The Sales Divisions will send samples of competing dull black enamels to the Laboratory for evaluation and for comparison with G36569 and the Laboratory will report back in a future meeting.

69-44 VITRALITE ENAMEL EGGHSELL BLACK

This item was deferred. The Laboratory is to continue its present work on Vitralite Enamel Dull Black. When that product is perfected a discontinuance date for Vitralite Enamel Eggshell Black is to be established.

69-45 VAPEX FLOOR PAINT STANDARD COLORS

The Marketing Department reported on the stocks of white and standard colors. It was decided when the price list pages are reprinted referring to the white and colors, that the items be starred indicating that they will be discontinued when stocks are depleted.

69-46 LYT-ALL STIPPLING FLAT WHITE AND LIGHT BASE

The Marketing Department proposed that no formal announcement of the discontinuance of this product be made to the trade, but that the Sales Divisions handle the matter through sales bulletins.

It was agreed to discontinue these products and that the Sales Divisions dispose of their inventories and that the Buffalo factory work off its present stock.

69-47 LOW LUSTER HOUSE PAINT

The Marketing Department reported on present inventories and it was agreed to discontinue the manufacture of Low Luster House Paint White, bases and colors. The line is to be discontinued September 1, 1970. Interested Divisions may stock these items as Specials.

69-48 SAFETY SPRAY SEMI-GLOSS WHITE

The Marketing Department reported that all Sales Divisions favor listing Safety Spray Eggshell White, G36540 as a special. It was agreed not to adopt G36540 as a Standard Listed Product, but rather to have it remain a special to be manufactured on order.

It was agreed that the Eastern and Central Sales Divisions would pool their orders when practicable in order to obtain the largest possible economic order quantity. It was further agreed that Safety Spray Flat and Safety Spray Eggshell would be listed in the catalog indicating that prices and product data are available on request.

69-49 HERE'S HOW BOOKLETS

It was agreed to prepare four "Here's How" leaflets at a cost of \$28 per thousand in lots of 50,000; the total cost to be approximately \$5600. It is felt that this can be done without increasing the overall budget in the Marketing Department.

69-50 PAL-COTE LABEL

The Marketing Department proposed a new label program for the Pal-Cote line and for certain regional specials under the name Pro-Hide.

It was agreed to adopt two proposed labels; one with a red panel and one with a green panel, differentiating between interior and exterior products. The brand name will be Pal-Cote for those items presently in the Pal-Cote line. The brand name to be Pro-Hide for those competitively priced regional specials that are sold under this label.

The Sales Divisions will indicate when the Pro-Hide label is to be used on specials. Pro-Hide products will be without back label copy, unless specifically requested by the Sales Divisions. The Sales Divisions will report painter reaction to the label when the label has been on the market for a sufficient time.

The Marketing Department, in conjunction with the Laboratory and Production Departments, was instructed to develop a Pro-Hide products numbering system. It was agreed that the Marketing Department will assign, record and coordinate Pro-Hide brand name numbers used by the Sales Divisions.

It was agreed to work off existing yellow paper stock obtained for Pal-Cote labels by printing on the reverse side and using the labels for Industrial items. The Chemical Coatings Division has agreed to accept this temporary expedient.

69-51 PRICE DIFFERENTIALS BETWEEN FULL & SPLIT CASES

The Marketing Department reported that the matter of split case pricing is presently under study by the Accounting, EDP and Marketing Departments. The subject was deferred to a future Managers' Meeting.

69-52 SALES BULLETINS

Mr. Hubbard recommended that the Marketing Department issue sales bulletins and that they be called Marketing Department Bulletins. It was decided to make no change in the name or the handling of bulletins at this time.

69-53 COMBINATION STAIN & SEALER

The Laboratory was instructed to develop a two coat system and the project has been completed. Their work will be reported in a Laboratory Technical Department Bulletin.

APPROVED BY

W. J. Hunt