

SHERWIN-WILLIAMS PAINT, VARNISH AND LACQUER LABORATORIES

ROUTINE AND POLICY Consecutive No. 197

X258

SHERWIN-WILLIAMS
COMPANY CONFIDENTIAL

May 25, 1971
Page 1 of 3
Supersedes Bulletin of
9-9-69

SUBJECT: TECHNICAL RESPONSIBILITIES - PRODUCT CHANGE FORM 50011

PURPOSE: To define the need for, and use of, the Product Change Slip and the Record of Product Slip and the Technical Department's duties after initiation of either by the Sales Department.

DEFINITION:

The Product Change Slip Form 50011, attachment A, is the official document indicating addition of, or change in, status of Price List (Line) items. Only the Sales Department can initiate and prepare this form, but other departments may suggest the need for it.

USE: The Product Change Form is used for:

- A. Preliminary Product Request
 1. To officially initiate technical work on a new product or line of products intended as Price List items.
 2. To ~~initiate~~ market tests on a product already developed.
- B. New Products - To officially adopt a new product, parallel product, or line of products as Price List items, or to add a new package size to an established Price List item.
- C. Label or Package Change - To officially adopt:
 1. A change in type, lining, lid, gasket, etc. of the container.
 2. A change in carton.
 3. A major change in label such as design, format, or color.
 4. The addition of a label caution.
 5. A change in the name of the product.
- D. Change Product - To officially adopt a major change in formulation and performance of a Price List item.
- E. Drop Slip - To discontinue a Price List product, line or package size, by one, more, or all Sales Divisions. Note: The Product Change Drop Slip is followed by a Record of Product, Form 21174, for discontinued package sizes and items discontinued by some, but not all Sales Divisions. (See attachment C.)

A Corporate Final Drop, attachment B, is issued on the Record of Product Form when the product or line of products is to be discontinued in all sizes corporately.

F. Market Change -

1. To expand the scope of the market serviced by institutionalizing a market previously sold by one Sales Division or conversely, to reduce the market service by changing an institutional product to one sold under an individual Sales Division.
2. To change distribution of a line product.
3. To change status of a product under market test to that of a regular line item.

TECHNICAL DEPARTMENT PROCEDURES:

A. Signatures -

1. The Technical Director, PV&L, or his designated representative shall initial the caption "Technical Corp." of Product Change Form 50011, attachment A.
2. The Technical Director of the Control Laboratory shall initial the caption "Technical Control", if requested to do so.

B. New Products -

1. General; The Control Laboratory shall develop new products, prepare label analyses (See R & P #105), specify the composition and lining of the container, select the label caution, approve the label directions, prepare the formula offset combination master (See R & P #126, 206, or 207), and establish the initial standard for the Production Department.
2. Price List Items - The Control Laboratory shall:
 - a. Determine the type of development needed by contacting the initiating Sales Division in order to establish the properties desired, cost, timing etc. Sometimes a new development is unnecessary.
 - b. Give the initiating Sales Division and the appropriate Technical Manager of Trade Products an estimated date of completion and an estimate of the hours required to complete the developments.
 - c. Prepare once a month a brief summary which includes the status and progress of each development, disposition such as completed or cancelled, any changes in estimated hours or date of completion, changes in requirements, and unforeseen technical difficulties.

- C. Change in Quality, Labeling, or Packaging of Product - The Technical Department shall advise the appropriate Sales Division of any significant change in quality, label caution, label directions, etc. or packaging requirements which necessitate initiation of a Product Change Slip. (The Sales Department will prepare the forms.)
- D. Discontinued Items - The Control Laboratory voids the formula only after the Corporate Final Drop, attachment D, has been issued on a Record of Product, Form 21174. Please note, all Corporate Final Drop Slips contain a directive to the Control Laboratory to void the formulation.

ATTACHMENTS:

- A. Product Change Slip - Initiating discontinuation of Utility Paints.
- B. Product Information General Letter placing Utility Paints on Code 6. (See attachment E.)
- C. Record of Products Drop Slip discontinuing Utility Paints from the Sherwin-Williams Sales Division.
- D. Record of Product "Corporate Final Drop" Slip discontinuing the Utility Paint line from all Sales Divisions.
- E. Definitions of Stockkeeping Codes used by the Factory Inventory Services Department.
- F. Typical Control Laboratory Summary on new product requests.

ATTACHMENT A

PRODUCT CHANGE

R & P 197

50011 REV. 1-69

ACTION		COMPLETE SECTIONS																	
1	NEW PRODUCT		1	2	3	4	5	6	7	8	9	10	11			14	15	16	17
2	PRELIMINARY		1	2	3	4	5	6	7			10							
3	CHANGE PRODUCT		1	2	3			6	7			10	11	12	13	14	15	16	17
4	LABEL OR PKG CHG		1	2	3	4	5	6	7	8		10	11	12	13	14	15	16	17
5	DROP SLIP	X	1	2	3				7					12	13			17	18
6	MARKET CHANGE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

1 Date **Dec. 22, 1969** NO. OF ATTACHMENTS _____

Company and Sales Division Recommending
Corp. Products

2 Item Description (Including Sales Number and ~~Product Name~~)
Sherwin-Williams Trade Sales items per attached list

Recommend, Reason, Purpose **Drop Sherwin-Williams Price List items or sizes with approval of Regional Directors due to low movement or profit. (This is not a Corp drop -- S.W. only).**

3 Has Product Been "Market Tested?" If Yes, Explain How and Results.
☐ Yes ☐ No
If Not, Will It Be? How?

4

Competitive Product—Brand Name	Mfg.	Jobber Price	Dealer	Wholesale	Retail
A.					
B.					

5

6 Estimated FSC Each Size Selling Price and % Profit—Use Reverse Side of Sheet If Necessary

7 A. What Size Packages ☐ 1/2 Pt. ☐ 1 Pt. ☐ 1 Qt. ☐ 1 Gal. ☐ 5 Gal. ☐ Drum ☐
B. What Type Labels ☐ LITHOGRAPH ☐ PAPER ☐

8 Where Manufactured ☐ Chicago M-S ☐ Chicago S-W ☐ Cleveland ☐ Dayton ☐ Detroit ☐ Friendship ☐ Garland
☐ Gibbsboro ☐ Los Angeles ☐ Morrow ☐ Newark ☐ Oakland ☐ Pittsburgh ☐

List Location Where Stocked
☐ Warehouse ☐ Branches

10 Predicted Annual Sales Volume, by Size, and Estimated Return On Investment (Give ROI for Actions 1, 3, 4, 6 And Attach Details) ROI %

Inventory and Value Required, by Size, Total	Factory and Warehouse	Branches

11

Present Inventory and Value of Item Including Labels, Package and Raw Material No Longer Needed.	Factory and Warehouse	Branches

12

13 Specific Plans to Dispose of Item (12), Use Reverse Side of Sheet if Necessary (Including Labels, Package and Raw Material)
E 343 subject to Sales Dept. release to Code 9

14 Date Product Should Be Available for Shipment From Warehouse

15 Is Special Advertising Going to Be Used? If Yes, Dollar Value and Description
☐ Yes ☐ No

16 A. Is Label Copy APPROVED and AVAILABLE? ☐ Yes ☐ No If No, When
B. Is Label Art APPROVED and AVAILABLE? ☐ Yes ☐ No If No, When

17 A. What Other Products in the Line Now Will This Product Affect?
None
B. What Other Corp. Products Use This Parallel Formula?
Other divisions using these rexes will make their own decisions on dropping or retaining

18 Will It Be Necessary to Destroy Advertising and Merchandising Material? If Yes, Give Value
☐ Yes ☐ No

Signatures Required Signed Date
Do Not Use Stamps

1. Technical—Control	Technical—Corp.	3. Distribution—Local	Distribution—Corp.	Product Committee
			<i>MW 12-23</i>	DEC 29 1969
2. Package Specification <i>FY 1 0 12-23</i>	4. Manufacturing—Local	Manufacturing—Corp.	5. Advertising	6. Legal Dept.
		<i>1/12/23</i>		

0007-SWP-0059204

N15576.01

Items to be Dropped
Dec., 1969

A-100 Latex House Paint

		<u>Size</u>	<u>FFC</u>
Beige	A6 H 36	5's	2.43
Dooskin	A6 N 43	5's	2.44
Harvest Gold	A6 Y 63	5's	2.35
Peace Yellow	A6 Y 61	5's	2.98
Raffia	A6 H 50	5's	2.49
Sage	A6 G 99	5's	2.43
Sandpiper	A6 A 58	5's	2.50
Whisper Gray	A6 A 37	5's	2.33

Shake & Shingle House Paint

Bershire Green	A15 G 73	1's	2.43
Charcoal	A15 A 31	1's	2.40
Elgin Gray	A15 A 30	1's	2.36
Fairfax Brown	A15 N 53	1's	2.29
Foxtail	A15 N 52	1's	2.57
Medford Beige	A15 H 20	1's	2.42
Seneca Red	A15 R 62	1's	2.52
Yukon White	A15 W 49	1's	2.69
Empire Yellow	A15 Y 25	1's	2.82
Heritage Green	A15 G 74	1's	2.74

SWP Exterior Velvet Flat Paint

Desert Sand	A1 H 21	Qts	.74
"	"	1's	2.63
Everglade Green	A1 G 31	Qts	.96
"	"	1's	3.16
Flight Gray	A1 A 19	Qts	.74
"	"	1's	2.64
Java Brown	A1 N 15	Qts	.73
"	"	1's	2.54
Redwood	A1 M 23	Qts	.71
"	"	1's	2.52
Sage	A1 G 91	Qts	.78
"	"	1's	2.72
Sundale Yellow	A1 Y 27	Qts	.97
"	"	1's	3.39

SWP Gloss House Paint

Chelsea Gray	A2 A 20	5's	2.81
Westchester Gray	A2 A 42	5's	2.62

Commonwealth

Willow Green	A11 G 3	1's	2.70
"	"	5's	2.56

<u>Loxon Exterior Masonry</u>		<u>Size</u>	<u>FFC</u>
Sage	A25 G 16	5's	2.00
Sand Dune	A25 H 5	5's	1.94
Suburban Red	A25 R 11	5's	1.77
Alpine Green	A25 G 10	5's	2.35
April Turquoise	A25 L 20	5's	2.20

Utility Paint

Black	A7 B 2	1's	1.73
"	"	5's	1.48
Bronze Green	A7 G 5	1's	1.99
"	"	5's	1.72
Brown	A7 N 4	1's	1.66
"	"	5's	1.51
Gray Slate	A7 A 6	1's	1.78
"	"	5's	1.54
Red	A7 R 11	1's	1.99
"	"	5's	1.97

Asbestos Siding Conditioner

	A56 W 63	1's	2.47
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Loxon Masonry Paint - Int.

Highgate Green	A22 G 11	1's	1.97
Vanity Yellow	A22 Y 12	1's	2.02

Lacquer & Varnishes

All Purpose Spar	A67 V 14	Qts	.63
"	"	1's	2.15
Asphaltum	A67 V 7	Pts	.29
Ultra-Var	A67 V 50	Qts	.96
"	"	1's	3.44
V-94 Quick Dry	A66 V 12	Qts	.56
"	"	1's	1.81

Flo-Lac

Ground	A38 H 25	1's	2.43
Cherry	A38 N 39	1's	2.34
Mahogany	A38 M 3	1's	2.62
Oak	A38 N 40	1's	2.14
Pine	A38 N 41	1's	2.11
Walnut	A38 N 23	1's	2.08

Paint Removers

Taxite Semi-Paste	A81 K 1	Qts	.58
"	"	1's	1.55

TECH. SERVICE

INTER-OFFICE LETTER

FROM Cleveland Hdqtrs.

Office Fact. Inv. Serv.

DATE January 12, 1970

F. J. Martinek
Tech. Service

SUBJECT Controlled Items-Manufacturing Symbol
Master Impact File

Dictated by

CORPORATE PRODUCTS GENERAL LETTER #232

The Products Committee have approved discontinuance of the following items. We are placing these under Code 6 - "Items to be Discontinued."

Items Under Control Code 6

ALOO Latex House Paint

FIS Use Only SW-374

<u>S-W Master Rex</u>	<u>Description</u>	<u>Sizes</u>
A6 H 36	Beige	5's Only
A6 N 43	Doeskin	" "
A6 Y 63	Harvest Gold	" "
A6 Y 61	Peace Yellow	" "
A6 H 50	Raffia	" "
A6 G 99	Sage	" "
A6 A 58	Sandpiper	" "
A6 A 37	Whisper Gray	" "

SWP Gloss House Paint

A2 A 20	Chelsea Gray	5's Only
A2 A 42	Westchester Gray	" "

Commonwealth

All G 3	Willow Green	1's 5's
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Loxon Exterior Masonry

A25 G 16	Sage	5's Only
A25 H 5	Sand Dune	" "
A25 R 11	Suburban Red	" "
A25 G 10	Alpine Green	" "
A25 L 20	April Turquoise	" "

Utility Paint

A7 B 2	Black	1's 5's
A7 C 5	Bronze Green	" "
A7 A 6	Gray Slate	" "
A7 N 4	Brown	" "
A7 R 11	Red	" "

0007-SWP-0059207

N15576.02

Asbestos Siding Conditioner

S-W Master Rex

Description

Sizes

A56 W 63

1's Only

Loxon Masonry Paint - Int.

A22 G 11

Highgate Green

1's Only

A22 Y 12

Vanity Yellow

1's Only

Lacquer & Varnishes

A67 V 1h

All Purpose Spar

qts. 1's

A67 V 7

Asphaltum

pts.

A66 V 12

V-9h Quick Dry

qts. 1's

A67 V 50

Ultra-Var

qts. 1's

Flo-Lac

A38 H 25

Ground

1's Only

A38 N 39

Cherry

" "

A38 M 3

Mahogany

" "

A38 N 40

Oak

" "

A38 N 41

Pine

" "

A38 N 23

Walnut

" "

Paint Removers

A81 K 1

Taxite Semi-Paste

qts. 1's

Super Kem-Tone

FIS Use Only SW-373

K7 G 28

Cambridge Green

qts. 1's

K7 H 136

Irish Linen

qts. 1's

Kem-Glo

K3 G 28

Cambridge Green

pts. qts. 1's

K3 H 136

Irish Linen

pts. qts. 1's

Super Kem-Tone Accent

K7 G 22

Olive Bronze

1's Only

K7 G 3h

Carriage Green

1's Only

K7 L 110

Washington Blue

1's Only

K7 N 85

Woodtone

1's Only

Kem-Glo Accent

K3 G 3h

Carriage Green

1's Only

K3 G 22

Olive Bronze

1's Only

K3 L 110

Washington Blue

1's Only

K3 N 85

Woodtone

1's Only

K3 E 1

Ebony

1's Only

(3)
Kem-Glo Velvet

FIS Use Only SW-373

S-W Master Rex

K4 G 28

K4 H 40

K4 R 50

Description

Cambridge Green
Candlelight Ivory
Pink Chiffon

Sizes

qts. 1's
qts. 1's
qts. 1's

Items Under Control Code 8

Shake & Shingle House Paint

FIS Use Only SW-374

A15 G 73

A15 A 31

A15 A 30

A15 N 53

A15 N 52

A15 H 20

A15 R 62

A15 W 49

A15 Y 25

A15 G 74

Bershire Green
Charcoal
Elgin Gray
Fairfax Brown
Foxtail
Medford Beige
Seneca Red
Yukon White
Empire Yellow
Heritage Green

1's Only
1's Only
1's Only
1's Only
1's Only
1's Only
1's Only
1's Only
1's Only
1's Only

SWP Exterior Velvet Flat Paint

A1 H 21

A1 G 31

A1 A 19

A1 N 15

A1 M 23

A1 G 91

A1 Y 27

Desert Sand
Everglade Green
Flight Gray
Java Brown
Redwood
Sage
Sundale Yellow

qts. 1's
qts. 1's
qts. 1's
qts. 1's
qts. 1's
qts. 1's
qts. 1's

H. F. Bradley
H. F. Bradley
Sales Service Supervisor

HFB:jmf

TO: Cpgl List
Fact. Stkprs.
Plant Mgrs.

ATTACHMENT C

R & P 197

RECORD OF PRODUCT



THE SHERWIN-WILLIAMS CO.
ACME QUALITY PAINTS
THE LOWE BROS. CO.
ROGERS PAINT PRODUCTS

CLEVELAND

ISSUED BY

DISTRIBUTION DEPARTMENT

JUL 1 1970

CLEVELAND, OHIO

F H SERV



THE MARTIN-SENOUR CO.
W. W. LAWRENCE & CO.
JOHN LUCAS & CO.
DESHLER PRODUCTS

Product Discontinuance of Sherwin William Items No. 2453
() New (X) Disc. () Other _____ Date 6/19/70

21174

DISCONTINUANCE OF MANUFACTURE AND DROPPING OF PRODUCTS AND SIZES FOR THE S-W SALES DIVISION

The following rexes and sizes are to be dropped from the
S-W Sales Division:

FIS USE ONLY SW-374

<u>S-W REX</u>	<u>DESCRIPTION</u>	<u>SIZES</u>
A6 H 36	Beige	5's Only
A6 N 43	Doeskin	" "
A6 Y 63	Harvest Gold	" "
A6 Y 61	Peace Yellow	" "
A6 H 50	Raffia	" "
A6 G 99	Sage	" "
A6 A 58	Sandpiper	" "
A6 A 37	Whisper Gray	" "

J. T.
JUL 1 1970

SWP Gloss House Paint

A2 A 20	Chelsea Gray	5's Only
A2 A 42	Westchester Gray	" "

Commonwealth

All G 3	Willow Green	1's 5's
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Loxon Exterior Masonry

A25 G 16	Sage	5's Only
A25 H 5	Sand Dune	" "
A25 R 11	Suburban Red	" "
A25 G 10	Alpine Green	" "
A25 L 20	April Turquoise	" "

0007-SWP-0059210

N15576.03

Utility Paint

<u>REX</u>	<u>DESCRIPTION</u>	<u>SIZES</u>
A7 B 2	Black	1's 5's
A7 G 5	Bronze Green	" "
A7 A 6	Gray Slate	" "
A7 N 4	Brown	" "
A7 R 11	Red	" "

Asbestos Siding Conditioner

A56 W 63	Asbestos Siding Conditioner	1's only
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Loxon Masonry Paint - Int.

A22 G 11	Highgate Green	1's Only
A22 Y 12	Vanity Yellow	" "

Lacquer & Varnishes

A67 V 14	All Purpose Spar	qts. 1's
A67 V 7	Asphaltum	pts.
A66 V 12	V-94 Quick Dry	qts. 1's
A67 V 50	Ultra-Var	qts. 1's

Flo-Lac

A38 H 25	Ground	1's only
A38 N 39	Cherry	" "
A38 M 3	Mahogany	" "
A38 N 40	Oak	" "
A38 N 41	Pine	" "
A38 N 23	Walnut	" "

Paint Removers

A81 K 1	Taxite Semi-Paste	qts. 1's
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Master Formula Rexes

The Headquarters Accounting Departments are to refer to CPGL #232 for the master formula rexes.

Label Destruction

The labels for the material being dropped in this Record of Products are to be destroyed as soon as possible. Refer to PV&L Manufacturing Administration Bulletin #1, dated August 13, 1969 for the details covering the destruction.

HFB/maf

To: Hdqtrs. List, SW List

HFB Bradley
H. F. Bradley
Sales Service Supervisor

ATTACHMENT D
R & P 197

RECORD OF PRODUCT

ISSUED BY

THE SHERWIN-WILLIAMS CO.
CME QUALITY PAINTS
THE LOWE BROS. CO.
COGGERS PAINT PRODUCTS

DISTRIBUTION DEPARTMENT
CLEVELAND, OHIO

THE MARTIN-SENOUR CO.
W. W. LAWRENCE & CO.
JOHN LUCAS & CO.
DESHLER PRODUCTS

Product Discontinuance of SW Items No. 27
() New (X) Disc. () Other Date 10-30-70

21174

CORPORATE FINAL DROP

Items in this Record of Product are officially discontinued for all Sales Divisions of the Corporation. Corporate depreciation policies will apply.

UTILITY PAINT

FIS USE ONLY SW-374

<u>Master Rex</u>	<u>Description</u>	<u>Sizes</u>
A7 A 6	Gray Slate	1's 5's All
A7 B 2	Black	" " "
A7 G 5	Bronze Green	" " "
A7 N 4	Brown	" " "
A7 R 11	Red	" " "

J. T.
NOV 5 1970

To Control Laboratory and Production Departments

These rexes are now officially discontinued for all Sales Divisions. The assignments for these rexes are to be voided under these numbers.

Future Production as a Special

Any future production for a given account or group of accounts, such as a standardized color, must be approved by the Regional Director or Zone Sales Manager. Use Form J-29 for this purpose. Such production is to be manufactured under a special rex number assigned by the producing factory or laboratory.

Future Production for General Distribution within the Corporation

If a Sales Manager thinks it is necessary that this product be reinstated for his region or zone, a letter requesting reinstatement is to be submitted to the proper Cleveland Sales Department.

0007-SWP-0059212

The Department (if it approves) will prepare the Product or Products Request Form #50011 for Sales Policy and Product Committees. If approved, a new regular classified rex number will be assigned. There is to be no production of such item until instructions are issued by the Factory Inventory Services Department.

Label Destruction

The labels for the material being discontinued in this Record of Product are to be destroyed as soon as possible. Refer to PV&L Manufacturing Administration Bulletin #1, dated August 13, 1969 for the details covering the destruction.

HFB Bradley
H. F. Bradley
Sales Service
Supervisor

HFB/maf

To: Hdqtrs. List
All Divisions of S4

CODE 6 - ITEMS TO BE DISCONTINUED

When an approved Product Change Slip authorizing the discontinuation of a product or line of products is received by the Factory Inventory Services Department from the Products Committee, they issue a Corporate Products General Letter announcing the information to the Factory Stockkeeper and placing the material or materials under Code 6. This code indicates to all personnel that these items are scheduled to be discontinued and that production should be curtailed. Normally, the items will remain on Code 6 for a period of 3 months. This time interval is given the Sales Department for a last effort to dispose of material prior to officially discontinuing by a Record of Product.

CODE 7 - OUTSIDE PURCHASED ITEMS

This code is used by Factory Inventory Services in controlling inventory on "Buy Out" products which are manufactured and labeled by outside suppliers and purchased through the Purchasing Department. Antiquing kits which are fabricated by an outside source are typical examples of this.

CODE 8 - ITEMS UNDER CONTROL

Factory Inventory Services uses this code for items which are heavy in overstock in our factories or items upon which a change is about to occur such as a label change or a master rex change. Code 8 prevents production without clearance through the Factory Inventory Services Department; thus, production can be transferred to factories needing it because of high inventory of raw materials, can be centralized in one factory, etc.

CODE 9 - DISCONTINUED ITEMS

After a three month period, under code 6, an item is placed on Control 9 signifying that it is a discontinued item. A Record of Product Drop Slip or Record of Product Corporate Final Drop Slip is then issued depending on whether the discontinuation is for a given Sales Division or all Sales Divisions.

N15576.05

0007-SWP-0059214

R & P #197 - ATTACHMENT F

INTER-OFFICE LETTER	FROM	Cleveland	OFFICE	Coatings Development	DEPT.
FOR	Cleveland	OFFICE	DATE	May 14, 1971	
MR.	J. J. Lenzotti		SUBJECT	Preliminary Product Change Requests - Monthly Report #13	
ANSWERING LETTER OF			DICTATED BY	File #275	

SW 397

Product - Latex Type Exterior Stain - Full Hiding
 Date Received - 2/4/70
 Development Required - Investigate, prepare basic formula and establish studies on latex version of S-W Exterior Full Hiding Stain.
 Hours to date - 81.25
 Progress - Lapping on single coats discussed with sales.
 Hours to complete - Awaiting sales decision.

SW 398

Product - Latex Type Exterior Stain - Semi-Transparent
 Date Received - 2/4/70
 Development Required - Investigate, prepare formulas and establish exposure studies on latex version of S-W Exterior Semi-Transparent Stains.
 Hours to date - 56.75
 Progress - Lapping on single coats discussed with sales.
 Hours to complete - Awaiting sales decision.

SW 399

Product - Exterior Latex House Paint Eggshell Lustre (30 degrees)
 Date Received - 2/4/70
 Development Required - Investigate and prepare formula for an intermediate lustre product for exposure panels and house tests.
 Hours to date - 1011.50
 Progress - Lab batches matching SWP Trim Colors in process.
 Hours to complete - 225.50
 Expected Completion Date - 7/1/71

SW 407

Product - Weather Clad
 Date Received - 2/12/70
 Development Required - Consolidate East & West Coast lines.
 Hours to date - 0
 Progress - Awaiting sales decision on cost and colors.

Acme AQ-LD-21

Product - J. C. Penney Lines

Date Received - 3/4/70

Development Required - Latex Interior, Latex Semi-Gloss, Latex House Paint,
Porch & Floor Enamels.

Hours to date - 0

Progress - Delayed until further notice from Sales.

SW 484

Product - Epoxy Emulsion

Date Received - 6/3/70

Development Required - Investigate formula for architectural and maintenance
use.

Hours to date - 981.75

Progress - Evaluating Dow samples.

Hours to complete - 1018.25

Expected Completion Date - 8/1/71

Acme TS-46

Product - Private label "Gold Circle" to sell to chain of outlets.

Date Received - 7/15/70

Development Required - Interior and Exterior qualities.

Hours to date - 0

Progress - Customer requirements are not finalized.

SW 592

Product - Dexall Brush Cleaner N87 K 1 Container

Date Received - 11/6/70

Development Required - Evaluate non-breakable containers.

Hours to date - 36.50

Progress - Containers evaluated to date unsatisfactory. Any new types of
containers will be examined when available.

SW 587

Product - S-W Latex Metal Primer (Red Oxide Type)

Date Received - 12/2/70

Development Required - Develop a latex type metal primer to be used as a
general primer and in same manner as Tinnex Red,
A57 R 21.

Hours to date - 304.50

Hours to complete - 695.50

Progress - Satisfactory

Expected Completion Date - 10/4/71

May 14, 1971

SW 588

Product - Aluminum Paint - Standard product for multiple filling.

Date Received - 12/2/70

Development Required - Develop product with cost of PC's B59 S 1, application performance of PC's G47 S 4 and appearance of M.S. A64 S 20.

Hours to date - 230.75

Hours to complete - 20

Progress - Dry to be corrected.

Expected Completion Date - 6/15/71

SW 589

Product - Organic type mildew additive for solvent and water systems.

Date Received - 12/2/70.

Development Required - Investigate and develop additive to replace the present mercury type for use in severe mildew area.

Hours to date - 92

Progress - Investigating practical package for dispersed solid type.

Hours to complete - 508

Expected Completion Date - 1/4/72

SW 602

Product - Kem Kleen, K20 K 2

Date Received - 11/25/70

Development Required - Improve solvency and working life of Kem Kleen, K20 K 2.

Hours to date - 167.25

Progress - Eliminate red label requirement.

Hours to complete - 132.75

Expected Completion Date - 7/30/71

SW 634

Product - Latex Caulk

Date Received - 2/4/71

Development Required - Lower cost latex caulk.

Hours to date - 32.50

Hours to complete - 467.50

Progress - Lab batches in process.

Expected Completion Date - 1/1/72

SW 653

Product - S-W Exolvent A82 K 9

Date Received - 3/15/71

Development Required - Reformulate Exolvent at a lower cost with better viscosity depressant and increased solvent power characteristics. Should not be red label.

Hours to date - 10

Progress - Working to make non-red label and conform to Rule 66K.

Hours to complete - 30

Expected Completion Date - 7/30/71

May 14, 1971

SW 674

Product - "Lawrence Best" Exterior White/Tinting White - Latex

Date Received - 4/7/71

Development Required - Provide two tint strength controlled whites. Raw material cost to be 5-10 cents under the currently revised Rogers Exterior Whites.

Hours to date - 0

Hours to complete - 375

Expected Completion Date - 9/1/71

SW 684

Product - S-W A-100 Latex House Paint - 2 Yellow Package Colors

Date Received - 5/10/71

Development Required - Develop new colors in A-100 line to be used also as bases for additional colors. One is to match Heirloom Gold and the other a let down of Heritage King's Yellow.

Hours to date - 0.

Progress - Paints submitted to Color Studio.

Hours to complete - Dependent on selection of tints.

Expected Completion Date - Dependent on selection of tints.

SW 687

Product - P/C Loxon Masonry Paint

Date Received - 5/14/71

Development Required - To provide a line for bulk market use on Masonry Surfaces replacing Trade Sales Loxon and P/C Weather Clad (East Coast).

Hours to date - 10.

Hours to Complete - Dependent on colors selected.

Expected Completion Date - Dependent on colors.

Completed Jobs Since April 12 Report

<u>Slip No.</u>	<u>Product</u>	<u>Completion Date</u>	<u>Hours</u>
SW 641	Fibrated Asphalt Aluminum Roof Coating, N90 S 5.	5/11/71	105.25

L. L. Back, Assistant Director
Cleveland Technical ServiceR.S. Taub
RSTaub/cb

cc: RAM GGS RLC JJW RJM JVP

DATE February 1, 1969

PRODUCT CHANGE (FORM 50011)

HOW TO PREPARE

GENERAL INFORMATION:

- I. The "Product Change" Form 50011 (See Attachment A) is multi-purpose and is used to initiate any one of the following actions.

1. New Product
2. Preliminary Action
3. Label or Package Change
4. Change Product
5. Drop Slip
6. Market Change

The primary purpose of this form is to request permission of the Product Committee for their approval to proceed with one of the actions listed.

In addition, it also serves to alert all departments involved in the sales, manufacture, and distribution of our products that some new product or product change is about to take place.

- II. The responsible Sales Department is the only department that prepares the Product Change Form. It is the RESPONSIBILITY of the SALES DEPARTMENT to coordinate the actions with all other departments of the Company to see that all necessary steps are taken to smoothly effect the action desired. Another department may request a Sales Department to make a change for Technical, Legal, or other reasons. (See attached list of departments and people responsible for product changes). At the bottom of the Product Change Form are a number of boxes with department names printed in each. In the case of Sherwin-Williams, the department HEAD, or DESIGNATED REPRESENTATIVE, of each of these departments must personally sign the form to show that the coordination mentioned above has taken place. This form MUST NOT be submitted until all signatures have been obtained, and signatures should not be given until all aspects concerning each department are answered, and that no unmanageable situations are anticipated if the action requested is approved.

In the case of Allied Divisions, signatures should be obtained from:

1. Technical Control Laboratory
(For Allied And S-W)
2. Local Manufacturing Department
3. Local Distribution Department
4. Sales Manager

N15576.07

0007-SWP-0059219

Purpose of signatures on Product Change by:

1. Technical Department
2. Manufacturing Department
3. Distribution Department

is to assure the Product Committee that the formulation work is completed and the formula and standard readily available for the Manufacturing Department. That the Manufacturing Department has checked the formula carefully to be sure that they have the necessary equipment at their local factory, as well as others that might be asked to make the product. That the requested raw materials can be obtained in ample time to meet Item 14 on the Product Change. That the volume requested can be produced on time to meet No. 14.

The Distribution Department should discuss with the Sales Department initiating the Product Change the predicted annual sales volume, seasonal aspects of the product, where and how much material should be stocked, and other connected points so that they will be prepared to place appropriate orders on the factory when the application is approved.

The Corporate Director of Products will consult with the Headquarters Distribution and Manufacturing Departments on all new products before submitting to the Product Committee to be certain that National Production and Distribution is feasible and proper.

- III. Every use of the form requires a Slip Number (Shown at the bottom right-hand corner of the form). Each company is to have their own sequence of numbers, and it will be the responsibility of the Sales Managers to maintain their own file of numbers. Slip Numbers should be identified with the Company initials such as AQ for Acme Quality, MS for Martin-Senour, etc. (Sherwin-Williams numbers will be maintained by the secretary to the Corporate Products Director.
- IV. Six (6) copies of the Product Change Form are prepared by the Sales Department. One carbon copy is to be retained by the preparing Sales Department and the others (original plus four (4) carbon copies) circulated to the heads of departments listed at the bottom of the form for affixing their approval signatures. The original, and only the original, must be signed (not stamped). It will not be necessary to obtain signatures or initials on any other copy.

The purpose of the four carbon copies is to provide the department heads, if they so require, with a copy of all proposed product action requests.

After all approval signatures have been entered on the original copy, it is then submitted to the Product Director for review and action by the Product Committee. After approval, photo copies will be prepared by the Product Director's office and distributed as follows:

Original - Corporate Director of Products

1 Copy - Submitting Sales Department

2 Copies - Technical Department (For Technical Director's
Office & Development Laboratory)

- 1 Copy - Manufacturing Department (For Local & Headquarters)
- 2 Copies - Distribution Department (For Local & Headquarters)
- 1 Copy Each - Package Specification Department; Advertising & Merchandising; Product Classification Committee; Printing Division.

V. After a Product Change has been acted upon by the Product Committee, if the action was approved, it then becomes the RESPONSIBILITY of the Sales Manager initiating the New or Change Product Request to make sure that the label art work, label copy, including analysis and any outserts, if needed, are available to the Package Specification Department so that they may begin to produce the label or make the necessary changes. The Sales Department should also work closely with the other departments to be sure all steps are taken to meet target dates.

No announcement to the field shall be made under any conditions until a Record of Product has been issued. NO Record of Product will be issued by the Distribution Department until the Manufacturing Department has given evidence that the product will be available and the Sales Department has given approval to release the Record of Product.

Each of the Action Sections is used as follows:

1. NEW PRODUCT (See Page 5)
 - Introduce a new line
 - Introduce a new color to an established line
 - New rex assignment or parallel rex assignment
 - New size for an established rex
 - New product
2. PRELIMINARY ACTION (See Page 4)
 - In order for the PV&L and Technical Departments to begin work on a technical problem involving a stocked or listed item (as contrasted to a Chemical Coatings Zone item) to introduce a new line or a new product to an established line, it is necessary to have a Preliminary Product Request approved by the Product Committee.

There is one exception - Automotive Refinishing items.

3. LABEL OR PACKAGE CHANGE (See Page 8)
 - Change in container type or style
 - Addition of a caution
 - Major change in design, format, or color of a label or package
 - Name change
 - Carton change
 - Label changed from printed paper to lithograph or lithograph to paper
 - Change in lid, gasket, coating, or container composition
4. CHANGE PRODUCT (See Page 10)
 - Major change in formulation

5. DROP SLIP (See Page 11)
 - Discontinue a line
 - Discontinue a product or color
 - Discontinue a size
6. MARKET CHANGE (See Page 11)
 - Expansion or change in scope of market being serviced
 - Distribution change
 - Institutionalize a product previously sold under any one company name
 - Remove a product from Institutional distribution and replace under individual Division control
 - Request inclusion of product in regular line after successful market test (as approved under New Product request)

THE FOLLOWING IS A COMPLETE ITEM BY ITEM BREAKDOWN FOR EACH TYPE ACTION FOR WHICH THIS FORM WILL BE USED.

PRELIMINARY

ITEM REQUIREMENT / EXPLANATION

1. The company and Sales Department responsible for the required product.
2. The Item Description should give the name of the product exactly as it is to appear on the label. The production index applicable should be shown, as well as desired sales number group.
3. The recommendation would establish the reason for making the preliminary request; it would answer the question as to why the item is needed, and what end market is expected to be reached.
4. If experience on the product under another rex is available, it should be noted. If the plan calls for market testing when a usable formula is available, it should be noted.
5. Wherever possible, this competitive information should be obtained and listed.

The brand name and Manufacturer's Name are requested if the manufacturer is not clear from the brand name.
6. The Estimated FSC should be a guide to the Technical Department for their formulation. It is only necessary to give the desired price and profit for the major size showing branch cost, low limit or dealer, company gross profit, and wholesale price.
7. Be sure to list all sizes intended to be regularly available. This is an important guide to the lab and the Specification Department in determining what cons will be needed.
- 8-9. Can be left blank.

PRELIMINARY (CON'T)

<u>ITEM</u>	<u>REQUIREMENT / EXPLANATION</u>
10.	Sales volume in gallons, and value based on Dealer or Low Limit price used in Item 6.
11-16.	Can be left blank.
17. A.	This should be carefully considered before making the preliminary request. What effect will a new Product have on other similar or companion products?
B.	Consider also products using parallel formulation in other lines and other divisions.
18.	If the items mentioned in Item 17 have been promoted extensively with features, such as color packs, cascades, banners, mailers, etc., the Advertising and Merchandising Department should be requested to give the present inventory and value of these items.
19.	The signature of the Sales Manager must be on the original copy only. The required Department clearance from each of the noted departments must be evidenced by signature on the original copy.

NEW PRODUCT

<u>ITEM</u>	<u>REQUIREMENT / EXPLANATION</u>
1.	Company and Sales Department making request.
2.	Name to be exactly as it is to appear on label and in price information. Both Production Rex Number and Sales Number are (if applicable) always necessary.
3.	Clear explanation of request, such as "Add to Line, Establish New Line of Exterior Stains, Add Gallon Size". Support request with reason for new product. If necessary, supporting documents may be attached, i.e., Market Survey, etc. (Show Number of Attachments in Section I). Should a market test be the reason for the new product request, be sure to indicate same in the "Reason, Purpose" section, and indicate period required for test.
4.	Must be answered.
5.	Give all information available, such as name, special offers, containers, etc.

NEW PRODUCT (CON'T)

ITEM REQUIREMENT / EXPLANATION

6. If several colors of a line are involved, they must be listed, and rex and sales numbers shown, use reverse side or attach. Be sure to indicate FSC (Full Selling Cost) of all colors and sizes. Show selling price of each size (corporate standards for small package additions must be used). Indicate percent of company profit for each color and size after branch discount, or jobber discount (if applicable) and indicate also if product will be subject to case, cash, or truckload discount at branch and / or customer level. (Indicate what percentage of branch or jobber discounts, were deducted such as Branch Discount 18.8%, 17.9%, etc. Also, what is maximum jobber discount possible when this is distribution plan.)

Indicate also on what price list product will be included.

When obtaining costs from the Cost Department, indicate that the purpose of the request is to establish prices for a New Product Request and that the data sheet for New Product Analysis should be completed so that "Summary of New Product Analysis" Form 21175, which deals with Return On Investment, can be completed. See attached "How to Prepare New Product Analysis (21175).

7. A. Indicate what sizes will be normal stock. Do not include any sizes filled on request.
- B. Indicate label type. Also, if some special type package, so indicate.
8. This information is to be obtained from the Manufacturing Department. The Distribution Department should answer question 9 prior to submission of the P.C. (50011) to the Manufacturing Department. As mentioned previously, one of the objectives of the Product Change is to coordinate the efforts of all departments, and during the discussion with Manufacturing, any Sales Department information on what areas in which a product is most likely to receive the best sales acceptance should be made known, although equipment and capacity will be used by Manufacturing as their guide.
9. If the item is going to be company-wide in introduction and sales, and all warehouses will be stocking, so indicate. If only a limited arrangement is desired, or if the product is geographically applicable, name the warehouse(s) expected to need stock.

Branches should be checked if all branches are to stock an item. Indicate percentage expected to receive product if limitation is necessary or desired.

This item should be coordinated with the Distribution Department when conferring with them about desired distribution, required inventory, and plans to limit branch stock where necessary.

NEW PRODUCT (CON'T)ITEM REQUIREMENT / EXPLANATION

10. Give the estimated volume by gallons and dollar value for each size and color and show percentage of R.O.I. The value should be based on Dealer or Low Limit price.

The "Summary of New Product Analysis" form dealing with Return On Investment is based on necessary profit and return. (See attached instructions).

The present minimum Return On Investment is 26%. With this minimum, it is possible to place stock in all of our company branches. It is possible to have an item accepted with less than 26%, but branch stocks must be curtailed, and the number of branches limited to the number indicated. Sales estimates by size and color are extremely important in this Summary and must be available before calculation.

Indicate percent of Return On Investment and total dollar amount of profit to be earned on the Product Change, using the figure obtained from Section V of the "Summary of New Product Analysis".

It is suggested that the Item 10 information and Return On Investment be completed before the other steps in order to determine if the product will meet the standards before spending the time, only to discover that a product will not pass the test.

11. Value should be based on Factory Filled Cost (FFC) and should also show gallons of initial inventory required by size. This information should be determined by coordinating with Distribution in order to arrive at soundly supported figures. The use of initial inventory is to help the Manufacturing Department in their schedule estimates.

- 12-13. Can be left blank.

14. This date is necessary, as a guide to Manufacturing, Distribution, Advertising, and all involved departments. The date should be based on Sales Department's plans concerning timing of actual availability to branches and customers.

On those products that are not to be released or introduced until some other product has been phased out, coordinate with Distribution in order to arrive at a date when it is estimated the new product should be available.

15. If "Yes", coordinate with Advertising & Publicity; obtain value estimated will be spent, and give outline of plan to be followed.

NEW PRODUCT (CON'T)

- | <u>ITEM</u> | <u>REQUIREMENT / EXPLANATION</u> |
|-------------|--|
| 16. A. | Label Copy should be available as soon as formula is established. The label copy should be attached to the Product Request whenever possible so that the necessary printing preparations can take place. If copy is not yet ready at time of submission to the Product Committee, advise how soon after approval of action that copy would be available. |
| B. | Because of the greater expense involved in Art Work, it is not anticipated that this will be available until after approval. Any sketches or examples of proposed label should be attached to the Product Request. Give estimated time required to procure art work after approval. |
| 17. A. | Give complete run-down of similar and companion items. |
| B. | List products of parallel formulation in other divisions or lines. |
| 18. | Confer with Advertising and Merchandising Departments to arrive at such items and value. This would include displays, banners, excessive quantity of color cards, chips, etc. |
| 19. | Original copy only should be signed by the Sales Manager. This also applies to signatures for the other departments noted at the bottom of the form. |

LABEL OR PACKAGE CHANGE

- | <u>ITEM</u> | <u>REQUIREMENT / EXPLANATION</u> | (Send "Advance Notification" Form 50516 to Package Specification Department. See Attachment C.) |
|-------------|---|---|
| 1. | Company and Sales Department requesting change. | |
| 2. | Give complete Label name, sales number, and Rex number. | |
| 3. | Give complete recommended action. Example: "Change to Lithograph Can"; "Change name to _____"; "Change Label Color from Red to Maroon"; "Change from Glass Bottle to Plastic Bottle". | |
| | Indicate complete reason and purpose. | |
| 4. | Complete | |
| 5. | Fill out when competitive product is known and is the reason for change. | |
| 6. | Indicate FSC based on new package or label, indicate price and profit information for all sizes and colors. | |
| 7. A. | List regularly filled sizes. | |
| B. | List regular label type. | |

LABEL OR PACKAGE CHANGE (CON'T)

<u>ITEM</u>	<u>REQUIREMENT / EXPLANATION</u>
8.	Complete with information available from Manufacturing Department.
9.	Leave blank.
10.	Return on Investment is necessary. Give volume based on any increase estimated because of change, or if change not a factor, volume based on past experience. The cost information should be based on cost of changed package or label.
11.	Obtain present inventory from Distribution and give value based on FFC.
12.	This would include North Olmsted Label Stock on any item on which the present label is acceptable. If the present label must be destroyed, Manufacturing Department will obtain a label inventory from factory points. Include any unfilled Lithocans, or special containers, such as tubes.
13.	Only needed when present stock will not be phased out by normal demand for product. If it is necessary to dispose of stock in other than normal sales channels, plan must be outlined. Also, indicate approval of label destruction, if this is necessary.
14.	If on phase-out basis, confer with Distribution to determine date change probable. This is a necessary guide for Manufacturing to be sure labels are on hand, and for Label Department to have printing done on time.
15.	Complete - Dollar Value of any advertising material or campaign comes from Advertising and publicity in line with your departmental request.
16. A.	Art work required should be held until approval given by Board.
B.	If a label, not requiring art work, is to be used, then it is acceptable to have copy and layout completed.
17. A.	Be sure to carefully review possible effects on another similar product. Also, be sure to consider instructions given on other products that might have to be changed and thus necessitate new labels on additional rexes.
B.	Consider any effect on parallel assignments.
18.	If Yes, be sure to obtain complete value. Coordinate with Advertising.
19.	Must be signed. (Original copy only).

CHANGE PRODUCT

- | <u>ITEM</u> | <u>REQUIREMENT / EXPLANATION</u> | (Send "Advance Notification" Form 50516
to Package Specification Department.) |
|-------------|--|--|
| 1. | Complete. | |
| 2. | Complete. | |
| 3. | Be sure to explain that product is being changed and why it is desirable to retain present rex assignment or sales number or both. | |
| 4-5. | Leave blank. | |
| 6. | Indicate new FSC and selling price and gross profit on each size and color. | |
| 7. | Complete. | |
| 8-9. | Leave blank. | |
| 10. | Return On Investment information necessary. Volume should be based on past experience and should reflect any price increase necessary. | |
| 11. | Should be based on Distribution of present inventory and forecast. | |
| 12. | Obtain information from Distribution on present inventory and from Manufacturing on any raw material affected. Label and special container inventory should be included if a label change is also necessary. This information can be obtained from Manufacturing Department. | |
| 13. | REDACTED FOR
PRIVILEGE | |
| 14. | Establish target date for change based on situation and Distribution Department advice of when present stock should be exhausted, or of plans to have present formulation taken out of distribution. | |
| 14. | Complete - obtain any costs from Advertising & Merchandising Department. | |
| 16. A&B. | Coordinate with Package Specification Department | |
| 17. A. | List all products affected. | |
| B. | Is present formula used in parallels or by other divisions? List. | |
| 18. | List any features and their value. | |
| 19. | Must be signed. (Original copy only.) | |

DROP SLIP

- | <u>ITEM</u> | <u>REQUIREMENTS / EXPLANATION</u> | (Send "Advance Notification" Form 50516 to Package Specification Department as soon as contemplated.) |
|-------------|---|---|
| 1. | Company and Sales Department responsible for rex. | |
| 2. | Full name, sales number, and rex. | |
| 3. | Explain why product is being dropped, if all sizes are being dropped, and give any other information pertinent to plan. | |
| 4-6. | Not applicable. | |
| 7. | Complete to be sure all Departments understand sizes being dropped. | |
| 8-11. | Not applicable. | |
| 12. | Obtain all information, value to be on basis of Factory Filled Cost. Show inventory quantity in all sizes. Use reverse side for line of colors being dropped. Show inventory of labels and any special containers by size and obtain value from Manufacturing Department. | |
| 13. | Necessary in all cases. Clearly indicate if product is to be phased out before introduction of another. Also, coordinate with Distribution to be sure of production control. Also, advise date destruction of label stock is approved. | |
| 14-16. | Not applicable. | |
| 17. A. | This is important in view of possible necessity of increased production of an item to do the job of the item being dropped. | |
| B. | Do other products or divisions use this formula? List. | |
| 18. | It is necessary to determine the inventory of color cards, color books, banners, displays, etc., in stock. This can be determined by Advertising and Merchandising. | |
| 19. | Must be signed. | |

MARKET CHANGE

- | <u>ITEM</u> | <u>REQUIREMENT / EXPLANATION</u> | (On earlier printings of Form 50011, this section will have to be added when needed. All sections apply.) |
|-------------|---|---|
| 1. | Company and Sales Department making request. | |
| 2. | Exact name and rex / sales number assignment. | |

MARKET CHANGE (CON'T)ITEM REQUIREMENT / EXPLANATION

3. State desired change clearly; e. g. Include ____ in regular Trade line previously approved for Market Test on PC _____. Or, increased distribution planned, Dealer Market to be serviced from branches. Or, Market Test ____ line in 100 Trade Sales Branches, presently sold only through jobbers.

If necessary, attach more complete details of planned change.

4. A complete review of the present distribution or market arrangement should be given, including sales results, price and profit information.
5. Answer as completely as possible.
6. Complete selling price, profit structure, and line composition must be given. Either attach complete information or list on reverse side.

Indicate FSC (Full Selling Cost) of all colors and sizes. Show selling price of each size. Indicate percent of company profit for each color and size after deduction of branch or jobber discounts, if applicable. (Indicate what percentage of branch or jobber discounts were deducted, such as Branch Discount 18.8%, 17.9%, etc. Also, what is maximum jobber discount possible when this is distribution plan.)

Indicate also on what price list product will be included.

7. A&B. Indicate what sizes will now be standard. If any sizes are added or dropped because of the Market change, please indicate what the changes were.
8. The Manufacturing Department should advise what manufacturing points would be utilized in support of planned sales and distribution change.
9. Show present stocking arrangement and then explanation of changes proposed. This section calls for complete discussion and coordination with Distribution so that target dates may be established realistically.

After discussion, list warehouses to be utilized if all will not be stocking points.

Indicate what Branch Stocking plans are. If item is Regional or Divisional, indicate what areas will receive branch stock. If the item is to be handled by branches on a SOLD basis only, also indicate.

MARKET CHANGE (CON'T)

- | ITEM | REQUIREMENT / EXPLANATION |
|----------|---|
| 10. | <p>Give the present volume by gallons and dollar value, based on Dealer or Low Limit Price. Detail regarding color and size gallonage.</p> <p>Give the proposed volume by gallon and dollar value for each color and size, basing the value on the Dealer / Low Limit price that will apply under the changed arrangement.</p> <p>A summary of New Product Analysis, 21175, should be prepared for a representative portion of the line. The basis should be the proposed volume to be achieved by the market change.</p> |
| 11. | This section should reflect the changed inventory amount and should be arrived at by working with the Distribution Department. |
| 12. | Total stock by size and color should be determined for each warehouse presently stocking the product. This inventory should be detailed by location and should be attached. |
| 13. | To be filled out if market change will result in excess inventory of products, raw material, or labels. |
| 14. | Realistic date based on consultation with all departments, and timing of release of information. |
| 15. | Indicate general plan to be used for sales promotion. Advertising & Merchandising Department will obtain costs for program. |
| 16. A&B. | If present label is satisfactory, so state. Indicate status of label and copy if changes are planned due to Market Change. |
| 17. A. | Carefully review any effects anticipated. |
| B. | What line items or other division lines are parallel? Consider carefully. |
| 18. | List items and cost of each if changes required due to Market Change. |
| 19. | Signature of Department Head making the request. |

GENERAL COORDINATION OF DEPARTMENTS

The "Product Change" will require considerable cooperation with other Departments in the Institution.

- | | |
|------------------------------------|--|
| <u>Manufacturing</u> | - Must be alerted to product changes, how this will effect their production schedules, what materials must be available, when, and where. They must be sure of labels, containers, Sales Department's desired date of availability. |
| <u>Distribution</u> | - Important to see that pipeline is filled or that item is limited. To work with them to be sure they understand how product is to be made available, i.e., special order only, branch stock, or national stock. To assist their efforts by discussing areas where product would move best, etc. |
| <u>Technical Department</u> | - To work with them to be sure of best product possible at best price level. To advise them of any special needs. Long range plan for product; can it do more than one job. |
| <u>Package Specification Dept.</u> | - To work on label coordination, any special packaging desires. Any carton or lid or packing requirement different from regular requirement. |
| <u>Advertising</u> | - To tie in with them on promotion campaigns, to get the advantage of their help to merchandise, promote, and sell. |

-
**REDACTED FOR
PRIVILEGE**

See attached annex showing names of department heads to whom product changes should be directed for approval.

On those products going into Branches, it is also the responsibility of the Sales Departments to inform Branch Merchandise Billing Division when a product is approved that will be shipped into Branches. This should be done by means of letter to Branch Merchandise Billing showing complete pricing information, such as cash discount, case discount, truckload discount, special cost or functional allowance, or if a net discount is to apply and also on what price list the product will be listed.

Allied Divisions will send their information to:

Branch Merchandising Billing Division
The Sherwin-Williams Company
101 Prospect Avenue, N. W.
Cleveland, Ohio 44101

DATE February 1, 1969

ANNEX TO PRODUCT CHANGE (50011) PREPARATION INSTRUCTIONS

SEQUENCE OF APPROVALS

The following is the sequence to be followed when submitting the Product Change (50011) Form to the various departments whose approval is necessary to show that proposed Product Changes can be accomplished and proposed dates can be met. The name or names shown for each Department are those responsible and approved to sign and approve the Product Change:

1. Technical Department

Control - The Technical Control Laboratory for the type of product involved will sign.

Corporate - Harold Spitzer will sign all requests.

2. Package Specification Department - F. X. Zehnder

3. Distribution Department

Local
(Martin-Senour) - The Distribution Representative in charge at each Division headquarters will sign. His signature will indicate understanding of the plan and his approval of the method to be employed when weighed in connection with his knowledge of the total distribution requirements of that division.
(John Lucas)
(Lowe Brothers)
(Acme)
(Lawrence)

Corporate - B. W. Stephens for all divisions.
Fred Ristow will sign in the absence of Mr. Stephens.

4. Manufacturing Department

Local
(Martin-Senour) - The Plant Manager responsible for the general production of that Division's major line items will sign. His signature will indicate that the proposed Change can be accomplished without difficulty or compromising of the general manufacturing schedule.
(John Lucas)
(Lowe Brothers)
(Acme)
(Lawrence)

Corporate - Robert Tschannen, John Watson, or Wes Painting will review and approve.

5. Advertising - E. J. Griebel will sign and distribute information among the Promotion, Publicity, and Merchandising personnel.

6. **REDACTED FOR
PRIVILEGE**

Product Committee - W. W. Gram is Corporate Product Director and will process all Product Change requests after all of the above departments have signed approval. The Product Committee block will be signed and dated after approval.

0007-SWP-0059233

N15576.08

DATE February 1, 1969

PRODUCT CHANGE

Responsible Departments & Divisions

The following Sales Department and Sales Divisions are responsible for Preparation of Product Change requests and have control of products within that group's line.

<u>Products</u>	<u>Department</u>	<u>Individual</u>
1. Kem Products: S-W Trade Sales (See Specialty Products for exceptions).	Corporate Products	Joseph Wolf
2. Kem & S-W Trade Product Specialty Items: Paint Removers Antique Kits Associated Products & Sundry Item All spray enamels & Sprayon Company Products handled through branches Any Deshler Products that are handled through branches, including Dexall Products, paint shakers, color meters, applicators. Any Osborne Mfg. Products that are handled through branches. Any Rubberset Products that are handled through branches. S-W brushes, rollers, and accessories	Corporate Branches	D. W. Campbell
3. Professional Coatings: (Including Industrial Maintenance for S-W and all affiliated divisions except Martin-Senour)	Corporate Branches	J. H. Linden
4. Chemical Coatings: (Including Graphic Arts and Transportation Products for S-W and all allied divisions)	Chemical Coatings	D. S. Gaarder

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5. Automotive, S-W	Automotive	R. W. Henderson
6. Acme - Trade Sales & Automotive	Acme Quality	C. N. Thomas
7. W. W. Lawrence	W. W. Lawrence	G. O. White
8. Lowe Brothers - Trade Sales	Lowe Brothers	J. R. Desjardins
9. Lucas - Trade Sales	Lucas	R. F. Harter
10. Martin-Senour	Martin-Senour	M. W. Hurdelbrink

All questions pertaining to Products and Product Changes should be directed to the person named for that Division in Sales Department.

DATE

February 1, 1969

HOW TO PREPARE NEW PRODUCT ANALYSIS (21175)

We need to know:

- From the Sales Department -
1. Rex and Sales number
 2. Package size
 3. Annual sales by size (estimate)
 4. Selling price - Low Limit or Dealer

- From the Cost Department -
1. Estimate Slip, giving total cost of raw material, manufacturing expense, receiving and stores, T.D., C.A., package addition

- From the Manufacturing Department -
1. Number of tank days per batch

Use the information above and fill out the data sheet for New Product Analysis.

With the filled in Data Sheet, alongside Page I we fill in Item I - Revenue, and (A) Annual Sales Forecast per 100 times the size factor--this number will be used several times, as well as the Revenue number, in future computations.

The first thing we need to know is our Out of Pocket Costs (OOP), both Manufacturing and Sales.

We fill in the Raw Material Cost per 100 from the Data Sheet (C), then the Package Addition (I), and multiply by .9, because 90% of the Package Addition Costs is for Material and Labor. The Manufacturing Direct Labor is a combination of Manufacturing Expense and Receiving and Stores Expense. The Receiving and Stores Expense comes from Data Sheet (D) and is multiplied by 60%, which represents the Direct Labor portion of the total Manufacturing Expense.

We now add 1-2-3 to obtain our total Manufacturing Out of Pocket Cost.

To obtain the Annual Manufacturing Out of Pocket Costs, we multiply No. II-4 with No. I-A.

To get the Out of Pocket Costs of the Sales Department, we multiply the Revenue (I) times 13.8 for branch directed products. Other divisions use the factors supplied individually which are the average selling expenses at the wholesale level. This will vary somewhat depending on the product and customer. (If this figure produces a below standard Return on Investment, further investigation would be merited). To get II-C, add A5 and B.

The Contribution to Fixed Cost in Manufacturing and Sales is similarly computed using the fixed portion of Receiving and Stores of 40%, Manufacturing of 58%, T. D. and C. A. Costs from Data Sheet G and H, and the fixed portion of Package Addition of 10%.

In IV-B, Fixed Sales, we multiply the Revenue (I) times 11.8% for branch directed products, or the separate supplied factor, which is the average fixed Sales Expense covering transportation, advertising, and general administration. To obtain Profit (V), we subtract the fixed costs IV-C from the Contribution to Fixed Costs and Profit.

To determine the Contribution per Revenue Dollar, we divide the Contribution (III) by the Revenue (I). If the resulting figure is less than .313, then it would appear that the F.F.C. is too high, the volume too low, or the selling price too low.

The Manufacturing Department will have to advise you how many days the particular product will spend in the tank. This, then, is multiplied by the Annual Sales Forecast (100) to get the X thousand gallon tank days. (It is assumed that the batch size will be at least 1,000 gallons; if less, then the resulting figure must be multiplied by the proper percentage of proportion of actual batch to the 1000 gallon standard.)

(B) Contribution per Thousand Gallon Tank Day is easily computed and must be more than \$313.00.

RETURN ON INVESTMENT

1. Raw Material used:

- (A) Material per 100 - from C on Data Sheet
- (B) Package Addition - from I on Data Sheet
- (C) Total Raw Material (a and b)
- (D) Average Return on Investment = C above x .14 x annual Sales Forecast (100)
(.14) equals seven turns of raw materials per year)

2. Other = Factory Filled Cost from (J) on Data Sheet x Annual Sales Forecast (100) x (.393). (.393 equals seven turns per year of finished goods inventory or .14 plus plant investment needed per dollar of output at F.F.C.).

Last year, our net plant value for Cleveland, Chicago, Newark, Oakland, Garland, and Los Angeles was \$20,522,000, and total F.F.C. for those factories was \$83,674,000; therefore,

$$\frac{20,522}{83,674} = .25 \text{ or } .25 + .14 = .393$$

3. Total Manufacturing Investment is VIII-A-Id plus A2.

(B) Sales Investment when selling through Branches.

1. Investment in Branch Inventories = F.F.C. x Annual Sales Forecast (100) x .143
is based on $3\frac{1}{2}$ turns per year at Branch cost). Other divisions, whose products
will be sold both to jobbers and branches, use formula previously given.
2. Receivables and Other Expenses = Revenue from (1) on Page I x .200 (.200 is
made up of .150 from Branch Receivables of 45 days normal or 8 turns). For
price list cost of goods sold - before allowances, discounts, and transporta-
tion - of \$1,000 the Branch sales is about \$1,201; therefore, the receivables
ratio is $\frac{1,201}{1,000 \times 8}$ or .1501. Working Capital needed amounts to .025 developed
from 10 million cash needed for 400 million in sales or .025. The balance is
.025 for Branch Fixture Investment developed from our 1966 Branch investment
in fixtures was \$4,255,000, and our wholesale sales cost for the same period
was \$144,500,000 or $\frac{4,255}{144.5}$ or .029--this was later reduced to .025.

Divisions that go to market both directly and through distributors or leased
operations, use factors given to you.

3. Total Sales Investment is B 1 and 2.

(C) Our total Sales Investment is A3 plus B3.

(D) Return on Investment equals Profit V, Page 2, x 100, divided by the Total
Investment Item C, Page 3.

The company standard for price list items is 26%. E, F, G, and H, are used if the
Return on Investment is less than 26% and you want to know how many Branches should
carry this item.

When the product to be introduced into the line will normally be sold through
Leased Departments, Jobbers, or Paint Stores acting as jobbers, new and different
factors are to be used in computing the Return on Investment. These have been
calculated and given to each division.

PRODUCT CHANGE

50011 REV. 1-69

ACTION		COMPLETE SECTIONS																	
1	NEW PRODUCT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2	PRELIMINARY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
3	CHANGE PRODUCT	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
4	LABEL OR PKG CHG	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
5	DROP SLIP	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
6	MARKET CHANGE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

Date	NO. OF ATTACHMENTS																			
Company and Sales Division Recommending																				
2	Item Description (Including Sales Number and Production Rex No.)																			
3	Recommend, Reason, Purpose																			
4	Has Product Been "Market Tested?" If Yes, Explain How and Results. ☐ Yes ☐ No If Not, Will It Be? How?																			
5	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Competitive Product—Brand Name</th> <th>Mfg.</th> <th>Jobber Price</th> <th>Dealer</th> <th>Wholesale</th> <th>Retail</th> </tr> <tr> <td>A.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>B.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		Competitive Product—Brand Name	Mfg.	Jobber Price	Dealer	Wholesale	Retail	A.						B.					
Competitive Product—Brand Name	Mfg.	Jobber Price	Dealer	Wholesale	Retail															
A.																				
B.																				
6	Estimated FSC Each Size Selling Prices and % Profit—Use Reverse Side of Sheet If Necessary																			
7	A. What Size Packages ☐ ½ Pt. ☐ 1 Pt. ☐ 1 Qt. ☐ 1 Gal. ☐ 5 Gal. ☐ Drum ☐ B. What Type Labels ☐ LITHOGRAPH ☐ PAPER ☐																			
8	Where Manufactured ☐ Chicago M-S ☐ Chicago S-W ☐ Cleveland ☐ Dayton ☐ Detroit ☐ Friendship ☐ Garland ☐ Gibbsboro ☐ Los Angeles ☐ Morrow ☐ Newark ☐ Oakland ☐ Pittsburgh ☐																			
9	List Location Where Stocked ☐ Warehouse ☐ Branches Predicted Annual Sales Volume, by Size, and Estimated Return On Investment (Give ROI For Actions 1, 3, 4, 6 And Attach Details) ROI %																			
10																				
11	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Inventory and Value Required, by Size, Total</th> <th>Factory and Warehouse</th> <th>Branches</th> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		Inventory and Value Required, by Size, Total	Factory and Warehouse	Branches															
Inventory and Value Required, by Size, Total	Factory and Warehouse	Branches																		
12	Present Inventory and Value of Item Including Labels, Factory and Warehouse Package and Raw Material No Longer Needed.																			
13	Specific Plans to Dispose of Item (12), Use Reverse Side of Sheet If Necessary (Including Labels, Package and Raw Material)																			
14	Date Product Should Be Available for Shipment From Warehouse																			
15	Is Special Advertising Going to Be Used? If Yes, Dollar Value and Description ☐ Yes ☐ No.																			
16	A. Is Label Copy APPROVED and AVAILABLE? ☐ Yes ☐ No If No, When B. Is Label Art APPROVED and AVAILABLE? ☐ Yes ☐ No If No, When																			
17	A. What Other Products in the Line Now Will This Product Affect? B. What Other Corp. Products Use This Parallel Formula?																			
18	Will It Be Necessary to Destroy Advertising and Merchandising Material? If Yes, Give Value ☐ Yes ☐ No																			
19	Signatures Required Signed Date Do Not Use Stamps																			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Technical Control</td> <td>Technical Corp.</td> <td>3. Distribution Local</td> <td>Distribution Corp.</td> <td>Product Committee</td> </tr> <tr> <td>2. Package Specification</td> <td>Manufacturing Corp.</td> <td>4. Manufacturing Local</td> <td>5. Advertising</td> <td>6. Legal</td> </tr> </table>			Technical Control	Technical Corp.	3. Distribution Local	Distribution Corp.	Product Committee	2. Package Specification	Manufacturing Corp.	4. Manufacturing Local	5. Advertising	6. Legal								
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