1972 PYDRAUL MARKETING PLAN

Market Situation

General

The total synthetic fire resistant hydraulic fluid market in the U.S. is estimated at 30 M pounds/year ($9.5 M/ year) with volume increasing at 3 - 5% per year. Pricing is trending downward due to increased usage of our lower cost blend fluids (containing oil) and increasing competition among major suppliers. The trend toward lower prices will continue in 1972 and may accelerate due to Monsanto being forced out of fluids containing chlorinated components. We are now forced to sell 100% phosphate ester fluids in direct competition to Houghton and Stauffer with only marginal performance advantages to offer over these suppliers. An additional factor in the lower price trend is the appearance of competitive low cost blend fluids in competition to our own, which have been unchallenged since 1965.

Monsanto Position

Our leadership and estimated 45% market share in the synthetic fire resistant hydraulic fluid market are "on the line" in 1972. We are reformulating the entire Pydraul line or, more accurately, we are starting from scratch with an entirely new product line based on our new NC phosphate ester. We must maintain our present Pydraul customers with the new formulations against competitors who have been marketing their phosphate esters for many years. Positive factors in the fight to maintain our business include

(1) a general recognition of Monsanto's excellent technology and service as well as an aggressive field sales organization and

(2) a more heat stable product and one which is easier to reclaim than competitive products.

Negative factors include:

(1) customers' recognition that our product is virtually unproven and

(2) a willingness on the part of competitors to cut prices in order to gain a foothold at our major accounts.

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General Strategy

We will maintain our present customers by exploiting to the fullest our recognized technical leadership in the field of synthetic fire resistant fluids and by creative pricing policies at large accounts tieing in new fluid purchases with disposal of PCB and PCT containing fluids. The technical superiority of Monsanto and its products will be exhibited by product presentations at major accounts, by visits to the fire test and research laboratories by as many customers as possible and by a continual flow of technical information to our customers demonstrating the advantages of our new products.

With our straight phosphate ester products, the Pydraul E series, we will meet competitive price situations at major accounts where absolutely necessary to maintain the business. While our E series products offer some advantages over competition, we have had no time to demonstrate these advantages in the field, making any price premium difficult to command.

With our phosphate ester/oil blends, the Pydraul C series, we will not meet lower competitive prices due to our dominance in this segment of the market, the poor properties and performance of competitive low cost products and a slight decrease in profitability in changing from the present chlorine containing line to the new products.

We will concentrate effort on the large accounts where loss of business will hurt us most. One customer, General Motors, constitutes 20% of our business and ten customers represent 50% of the entire Pydraul business. We will exert every possible influence to maintain these customers.

1972 Goals

1. Sell all inventory of chlorine containing Pydraul fluids by June 30, 1972.

2. Sell $3.75 $\bar{M}$ of Pydraul fluids

3. Concentrate effort on the following large volume accounts (representing 50% of the total Pydraul business) to convert them to our new phosphate ester products:

GM - Central Foundry	Republic Steel
GM - Chevy, Bay City	Inland Steel
GM - Chevy, Massena	Alcoa

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GM - Chevy, Grey Iron
GM - Buick
GM - Pontiac
Johnson Motors
Armco Steel
U.S. Steel
Keystone Steel
Kelsey Hayes
Briggs and Stratton

4. Develop a workable and profitable customer reclamation program for the Pydraul products.

5. Implement a comprehensive advertising program aimed at reinforcing customers and preselling prospects on Monsanto's leadership in the fire resistant fluids market.

6. Gain Bureau of Mines approval for Pydraul 312 C allowing us to keep our present coal mine fluid business and offer an approved product to additional mines anticipating conversion to FR fluids.

7. Develop and publish new Pydraul Selectors for the Pydraul E series, the Pydraul C series and Pydraul air compressor fluids.

8. Lend technical and marketing support to Monsanto Europe in an effort to develop and commercialize substitute products (for the present PCB Pydraul products) for German and French mining applications.

9. Call on each of the major OEMs at least twice in 1972 to gain endorsement for the new Pydraul E and Pydraul C series fluids and to induce them to standardize on Viton seals and packings.

Steel Market	Responsibility	When
Allis Chalmers	RVW	1X
Ajax Magnethermic	BGM	2X
Brown Boveri	BGM	3X
Concast	BGM	3X
Loma	BGM	2X
Inductotherm	BGM	2X
E.W. Bliss	PDC	3X
Powerdraulics (Engr.)	BGM	2X
United Engineering	PDC	3X
Mesta	PDC	3X
Koppers	PDC	3X

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Blaw Knox	PDC	3X
Lectromelt	PDC	2X
Whiting Corporation	RVW	2X
Manco Manufacturing	RVW	2X
GPE	RVW	2X
Pecor	PDC	2X
American DeMag	BGM	2X
Western Gear Corporation	PDC	1X
Babcock & Wilcox	BGM	1X
Birdsboro Corporation	PDC	1X
Gamma Engineering Ltd. Whitby, Ontario	TWO	1X
Surface Combustion	GFF	2X
Swindell Dressler	PDC	1X
Continua International Castings, Italy	GCA	1X
American Ligurian Corporation New York	BGM	1X
Danieli of America	BGM	1X
Dravo Corporation	PDC	1X
Voest International, N. Y.	BGM	2X
Treadwell Corporation	BGM	2X
Olsson	PDC	1X
Taylor Winfield	PDC	2X
Electric Furnace, Salem, Ohio	PDC	2X
Hill Acme, Cleveland	PDC	1X
SPO, Cleveland	PDC	1X
Selos, Dresher, Penn.	PDC	1X
American Bridge	PDC	1X
Automation Equipment	RVW/PDC	2X
Salem Brosius	PDC	2X
Sunbeam	PDC	2X
Dominion Engineering Works Montreal Quebec	TWO	1X
Schloemann Ag Dusseldorf, Germany	KHG	1X
Concast, AG, Zurich	GM	
Demag Stranggiess-Technik GmbH - Duisburg, Germany	KHG	

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Continua International Castings, Italy	GCA/GVA	1X
Danieli Spa, Italy	GCA/GVA	1X
Vereinigte Osterreichische Eisen & Stahlwerke AG, Germany	KHG/KMS	
Distington Engineering Co. Ltd.,	JMMT	
MHI, Japan	TI	

Diecasting Market

Bugler, Zurich	GM	
VWF, Germany	KHG/KMS	
Toshiba Machinery, Japan	TI	
Castmaster HPM	PDC	2X
Kux	RVW	3X
Lester Engineering	CFS	2X
B&T	GFF	3X
Prince Manufacturing	GFF	2X
Cleveland Automatic	AJR	2X
Press Automation	GFF	3X
H. L. Harvill	RSB	2X
Unimation, Division of Pullman	BGM	2X

Aluminum Extrusion Press

Baldwin-Lima-Hamilton	BGM	2X
Farrell	PDC	2X
MHI	TI	1X

Hydraulic Presses

Sheridan-Gray	RSB	2X
Murdock	RSB	2X
USI Clearing	RVW	3X
MHI, Japan	TI	1X

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Mobile Equipment

Allis Chalmers	RVW	1X
Clark Equipment	GFF	1X
Hyster	RVW	1X
J.I. Case	RVW	
Caterpillar	RVW	1X
Tow Motor	RSB	1X
Easton, Yale, Towne	RVW	1X

Engineering

Bechtel	CB	2X

Pump Manufacturers

Vickers	JHD/GFF	2X
Racine & RVW	JHD/RVW	2X
Denison	JHD/CFS	
Oilgear	JHD/RVW	1X
DeLaval	JHD/BGM	1X
Yuken, Japan	TI	3X
Tokyo Keiki (Vickers)	TI	2X

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1972 Pydraul Action Plan

To be submitted by salesmen/regional managers

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