"Emphasis in '67" is an attempt to highlight the major direction of the Organic division, and its departments, during 1967. It features the responses of the Division General Manager, Assistant General Manager, and Department Directors, to the following question:

"What are the major areas where your group will be devoting its efforts in 1967?

ORGANIC
CHEMICALS DIVISION
NEWS ROUND-UP

EMPHASIS *in* '67

(Following are the major areas of concern, and the improved set of conditions which should exist in the Organic division during 1967:)

"1. Our safety performance is improved so that we have lower-than-Monsanto-average injury rates. One indicator will be a reversal in the trend of disabling injuries, which have increased from 6 in 1962, to 9 in 1963, to 9 in 1964, to 13 in 1965, to 15 in 1966.

"2. Before-tax earnings are at least equal to budget, with an eight per cent increase over 1966 profits.

"3. The cost-improvement goal of 10 million dollars is met during 1967. Unprofitable products are eliminated or are on a schedule of improvement.

"4. Our manpower resources are strengthened, and utilized more efficiently, to the benefit of the company and the individual.

"5. Development of new products is pushed vigorously, especially in the area of fluids, foods, and rubber chemicals.

"6. A better system of management controls is developed from improved data collection and reporting, especially in our international operations.

"7. Planning for future growth and organizational relationships is carried out on an international basis."



AS PREPARED BY:

TOM K. SMITH, JR.

HOWARD L. MINCKLER



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The "upper management" of the Organic division consists of the General Manager, Assistant General Manager, Product Directors (the four of whom are responsible for broad product groups, such as "paper and rubber chemicals," "additives and functional fluids") and Department Directors. Below are the responses of the department directors to the question of "What are the major areas of concern for your department during 1967?"

In addition, the approximate number of people in each department, and excerpts from their charters, are included.

Commercial Development



DIRECTOR: S. ALLEN HEININGER

PEOPLE: 33

CHARTER: Selection, commercialization, and as agreed on by management, assumption of responsibility for the market introduction of new products...discovery and initial exploitation of significant new uses for existing products.

"Major effort in Commercial Development will be in the functional fluids area, specifically aimed at extending the Pydraul 312 line of low-cost fire-resistant hydraulic fluids, and in jet engine lubricants, plus new fluids for automotive and aircraft use.

"Food will continue as a major growth area, both in the food ingredients field and in our continued evaluation of the broad area of flavors and fragrances and the opportunities it offers for Monsanto.

"Rubber chemicals which will come to fruition in 1967 include VOCON, an accelerator for ethylene/propylene rubber; NITROL, a replacement for Elastopar; Santowhite TNPP, a non-staining antidegradant; and new models of the Rheometer."

S. ALLEN HEININGER

Research & Development



DIRECTOR: COSTAS E. ANAGNOSTOPOULOS

PEOPLE: 313

CHARTER: Search for, definition of products for potential new markets as defined by Commercial Development and Marketing...translation of technical advances into product ideas...development of new processes for present products and of processes for new products.

"In 1967, research will maintain active programs in all product groups, but three of these will get unusual attention.

"Food research, paradoxically, is our oldest yet our newest effort. For years, our technology was pointed toward efficient manufacture of ingredients--like saccharin and sodium benzoate. Now we are directing heavy attention to the more sophisticated and profitable business of formulated food.

"In functional fluids, we are pushing toward commercialization of products for highly diverse end uses, ranging from industrial hydraulics to the exotics of the space program and the jet age. We expect these products to flow from the rapid expansion of research we began some four years ago.

"New technology in an old field -- Rubber Chemicals -- is now paying off for us in the domestic tire and rubber markets. Now we are fortifying and adapting the knowledge to expanding opportunities outside the U.S."

COSTAS E. ANAGNOSTOPOULOS

DSW 551855

STLCOPCB4090271

Manufacturing



DIRECTOR: ROBERT E. SODEN

PEOPLE: 5,031

CHARTER: Safe production of competitive quality chemicals at optimum rate and minimum long-range cost.

"For 1967, the business climate continues to be projected at a high level, but there is more and more nervousness. This is generated by reductions in automotive production and housing construction, two important industries to us. In light of this, areas of concern to manufacturing in 1967 include (in addition to safe, low-cost, high-quality production) the following:

"Head Count Control: We should be sure we're not running 'fat' or carrying ineffective people. Requests for increases will be difficult to justify.

"Inventory Control: Because of 'tight money' and possible reduced business levels, we must not be caught with excess inventories.

"Total Costs vs. Pounds: Our 1967 concern will be with the total cost of operation, rather than with 'pounds at any price.'

"Control of Variances: Our major 1966 loss variances were understood, but not always well explained when they occurred. We need better control, faster follow-up and reporting.

"Raw Material Costs and Yields: Review of past cost improvement programs indicates we need to be more effective in reducing raw material costs and usage.

"Plant Process Research: This is the year we can make money through effective process research. Several successes have been demonstrated; there is opportunity for much more in 1967."

ROBERT E. SODEN

DSW 551856

STLCOPCB4090272

Marketing



DIRECTOR: ERNEST S. ROBSON

PEOPLE: 249

CHARTER: Maximize world-wide sales volume by retaining and growing with established customers and gaining new ones in both old and new markets.

"The five broad areas of division interest, of course, are profit, growth, organization, manpower resources, and image. These cover pretty well our broad areas of concentration in marketing. But to be a little more specific:

"Profit: To continue to develop the commitment of marketing personnel to our overall profit performance, we will: (1) develop this year a system or program of 'marketing contribution,' which will enable us to set profit-oriented goals for each organizational unit in the department, and (2) critically review our use of resources in terms of dollars and people, with the idea in mind of putting them to the best use in terms of maximum profit to be returned to the division.

"Growth: The Marketing Department expects to deliver sales budget world-wide of $320 million, a gain of $20 million and seven per cent over 1966.

"Manpower Resources: This is a major area of concern, particularly as we continue to be a source of trained people for other groups. The recruiting, training, and development of our people, therefore, are second only to delivering the sales budget.

"In addition to our contribution to the long-range goals of the division, there are specific ones which cut across several of these areas: international activities and marketing management information.

"In the international area, where our responsibilities have been more clearly defined, we will find that our marketing management will have to become much more involved in offshore operations. The development of our objectives, plans, personnel, and control, will necessitate a considerable amount of time and energy on our part. This area, which amounts to about 30 per cent of our business, and $87 million in sales, will be a major area for 1967.

"In the second area, the Organic division Marketing Department will be the pilot division in the new Marketing Information Project. This fifteen-month program will require a lot of time and thought on the part of our department personnel and, hopefully, will serve then as the prototype for all Monsanto Marketing Information Systems."

ERNEST S. ROBSON

DSW 551857

STLCOPCB4090273

Personnel



DIRECTOR: HOWARD M. MITCHELL

PEOPLE: 10

CHARTER: Provide staff assistance in the administration of personnel policies, handling of personnel matters, negotiations of labor contracts; provide staff services in recruitment, development, salary administration.

"Direction of our efforts during 1967 will be in the following functional areas:

"PERSONNEL PLANNING AND DEVELOPMENT: To gain understanding and effective implementation of 'Operations Crossroads.' This is described in Organic Bulletin 0-504, "Performance Review, Career Counseling, Rewarding of Accomplishments," and is the division's managerial plan for encouraging maximum development of professional people and for providing rewards in terms of compensation and promotions to those making the greatest contributions to the objectives of the division and company.

"To achieve the maximum use of resources available for personnel development by achieving a greater coordination of plant and division training efforts, and by developing an annual division plan of available training activities.

"COMMUNICATIONS: To achieve the maximum understanding and contribution to division objectives by more effective use of present communications vehicles (News Round-Up), and by developing other appropriate vehicles for special managerial or department groups.

"COMPENSATION: To complete the installation of the new Salary Plan. This will require the final evaluation of all professional positions and the explanations of the new evaluations, salary scales, and other new features of the new plan to professional employes.

"PROFESSIONAL EMPLOYMENT: To provide qualified candidates to fill 161 personnel requisitions by increasing the number of college and experienced applicants, by achieving further improvements in the evaluation and selection of candidates, and by more effectively informing the new applicant, and the regular employe, of career opportunities in the division and company."

HOWARD M. MITCHELL

DSW 551858

STLCOPCB4090274

Accounting



CONTROLLER: LEONARD A. COHN

PEOPLE: 60

CHARTER: Contribute to profitability through analysis and interpretation of business situations, division functional and business results; collect, record, and report financial transactions.

"Rapid growth of our division's interests outside the United States requires the concomitant expansion of our domestic profitability reports and managerial controls to encompass world-wide activity. Defining these expanded reporting systems and planning their implementation is a major accounting department goal for 1967. Closely related is the need to take a look at what world-wide planning and control information will be necessary in the distant future, and the development of the plan for the systems design and operating organization structure to provide it.

"Development of the understanding of our business operations by the accounting people, so that their contribution to the profit improvement and growth of the division is continually gaining in significance, is another area for emphasis in 1967. More knowledgeable accounting input into cost control, contract analysis, capital evaluations, general business management decisions, will result in further improvement in the utilization of the accounting function in meeting the division's objectives."

LEONARD A. COHN

DSW 551859

STLCOPCB4090275

Business Systems & Planning



MANAGER: JOHN S. HARRIS

PEOPLE: 9

CHARTER: **Develop and implement effective and economical business systems, methods, and procedures within the division with prime responsibility for inter-departmental systems and procedures.**

"Two of our major areas of concentration in 1967 will be:

"(1) Get a handle on the important procedural areas in the division:

"In 1967, for the first time ever, we may have a way to define which procedures in the division are most important in terms of time, effort, and resources involved. What is a procedure? It is a sequence of operations, often involving several people in one or more departments, established to ensure uniform handling of a recurring business transaction.

"The division-wide study of methods and workloads will be finished in mid-1967. We will then have a picture of what pieces of each procedure are being carried out at each clerical work station and how much effort is involved. With these pieces in hand, we can begin to re-assemble them into the much larger pictures of each entire procedure.

"The purpose? These people/paper procedures are the lifeblood of our business information flows. We need to know where to start in helping to improve the methods and simplify the activities involving so many of our people.

"(2) Assist in piloting the construction of a Company-wide data bank:

"Like Topsy, our mechanical data systems just grew. From manual, to tabulating machines, to computers, each step and each new report has added to what is a massive, expensive, pretty inefficient way of capturing, manipulating, and reporting the data we use.

"The Company's marketing directors, with the Management Information & Systems Department, have started a project to build a new computer-based system to provide the kind of reports needed for marketing activities. The Organic division, with International, will be part of the pilot operation.

"So what is new? The nut of this project is the beginning of a data bank for which we have to capture all the data only once, and then they are available for whatever our needs. Not only orders and sales for Marketing, but costs, prices, customers, freight, invoice terms, and the multitude of other information needed to run our business. When the data bank concept is tested and operational we will be able to begin to build our future business systems around it."

JOHN S. HARRIS

DSW 551860

STLCOPCB4090276

OUTLOOK FOR DIVISION PRODUCTS

GOOD AND SOME BAD INDIFFERENT!

(Last month's Round-Up featured the direction and emphasis which the division's departments will be taking in 1967. In this month's issue, the four Product Directors, who are responsible for the maximum profitability and growth of their group of products, discuss the outlook for their groups.)

FINE, INTERMEDIATES, FOOD INGREDIENTS



"The Worldwide Business Plan for Food Ingredients has gone to press, and in the plans expressed in it we hope to write a new and exciting chapter in Monsanto's marketing history. This business is one of the most promising ones for future growth in the Organic division and it will absorb an ever-increasing amount of new research and development effort during 1967. Opportunities and prospects for new sales and profits will be better outlined during this year, but should begin accumulating momentum by year-end. A small portion of this effort is now coming to the commercial stage in the flavor and fragrance business as initial sales have been made in 1967.

"Before long, you should be able to get your favorite foods, soft drinks and candies with Monsanto's strawberry, lemon and lime, and some 1,000 other flavors. Your soap and milady's perfume may contain Monsanto's fragrance compounds.

"In our old line of pharmaceuticals and soap chemicals we will continue to 'mind the shop' with prospects of good earnings continuing. As the world's largest manufacturer of aspirin and phenacetin, we should continue to cure more headaches than anyone.

"Too little has been said of our plans for intermediates since it is a rather technical and routine job that we do to provide the essential low-cost building blocks for other chemicals which are sold and therefore receive sales notices. In our intermediates group manufacturing plant men dominate the stage to enact sometimes sleight of hand performances, when needed, to squeeze out additional pounds and to reduce costs. This effort supports the many derivatives which are the backbone of other Organic division products, as well as several other divisions in Monsanto, to keep us competitive in the marketplace."

DSW 551861

HARLAN A. HASHBARGER

STLCOPCB4090277

PETROLEUM ADDITIVES & FUNCTIONAL FLUIDS



"1967 will be 'more of the same' with respect to functional fluids-record sales, expanded use of existing products in new fields and further progress towards commercialization of new products.

"Our Pydraul line of fire-resistant hydraulic fluids will gain considerable ground in industrial markets.

"Significant progress is expected on development of jet-engine lubricants and fluids for automotive and aircraft use, including the Supersonic Transports.

"Commercialization will start on 'hardware' units in support of our Skydrol hydraulic fluids, including (1) a filter-pump unit to insure contamination-free delivery of Skyrdol from the container to the airline systems, and (2) an electronic leak detector to locate leaky valves in airline hydraulic systems without major dismantling operations.

"With petroleum additives, the story is somewhat different. Our total effort will be directed to an improvement in profitability with secondary consideration to growth. This will include major effort on cost reduction, discontinuing low profit-potential products, concentration of effort in the fields where we have strengths and increased selectivity in choosing customers where in-depth selling offers greatest potential for profits.

"Major effort will also be applied to better serving our customers on a worldwide basis through the development of basic building blocks. This objective has long been a goal of the international oil companies."

JOSEPH CRESCE

DSW 551862

STLCOPCB4090278

PLASTICIZERS, RESINS & HEAVY CHEMICALS



"In the area of resin materials, 1966 saw phthalic anhydride in very short supply, maleic anhydride tightening, bisphenol A snug, and adipic acid becoming loose as fibers weakened. During the year, we took advantage of each of these situations to strengthen our industry position as a major supplier of these materials to the marketplace.

"Our forward strategy is primarily concerned with deepening, consolidating, and strengthening the conviction of major, select, customers that we are the supplier to look to for assured supplies of quality resin materials.

"Our new phthalic plant, due on stream in mid-67, is sold out. We have made long-range commitments to phthalic users who do not compete with us in end products--these customers we will cultivate. Our aim is to always have phthalic over and above our internal requirements to supply the prime group of customers.

"The maleic anhydride expansion will come on stream in mid-67 also. We have followed a similar course of action here.

"We have improved our adipic acid quality to the point where we can sell all users with confidence.

"Major effort will be directed toward solving the bisphenol A polycarbonate process and manufacturing problems.

"In line with our aim to be considered as prime suppliers, we will continue active cost-reduction programs, replace obsolete facilities as they become unprofitable, and expand to meet the market challenge.

"With plasticizers, we have an extremely wide variety of products and have been able to penetrate every segment of the market. A strong marketing product group, aggressive field sales force, and excellent back-up in research in new product development and application testing account for this penetration.

"Growth in the PVC market in the next decade is estimated at 12% per year. Although rigid vinyls will grow more rapidly than the plasticized vinyls, the latter will grow at a 10% rate. Our analysis indicates that 60% of the plasticizer associated with this growth will be of the 'commodity' type. By 1972, this market will be 900 M lbs/year or twice what it is today. We are planning now to participate fully in this market growth."

ROBERT E. BILGER

DSW 551863

STLCOPCB4090279

PAPER & RUBBER CHEMICALS



Tony Bryan was appointed a product director February 17, succeeding H. J. Lawler. Tony joined Monsanto's foreign department in 1947; he was appointed market manager-rubber industry, at Akron, in 1965. He holds an A.B. degree in language from Franco Mexicano University (1940) and an M.B.A. degree in finance from Harvard College (1947).

"The rubber chemicals business is a profitable and growing part of the Organic division and as such has been singled out for major emphasis and attention during the next five years. The business is expected to continue to grow somewhat faster than the industry and we hope to add some $5 million new sales with equivalent profits in 1967.

"Main areas of emphasis this year will be:

-- Improving and intensifying our marketing effort to the large tire companies -- we will continue to use sales specialists and back these up by an expanding worldwide technical service program.

-- Organizing and expanding our efforts to sell the non-tire industries -- a $40 million potential worldwide where we presently enjoy only a small amount of business.

-- A major effort will be made to improve costs in our plants, especially at our new Santoflex 13 facilities in the United States, United Kingdom, Canada and Antwerp.

-- The key to our future growth is new products -- we will work hard to improve the productivity of our research and development efforts by heavy concentration on a few projects with high odds of success.

"The cornerstone of the paper chemicals business has been Mersize. This product almost alone has generated sufficient profit to support an ambitious research program over the past three years. We have built considerable knowledge and expertise in the paper-making science, and we are hoping for important new products during the next five years.

"In 1967, emphasis will be on:

-- Maintaining our share of the size markets.

-- Optimizing sales of products such as scriptsets.

-- Spot lighting areas for further research and at the same time speeding commercialization of in-hand discoveries.

-- Protecting our profit by holding constant our SARE expenses until our new products begin to generate profit.

"The past two years have seen the strengthening of our paper chemicals organization to where it is now ready to capitalize on new opportunities and begin an era of more rapid growth."

DSW 551864

ANTHONY J. A. BRYAN

STLCOPCB4090280