Monsanto

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FROM (LOCATION) General Offices

DATE : June 30, 1965

SUBJECT : OBJECTIVES, GOALS AND ACTIONS MANUFACTURING TECHNICAL GROUP STATUS REPORT - 1ST 6 MONTHS

REFERENCE : DBH to HLM Dated 1/29/65

TO : R. E. Soden

cc: R. E. Bilger - RBILG
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Plant Managers
Guest Superintendents

Attached is a summary report to cover the progress of the manufacturing technical group on objectives, goals, and actions during the first 6 months of 1965.

It would perhaps be worthwhile to arrange for a group discussion of our objectives program sometime during the third quarter.

D B Hosmer

D. B. Hosmer

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Attachment

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IN-10 REV. 8-64

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OBJECTIVES, GOALS AND ACTIONS

MANUFACTURING TECHNICAL GROUP

1965

PRODUCTION CAPACITY

1. All department expansions and new production departments covered by a project summary will be started in strict accordance with the revised Organic Division Guide for Plant Start-Ups. (Goal)

   Attained. Products included are S-275, CWSFA, Cyclamates, Saccharin, Ashless Detergents, BABS, 4NDPA/S-13, Aroclor, and PNP.

2. The Manufacturing representative for all start-ups covered by a project summary will be appointed before definitive design begins. (Action)

   Done for Phthalic, Bisphenol A, S-275, Aroclor, PNP, BABS, Vanillin.

3. At least three months before operations begin, a written start-up and correction expense budget will be submitted and approved for all major projects. (Action)

   a. A monthly report analyzing actual expenses versus budget will be issued until project premises are met. (Action)

      The start-up and correction expense budget was late for 4NDPA/S-13. All others were on time. Reports of actuals versus budget are being followed.

4. Incremental expansions and optimization of existing operations will be completed in advance of forecasted requirements. (Goal)

   Attained for Adipic acid, S-160, Santocure/ Santocure NS, PNCB, TBA, Aroclor WGK, Biphenyl, and Vanillin. The H-acid production increase has not been attained as needed, and we have been behind schedule on SS-1000 due to process shortcomings. It is important to note that demand in several instances exceeded forecasts by a significant quantity.

5. All 1964 project completions covered by a project summary will be analyzed with results compared to project premises. (3/65) (Action)

   Done.

STLCOPCB4090064

6. A written program designed to attain project premises will be developed wherever premises have not been attained. (Action) (Continuing)

   Programs are being followed for Cyclamates, Lactic acid, Penta, Santobrite, and Nitro small products building 91.

7. Plans will be developed to insure maximum economic recovery of by-products. (Action) (Report 6/65)

   Overall plan to maximize by product HCl recovery on a divisional basis is being followed. (Mullendore) New dryer to improve Santotan recovery being installed. Further work needed on Lactonitrile, a by product of Acrylonitrile, which is made by the Hydrocarbons Division.

COSTS

1. Performance variance analyses will be made monthly to identify problem areas. (Action)

   Done.

2. Allocations of charges for manufacturing research will be plotted monthly with controls applied to avoid over-expenditure. (Action)

   Manufacturing research charges are 37% below budget for the first five months. While the low expenditure may be correct, we are evaluating the problem further.

3. Evaluate performance variances and cost improvement results quarterly to appraise performance improvement demonstrated. (Action) (Report quarterly)

   We have reviewed and discussed with concerned functions, but have not been able to correlate results to date. The trend of performance variances is in the right direction, and we will continue to seek a correlation.

QUALITY

1. Issue a quarterly report which specifies areas where Monsanto quality is not equal to competition, both better and poorer. (Action)

   Not done. (Hehner to do)

STLCOPCB4090065

2. All significant quality improvements achieved by competitors in 1965 will be identified before the improved product is freely available on the market. (Goal)

   We have had no failures so far this year.

3. Achieve significant quality improvements for at least 20 raw materials or finished products. (Goal)

   Have attained ten. Santonox R, Santopoid S, Acetone, H-acid, Santocure NS, Thiotax, Penta, Mersize, Santocure, and Benzene.

4. Implement at least three improved quality control procedures which have over-all applicability. (Action) (10/65)

   The quality scoring system at J.F.Q. may have overall applicability. We will follow this.

5. All specifications for raw materials and finished goods over three years old to be reviewed statistically and revised as needed. (Action) (Report 9/65)

   Attained 95% (approx.).

STANDARDS

1. All standard manufacturing processes to be reviewed within two years and revised as needed. (Goal)

   a. Report status July and October. (Action)

      About 80% compliance. A status report will be prepared in July as scheduled. (Mullendore)

CAPITAL EXPENDITURES

1. Approval rates to be controlled within budget for the division. (Goal)

   a. The informal budget for each plant to be continued in 1965 to develop information. (Action)

      Approval rates have been held within budget, but the backlog of projects awaiting approval is $500 M approximately.

2. Pre-tax earnings and savings on all projects approved at division level to be increased from 45% to 55%. (Goal)

   Savings and earnings for the first five months is 80%.

STLCOPCB4090066

3. Method for calculating savings on capital projects to be defined in writing by February, 1965.(Action)

The method for calculating savings was included in the revision to bulletin 0-9 which was finished in May.

TECHNICAL GUIDANCE

1. Conduct 12 process reviews on major products during 1965 (three each, DBH, JAM, PWE, REB). (Action) (9/65)

Reviews have been completed for Chlorine, Dichlor benzene, Paranitroaniline, Adipic acid, S-801, S-393, MBT, Santopoid S, Lactic acid, Biphenyl, Phenol (WGK), Biphenyl MCL, S-13 MCL, Aspirin/Salicylates MCL, etc.

2. Written improvement plans in existence for all major products or facilities by December, 1965. (Goal)

a. Status report to be published June, 1965, and December, 1965. (Action)

We have current improvement plans for 60% to 75% of our major products. A status report will be developed in July. (Mullendore)

3. Survey all commodity plasticizer operations, compare and outline preferred process for best quality and cost. (Action) (5/65)

Kurt Frank has completed the survey. His data are in use at MOCAN and Everett. Final implementation awaits written summary report.

FOREIGN OPERATIONS

1. Compare operating efficiencies between MCL-MCAL-MOCAN-MARG-MC for all common products and agree upon areas for possible improvement. (Goal) (9/65)

a. At least three process improvement plans to be completed during 1965. (Action) (12/65)

First comparisons of foreign operating efficiencies have revealed a multitude of problems. The current program consists of handling the most obvious problems. Process plans have been prepared for 4NDPA/S-13-36 at MCL and plasticizers at MARG.

DSW 551650

STLCOPCB4090067

2. Evaluate possible addition of Organic products or groups of products for overseas manufacture. (Action) (12/65)

   This is being done on a continuous basis.

   Japan - Oil additives, Fumaric Acid, CWSFA
   Canada - Aspirin, S-13, S-77
   Australia - Plasticizers
   Belgium - Oil additives blending
   Britain - Pydraul A-200, S-13, S-77, Cyclamates, PNCB, Cl_2, and others

3. Handle the S-160 Department at Antwerp in the same manner as a domestic operation. (Continuing)

   We will retain technical control of the S-160 operation.

4. Develop improved information concerning production capacity versus demand on an international basis during the year. (Action) (Continuing)

   Information is being developed but progress is slow.

5. Arrange for exchange of cost performance information with overseas operations by June, 1965. (Action)

   Done for MOCAN, MCL on a limited basis, and some data are available for other areas.

GENERAL STAFF

1. Revise and re-issue plant start-up guide during January, 1965. (Action)

   Done.

2. Prepare a guide for cost standard preparation and review by June, 1965. (Action)

   This has not been done, but is now being prepared. (Mullendore)

3. Insure smooth flow of information on common products during 1965. (Action)

   This is proceeding very well.

4. Revise Bulletins 0-7, 0-18 and 0-9. (Action) (6/65)

   Bulletin 0-9 has been revised. No action has been taken in 0-7 (Hehner). We are delaying work on 0-18 until the future of the TICAT procedure clarifies.

DSW 551651

STLCOPCB4090068

5. Present nine quality control or EVOP workshops to sales trainees, customers and plants. (Action) (Continuing)

8 workshops have been completed as follows:

EVOP	Foreman Quality Control	Quality Control
Weyerhaueser Timber	Nitro	Organic
Potlatch Forests		Sales
Northwest Paper		Trainees
W. G. K.		
Everett		
Nitro		

6. Participate in ad hoc-IBG's as required. (Action)

Done.

7. Prepare a divisional procedure for preparation of specifications. (Action) (6/65)

Not done. (Hehner)

DSW 551652

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