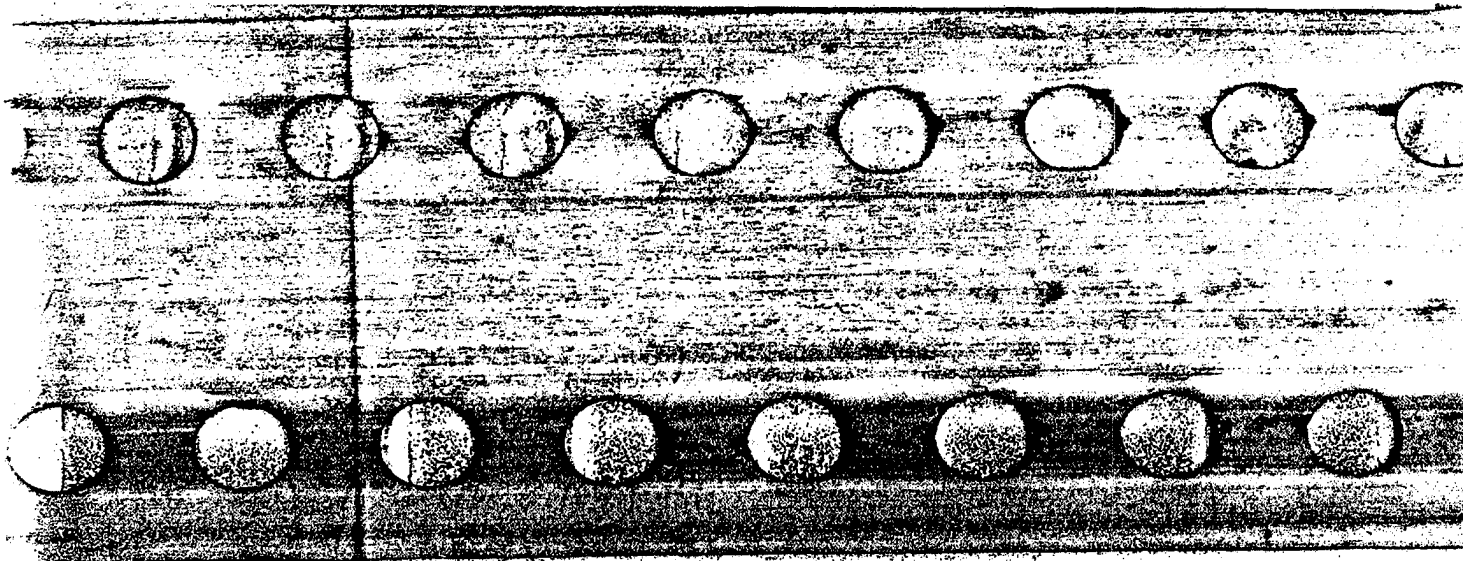


To SCD/NEK/FJM/PAW Location _____
From R. S. WEIS Location _____ Phone No. _____
Subject CASH MANAGEMENT - JACKSON LABORATORY Date 1/14/82
NEWARK AND NEWPORT

Attached for your information is a copy of our commitment
to the 1980 Departmental Cash Conservation Program.

RSW:gmd
Att.





E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

BSW

cc: S. C. Doberstein
E. E. Jaffe
E. O. Langerak

CHEMICALS, DYES AND PIGMENTS DEPARTMENT
JACKSON LABORATORY

March 21, 1980

To: J. G. Ishikawa, B-17305

From: *S. G. Bottomley* *QJB*

CASH MANAGEMENT - JACKSON LABORATORY
NEWARK AND NEWPORT

R&D expenses and capital projects can be reduced up to \$940M, and R&D programs can be expedited to provide up to \$1,675M in savings for a total improvement in cash position of \$2,615M in 1980. Details are attached.

CGB:gmd
Att.

CASH CONSERVATION - JACKSON LABORATORY

Capital Expense Reductions

\$ M

No. 2 - 1980 Construction Forecast

	<u>Proposed</u>	<u>Revised</u>	<u>Savings</u>
Projects	1015	625	390
Direct Purchases	<u>240</u>	<u>180</u>	<u>60</u>
	1255	805	450

Removed From Forecast:

Replace Roof, Wings 1 & 2	\$175M	
Heating Control System, J-24	15	
Drop Ceiling, J-27	30	
Renovate Offices	20	
Anilinoacridone Facilities	150	
Reduce Direct Purchases	<u>60</u>	
	\$450M	450

Additional Possible Deferrals:

*Improve H & V, Wing 5, J-1	\$ 75M	
*Replace Permutit Water Syste, J-3	15	
Replace Liq. Chromatography	35	
*Install Backup Water Chiller, J-1	10	
Replace Cary Spectrophotometer	40	
Replace Corridor Ceiling, Wing 1	<u>30</u>	
	\$200M	200

*If units fail, will have to be replaced immediately.

\$ M

Reduce Overtime - All J.L./T.L./G.A.L.

1979 Actual 23,767 hrs.: \$380M (3.8% of hours worked)

1980 Projected: 400M

Potential Reduction: 100M 100

(Total C.W. Average - 6% hrs. worked - excludes Associated Units)

- Exert more overtime control through Managers.
- Consider second shift where necessary.

Materials - J.L.

	<u>Storeroom</u>	<u>Plant</u>	<u>Outside</u>	<u>Eng. Mat'l*</u>	
1979 Actual	243M	12M	505M	207M	
1980 Budget	276M	37	607M	197M	
Potential Reduction (Cut 10%)	27M	4	61M	-	92

*Pilot Plant - Aromatics precludes any reduction.

Storeroom Inventory - J.L.

December, 1979 131M

February, 1980 108M

Target - Maintain 23M inventory reduction. 23

- Use of blanket orders with major vendors
- Swagelok fittings no longer inventory item.
- Reduction of order quantity of slow moving items.

Reduce Travel - J.L.

1979 Actual 54M

1980 Budget 60M

Potential Reduction 12M 12

\$ M

Reduce Outside Courses/Meetings - J.L.

1979 Actual	14M	
1980 Budget	21M	
Potential Reduction	12M	12

Library Subscription Costs

1979 Actual	76M	
1980 Budget	60M	
Potential Reduction	16M	16

Expenses - Newport and Newark

● Reduce materials, supply, travel 10%	\$20M	
● Reduce outside testing expense 10%	15M	<u>35</u>

Total \$940M

INCREASED CASH FLOW

Programs which can be expedited to increase cash flow:

Aromatic Products

<u>Program (Needed Action)</u>	<u>Timing</u>	<u>Savings \$ M in 1980</u>
• 3,4-Dichloroaniline - Decrease catalyst use (Need plant commitment)	2Q '80	130
• p-Nitrosodium phenolate (PNSP) - Reduce start-up losses (Delay PNSP storage safety work)	2Q '80	300
• p-Nitroaniline (PNAN) - Reduce cycle time (Delay PNAN process update)	3Q '80	155
• p-Nitroaniline - Modify recipe (Expedite safety survey)	3Q '80	670
• o-Nitrochlorobenzene - Increased recovery (Delay five nitrochlorobenzene project items)	3Q '80	150
Total Aromatic Products		\$1405M

Colored Pigment Products

• QA - Substitute H_2SO_4 for acetic acid (Plant trial)	2Q '80	170
• "Krolor" - Substitute sodium silicate for titanyl sulfate	2Q '80	100
Total Colored Pigment Products		\$ 270M

C. G. Bottomley/gmd
March 21, 1980