

ASBESTOS REVIEW

A review of the current status of the asbestos project with a number of people has produced a consistent view of the problems that exist. First quarter sales are at 60% of plan and the poor performance is attributed to a lack of volume. Volume is down because of confusion in the overall sales effort. The confusion is attributed to two main factors; first, the imminent formation of the new subsidiary leaves sales personnel uncertain as to their association with asbestos sales in the future. Secondly, a Mr. Voight has recently been hired as a consultant to provide a better entry into the paper business. This man was hired in 1964 by Group I to do precisely this for the sales group which serves the paper industry. On January 1, 1969, he was terminated for the specific reason that he had not been able to accomplish this objective. He is currently under contract through May 1 and is making independent contacts throughout the paper industry without the knowledge of the sales personnel.

In retrospect, two actions in the past seem to have hurt the project. First, we plunged into the paper industry without any background. We learned a great deal about that industry but we still do not have the thorough knowledge that is possessed by people who know the business intimately. One exception is a Mr. Dixon in the Development Group at Niagara Falls. A great deal of time was spent in digging for contacts and many of the people that we used were not good contacts; for example, instances are cited wherein we conducted plant trials that were interesting, successful, and satisfying to the technology director only to see the effort die because that individual was completely ineffectual in moving asbestos into commercial practice. The second action that has hurt the project was our entry and subsequent withdrawal from the floor tile filler market. This market was neglected because we were attracted to the possibility of higher profit margins in the paper industry. After a long and difficult period with slow progress in the paper field we turned to the tile filler market and made some inroads. When we tried to move the price upward in a highly competitive market much of the progress that had been made was wiped out. In retrospect, it might have been wiser to move slowly on price and concentrate on building volume to form a good operating base.

Attempts were made to enter the resin market with a resin grade asbestos, and again, limited progress was realized. This is a profitable application but again, the problem appears to be one of marketing. It is a widely scattered industry and only recently it appears that we have not found the proper way to reach that market. We have employed Harrison and Crossfield to sell to the resin trade on the west coast. They are evidently giving good coverage and building volume with a number of small accounts. Our agreement with them apparently reserves the larger prospective customers for the UCC sales force. To date, they have made no progress with these accounts.

On the basis of the above information, it would appear that if one were to formulate a plan to increase the effectiveness of the effort, the following would seem to be important:

1. Asbestos as a floor tile filler is established and an attempt should be made to regain and then surpass the level of participation that we at one time enjoyed in this market. At the moment, this would seem to indicate attention to the major accounts in this field.

2. The success currently being realized by Harrison in selling the resin grade material on the west coast suggests possibility of expanding in this market by giving them a freer hand to determine what they can do.

3. Having thus established a base, attention can be given to newer applications and towards expanding the use of asbestos in the paper industry, which still offers interesting prospects. We should pick a prospective user in the paper industry, looking for technological competence, some willingness to innovate and stay with him until our products are accepted or proven to be of no value! Attention should also be given to other new applications such as oil well drilling mud which is currently a 2-3,000 ton per year market and growing, acoustical spray coatings, tape joint compounds, etc.

With respect to organization, it would seem best to have a general manager in charge of the entire effort supported by production, marketing and technological service managers. There are people within the organization that can assume the various areas of responsibility under new direction. It is evident, however, that in addition to new direction, some personnel changes will be required so as to allow new ideas to develop.