Information from the Field. How It Is Utilized*

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Let us start by trying to define "information from the field." I prefer to think of it as information gained away from one's desk. It includes marketing data gained on calls and at meetings. Perhaps long distance telephone calls might be included. The kinds of information we are talking about are prices, packaging, quality, customers, producers, amounts, end-use patterns, channels of distribution, legal restrictions, and all other data bearing upon the marketing of a chemical product. It might also include remarks on likes and dislikes of purchasing agents and of specification engineers.

How can this information be utilized? If it all were available, which is practically never the case, one could easily assay one's competitive position and strengths and weaknesses. It would then be simple to emphasize the strengths and work to eliminate the weaknesses. With such data, a marketing manager can plan an effective program and send his salesmen on their calls well armed. This is the salesmen's dream: to call on a purchasing agent with knowledge of his needs for a specific item, his requirements with respect to quality, packaging, price, consumption, and so forth. In practice, this is rarely the case. We send out our salesmen with considerably less information. We often do not know, nor does the purchasing agent, the precise quality of material desired. This is very often the case where a material is procured on a performance basis.

It is equally a purchasing agent's dream to be completely aware of his suppliers' capabilities with respect to quality, delivery, costs, competition, and so forth. Long-range planning will be the better for extensive information on the plans of suppliers, competitors, and customers. In most cases, purchasing and planning, as with marketing, must proceed with considerably less data than desired.

There are also occasions when our information is not correct. In the language of the communication engineer, our signal-to-noise ratio is not high enough. Our source of information may be imperfect. The data may just not be available and informed "guesstimates" can be more guesses than estimates.

Earlier I asked the question, "How can this information be utilized?" This is not precisely the subject under examination here. The question is how it *is* utilized. The summary answer is that it is not always being used very well. Severe overcapacity in many chemicals and chemical products is a sure indication that information from the field is not getting through to the capital investment decision makers. I am personally aware of one instance where a major chemical company bypassed its market research department completely, had its salesmen make investigatory calls, and, on the basis of verbal commitments, build a multimillion-dollar facility. There was one slight flaw. Existing competitive facilities already had capacity twice that of consumption. That unit has been shut down for more days than it has operated.

There is another case where a large organic chemical manufacturing facility was built on the premise that a large consumer would contract for the bulk of the output. In my opinion, it would not have been a lengthy or difficult task to determine that this customer often invited suppliers but would cheerfully build its own raw material facility if it felt it was feasible. That is exactly what happened and for several years the company had considerable difficulty in marketing the output of the plant.

Let me now describe some instances where information from the field has been utilized properly. In the first instance, the information needed was only obtainable from the field.

A large electrical firm has a firm policy of fairly tight specifications on the polymeric and elastomeric materials purchased. These specifications include the additives, if any, and often by trademark. But the company's policy limits distribution of these specification sheets to their direct suppliers. I was made aware of this by a polite but firm refusal. Catalin makes additives which may be purchased by the firm's suppliers, but we do not supply it directly. At this point we did not know if our materials were approved or even what was desired or approved. The visit to a supplier's laboratory and a meeting with the keeper of specifications determined that none of ours were approved but that a competitive additive was. And the approved material was not what we thought it was! Knowledge of the satisfactory additive was useful because we had an equally effective one. The happy ending was that our material was tested and approved.

Some years ago I did a study on a chemical used in organic synthesis and in cleaning compounds. Essentially all the data were gained from the field. This not only included production and consumption data, as well as packaging, delivery, and quality information, but also the feelings of the companies toward the possibly entry of a third supplier. I heard more interesting statements on that study than I ever had before. One user said that he got such wonderful technical service from Supplier "A" that he probably would never change. A second user had such bitter feelings toward the same supplier that he wrote us a letter signifying his intent to contract for a major portion of his requirements. A third user, probably the largest single consumer of the chemical, pointed out to us that he competed with both his suppliers and if we

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didn't enter into the manufacture of it, he would. In fact, before the study was completed, officers of that firm and mine met to discuss the contract. The study also turned up the interesting information that five other firms had studied these markets and each of these was investigated to determine its decision or position. These data can only come from the field. This procedure can help eliminate that familiar tragedy of two or more plants being built to serve the same market.

Information from the field can be used in many other areas than marketing and managing. Purchasing decisions can be affected. For instance, the manufacture of phenolic resins is essentially custom tailored to each user's needs. Yet we have some that we like to think of as standard resins. Nevertheless, one of these resins is made with different suppliers' otherwise identical raw materials because our salesmen learned from a customer that one batch gave better results than another. Another customer had a reverse preference. So these companies buy the same numbered resin but with different suppliers' raw materials and our purchasing schedule is adjusted accordingly.

Everyone can agree that the more accurate information available, the better the resultant decision or program will be. For accuracy and for availability to the decision-maker or planner, someone must go out from behind his desk and get that information. It must then be collated analyzed, verified, and organized. Those who prepare the information can only hope it will be utilized, not much of the time, but most of the time.

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A System for Organizing Chemical Marketing Information*

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The techniques we use in collecting chemical marketing information, storing it, retrieving it, analyzing it, and disseminating it to interested parties will be described.

I am sure we all agree that no information has any value until it is transmitted into the mind of a person who can usefully employ it in his work.

In any large company, information developed in one part of the operation can often be useful in other locations within the firm. One of the problems to be solved here is to develop a communications system which can determine who is interested in receiving the information now and in the future.

Traditionally, information gathered by salesmen has been passed along in the form of trade reports which discuss matters dealing with the salesmen's accounts. Our company generates about 300,000 trade reports per year. Even assuming 50% of these contain no information of interest to anyone other than the writer and the receiver, it still means that 150,000 trade reports are generated with potential information of value in other points within the company.

It would be impossible for everyone to wade through all of these reports, and this is only one source of commercial information. Market research reports, economic justifications, interoffice correspondence, and minutes of meetings within the company are other potential gold mines of commercial intelligence that are not always used to the maximum benefit of the company.

The daily and trade press grind out massive quantities of commercial intelligence or raw data from which it can be developed. Technical literature can frequently answer questions which have a bearing on commercial decisions, if this literature is available at the proper time and place.

Annual corporate reports and other corporate literature can frequently assist in developing a considered analysis of the company's activities, it profitability, its products, its management, and its productive activities.

Several substantial firms provide a living for thousands of people by supplying such information on a routine basis to credit and financial personnel.

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