

MEMORANDUM

TO: R. O. Stewart

CC: J. Barnes                      B. L. McCafferty  
V. C. Broach                  F. E. McKeown  
B. L. Broecker                G. T. Reid  
G. A. Korfhage                W. L. Schermerhorn  
E. A. Willets, III

FROM: R. A. Veatch

DATE: July 5, 1977

SUBJECT: SMP Financial Obligations

In a conversation this date with Glenn Korfhage, it was established that B&W is committed for SMP payments in the average amount of \$11 per store for the months of September, October, November and December of 1977.

The total number of stores involved for our payment obligation is approximately 5,000 and the average \$11 cost breaks out at \$6 for floor display and \$5 for counter top units. As you are aware, the relaunch of FACT begins in October with most display activity coming in November and December. Additionally, FACT has decided not to use floor displays in its intro program. Therefore, during the months of September and October, we have a potential liability of \$55,000 and during the months of November and December potential liability of \$30,000. To meet this financial liability, Sales Planning and I suggest that the Field Force be informed they are to use the time period of September and October to promote the specific brand that needs help on both counter and floor and during November and December to use floor displays for those products that need the help. Since brand requirements are a localized matter, it will be at the discretion of the sales rep involved as to which brand will be absorbing these payments. (\$11 in September and October and \$6 in November and December) If you have no objections to this procedure, the Field will be so informed within the next week or so. Please note that by handling this situation in this manner, we should have no further obligation as to POP materials, etc.

Please advise me of your concurrence or objections by Friday, July 8.

R. A. V.

RAV/tc

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