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CONFIDENTIAL

To: . Dr. R. B. Seligman  
From: . W. A. Farone  
Subject: . Major Programs at R&D

Date: August 12, 1980

With regard to staffing of R&D for 1981, I believe the following generalizations are a good basis to begin consideration of priorities:

1. Product work, including required basic services, should take priority with the understanding that research must continue and that product areas worked on be held to a reasonable number.

2. For each person granted to any Directorate the support/service work generated should be considered. If we can come up with the numbers, we will then have a basis for allocating people. For example, if every person in New Products generates (roughly) two manyears worth of work in a service area then two service people should be allocated for every person allocated to New Products. The same would be true whether the personnel added were in Research, Applied Research or Process Development.

3. The Five Year Plan is a good document on which to base priorities. Additionally, in the past I have worked in systems that designated project priorities. Probably the simplest such system was one where projects were designated as either "primary" or "secondary" based on agreement between Vice President and Director. All primary projects had equal priority, but service work done for primary projects had priority over that done for secondary projects except that no service area could devote more than 75% of its effort/time to primary projects to insure that, at least, some work continued on secondary projects.

A listing of my conception of priorities would be as follows:

1. Merit Ultra Lights (or other selected major Development project-- but only one such project). This priority also includes all service work pertinent to the program.

2. Gas phase control, including filtration, low CO model prototype development and denitrification projects. Again, all support work relevant to these objectives would be included at this point.

3. WS or free-standing menthol brand (a second development project).

4. Understanding the chemical and physical properties of tobacco as related to expansion, filling capacity, processing and smoke delivery. This would include several Process Development and Applied Research projects. Also included would be the work for the tobacco utilization study coordinated by Lou Turano.

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August 12, 1980

5. Background research programs tied directly to longer term Company needs. Such projects would include tower design studies, cellulase expansion, microwave technology for filters, measurement, etc.

6. Defensive and exploratory research that has longer term utilization potential.

These categories fit roughly into what we have said in the Five Year Plan. I suggest that each project charge number (after "reorganization" based on outcome of the project leader task force study) be designated as a "primary" or "secondary" priority and that service/support work required for either be accorded the same level of priority.

Based on our current status and the general feeling that "everything is important," I believe it would be sufficient to identify several secondary priority areas that could continue to operate at an adequate level without additional manpower or resources in 1981. For example, in Applied Research I will offer the Combustion/Pyrolysis project as one such project. If we went through and identified such projects, we would narrow the field of consideration for manpower needs.

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/hws

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