

Short
Present Messrs: Green
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It was reaffirmed that discussion would continue around the Product Development area, and it was agreed that no binding distinction should be made between brand development and product development, although it was recognised that they differed in respect to time-scales and disciplinary inputs.

Discussing the interplay between Millbank and Associated Companies, Green pointed out that the larger Companies (B. & W., B. A. T. Germany) are doing as much in product development as the Centre would expect - in effect, they are looked on as the experts in their respective markets. He added that the activities of the Hunter Committee could influence, perhaps profoundly, the shape of future developments in sophisticated markets. In less "advanced" countries, the Centre would have a recognisably different role to play.

B. A. T., it was felt, does not always bring to bear all the resources of a large Company, and too frequently behaves like a collection of small Companies. The organisation is sometimes too fragmented to allow individual Companies to benefit from the resources of a very large Company. It was noted that the activities of Philip Morris showed at least the outward signs of a strong and coherent central policy on products.

Mr. Short identified the major product problem areas as (1) MARLBORO "environmental" products, (3) Tobacco Substitutes, and (4) new Virginia products. Discussion turned to how the Centre's organisation might be matched to these problems. In terms of organisation, problems can be assigned to broad areas, as follows:-

- (1) Smoking and health (and other environmental associations)
- (2) Territorial team activities.
- (3) International brands.
- (4) Associated Companies.

It was felt (and agreed as a basis for discussion) that the objectives of I. P. C. as originally conceived were no longer valid, and that it should be replaced, or successfully be substituted by another multi-disciplinary body working to a mutually agreed set of objectives. These should be evolved to achieve the

- (a) the application of all the relevant resources within a clearly-defined philosophy.
- (b) the optimal working arrangement with Territorial Teams.
- (c) successful medium- and long-term innovation (i. e., the next MARLBORO).
- (d) a satisfactory payments system.

Broadly speaking, a "reformulated N. P. C." would concern itself with brand and product development in relation to (a) International brands (b) Associated Company products and (c) innovative projects.

The next meeting will seek to define these activities more exactly.

Distribution

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