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## Business philosophy pursued by v. p. of Shell Chemical put its ammonia division on top in West's bitter ammonia market battle

THE SECRET of success in the distribution of ammonia and other fertilizers lies in having a strong, independent dealer organization," George R. Monkhouse, vice president of Shell Chemical, and until Jan. 1, 1959, in full-time charge of its ammonia division, has held to this philosophy in guiding his organization through the frequently turbulent events of the past decade. And the success of Shell's ammonia division during this period of rapidly increasing competition is, he believes, evidence for the soundness of his ideas.

Monkhouse, a tall soft-spoken Englishman, came into the agricultural chemicals industry by way of the petroleum industry. After his education in England (where he took his degree in accounting), Monkhouse joined the Royal Dutch Shell Group, serving first in London and then, for four years, in Bombay. In 1929 he joined Shell Oil in St. Louis—surely as big a jump in distance and in environment as a man ever made for his career.

First close contact with the chemical industry came in 1946, when he joined Shell Chemical to take charge of all chemical products sales in the East. In 1948 he was transferred to San Francisco with similar responsibilities west of the Rockies.

Although at that time ammonia was already a well established product with Shell, agricultural ammonia was just starting its spectacular growth in the West.

In 1934 Shell had introduced the use of ammonia in irrigation water, and by 1937 had progressed to direct injection in the soil. During the post-war period, largely under Monkhouse's guidance, direct use of ammonia as a fertilizer gained wide acceptance in the West. Capacity of Shell's one ammonia plant at Pittsburg, near San Francisco, was increased to 320 (from 200) tons per day. But another plant was needed to permit diverting more of the Pittsburg production northward toward the rapidly developing markets in the Pacific Northwest.

Shell's second ammonia plant was

built in 1953 at Ventura, on the southern California coast. This location gave it direct access to natural gas from Shell's own wells, and a vantage point for distribution throughout the southern part of the state. Initial capacity of the plant was 145 tons per day; Monkhouse is justly proud of the fact that this capacity was later increased to over 200 tons per day without capital additions.

The Ventura plant took some of the pressure off the original Pittsburg unit, but how was Pittsburg ammonia to be transported economically to the agricultural areas of the Northwest? The management team under Monkhouse had already foreseen this problem and solved it with admirable directness: ship ammonia by ocean-going barge from Pittsburg to Portland, Ore., and from there by river barge to Pasco in eastern Washington, where a terminal and distribution center were built.

By this time ammonia had become so important that Shell formed an integrated ammonia division (the first such integrated division in the company), and appointed Monkhouse vice president responsible for both manufacturing and sales.

Throughout this period of rapid growth there were many difficult problems. Among the most complex was distribution. What channels should be used? Ideally, how many steps should there be between manufacturer and ultimate consumer? Monkhouse's answer here was in keeping with his philosophy about the importance of the independent dealer—and was also characteristically direct. In general, Shell sells to the dealer who sells to the farmer. Monkhouse regards dealers as his sales force. Shell salesmen provide assistance and advice, but the dealer does the selling.

The relationship between company and dealers is well summed up in what might be called the Monkhouse creed. "Shell's first allegiance is to its dealers; its first requirement is the loyalty of its dealers; and its first obligation is service to its dealers and through them to the consumers." In



**George R. Monkhouse**

Born April 1903, County Durham, England. London University, 1920-22. Cusak's College, London, 1922-24. (Degree in Accounting). Royal Dutch Shell, 1922-29. Shell Oil, 1929-43. Lt. Col., U. S. Army, 1943-45 (Bronze Star and Croix de Guerre). Eastern div. gen. mgr., Shell Chemical Corp., 1946-48. Western division gen. mgr., 1948-52. V.p., ammonia division, 1952-58. V.p., New York office, 1959.

the 10 years that Monkhouse has been guiding the ammonia division this creed has been tested, severely, many times.

Shortly after completion of the Ventura ammonia plant, Monkhouse led the division into its first venture in diversification — diammonium phosphate. This was followed in 1956 by construction of the West's first urea plant, also at Ventura. As an extension of the diversification policy he favors, Monkhouse arranged with mixers and converters to produce various solid mixed fertilizers from Shell products for Shell dealers.

He also built up export business during this time. Products of the ammonia division now flow in substantial quantities to the Philippines, to Korea, and to Mexico.

On Jan. 1, Monkhouse relinquished to others the reins of the ammonia division, and moved to New York to shoulder broader corporate responsibilities (see page 2). During his decade on the West Coast, he had become an adopted San Franciscan, and he is married to a native daughter. Of the growth and prosperity of the ammonia division under his guidance he says, "The success of our business is due to the selection of the right people to handle the key jobs, and the delegation to them of full authority to run those jobs."