Divide and Conquer: 
Rohm and Haas’ Response to Changing 
Specialty Chemicals Market

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ABSTRACT

Like many large manufacturing companies, Rohm and Haas is caught between giant raw material suppliers and powerful retailers at opposite ends of the supply chain. In the early 1990’s, several new competitors entered the emulsions market, posing a direct threat to the company’s largest business unit, Polymers and Resins (P&R). In addition, P&R was faced with the increasing price pressure from customers and the need to improve the rate of return to corporate shareholders. As a result, the P&R business unit recognized that dramatic changes would be required for the business and the company to succeed in the long run. In 1995, a redesign team was chartered to challenge all current precepts in the P&R business. Over a three-year period, the team succeeded by aligning P&R operations around a set of well-defined business policies, segregating products into make-to-stock and make-to-order supply channels, prioritizing customers, and serving non-strategic customers through distributors. These changes realized millions of dollars in cost savings, increased productive capacity, and transformed the business into a leaner, more disciplined, operating unit.