

Captains of Industry share their views on planning for growth, staying competitive and much more

Afera's best and brightest gathered for a panel debate centred on the Annual Conference theme "moving from survival to growth in the post-crisis tape market"

The Annual Conference Programming Committee saved the best for last when it scheduled in a panel debate among some of the top managers in today's self-adhesive tape industry on Day 4, 4 October 2013. Captains of Industry Mike Ayres (CEO, Advance Tapes), Laurent Derolez (CEO, Chargeurs/Novacel S.A.), Aric Getty (European IATD Business Director, 3M), Eric Pass (Director - Member of Board, Nitto Europe NV) and Matthias von Schwerdtner (Corporate Vice President Industrial Products & Markets, tesa) participated in the lively discussion on the hot issues—including buzz words such as "Generation Y" and "sustainable products"—that are driving the tape business at present. Marketing Committee Chairman Michael Punter (Parafix Tapes & Conversions) served as a clever moderator.

Growth

What is most interesting about this debate is that we learned that tape companies are actually materially investing in growth and the future. The panel discussed investing in new IT platforms (Nitto and Parafix), facilities (Advance Tapes), locations (Nitto) and training for future employees (tesa and Advance Tapes). Mr. Pass revealed that his company's decision to change its IT system was done "to secure our future growth", based on the company's expansion (most recently into the "promising" Russian market) and cutting-edge practises around interacting with customers and managing "big data" to its future advantage.

Crisis?

Mr. Punter remarked that hearing about all this growth was exciting, and that "we are getting behind the curve". Both Mr. Derolez and Mr. Pass shared their views that they were moving past business and management crisis modes, because, according to Mr. Derolez, "'crisis' is our business landscape as the crisis is constant, and if this is our permanent situation, I do not think you should consider it a 'crisis' anymore." In order to stay competitive, he said, "you should be focussed on creating the right value composition for your customers, driving innovation, bringing the right quality in line with market needs, and ultimately, being exceptional in everything you do, e.g., purchasing, logistics, production, marketing, etc." Mr. Pass added that "the days of the low-hanging fruit are over," so tape companies "have to study various aspects of trends, e.g., smart materials, open innovation, etc., and figure out how to incorporate them into our business and solutions."

Risk-taking

Mr. Ayres said that there are "great opportunities for people who are prepared to take risks." Advance Tapes is "investing in a new facility to produce high-quality cloth tapes," constituting "the most significant risk we have taken as an organisation for many years." Tape businesses should "try to minimise risk where [they] can but spice that with a little bit of risk that needs to be taken if you are going to push your business forward."

New markets

Another theme which is driving the industry is that the "pie" can grow: There are market opportunities out there; they merely have to be discovered and created. Tape companies need to venture into uncharted territory to stay competitive and relevant. Mr. von Schwerdtner, along with Mr. Derolez and Mr Ayres, drew attention to the growing European population "of 500-600 million people". Mr. von Schwerdtner went on to ask, in light of the growing middle class, expanding markets and developing technology, "not 'Is there enough growth?'" but where to find the "right growth" and how to convince "the markets that they want our solutions." Mr. Derolez emphasised that "there is plenty of room for many, many markets." Mr. Ayres reminded the audience that "the tape industry has developed through innovation over the past fifty years or so," and that he does not "see any reason for this to stop."

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Innovation

Both 3M and tesa stressed the importance of innovation to tape companies. Mr. von Schwerdtner discussed the need for “a continuous drive for innovation” and that companies need to reinvent themselves. “When we become innovative solutions providers, this is our opportunity not just for growth but for profitable growth,” Mr. Getty related. He discussed arriving “at a product in such a way that our customers are not telling us about a tape they want” but “what their solutions are”, so that tape producers, through an open, collaborative process involving “a much sharper focus with specialists” (such as the raw materials suppliers, the converters, the consultants, salespeople, and thought leaders and influencers through the value chain of an industry), can offer a solution to “redesign their processes”. In this way, driving innovation is all about “partnering with the right people” (Getty), educating “the market about how [their] solutions should be applied” (von Schwerdtner), and being “open to using new products, raw materials and chemicals in producing our tapes.”

Generation Y

The tape industry is currently faced with a strange labour market. The prospect pool is large, but it is difficult to find high-quality employees with the right skill sets. A discussion about “focusing on human capital” (von Schwerdtner) and “businesses having to take more responsibility in training their own staff” by allocating more resources to this area (Ayres) led to the topic of managing Generation Y, i.e., being able to attract and utilise a new generation of engineers, designers, marketers, salespeople, etc., born in the eighties or later. According to Mr. Derolez, “they are demanding, they are impatient, they are connected, they want a promotion yesterday...” He feels that they need to be drawn into the industry by communicating company goals and continually challenging them with “interesting, transversal projects which can connect them to all the departments and levels within your company.” In the long run, Mr. Derolez says that “some may go, but you will attract new employees bringing new best practises with them to help your company profit.”

Mr. Ayres notices that “incorporating Generation Y is the cause of much concern in the U.K. and perhaps on a wider European front,” because “finding employees today with a strong work ethic is not easy,” regardless of whether they “work in a production facility or at a junior management level”. He shared that “finding the appropriate employees is probably the most difficult challenge we face in taking our company forward.”

Sustainable solutions

Lastly, Mr. Getty discussed the responsibility of almost all companies represented in the conference room—as chemical companies—to be the leaders in developing sustainable solutions.” Many tape companies are too aware that most customers refuse to pay more for sustainable solutions “versus the direct substitute”, yet Mr. Getty said that “they absolutely expect us to be at the forefront of environmental technologies.” Because of this, tape companies “have to find ways to make our own business models sustainable and profitable.” Apparently this is very important to 3M, which will be working on this much more in the future.

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