



VALUE CREATION AND INNOVATION:
FINAT's fast track to the future for the label industry

FINAT's second European Label Forum focused strongly on two subjects that can still deliver differentiation in this age of multiple product decoration, packaging, and presentation techniques: value creation and innovation. The event, held for the second year in Amsterdam, attracted industry business leaders from all aspects of the value chain to brainstorm, network, and gain inspiration from a programme that was designed to put the label industry on a fast track to the future.

FINAT Label Competition winners



Following the FINAT general assembly, ELF proceedings began with welcome cocktails around the supplier tabletop exhibition, followed by the presentations to the winners in this year's FINAT Label Competition and Recycling Awards, accompanied by a programme of spectacular wheel gymnastics performed by the Wheel Sensation



duo – themselves gold medallists in their sport. The evening continued in social mode with a walking buffet and plenty of opportunities for delegates to get to know each other.

The future in focus

Next morning, FINAT President Thomas Hagmaier welcomed delegates to two very full days of industry-relevant presentations and participatory sessions, kick-started by a keynote presentation from international futurologist and trendspotter Magnus Lindqvist, which provided an inspirational outlook on the future in the business arena. He reviewed the many disruptive trends that are likely to transform the label and package printing landscape in the next ten years. He encouraged delegates to develop new ways of looking at their businesses, and emphasised that change is essential for success, though most companies' philosophy embodies Nancy Sinatra's words... 'You keep saming when you ought to be changing!'



According to McKinsey, 45% of all US work activities can now be automated – using existing technology -- autonomous vehicles are a good example. He therefore adjured CEOs to add a new role to their staffing – Chief Priest Officer, because priests are said to be second only to dentists

as the least likely role to be 'digitalised'.

In past centuries, he reminded the audience, if you had power you could simply pass it on to your children. 'Today, if you have power, someone wants to take it from you.' There are, he said, generally three ways to do business – lie and cheat, be honest, or treat the market like a lottery – in other words, rely on luck – but it really is time to change that state of affairs, and to innovate. 'Commit to creation', he said: 'it is a liberation movement'. And what is more, 'incremental improvement delivers excremental results'. The solution is 'to avoid trends – and look for **secrets...** In other words, focus on the engineer, not on the salesman. Experiment. Do something dangerous... and be patient.' He underlined that, of course, adventurous customers are also a key factor in an innovation agenda.

Facts and figures

Delegates were brought back from the future to the present day, and an evaluation of trends and developments identified in FINAT's quarterly European labelstock statistics analysis and in-depth research for the new six-monthly FINAT RADAR. Jules Lejeune identified continuing buoyant growth in the industry since 2012, annually in excess of 5% on average – well above GDP. In 2015, demand for labelstocks reached 6.77 billion sqm. The top ten EU label markets accounting for 75% of the total, which, he said, is a strong indication that there is 'still huge growth potential in those countries which are below the European average...' Print run lengths are reducing – a reflection of the requirement for just-in-time delivery; and a significant percentage of label printers are now active in, or seriously looking at, technologies other than traditional label print, including sleeving, flexible packaging, and in-mould labels. Film roll-label materials continue to grow their market share, now representing around 25% of demand. In terms of end-use markets, 'pharmaceuticals, health and beauty, and food were the strongest performers in 2015', he said. FINAT's statistical monitoring system and regular RADAR industry profiles are central in FINAT's key role – which is, as Jules Lejeune concluded, to maintain an up-to-the-minute knowledge base on critical technical, legislative, and end-use market topics, and to encourage ongoing interaction and collaboration across the value chain.



Buzzzzzzzz...



Next, it was time for the ELF 2016 Buzzmaster Debate, chaired by Rens de Jong, a popular radio news talk show host in The Netherlands and voted the country's Moderator of the Year. The debate brought together a panel of experts from different aspects of the supply chain to share insights, and to answer questions from the entire European Label Forum delegate base – via their smart phones' wifi connection. With this added 'fun' element, this was a lively

session. It opened with Rens de Jong’s initial questioning of delegates, which provided an interesting portfolio (via smart phone) of viewpoints on the label industry’s profile today and expectations for tomorrow, as well as how delegates perceived their own companies. One feature of the outcome was the fact that 53% of the participants consider their companies to be ‘pretty innovative’.



Thereafter, delegate questions were posted on screen, and addressed by brand owner guests Didier Bonnefon of Nutricia/Danone (NL) and Paul Earnshaw of Tesco (UK); representatives from leading design and marketing

companies – Christiaan Huynen from Cartils (NL) and Keran Turakhia from Hive Online (UK); and expert industry research and business consultants Phil Allen of



Customer Value Management (CH), Gordon Crichton, Institut du Management de l’Achat International (FR), Peder



Michael Pruzan-Jørgensen, from the sustainability-dedicated consultancy BSR (DK), and Corey Reardon of AWA Alexander Watson Associates (NL). The label industry’s major focus areas were all discussed, from



brand owners’ value measurements for labels – said to be, in the main, a combination of quality, price and speed of delivery; recycling and ‘greenwashing’ issues; to QR codes and other on-pack devices.

Better business – today and tomorrow

The Forum’s agenda continued with two parallel business learning sessions: a workshop on creating and capturing more value from a **current** business platform led by Phil Allen, CEO of Customer Value



Management GmbH (CH). He explored customer needs and value drivers, and routes to achieving business benefits and value, and workshop participants engaged in round-table discussions on related major topics. He asked 'What is the customer willing to pay for?', underlining that 'the lowest price is not a need – it's a purchasing behaviour!' He showed how customer behaviour can change over time, depending on the product in question's position in its lifecycle.



'Suppliers often know better than brand owners where a product is in its lifecycle', said Gordon Crichton, Director of the Institut du Management de l'Achat International (F), by popular demand making his second appearance at a FINAT event for the second workshop session. Innovating for **future**

profitable business growth was its subject, and Gordon Crichton – with the help of Didier Bonnefon of Danone, -- led a 'team brainstorm' that took delegates through the process of defining the steps that can be taken to successfully design, organise, and promote a product or business innovation. Key factors were identified, such as the need to create trust, and to always remain one step ahead of process.

Cruise and blues

After this hardworking afternoon, delegates enjoyed a relaxed evening cruise around Amsterdam on the beautiful Ocean Diva, with a delightful dinner, great live



music from pianist Delano Vossen and the Blues Brothers Tribute Band, and a 'casino' playing event

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The Label Masters Challenge



Next morning delegates were challenged again – this time on their in-depth knowledge of



the technology within their industry. The 'Label Masters Challenge', led by Mike Fairley of Tarsus (UK) and quizmaster Niklas Olsson of Flint Group (SE).

Delegates, in teams of eight, were required to complete papers covering no less than four rounds of 20 questions on specialist technical aspects of labeling. Questions were drawn from the existing modules in the Label Academy – the trailblazing online professional training scheme for label printers in which FINAT and Tarsus are development partners.

The winners in this high-scoring competition, calling themselves 'the global team' and captained by Nathalie Delava of Henkel (B), proudly received their prizes for proving themselves real Label Masters.



drupa highlights



Since the European Label Forum took place only days after drupa closed its doors, it was apposite that the FINAT programme should include an expert session on 'highlights' of interest in the context of label and packaging print.

Herbert Knott, representing the German label association VsKE (D), took on this particular challenge, describing his paper as 'technology takeaways' from the event. He gave a remarkably comprehensive, expert assessment of advances in every aspect of printing, from analogue, hybrid, and digital printing presses to web cleaning, printing plates,

doctor blades, LED and UV drying, software, inks, and print substrates.

Commenting on the amazing variety of digital technologies on show, he predicted –

perhaps jokingly: ‘Liquid toner, dry toner, and inkjet systems will determine the future. The printing industry is changing to a “colour sprayer” industry!’ While drupa remains the world’s largest printing show, Mr Knott nevertheless advised delegates that the label industry’s own specialist Labelexpo shows, in Chicago and Brussels, remain the right direction to take for a relevant evaluation of developments in label printing technology.

Taking the chequered flag

The European Label Forum’s closing keynote featured lessons from the world of Formula One racing – but, said speaker Mark Gallagher (UK), ‘my storytelling is not going to be about F1 racing. It’s about growth through innovation in an incredibly competitive environment.’ With many



years in the F1 arena in a variety of senior executive positions with such teams as Jordan, Red Bull, and Cosworth, Mark Gallagher was, indeed, well-placed to provide enlightening insights into what it takes to build winning teams, compete at a world level, and keep ahead of the competition in terms of innovation.

The changing face of the F1 scene – where the main revenue source and business model has had to change, for EU legislative reasons, from team sponsorship (primarily by the tobacco industry) to global sports event organisation and management -- demonstrates significant parallels with the label industry today. ‘We face similar challenges, working in an incredibly competitive environment’, he said. The two sectors also share the same priorities: safety, quality, compliance, and innovation; and in F1, as in the label supply chain, said Mark Gallagher, ‘we don’t do everything in-house.’

Suppliers are key in F1

In Formula One, he underlined, ‘one thing we don’t want with suppliers is a transactional relationship. We want our suppliers to say “we can help you innovate!”’ He showed impressive examples of how such collaboration and partnership have

contributed to key improvements – such as the reduction of pit-stop times from ten seconds to three -- and even now, for Red Bull, just two seconds.

Thanks to all participants

Following this very focused keynote, FINAT President Thomas Hagmaier formally closed the conference, thanking delegates and the secretariat for the part they played. He also thanked the loyal band of industry sponsors, of which there were no less than 27 in all this year.

FINAT has received many positive reflections on the event from participants. Gavin Rittmeyer of Martin Automatic (US) praised 'a stellar line-up of speakers and networking opportunities'; and Isidore Leiser of Stratus Packaging (LU) also described it as 'a big success... Very good speakers and a good atmosphere among all the delegates'. Perhaps Chris Ellison of OPM Labels & Packaging (UK) provides the most telling comment on this year's ELF, however, defining it as 'a must-attend event for entrepreneurs in the narrow-web industry'.



Looking forward to 2017

Echoing delegates enthusiastic response to the event, Jules Lejeune reflected that the event had, indeed, met its goal of delivering 'an interactive, engaging and business-oriented meeting forum. The challenge for the ELF Programme Committee and the programme director will be to continue the agenda of change, and raise the bar even further for the next edition.' The 2017 FINAT European Label Forum will be held at the Berlin Intercontinental, 15-17 June. www.finat.com