

CHANGE FOR THE BETTER
Today's ELF -- tomorrow's giant!

'The definition and role of "a label" have changed dramatically in recent years, with the advent of new product decoration technologies, from sleeves and in-mould labels to printed electronics', says Jules Lejeune, Managing Director of FINAT, setting the context for a major change in the international label association's programme of events. 'With a customer base that is increasingly international in terms of brand owners and retailers, and a world of consumers who are social and online media experts, this is indeed a challenging scenario for label converters. And with the focus on ACHIEVING change firmly placed on label converters, Europe's industry association, FINAT, has both the desire and the duty to create a new information and education platform for its members.'



The first step in this ambitious project was the creation of the new FINAT European Label Forum, which now replaces the long-established annual FINAT congress. Held in Amsterdam from 11-13 June, the first European Label Forum attracted around 300 participants from Europe and beyond, who represented every stage in the complex label value chain. Its agenda placed a strong emphasis on business concerns – particularly running a profitable business in today's economic environment.

Meeting the needs of participants across a variety of disciplines, from branding and marketing through innovation, technology and manufacturing, and corporate affairs, the event featured additionally an address from



the president emeritus of the European Council, Herman van Rompuy, on the future of business in a complex European landscape. It was also the occasion for the

presentations and celebration of the winners in the 2015 FINAT Label Competition and Recycling Awards. The Forum also hosted a supplier tabletop exhibition, which performed the additional functions of networking location for delegates between sessions, and the venue for the 'walking buffet' that launched proceedings on the first evening.

Staying hungry in paradise

Opening the plenary session, retiring FINAT President **Kurt Walker** thanked all present for their confidence and support during his four years in office, and wished them a memorable forum – which, he added, took as its theme 'How can I stay on top and always be ahead of the competition?'



For keynote speaker **Rasmus Ankersen** – bestselling author of *The Gold Mine Effect* and *Hunger in Paradise* and an international entrepreneur and speaker on performance development -- this was an excellent introduction. His presentation on 'how to stay hungry in paradise' genuinely showed delegates that they should 'think outside in' because 'success is not a straight line'. Mr Ankersen chose to introduce his topic with fine examples from the world of sport which prove that 'a winner is a loser who has evaluated himself'. He went on to highlight case histories from the business arena that illustrated both winners and losers, emphasising that 'good results always come from good decisions.' Decision making, he showed, is an *active* process, and 'if it ain't broke, consider breaking it' is a good starting position. 'Performance,' he said, 'equals potential minus interference; and what you see is not necessarily what you get.'

The Heineken story

Brand success is unequivocally associated with the name Heineken; and their senior packaging and identity design manager **Ramses Dingenouts** showed how a family business founded in 1860 has continually innovated to achieve continued success.



The company invented the first green beer bottle – now available in 93 countries around the world – and still embraces new and developing technologies to promote the Heineken brand. ‘Even today’, he remarked, ‘success is not a straight line, but packaging and labels play a major role in keeping ahead’. ‘Pressure-sensitive labels make packaging multi-versioning possible, and that is now a core company strategy.’

Industry data overview



The annual evaluation of self-adhesive label industry statistics and market trends, presented by FINAT managing director **Jules Lejeune**, was next on the agenda. The association formally collects market data on an ongoing basis from its labelstock supplier members, who represent a solid 85% of the market. With total labelstock consumption in 2014 up a healthy 5.7% over prior year, the industry has seen, Lejeune showed, ‘steady and strong recovery’ since 2012 and the global economic crisis. Growth continued at

8.8% for paper labels and 7.7% for film stocks in Q1 2015 compared to Q1 2014.

In addition to this central evaluation of the overall market, FINAT members also benefit from another recently-introduced item in FINAT’s toolbox, the members-only FINAT RADAR resource. It additionally tracks European converter, brand owner, and material supplier trends; developments in conventional vs digital press purchases; and provides a regular half-yearly benchmarking report on these topics. Mr Lejeune shared the results of the recent FINAT RADAR converter survey, and – reflecting a key industry trend – examined the impact of competitive technologies in the product identification arena today – flexible packaging and pouches, sleeves, in-mould labels, and folding cartons. Already 40% of Europe’s self-adhesive label converters, he showed, are already additionally active in printing sleeve labels and,

indeed, at least 20% are already embracing sleeves, flexible packaging, and/or in-mould labelling.

Supplier success formula with strategic customers



The relationship between suppliers and their strategic customers was the subject addressed in depth in a lively presentation from **Gordon Crichton**, currently director of the Institut du Management de l'Achat International, France, and with a CV that spans senior management consultancy for

many of the world's leading brands.

'Buyers? Are they Rottweilers?' he asked the assembled delegates. In fact, he said, big-brand buyers are becoming a different breed. Till recently, the question a buyer would have posed to a supplier would have involved price – but it will now concern **growth**, because the established brands are facing new and strong competitors – the private label brands. Achieving growth for a brand today, Mr Crichton showed, means embracing value creation, innovation, and the environment. Suppliers have a key role to play here. For example, he said, Danone, expect that around 70% of innovation will come from the company's suppliers in the next five years.

At the starting gate, suppliers need to focus on three main offers to be successful with their clients: cost out, innovation, and speed to market. It is also important for them to get closer to a strategic customer's business, and to identify and work with their key partners within that business. 'The purchasing guy is not associated with new product development!', Mr Crichton counselled. Running through the various aspects of the supplier/customer relationship, he evaluated factors such as payment terms, multi-site co-ordination, reduced complexity and over-specification, the functional product specification versus the technical specification, and many other important topics. Buyer companies, he underlined, are looking for solutions, not specifications; and '75% of innovation is really only product change'. This was a thought-provoking and highly-relevant contribution to the ELF proceedings.

Parallel sessions

Delegates adjourned for lunch before making their choice of the three in-depth parallel streams on different business priorities – sales, marketing and PR, technology and manufacturing, and management and corporate – which made up the afternoon’s programme.

A shopping trip around the future



The presentations on sales, marketing, and PR were prescribed by the FINAT Marketing Committee, and provided real food for thought. **Cindy van Cauter**, owner of the Netherlands-based shopper and trend research company Quotus Research, took the delegates on a shopping trip around the future, evaluating the

new reality for labels, in the new reality of retailing. As the focus of the consumer moves away from the supermarket aisles into the world of e-tailing, the role of a label is changing. QR codes and other scannable features, such as recipes; product personalisation; and the ubiquity of the smartphone are part of our life already. For the youngsters who are growing up not knowing a world without such a device, Ms van Cauter showed, there is a ‘blurring of offline and online’; and the concept of a ‘dynamic’ label will grow exponentially as ‘Generation Z’, the post-millennials, takes over from Europe’s increasingly ageing population. The label unquestionably faces a future of augmented reality.

‘Packaging is advertising’

It was then the turn of **Lars Wallentin**, a well-known veteran in brand packaging and the creator of the *Packaging Sense* platform dedicated to raising awareness of the importance of packaging – and the label -- as communication media. He graphically explained to delegates that there is a ‘huge difference between information and



communication’; and in this context added that ‘packaging is advertising – it’s talking

to people!’ It is the identifying product icon, not the company logotype, that is the most important factor – ‘after all, people don’t drink logotypes.’ Mr Wallentin gave a spirited and in-depth masterclass on the art of designing a label that will sell more products, which embraced the technological possibilities available today.

More ‘label’ technology choices today



FINAT’s New Converting Technology Taskforce fielded two speakers on technology and manufacturing. Constantia Flexibles’ VP, marketing, and current chair of TLMI, **Dan Muenzer**, provided a colourful and exceptionally-full catalogue of developments in product decoration technologies that compete

with mainstream self-adhesive labelling, with a particular focus on the beverage sector. His evaluation spanned linerless labels, flexible packaging, refillable pouches, sleeving of all kinds, direct print, pre-glued wraps, cans, in-mould labels, personalisation, NFC, and printed electronics, as well as container developments such as paper bottles, and the many different recycling options available today.

The world of 3D print

3D printing, or additive manufacturing, is achieving amazing results in building structures that were not previously possible.

Onno Ponfoort of global management and business consultants Berenschot brought the company’s ten years’ experience in the



AM/3D field to bear on the many benefits the technology represents, as well as its pitfalls. He underlined the importance of understanding its impact on every step in the value chain, across a variety of industries, and using a wide range of materials. Here, he showed that the concept of distribution could be dramatically changed, since product designs can simply be transported as digital files around the world, and the products themselves ‘printed’ locally, when and where necessary, but still to a global quality standard.

'Personalisation, small runs and on demand production are important features of 3D printing's value proposition, but as I understand they are also unique selling points of self-adhesive label solutions', Mr. Ponfoort observed. 'For this reason the business models of the 3D printing ecosystem could also offer interesting perspectives for your industry'.

Succession planning in family businesses

Management and corporate topics were selected by FINAT's very active Young Managers Club – tomorrow's business leaders in the world of labelling, and also today the focus of considerable activity in generation change, particularly in the SME



label converter sector. **Jozef Lievens**, a partner in Belgian corporate law firm Eubelius, posed and answered five essential questions about family business succession, emphasising in particular the importance of communication at all levels between all involved in the process. The succession process is a complex web, he showed, involving not only the owner's vision, but also the strategic process, values, financial goals, and expectations; and Mr Lievens provided strong practical advice on achieving the desired result.

Selling the business

Selling the business is an option if succession is not possible or desirable, and **Nick**



Mockett, a partner in corporate finance and M&A consultancy Moorgate Capital, which has particular expertise and experience in the packaging, paper, and plastics sector. He shared best practice for company owners on preparing their business for a takeover, highlighting the importance, both at a generic and a bespoke level, of identifying the likely buyer audience and actually marketing the business. He finished with an interesting, in-depth profile of M&A activity in the packaging and printing industry, and a valuable introduction to private equity fund-raising and the regional stock market indices around the globe.

The social agenda



Delegates and their partners then deservedly enjoyed early evening drinks on a boat cruise round the canals of Amsterdam, and followed by a delightful dinner and



entertainment in beautiful reconstruction of The Netherlands' National Maritime Museum, which dates back to 1656. Kurt Walker, formally retiring as FINAT President, received an outstanding reminder of his life in self-adhesive labelling – a collage made of self-adhesive labels submitted for FINAT's



annual labelling competition, made by long-standing FINAT team member **Jakovina van Haeringen**. New FINAT President **Thomas Hagmaier** was formally welcomed by the assembled company.



Herman van Rompuy's outlook for Europe



Next morning, **Herman van Rompuy's** eagerly-awaited address covered many aspects of the spirit of Europe. 'Nobody in Europe is dreaming of a lost empire', he said. 'Europe is based on the opposite of nationalism'.

Interdependence, he added, is the key to a successful European Union. He spoke of many of the opportunities and challenges facing Europe as a whole, the euro itself, and the current economic situation within the eurozone, which has, he said, 'lagged behind other economies in productivity growth'. His message was nevertheless upbeat, and posited a virtual agenda for a successful and healthy future for Europe.

‘Hands on’ lean manufacturing workshop



Delegates were then able to participate in a ‘hands on’ lean manufacturing workshop led by **Jan Mekers**, owner of lean and change management consultants Richter IMA. After a formal introduction to the ‘five principles of lean’, workshop participants formed ‘company’ teams, in which each delegate was assigned a specific role. The

teams then took part in high-tension simulated lean production cycles, dedicated to creating customer value through delivering first-quality goods every time.



The workshop brought to a conclusion the formal agenda of the first FINAT European Label Forum. The event certainly delivered on its promise to the audience of management-level participants within the European label

industry, and across its whole value chain. It constituted an expert and wide-ranging business briefing and a sound platform for managing and expanding the industry, profitably, in the light of the experience of recovery from the recent economic crisis, a changing end-use market



profile, evolutions in print technology, and access to a number of new product decoration techniques that can, and will, partner self-adhesive labelstocks in the label converter’s printroom.

The voice of the customer

The event has received many plaudits from attendees. Among many others, Chris Ellison of OPM (Labels & Packaging) Group Ltd, UK, described it as 'a must-attend event for entrepreneurs in the narrow-web industry'. Gavin Rittmeyer, Martin Automatic Inc, USA, commended 'a stellar line-up of speakers and networking opportunities', and Filip Weymans, Xeikon International (BE), described it as 'a great milestone in the year.' Klaus Damberg of Synthogra (DK) added that 'the entire programme was very relevant for all converters'; and Ramon Lee, Brotech Graphics Co, Ltd, (CN), 'I got a lot of new information... most importantly, on developments – on the marketing side and the technology side, and on management skills.'

FINAT MD Jules Lejeune adds, in summary: 'It seems that the new format has been well received -- there have been very enthusiastic comments about the content, the quality of the speakers, the diversity and selection of topics.'