

INDA's Small Business Newsletter

Covering Issues That Affect You

July 2009

INDA SMALL BUSINESS E-REPORT

Welcome to the INDA Small Business e-Report. This monthly e-publication provides INDA members with insight and advice on operating a successful small business in today's nonwovens industry.

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“Your most unhappy customers are your greatest source of learning.”

— *Bill Gates*

Last Call for Visionary Award Nominees

Don't miss your chance to nominate your favorite nonwoven product for the prestigious 2010 Visionary Award. Nominations for this coveted award, which recognizes consumer end products that utilize nonwoven fabrics or employ nonwoven technology during their manufacturing process, are open until September 1.

The 2010 Visionary Award will be presented at the VISION 2010 Consumer Products Conference, January 20-22, 2010, which will once again be held at the Sheraton Canal Street in New Orleans, La.

Last January at the Vision 2009 Conference in New Orleans, the Disruptor™ nonwoven water filter media from Ahlstrom was named the recipient of the 2009 Visionary Award. Other previous recipients of the coveted Visionary Award include Kimberly-Clark's SpaSensials spa treatment (2008); Tyco Swim Pants (2007); Chicopee's Disaster Relief Blanket (2006); Fiberweb's Resolution Print Media (2005); Church & Dwight's Brillo Scrub 'n' Toss (2004); FMJ ChemBio's Civilian Quick Escape Mask (2003); and Procter & Gamble's Swiffer (2002).

The process and criteria for the 2010 Visionary Award are simple:

1. The finished consumer end product must contain a nonwoven fabric or utilize a nonwoven technology during its manufacturing process.
2. The consumer product has to have been introduced to the trade or to consumers in 2008-09.
3. The product cannot have been selected as a finalist in any previous Visionary Award competition.
4. Companies can nominate their own products. While any number of products can be nominated, only one product per company will be selected as a finalist.

Products will be judged on their novel use of nonwoven technology, as well as on their consumer and trade acceptance. Eligible consumer product categories include disposable diapers, feminine hygiene products, adult incontinence products, household wipes and home filters, among others.

The nominees will be reviewed by an INDA selection committee and finalists will be selected to make presentations at the VISION 2010 Consumer Products Conference. Conference attendees will then vote on the recipient of the award and the recipient is announced on the final day of the VISION 2010 Consumer Products Conference.

To nominate a product, email an explanation of the product to Michael Jacobsen, Visionary Awards coordinator, at [mjacobson@inda.org](mailto:mjacobsen@inda.org). Samples of the product should also be sent to Michael Jacobsen, INDA, 22 Paterson Avenue, Midland Park, NJ 07432 USA.

Call 201-612-6601 with any questions. For more information on the VISION 2010 Consumer Products Conference, log on to www.inda.org.

Trend to Watch: Globalization Under Fire

For an industry like nonwovens, the world is our market. Few other industries have a focus as global and executives think nothing of traveling the globe for business meetings, trade shows or industry conferences. However, a recent “trends” article in *Harvard Business Review* questions the globalization that the industry takes for granted and where the future lies. According to the article, “Big and important question marks hang over some aspects of global economic integration.

The article goes on to say that the past decade-and-a-half has witnessed a level of global integration unseen since before World War I (and arguably in history). Between the early 1990s and the current downturn, global GDP grew at robust rate--roughly 5% nominal GDP growth per year. Yet, trade flows grew nearly one-and-a-half times faster, while capital flows grew at twice the rate. The advent of viable undersea fiber networks in the late 1990s created the first real-time global data networks ever, unleashing a torrent of global information flows. In the last two decades, more than 200 free-trade treaties were signed, tariffs fell to unprecedented lows, and countries like China and India, after years of relative isolationism, engaged much more vigorously in the global economy.

In short, the world economy became fundamentally more interconnected and interdependent. The big question now is: Will the pendulum swing back?

In the current downturn, at least certain aspects of globalization have stalled. Trade flows, for example, are expected to fall at roughly four times the rate of global GDP in 2009; tariffs are rising; and immigration restrictions in certain countries are increasing. The crisis, which hit the U.S. hard in the fall and in January, is having significant knock-on effects across the world--particularly in key sectors, such as manufacturing and mining.

Yet the data are not uniform. Although growth in the globalization of goods and services may stall for a period because international trade has declined along with demand, it is unlikely to reverse. There is little political appetite for further trade liberalization--for example, by completing the Doha round of negotiations--but a full frontal attack on liberal trade would threaten large numbers of jobs, raise prices for consumers, and endanger prospects for economic recovery.

While a populist backlash cannot be ruled out, the more likely outcome is increased protectionism on the margins and recovery of the global trading system as growth returns.

The U.S. is busy restricting imports on French cheese (causing a major run on Roquefort in New York City's priciest neighborhoods), but South Korea just announced a new free trade treaty with the European Union this week. Information is flowing freely as ever, as usage of information and communications technologies continue to surge. Just witness Iran's Twitter uprising. The recent meeting of the G-20 emphasized a common commitment to open markets and free trade, but the policies of individual member nations are not so consistent.

The most pessimistic liken the pre-crisis period of global integration to that immediately preceding World War I, with the implicit proviso, "We all know how well that worked out." And the naysayers have their point: no doubt the biggest risk to the global economy is a major protectionist shut-down, and it would lead to no small measure of economic and geopolitical instability.

Yet, at the same time, there are key differences, not to mention innovations, which once unleashed are very hard to put back in the box--for example, the power of global communications networks that allow for instantaneous global flows of information. The telegraph is no comparison.

As for the globalization of talent, immigration will slow if governments tighten restrictions in response to popular concerns about job losses. Yet aging populations mean that many Western countries will eventually find themselves short of workers, and emerging markets will keep producing a growing share of the world's college graduates. Additionally, the relentless march of information and communications technology will enable the global distribution of knowledge work. Overall, we remain confident that the global market for managerial and technical talent will continue to grow.

Leaders: Listen to Your Salespeople!

Our friends at the Harvard Business Review also have some good advice on how to learn what's really going on in the market — listen to your salespeople. Guest writer Clif Reichard, a sales consultant for Ball Corporation, comments that your best salespeople

possess vast knowledge about how to connect with and motivate people - and perhaps take the company to the next level. But they rarely get to share their knowledge with senior managers.

According to Reichard, too many companies are obsessed with making the numbers and seem devoid of feelings for the human beings who work hard every day to bring in new customers and revenue. So if you're leading a company, ask for your salespeople's opinions. Here are some things you might hear:

- Leaders who are narrowly focused on the bottom line, and who think they can use and manipulate people in exchange for a mere paycheck, are looking at the business from the wrong end. They're like basketball players who are watching the scoreboard when they should be watching their teammates.
- Leaders' positive attitude about people generates a positive spirit, and success is all about spirit. When the basketball players first step onto Keady Court at the beginning of the season at Purdue University, the head coach--who happens to be my stepson, Matt Painter--faces a group of highly talented individuals, nothing more. Five stars playing independently of each other go nowhere. Matt imparts his vision of winning the Big Ten Championship and going on to the Final Four. He gets the players to buy into that vision. Contributing to the vision becomes fun and exciting. The more teamwork there is, the more heart power is generated. Matt's leadership is the multiplier, giving him the power not of five players but of a team. Without spirit and teamwork, you are setting yourself up to get your ears beat in. If there's spirit, the scoreboard takes care of itself.
- Companies have to keep the need for profits in perspective. Profits come after ethics and customers. At first, Bernard Madoff decided not to let a little ethics get in the way of making money, so he allowed a little cheating, perhaps hoping to iron everything out once the economy got better. It didn't. Replacing profits for ethics doesn't work. The demise of Enron and all the dot-coms several years ago provided further proof of that. Once ethics and a focus on customers are in place, then it's time to figure out how to make money.

Salespeople are optimistic by nature--make use of that optimism, and let some of it rub off on management. As you progress in your career, you will find that some of your toughest sales jobs will be internal rather than external.

Hire People Who Disagree with You

Another — perhaps controversial — tip comes from John Baldoni, a leadership consultant, coach, and speaker. His work centers on how leaders can use their authority, communications and presence to build trust and drive results and he argues that good

leaders shouldn't have "yes" men and women around them. Rather, leaders who solicit opinions from people who disagree with them are smart enough to realize that they do not have all the answers. Such leaders also must make it safe for others to disagree; otherwise the exercise is moot. Here are some things to consider when hiring for difference.

Look for character. From a leadership position, character is the willingness to do what is right for the team. Every team needs people who will stand up for their ideas. That requires backbone. Integrity and virtue are also essential, but what matters is not what you are, it is what you do. Character is leadership put to good purpose.

Look for strength of ideas. It is not enough to disagree; executives need alternate viewpoints that are based on facts as well as reason. Good ideas that are contrary to the boss' ideas must be carefully thought-out, supported by data, and argued from a viewpoint of doing what is best for stakeholders.

Look for ambition. When bringing on someone who disagrees with you, or at least is not afraid to do so, make sure they have an ambition to move up in the organization. They aren't just contrarian; they want to make a positive difference, and they're in it for the long haul.

Look at their track record. I have yet to see a recruitment advertisement that says, "Wanted: People to Disagree with Boss." So look for managers who have shepherded projects to positive ends when the odds were against them. For example, if they achieved something in the face of new competition, diminished resources, or even organizational change, these are indicators of an ability to think and act for themselves.

Hiring someone who is opposed to your ideas is not the same as hiring someone who is opposed to you. The former is a good thing; the latter is a threat. The latter will disrupt the team in order to achieve his personal ambitions at your expense. Such a person will cause more grief than glory — so keep him on a short leash or ask him to find work elsewhere. In any organization, the designated leader must have the final say in strategic decisions, otherwise the organization loses focus and direction.

Having a strong oppositional voice is the mark of good leadership. Rather than a sign of weakness, it demonstrates force of character and the ability to think and act strategically. More importantly, oppositional views can clarify the leader's own thinking, sometimes changing his mind, other times sharpening a course of action.

And while ultimately, the leader still has to make the final call, encouraging others to voice opposing views enables the organization to be more adaptable and more agile — and will help you make better decisions as a leader.

Handling Adversity Is the Key to Success

There are many factors that help a small business succeed in today's world but one of them is definitely how you deal with life's little – and not so little – challenges. A current book, *The Adversity Advantage*, focuses on this issue. Author Erik Weihenmayer went blind as a child, then went on to climb the highest summits on all seven continents. He teamed up with Paul Stolz, PhD, a human behavior researcher, to write *The Adversity Advantage*, which counsels how to turn daily setbacks and dramatic challenges into a key component to success. According to the authors, rather than avoiding, coping or simply managing adversity, true leaders learn to harness adversity and use it as fuel to drive them forward. Think about it – if you can respond properly to stress, rather than it having a debilitating effect on you, it can energize you to work harder and produce better results.

One excerpt from the book on the topic of “cloud seeding”: If your life...is a little too calm and predictable, then you may wish to do some cloud seeding—stir up your skies. Cloud seeding usually involves picking the right clouds— that is, the right issues—to mess with. These are the ones you think may yield the greatest results. Given the calm that may come from a successful year or a recent winning streak, you may wish to stir up some adversity at work by confronting the one issue that is holding things back and preventing the achievement of the next level of success...What is important is the growth you will experience by seeding clouds filled with adversity [to propel you forward].

INDA MEETINGS CALENDAR

2009

[INDA Nonwovens Course](#), September 15-17, INDA Headquarters, Cary, North Carolina

[INTC 2009 International Nonwovens Technical Conference](#), September 21-24, Grand Hyatt Denver Downtown, Denver, Colorado

[Filtration 2009 International Conference & Expo](#), November 17-19, Navy Pier, Chicago, Illinois

2010

[Vision 2010 Consumer Products Conference](#), Sheraton New Orleans, New Orleans, Louisiana

[IDEA 2010 International Conference & Expo](#), April 27-29, Miami Beach Convention Center, Miami Beach, Florida

[INDA Nonwovens Training Course](#), May 11-13, INDA Headquarters, Cary, North Carolina

[INDA Elementary Training Course](#), June 8-9, INDA Headquarters, Cary, North Carolina

[World of Wipes \(WOW\) 2010 Conference](#), June 21-23, InterContinental Chicago, Chicago, Illinois

[INDA Nonwovens Training Course](#), August 17-19, INDA Headquarters, Cary, North Carolina

[International Nonwovens Technical Conference \(INTC\) 2010](#), September 20-23, Hilton Baltimore, Baltimore, Maryland

[INDA Nonwovens Training Course](#), October 19-21, INDA Headquarters, Cary, North Carolina

[Filtration 2010 International Conference & Exposition](#), November 30-December 2, Pennsylvania Convention Center, Philadelphia, Pennsylvania

THAT'S ALL, FOLKS

We would love to hear from you. Just email us at [mjacobson@inda.org](mailto:mjacobsen@inda.org) to let us know how you are getting along.

Michael Jacobsen
Editor