

INDA's Small Business Newsletter

INDA SMALL BUSINESS E-REPORT

May 15, 2002

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.

INDA CONTINUES TO SEEK INPUT FROM ITS MEMBERS CONCERNING THE FORMATION OF A SMALL BUSINESS COMMITTEE DEDICATED TO THE ISSUES YOU ARE FACING TODAY. CONTACT MISTY AYERS AT 919-233-1210; mayers@inda.org WITH ANY COMMENTS.

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INDA ANNUAL MEETING SETS GROUNDWORK FOR THE FUTURE

Nonwovens companies of all sizes spent three days networking in Orlando in late April during the 2002 INDA Annual Meeting, and the consensus was that our business is better positioned than ever for the future. INDA chairman Lee Sullivan, of Freudenberg, summed it up with his opening remarks: "The demographics of our industry are changing and we now have a much broader representation of companies in our association."

Of interest to all INDA members was the report from INDA president Ted Wirtz, who described the state of the association and where its revenues are coming from these days:

- INDA revenue in 2001 came from member dues (\$750,000), meetings (\$1.2 million) and publications (\$300,000). Lower meeting attendance in the wake of September 11 negatively impacted those numbers.
- Non-dues income accounts for 80% of revenue, which is about the opposite of the standard in most associations, where dues revenue is the primary source of income.
- INDA membership is comprised of roll goods producers (25% of members), raw materials suppliers (29%), converters (9%), equipment manufacturers (30%) and others (7%). There were 260 members at the end of 2001.
- INDA boasts membership of all but three of the top 40 nonwovens roll goods producers in the U.S.
- The INDA web site -- www.inda.org -- receives about 9,000 visitors every month, with a total of about 210,000 hits per month.
- INDA sponsored 16 different conferences in 2001, with a total attendance of 7700 people.
- INDA stepped up its communications efforts and in 2001 published six different e-news publications (such as this Small Business e-Report), which were sent to more than 11,000 people.
- INDA has 15 active committees involving 660 people. These committees held 44 meetings in 2001, and volunteer man hours approached 7600.
- IDEA 01 had 372 exhibitors (including 110 first-time exhibitors) from 26 countries. They took 120,000 sq. feet of exhibition space.

NUMBERS LOOKING GOOD FOR NONWOVENS

INDA has provided a glimpse at the latest research figures in its groundbreaking "North American and Worldwide Industry Analysis" and these advance numbers (available at this time only to attendees at the Annual Meeting and those who receive this Small Business e-Report) point to healthy growth for nonwoven fabrics in many consumer segments. Among the findings:

-- Market Size of Short-Life Segments (metric tons)

- Filtration, 108,000
- Wipes 122,000
- Hygiene 244,000
- Medical 80,000

-- Growth of Short-Life Segments

- Filtration 5% from 1996-2001; 5% through 2006
- Hygiene 3% from 1996-2001; 3% through 2006
- Wipes 6.2% from 1996-200; 6.5% through 2006

-- The Hygiene Products segment accounts for 11.3 billion sq. meters of nonwoven fabric (244,000 tons) with a value of \$712 million. Baby diapers account for 65% of the square meter consumption, adult incontinence 13% and fem care 5%. Spunbond fabrics account for 78% of the market.

-- Wipes are a 2.1 billion sq. meter segment (400 million metric tons), with 6.5% growth projected. Consumer wipes account for about 70% of the total wipes market. Baby wipes (58% of the market) are a slowing market, while household wipes (30%) are rapidly growing and personal wipes (12%) are experiencing explosive 20% growth.

INDA LOOKING FOR GOOD PRODUCTS FROM SMALL COMPANIES

Here's a chance for small companies to shine, because the call has gone out to the nonwovens and consumer products industries for nominations for the INDA 2003 Visionary Awards. The awards recognize consumer end products that utilize nonwoven fabrics or employ nonwoven technology during their manufacturing.

INDA will be accepting nominations until September 1. The nominees will then be reviewed by an INDA selection committee and five finalists will be selected to make presentations at the Vision 2003 Consumer Products Conference in January, 2003 in New Orleans. Conference attendees will then vote on the recipient of the award. Last January at the Vision 2002 Conference big guy Procter & Gamble's Swiffer cleaning system was selected out of more than two dozen nominees as the recipient of the 2002 Visionary Award, but there was plenty of small company representation on both the nominee and finalist lists.

The criteria for the 2003 Visionary Award are simple:

1. The finished product has to contain a nonwoven fabric or utilize a nonwoven technology during its manufacturing.
2. The consumer product has to have been introduced to the trade or to consumers in 2001-2002.

Products will be judged on their novel use of nonwovens 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.

To nominate a product, please email an explanation of the product to Michael Jacobsen, Visionary Awards coordinator, at mjacobsen@inda.org or call 201-612-6601 with any questions.

GOLFER ALERT

Effective May 15, Delta Airlines will no longer allow passengers to travel with soft golf bag travel covers. Those who do will have to box them in a Delta-supplied case for an additional \$10. Exceptions, according to the airline, are hard shell cases with no existing damage and Club Glove soft-sided cases with reinforced bases. No word yet whether other airlines are going to follow suit.

SMALL BIZ QUOTE OF THE MONTH

"The knowledge base of the firm is the stuff in the minds of employees. In most firms, 2% of that knowledge is leveraged." -- Dr. Nick Bontis

WASHINGTON LOOKING INTO SMALL BIZ REGULATIONS

Big government continues to keep involved in small business operations, with the latest report out of Washington, D.C. (courtesy of INDA government relations director Peter Mayberry) involving a Labor Department review of a handful of regulations involving pension and safety and health laws, with an eye to changing those with adverse economic effects on small businesses. The review is being done because the law requires periodic reviews of rules that "have or will have a significant economic impact upon a substantial number of small entities."

On the list these days: Temporary bonding under Section 412 of the Employee Retirement Income Security Act; requests for enforcement pursuant to Section 502(b)(1) of ERISA; imposition of civil penalties under Section 502(c)(2) of ERISA; and related procedures for assessing civil penalties under that provision. The OSHA rules slated for review deal with occupational exposure to ethylene oxide; the agency's grain handling standard; its trenching and excavation standard; and a rule covering "presence sensing device initiation of mechanical power presses."

For more details, contact Peter Mayberry at pmayberry@inda.org or call at 703-538-8804.

WHAT EMPLOYEES WANT

To find out what employees want out of their employers, sometimes all you have to do is ask. So, based on a 17-year study of more than 2.4 million workers, one group of researchers found the following to be the top three on workers' wish lists:

- To be treated with uncompromising truth
- To be trusted by associates
- To mentor and be mentored unselfishly

INDUSTRY MEETINGS UPDATE

September 24-26, 2002: INTC 2002, Atlanta, GA. For information: www.inda.org
December 3-5, 2002: Filtration 2002, Washington, DC. For information:
www.inda.org

THAT'S ALL, FOLKS

That's it for this month. The INDA Small Business e-Report will come to you again June 17. In the meantime, 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
INDA Small Business e-Report