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VISION News Consumer Products e-Report

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Welcome to Volume 5, No. 1 of the VISION News Consumer Products e-Report.

The VISION News Consumer Products e-Report is written and distributed every other month for executives within the consumer products and nonwovens industries. VISION reviews the news and events of each month in the disposable diaper, adult incontinence, feminine hygiene, household wipes/cleaning products and filtration markets, among other end uses that utilize nonwoven fabrics.

THIS ISSUE OF THE VISION NEWS CONSUMER PRODUCTS E-REPORT OFFERS A REPORT ON LAST MONTH'S VISION 2006 CONFERENCE IN DENVER.

In This Issue:

**VISION 2006 A HUGE SUCCESS; CHICOPEE BLANKET WINS
VISIONARY AWARD
WHAT IN THE SAM HILL! DON'T BE A COMMODITY
P&G WELCOMES YOUR IDEAS
TYCO WALKS A MILE IN ITS CUSTOMERS' SHOES
SUSTAINABILITY A MAJOR ISSUE AT WAL-MART**

VISION 2006 A HUGE SUCCESS; CHICOPEE BLANKET WINS VISIONARY AWARD

Strong attendance, stellar speakers and a highly competitive Visionary Awards competition highlighted the successful VISION 2006 Consumer Products, held January 15-18 in Denver. INDA, organizer of the annual Conference, reported that almost 400 attendees from around the world converged on the Mile High City for the four-day event.

“Once again, VISION 2006 succeeded in its goal of being the place and time for consumer products companies to meet and network with their suppliers from the nonwovens and engineered fabrics side of the business,” says INDA president Rory Holmes.

The highlight of the Conference was the selection of the Disaster Relief Blanket from Chicopee as the recipient of the 2006 Visionary Award. VISION 2006 attendees chose the Disaster Relief Blanket over four other finalists – the Mr. Clean Magic Reach from Procter & Gamble; Johnson & Johnson’s Stayfree Advanced Protection; the Disposable Mitt With Body Wash from Kimberly-Clark; and Cotton Enhanced Baby Wipes from PGI Nonwovens.

“Consumer products that are utilizing nonwoven fabrics are playing an increasingly important role in both our everyday lives as well as in extraordinary situations,” says Michael Jacobsen, Visionary Award project coordinator. “The VISION 2006 attendees recognized the contributions the Chicopee Disaster Relief Blanket is making in emergency situations around the world and it was chosen over four other extremely deserving and successful consumer products from some of the biggest names in the business.”

WHAT IN THE SAM HILL! DON'T BE A COMMODITY

The nonwovens and consumer products industries have a choice as to whether they are going to become a commodity-based business or offer value-added products, challenged VISION 2006 opening speaker Sam Hill, principal of the consulting firm FTI Helios. “You can choose to be more differentiated or you can choose to become more commoditized,” he said. “It is a group choice.”

He gave a list of 10 physical things a company – and an industry – can do to stave off commoditization.

1. Ban Commodity-think. “Never use the ‘C’ word in polite company,” he challenged. “Commodities only exist if you think they are commodities.”
2. It’s All In The ‘Who.’ Know who you are, and be it.
3. Bet on the Brand. “Work with what you have and stay behind it,” Hill advised. Don’t put new technologies only in new product; use them to advance your existing brands as well.

4. Elevate the Discussion. “If you want to fight commoditization, you have to be able to take the discussion to a higher level than just price,” he said.
5. Be Yourself. Every company is unique and has its own way of doing things. “Sometimes that means being different,” Hill said.
6. Don’t Be Afraid To Be Different. Embrace your company’s uniqueness.
7. Communicate Relentlessly. This doesn’t mean spending millions on advertising. It means keep talking to your customers.
8. Spend Wisely. It’s not how much you spend, it is how you spend it.
9. Count on Cumulative Differentiation. “Companies and industries need to look for more than one thing that differentiates them. Give your buyers 20 points of differentiation.”
10. Beware The Enemy Within. “The person most likely to commoditize your company is already in your company,” he warned.

Put these 10 points together and then “execute relentlessly and ferociously. If you do nothing, the industry will commoditize. This is a great time to do something about it.”

P&G WELCOMES YOUR IDEAS

Consumer products giant Procter & Gamble has come a long, long way from its days as an insular, “my-ideas'-only” company that looked down on outside ideas. Today, as VISION speaker Larry Huston of P&G told a rapt audience, the company not only is looking for outside ideas, it believes its success depends on it.

That has given birth to its groundbreaking “Connect & Develop” concept, which now dominates its product development efforts globally. “P&G has moved to a connections model, rather than its previous inventions model,” Huston said.

That means outside ideas and product development is a key to P&G’s mandate of \$4 billion in annual sales growth, a target the company readily admits is unattainable by inside talent and resources alone. Hence, its acceptance of the unique “Proudly Found Elsewhere” concept.

In 2000, less than 10% of the company’s products in the market came from ideas outside of the company. Today that number is 35%. Referring to its immensely successful Swiffer product, which was brought to the U.S. in cooperation with Asian rival Unicharm, Huston said “we no longer see competition as competition. We see our competition as an extended part of our enterprise.”

Stressing that P&G is very specific on its needs and on what type of outside ideas it is seeking, he strongly urged all VISION attendees to contact him with their ideas, indeed, he wanted to add everyone to his database as P&G openly welcomes new

ideas. “We assume that for every need we have there is a solution out there,” he said.

TYCO WALKS A MILE IN ITS CUSTOMERS’ SHOES

When designing a product – particularly a product as personal as incontinence products – it is vital for a company to know what its customers want and need. Tyco has taken a step beyond traditional consumer research and focus groups and now its product development people literally put their bodies where their products are.

In a presentation entitled “Waling in Your Customer’s Shoes,” Tyco Healthcare Group’s Kim Bubusik – with the help of some intrepid volunteers – demonstrated the company’s Voice of the Consumer (VOC) style of research. Tyco puts its researchers into the role of age-related situations – arthritis, wheelchair-bound, blind, etc. – and then has those researchers actually try on and wear existing incontinence products.

The results, as the VISION attendees saw, were sometimes humorous, sometimes poignant but at all times illuminating as the volunteers struggled to deal with incontinence products. The message: “It is important to integrate VOC into the product development process,” Babusik said.

SUSTAINABILITY A MAJOR ISSUE AT WAL-MART

In a presentation entitled “Sustainability for Business Advantage,” Chris Laszlo, of Sustainable Value Partners, reported on the sustainability efforts that are driving business at retail giant Wal-mart. The chain’s goals, he said, are to eventually be supplied 100% by renewable resources, to create zero waste and “to sell products that sustain our resources and environment.”

“This is not a moral or public relations effort,” Laszlo explained. “It is about positioning Wal-Mart to succeed in the future. The competitive environment has changed to make sustainability vital to a company.”

Wal-mart has even publicly stated that, while it will not penalize companies that don’t make sustainability efforts, it will reward companies that do. “Environmental factors are part of the Wal-mart buying process now,” he said. Get the message?

That’s all for this month. Feel free to contact editor Michael Jacobsen at 201-612-6601 or email at [mjacobson@inda.org](mailto:mjacobsen@inda.org).

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