

NEWS RELEASE

Industry Focuses on Marketing of Corrugated's 'Sustainable Advantage'

If you weren't there, you missed out!

More than 100 people met October 22-23, 2008 at the Marriott O'Hare in Chicago for the **AICC-Corrugated Packaging Alliance Sustainable Business Executive Briefing**. The two-day program, organized by AICC in collaboration with the Corrugated Packaging Alliance, provided the industry's latest information on the upcoming corrugated life cycle analysis and set the stage for an industry-wide communications campaign designed to position corrugated packaging as the "sustainable packaging choice." In addition, the program provided relevant tools designed to help member companies hone their sales and marketing messages to the sustainable value of corrugated.

The first day's program focused on current industry-wide efforts to establish a "Life Cycle Analysis," or LCA, for corrugated packaging and explain the role and importance of various environmental certification programs currently available in the industry. **Dwight Schmidt**, Executive Director of the Corrugated Packaging Alliance, led the afternoon discussion, with a kickoff presentation on the LCA by **John Heckman**, Vice President of Five Winds and PE Americas, a consulting firm based in Boulder, Colo. Heckman's presentation outlined the purpose of a life cycle analysis, its parameters and timelines for completion. The final LCA report will be available in January 2009, following a further review by a third-party review panel as required by life cycle analysis protocols in ISO 14040.

Continuing the report on current industry efforts, **Jon DeWitt** of Artemis Strategy Group outlined his firm's work in determining the public messaging strategy which the industry should adopt in discussing corrugated packaging's sustainable nature. DeWitt said that sustainability is moving from a "desirable attribute" to "table stakes" and that demonstrating a product's contribution to sustainability will be essential to successfully competing in the marketplace. **Rachel Kenyon**, Director of Member and Industry Relations for the Fibre Box Association, and **Cheryl Young**, Principal of Cypress Communications, discussed the coming industry communications campaign that will incorporate these messages as well as concrete data from the life cycle work. According to Kenyon, member companies will be able to use this uniform information to create a "single voice," on sustainability but can also tailor the message to their specific marketing plans.

Kathy Abusow, President and CEO of the Sustainable Forestry Initiative (SFI) gave a knowledgeable and informative presentation on various forestry management and chain of custody (CoC) certifications now available in the industry. She explained the differences among them and outlined the impact these have had on the industry as a whole. John Heckman returned to the podium to discuss the origin and purpose of ISO 14001, a certification which is becoming the norm for ensuring that a company's operations are sensitive to environmental impacts. The presentation was followed by a panel discussion featuring representatives of member companies discussing their certification efforts. **Kenneth Isaacson** of Arvco Container, **Chris Davidson**, International Paper Co., **Matt McCullough** of Pacific Southwest Container, and **Elias Ortiz** of Orange County Container were the participants, with Dwight Schmidt moderating.

Tackling a difficult topic, **George D'Urso** of Smurfit Stone spoke on "Responding to Inquiries about Recycled Content." His presentation focused on the economic, material, performance, environmental and marketing attributes of both virgin and recycled containerboard. Ultimately, he said, the right decision is the one that "meets the packaging needs of the customer and the business needs of the supplier."

Wrapping up the day, **Brian O'Banion**, Vice President of Fibre Box Association, and **Brian Wagner**, Principal of PTIS, presented a scan of retailer sustainability programs. Wagner discussed several initiatives begun by North American retailers, including Best Buy, Home Depot, Publix and retailers other than Wal-Mart. Brian O'Banion, for his part, discussed the status of Wal-Mart's scorecard and updates which are anticipated in the next two years.

On day two of the conference, the audience gained insight on how "sustainability" can be used to discover marketing opportunities for member companies. AICC President **Steve Young** kicked off the morning and introduced **Andrew Bojie**, Creative Director for Juiced Creative, a part of the Stribling Packaging Group in Rogers, Ark. Bojie presented "Marketing Sustainability: Identifying Opportunities for Sustainable Packaging," telling his audience that boxmakers need to make their sustainability message economically relevant to the customer. He also cautioned against "greenwashing" which involves making specious environmental claims.

Tony Burns, Associate Director for Sustainable Packaging at Procter & Gamble, told the audience how Procter & Gamble is taking on sustainability, indentifying changes in their practices both internally and externally with specific focus on packaging. In a question and answer session that followed, when asked if his

Corrugated Packaging Alliance



buyers of packaging are educated and prepared to hear sustainable corrugated solutions, he said, "If they aren't I want you to call me directly!"

Following Burns, Brian Wagner of PTIS returned to the podium with a summary of key sustainability trends in the marketplace. He outlined the results of the PTIS Survey of Sustainability Thought Leaders, citing growth trends, consumer awareness of sustainability and environmental issues, and how these are likely to increase in the future.

This led to discussions regarding your sales and design teams and the opportunities they have to exceed sales expectations. **Jeff Coleman** of Interstate Resources got back to the basics with his presentation called "Boxmanship," citing the value of looking for economically relevant packaging solutions for the customers. He showed examples of the simple solutions made by correcting overhang on pallets, better inventory control, and design changes that can save labor on the customer's packing line. Cost savings in the hundreds of thousands can be achieved with a few simple observations on the customer's floor. This, he said, is a central part of the corrugated industry's sustainability message.

Next, **Andrew Pierson**, **Joe Hodges** and **Brian Tibbels** of Mid-Atlantic Packaging teamed with **Mark Neely** of Mark Neely Seminars to present "Creating the Unbeatable Sales and Design Team. Pierson cited the need to name a sustainability champion within the company and designate that person to build a "sales-design team," pairing sales representatives with designers to analyze the customer's projects and propose sustainable value solutions. Neely, who teaches negotiation skills, presented a group exercise designed to illustrate how this kind of teamwork is necessary for this approach to succeed, both inside the company and in the field in front of the customer.

Closing the program was a suppliers' panel moderated by **Tony Schleich** of American Packaging, Hutchinson, Kan., and featuring **John Bird** of JB Machinery, **Jeff Peterson** of Sun Automation and **Roger Poteet** of Poteet Printing Systems. All three gave overviews of how suppliers of materials, machinery and equipment are essential in creating a sustainable business model.

* * *

The Sustainable Business Executive Briefing and Conference was sponsored by the Association of Independent Corrugated Converters (AICC) in collaboration

Corrugated Packaging Alliance



with the Corrugated Packaging Alliance (CPA). The CPA is an industry-wide coalition of the American Forest & Paper Assn., the Fibre Box Assn., and the AICC. The purpose of the CPA is to develop a unified industry response to issues common to all members of corrugated packaging industry. For more information about CPA, contact Rachel Kenyon at 847-364-9600 or rkenyon@fibrebox.org.

PRESENTATIONS:

Jon DeWitt - Sustainability Positioning

Rachel Kenyon, Cheryl Young - Industry Communications

Kathy Abusow - Sustainable Forest Initiative (SFI) and Chain of Custody Certification

George D'Urso - Recycled Content

Brian Wagner - Retailer Scan

Brian O'Banion - Wal-Mart Update

Andrew Bojie - Marketing Sustainability

Brian Wagner - Sustainable Thought Leader Summary

John Heckman - EMS & ISO 14001 Fundamentals

Andrew Pierson and Mark Neely - Creating the Unbeatable Sales and Design Team