

EMPOWERING THE LABEL INDUSTRY

In last year's FINAT Yearbook, we reported about the status of FINAT's strategy orientation that took place during the Covid years 2020 and 2021. Having achieved many of our goals embedded in the 6-Star strategy that drove FINAT's agenda in the late 2010s, the Board chose a less 'galactic' metaphor to enter the new decade: the Four Pillar strategy, laying the solid foundations for the roaring twenties of this millennium. One year later, as we are slowly finding our way out of the Pandemic, but entering a new period of economic and geopolitical uncertainty, where do we stand with the (re)construction?



Especially in the middle of a crisis like we had during the Covid years, it is difficult to predict the future. And certainly, it will be hard to take into account the implications of unpredictable events like the War in Ukraine that has shocked the world since 24 February 2022. However, we can try to imagine potential outcomes beyond our short term horizon, and then do a 'Fast Reverse' to agree on steps that could be taken to address these outcomes should they become reality. This so-called 'scenario planning' methodology has helped oil companies to anticipate the oil crisis in the 1970s and be more agile than would otherwise have been the case.



TAKING THE FUTURE AS OUR STARTING POINT

At the beginning of 2021, the Board mapped out the relevant future scenarios for 2027. For the reader's convenience, the four resulting scenarios are summarised below.

1. Back to the Base: we are in a post-Covid business environment that is based on de-globalised and re-fragmented supply chains in which there is a renewed interest in small, agile, innovative start-ups filling up niches left open by conglomerates. And these need an in person knowledge and contact network facilitated by FINAT. Just like in the early days of our association.

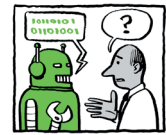
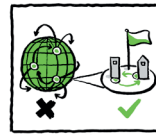
2. Scaling up: during Covid, and helped by low interest rates and abundance of private equity capital, industry consolidation has only accelerated. However, the industry is still in transition, and for the foreseeable future, there will be a hybrid mix of small, medium and large enterprises, each with their specific needs and expectations. Given the high level of turnover at enterprise level, live programmes are still crucial for the coherence of the label community, but online facilities are filling the gaps.

3. Human Interface: in this scenario, the industry has crossed the 'tipping point' between live and online in the previous scenario, with the balance now running in favour of the latter. Rapid digitalisation and automation as well as the drive towards more sustainable business practice have also fed through into the 'modus operandi' of FINAT, in which members primarily rely on FINAT as the 'data driven' online community hub for information, connections and cooperation. Live contact remains very important but the 24/7 network is what drives FINAT in between events.

4. Connected Corporate World: the label industry has followed the example of its neighbouring packaging sectors (flexibles and cartons) and has further accelerated on its global consolidation path. Label and packaging groups of more than 20 facilities around Europe are no longer the exception but the rule. The way corporations interact is governed by ever tighter compliance rules. The main motivation to be active in the association is to lobby, and to cooperate in projects on topics that even big corporations cannot address alone. Even in this setting, however, industry networking and knowledge exchange remains important, although the direct engagement of key decision makers in association activity is limited, and in person activity is delegated to 'second tier' experts.

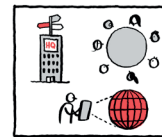
The four scenarios (see also this video: https://youtu.be/H_7tQL_ryLo) represent the extremes that we can imagine

1 BACK TO THE BASE



FINAT as the GO-TO meeting, networking and information platform

2 SCALING UP



FINAT as the vehicle for business development support

3 THE HUMAN INTERFACE



FINAT as the innovation and digital transformation hub

4 A CONNECTED CORPORATE WORLD



FINAT as the collaborative project platform and industry advocate

based on the uncertainties we face today. In reality it is more likely that elements of each scenario will co-exist. But this abstraction has helped the Board and Committee members to define the roadmap for the coming years.

ROLES AND RESPONSIBILITIES FOR FINAT



Given the above uncertainties, which roles can or should FINAT play to remain relevant no matter what the future will bring? As depicted in the infographic above, the Board has determined four critical roles:

- 1. COMMUNITY:** FINAT as the unique networking platform for label industry peers and partners;
- 2. KNOWLEDGE:** FINAT as the premier knowledge and information hub;
- 3. COLLABORATION:** FINAT as a neutral and independent project and consortium facilitator;
- 4. ADVOCACY:** FINAT as the common voice of the European label industry on relevant industry matters.

Essentially, these roles have not changed compared to the past, but the settings have changed dramatically. How then do we make sure in these volatile and uncertain times, we stay on course, building on FINAT's strong history, resources and culture, but converting our structure to a new, contemporary and future oriented format that aligns with our four pillar strategy?

IDEATION: COLLECTING VIEWS AND OPINIONS

Building on these foundations, the Board invited the committee members to take part in a small 'self-assessment' survey and two online 'Ideation' meetings at the beginning of March, focusing on the following key questions:



- How do we rate our current programmes in relation to our strategy?
- Which of our current programmes should be continued, strengthened, tuned down or even discontinued given our current strategy?
- Which programmes are we currently missing and should be developed given our ambitions in the different roles?

From the self-assessment, a clear indication emerged about the top 3 priority list of 'triple I' areas in which FINAT needs to invest, intensify or improve:

- 1. Public affairs and lobbying**
- 2. Sustainability promotion**
- 3. Industry and market data**

Behind this top three, but also as sub priorities to these goals, the active members listed the effectiveness of committee work, and improved member experiences as key areas of attention.

During the 'Ideation' sessions, a wide variety of views, opinions and suggestions were collected, as input for two live meetings in Amsterdam bringing together a cross section of Board, Technical and Marketing Committee members. The first one took place on 15 March, the second one on 1 September, after different taskforces of volunteers appointed in the previous meeting had done their homework.

**NEW VISION AND SCOPE:
EMPOWERING THE LABEL INDUSTRY**

Starting point of a strategic orientation is the question: who do we serve? If FINAT would not be here today, (how) would we shape it? On the shores of the Lago Maggiore prior to the ELF 2022, a group of FINAT members sat together to brainstorm on this subject. Since FINAT's 50th anniversary in 2008, our association logo has carried the tagline 'Linking the Label

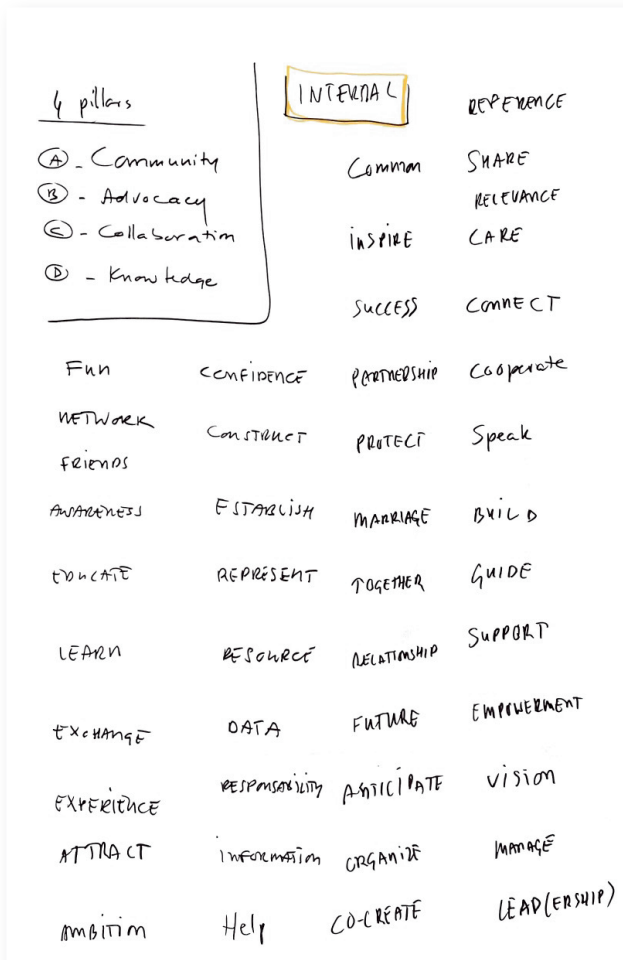
Community'. Almost 15 years later, this alliteration still holds true, especially since 'linking' has a physical as well as a virtual connotation. Underlying the four pillars, however, is now an ambition beyond merely connecting members. Under the current circumstances, FINAT also has an important role to play externally. After an iterative process, a new tagline was chosen: Empowering the Label Industry. This new slogan tells us a few things:

- "It is not just about our own member community. Even if we cannot interact directly with you or you cannot join our community as a FINAT member, we are still serving you."
- "Even if you cannot attend our meetings, we are there to support you with our online presence."
- "While our core remains self-adhesive label technology, our reference is the wider label industry, now that a majority of our membership has embraced a broader scope."

NEW PROGRAMMES AND DELIVERABLES

Several of FINAT's success stories of the previous strategy, such as the European Label Forum, will be continued in the coming years. Based on the discussions that have taken place throughout the year, a number of new programmes and deliverables have been identified for 2023 and beyond:

- 1. Community: creating more member touchpoints.** Under this header, several new initiatives to increase member engagement are underway, such as guided topical Roundtables, online 'Jours Fixes' meet-ups on a fixed time and day of the month, as well as a new, label community award to be awarded to a particular company or person. Since it is about future oriented networks, young professionals will be encouraged to take a leading role.
- 2. Knowledge: enhancing our database.** Empowering the label industry starts with facts and data. For this reason, FINAT's library of industry data will be expanded. Our FINAT RADAR will be enhanced from a six-monthly to a quarterly label market watch. Next to the FINAT RADAR, a new brand called FINAT SONAR will be launched. Under this header, FINAT will produce in-depth content on technical topics such as CO2 footprinting and best practices. Plans are also underway to offer a sophisticated subscription based online converter benchmarking forum, as well as a new statistic on press equipment installations. Next to these research oriented programmes, FINAT is planning to improve the accessibility of its current member only platform, to turn it into a searchable 'Content & Knowledge Hub'. Under this header also falls the education.



3. Collaboration: more project platforms. Committees, subcommittees and taskforces have always been the lifeblood of associations. In the past few years, industry collaboration has been taken to the next level with the growing number of cross-industry partnerships and the formation of special project consortia. An example of the former are the growing number of partnerships or third party memberships that FINAT has entered into in the past few years, such as CITPA (fibre converting federation), EPRC (paper recycling), Petcore (PET bottles), PRE (plastic recycling), CETIE (glass recycling), AIM Europe (brand-owners, in charge of HolyGrail 2.0) and DIN/ISO (labeling standards). A perfect example of the latter are of course UV FoodSafe and CELAB-Europe, of which FINAT is the hosting legal entity. And then last but not least, there are FINAT's permanent relationships with Tarsus (Labelexpo), the global label associations (Lg) and the European national associations (NAB). These platforms require not only more resources from our organization, but also a more project based approach that takes into account governance and compliance best practices. FINAT is preparing itself to fulfil this growing task.

4. Advocacy: increasing vigilance and agility. The Covid crisis, the Green Deal and the on-going revision of the Packaging and Packaging Waste Directive (see also pages 50-51) are demanding an increasing vigilance and agility of

stakeholder organisations like FINAT. Often, EU Consultations or 'leaked versions' of draft legislation on specific topics, require a swift response within weeks or sometimes days. The number of draft position papers being circulated for comments between stakeholder organisations is growing in parallel. To manage these developments and define and align our own position, FINAT has already been moving away from an approach of 'monitoring' and acting adhoc and 'on demand', to one of proactive positioning. To develop this further, the expertise inside FINAT's Sustainability and Regulatory Affairs sub committees will have to be consolidated into one combined Regulatory Affairs Steering Group authorised to represent FINAT on matters of importance.

**FIT FOR PURPOSE:
ALIGNING STRATEGY AND STRUCTURE**

Having answered the WHY and WHAT question, we arrive at the HOW and WHEN. While it is perhaps easy to reach agreement on the high level goals and objectives, when it comes to execution the devil is in the detail. As business planners well know: 'Structure Follows Strategy'. But there is also a saying 'Culture Eats Strategy for Breakfast'. The final step in turning strategy into action and assigning responsibilities is often the most complex part of change processes, and the stage most vulnerable to miscommunication, misunderstanding and misalignment.



7 DILEMMAS

In FINAT, the Board is dealing with the following seven organizational dilemmas:

- 1. Strategy versus operation:** how do we stick to the plan for the short term without losing focus on the longer term?
- 2. Experience versus generation change:** how do we cherish the valuable know-how and experience present in our current volunteer workforce, while at the same time encouraging new talent to become engaged?
- 3. Decision making versus empowering:** we like to have the commitment from decision makers of our member companies, but given their busy schedule, we also need the active engagement of 'competent 'second tier' topic leaders to drive programmes forward.
- 4. Generic versus task or project oriented:** do we need a large group with members from diverse backgrounds, or are we in some cases better off with a smaller, task oriented group?
- 5. Open versus closed:** how do we match the need for continuity with the opportunity for every member to become engaged as an active FINAT member in one or multiple groups?
- 6. Upstream versus downstream:** as a value chain association, how do we find the right balance between converters and suppliers on our committee leadership board, and how do we make sure that this reflects the industrial and geographic composition at large?
- 7. Volunteer versus professional:** how do we make sure that our volunteer talent pool matches the growing number of challenges to be addressed, and what do volunteers need in terms of professional support to remain effective without becoming overloaded?

FINDING THE RIGHT STRUCTURE: THE FOOTBALL ANALOGY

At the time this article is written, we are one month away from FIFA's World Cup Football kickoff. It's the first (and hopefully last) time that this tournament is played in our winter season. All national coaches have meanwhile announced their longlist of pre-selected players. Many of them have expressed the desire to have each position on the field covered by at least three potential players on the longlist, before cutting down their list. That choice ultimately depends on the game plan but also on availability of talented and committed players, and on the clubs around Europe that have scouted and developed



these talents into fruition.

In the reality of FINAT, there is usually not the luxury of making longlists and selecting volunteers. More often, we are extremely happy with the companies and their representatives that are willing to provide resources, expertise and manpower for the common good of the industry. Nowadays, 2.5 years after the outbreak of the Pandemic, and with numerous unexpected developments since last year, the stakes are getting higher and there is need for a different gameplan. Not necessarily with different players, but perhaps with a different lineup that fits the goals of the team and makes sure that every player can excel to his or her ability. In football terms: perhaps 1-4-3-3 no longer works, but 1-3-5-2 or 1-5-3-2 is more effective.

For 'FINAT FC' it is a matter of making sure that our lineup matches our gameplan, but also that we do not forget about the newcomers that are eager to enter the pitch. At the time of writing, discussions are on-going about the new structure of FINAT, and it is expected that more will be known in the next six months.

In the meantime, should YOU or your company wish to become active and provide manpower and/or resources for programmes mentioned above, do not hesitate to contact the FINAT secretariat (info@finat.com).