

SPOTLIGHT ON: ASC'S BUILDING THE INDUSTRY PROGRAM

Changing Perceptions

New ASC program focuses on industry growth.

By Mark Kalaygian

AT \$17 BILLION, the U.S. fastener market is robust, to say the least. While adhesives and sealants currently represent just 11 percent of this business, the growth potential for these products is considerable—a fact that has not been lost on the Adhesive and Sealant Council (ASC) and its members. “Collectively, we can make much more of an impact on industry growth than any one company on its own,” said Larry Sloan, director of Marketing and Member Services.

It is this potential for growth—the need for which, according to ASC President Richard Barry, was emphasized by a flat economy—that spurred the development of ASC's Building The Industry (BTI) program. A two-phase, member-driven program, with Phase I spanning from Jan. 1, 2003 to Dec. 31, 2004, the mission of BTI is simple: To increase the U.S. market for structural adhesives/sealants by identifying and developing opportunities to replace mechanical and other fasteners (e.g. welding and soldering). This will basically be accomplished in three steps:

- Identify and fully understand the markets and "key influencers" within those markets where growth can be accomplished;
- develop ongoing educational efforts that will change the perception these key influencers have about the value and capabilities of structural adhesives and sealants;
- and provide members with resources that can be used to effectively sell to end users currently using mechanical and other fasteners.

The ChemQuest Group, which was the catalyst for creating BTI, is contracted to conduct market research that will serve to give program members a more complete understanding of the size of different markets where mechanical and other fasteners can be replaced by structural adhesives. In addition to this, key influencers such as designers and specifiers will be identified, ASC said, and several focus groups will be conducted to help members gain a perspective on what perception these influencers have about glue.

“We want to get a better idea of what the current level of understanding is, so we can address it more successfully in the future,” explained Sloan.

Once decision makers are identified and their misconceptions are understood, BTI can begin the challenging process of educating target end users about why structural adhesives are a viable and, in fact, preferable alternative to mechanical and other fasteners.

“It’s all about helping the designer, the engineer, the specifier, and ultimately, the end user make better decisions about how adhesives are being used, and how they can be applied,” Sloan said.

Another one of the program’s focuses is improving the quality of the curriculum available at universities, in order to reach the next generation of industry professionals.

ASC said there is a multitude of resources BTI will provide its members. From a company directory of key influencers to cost models and value proposition statements, these resources will have a direct benefit to members as they sell their products to end users currently choosing mechanical and other fasteners. In addition, BTI will compile evolutionary case studies, existing specifications and standards, and fact sheets that will be contributed by members. Each of the resources generated by the BTI program will be shared equally among participating companies and will serve to grow the industry, as a whole.

While it seems that each of these three steps will certainly play a continuing role in Phase II of the program—tentatively expected to span from Jan. 1, 2005 to Dec. 31, 2006—the next stage is still highly conceptual, and likely won’t be clearly defined for another 18 months, said Barry.

After Phase I is completed, further market research may be used to gauge the desired shift in perception that the program is focused on. Ultimately, however, it will be the success of adhesives and sealants manufacturers in selling their products as replacements for mechanical and other fasteners that will measure the success of the program.

One of the original members of the “Imagination Taskforce,” H.B. Fuller’s Al Longstreet, group president/general manager, North America, sees this as the beginning of a positive trend in ASC services. “As the ASC moves forward, I see a real change towards this type of collaboration, where members join together to enlarge the pie for adhesives.”

At press time, BTI already had 38 members signed on. Nearly half of the council’s manufacturer members have joined the program so far (26 out of 57), while raw-materials and equipment suppliers are a bit slower in coming (12 out of 78). “We have almost all of the major adhesive companies signed on,” reported Barry. “Right now, we’re concentrating on making sure the raw-materials and equipment supplier members also take advantage of the program.”

One raw-material supplier that signed on after careful consideration is Arizona Chemical. “We initially wondered whether, as a resin supplier, we would realize enough benefit,” said Tom Eckhardt, global business director for adhesives. “After discussions with the members of the Steering Team and ASC, we concluded that the benefits of better understanding the needs and direction of our customers’ customers, as well as the increase in demand for resins, made BTI participation an outstanding value.”

3M’s Business Director for Industrial Adhesives Dave Burger is impressed with the enthusiasm the program has generated so far. “It’s very encouraging that so many companies have signed on so quickly,” said Burger. “BTI is the essence of what ASC should be: members collaborating together for a common goal.”

Encouraged by the amount of support the program has met with, Barry said he is confident the program’s \$650,000 budget requirement will be met. BTI membership fees are based on the size of the participating company. Basically, company size was broken down into three groups, with the smallest companies paying approximately one-third as much as the largest, ASC said.

As 2002 comes to a close, the process of organizing committees begins and recruitment efforts continue. Although Dec. 31, 2002 was set as a deadline for new members, ASC said non-ASC members who are interested in joining the council, and BTI program, will be given special consideration into the new year.