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## SPI chief Carteaux reviews time in office

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PLASTICS NEWS STAFF

WASHINGTON (Oct. 30, 10:40 a.m. EST) -- A few minutes with Bill Carteaux is all you need to see the energy, passion and enthusiasm he brings daily to his job as president and chief executive officer of the Society of the Plastics Industry Inc.

Whether he's talking about the challenges that lie ahead, the changes he's initiated in his first 19 months or responding to what others are saying — both positive and negative — there's an excitement in his voice and an eagerness to take SPI to new heights.

In midsentence, he'll get up and grab an item from his bookcase, or share an idea he has to make SPI more valuable for members and more of a voice in Washington. He also takes the time to point out the new book he has read most recently: *7 Measures of Success: What Remarkable Associations Do That Others Don't*, by renowned management author Jim Collins.

Carteaux's voracious appetite for learning and driving SPI forward has given the association increasing respect in Washington and among its members — quite a contrast to just a few years ago when SPI was perceived by many as a moribund organization.

Carteaux — the first person from a machinery company to head the industry's largest association — gets plaudits from his staff, members and observers for his tireless work, his leadership and his personal drive. Prior to joining Washington-based SPI, Carteaux was president and chief executive officer for the Americas for Demag Plastics Group and co-executive managing director of the German firm's global business.

"He has energized the organization and made things happen," said Jane Austin, chairwoman of SPI and global business director of chloroelastomers for DuPont Performance Elastomers LLC in Wilmington, Del.

"I don't know if we could ask for more. He is credible. He is energetic. He has definitely increased our value to members. He has gotten the message out in a clear, crisp concise way about how important we are to the U.S. economy."

According to sources inside and outside the Beltway, Carteaux has:

- \* Put in place a new government relations team to replace a staff that was considered by some to be ineffective for the past 20 years.
- \* Reached out to other plastics groups in an effort to reunite a fractured industry, form partnerships and alliances and get the industry to speak with one voice.
- \* Increased the understanding of the plastics industry and its impact on the U.S. economy among legislators and regulators.
- \* Helped turn the industry's triennial NPE into a global showcase.
- \* Developed a global vision that includes working with plastics organizations in other countries.



Carteaux: "I'd like to see some of the smaller groups join in with us. They shouldn't be concerned that they will get lost in SPI."

“He is open to new ideas, very willing to learn and a good listener,” said one Washington insider. “He came in with fresh eyes and assessed what SPI should and should not be doing and reorganized it. He has made SPI more well-known and more of a player in public policy issues and legislative circles.”

“Bill has a far more global perspective,” said one executive at an SPI member company. “He is meeting and reaching out to others. We are just at the beginning of what can be accomplished. He has great ideas, great vision and makes decision quickly. He has thrown his heart and soul into this.”

That willingness to take a fresh look included reassessing his own preconceived notions, said Carteaux, noting that he has a different view of SPI now that he is on the inside.

“Before I became president, I [viewed] trade shows and advocacy as SPI’s core competencies,” said Carteaux, a former SPI board member. “But it is clear that our core competencies are more in the relationships we have, the political capital we have.”

Criticisms center on SPI not having more current statistics in its database — its current fact sheet is from 2004 — and not having more depth in its staff.

Another sore point is the association not taking a more active role in environmental issues — especially in California, where San Francisco banned the use of phthalates in some products and Oakland passed a ban on polystyrene foam packaging — and the health controversies surrounding PVC, bisphenol A and perfluorooctanoic acid.

“A number of members wished he would have gotten more involved” in those issues, said an official at an organization that works closely with SPI, arguing that they are “dangerous ... because other cities can pick up on those bans.”

In response, Carteaux said SPI needs to “represent the entire industry on the effects on plastics on the environment, but it is not up to SPI to be out in front on every issue.”

“We try not to step on other guys’ toes, but rather work behind the scenes” with other plastics organizations that have taken the lead role in fighting the attacks on PVC and PFOA, for example. “Just because we are not out in the forefront doesn’t mean that we are not engaged in the issues.”

“All of our members are dealing with the attacks” on plastics — in the form of product and landfill bans — both in the U.S. and across the globe. “We have to make sure we continue to be proactive and show [others] that we care about the environment and that we believe in sustainability.”

As for statistics, he acknowledged the need for improvements in that area.

“We do need and have had internal discussions about expanding the statistical database. We are working with third-party groups to help us have more relevant information for our members,” he said.

At the same time, he was quick to point out that the association “is at the mercy of the government” for most of its data and disagreed with the contention by others that the statistics they have used have hurt their ability to make valid points in Washington circles.

“It is not a detriment to us on Capitol Hill because we have data from individual states going back five to seven years. The data is relevant and shows any trends that are occurring,” Carteaux said.

From an advocacy standpoint, “we were starting from nothing 19 months ago,” he said. “We have gone from not being known in Washington to where people in Washington know who we are and where we get calls daily when there is legislation affecting plastics,” he said.

“We have made the point that this is a vital part of the economy,” with 1.3 million workers in nearly 19,000 facilities in the United States.

He points with particular pride to the SPI government relations team of Karen Toliver, vice president of international affairs and trade counsel; Chris Brown, senior director of federal government affairs; Jane Adams,

director of state government affairs; and legislative assistant Natha Freiburg. Carteaux credited them with giving SPI a higher profile among decision-makers in Washington.

SPI has become “the go-to association for the plastics industry on trade,” he said. “Karen has gotten us on the map with international trade issues.”

Others agree with that assessment. “Karen and Chris command a significant amount of respect,” said one veteran Washington lobbyist. “Their experience and professionalism are top-notch.”

Carteaux said SPI was able to bring about changes in the Central American Free Trade Agreement to make it better for plastics processors, adding that SPI continues to have discussions with U.S. trade representatives to ensure that free trade agreements being developed with Malaysia and South Korea are good for all segments of SPI membership — machinery makers, resin manufacturers and processors.

“If we hadn’t done what we had done for CAFTA,” to get tariffs accelerated, “no one else would have,” he said.

Similarly, SPI played a lead role in the effort to restore \$6 million into the Department of Agriculture budget to continue the popular food-contact notification program, which speeds up approval for food-packaging applications.

“We have stayed very focused and have not shotgunned many issues,” he said. “I always focus on energy and trade.”

SPI has begun to work more with other groups: It formed a partnership with major molder and mold maker Nypro Inc. to provide industrywide training, it brought the National Plastics Center under SPI’s wing and it has developed plans to open offices in other countries to promote the products made by SPI’s 1,100 members.

SPI recently met with delegates from India to discuss issues such as taxes, product bans and environmental repercussions that are affecting plastics manufacturers everywhere.

“The international piece is important because the attacks on plastics aren’t just in America,” Carteaux said. “We are making sure that we reach out to other countries.”

With that in mind, SPI earlier this month agreed in principle to form a partnership — called the Global United Plastics Association — with the Plastics Export Promotion Council in India and the China Plastic Machine Industry Association to work on a number of issues.

Carteaux cautioned, however, that several details of the partnership still need to be worked out. The three groups tentatively have identified six key issues to be the core of GUPA’s mission. Two of those issues are raising the demand for plastics consumption globally and addressing environmental issues linked to plastics manufacturing.

“[Carteaux] has made a point of reaching out to international and regional organizations in an effort to develop partnerships and coalitions for the industry,” said Peter Jones, president of Wexco Corp. in Lynchburg, Va., and chairman of one of SPI’s strategic management groups. “He recognizes that you can’t get everything done alone — that you have to work with other organizations in a coalition.”

In addition, Carteaux said he has worked to make SPI “more relevant,” by helping members tap into the association’s database.

“SPI is an information warehouse. We have to transform that information into knowledge for our members,” Carteaux said.

He also emphasized, as he has done relentlessly from day one, that everyone in the industry needs to speak in one voice with a single vision.

“The groups against us have a unified voice, so we have to have the same if we expect to make change. The worst thing that can happen is to have two different perspectives.”

That is why he has made it a priority to unite the industry. SPI had an acrimonious split with resin producers a few years back that led to creation of the American Plastics Council, which since has been folded into the American Chemistry Council and now is scheduled to become the plastics division of ACC in January.

“We would love to have those ... APC members as SPI members,” Carteaux said. But, at the same time, he noted SPI already has 91 resin and material suppliers as member companies.

Carteaux added that he has talked to more than a dozen groups about alliances and mergers. “I’d like to see some of the smaller groups join in with us. They shouldn’t be concerned that they will get lost in SPI.”

With SPI in a more stable position than in the past, Carteaux is looking to the future.

“Donald Duncan [the previous SPI president] had done a tremendous job of stabilizing an organization that had split, but he didn’t have the luxury of being proactive or focusing on the future,” Carteaux said.

“He is a refreshing change from the leadership of the past,” said Mike Lynch, director of government affairs for Illinois Tool Works Inc. of Glencoe, Ill. “He brings an energy to the organization. ... He brings a let’s get-it-done managerial style. He has done a lot of outreach and has visited each SPI business unit. He listens to everybody.”

While continuing to be engaged with all the issues, Carteaux is leaving day-to-day operations to Catherine Randazzo, executive vice president and chief operating officer. Randazzo is viewed by association members “as a rock and a true believer in the organization, its mission and its members,” according to an executive at one SPI member company.

“She is a detail-oriented person and we complement each other,” Carteaux said.

Looking ahead, Carteaux said SPI has to “continue to stay out in front of the issues, continue to improve our visibility and continue to make sure the voice of the plastics industry is heard.”

He said membership gains the past 19 months are positive steps and critical to improving SPI’s management depth and its influence on Capitol Hill.

In 2005, SPI had its second-best yearly membership gain in more than a decade and formed the Bio-Process Systems Alliance — a group of 26 companies that manufacture and use biotech/pharmaceutical single-use products. Many of the membership gains were on the processor side. SPI has added more than 120 members since Carteaux took over March 1, 2005.

At the same time, Carteaux is working to get members more involved in setting the agenda for SPI.

SPI’s board meeting in early October, at his urging, included member dialogue — and not just presentations — for the first time.

“We need to get members more energized and more involved so they can help drive the issues,” said Carteaux. “I have challenged them and the board, and brought a lot of issues to the forefront so they can shape our strategy going forward.”

Part of the equation also involves providing more services that in turn will influence more companies to join SPI and get more members involved.

And that, in turn, will allow SPI to be more active, he said.

“As we get more members, it eliminates budget restrictions and it gives us the broader membership we need to have more influence on issues such as trade. We are putting in place a number of non-dues revenue streams to give us the dollars to do more for our members. There is no lack of ideas within SPI about what we can do to help members.”

Carteaux gets plaudits from several sources connected to SPI and Washington circles for that determination to grow membership ranks. In the words of one: “You can never be complacent about membership and you can

never be complacent about your relationships with the various levels of government. A lot of association executives focus on one and forget the other, but he has stayed focused on both.”

Jones added, “Bill understands that you can build a more successful SPI if you involve people and that you can get more things done with the assistance of membership. He sets the example by getting personally involved and understands that it is important to grow the industry to grow SPI.”

Ultimately, said Cardeaux, helping the industry grow in the United States remains at the heart of nearly every new initiative.

“This industry is alive and well in the U.S.,” said Cardeaux. He said the new-technology pavilion at NPE and the presence of plant-based resin manufacturers also indicate the strength of the plastics industry in the U.S.

“Our manufacturers have stepped up to the challenge of figuring out what we should be making in this country,” said Cardeaux. “Our new technology pavilion [at NPE] in 2009 will be something special to show the rest of the world: This is where technology is coming from.”

Carteaux’s effort to make SPI more visible has breathed new life into the association. But it also has made him more visible and left some concerned that he plans to turn that visibility into a run for political office. However, Cardeaux quashed those concerns in convincing fashion.

“Hell, no,” he said, breaking into a hearty laugh when asked if he was planning to enter politics. “You can take that to the bank. There is no way I’d subject my family to that. I love what I’m doing and I love advocating the industry and I can do what I’m doing because I’m passionate about the industry.”

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