

PACKAGING INNOVATIONS INTERVIEW WITH WILLIAM HICKEY

INTRODUCTIONS...

I am President and CEO of Sealed Air Corporation, a leading provider of a complimentary line of protective food and specialty packaging materials and systems. The company has grown from net sales of \$78 million to exceeding \$3 billion.

TELL HOW PACKAGING HAS DEFINED OUR WORLD.

In my opinion, packaging has already helped enrich our lives by providing a means to an almost endless selection of food and consumer products. The roots of our consumer society today were really set down about 50 years ago after World War II. At that time the growth of rising incomes, the suburbs and the newly educated veterans under the GI bill, the flexibility created by the automobile, and the new imagery of television combined to create a vast homogenous middle-class lifestyle. Packaging really enabled the middle-class lifestyle by responding to these market trends. Mass production meant that packaging had to preserve and protect on a massive scale over longer distances. It also had to be appealing to the eye. Packaging became part of, almost integral to the identity of a branded product. Without the packaging industry stepping up to meet these challenges, our society would not look like it does today. So at the end of the day, packaging has played a major role in defining our world by creating the infrastructure by which we now can receive an endless supply of goods over the Internet, where we can find a wide selection of foods at the supermarket, and where we can receive and buy products that are made in different parts of the world.

WHAT NEW TECHNOLOGIES OR METHODOLOGIES DO YOU SEE THAT WILL CHANGE THE WAY THE PACKAGING INDUSTRY DOES BUSINESS?

First of all, on the structural side of the business, I think the packaging industry needs to think global. That's important because many of the customers of our industry are global. They might make the same product in different parts of the world. They also might make a product in one location, assemble in the second location, and ultimately put it for sale in a third location. All of this requires the packaging industry to be able to meet those needs wherever our customers happen to be. On the technology side, a good example of some exciting things in the pipeline. Oxygen scavenging is a good example. As you know, oxygen is a major contributor to the degradation of food. Scavenging technologies that take that last bit of oxygen out of the package, beyond what the packaging equipment is able to do. By completely removing oxygen, the flavor and the freshness and the nutrient content of the product is protected. Essentially you have fresher, better food for a longer period. Oxygen scavenging can even improve pack line speeds because the package can do some of the work that the machinery used to do. Another area of interest that will influence packaging technology in the future is the increase and advancement of electronic devices, which send such as RFID tags. These technologies will allow consumers and customers to track a package through the entire cycle from the time it is produced until the time it is consumed by the ultimate customer. Another emerging technology that will change the packaging industry is the emerging technology of digital

printing, which will enable a unique customization of products at a rate heretofore unheard of.

HOW CAN PACKAGING CONTRIBUTE TO THE QUALITY OF LIFE IN DEVELOPING COUNTRIES?

I think in my opinion improving quality of life is fundamentally one of the important things packaging is all about. Packaging protects and preserves to ensure the quality and integrity of its contents. It's interesting to note that in developing countries, approximately 30% of the food supply is spoiled or wasted before it ever gets to the consumer. I think packaging has an important role to play in preserving some part of that 30% to help reduce the hunger in certain parts of the world. I think that is a challenge the packaging industry should step up to.

HOW DO YOU PERCEIVE THE RELATIONSHIP BETWEEN ACADEMIA AND INDUSTRY? WHAT ISSUES SHOULD BE ADDRESSED TO BEST PREPARE THE STUDENTS?

I think the relationship between academia and industry is strong. We have a number of links including internships, training programs and seminars. What I do think is the packaging industry needs to work closer with academia in developing emerging technologies and be sure the students that are going to join our industry in the future are well prepared and equipped to handle the emerging technologies, which are coming in all of our futures.

WHAT DO YOU SEE FOR THE FUTURE OF PACKAGING IN THE YEAR 2002 AND BEYOND?

I think that the packaging industry can be an important enabler of products and market opportunities in the future. In the past, packaging has always reacted to what has happened in the marketplace. But I believe some of the new trends in technology, RFID, oxygen scavenging, digital printing, and other new technologies will bring packaging to a new level where it will enable products and distribution that heretofore had not existed. Packaging can take a product. When you bring it home it will tell you the life cycle of the product, the time it was prepared, whether it has been opened since it was shipped, perhaps whether there are pathogens in the product. It can also help assist you with your refrigerator or your microwave oven in how to cook it, how long to cook it. Perhaps packaging technology can even tell you when it is properly done. In addition, as global trade continues to expand, and we have the exciting opportunities of seeing goods from all over the world, all of those shipments of goods will need to be packaged. I think packaging can provide that. Thirdly as the growth of technology and the Internet, I think we change the basic model where historically consumers had gone to a shopping mall; would buy a product; essentially they would provide the transport from the shopping mall back to their home. In today's technological environment, now that transport has changed. As you click the send button on your computer to order a product from an e-retailer, you will find the product you order now goes to a major distribution center and is handled by one of the air carriers and will be delivered to your door. As a result, that package, which would have gone home with you in a poly-bag, now requires some packaging material to ensure that it gets from the ultimate supplier to your front door in

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the pristine condition that you expect. I think there is a great opportunity to play a role in that. Overall I think that the packaging industry is on the right side of the secular curve for the long term. I think the future of packaging beyond the year 2000 will be as exciting or more so than the last 50 years.

THANK YOU...