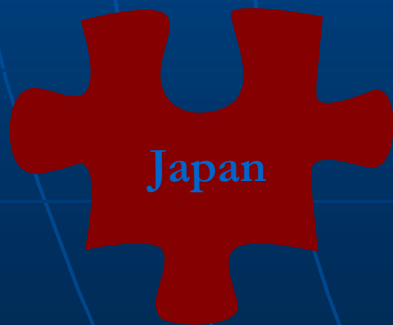


# International Fundamentals

Case Studies in  
International Chemical Management  
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# DO YOU FEEL LIKE GLOBAL CHEMICAL REGULATIONS ARE A BIG PUZZLE WITH PIECES FLYING EVERYWHERE?



# Global Chemical Regulations

- Complex set of laws currently in ten countries
- All laws have some similarity, but
  - They are all unique in some way
  - Takes a lot to keep the requirements straight
- Not many people in your organization work with these at all.
- That puts burden on you.

# Global Chemical Regulations

- How can you keep the pieces of the puzzle together?
- How can you help your company develop a comprehensive global marketing strategy?
- The following scenarios describe what might happen to you.

# You want to sell it where? When?

- Scenario – You get a call on Friday afternoon from the new sales account manager for the Southeast that goes something like this...

Hey, Bill, you know that new product that we launched last Fall, well one of my customers is using it in South Carolina and they love it. They like it so much they sent some to their sister plant in Belgium and they just placed an order for six totes to be shipped next week. The guys at shipping said I should contact you to make sure that we can send this stuff to Belgium. No problem, right?

# What do you tell the sales people?

- Well, with a comprehensive global strategy:
  - The Team identified the customers most likely to use this new product
  - They noticed that at least one had a sister plant in Europe.
  - You reviewed all the ingredients in the new product against the EINECS inventory,
  - contacted the suppliers and made sure that REACH requirements were going to be met and
  - determined that the product was good to go for Europe.
- You are able to tell the sales account manager that the company will be glad to ship the order next week,

**But what if this was not the case?**

# Sorry, We Can't Sell That To Them

- Not a good situation
- At OMNOVA, we use the Stage Gate process for new product development.
- We have added two regulatory review checkpoints
- The first is a quick review before the product is sampled
  - Highlights product stewardship and
  - global chemical regulatory issues that might arise.
- The second occurs at the "Go to Launch" stage
  - requires that all product stewardship and
  - global regulatory issues be resolved or
  - limitations well understood.

# China, I Can't Even Read the Regs!

- Scenario – Your company has just announced that it is opening an office in China to market a line of chemicals that have had global acceptance but have never been sold in China. The Division President calls and wants a list of products that he can sell in China now.
- You have heard a lot about China, but don't know the regulations very well, so you hit the internet and find that all the regulations are available only in Chinese.

# Where can you go for help?

- This is going to continue to happen
- The first place to look is to trade associations like ACC or SOCMA.
- There is no shame in asking for help from those who have been there before.
- You will need to also find someone on the ground in the new country.
  - who can read the regulations
  - knows the customs and culture
  - Knows your specific situation

# Korea, We don't even have an office there!!!

- Scenario – You get a friendly call from a fellow regulatory person at a very good customer. His question to you goes something like this...

We are thinking of launching a new product in Korea containing your product "Best Stuff ABC". We noticed on the MSDS that this product is not on the Korean Inventory. Any chance you can get this on the inventory so that we can use it in our product? It is for one of our best customers and if you can't get it on the inventory, I guess we will have to look for an alternative.

# What does it take to get on an inventory?

- Legal entity in that country.
- But what if you are not there?
- There are a number of options.
  - Work with your customer to submit a notification if they have an entity there.
  - If permitted you can engage an agent to submit the notification on your behalf.
  - As a last resort, you can work with your customer's customer (the importer) to submit the notification.

# Tips on working with partners

- Obviously, working with partners is not as simple as being able to control your own destiny.
- Not the least of the considerations is the protection of trade secrets.
  - Involve your legal department right away
  - Make sure that there are adequate provisions for protection of your proprietary information.
  - It may be necessary to get your customer, agent or distributor to sign a non-disclosure agreement.

# Tips on working with partners

- Don't assume that your partner has the same business objective as you do.
- Keep your business management informed about the partnership.
- Make sure everyone knows who is going to pay for what.
- Also make sure that the notification does not limit your ability to market the product to other potential customers if at all possible.

# Key Elements of A Global Regulatory Strategy

We have discussed an number of scenarios of what can happen.

How can you be prepared to meet these kind of challenges?

Here are some tips from someone who has just started down this path.

- Get the right people involved
- Get to know your products
- Get to know your customers
- Get to know the regulations
- Get to know the regulators

# Get the right people involved

- You cannot do this alone, it takes a team approach
- Involve key business functions that have input and even responsibility
  - Business Management
  - Market Development
  - Sales and Customer Service
  - Technical/New Product Development
  - Legal
  - Product Stewardship (if separate function)
  - Purchasing/Strategic Sourcing
- These people need training in the what, why and how of meeting their responsibilities.
- It will probably be your job to train them.

# Get to know your products

- You need to know a lot more about your product than just its chemistry, such as
  - What does it do?
  - Where is it used (application, geography)?
  - How much is used (per application, per country)?
  - Where do we get the raw materials?
  - Who uses it (entire value chain)?
  - Where does it go when they are finished with it (reacted, discarded, etc.)
  - How are people in the value chain exposed to it?

# Get to know your customers.

- We are all in the chemical business to sell our products to those who use them.
- Customers are all different
- The more you know about each one, the better you will be in anticipating their regulatory needs.
- Ask your sales account managers if they will take you on a visit to their customers.
  - Ask to meet with the regulatory people (not purchasing) and maybe the technical people if the customer is interested in your new products.

# Get to know your customers.

- Find out as much as you can about how they use your product.
  - What is the application.
  - Where will it be used (i.e. country)
  - How will it be used. (i.e. consumer, industrial)
  - Who will be exposed and how.
- Realize that they might not want to share that information with you.
- Develop a cooperative relationship, help solve their problems, not yours.

# Get to know the regulations

- You have made a good first step by coming to GlobalChem.
- Consider being active in the regulatory committees or groups
- Use the Web.
  - Many of the regulations are available on the country government website
  - Unfortunately some are not in English.

# Get to know the regulations

- Attend special conferences on specific jurisdictions such as the recent ACC Workshop on REACH.
- Establish a relationship with one of the Environmental Law firms such as those who are sponsors for GlobalChem.
- Unless you are a lawyer, you are going to need one some day.

# Get to know the regulators

- There are people on the other side of those regulations
- Most regulatory agencies have systems in place for technical assistance
- Utilize pre-notification meetings and correspondence
- Establish dialog with the authorities before submissions

# Get to know the regulators

- Take advantage of programs like EPA's
  - Design for the Environment
  - Sustainable Futures
- Attend conferences like GlobalChem and get to know the regulators as people.
- You never know when you might need to talk to one of them about your product.

Questions?