



INFORM

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QUALITY IS MULTIFACETED.



Dear Readers

At drinktec 2017, the trade fair held a few weeks ago in Munich, Germany, business partners and interested customers from all over the world praised the quality of our injection moulds. Such feedback is highly pleasing and encourages us to continue our efforts in this direction. However, one of our customers drew my attention to the fact that Swiss origin doesn't automatically guarantee high quality. I'm very grateful also for this prudent differentiation because Swiss quality – whatever one understands by it – means hard work, untiring engagement and permanent investment.

Mind you, these requirements apply not only to us. Our business partners devote themselves to quality just as intensively. In the present issue we show this at the example of thyssenkrupp Materials Switzerland Ltd. The steel experts never stop further enhancing their already high competence. Moreover, they make their knowledge available to us to continue perfecting our steel processing methods. And all that thyssenkrupp does for us, our other partners do as well. It is thanks to the generosity with which they share their knowledge and experience with us that we can offer our customers our well-proven quality.

One characteristic of this quality is durability. The factors on which it depends and the advantages it brings are also revealed in this publication. Our high-grade moulds allow us to launch a new service. With Second Life, we provide a platform on our website where decommissioned moulds can be sold. If an interested party makes a purchase, we bring the mould into top shape and make all necessary adaptations. The mould thus starts a second life and is even covered by a warranty. Second Life improves the ecological balance of the mould and makes an important contribution to the protection of the environment. In this way the durability offers an advantage to both the first and second owners, as well as the environment.

I hope you enjoy reading this edition of *inform* and look forward to seeing you personally in the near future.

Sincerely yours
Otto Hofstetter



Title page.

At HAITAI HTB Co., Ltd. from Pyeongchang, South Korea, quality comes before all else.

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OLYMPIC QUALIFIERS.



HAITAI HTB Co., LTD is one of South Korea's **leading water producers**. *OHAG inform* interviewed the Production Manager of the factory in Pyeongchang, **Kyoung Tae Kim**. He talked to us about the water and beverage business, the Haitai enterprise and his cooperation with Otto Hofstetter AG.

What, in brief, is the history of HAITAI HTB Co., LTD?

Our company was originally a subsidiary of the Haitai Confectionery & Foods Company, which was founded in 1945, i.e. before the country was divided into South and North Korea. The enterprise expanded its business activities in different directions. By 1997, the entire Haitai Group comprised 15 sister companies. In the year 2000, HAITAI HTB Co., LTD – abbreviated HTB – withdrew from the group and was taken over a year later by LG Household & Health Care Ltd.

How is the enterprise structured today?

LG Household & Health Care Ltd. was created as a spin-off of LG Chemical, Ltd. in 2001 and has developed steadily ever since. At present, the company consists of three divisions operating under the keywords “beautiful”, “healthy” and “refreshing”. The complete beverage business is part of the third and consists in turn of five areas, among them Coca-Cola, fruit juices and mineral waters.

**“THE MARKET IS GROWING
CONTINUALLY, WHICH IS WHY WE
ARE FOCUSED ON FURTHER
DEVELOPING OUR TECHNOLOGY.”**

*Kyoung Tae Kim, Production Manager Pyeongchang Factory,
HAITAI HTB Co., LTD*

How is HAITAI HTB Co., LTD set up?

Our company was founded in 1973 and ranks among South Korea’s leading beverage producers. Apart from the Pyeongchang factory, located 130 kilometres to the east of the capital Seoul, we operate two further locations. HTB was the first company to launch many different juice beverages, including carbonated types, on the South Korean market. In 2011, we acquired the water producer Diamond Pure Water, which was founded in 1972. This merger allowed us to strengthen our position in the water market.

What are HTB’s most important products?

Of high importance are our natural fruit juices, juice drinks – with and without fizz – sports drinks as well as traditional Korean beverages such as fermented rice drinks and Chinese drinks. Our second important pillar is natural mineral water, as was already mentioned. Moreover, HTB has been a licensee of the Californian Sunkist Growers Inc. for the South Korean market since 1976.

What kind of capacities are we talking about?

Within HTB we have two factories in which we produce water, in total roughly 200,000 metric tonnes or 200 million bottles per year. Apart from this, we mould preforms for Coca-Cola in South Korea. For this latter segment we make a capacity of 200 million more bottles available.

These are impressive figures. What infrastructure allows you to achieve this output?

We run three lines to produce the 400 million preforms annually. The “motor” of each production line is a Netstal PET-Line 4000 injection moulding machine. We differentiate as regards the injection moulds. Four of these moulds feature 96 cavities each, and one has 128 cavities.



Kyoun Tae Kim, Production Manager of Haitai's Pyeongchang plant, is proud to be the producer of the official water for the Olympic Winter Games 2018.

What are your main markets and how are they split up?

We produce mainly for the domestic market. Only about five per cent of the juice drinks are exported. In other words, our products are above all found in shops in South Korea. And they are popular. The Pyeongchang Drinking Water has been able to gain an additional five per cent of market share.



The water factory in Pyeongchang is one of three production plants of HAITAI HTB Co., LTD in South Korea.





Delivering quality is the key to further market development. Short downtimes and exceptional quality were the main reasons to choose moulds from Otto Hofstetter AG.

How big is the water market in South Korea?

The current market value is approximately USD 600 million and grows by about 15.5 per cent annually. The reasons for this are the growing number of single-person households and the health trend. According to forecasts the water market will grow to a total value of USD 900 million by 2020.

What is HTB's position in the South Korean beverages market?

Together with Coca-Cola we are number one in Korea for beverages. In the juice drinks segment we take second place and in the area of mineral water we fight with other producers over the positions. It changes from year to year. Normally, HTB ranks third or fourth.

"OUR FOCUS IS ALWAYS ON THE QUALITY; COST IS SECONDARY."

Kyoung Tae Kim, Production Manager Pyeongchang Factory, HAITAI HTB Co., LTD

What are the strengths of HTB in your view?

We're proud of our outstanding quality. After that, we are proud of our cleanliness and excellent operational organisation. In the past we obtained the preforms from external sources, which required permanent and elaborate quality control. Everything is much more relaxed now that we produce ourselves.

What were the most important tasks in the starting phase?

First of all we had to achieve the desired quality level. Productivity, costs and maintenance were other aspects which kept us busy at the outset. Now that these issues are settled, we devote ourselves to improving our technology.

What are the biggest challenges in the immediate future?

Future priorities are first-class maintenance and the ability to hold and expand our productivity. This at a consistently high level of quality, of course. We will further improve, reduce downtimes and guarantee gapless upkeep. The market as a whole keeps growing, i.e. demand increases automatically. We provide room for a further production system, if necessary by buying more land.

To what extent is sustainability a topic for HTB?

Pyeongchang Drinking Water is a purely natural product. It comes from a region which we call the Alps of Korea, a spring

located 680 metres deep in a mountain. At HTB the water is processed in a closed system to ensure that the natural taste is preserved. Our focus is always on the quality of the product; the cost is secondary. This is what I call lasting.

Nestlé and Danone have resolved to replace PET bottles with more environment-friendly packaging materials. Is this also a topic at HTB?

In South Korea, the trend towards environment-friendly products is hardly developed yet. Only a few and very reluctant approaches can be observed in this respect, mostly in the mineral water industry.

Where do you see potential for further market developments?

Certainly in the quality, for one thing. Apart from this, there will be new external possibilities. Next winter the Olympic Winter Games will be held here in Pyeongchang. The centre is only five minutes from our company. We have succeeded in becoming the official water supplier. This results not least in interesting advertising opportunities.

Since 2014 you have been relying on the quality of the preform moulds of Otto Hofstetter AG. What speaks in favour of these moulds?

Attaching top importance to quality and short downtimes, we looked for the most reliable moulds on the market. We chose Otto Hofstetter AG. Their moulds are simple and unique.

Where do you see possibilities for further optimising the moulds?

A better interchangeability of individual components would be very useful, but I was informed that work on this is already in progress. Another topic is the price, of course. Not only of the moulds, but also the fast reaction on the service side. These aspects will influence the decision as soon as the next investment is due.



HAITAI HTB Co., LTD
 Pyeongchang Factory
 227-35, Jinjo, Bongpyeong, Pyeongchang, Gangwon, Korea
 Production plant: 3 lines
 Preform quantity/year: 400 million
 Mother company: LG Household & Health Care Group, Ltd.
www.htp.co.kr

OH- XCHANGE®

REALLY HOT.

Otto Hofstetter AG offers its customers various services intended to ensure the productivity of their injection moulds. The exchange programme for hot runners – OH-XChange® has been a part of this for years. Unique in the industry, the concept provides numerous valuable advantages.

The hot runner is one of the most important components of an injection mould. The part is taxed to the utmost and accordingly plays an important role in the efficiency of the mould. No wonder the experts like to refer to it as the mould's motor. Production standstills are a sure consequence if the hot runner unit no longer functions properly.

In the interest of keeping the productivity of its moulds as high as possible, Otto Hofstetter AG has developed a special service for this key component. Inspired by the IT industry, where exchange solutions are common for e.g. chip PCBs, the mould specialists created the exchange programme OH-XChange®. If the hot runner suffers from a problem or is due for an overhaul, an exchange unit is always available. This gives Otto Hofstetter AG customers additional production safety and keeps the moulds' efficiency at the high level intended by the Swiss engineers.

For repair or revision on the spot.

We've all been there: the peak season, of all times, the hot runner system comes up with problems. At the worst possible moment, a repair or even a major overhaul is the only possible solution. A machine standstill is inevitable. Normally, it is impossible to catch up after these sorts of production failures. In peak periods they are a catastrophe because it usually takes about 20 working days for a complete overhaul of a 96-impression hot runner, for example. To make things more difficult, the customer's infrastructure is often inadequate to carry out the necessary work.

Simple calculation.

A simple calculation example illustrates the production stoppage and the resulting reduced efficiency: with 350 production days per year, the availability is at 96 per cent. If 20 days are lost for a complete overhaul on the spot, only 330 production days are left, which means that the availability drops to 90.4 per cent.

Solution at one's own expense.

Many customers defuse the situation with their own solution by buying an additional hot runner which they keep as a backup system at their factory in case of an emergency. An investment, on the one hand, for the shortest possible reaction time should a problem occur, but on the other hand at an additional expense that must be recovered in one way or another.

The practical alternative.

Otto Hofstetter AG stores at least one completely overhauled hot runner system for each mould type at its premises. If a customer reports a need, the necessary hot runner with the right dimensions can be delivered quickly and easily. Within Europe, such a rapid exchange with an equivalent system is accomplished within two working days. As soon as the hot runner is swapped, the customer sends the defective system to Switzerland. This completes the transaction for >



Hot runners are exposed to extreme conditions, and, after a certain time, even the highest quality runners begin to show signs of wear.

350 PRODUCTION DAYS PER YEAR
96 % AVAILABILITY ANNUALLY.

IN THE EVENT OF FAILURE.

WITHOUT
OH-XCHANGE®

WITH
OH-XCHANGE®

DOWNTIME:
20 DAYS

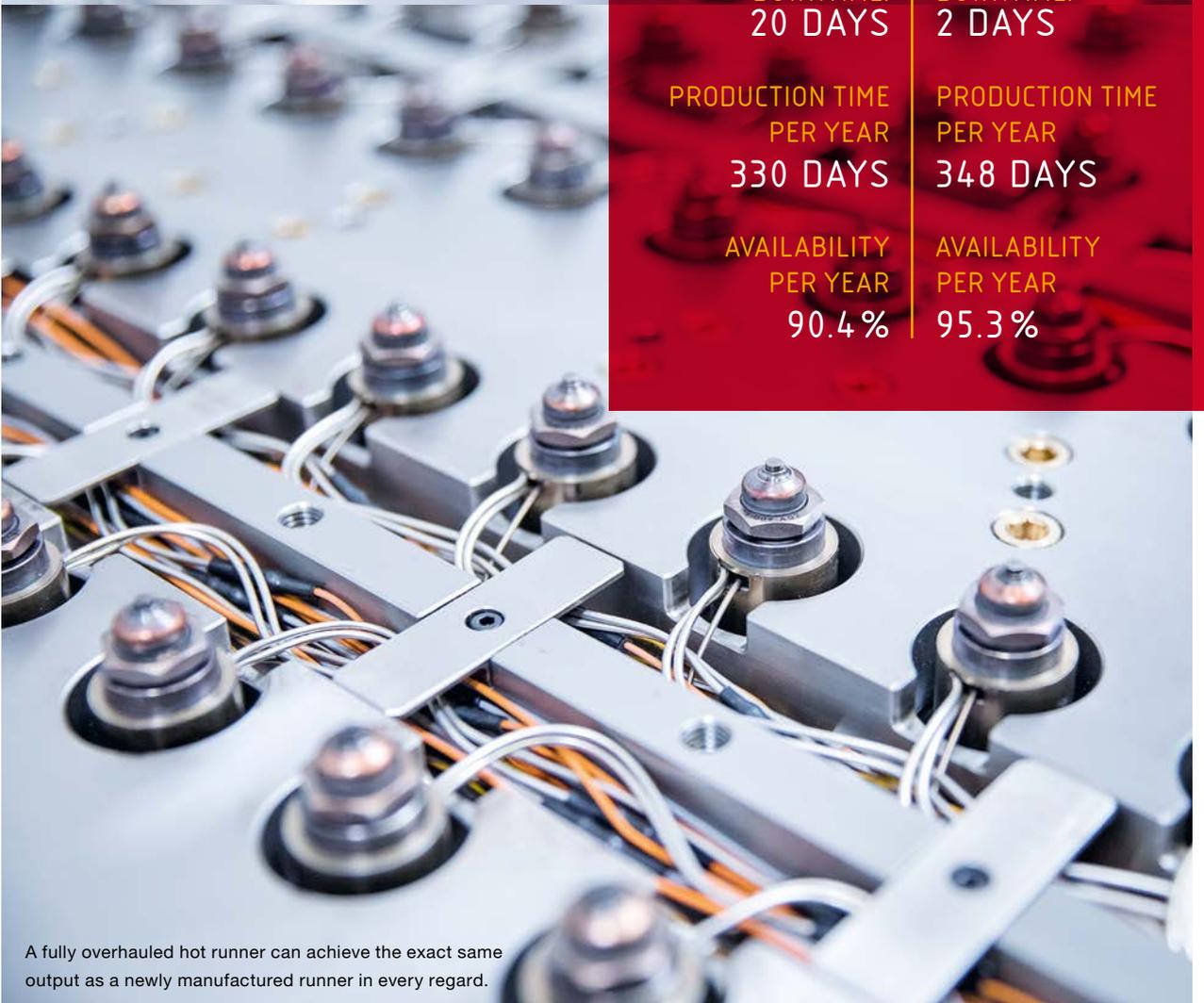
DOWNTIME:
2 DAYS

PRODUCTION TIME
PER YEAR
330 DAYS

PRODUCTION TIME
PER YEAR
348 DAYS

AVAILABILITY
PER YEAR
90.4 %

AVAILABILITY
PER YEAR
95.3 %



A fully overhauled hot runner can achieve the exact same output as a newly manufactured runner in every regard.



the customer; production can continue. The returned defective hot runner is fully overhauled at the supplier's factory under optimal conditions and is available again later as an exchange system.

New calculation.

Applying the above calculation example, the success is soon evident: with 350 working days per year, the availability is at 96 per cent. Thanks to OH-XChange® the downtime is reduced from 20 to only 2 days. The annual production time is 348 days, corresponding to an availability of 95.3 per cent.

The total saving varies, of course, depending on the production plant's location, since transport must also be taken into account. As seen repeatedly in practice, however, limited production is often possible until the exchange system arrives on the spot. In other words, the production loss isn't always total. This is why one can count on an average efficiency increase of five per cent compared with a total overhaul at the customer's premises.



THE NEW SERVICE AVAILABLE FROM OTTO HOFSTETTER AG: SECOND LIFE.

The moulds manufactured by Otto Hofstetter AG are known the world over for their durability, robustness and reliability. PET preforms or other plastic packaging articles of perfect quality are guaranteed from the first to the last day of production. An efficiency rate of more than 95 per cent is not unusual. High-grade materials, special processing techniques and patented refinements such as OH-Xtreme®, OH-Xtra® or NGT® ensure the highest possible quality over the mould's entire life.

Thanks to their exceptional properties, Otto Hofstetter AG moulds are almost as fit at the end of production as they were at the start, when a particular product reaches the end of its life

cycle. They could essentially continue their valuable performance for many more years.

Second Life – the new service from Otto Hofstetter AG – takes this characteristic into account. The platform is free of charge for customers and interested parties, and acts as an intermediary between sellers and buyers. If a mould finds a new user, it is completely overhauled and, if necessary, modified at the company's headquarters in Switzerland. The 12-month warranty proves how convinced Otto Hofstetter AG is of the quality of its moulds.

www.otto-hofstetter.swiss/second-life



STRENGTH THROUGH SPECIALISATION.

Fries Kunststofftechnik GmbH, based in Sulz, Austria, is well known for highly specialised products. Where other suppliers are in retreat, the specialists at this **family-owned enterprise in Vorarlberg** are in their element. Why is this so? And where does this confidence come from? **Mag. Dr Gerhard Bertsch**, Head of Sales & Marketing, and **Gerhard Marte**, Head of Operations, explain in an interview with *inform*.

"OUR SPECIALIST AREAS ARE TAILORED SOLUTIONS, SPECIAL MATERIALS AND COMPLEX SHAPES."

Mag. Dr Gerhard Bertsch, Head of Sales & Marketing,
Fries Kunststofftechnik GmbH



The history of the cooperation between Fries Kunststofftechnik GmbH and Otto Hofstetter AG (OHAG) goes back to the late 1950s. As early as 1954, the family-owned enterprise – then still under the name of “Theodor Fries GmbH & Co. KG” – pioneered the field of injection moulding, producing buckets and household goods. Thomas Rhomberg, Partner and current Head of Research & Development, shares his recollections with us: “At the time, there was still only a modest selection of qualified design engineers for injection moulding tools available. So we were in close contact with Otto Hofstetter Snr. already very early on. Sometimes, I drove to Uznach to pick up a part or to have a tool overhauled.”

Looking at more recent times, you have had 11 tools made by OHAG since 2003. How many of those are you still using in production?

Gerhard Marte (GM): They are cup and bucket tools, all of which we are still using. We have three to four suppliers. But OHAG is the Rolls-Royce of our suppliers, you could say. We turn to them whenever durability, good functionality and easy maintenance are key.

Let's talk about Fries Kunststofftechnik GmbH first. What range of services do you offer?

Gerhard Bertsch (GB): We are active in four business areas: packaging, gastronomy, industrial baskets and technical moulded parts. The first three are the actual products that

we develop. We buy the tools to manufacture them and sell the finished products. The fourth area is moulded parts and basically makes up the majority of our contract manufacturing activities. We have specialised in products that require tailored solutions, have special material requirements and involve complex shapes – for example, the protective helmet that we created.

In what areas are you considered a specialist within the market?

GB: It's our innovations that make us stand out from the crowd. We currently offer innovations in the fields of industrial baskets, gastronomy and packaging, where we are a niche player. But we also occupy a niche in the market when it comes to canisters. We produce containers for which UN approvals are required, or where there are very specific requirements in terms of safety or design. This applies more or less to all areas we're involved in. Our hallmark is a high level of specialisation in various small niche markets other companies lack the confidence to exploit.

In which countries does Fries Kunststofftechnik GmbH have a presence?

GB: We are an internationally active company that ships its products all around the world. There are 50 countries that we supply regularly, and some we supply only now and then. Exports currently account for about 90 per cent of our sales.

What is Fries's main source of turnover, and how is it spread in terms of business area and geographic location in which you are active?

GB: Germany is our biggest market, followed by Italy, France and Switzerland. The share of our home market Austria is rather modest – it is roughly our fifth-biggest market.

GM: Our activities in the area of packaging are concentrated in Central Europe. For certain products, we are the market leader in this region, or we are getting there thanks to our technology.

Your product portfolio ranges from a reusable cup to anti-glare slats. What is the common thread here in terms of your core competence?

GM: Our core competence is plastics itself. PE and PP are the main products that we process. For special applications, such as the protective helmets we produce, we also use special compounds. This core competence is a tradition at Fries. After all, the company was the first to start using injection moulding and blow moulding in the 1950s.

"WE SERVE VARIOUS SMALL NICHE MARKETS OTHER COMPANIES LACK THE CONFIDENCE TO EXPLOIT."

**Gerhard Marte, Head of Operations,
Fries Kunststofftechnik GmbH**

Your range of products is huge. How do you meet this challenge?

GM: In terms of technology, it is indeed a huge challenge. From a sales and marketing point of view, it has always been difficult to sell such a wide range of products. In particular, it takes a great deal of effort to ensure that you are always up to date with the latest technological developments in all of these areas. Our advantage is that we have many long-standing staff members and also invest a lot of energy in training young talent. Furthermore, we don't rely on a standard range or on selling a certain amount, but rather develop special concepts for tailored solutions. Something you often hear in our sector is: "If Fries can't solve it, no one can."

So, do you also develop new plastics in order to be able to offer a solution?

GM: In some cases that is what we need to do. However, we do not mix the compound ourselves. Yet we always ensure that we use materials that help us break through the usual limits of our sector. At trade fairs, we always hear that this

or that will not work with plastic, but in many cases we have been able to convince our customers of the contrary, and have proceeded to manufacture the items in question out of plastic.

It seems that whenever you take a closer look at Fries, you stumble upon awards that the company has won. Why is that?

GB: I'm sure that one reason is all of our innovations; and the other reason is our employees. They are very receptive to new ideas. If one of our sales staff comes to us with a new idea and says that we should offer this or that to our customers, our response is not to simply bombard them with our misgivings, but rather to think about how we could implement it. Any company that wants to be innovative needs employees who are willing to work together to make a difference.

GM: You also need to be prepared to give employees the space they need to flourish. For example, putting the design engineer under pressure and demanding they come up with the solution to a certain problem within two days is not effective.



"A TOOL FROM OTTO HOFSTETTER AG
EASILY LASTS TWO AND A
HALF TO THREE MILLION USES."

Gerhard Marte, Head of Operations
Fries Kunststofftechnik GmbH



Staff is given plenty of space to flourish, and they repay Fries Kunststofftechnik GmbH with a very high level of commitment.



Manufacturing products that meet the highest demands is one of Fries Kunststofftechnik GmbH's specialist areas.

How does this approach determine the choice of tools by OHAG?

GM: We enjoy working together with the Swiss supplier, despite the exchange rate for the Swiss franc. I have to tip my hat to the Swiss mentality because there is rarely any discussion about pricing policies. Due to the Swiss franc/euro ex-

change rate, OHAG was forced to adjust its prices. However, the discussion was very amicable, and we were able to strike a deal that was fair for both sides. We're very happy about that. After all, the distance to Uznach is short, the people at OHAG think in a similar way, and the discussions regarding construction designs go very smoothly.

To what extent is your successful cooperation due to the fact that OHAG is also a family-run business?

GM: The two companies have been working together for about 50 years now. Our mutual trust goes back generations – and the same applies to the quality. We can rest assured that the tools provided by our Swiss partner will last a long time and work without a glitch.

“THE INCREASING GLOBALISATION OF OUR BUSINESS PRESENTS A FURTHER CHALLENGE.”

Mag. Dr Gerhard Bertsch, Head of Sales & Marketing
Fries Kunststofftechnik GmbH

What are your reasons for buying tools west of the Rhine?

GM: Quality is key. A tool from OHAG easily lasts two and a half to three million uses. A tool from a cheaper supplier will wear out after 750,000 uses, and then it will need to be overhauled. Such an overhaul can amount to 10 per cent of the purchase price. The break-even point is always the decisive factor.

What do you see as the greatest challenge for businesses the size of Fries and OHAG?

GB: The challenges are different in each business area. However, in the case of packaging and technical moulded parts, the pricing is probably the biggest challenge. Our focus is on quality, but the customer sometimes prioritises cheaper products. The challenge is therefore to convince the customer of the benefits of higher quality. The increasing globalisation of our business presents a further challenge. We have to decide which regions are the right place to seek trading partners, and where we need to establish our own branch offices.

You have a broad network of connections with various organisations and institutions. How important is this network for the further development of the company?

GM: A broad network is essential to the development side of the company. Our development team is made up of four people, myself included. If you want to tackle challenges, such as developing a new material, you need to work together closely with specialists. If you need specialised tools or injection material, you need a partner like OHAG. And for tests and inspections external experts are crucial.

With the participation in Cup Concept, the technology company Fries has taken two steps forward in the value

chain. To what extent is this forward integration an opportunity for the future?

GM: Selling products with a straightforward sales route is becoming more and more difficult. Because when the sales route is straightforward, there are many suppliers active in that area. Once the sales route becomes more complex and the sales process more lengthy, many suppliers drop out. This is where we want to come in.

GB: Our focus is clearly on the systems business. If you use Lego as an analogy: we don't want to sell individual bricks, we want to sell the entire Lego system. Forward integration becomes of interest to us the moment we are the only supplier, rather than one of many.

Plastic is being increasingly criticised. What materials do you see as possible alternatives?

GM: When it comes to PE and PP, our first priority is to overcome their negative image. As engineers, we know that this lobbying arises from a lack of knowledge. Bioplastics made of sugar or maize are sheer madness in terms of the ecological footprint. In addition, very few people are aware that only about four to five per cent of the world's entire crude oil volume is used to produce plastics. When you mix plastic with any additional materials, it becomes impossible to recycle it. Plastic is a wonderful material, so our priority should not be to find a replacement for it, but rather to urgently achieve a higher recycling rate. As long as there is no real alternative available on the market, we will stick with plastic.

Thank you very much for your time, and I wish you every success on the path of innovation.



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A third-generation family-owned business with 75 employees, including 4 apprentices

Packaging for the transport of food, hazardous goods, pharmaceuticals, chemicals or for the storage of explosive substances, dishwashing and storage baskets for the gastronomy sector, industrial baskets and workpiece carrier systems and technical moulded parts

DESIGN TRENDS.

When consumers' fundamental needs are considered before the creative process begins, the end result generates interest through beauty, function and relevance. Knowing what makes consumers tick and how the industry is evolving can help you move the creation of your future business in the right direction. Let's have a look at four trends that are playing a crucial role on the packaging design scene right now. Get ready for the integration of tactile elements, smartness that matters, the challenges posed by interruptions and much more.



Kristina

About Kristina de Verdier

Kristina de Verdier is a designer and strategist, based in Sweden, who works with human-centred packaging design for brands globally. Since 2014, Kristina has managed her own studio, where she helps companies create holistic and bespoke design solutions using consumer insight, strategy and design.

www.kristinadeverdier.com

#1

TOUCHING REALITY.



We have five senses for a reason: together they help us understand and fully experience our surroundings. In the last few decades, visual experiences have been explored in all possible directions (e.g. virtual reality, augmented reality). At the same time, cognitive neuroscience has made a great deal of progress in the study of the human mind and of the principles that help to determine our behaviour. Touch is one of the most important senses when it comes to driving consumer behaviour. The increasing lack of texture in people's lives makes experiences become one-dimensional. So, in 2017, smart brands will be focusing more on how their products feel. By elevating the details and integrating tactile elements, companies will consequently need to have a clear strategy for the tactile components of their brand.



To consider:

- What are the tactile elements of your product/brand?
- How can you create brand recognition across senses?
- How can you further elevate the details?

A good example:

Orangina is a good example of a global icon that established tactility as part of their brand early on through the orange-peel textured glass bottle. In 2015, they switched to plastic with a new curvy bottle – yet the iconic texture remained consistent. The spirits industry also has many great examples in which all of the senses are utilised. Temple Distilling, for example, recently upgraded one of their brands, where instead of making big changes to the shape of the bottle or the graphic design, they made subtle changes in the form of tactile and visual material effects. The result: packaging that doesn't just look great, but feels great as well.

#2

SHARING AND CARING.



We live in a world full of alarms: conflicts, terror and environmental disasters. Consumers are increasingly worried and aware. In response, they begin to see environmentally responsible products not only as a good move for the future, but as a paradigm shift that needs to happen now. The circular economy suggests that our products will no longer just support our own needs, they will participate in a much larger system. In 2017, we will need to continue pushing the boundaries of the circular economy and rethink products in terms of the entire value chain. As part of this movement, we need to see many more companies and organisations working together across silos to achieve better consumer behaviour and encourage responsible consumption. Consumers are realising that their current consumption patterns need to be changed. To make this happen, they are turning to the companies that respond and turn their promises into actions.

**To consider:**

- Think circularity, think across value chain, rethink waste.
- How can you start with small actions (instead of the big words)?
- How can your products/services be participants in a bigger system?

A good example:

From trash to treasure: together with leading experts, labs and material innovators, Parley gives plastic trash a new life and turns it into yarn and fabric for the fashion and luxury industries, polymers for beauty products, or raw materials for use in packaging and construction. Another recent example of rethinking waste is created by rum brand Fitzroy. They designed a rum packaging in which the caps are made from discarded Coca-Cola labels.

#3

LESS IS THE FUTURE.

We live in an age of interruptions. Even though the connected world offers us both convenience and social interactions, consumers are increasingly seeking meaningful and simpler experiences offline. People are looking for personal enrichment beyond the worlds of work, social media, and city life – some are escaping to the outdoors, others leave their phones at home when going to a restaurant with their friends. People are getting increasingly overwhelmed by certain things, and complicated packaging with too much material is connected to stress and irresponsibility. So now, not only do companies need to address the physical needs of the consumer, they also need to address the consumer's spiritual and emotional well-being. There is a constant challenge to make slimmer products which are both easy and intuitive to use. The goal should be to reduce the clutter on the shelves, and ensure top-notch integration between the product and the packaging.

To consider:

- How can you consider consumers' spiritual and emotional well-being?
- How can you simplify your packaging?
- How can you be simple, bold, intuitive and reduce the clutter?

A good example:

Lightweighting is now part of almost every brand owner request. Ecover's washing liquid bottles have been inspired by the skeleton structures of algae. By applying the same principles of that skeleton structure, Ecover was able to create an aesthetically pleasing plastic bottle that uses 15 per cent less plastic without losing mechanical capacity. Reducing rather than adding is the essence of minimalistic design thinking. Many health juice bottles are minimising their label sizes, using the juice's colour as a backdrop of the design. This is a good way of giving the consumers what they want – less fuzz and more nature!



#4

MAKE SMART MATTER.

Consumers can shop anytime, anywhere, and are becoming increasingly demanding in terms of convenience. New technology which is integrated into consumers' product experiences is only going to grow, advances are being made in materials science, and components are getting smaller. As this sector is quickly evolving in many areas, one thing is clear: consumers and brand owners now want usable products that add real value to their lives, rather than short-term marketing gimmicks. How can smart components help prevent food waste, ensure product safety, generate and store meaningful data for medical purposes, or make the weekly shopping easier? Consumers are embracing the intelligence which is seamlessly integrated in their reality. It is the marriage of technology and simplicity that will help brands connect with consumers in exceptional ways.

To consider:

- What real consumer problems need to be solved?
- How can you create a seamless experience, integrated into consumers' lifestyle?
- How can the solution be intuitive?

A good example:

Amazon Go is a new kind of store with no checkout required. Amazon created the world's most advanced shopping technology so you never have to wait in line. Use the Amazon Go app to enter the store, choose the products you want, and go! Amazon uses sensors, video technology and AI algorithms to create this convenient shopping experience. Or take another example: Counterfeit wine is a major problem worldwide, but especially in China. The Smart Wine Bottle, with Thinfilm Open Sense technology, can detect a product's sealed and open states and wirelessly communicate content to a smartphone or device.

A CONNECTION STRONG AS STEEL.



It's a household name: around the world, **thyssenkrupp** is synonymous with **steel**. This also makes it the **ideal partner** for supplying materials for Otto Hofstetter AG moulds. We met with Managing Director **Claudio Roth**, Materials Expert **Stefan Eugster** and Head of Marketing **Christof Härz** to talk about tool steel, service, communication – and why the path to **optimal quality** sometimes involves a compromise.

Tool steel, stainless steel, engineering steel, aluminium, copper, brass, titanium, nickel, carbon steel and other special materials and alloys: thyssenkrupp supplies materials that meet nearly any requirement imaginable. For its moulds, Otto Hofstetter AG relies not only on the materials themselves, but also on the supplier's expertise. Stefan Eugster, Head Materials Expert at thyssenkrupp Materials Switzerland, highlights the Engineering department in particular: "We want to set the standard for the best materials." But in many situations, it's not quite that easy. And things get even more challenging when it comes to emphasising certain characteristics. "A lot of the properties of the materials only become apparent when you do something with the steel, for example when you heat it to 1000°C," Eugster explains. The company's headquarters are located in Bronschhofen near Wil (SG). When it comes to their partnership with Otto Hofstetter AG, Managing Director Claudio Roth says that thyssenkrupp mainly provides "comprehensive product services" – meaning consulting and processing services.

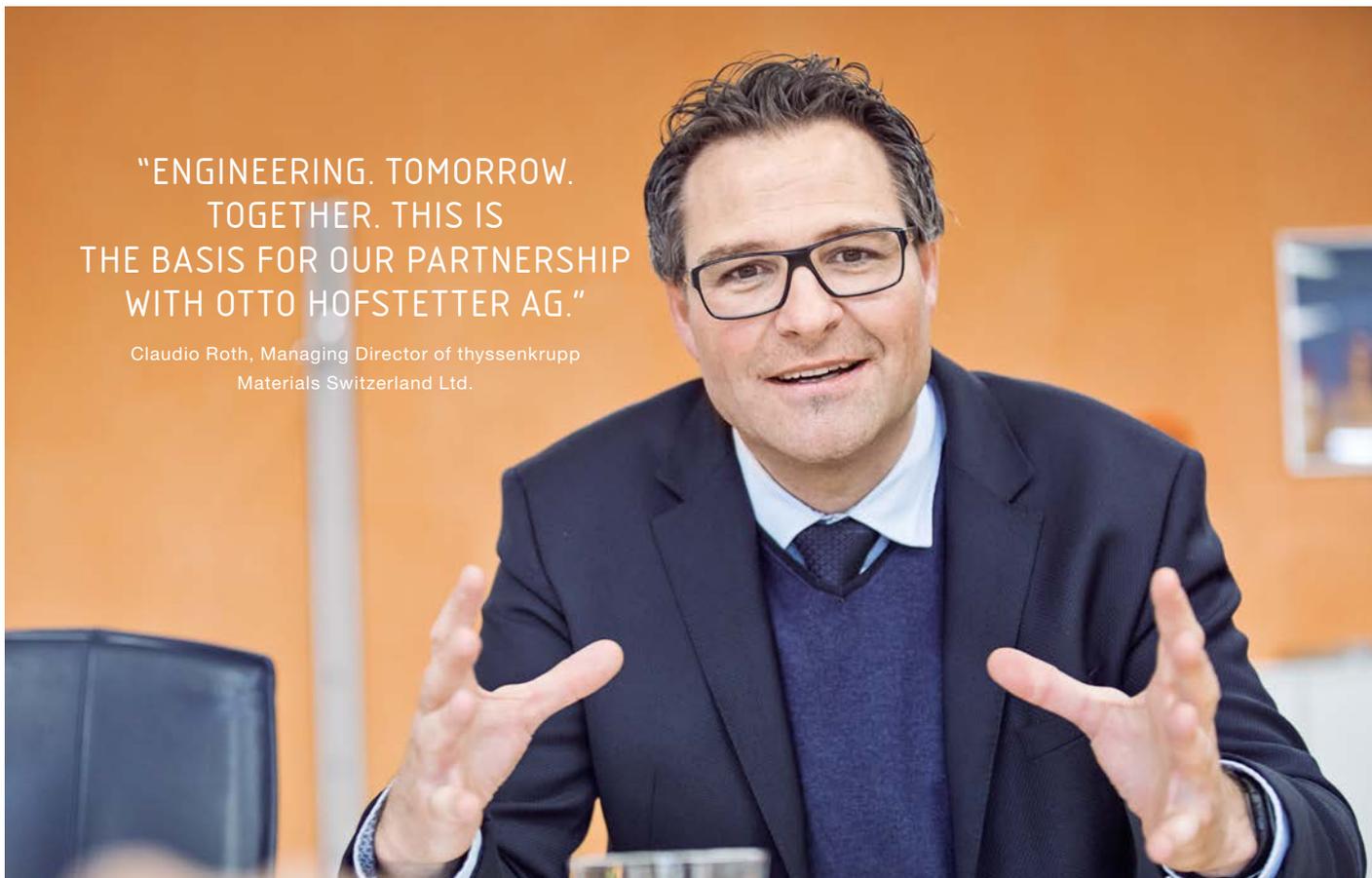
purchased by Otto Hofstetter AG will be subjected to extreme stresses. Roth continues: "That is why we don't just talk about engineering and customer service – it is our passion, and we live it every day." Naturally, then, it's even better when the customer not only appreciates this exceptional service, but also specifically requests it. What impresses Claudio Roth most about his partner Otto Hofstetter AG is that the company ensures that all of its components are optimally integrated down to the finest details. He has observed that the Swiss mould producer only consults with the top experts in their respective fields.

With advantages for both sides.

The signs of fruitful partnership are also apparent when one considers the everyday interactions between the two companies. Stefan Eugster confirms: "Both sides make sure to take time to maintain this relationship." Furthermore, the friendly and constructive working environment at thyssenkrupp motivates the team there to make the most of all their opportunities from day one. But if everything is so friendly,

"ENGINEERING. TOMORROW.
TOGETHER. THIS IS
THE BASIS FOR OUR PARTNERSHIP
WITH OTTO HOFSTETTER AG."

Claudio Roth, Managing Director of thyssenkrupp
Materials Switzerland Ltd.



A relationship built on mutual respect.

"We need to understand precisely what will happen with the Otto Hofstetter AG moulds," explains Roth. "The better our understanding, the better we can advise our partner in Uznach, analyse the material and optimise the product." This is the only way that thyssenkrupp can truly offer added value along with its tool steel as a supplier – in part because the materials

can the exchange of ideas really be open and honest? Will the communication remain constructive even if things don't go as planned? Claudio Roth is not worried: he explains that, when a problem arises, the management at Otto Hofstetter AG in Uznach immediately brings together all of the specialists from the departments involved, which allows them to solve problems quickly and efficiently.

The Managing Director of thyssenkrupp Materials Switzerland stresses: “You really can’t top Otto Hofstetter AG.” The working relationship is excellent in every regard. However, Head Materials Expert Stefan Eugster feels that thyssenkrupp could be even more closely involved in the design process: “Since the standards are constantly changing, it would benefit both sides in terms of quality assurance.”



When it comes to mould manufacturing, Materials Expert Stefan Eugster recommends always determining the quality based on the specific requirements.



Head of Marketing Christof Härz knows that customers expect high-quality products and top service from thyssenkrupp Materials Switzerland.

A combined effort.

But as it stands currently, there is a great deal of communication between the two partners. “We practically have a dedicated line,” says Claudio Roth, smiling. What does that really mean? A continuous exchange of data and information. Once Otto Hofstetter AG completes a drawing, the partners meet to discuss the next steps. The two expert teams also determine the delivery schedules together so that they can guarantee everything will come through on time. This allows the business partners to optimise the materials used in the moulds together. Both sides benefit from this cooperation – thyssenkrupp Materials Switzerland further strengthens its own brand image through these co-created concepts. “We have developed products with Otto Hofstetter AG and have grown together, so to speak,” adds Christof Härz with a view

to marketing. The characteristics of the moulds – precision, continuity and value retention – are an expression of a close cooperation between the partners. The traditional hierarchy – the customer on one side, the supplier on the other – has never been an issue. The two partners work together, and their combined efforts go into creating solutions that are optimally suited to Otto Hofstetter AG’s needs.

Quality defined by practical use.

Stefan Eugster lists the three main quality criteria for materials: “Stainless steel must be sufficiently hard, demonstrate a great deal of corrosion resistance and be easy to work with.” And, at the end of the day, the price has to be right. A great deal of the steel used by the mould manufacturer comes from stainless steel producers based in Germany who have been recognised for many years in Switzerland for their high-quality products and their innovative strength.

Many people talk about “quality without compromises” – but Stefan Eugster takes issue with this sentiment. Especially when it comes to making moulds, it is important to precisely evaluate the different requirements. He uses the alloy element sulphur as an example: “The positive aspect of this material is that it allows for good machinability; however, the negative is that it reduces corrosion resistance and polishability.” Another example: the higher the proportion of chrome in the alloy, the more corrosion-resistant the steel will be, but it will also be more difficult to work with. Ergo: “Sometimes we have to make a compromise here or there for the good of the mould.”

“WE HAVE GROWN TOGETHER WITH OTTO HOFSTETTER AG.”

Christof Härz, Head of Marketing at thyssenkrupp Materials Switzerland Ltd.

The focus remains on the solution.

The 120 employees at thyssenkrupp Materials Switzerland are always looking for new applications for clients in all industries. Head of Marketing Christof Härz sees a great deal of potential in their niche strategy, for example in the watch industry, the field of medical technology and the aerospace industry: “Segments in which we are already well established.” Härz continues: “We generally look for customers who make high-quality products.” However, it’s not only about products for which thyssenkrupp Materials Switzerland already has material solutions “on hand”. Even if potential partners only have an idea for a product that could be made using metals,



One of thyssenkrupp Materials Switzerland's main strengths is consultation during the implementation of new ideas.



At thyssenkrupp Materials Switzerland, companies with high standards in terms of quality can find the right materials.

thyssenkrupp brings all of its expertise and experience to the table to help turn that idea into reality – and all without a particularly complicated or drawn-out concept phase. Claudio Roth considers this to not only be one of his company's strengths, but also generally an advantage that is typical for the company's location: "Short distances, high speeds. That is one of the main strengths of Swiss companies." That is why thyssenkrupp Materials Switzerland Ltd.'s services are the perfect fit for Otto Hofstetter AG's core characteristics: precise, fast, durable, reliable.



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thyssenkrupp Materials Switzerland Ltd.

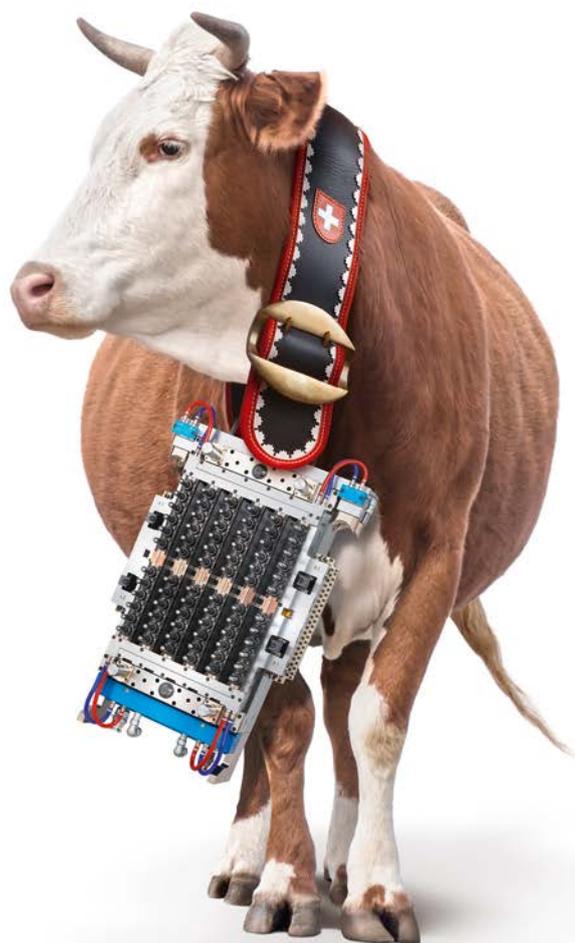
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Consulting, sales, warehousing and processing of tool steel, stainless steel, engineering steel, aluminium, copper, brass, titanium, nickel, carbon steel and other special materials.



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