Welcome

Green Chemistry and Commerce Council
Innovators’ Roundtable

Nike World Headquarters
July 9 – 11, 2008
“Green Cleaners that Really Clean
...and are Really Green”

From Coastwide Laboratories
A Division of Corporate Express

John Martilla
Executive Vice President
From a Business Perspective

Talk about:

1. What Is Sustainable Earth®
2. Path to Sustainable Earth®
3. What We Learned
Sustainable Earth®

- 16 Products (42 SKUs)
  - Cleaners
  - Degreasers
  - Restroom
  - Carpet
  - Floor Care

- B-2-B / I-and-I Markets

- Highly Concentrated (1:256 or 1:512)

- Perform Very Well

- First with Both
  - EPA DfE
  - Green Seal
"You’ve got to be careful if you don’t know where you are going, because you might not get there.”

…Yogi Berra
The Path to SE®

- Largely the Efforts of One Person
- 1987: High Tech Firms ➔ Screen Ingredients
- 2000-01: Oregon Governor Kitzhaber
  - Sustainable Supplier Council
    - Grant Watkinson - Member
    - Roger McFadden – Chair, Cleaners and Coatings
2000: **SEGC-114** Standard – McFadden
- Indiana Relative Chemical Hazard Score (IRCHS)
- **David Difiore** – EPA DfE

2000: **Product Prototypes** & Market Test
- HP Citrus
- ULO Stripper

2001: **Introduced First 6 SE®**
The Path to SE® (con’t.)

- **2002: Universities and Non-Profits**
  - Dr. Lauren Heine, Zero Waste Alliance
    Chair, Unified Green Cleaning Alliance
  - Dr. Jim Hutchinson, Green Chemistry, U of O
    Involving Chemistry Students

- **Graduate Business Schools**
  - Lundquist (U of O): Dr. Mike Russo
  - Darden (Virginia): Dr. Andrea Larson
  - OSU
  - PSU

Go Ducks!
The Path to SE® (con’t.)

- **2003:** Partnership: EPA DfE
- **2004:** Corporate Director of Sustainability
  - EPA DfE Logo - 6 SE® Products
  - Green Seal Cert. (GS-37) – 5 SE®
- **2006:** Corporate Express Bought Coastwide
- **2007:** SE® Launched Nationwide in USA
- **2008:** SE® Launched in Canada
## 16 Sustainable Earth® Products

<table>
<thead>
<tr>
<th>Product</th>
<th>2002</th>
<th>2004</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass Cleaner</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpet Cleaner</td>
<td>62</td>
<td>2006</td>
<td>2007</td>
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<tr>
<td>Odor Eliminator</td>
<td>63</td>
<td></td>
<td>2007</td>
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<tr>
<td>Neutral pH Cleaner</td>
<td>64</td>
<td>2004</td>
<td>2004</td>
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<tr>
<td>Heavy Duty Cleaner</td>
<td>65</td>
<td>2004</td>
<td>2004</td>
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<tr>
<td>Disinfectant - EPA</td>
<td>66</td>
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<tr>
<td>Professional Carpet Spotter</td>
<td>67</td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Washroom Cleaner</td>
<td>70</td>
<td>2004</td>
<td>2007</td>
</tr>
<tr>
<td>Toilet &amp; Urinal Cleaner</td>
<td>71</td>
<td></td>
<td>2007</td>
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<tr>
<td>Liquid Hand Soap</td>
<td>74</td>
<td>2005</td>
<td></td>
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<tr>
<td>All Purpose Cleaner</td>
<td>78</td>
<td>2002</td>
<td>2007</td>
</tr>
<tr>
<td>Floor Finish &amp; Sealer</td>
<td>80</td>
<td>2003</td>
<td>2006</td>
</tr>
<tr>
<td>Wax &amp; Finish Remover</td>
<td>82</td>
<td>2007</td>
<td>2007</td>
</tr>
<tr>
<td>Wax &amp; Finish Remover, Heavy Duty</td>
<td>83</td>
<td>2003</td>
<td>2006</td>
</tr>
<tr>
<td>Dust Mop Treatment</td>
<td>84</td>
<td>2005</td>
<td></td>
</tr>
<tr>
<td>Graffiti Remover</td>
<td>99</td>
<td></td>
<td>2007</td>
</tr>
</tbody>
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**Coastwide Laboratories**

Solutions for Industrial and Commercial Cleaning
Share of Market: OR and WA

- 44% of Coastwide Mfd. Chemical Sales
- 4-5% of Total I-and-I Chemical Market

Fastest Growing Product Category

- CL: 27% increase 2007 (43% in 2006)
- Fastest growing jan-san segment for CE
1. Involve Top Management Early

- Support for SE®: both Grant and Roger on Gov. Kitzhaber’s Sustainable Supplier Council
- Temptation to “Wait and Wow”
  - Top Management -- *Where Good Ideas Go to Die*
    - Doesn’t Like Surprises
    - Give opportunity to buy in early
- Avoid “NIH” -- Tom Peters
“It ain’t what you don’t know that will hurt you. It’s what you know for sure that just ain’t so”

…Mark Twain
2. Involve Customers Early

- **Ask** the Customer (User Level)
  - 10 Foot Rule: Good Ideas

- **Watch** Customer Use the Product
  - Compare with Product Currently Using

- **Seminars**: Build Primary Demand
3. Avoid Trade-Offs, Especially Performance

- American Business: Trade-off Model
  - Independent Testing Laboratory
    - “My kid is not ugly!”
    - Credibility to b-to-b customers
  - USP: *Unique Selling Proposition*

**Excitement!**
What We Learned

4. Introductory Pricing

- ROI vs. Penetration Pricing
  - Price Sensitivity: NAGPI, Terra Choice

- Pricing Where Raw Material Prices Will Be

- High Concentration: Packaging Cost Saving

![Graphs comparing Bio-based Surfactants and Petrochemical Surfactants over years 2002 to 2008]

![Diagram showing price vs. quantity for two different concentrations Q1 and Q2]
In Conclusion

- Cleaning Industry: Last 30 Years
  - High Speed Burnishing
  - Green Chemistry

- Thank You: People Helped with Sustainability
  - EPA DfE, Green Blue, Green Seal
  - Universities
  - People in Our Own Firm
  - Need Champions

- Ctr. For Sustainable Business Practices - U of O
  - “Doing Well By Doing Good”

Cleaning for **Appearance**
Cleaning for **Health**
The End

Thank You
Coming Soon?

that was easy.