

*Why outsource  
When you can in-source for  
greater value.*

***ChemSource, June 2006***

Rich Sibbick

Dow Corning Paper & Process Industry, Europe

# Today's Focus

- Dow Corning Overview
- Positioning Value
- World examples
- What do we offer?
- Solution examples
- Real contribution



# Dow Corning Corporation at a glance

- Established in 1943 as joint venture between Corning Incorporated and Dow Chemical Company. Longest running joint venture in the world
- The company goal was “...to pioneer the development of silicone technology.”
- More than 7,000 products & over 25,000 customers worldwide
- Sales of \$3.88 billion in 2005
- 9,100 employees, 1,000+ scientists & engineers
- 4,600 active patents worldwide

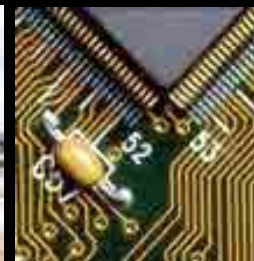


*We help you invent the future.*



# Where would you find us?

Automotive  
Beauty & Personal Care  
**Chemical Manufacturing**  
Compound Semiconductor  
Electronics  
Food & Beverage  
Healthcare  
Household & Cleaning  
Imaging  
**Paints & Inks**  
Power & Utility  
**Pressure Sensitive**  
Rubber Fabrication  
Solar Energy  
**Textile, Leather & Non-wovens**

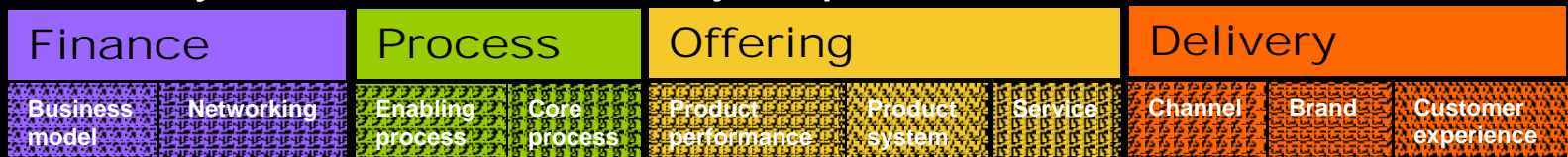


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# Positioning Value

- Why outsource / in-source?
- Where is the value in emulsions, blends and products – Si or otherwise?
- What business model should you follow?
- Brands are following clear strategies, we see this everyday.
  - Dow Corning has done the same!
- 10 ways to innovate – not just product!



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Adapted from: Larry Keeley, Doblin, Inc



# Virgin Atlantic

- High value / high cost
- High levels of service
  - Beds on long haul
  - Business lounges with showers
  - Entertainment systems
  - On board masseuse!
  - On board bars



# Ryanair

- Price, price, price!
- €0.10 plus tax each way.
- Non-assigned seating.
- Book weeks, even months ahead.
- Arrive in plenty of time.
- On-board sales.
- Scratch cards!
- On-seat advertising.
- “One day airports will pay US to land!”



# Dow Corning Approach - One Company: Two Business Models With Multiple Choices

*Value* propositions based on customer needs-based segmentation

*One company*

## Dow Corning

*Two models*

Dow Corning®  
Brand

XIAMETER®  
Brand

Materials + service packages

Product only

**Innovative  
Solutions**

**Proven  
Solutions**

**Cost-effective  
Solutions**

**Market-based  
pricing**

DOW CORNING

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# Dow Corning

- Meeting the needs of the customer “Exactly”!
  - Provide specification support.
  - Provide analytical support.
  - Technical Service Centre.
  - Customer Service Centres.
  - Sales representatives.
  - Sales managers.
  - Packaging styles.
  - Contract.





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**XIAMETER® BENCHMARK PRODUCT PRICING:** (Members only.)

Product Name	Price	Info
XIAMETER® PMX-0001 SILICONE FLUID 350CST	\$4.16/kg	<a href="#">DETAILS</a>
XIAMETER® PMX-0156 SILANOL FLUID	\$4.16/kg	<a href="#">DETAILS</a>
XIAMETER® PMX-0110 CYCLOSLOXANE	\$4.16/kg	<a href="#">DETAILS</a>
XIAMETER® SLT-S100 SEALANT ACETOXY	\$3.33/kg	<a href="#">DETAILS</a>

See more prices in our [Product Catalog](#).

Prices Updated 17 Jan 2005

The new measure of value.  
From Dow Corning.

**XIAMETER®**



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**XIAMETER®**

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**FIND PRODUCTS**

You searched for category **Mechanical Emulsions** in **UNITED STATES**.

There are **32 products** which match your search criteria. If you found too many or too few results, you may want to try searching more. If you still cannot find what you want, please [Contact Us](#).

Results are listed in order based on how well they matched your search.

(1)

Viewing page 1 of 1

Product Name	Price	Info
XIAMETER® HDH-2760 EMULSION, 1000 KG DRUM	\$2150.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2760 EMULSION, 200 KG DRUM	\$1075.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2760 EMULSION-T/T	\$1075.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2764 EMULSION, 1000 KG DRUM	\$2150.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2764 EMULSION, 200 KG DRUM	\$1075.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2772 EMULSION, 1000 KG DRUM	\$2150.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2772 EMULSION, 200 KG DRUM	\$1075.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2777 EMULSION, 1000 KG DRUM	\$2150.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2777 EMULSION, 200 KG DRUM	\$1075.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2778 EMULSION, 1000 KG DRUM	\$2150.00	<a href="#">DETAILS</a>
XIAMETER® HDH-2778 EMULSION, 200 KG DRUM	\$1075.00	<a href="#">DETAILS</a>

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# Solutions: meeting customer needs and capturing value for Dow Corning

Identified customer business need  
**Listen**

+

Integration of product & service, or multiple services, specifically tailored or positioned to meet the customers' business needs  
**Understand**

=

A solution that adds unique value from the customer's perspective  
**Act**

What is different?

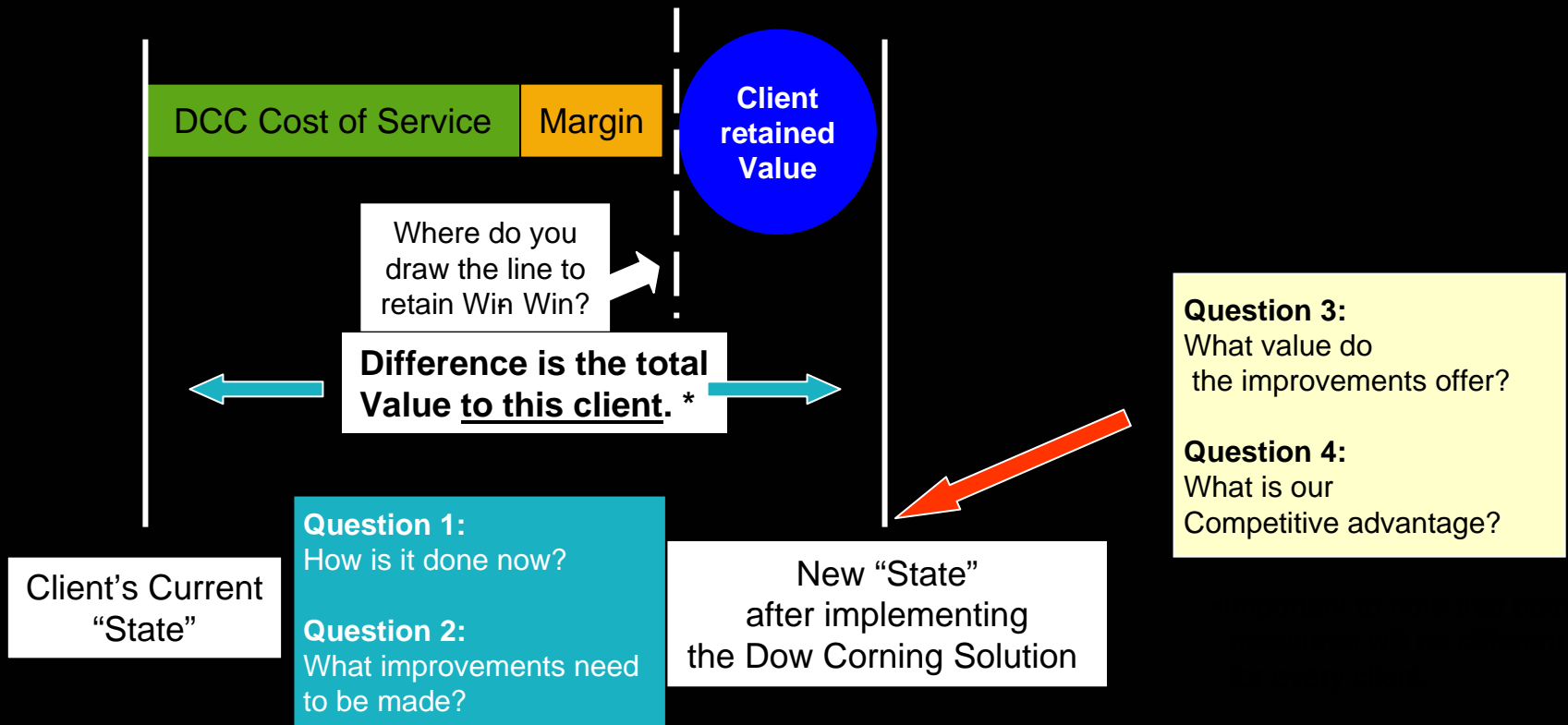
- Placing customers' business needs at the center of our focus.
- Understanding specific customers' business needs which may, or may not, be directly related to their needs for materials.
- Considering and utilizing our capabilities as well as potential partner capabilities, with a broader mindset to meet customers' business needs.

But!

Must be your key skill otherwise you start to erode your own business!



# Identifying and Capturing Value in the Marketplace



**NOT Cost + !**



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# Solutions Approach Expands Our Opportunities

- Now offer expertise where we have experience:
  - Expanding into new geographies
  - Creating new markets
  - Optimizing supply chains
  - Increasing productivity through manufacturing design and trouble-shooting
  - Offering new formulations
  - Staying competitive through access to market knowledge



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# Solutions – our capabilities

Analytical

**Contract & Toll Manufacturing**

Environment, Health and Safety

Engineering Support & Facilities Design

Formulation & Product Development

Process & Supply Chain Optimization

Material, Process & Equipment Integration

Packaging & Shipping

Alliances & Partnerships

<http://www.dowcorning.com/services>



# Solutions – Contract manufacturing

- Private Label
  - Customer required an emulsion to be produced
  - Dow Corning provided product.
  - Packaged.
  - Labelled.
  - Distributed.
- Contract / toll manufacture
  - Customer required blend to be produced in new geography.
  - Dow Corning provided complete solution in existing local plant.
- Partner capabilities
  - If the opportunity doesn't fit us, then partner can help.
  - Customer loyalty but need reliable partners!



# Solutions – how far do you go?

- Remember!
  - You can say no!
  - Only do if value is there!
  - Only do if we have the capacity!
  - Only do if it really is our **KEY** skill!
- Non Si based opportunities?
  - Must ensure you don't erode your current business.
  - Stick to the knitting!
  - Could help resource other opportunities.





# Contribution to growth

- Solutions have grown Corporation Revenue & contributed to Margin.
- Solutions
  - pay for themselves
  - PLUS make profit on their own
  - PLUS increased product margins
- **Ultimate target:**
  - Solutions generate significant growth for Dow Corning Corporation in coming years. (\$3.37bn in '04 vs \$3.88bn in '05  $\approx$  15%)





- Products
- Services
- Industries
- Customer Support



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Language

Here are just a few of the ways we can help you invent the future:



### Idea Illuminators

Dow Corning worked with leading global manufacturers to create design solutions for the next generation of LEDs. Together we helped increase light output, making it possible for cell phone cameras to deliver brighter flashes and sharper pictures.

**Learn more about innovative electronic solutions**

 "Helping Electronics Companies Grow" **Download Now!**

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## Articles

- |   |  |
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## The P&PI New Business Development Team

### keen listeners

- team driven
- approachable
- tenacious
- responsive

### need interpreters

- diverse
- knowledgeable
- intuitive
- focused

### innovation catalysts

- energetic
- adaptable
- risk takers
- visionaries

### solution providers

- cost effective
- differentiated
- tailored
- proven



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### Bright ideas, profitable realities.

The P&PI New Business Development Team listens and understands, then creates solutions that meet your needs... exactly. Transforming bright ideas into profitable realities is our business.

We help you  
invest the future.<sup>™</sup>  
[www.dowcorning.com](http://www.dowcorning.com)

### silicone resins and intermediates

- performance additives
- organofunctional silicones
- water based silicones

### environmental options

- high-temperature performance
- corrosion resistance
- compatibility
- weatherability
- hardness
- flexibility

### proven solutions

- quality
- consistency
- repeatability
- innovative technology
- scalable power

### trusted partner

- history of success
- global resources
- easy access
- local support



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### Celebrated performance. Dramatic results.

Dow Corning® most silicon-based ingredients for paints and inks are trusted worldwide. Their performance is proven, and there are many options from which to choose. If you want to meet performance and environmental challenges, control your costs and grow your business, we can help in ways you may never have imagined. Contact us for expert technical advice, customer service or to see a local Dow Corning sales representative.

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Visit [www.dowcorning.com/asia](http://www.dowcorning.com/asia)  
Email us at [performance.support@rd.dowcorning.com](mailto:performance.support@rd.dowcorning.com)

Paints & Inks  
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Thank you for your attention.

***ChemSource, June 2006***

Rich Sibbick

Dow Corning Paper & Process Industry, Europe

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