

# International Sales Meeting

## London, September 14<sup>th</sup> 2015

### Minutes of Meeting

**Participants:**

- AL - Anders Lassen, Clip-Lok International (CLI)
- TK - Tylan Kaae, CLI
- KS - Katrine Skovbjerg, CLI
- GF - Gustaf Follin, Scandinavia
- KP - Kenn Pedersen, Scandinavia
- RT - Roger Tillberg, Scandinavia
- AG - Andy Gower, USA
- MB - Marcel Bakx, USA
- JM - James Milne, UK and RSA
- DT - David Turner, UK
- TB - Torie Bannister, UK
- LB - Lajos Bozi, Hungary
- SK - Surinder Kanwar, India
- SP - Sachin Pawar, India
- MS - Monel Solomon, Israel

*Please note: This document is a supplement to the set of presentations from the sales meeting. Most of the presentations are very detailed and include all of the information that was shared at the meeting. Any additional relevant comments or information are written in these minutes.*

	<u>Action</u>
<p><b>1. Welcome - Anders Lassen, CLI</b></p> <ul style="list-style-type: none"> <li>• Newcomers – KS is also a newcomer</li> <li>• MS – He doubts that there will be an increase in the use of armed land forces in Syria. JM – Does not think NATO will put in forces as there are too many conflicting interests, Russia etc.</li> <li>• The network of CL partners allows us to contact each other anytime and draw benefit from each other’s knowledge and experience.</li> <li>• SK – The importance of filing for patents on the finger releasable clips in India was underlined. AL replies that it most certainly will be done.</li> </ul>	
<p><b>2. Key Markets - Status and future developments - Anders Lassen, CLI</b></p> <ul style="list-style-type: none"> <li>• The finger releasable clip gives us an opportunity to differentiate ourselves from significant competitors like Nefab.</li> <li>• There is a rapid development in the electric car industry and their suppliers of batteries etc. and it is important to be “on the train” in supplying packaging.</li> <li>• There shall be a broader awareness in development of new technologies in sustainable energy. As an example a new solar power technology is rising using mirrors and heating of oils in a tube (MS).</li> <li>• We see an increase in research of anti-flood equipment, this also outside Norway</li> </ul>	<p>All</p> <p>All</p>

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and AquaFence.	All
<ul style="list-style-type: none"> <li>In promoting business in the relief aid industry, it shall be considered to consult/aim at the end users and/or purchasers.</li> </ul>	All
<ul style="list-style-type: none"> <li>MS suggested to design refugee housing</li> </ul>	MS
<b>3. Marketing – Our new website and new materials</b> - Tylan Kaae, CLI	
<ul style="list-style-type: none"> <li>It shall be ensured that all partners are on the newsletter list.</li> </ul>	TK
<ul style="list-style-type: none"> <li>If desired partners can order issues of Automotive Logistics Buyers Guide and distribute to their customers/leads.</li> </ul>	All
<ul style="list-style-type: none"> <li>All partners are requested to inform TK of the source of leads coming from the website and other marketing platforms, so she knows which marketing efforts are paying off.</li> </ul>	All
<ul style="list-style-type: none"> <li>It was expressed that more video material for marketing is highly desired and would be a great help in the sales work.</li> </ul>	TK
<ul style="list-style-type: none"> <li>The password for Phanfare will by default be changed regularly and can always be found on agent website. In addition TK is happy to receive feedback on missing tags on photos. As a rule of thumb a new product presentation sheet indicates new photos on Phanfare.</li> </ul>	
<ul style="list-style-type: none"> <li>On the website and Phanfare are templates and photos that can be combined into easy sales material.</li> </ul>	All
<ul style="list-style-type: none"> <li>Marketing (TK) is attending courses regarding strategic web design and Search Engine Optimization.</li> </ul>	
<u>Web shop:</u>	
<ul style="list-style-type: none"> <li>MS has had a web shop for 4 years and can be used for advice.</li> </ul>	
<ul style="list-style-type: none"> <li>An advantage of a web shop is the customer’s ability to evaluate the price level before contacting CL.</li> </ul>	
<ul style="list-style-type: none"> <li>A disadvantage is that we expose our prices to the competitors.</li> </ul>	
<ul style="list-style-type: none"> <li>The web shop will most likely be ready for launch end of 2016.</li> </ul>	
<b>4. Marketing Brainstorm - Which new marketing tools are needed for selling more boxes? –</b> with everyone	
<ul style="list-style-type: none"> <li>SK – More films showing product benefits. Highlight the advantages of CL boxes on our website.</li> </ul>	TK
<ul style="list-style-type: none"> <li>MS – More videos. Have certain landing pages of our website in more languages to make it more accessible.</li> </ul>	TK
<ul style="list-style-type: none"> <li>KP – Use cookies which bring the user to specific landing pages, f.ex. auto.</li> </ul>	TK
<ul style="list-style-type: none"> <li>GF – “Design a box and get a quote” function on our website. AG said that the quote could be high enough to suit all countries. JM said that so much time is wasted on small quotes but it could be valuable. On the web shop maybe?</li> </ul>	TK
<ul style="list-style-type: none"> <li>GF – Our website must be easy enough to navigate that the sales people can</li> </ul>	TK

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<p>converse with customers over the phone while “showing” them things on the website.</p> <ul style="list-style-type: none"> <li>• MB – Remove the sound of saws from our YouTube videos.</li> <li>• JM – South Africa’s website is very successful because a “.za” website signifies a local business which is stronger than a “.com” website. They have 50% - 75% success from leads.</li> </ul>	<p>TK TK</p>
<p><b>5. Plastic clip – Product, manufacturing, sourcing, pricing, testing</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"> <li>• First presented 2 years ago at this meeting with an older design.</li> <li>• Demonstrated the first box sold – Gryphon audio equipment</li> <li>• The investment in this new clip is significant.</li> <li>• We must use CNC machining for the plastic clips.</li> <li>• We plan to use a double slotting head which will involve an investment of around USD 8000 – the investment will be paid back quickly. See presentation.</li> <li>• We have with success tested OSB. Plywood is also fine. We have not tested chipboard.</li> <li>• Alignment of the box sides is an important factor. More critical than with steel clips.</li> <li>• Safety is an important selling factor – the plastic clip does not fly off when opening.</li> <li>• Each of us at the meeting should add advantages and disadvantages to the list.</li> <li>• The quantity of recycled and virgin materials in the plastic will be determined in the future.</li> <li>• The current clip is made of polyethylene. Other materials are being considered.</li> <li>• Everyone needs to send in clip name suggestions. If we find a winner, they will get a case of red wine.</li> </ul>	<p>All All</p>
<p><b>6. Plastic clip – Brainstorm - Which markets shall we focus on to get success?</b> Each participant to present their ideas.</p>	<p>All</p>
<p><b>7. Releasable metal clip - Product, manufacturing, sourcing, pricing, testing</b> - Anders Lassen, CLI. No points noted, see presentation.</p>	
<p><b>8. Releasable metal clip Brainstorm – Which markets should we focus on to get success?</b> Each participant to present their ideas.</p>	<p>All</p>
<p><b>9. Plastic clip and releasable clip - How to promote it and how to sell it -</b></p> <ul style="list-style-type: none"> <li>• AG – Smart packaging. Reusable, no tool needed.</li> <li>• MS – “Travelling for 200 million miles”</li> <li>• JM – “The one million mile box”</li> <li>• MB – Give the new clips a new website.</li> <li>• AL – Everyone should start planning at which exhibits you will show the clips.</li> <li>• JM – Decide which elements of the new inventions are of use to people. What factors are relevant for the customers, not just newness value.</li> </ul>	<p>CLI</p>

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- Use exhibitions! Seeing is believing.
- MS – We can advertise in exhibition catalogues even if we are not exhibiting at that show.
- SK – Use photos rather than words.
- Enter into awards programs like Scanstar.
- JM – Use social media. Can make a competition.

**What are the most important ways to sell the new clip solutions? (Contributions from everyone)**

- Target existing customer base
- Follow up on lost opportunities with the news
- Trade shows
- Website – new landing pages
- Award programs
- Advertise in relevant non-packaging media to bring awareness of the packaging industry.
- Technical or sub contract exhibitions
- Look at existing client portfolio and go for specific areas like “spare parts”. Lateral expansion.
- Social media – go viral. Tweet, Facebook etc. People talk!
- Help our customers grow their businesses.
- Videos on YouTube
- Technical magazines – articles etc.
- Make a big “splash” at exhibitions. Be bold - for example only display one box with the new clips. No other boxes.
- Newsletters
- Target existing projects.
- Reduce the selling price of the new clips to be the same selling price as the old clips.
- Broaden outside of the packaging world, for example not only focus on packaging awards. Advertise in non-packaging media (auto, defense etc)
- Focus on “innovative”
- Do competitions, for example:
  - Film your employees flat-packing a box with standard clips. The fastest wins a prize. Then so it with the new clip to show how much faster this is.
  - Guess how much weight the box will take before collapsing.
  - Make social-type competitions rather than industry competitions. For example in a dog magazine have a competition to write in 10 words why you would like a Clip-Lok dog kennel. Winner wins one. This could be done with play-houses or other novelty Clip-Lok products.

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<p><b>10. Steel clips sourcing</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"><li>• An Indian supplier is under evaluation.</li><li>• Two clip suppliers are minimum requirement – Ideally three.</li><li>• The current coating is not the cheapest, but has a higher quality. (Reply on question from AG)</li><li>• All licensees will be requested to source no more than 60% from the Chinese supplier.</li></ul>	
<p><b><u>Key Markets</u></b></p>	
<p><b>11. Automotive – Leoni – Busbar in aluminum</b> – James Milne UK</p> <ul style="list-style-type: none"><li>• The Leoni project can inspire us to look up leads in other wire harness manufacturers.</li></ul>	All
<p><b>12. Automotive – Alelion – Lithium batteries or forklifts</b> – Roger Tillberg, Clip-Lok SimPak (Scandinavia)</p> <ul style="list-style-type: none"><li>• The Alelion project is a good example of the development in the alternative energy sector.</li></ul>	All
<p><b>13. Defense Swedish armed forces – Tents</b> – Gustaf Follin, Clip-Lok SimPak (Scandinavia)</p> <ul style="list-style-type: none"><li>• This is a case where the lack of interest from the defense contractors in improving packaging of their product creates a problem for their customers; this includes a high amount of tents for repair.</li></ul>	All
<p><b>14. Defense – US Marine corps – Generators</b> – Marcel Bakx, PackIQ USA</p> <ul style="list-style-type: none"><li>• There is a large potential in finding leads in other generator manufacturers and similar industries.</li><li>• The challenge is to become the preferred supplier of packaging for the manufacturers of generators.</li></ul>	All
<p><b>15. Clips to be used for other products than packaging - Brainstorm - Which products are in demand by consumers?</b> Each participant to present their ideas.</p>	All
<p><b>16. Closing remarks</b> - Anders Lassen, CLI</p> <ul style="list-style-type: none"><li>• Thank you for coming. We are so much stronger as a team!</li></ul>	
	