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Glass Executives Project Challenges

Siemens Energy & Automation hosted a “Glass Days” conference in Pittsburgh, May 3–4, 2007. Seventy key international industry leaders came together to exchange ideas regarding the future of the glass industry. The event consisted of one day of strategic discussions and one that included a number of speakers proposing specific actions and technologies to help our industry.

Keynote speakers Aubert Martin (president and CEO, Siemens Energy & Automation) and Vicki Holt (senior vice president, glass and fiber glass, PPG Industries Inc.) set the tone with their views of the challenges we face.

The glass industry has an opportunity and a responsibility to play a role in successfully meeting those challenges, they said, both to ensure our continued success and to play a significant role in generating positive change at a societal and global level.

With apologies to Martin and Holt (and some poetic license), I’ll combine and summarize their comments and strategic recommendations below.

Challenges

Megatrends that can be extrapolated into the future with pretty good probabilities of accuracy present us with national and global challenges. Here are

a few that will impact our nation and planet as well as our industry:

- Huge increases in global population—8 billion by 2025, with more than 50% of the people living in cities—will change the very nature of society.
- A 40% increase in energy demand brings up concerns regarding long-term supplies and costs.
- Closely related to increases in energy use, CO₂ emissions will increase commensurately, substantially increasing climate change risk in the absence of global action.
- Markets will demand proactive energy and environmental policies and practices.

Collaborating on Solutions

The glass industry is highly energy-intensive, operating in a business environment with unstable and generally increasing energy prices. It generates a carbon footprint and is experiencing doubts about ROI from required investments. In addition, it faces increasing competition from other markets and products.

To face these challenges it is essential that our industry pursue solutions in a collaborative manner. We must:

- Search for affordable alternative fuels and distributed energy sources.
- Develop common approaches to resilience (strategic planning to prepare for possible but unpredictable challenges) and sustainability.
- Continue the development of innovative energy-efficient and environmentally sound furnace design technologies such as the submerged combustion melter.
- Introduce advanced process control systems and efficiencies that will improve our productivity and profitability.
- Enhance our product portfolio and improve the image of glass by focusing on and promoting the availability of the many glass products with energy-saving or energy-generating impact: windows, insulation, lightweight composites, photovoltaics, windpower and many others.

- Collaborate within the industry to increase viability of recycling programs and continue to publicize glass as the perfect recyclable.

- Develop a comprehensive strategy for energy management. Energy efficiency and climate change are linked. As individual companies, supported by the industry as a whole, we need to do our part.

- Join with other industries supporting constructive legislation to help reduce our nation’s carbon footprint. The U.S. Climate Action Partnership (www.us-cap.org) is taking the lead. This must be a comprehensive national energy policy that is coordinated globally. Wall Street is beginning to recognize long-term risk associated with energy- and carbon-intensive companies.

- Study our business model as an industry and consider viable innovative approaches to production methods and products.

Support from the Ranks

These visionary leaders opened the discussion, but others fully supported their strategic overview with presentations on sustainability, carbon controls, coal gasification, energy management, business models, strategic direction and the value of benchmarking.

Day two included presentations on new approaches for reducing energy use, covering technologies, best practices and management approaches that have demonstrated their possible impact.

The theme that overarched the thought-provoking session was: **the need for change!** Business as usual will not take us forward to a successful future. GMIC members are developing strategic objectives to ensure that our industry remains in the forefront of technology, efficiency, profitability and sustainability.

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