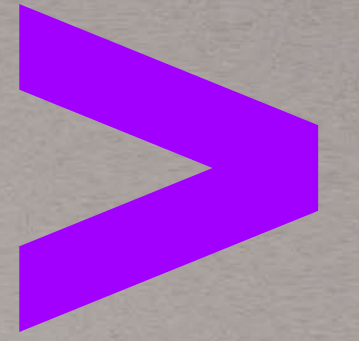


The Industrialist

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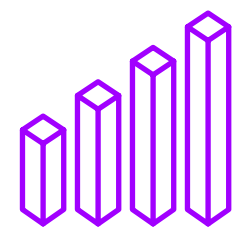
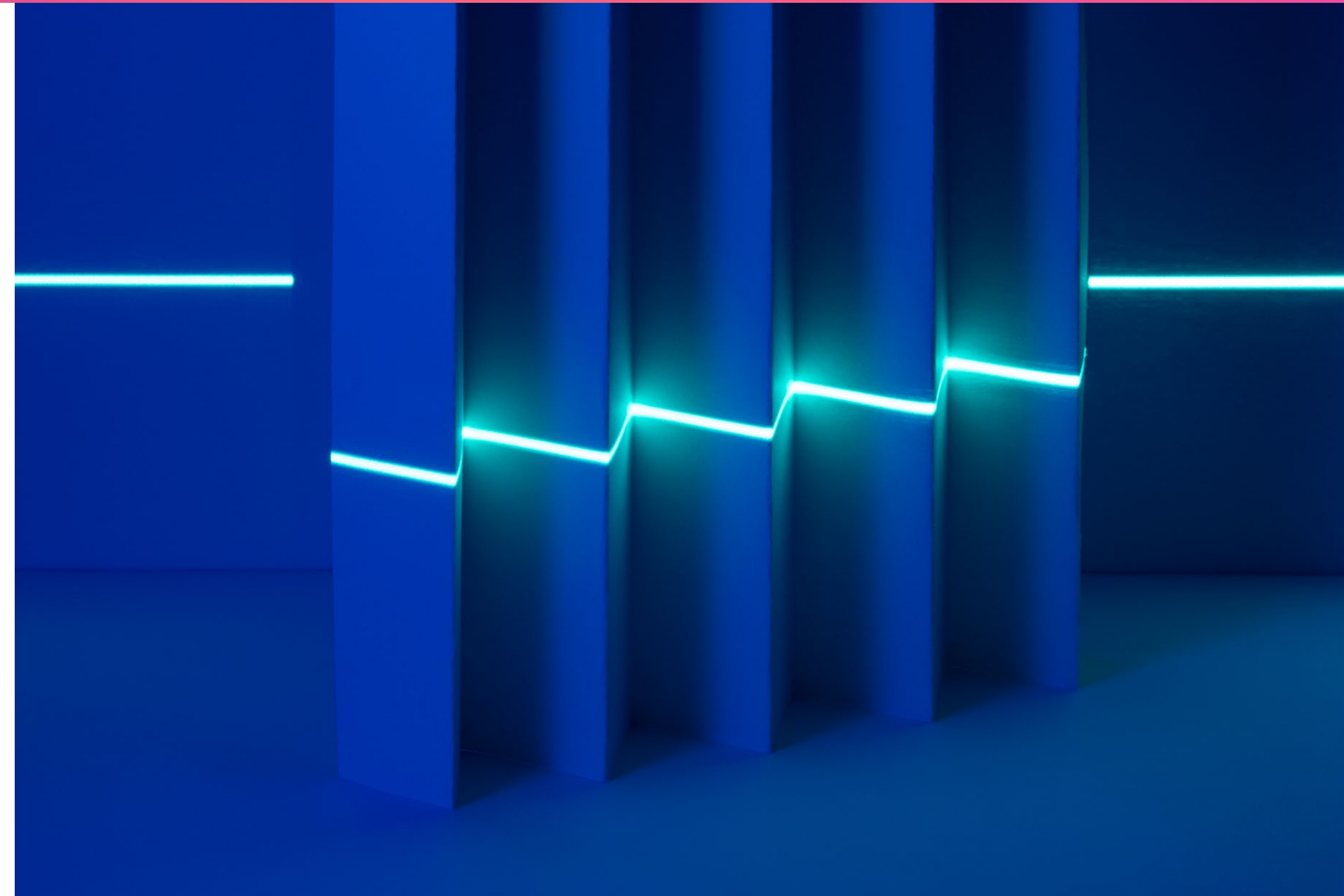
“We have very clear strategies to develop recyclable packaging, create less waste and design machines to use less water and ink.”

Jean-Pascal Bobst
Chief Executive Officer
Bobst Group

May 2022

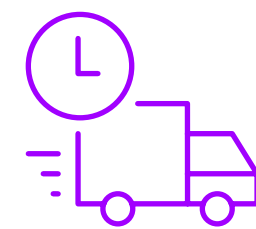
Repackaging sustainability

Each month, we speak to a different industry leader about their approach to innovation and emerging trends impacting the sector. For this edition, we have talked with Bobst Group's Jean-Pascal Bobst about his take on the state of play in the packaging industry and his predictions for the game changers that lie ahead:



Key pillars of success

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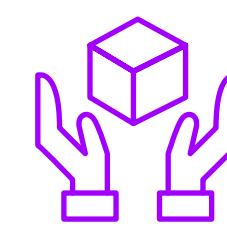
Rethinking the supply chain

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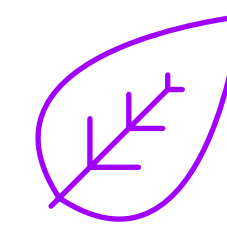
Selling performance

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Thinking out of the box on e-commerce

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Driving the sustainability agenda

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In conversation with Bobst Group's Jean-Pascal Bobst

Jean-Pascal Bobst is the fourth generation of his family to take the helm at BOBST, a world-leading supplier of processing, printing and converting equipment and services for the label and packaging industries. Founded in 1890 in Switzerland, the company operates in more than 50 countries and employs more than 5,800 people across the globe. Today, when sustainability is at the forefront of every company's agenda, Bobst's packaging expertise and innovations are more important than ever before.

"We have very clear strategies to develop recyclable packaging, create less waste and design machines to use less water and ink," says Mr. Bobst, who was named CEO in 2009. The company's vision for the future of packaging has not only united it around new sustainability goals, but it also saw BOBST through the pandemic and out the other side—with record results.

We talk to Mr. Bobst about the future of packaging, why data is transforming the industry and how its business models are evolving in response to those changing worlds.

"We have co-developed recyclable plastics that will help the industry to become much more responsible."



Jean-Pascal Bobst, Chief Executive Officer, Bobst Group

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What one word describes you best?

One word is quite a challenge!

I will give you a few words—I am a person who is **generous, dedicated, passionate** and has **integrity**.

Can you tell us about your career journey and current role at BOBST?

It's been quite a journey!

Being the youngest of the four Bobst generation, it was a big challenge to create unity and agree on a shared vision and strategy with the more than 45 family members who are BOBST shareholders. We have two major families within the company—Bobst and de Kalbermatten—and while it's always fun to work with family members, it's also a very big challenge to create a common vision for the future. We have a fantastic legacy and we must continue to develop this legacy for future generations.

I took over as CEO in 2009, and we all remember Lehman Brothers' bankruptcy in 2008. So, for BOBST, that was the worst year ever. Since then, we developed a clear vision to create unity around one brand. BOBST grew by acquisitions, adding more than 13 brands over time. Today, we have a one brand strategy, one group and one team, built to support the packaging industry. We weathered other financial crises in 2011 and 2015 and, of course, the COVID-19 pandemic. And today, we are proud to be one of the global leaders of the label and packaging industry.

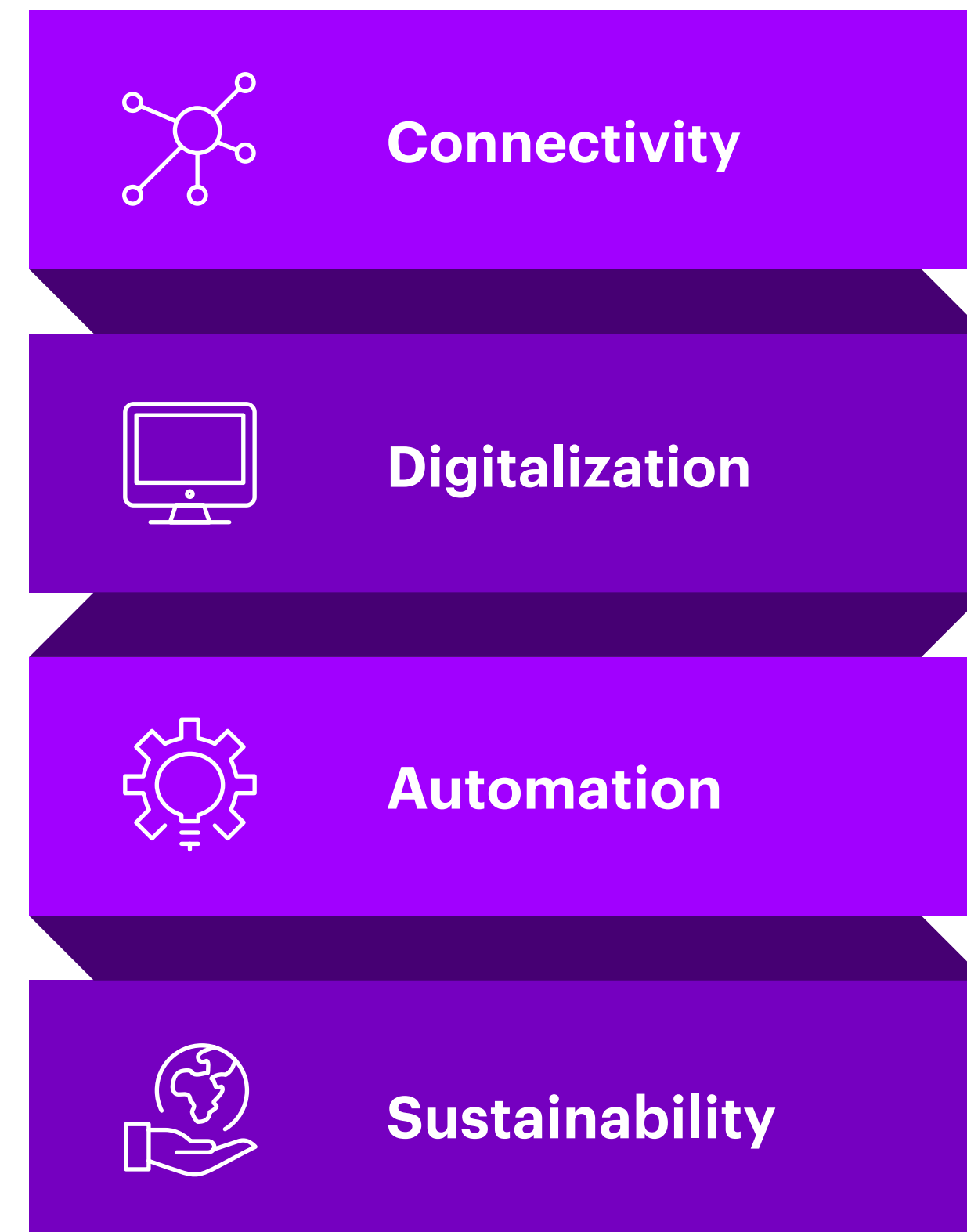
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In 2020 you outlined a new vision for the future of BOBST. What are the key pillars of that vision and where does it stand today?

This is a bold vision that will shape the future of packaging whereby all parts of the packaging supply chain—from brand owners to converters and retailers—will be seamlessly connected. People might think it's too bold, or too broad, but it expresses our passion for what we do and for the industry we serve. So how to make this vision a reality? We have defined [four pillars of our vision](#): connectivity, digitalization, automation and sustainability. Whether we're talking about the folding carton-, corrugated-, flexible material or label industry, the same strategy is needed to fulfill this vision. Across the whole production workflow, key players face many challenges, like shorter time-to-market, smaller lot sizes and the need to build consistency between physical and online sales. In this situation, where the packaging value chain is also very fragmented and project phases are happening in silos, **automation** and **connectivity** are more important than ever, and greater **digitalization** is helping to drive these. And achieving greater **sustainability** is arguably the single most important current goal in all manufacturing.

By uniting all of these elements in our products and solutions, we help all key players get an end-to-end view, and the ability to remove waste factors and errors from their operations. At the heart of this vision is [BOBST Connect](#), an open architecture cloud-based platform delivering solutions for pre-press, production, process optimization, maintenance and market access. It ensures an efficient data flow between digital and physical worlds, and helps orchestrate the entire production process from the client's PDF to the finished product.

Our clear vision supported by a bottom-up strategy helped us realign the entire company and really empower people to move towards that vision. Creating startups on the side, as we needed to innovate and think outside the box, has been key. Our values have also been fundamental to our transformation and will continue to be. Overall, this has been very successful for us and has led to some fantastic [annual results in 2021](#), with order entries almost 40% higher than in 2020.



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When it comes to the second pillar of your vision, digitalization, what opportunities and challenges do you see for more advanced digital integration across functions?

The challenge is in rethinking the entire supply chain.

When brand owners, such as Nestlé or Coca-Cola, want to create a new label or pack for consumers, the entire supply chain around that is very complex and poorly interconnected. Right now, it's complex because it's segmented and optimized for each individual activity—from the initial packaging strategy and design of the brand owner, to pre-press operations, to the final packing and distribution steps. However, data is making the supply chain much more transparent and in 10-15 years the supply chain will be streamlined and easy to understand. Digitalization will allow BOBST and other players to simplify the supply chain by breaking information silos and providing increased transparency, which will lead to a lot of advantages such as reductions in waste, scrap, inventory and time to market—and I'm speaking about 5-10x reductions.

We can achieve a huge amount of optimization including cost and efficiency gains, but it will require a number of revolutions in our industry.

Take Amazon for example. Around 15 years ago they proposed a new solution, and today that solution has transformed into a platform that allows new businesses to grow. The digitalization of the packaging supply chain is exactly the same—it connects the end user and the brand owner so that together, they can develop a new supply chain for the packaging industry.

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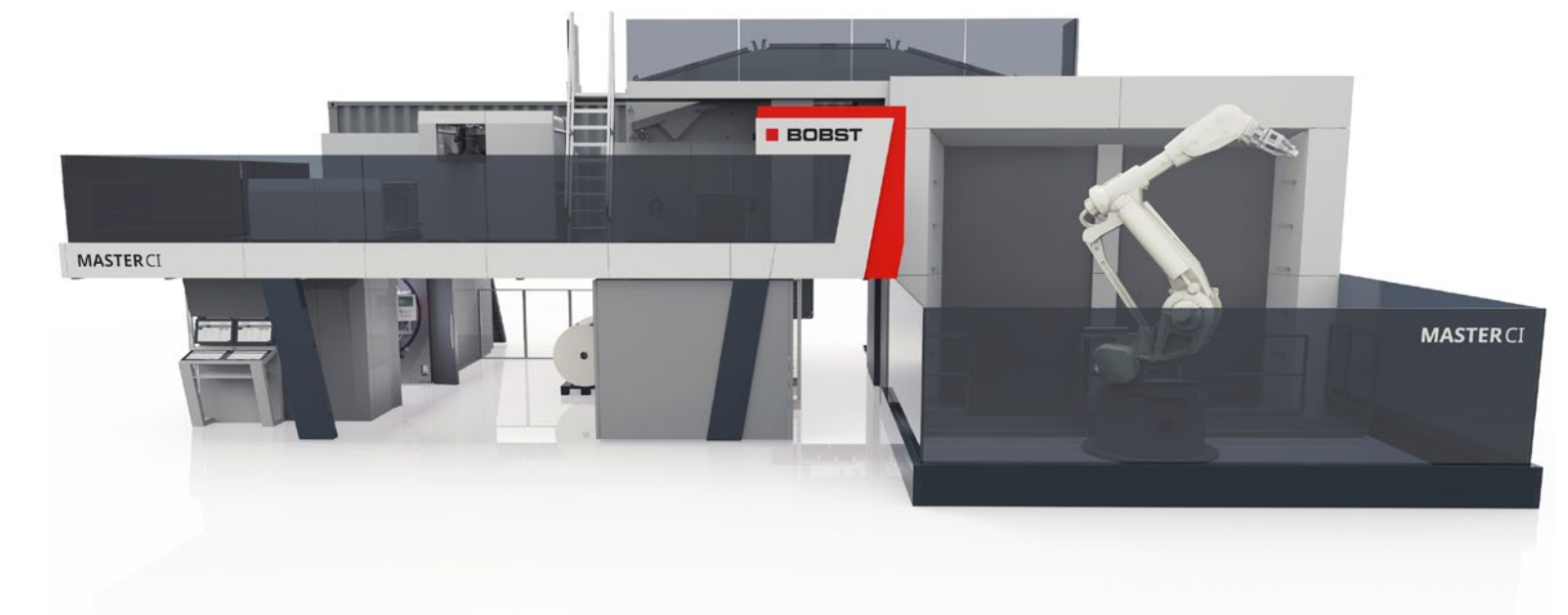
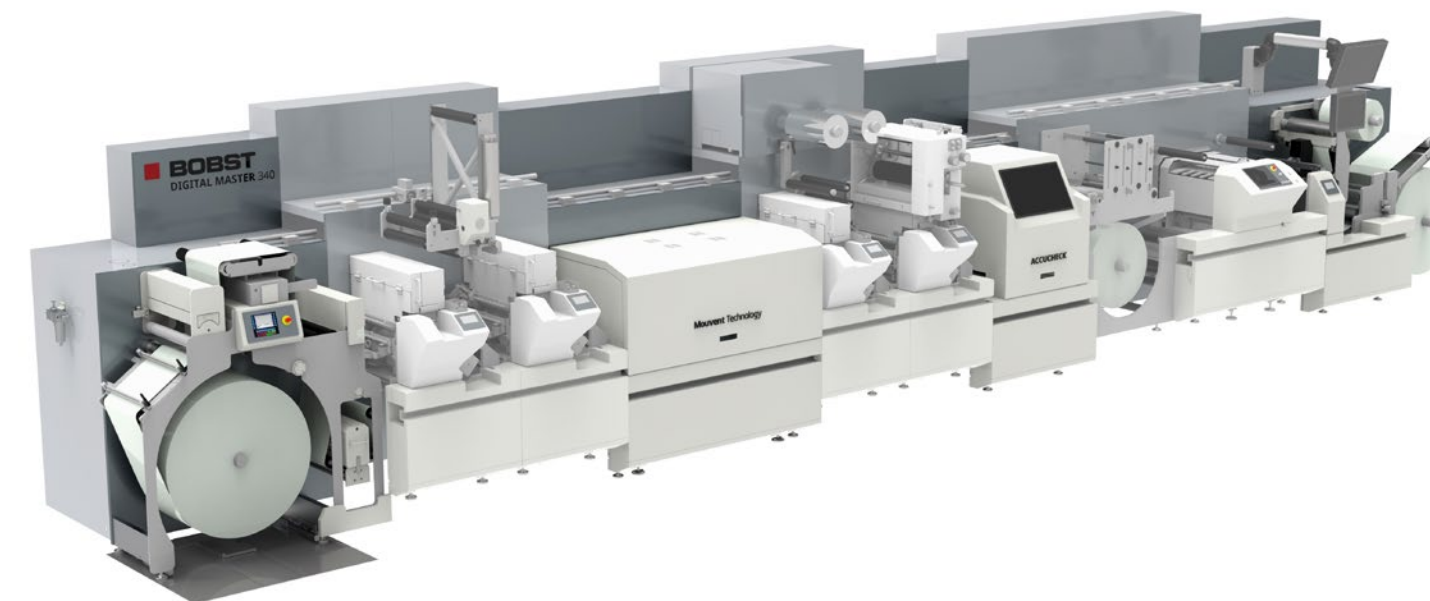
Can you share examples of groundbreaking technology innovations at BOBST?

One example is how we are changing the business model of how we sell equipment and services.

Most of the time, we sell a machine and then sell services on the side. Our new business model focuses on selling equipment with performance solutions. This means we offer digital service value on top of the physical product such as optimized consumables or service uptime, which is made possible in particular through IoT-powered connectivity. As an example, the BOBST Remote Monitoring application is a comprehensive production reporting Software-as-a-Service designed to access remotely detailed machine production, process and technical data in real time.

This has transformed our client relationships, making us jointly responsible for their equipment achieving the best possible performance. We only launched this new business model two years ago, and I believe it will continue to evolve and make up the majority of our sales within five to ten years.

Another opportunity for us is the data management of machines to ensure more efficient operations. Today, we can manage machines and any potential faults directly through online support maintenance. We want to evolve that to include predictive maintenance, harnessing data and analytics to learn more about the machines and how to optimize their performance. This is a journey, and a major change, but step-by-step we are realizing that vision.



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How are you tapping into and conquering the e-commerce market?

E-commerce is a trend that will continue to grow.

However, we should not underestimate the rest of packaging sales activities. E-commerce today represents 8-10% of global packaging demands. So, the other 90% is still very much valid and important for the industry. E-commerce provides consumers with a new shopping experience but is also helping us redesign the way we pack goods. A lot of new box designs are being developed to not only protect goods, but to reduce the quantity of packages we need to transport those goods safely. E-commerce is also helping us improve the customer

experience—the “unboxing experience” as we like to call it. When you open your box, you should have a wow effect not only with the goods, but also with the packaging quality and the messages and promotions inside the box that contribute to the consumer experience.

Thinking of packaging as a good to protect materials also encourages consumers to make good use of it through reusing or recycling. E-commerce will therefore push customers to rethink sustainability and recyclability. That is a big part of our journey at BOBST as we are thinking outside the box to streamline and innovate, creating new types of boxes from recyclable plastic materials to achieve our sustainability objectives.

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How did you collaborate with your clients on these new innovations?

Co-developing new boxes is still a niche market for BOBST since many of our clients have their own innovation centers and want to protect that. Their work adds value to the industry and BOBST helps them develop the right options or devices to fulfill their creative ideas. For example, by replacing a simple square box with smart, reliable opening systems with all the protection required to protect the goods. We also work a lot on recyclability, for example, by identifying the best ink or glue to ensure materials are recyclable. We have development streams specifically set up to help our clients become more sustainable and adhere to new regulations or objectives that are designed to make this planet a better place.

What is BOBST's role in driving the sustainability agenda?

The first sustainability report we printed was in 2000, so we started early.

However, we know we need to put much more emphasis on developing the right solutions for the digital packaging supply chain in order to optimize the industry's overall impact. With [65% recycled packaging by 2025](#), the European Commission has set an ambitious sustainable development goal for converters. Achieving it will require equipment that uses ever-less inks, consumables and energy as well as recyclable and biodegradable substrates. These are the areas where BOBST and its partners are [increasing investments and innovations](#). We have very clear strategies to develop recyclable packaging, create less waste and design machines to use less water to clean equipment and less ink. For example, the new [ACCUCHECK](#) has been designed to meet customers' needs to produce "zero-fault" packaging, which means right first time, every time. By checking the quality of every package throughout the production process it helps decrease waste up to 20% and improves quality of the final product. It also ensures brand conformity,

reduces production costs and generates a better management of unforeseen events.

We have installed more than 30,000 machines between 1960 and today. We can do very little with old machines. However, we can do a lot to help our clients fulfil their sustainability goals with models that were installed 15-20 years ago—thanks to data, connectivity and digitalization enabling us to measure and therefore improve and enhance our systems.

Improving our own management as an entity is also a key part of our sustainability agenda. We will continue to build our path to sustainability for example by defining our Materiality Matrix with key stakeholders, and by unifying and federating internal and external key people to identify and prioritize sustainability-related topics and anticipating market trends of importance to BOBST's business. Take power consumption of our sites for example, in Switzerland 40% of the energy used at our site, located in Mex, is produced either by solar panel or gas turbine. While more than 10% of the electrical energy used within the Group in 2020 was of renewable origin (photo-voltaic). We are trying, step-by-step, to become more autonomous and more sustainable.

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Do we need to rethink plastic packaging entirely? And what is BOBST's approach to developing new materials and techniques that minimize environmental impact?

Finding sustainable alternatives to non-recyclable plastics is one of the most important challenges of our time.

It is a particular challenge for flexible packaging such as that used for food packaging. Flexible plastic materials are really the best packaging for food and, of course, one of our main drivers is to provide food for everybody on this planet. I'm therefore convinced that plastics are here to stay if they are used and reused sustainably. Hence, we have developed recyclable plastics that do not contain aluminum foil or any treatment that prevents recycling. BOBST has been working hard with partners in that area and in 2021 we launched the "[Generation 2.0](#)" samples of high barrier flexible packaging solutions designed for recyclability,

taking us to our ultimate goal of being able to provide completely recyclable packaging solutions. These breakthroughs will help the industry to become much more responsible.

At BOBST, we embrace the value of industry collaboration and partnerships along the whole flexible packaging value chain, while increasing digitalization, automation, and connectivity in the process. All players—including governments and each of us—must act now in order to change the way packages are designed, produced and used to ultimately help meet the sustainability pledges that have been made by organizations all over the world.

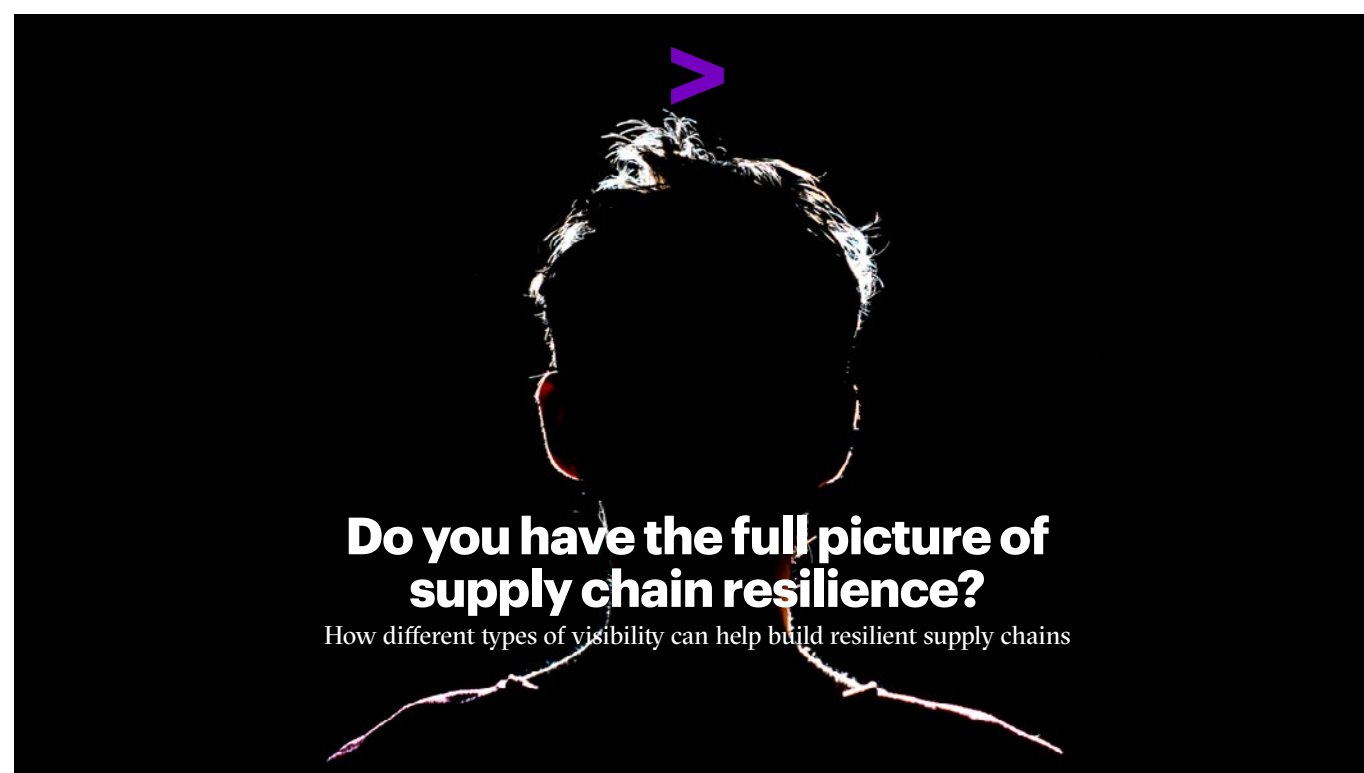
What inspires you most?

I'm passionate about life, and we have a motto at BOBST that summarizes what inspires me: "People, Knowledge and Values". People, because our people are great, we love them and want to develop them. Then knowledge, because we love to innovate. We are a company of innovators, and we are passionate about technology innovations. And finally, values, because this is all based on the value we bring. You need to have financial value creation to sustain your business and ensure all stakeholders are happy while making an impact on society. Those are the three pillars that are so important to us.

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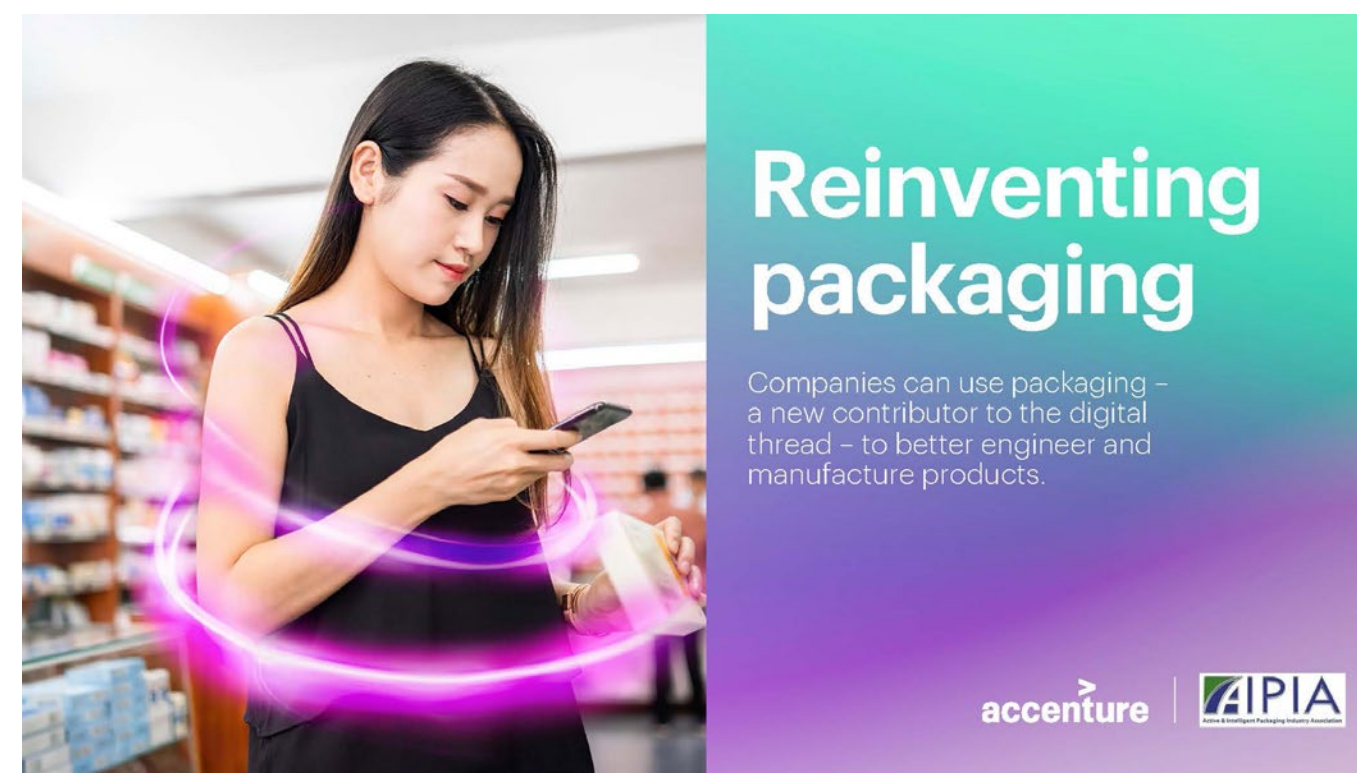
Insights

Perspectives from Accenture experts on topics related to this month's featured interview.



[Intelligent visibility builds supply chain resiliency](#)

Why predictive visibility and autonomous execution are the key to maximizing resiliency.



[Reinventing packaging](#)

Smart packaging is providing rich insights companies can mine to improve how they develop, engineer and manufacture products.



[The modern CEO is a sustainable CEO](#)

How CEOs can proactively embed sustainable purpose in their organizations.

Spotlight

The Next Digital Frontier at Hannover Messe

The world's leading industrial trade show, [Hannover Messe](#), returns in-person for the first time since 2019 and will run from May 30 to June 2, 2022.

Accenture participates in showcasing the best of our industrial capabilities with our ecosystem partners and clients. And while we will not have an Accenture booth this year, we will be represented at our partner booths in hall 4, 5, and 9.

Experience firsthand our motto for the trade fair: **"The Next Digital Frontier: Digitize what you make. Revolutionize how you make it."** With our global team of industry experts in design, engineering, manufacturing, operations, technology, and consulting, we work together at speed to find solutions to our clients' challenges by redefining:

- **How products are designed & engineered**
- **How products are sourced & supplied**
- **How products are manufactured**
- **How to make the product-to-service transition**

We have a very interesting line up of inspirational sessions and demos. Reserve some time on your schedule and meet our showcases and experts during Hannover Messe: [Book a meeting](#)

For more information visit: www.accenture.com/HM22



In closing

While leading manufacturing companies are now realizing significant value from the disruptive potential of Industry 4.0 technologies, a majority recognized that implications on processes, organization and strategy have been underestimated. Thus, they're struggling to capture the full potential of their digital transformation efforts.

How can manufacturers capture the full potential of Industry 4.0?

The term Industry 4.0 originated in 2011 as part of a project in the German government's high-tech strategy and was publicly introduced that same year at Hannover Messe. Typically, it refers to digital technologies—such as the internet of things (IoT), AI, and big data analytics—applied in factories and plants to make those businesses more efficient and effective. While industrial companies across the globe are already acting upon the need for compressed digital transformation in order to remain relevant, we see three key themes defining the “the next digital frontier”:

Resiliency: The pandemic continues to accelerate change, including the adoption of digital technologies. The pandemic highlighted strong digitization gaps, with many companies forced to shut down production because they couldn't run factories remotely or adjust production lines to meet shifting supply and demand. Processes and organization are not keeping up with technology.

Software-defined products: Physical products are becoming smarter. Software is enabling and controlling the functionality of many tools, devices and machines, leading to massive productivity gains and new as-a-Service business models. A shift in engineering processes and skills is also required, however.

Sustainability: Stakeholders want industrial companies to make more sustainable products, in a more sustainable way and adopt its strategies. The pressure to become more sustainable will be a crucial digitization driver, with [Digital Twins](#) playing a pivotal role in supporting those efforts. These data driven simulations of real-world things and processes can deliver carbon dioxide emissions reductions of 7.5Gt across five key industries by 2030, [research](#) shows.

The insights provided by Jean-Pascal Bobst in this edition of The Industrialist highlight the importance of embracing advanced digital technologies while making sustainability an imperative. A cultural shift has made sustainability both mainstream and personal. People want to reduce their environmental impact, and they're thinking much more critically about how their products are made, used and packaged. This can only serve to power more positive, proactive long-term change.

Best regards,



[Thomas Rinn](#)

Senior Managing Director,
Global Industrial Lead, Accenture



About The Industrialist

The Industrialist is our monthly digital magazine that puts game-changing perspectives in the spotlight. It combines thought-provoking content and insights, to keep you on top of what's new in the industrial industry.

Featuring different CXOs and diverse views, you can be inspired by leading innovators, explore the latest trends, tools, technologies, and innovations, and ignite your industry interest with transformational thought leadership.

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