

Industry Survey Shows Chemical Suppliers Realize Significant Business Growth by Reducing Chemical Use and Costs for their Customers

SAN FRANCISCO, Calif., October 21, 2009 – Proving that less really can be more, Chemical Management Services (CMS) providers saw over 30% revenue growth per year from 2006-2008 by helping their customers significantly reduce their chemical use, waste, and emissions. According to the *CMS Industry Report 2009*, the third in a series released today, the CMS industry not only reported revenue growth, but projections indicate the global market will more than triple in the next 5 to 10 years. The estimated current market in the NAFTA region is approximately \$1 to \$1.2 billion.

“The CMS approach is in line with the trend towards a more service-based economy in the US,” said Jill Kauffman Johnson, Executive Director of the non-profit Chemical Strategies Partnership. “Under the CMS concept, chemical suppliers are no longer generating profit from selling more chemicals, but rather by providing high value services. CMS providers partner with customers to manage their entire chemical lifecycle and create savings by leveraging purchases, improving inventory management, reducing chemical use and waste, and enhancing IT infrastructure.”

One “key aspect of a CMS provider’s successful value proposition and longevity is devoting strategic leadership and focusing resources to drive cost out of the customer’s chemical supply chain, evolving from moving transactions to moving markets through the power of aggregated leverage,” said Scott Little, Global Commodity Manager for United Technologies Corporation.

According to the report survey data, customers have realized hard savings as high as 40-50% in the first year of their CMS program, and continue to see savings five to ten years into their program. The customers surveyed for the report represent diverse industries and companies, including Intel Corporation, Lockheed Martin Corporation, Chrysler Group, Delta Air Lines, Ford Motor Company, Delphi Corporation, United Technologies Corporation, Pacific Gas and Electric Company, Seagate Technology, and Stanford Linear Accelerator Center (a Department of Energy research lab), among others.

In the last five years, customer adoption of the CMS model has expanded from five to nine global regions, with the greatest international activity in Western Europe, Mexico, Canada and the People’s Republic of China. Support is growing among government agencies, including the US Environmental Protection Agency (EPA) as well as agencies in Korea and the United Kingdom that are promoting CMS as an innovative strategy for green growth.

“The EPA continues to be a supporter of a CMS approach to chemical management. This novel approach has been shown to achieve chemical use efficiencies, facilitate the use of green chemistry, and improve overall chemical management,” said Matt Hale, Director of the US EPA's Office of Resource Conservation and Recovery.

CMS customers and providers will discuss their experience during a press conference webinar today, Wednesday, October 21, at 1:00pm EST. Media is invited to attend.

Call-In Number: 484-589-1011 | Access code: 534-226-009

Registration Web Link: <https://www2.gotomeeting.com/register/141940659>

Please register using the link above if you would like to join the call.

The 2009 *Chemical Management Services Industry Report* and press kit is available: chemicalstrategies.org/IR09press.htm.

The Chemical Strategies Partnership (CSP) is a non-profit organization based in San Francisco, California. CSP was founded in 1996 and seeks to reduce chemical use, waste, risks, and cost through the transformation of the chemical supply chain. <http://www.chemicalstrategies.org/> and <http://www.cmsforum.org/>

The ChemQuest Group, Inc. is the author of the 2009 CMS Industry Report, and is a global strategic management consulting firm that operates in the specialty chemicals market space and has been involved in a number of previous studies that have involved the CMS industry, its products, services, customers and general market outlook. <http://www.chemquest.com/>