

INVISTA Performance Fibers Focuses on Growth, Innovation

BY CHARLES HESCHMEYER, PUBLISHER

The dust has finally settled at INVISTA, and the company's \$1.3 billion Performance Fibers business is clearly focused on the markets it wants to serve and has a growth strategy for the future.

"We are in a whole lot better position competitively than we were a year ago," just after the former Dupont Textiles and Interiors business was purchased by subsidiaries of Koch Industries of Wichita, Kansas for \$4 billion. "We've reduced our fixed costs by 25 percent, without sacrificing R&D, and we have more new developments today than we did a year or so ago," said David Trerotola, president of INVISTA Performance Fibers, one of five INVISTA business units that also include Apparel, Interiors, Intermediates, and Polymer and Resins.

Mr. Trerotola attributes this progress to Koch's Market Based Management approach to running a business and creating value for customers. The system's guiding principles focus on corporate integrity, compliance, creating lasting value and developing an entrepreneurial spirit among the workforce.

"Basically, market-based management guides us to making better business decisions," he said.

Among those decisions was the move to spend more than \$300 million since last year to restructure, modernize and upgrade INVISTA's manufacturing assets. Another has been to bolster and boost its share of the airbag yarn market. INVISTA has added capacity in Europe, expanded production in North America and is mulling new manufacturing operations in Asia, notably China.

AUTOMOTIVE MARKET

Growth potential for the airbag market in Asia, and China particularly, is huge, "and we believe we can duplicate in China the success we have had

in other markets," Mr. Trerotola said.

INVISTA estimates that it currently holds 50 percent of the world airbag market.

But airbags are just one component of the vast automotive market. "The polyester tire market is growing twice as fast as GDP," Mr. Trerotola noted. "We see a lot of new growth in the tire business, which is why we are focused on expanding our assets in Asia, not only in nylon but in industrial polyester."

INVISTA is positioned in both nylon and polyester and supplies fibers for airbags, tire cord, seatbelts, engine belts and hoses and interiors. In fact, more than half the Performance Fiber unit's sales are related to the auto market, which is expected to continue to surge as demand increases in the hugely populated nations of China and India.

INNOVATIONS

In terms of innovation, INVISTA has recently introduced a number of new products, product enhancements or technologies. Among them:

- LYCRA® stretch nonwovens. This has enormous potential for growth in revenues as the well-known spandex brand expands into the ever-growing nonwovens personal hygiene market.

- INVISTA also has developed what it calls it "Over-End-Take-Off" technology, a proprietary creel technology combined with LYCRA® XA® that allows continuous running at high speeds and provides cost savings to spinners by eliminating line downtime.

- New and improved fibers and fabrics for military and other applications. These products will make uniforms and other gear lighter, more comfortable and longer lasting. In the travel accessories market, the compa-

ny has just added a new fabric offering to its CORDURA® product line that makes travel gear more durable and abrasion resistant.

- A just-introduced 20-denier high tenacity nylon yarn is designed to enhance parachute performance to create lighter canopies in a smaller, more compact package.

- E-textiles, or smart fibers, is a promising new field INVISTA has entered through its investment in Textronics, a company that is pioneering electro-textiles and systems that can conduct, warm, illuminate or sense via the use of energy. The company has developed a technology portfolio that uses the stretch and recovery properties of elastomeric materials to interact with electronic systems.

- Nylon 6,6 sewing thread. Researched and developed through INVISTA's extensive know-how with nylon 6,6 airbag yarns, this nylon thread permits sewing at higher speeds than traditional nylon 6 thread.

"Performance fibers have the most room for innovation in the overall fibers market," Mr. Trerotola said. "The very nature of the applications for performance fibers leads to highly differentiated product offerings, which gives us more insulation against the threat of new entrants."

While more paring of assets is planned, such as the proposed sale of three polyester manufacturing sites in Germany, INVISTA's new owners see this as part of a process to keep the business unit dynamic, growing and profitable.

Said Mr. Trerotola, "Ultimately, Koch bought a fibers platform for growth, and I suspect we will be moving forward with more strategic investments in the next few years." 