

F R O S T & S U L L I V A N

FROST & SULLIVAN BEST PRACTICES AWARD

CUT-RESISTANT INDUSTRIAL GLOVE - NORTH AMERICA

Customer Value Leadership 2019

Banom[®]

F R O S T & S U L L I V A N

2019

BEST
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AWARD

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Background and Company Performance

Industry Challenges

The North American cut-resistant industrial gloves market is highly competitive because of the presence of both regional and global market participants. In recent years, the market has been heading toward consolidation because of merger and acquisition activities carried out by major market participants, such as Ansell and Protective Industrial Products. In addition, regulatory updates for cut protection levels have resulted in market participants refining their selection of gloves.

Furthermore, the market is highly price sensitive; therefore, to increase their profit margins, most companies source a large portion of their products from Asian countries. However, in most cases, low cost-products imported from these countries are not good quality and often fail, resulting in hand injuries.

To remain competitive in the market, industry participants must collaborate with customers to develop application-specific gloves that match their exact needs. In addition, these companies need to offer differentiated services and customized products to achieve a competitive edge over other market participants. In recent years, the market has witnessed rising end-user demand for gloves that are more application specific, such as providing adequate protection for different activities carried out across end-use industries (e.g., manufacturing and food processing). Therefore, gloves need to be designed so that workers can execute a specific application or task comfortably and safely.

Product Family Attributes and Business Impact

US-based Banom specializes in manufacturing cut-resistant gloves used in the sheet metal, paper, automotive, glass, and construction industries. The company has recently developed gloves specifically for use in the food and beverage processing industry.

Banom sources and engineers its own fibers to manufacture cut-resistant gloves, and it develops gloves that last longer than competing products, thus ensuring a reduced cost for end users. Apart from the materials used, the company has developed Bantex®, which is a process that cleans the protective-gloves to be 100% bacteria free, without compromising the cut-resistant properties, thus ensuring longer service life. Moreover, Banom offers a dispensing system called Trackpro® that enables users to control and maintain inventory management. The company is currently present in the United States, Canada, Brazil, Mexico, and Europe.

Building Brand Equity

By introducing products that address customers' needs, Banom has enjoyed high brand loyalty since its inception in 1987. The company's cut-resistant gloves successfully withstand application-specific tests, compared to standard cut tests, thereby playing a pivotal role in strengthening Banom's brand value. Furthermore, customers associate the Banom brand with high quality and cut resistance. For example, over the years, food processors have handled frozen vegetables and meats using conventional heavy cotton

gloves over their cut-resistant liners and underneath nitrile or latex cover gloves, resulting in long-term ergonomic issues related to discomfort and dexterity. In contrast, Banom has developed a cut-resistant liner with cold thermal protection, which is being tested and will replace two gloves with one liner. Banom is in the process of offering the first fully coated nitrile cut-resistant glove that meets the US Food and Drug Administration (FDA) requirement for food contact, enabling Banom to enter the food processing market with new products that will satisfy customers' unmet needs.

Product Functionality Enhances the Customer Ownership Experience

Banom is a well-known brand for cut-protection gloves and is still known as an edge test company. For example, unlike its competitors, Banom carries out tests and publishes the data on its Web site. The company successfully develops high-quality, cut-resistant gloves that do not compromise dexterity and comfort, resulting in an enhanced ownership experience for customers. Even though the industry has witnessed rising demand for lighter weight gloves, Banom manufactures heavier gloves to offer better tensile strength, thus highlighting the company's efforts to provide products that are durable and match the exact requirements of each task.

Banom works closely with end users to develop application-specific products. For example, Banom developed a high-heat, cut-resistant, and flame-resistant 3500 Protectall® FR glove for an automotive supplier, where workers have to handle hot molded plastic parts and then trim them to the desired shape. The heat is rated at 800 degrees Fahrenheit, and employees were suffering severe burns on their hands when trimming the hot molded plastic. This supplier has been using Banom's gloves since February 2019 with great success.

Moreover, Banom developed cut-protection gloves for a can manufacturer that had tested gloves from other market suppliers as well. During the test, Banom's gloves provided the highest level of cut protection, and the can manufacturer now mandates workers use only Banom gloves.

Frost & Sullivan believes that such efforts have helped Banom win new clients in end use industries, such as manufacturing and automotive assembly. Most customers have remained loyal for more than a decade, with no reported lacerations when using Banom gloves.

Field Tests Ensure Performance Reliability and Customer Acquisition

With regulatory updates creating the requirement for enhanced cut level protection, end users have been judicious in their glove selection because they demand a glove that ensures a high level of hand protection and offers comfort and better dexterity.

Banom ensures its products are a reliable choice by making them more comfortable and with better dexterity than competing products, and the company conducts on-site edge tests to help clients understand the real-time performance of the gloves under actual work conditions. For example, gloves are field tested at each customer's facility to ensure the product offered matches the customer's needs exactly.

Banom's initiative to develop gloves that are a proper fit for specific applications strengthens end-user confidence in performance reliability, thereby helping the company retain existing customers and acquire new ones.

Growth Potential

Banom currently has the technology to screen a synthetic polymer in various patterns to accommodate end-user needs. For example, the company has developed the style 3800 RigMaster® gloves with back of hand impact protection and additional pads on the palm for anti-vibration and fingertip pads for pinch point protection for the oil and gas industry. The style 3802 has the same construction but with micro dots on the fingertips for dexterity. These gloves are developed for use in assembly lines, where screws or rivets are attached using power tools that vibrate.

In high-use assembly operations, the glove on the dominant hand wears out first. For example, during the Bantex cleaning process, many left-hand gloves are still usable, but right-hand gloves are scrapped after several cycles because of dominant hand wear. Ambidextrous gloves eliminate this problem because both sides of each glove can be used. As an additional benefit, users with wide palms and short fingers or with narrow palms and long fingers can obtain a perfect fit with Banom's gloves, which they are unable to do with traditional coated gloves. To address the issue of rapid wear and tear for dominant-hand gloves, especially in assembly operations, Banom developed the 1400 and 1600 Lifelines that can be used as ambidextrous gloves.

Frost & Sullivan commends Banom for developing gloves that facilitate dexterity, increased hand protection, and ease of use, thus ensuring a high level of customer satisfaction and enhancing the company's growth potential.

Incorporating Customer Feedback during Product Development Enhances the Customer Purchase Experience

Banom has developed a fully coated glove with an A4 cut rating in response to many food processing and food service users who requested a food-grade, liquid-proof, and cut-resistant glove. This glove eliminates the two-glove (disposable nitrile plus liner) problem. Griff Hughes, President of Banom, said that "to date, we do not know of any manufacturer who has successfully dipped a food grade nitrile on a cut-resistant liner. This would be the first."

Similarly, to address end-user complaints about sleeves being pushed down the arm, Banom developed a universal sleeve with a snap arrangement that turns the sleeve into a cape sleeve. With snaps at both the front and back of the product, escape from the sleeve is easier in an emergency.

Furthermore, only one sleeve needs to be stocked because it can go on either arm, and both sides of the sleeve can be worn out before replacement, thus providing garment wear properties similar to ambidextrous gloves. Moreover, this development addresses the problem with cape sleeves that are worn like a jacket and are difficult to remove during emergencies (e.g., the sleeve getting caught in the machine while working).

Frost & Sullivan recognizes Banom's ability to address customer complaints and offer application-specific products by incorporating customer feedback in product development, thus enhancing the customer purchase experience.

Knowledgeable and Experienced Human Capital Plays a Pivotal Role in Ensuring High Customer Satisfaction

Banom strongly believes that its sales team and executive team share the same vision and has developed and trained its distributors to be technically sound to carry out sales and marketing activities and address customers' requests effectively, thus leading to high customer satisfaction.

In addition, Banom's knowledgeable and experienced leadership team has been guiding the company for the last 30 years. This team's experience consistently allows the company to innovate and develop optimal solutions that address end users' application-specific needs.

Conclusion

Banom's strong commitment toward innovating and developing high-quality, application-specific products strengthen its position in the cut-resistant gloves market. Moreover, the company's ability to work closely with customers to develop products that satisfy their unmet needs continues to enhance its brand value. Through continuous product development, Banom has demonstrated its commitment to innovation, thus enabling it to become a leader in the cut protection gloves market.

For its strong overall performance, Banom is recognized with Frost & Sullivan's 2019 Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. Satisfying customers is the cornerstone of any successful growth strategy. To achieve this, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by 2 macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and performance. This dual satisfaction translates into repeat purchases and a lifetime of customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated Customer Impact and Business Impact according to the criteria identified below.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Business Impact

Criterion 1: Financial Performance

Requirement: Overall financial performance is strong in terms of revenue, revenue growth, operating margin, and other key financial metrics.

Criterion 2: Customer Acquisition

Requirement: Customer-facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers.

Criterion 3: Operational Efficiency

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

Criterion 4: Growth Potential

Requirements: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best practices positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, company is able to share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.