

ITT ALUMNI ASSOCIATION BOARD OF DIRECTORS

MINUTES OF MEETING: JUNE 30, 2010

ATTENDEES:

Lenny Furlough, Chair  
Jim Beaty, Secretary  
Barry Leonard  
Bob Barnhardt  
Neil Cahill  
Patrice Hill  
Henry Boyter

Gilbert O'Neal, Treasurer (absent)  
Robert Hines (absent)  
John Wirth (absent)

Approval of Minutes

The minutes of the November 12, 2009 meeting were approved.

Points of Discussion

**CESTAB [discussion led by Henry Boyter]**

The Council for Economically Sustainable Textile and Apparel Business (CESTAB) is a partnership between ITT and the NCSU College of Textiles. In essence, it will represent the primary future direction for ITT. CESTAB is an expansion of the role of the prior TAC Environmental Committee. In reality, 80% of ITT's recent non-student work has dealt with this area already.

Sustainability initiatives from other organizations deal mainly with regulatory standards and compliance certification. These organizations do not have the mission or resources to represent the entire supply chain with an aim to increase profitability.

CESTAB will target the entire global supply chain, including chemical companies, machinery manufacturers, textile and apparel manufacturers, wholesalers and retailers.

CESTAB will expand ITT's focus from US manufacturing to the global supply chain. Core textile consulting and troubleshooting will continue to be offered to membership on an as-needed basis.

CESTAB will be funded independently, just as ITT has been. Membership will be offered to companies throughout the global supply chain, these companies receiving the

proprietary benefits of CESTAB. The goal is to increase membership from 13 companies (ITT's current membership) to 50 companies, generating \$650,000 annually. The addition of 1 or 2 foundations could raise the total to \$1,000,000.

20	full members @ \$25,000
30	associate members @ \$5,000
1-2	foundations @ \$100,000+

It is believed that some of the companies which have left ITT's membership in recent years will rejoin given the sustainability focus and the lower dues structure.

Gilbert has been meeting with potential membership to sell the idea and get feedback which will better shape CESTAB to meet membership needs. This "campaigning" will continue for another few months.

CESTAB will not be selling certifications, but will help member companies save money and better market their products. Another benefit will be an "alternative substance list," sharing what materials can safely be used. Typically, "restricted substance lists" simply identify what materials cannot be used.

ITT will still meet its original charter. CESTAB simply represents a difference in where the budget is targeted. CESTAB will become synonymous with ITT.

The group agreed that it will be critical to differentiate CESTAB from competitive sustainability initiatives. For instance, retailers have been funding their own efforts for years and a challenge for CESTAB will be to get ahead of the curve and offer incremental value worth the membership fees. Henry reported that some key retailers such as Wal-Mart have already expressed their general support, and Henry will soon publish a document defining "Why CESTAB?"

### **ITT Academic program [discussion led by Henry Boyter]**

There will be no entering class of fellows in fall 2010. The four second year fellows will continue their program, and two of them will be doing thesis work relating to sustainability.

The plan is to bring in additional fellows in fall 2011, covering full tuition and fees utilizing revenue from the evolving CESTAB membership. The ITT program will then become 1 or 1 ½ years, not 2 years. Existing NCSU graduate students will be selected by a professor completing their graduate degrees as an ITT fellow. All thesis work will relate to sustainability, unless a member company requests a specific topic.

The targeted annual budget of \$650M – \$1,000M would be able to support 3-4 ITT fellows. Additional fellows may be individually selected and funded by membership.

### **Role of the ITT Alumni Board**

There was initial discussion about what the role of the ITT Alumni Association should be in the new CESTAB era.

The group decided to meet in person to discuss the matter, but wait until after Henry and Gilbert have had the opportunity to complete their “campaigning” with potential membership and can provide further confirmation of CESTAB’s launch.

### **Action Steps**

Len to write a letter to Henry/Gilbert requesting a fuller set of details about CESTAB.