

# ASPI NEWS

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## Inside This Issue

International Paper to Host Fall 2014 Customer Alignment Meeting .....	1
Sanders and Duncan Honored at ASPI 2014 Spring Meeting .....	2
Sonoco, KapStone and Newark Headline ASPI's Spring Meeting .....	3
Support Industry Safety and Save Time with TAPPISAFE .....	10
Are you Creating a Culture of Exile? .....	11
ASPI Seeking Nominations for 2015 Awards .....	13
ASPI Welcomes New Members .....	13
ASPI Benchmarking Survey.....	14
ASPI Welcomes New Officers and BOD Class of 2017 .....	14
ASPI Recognizes Outgoing President Carl Howe .....	15
ASPI Staff.....	15
ASPI Board of Directors.....	16

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## International Paper to Host 2014 Fall Customer Alignment Meeting

ASPI is pleased to announce that International Paper (IP) will host the ASPI 2014 Fall Customer Alignment meeting, October 8-10, 2014 in Memphis, Tennessee at The Peabody Hotel.



IP is still developing the detailed program, but elements to be addressed include:

- Executive Overview
- IP's International Business Perspective
- Manufacturing
- Sustainability
- Safety
- Global sourcing
- Technology
- Roundtables
- Investors Perspective

IP will be the seventh customer host of ASPI's Customer Alignment Initiative (CAI), which was launched in 2007 to assist suppliers in aligning their strategies and products with the evolving needs and requirements of their customers.

Customer Alignment meetings give ASPI members an excellent opportunity

to network with their customer's senior executives. With a program focused around strategic directives, discussions go beyond day-to-day issues and provide a better understanding of broader customer issues and priorities.

### Registration

ASPI Members can register at the Member Rate of \$955. Visit [www.aspinet.org](http://www.aspinet.org) to register. If you need to cancel your meeting registration, the cutoff date is September 26th. See the ASPI website for details on ASPI's Meeting Cancellation policy.

### Hotel Accommodations – Make Your Reservations Early!

ASPI has secured a special rate of \$189 (+ fees and taxes) for attendees. Make your reservations by **September 15th** to get this rate. Please make your reservations as soon as possible as we anticipate this special block of rooms selling out prior to the cut-off date. ♦

*(continued on page 2)*

## International Paper to Host Fall 2014 Customer Alignment Meeting

(continued from page 1)

### Fall Meeting Registration Limited to Members

As there is limited seating capacity at the ASPI Fall Meeting, and ASPI anticipates a great response from the supplier community, the ASPI Board of Directors approved limiting attendance to the fall meeting to **ASPI Members Only**. In addition, the number of representatives from each member company will also be limited according to the following criteria:

- \$2,500 Dues Level
  - One Registrant
- \$3,000 Dues Level
  - two registrants
- \$3,500 Dues Level
  - Three registrants

If additional capacity remains as the meeting date nears, the above levels will be increased by one registrant each. If additional space is still available, then nonmembers will be allowed to register.

### ASPI 2014 Fall Customer Alignment Meeting Preliminary Program

#### Wednesday, October 8, 2014

3:30 – 5:30 PM *ASPI Board Meeting (invitation only)*

6:30 – 9:30 PM *Welcome Dinner and Reception*

#### Thursday, October 9, 2014

7:00 – 8:00 AM *Continental Breakfast*

8:00 – 12:00 AM *Morning Presentations by International Paper*

12:00 – 1:30 PM *Lunch*

1:30 – 5:00 PM *Afternoon Presentations by International Paper*

6:30 – 9:30 PM *Dinner and Reception*

#### Friday, October 10, 2014

7:00 – 8:00 AM *Continental Breakfast*

8:00 – 11:30 AM *Morning Presentations, ASPI Business Meeting*

11:30 – 12:30 PM *ASPI Board Lunch Meeting (invitation only)*

## Sanders and Duncan Honored at ASPI Spring Meeting

Jack Sanders, President and CEO of Sonoco was honored with the ASPI 2014 Customer Executive of the Year Award at the ASPI 2014 Spring Meeting.

“We’re very pleased to name Jack Sanders our Customer Executive of the Year,” says ASPI President Carl Howe, vice president sales for Kadant Paperline. “His career at Sonoco Products has been characterized by exactly the kind of dedication, experience, and leadership that this award was designed to champion.”

The highest honor that ASPI can bestow on an individual, the Customer Executive of the Year Award is presented annually to a customer executive who has worked diligently within his company and with his company’s suppliers to dramatically increase the benefits to his company of its supplied goods and services.

Paul Duncan, Longview Mill Manager, KapStone Paper, was presented the ASPI 2014 Excellence in Leadership Award at the ASPI 2014 Spring Meeting.

(continued on page 3)

## Sanders and Duncan Honored at ASPI Spring Meeting

(continued from page 2)



Carl Howe, ASPI president (right), presents the ASPI Customer Executive of the Year Award to M. Jack Sanders, President and CEO, Sonoco

"The Longview mill's turnaround has been an incredible achievement for everyone involved, and Paul

Duncan has been a big part of that change," comments ASPI President Carl Howe, vice president sales for Kadant Paperline. "His professionalism, his technical knowledge, and the example he sets for his employees all deserve to be recognized and applauded."

Established in 2010, the Excellence in Leadership Award recognizes outstanding leaders within the paper industry. The award honors unique and creative leadership of employees, company and key suppliers through major projects or ongoing relationships. ♦



Keith Kemp, Vice President-Regional Business Leader, Asten Johnson (left), presents the ASPI Excellence in Leadership Award to Paul Duncan, Mill Manager, Kapstone Paper, Longview, Washington.

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

Executives of three major pulp and paper companies participated in ASPI's spring meeting in Sarasota, Florida, including **M. Jack Sanders**, President and CEO of Sonoco; **Frank Papa**, President and CEO of Newark Recycled Paperboard Solutions, and **Paul Duncan**, Mill Manager, KapStone Longview Mill. The meeting drew a large crowd, representing senior executives from a large part of the supplier industry.

### SONOCO

"Our goal is to become a solutions company that just happens to offer packaging, versus a packaging company that just happens to offer multiple solutions," said M. Jack Sanders, President and CEO of Sonoco. "If we can make that transition, there's significant opportunity for us to accelerate our growth." During the meeting, Sanders was also honored as ASPI's 2014 Customer Executive of the Year.

Sonoco is a \$5 billion global packaging company with 335 operations in 33 countries. Headquartered in Hartsville, South Carolina, with a history dating back 115 years, the company operates in three basic segments: approximately half of its sales come from consumer oriented businesses, 38 percent from industrial businesses, and 12 percent from protective packaging. Seventy-five percent of its sales come from North America, 16 percent from Europe and the balance from Asia and South America.



(continued on page 4)

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

*(continued from page 3)*

Sanders described Sonoco as a raw material manufacturer as well as a packaging supplier, which allows it to see both sides of the supply chain.

"I'm an optimist by nature," said Sanders. "As such, I think that the paper and paperboard industry has a ton of promise. But we are facing some significant headwinds and many of them are beyond our control: global competition, public policy, demographic shifts, changing wealth profiles and the resulting consumer behavior shift, changing customer demands, and the advent of digital formats. But we also have tailwinds in the form of improving housing and automotive markets, and the fact that people are becoming more aware of the environmental and sustainable aspects of paper. There are also bright spots in some emerging markets."

Sanders described how a few years ago Sonoco worked with a consultant to identify 7 global megatrends, 4 of which have a significant impact on their business including:

**The next billion consumers:** A \$10 trillion megatrend based on the rising wealth in emerging economies.

**Everything the same but nicer:** A \$5 trillion megatrend occurring in the developed world, as affluent consumers demand more in products and services.

**Keeping the wealthy healthy:** A \$4 trillion megatrend emerging as the developed world adjusts to the demands of an aging population.

**Growing output of primary inputs:** The result of the pressure new consumers will put on raw materials around the world.

"These challenges require that

we all take a proactive approach and change the way we do business," said Sanders. "It is important that we control our own destiny."

Sanders described some of the changes taking place at Sonoco beginning with how the company evolved from having a vertical integrated legacy in industrial businesses, to a consumer business. He cited work the company did in the 1990s to consolidate the composite can market which is today a \$1 billion global franchise with strong market share. As an aside, he asked how many people remember oil sold in a composite can?

According to Sanders, today Sonoco has created a portfolio of consumer packaging capabilities; not just composite cans but also flexible packaging as well as rigid plastic containers and unique-end enclosures. The company has also added a protective packaging business that has excellent growth potential. "Now that the portfolio is complete," said Sanders, "we will fill in the depth of these businesses and begin to re-envision Sonoco for the future."

According to Sanders, any changes to the company won't be 180 degrees but rather a 30 degree course correction. "To be successful we need to become more innovative and take more risks," said Sanders. "We need to first understand our customers and the markets they serve, and be able to capture and capitalize on ideas to create innovation. We are doing a lot of things that are cultural, organizational and structural, but all of them are aimed using insights, ideation and collaboration to create a culture of innovation."

Sanders explained how the com-

pany has gone through a "brutal analysis" of where they are today and where they are heading. To this end, Sonoco is focusing on succeeding in 6 areas including: Safety, Customer Satisfaction, Grow and Optimize, Operational Excellence, Maximize Cash Flow and Deployment, and People.

According to Sanders, Sonoco has successfully reduced credits per million by 15 percent in 2013 and is striving for a 20 percent reduction in 2014. Further, the company has just implemented AGILE, a global quality system, has set aggressive productivity goals, deployed the Sonoco Performance System (SPS) to 42 facilities by end of 2013, implemented an end-use market strategy for understanding markets and consumers, and is putting in a system to drive innovation, called i6, based on a six-sigma model. CFO Magazine has ranked Sonoco first for managing inventory in the packaging category, and fifth in the area of working capital.

"Our suppliers have a direct impact on our customer service," said Sanders. "We want to deliver quality products on time, in full, and there are always ways for our suppliers to help." Sonoco is implementing an aggressive supply chain initiative designed to reduce costs and reduce the number of suppliers it deals with. "We are moving to a 'category captain' model in which a single supplier will be responsible for purchasing all products in a single category, whether they make that product or not," said Sanders who expects the effort to save Sonoco between 12-14 million dollars per year.

*(continued on page 5)*

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

(continued from page 4)

"We are all in the customer satisfaction business and at Sonoco we want to be great at it. To do that we need to do to get there," said Sanders. "We are all in customer satisfaction and at Sonoco we want to be great. to do that we need suppliers who want to partner with us, not just conduct transactions."

During the Q&A period Sanders addressed the issue of attracting and retaining young employees. He admitted that it is difficult to lure young people to Hartsville, South Carolina, and also to the pulp and paper and manufacturing industries in general. However, he feels that Sonoco has a truly different culture and that once people join, they enjoy the company. Sonoco's recruitment efforts are built largely around intern programs at local schools.

### NEWARK RECYCLED PAPERBOARD SOLUTIONS

"There's no status in the status quo," according to Frank Papa, president and CEO of Newark Recycled Paperboard Solutions. "Maintaining the status quo is just a recipe for decline." Since joining Newark, Papa's goal has been to evolve, not just the company's processes but also its culture.



Speaking directly to the suppliers in the audience he said that they

can only succeed if they understand Newark's culture and align their strategy with the company's objectives. "It works best if, as you support our business objectives, you also support your own."

Papa said that he never felt that his competitors were not formidable and that suppliers didn't have a choice, and that it comes down to determining which organization works best with you and represents your best chances of success.

"Every company you supply has a culture and a business plan with objectives, strategies and tactics," said Papa. "Yet, how many of you take the time to understand the culture of your customers, their values, what makes them tick, and what keeps them up at night? These aren't just pie-in-the-sky questions but rather bedrock issues if you want to achieve your own strategic objectives."

Papa said that we've all heard the phrase, 'those who cannot remember history are bound to repeat it,' but offered his own twist that he feels is just as enlightening, namely, 'those who ONLY remember history are condemned to perpetuate it.' Papa advised the assembled suppliers not to fall into that trap and that the Newark Group they knew in the past, is not the same group as today.

"We used to operate below the radar," said Papa. "We never sent a message that we would embrace change or be willing to collaborate. We weren't forward looking and had low turnover which meant we didn't have new blood in our organization. We operated in silos, were introspective, and mostly autocratic in our decision making, which left little room for employees to inno-

vate and experiment.

"To our detriment, we stayed in businesses longer than we should have and stuck with some long after they were financially viable. We tried to operate into the future with our feet firmly planted in the past. Today, Newark is wide open for business and there is enormous opportunity to meet your company's business objectives, by aligning with ours. We are your customers."

Papa said that today Newark needs to be forward-looking and capable of sourcing new solutions for an ever-changing array of customer needs, and that this is so important that the company has renamed itself Newark Recycled Paperboard Solutions. "We are seeking suppliers that contribute to our ability to please our customers," said Papa. "We want to hear your out-of-box thinking, and share ours with you. I'd rather have my players swing for the fences and strike out, than not swing and get walked.

It is important that we deliver value to our customers and that you deliver value to us, explained Papa, but that the days of value being defined by price only are over. "Of course we all want the best price—that is a given," he said, "But value to us goes far beyond dollars and cents. New solutions represent value as do exclusive opportunities, innovation, industry insight, and improved processes that save time, minimize damage or set us apart from our competition."

Newark has developed innovation teams to find solutions that are important to the customer as well as an operational excellence team focused

(continued on page 6)

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

*(continued from page 5)*

on adding value and improving process in every department. They have also cut expenses in order to fund innovation.

"We are a very different Newark," said Papa. "We don't focus on being better than our competition but rather on being better than ourselves. This improves our attitude, focus and motivation, all of which is becoming obvious to our customers.

"We are no longer invisible or quiet," said Papa. "The old Newark chose not to do anything that might give competition insight into our organization. But today I'm happy to talk about what we are doing as it is difficult to replicate and I welcome healthy competition. We are actively marketing our company and our solutions, and we are willing to enter new categories as our vision extends well beyond our current customer base and market segments."

According to Papa, Newark is today working harder, smarter and much longer than ever before. "We can turn things around in half the time we used to, are looking for cost savings as a matter of principle, and are sourcing innovative ideas from everywhere," he said. "We nurture great ideas, celebrate them and strive for them. The only way I know to achieve innovation is to look at the culture of the company that is asking for it, and at Newark our culture is now one of change."

Papa reemphasized that Newark is looking for new relationships and partnerships with suppliers as he learned long ago that no one in this industry can go it alone. "As suppliers, there will always be a lot of things we ask of you. But if all we get from you is what we ASK of you, then we

limit our potential to grow," said Papa. "We want to build partnerships and be challenged by you."

### KAPSTONE LONGVIEW

"I've invested the last five years of my life at the Longview mill and it is the hardest thing I've ever done in my life," said Paul Duncan, Mill Manager of KapStone Paper and Packaging's Longview, Washington, mill, and recipient of ASPI's 2014 Excellence in Leadership Award.



*Paul Duncan*

Paul Duncan, whose experience in the industry spans 28 years, has worked at the Longview mill for the past five years, with the last two as Mill Manager. Paul, who was instrumental in transforming the Longview mill, described the mill's "journey" as a remarkable story.

In 2007, Longview Fiber, a former family owned company, was purchased by Brookfield Asset Management who then spun off the timberlands and sold the east coast box system, which left the Longview mill and seven box plants. According to Duncan, "It wasn't a pretty picture."

The mill had one of the worst safety records and abysmal performance compared to its industry peers, both on the mill and box side. The entire industry was also going through consolidation and things were especially

difficult in the northwest. To make matters worse, the mill was saddled with the culture of a deeply entrenched and entitled mentality and was making most of its profits off timberland.

Duncan credits Brookfield Asset Management as seeing the "diamond in the rough" and recognizing that the mill had a lot of potential with an array of well invested assets. However, after the sale of the timberlands and east coast box system, the mill was negatively valued.

"Brookfield made it clear from the start that we had to fix the business or they would put us out of business," says Duncan. "They were confident of the potential, but weren't going to waste a lot of time waiting for that potential to be realized. The good news is that we rose to the challenge." This was also good news for the local community where school enrollment was down and the economy and businesses were struggling.

Today, the company is profitable and growing after being acquired by KapStone in 2013. KapStone, after the acquisition of Longview Fibre, has 4500 employees, sales of \$2.1 billion, and is a leading producer of containerboard, unbleached Kraft paper, Specialty Paper Products, and corrugated packaging products. All told there are 4 paper mills, 22 converting plants, and one sawmill.

According to Duncan, the mill survived using "relentless focus and determination" to: implement a game plan, reset its culture, simplify and modernize, and ultimately achieve its vision and mission prior to being acquired by KapStone.

*(continued on page 7)*

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

*(continued from page 6)*

Kapstone Longview set out to become a long term manufacturing business, encourage reinvestment, and focus on cash flow, which was so critical that every day the top management sent an email spelling out how much cash the mill had on hand.

Considering how poor safety and environmental protections were previously, the mill worked to improve in these areas and succeeded in lowering the safety incident rate from 12.2 in 2004 to .83 in 2013. The key was setting standards and holding people accountable. To demonstrate how serious the mill became about safety, Duncan cites the example of the seat belt requirement that came to be known as "unbuckled = unemployed."

The mill also reduced total energy 25 percent per prime ton, increased productivity 78 percent in tons per labor hour, and increased production in tons per day, by 19 percent over the last four years. At one point the mill had record production in nine consecutive quarters.

One significant target was to reset the company's culture by focusing on people. "If I can take credit for anything I've done, it is getting and keeping the right people," said Paul Duncan. He also quotes Randy Niebel, president of KapStone Longview who said, "Anyone can buy the assets. It's the people that determine success or failure."

One area where reductions were taken was in the area of shift supervisors. In 2008, the number of shift supervisors was reduced from 12 to 6. "When I got here in 2009, I reduced the number to 3 for the entire mill," said Duncan. "If you want to empower people, you need to get rid of

shift supervision, then train people, recognize and reward them."

In 2009, the mill began a training program that ran to several million dollars over 2-3 years. Now there are training plans and qualification policies for every position, as well as disqualification standards for those who don't make the grade.

The company also instituted a short term incentive plan based on EBITDA plus personal performance, began Presidential awards to recognize both salaried and hourly employees in a public forum, and gave managers gift cards that they could present at their discretion, to employees they found doing something exceptional.

To meet the objective to simplify and modernize, the mill revamped its procurement area and installed practices to achieve competitive sourcing and fewer and streamlined supplier relationships.

By February 2012, KapStone Longview had completed \$32 million in capital projects and today the figure is close to \$50 million, all based on quick payback. According to Duncan, visitors are surprised and amazed at the technology in the mill. "Every machine has a camera system," says Duncan, "and we just put in a transportation management system."

These efforts all led to KapStone Longview delivering on all key elements of their plan, achieving their vision and mission goals, and reaching \$200 million in annual EBITDA in 2013.

"We are doing great things, and we're not done yet; we are never done," said Duncan. "If we aren't getting bet-

ter faster than our competition, we are on a slow road to extinction. Now, one mission accomplished, our journey continues."

### CHALLENGING THE PAPER INDUSTRY TO BECOME A TOP PERFORMER

Henri Haggblom, Managing Partner at Sinclair Group, challenged the ASPI audience to "take the pulp and paper industry to the next level" by learning from other industries such as petrochemicals and plastics, oil and gas, specialty chemicals, metals and mining and food and beverage.



*Henri Haggblom*

He said there are many success stories in pulp and paper and described a number including: International Paper ("moved to where they can win"), NewPage (made an unbelievable turnaround primarily through cost reduction), Georgia-Pacific (employees were guided by Market Based Management principles), Greif (\$4 billion in sales), KapStone (the MWV North Charleston and Longview Fiber acquisitions), PCA (focused and highly profitable), and Rock Tenn.

Haggblom then used the Shoe Press as an example of how technol-

*(continued on page 8)*

## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

(continued from page 7)

ogy can be used to make improvements in many areas where there are a lot of variables. "If you only work with engineers, you are only 25 percent there," he said stressing that it is necessary to include operators, maintenance and other disciplines, and integrate interdependent functions with robust processes.

"Greater complexity requires more best practices," said Haggblom. "A holistic approach is what is needed, to take a company to the next level of performance. Do you want to be a spectator or a top level performer?"

### DELOITTE – SEEING NEW OPPORTUNITIES

John Dixon, Principal, Global Forest, Paper & Packaging Industry Leader for Deloitte Consulting, focused on innovation and growth opportunities for the pulp and paper industry, and revealed the results of a 2013 Manufacturing Competitiveness survey.



Dixon felt that the industry has done a good job of reducing costs through mill floor optimization, network rationalization and commodity management.

He presented data that showed that water "is having more influence on strategic decisions as water avail-

ability has declined significantly since 2000 and water withdrawals are predicted to increase by 50 percent in developing countries, and 18 percent in developed countries.

Dixon felt that some of the best opportunities for the industry were in the areas of Nano crystalline cellulose, a market estimated to be \$35 billion by 2020; Lignin, that when dried could replace 90 percent of the natural gas currently used as an energy source in lime kilns; and Dissolving Pulp whose usage is projected to be up 15 percent since 2012. "We don't have to invent new molecules, just find new uses for what we already have," said Dixon.

### KLASS ASSOCIATES ON MARKET DEMAND

Chuck Klass, president, Klass Associates, Inc., gave a comprehensive market update for different grades, discussed the impact of digital printing, focused on the future of containerboard, and concluded with a discussion of the supply and quality of recycled fiber.



Klass, who said he "spends the majority of [his] time working with people on value added product development," summarized what is happening with various grades including: Newsprint (down 9 percent in 2013); Uncoated Free Sheet (demand

decline continues to average 2.8 percent/year through 2016; refocus to specialties and packaging grades); Uncoated Mechanical (steady demand for uncoated mechanical SC, capacity reductions keep operating rates high); Coated Free Sheet (demand continues to decline; Verso/NewPage will provide some synergies if allowed to happen); Coated Mechanical (demand continues to decline due to reduction in magazines and impact of postal rate increase); Paperboard (steady demand for coated and uncoated bleached, with supply in good balance); and Containerboard (demand should increase 0.3 - 0.4 percent/year).

Klass discussed the trend toward digital printing which is quickly becoming an accepted commercial print method due to the desire for customization and shorter press runs. He feels this will continue to grow in direct mail and packaging and that it will allow products to be customized and be localized. "Continuous ink jet will be the fastest growing area," said Klass. "Prototype ink jet web presses are running at commercial speeds and widths with quality equivalent to offset printing."

Web ink jet, Klass feels, will replace substantial portions of sheet-fed and web offset, particularly for on-demand printing of books. It will require new grades of paper with cationic surface functionality. He also felt that there will be a need for dual purpose papers driven by changes in direct mail and financial media. "Paper must provide high quality multi-color printing by both offset and digital," he said. "This is likely to be a high growth market and currently

(continued on page 9)



## Sonoco, KapStone and Newark Headline ASPI's Spring Meeting

*(continued from page 8)*

there are no North American papers meeting this need."

Regarding paperboard, Klass said that "we are the only place in the world that successfully makes a single ply coated SBS sheet, mostly made in the south.

Klass explained that 60 percent of corrugated packages are used for food. He cited the "Amazon.com effect," which pertains to the growth of on-line distribution centers becom-

ing large users of corrugated. He also discussed the Chinese "Green Fence" which is impacting exports of U.S. OCC, as there is too much "junk" in the shipments due to single stream recycling.

Klass said that today's boxes are neither plain nor brown as they need to be printed with high quality graphics and often "serve as the salesperson" in big box stores. This, he said, will impact linerboard and

printing requirements, require a better print surface, and lead to the need for new grades of containerboard.

Klass also talked about the need for lower basis weight containerboard which he feels will most likely come from conversion of existing machines in the needed basis weight range in communication grades. "UFS machines are better suited for this than newsprint machines," he said. ♦

### Photos from the ASPI 2014 Spring Meeting



# Support Industry Safety and Save Time with TAPPISAFE

**T**APPISAFE is an integrated, comprehensive safety orientation and verification program for contractors and suppliers. TAPPISAFE provides a robust record management tool to help pulp and paper mills effectively track and monitor contractors, and verify they have taken the necessary safety awareness level training. So how do suppliers benefit?.

“In a survey of the ASPI members who have sales and service people traveling in a territory of several mills,” notes ASPI Board Member David Withers, President, Coldwater Group, “the average time each of our employees spent in duplicate and repetitive safety training each year was close to 80 hours! With TAPPISAFE we hope to reduce that to one 2-hour session per year, plus 30 minutes or less of mill specific training per site, all available on-line. In a typical 20 mill territory, that would save a lot of time and money, and improve the quality of the training.”

TAPPISAFE consists of three components which include specific programs and full support services.

## How can your company support TAPPISAFE?

TAPPISAFE is committed to creating a safer work environment

for the pulp & paper industry. But with over 350 mills in the US alone, employing almost a quarter million people, help is needed to get the word out.

Become a TAPPISAFE Supporter and have your company name listed on TAPPISAFE marketing material, plus your company logo will appear on the TAPPISAFE website with a link to your company.



## What does a TAPPISAFE Supporter do?

- Spread the word - PASS ALONG the fact sheet that explains how TAPPISAFE benefits the industry

- Sell the idea - INSTRUCT your sales team to talk about TAPPISAFE when they're in the mills demo to your safety team
- Set up presentations - CONTACT US to schedule a presentation for your company or client
- Promote the goal - DOWNLOAD the promotional images in the toolkit below to include in your emails and web communications

To find out more about how your company can support TAPPISAFE, visit [www.tappisafe.org](http://www.tappisafe.org). If you would like more information about TAPPISAFE, contact Tess Ventress, TAPPISAFE Program Director, by phone at +1-770-209-7213 or email: [tventress@tappi.org](mailto:tventress@tappi.org). ♦

## Mills Currently Participating in TAPPISAFE

- Burrows Paper New York Mills, NY
- Domtar Ashdown, Ashdown, AR
- Finch Paper, Glen Falls, NY
- Graphic Packaging Pine Bluff, Pine Bluff, AR
- Graphic Packaging West Monroe, West Monroe, LA
- International Paper Bogalusa, Bogalusa, LA
- International Paper Prattville, AL
- International Paper Riverdale, Selma, AL
- International Paper Rome, Rome, GA
- Resolute Forest Products Fairmont, Fairmont, WV
- RockTenn Battle Creek, Battle Creek, MI
- RockTenn Florence, Florence, SC
- RockTenn Stroudsburg, Delaware Water Gap, PA
- RockTenn West Point, West Point, VA
- Weyerhaeuser CCF, Columbus, MS

## Get Involved Toolkit

Use the following 'tools' to help promote this new safety orientation program to your company and peers:

- Download this logo to place on your company literature and website with a hyperlink back to [www.TAPPISAFE.org](http://www.TAPPISAFE.org).



- Download the banner for your email signature, website or to include on your literature.



- Share our handy PDF Brochure and Fact Sheet with your colleagues.

# Are You Creating A Culture of Exile?

## Five Warning Signs Your Employees May Lack a Vital Sense of Belonging

**W**hen employees feel they belong, they'll give you their all. When they don't, well, you'll get only crumbs

Consider the power of *belonging*. Adolescents will change their speech, dress, and behavior to “fit in” with their peer groups. Inner city teens will commit crimes—including murder—for the privilege of wearing gang colors. Adults, too, gain much of their identity from the neighborhoods they live in, the churches they attend, the political parties they align with. Yes, belonging to “the tribe” is a human need we never grow out of—yet Christine Comaford says most leaders neglect it in the workplace.

“Many companies have fostered cultures of exile,” says Comaford, author of the *New York Times* best seller *Smart Tribes: How Teams Become Brilliant Together* (Portfolio/Penguin). “No one is purposely making people feel they don't belong, but they're also not proactively making them feel they do—and that's a huge, huge mistake.”

*Belonging*, along with *safety* and *mattering*, is a basic human drive. After food-water-shelter needs have been met, we must feel that we're safe, that we matter, and that we belong. If not, we can't seek self-actualization, or as Comaford calls it “being in our Smart State”—meaning we can't perform, innovate, collaborate, or do any of the other things it takes to survive in our global economy.

“This is Maslow 101,” says Comaford. “Exile is a deep-rooted, very

primal fear. The way our critter brain sees it is: ‘If I'm not part of the tribe, then I must not matter and I'm surely not safe. A lion is going to eat me. My only goal right now is survival so I am going to do and say whatever will keep me safe.’”

When employees feel this way, they hide out, procrastinate, or say what the boss *wants* to hear instead of what she *needs* to hear. Such behaviors are devastating for business. When they occur chronically, not only will your company be unable to move forward and grow, it may flounder and fail.

No wonder Comaford's business—teaching leaders neuroscience tactics that get teams unstuck, out of their “Critter State” and into their “Smart State”—is booming. (“I regularly see clients who master these techniques and quickly see their revenues and profits increase by up to 200 percent annually,” she notes.)

“People will never speak up and say they feel they don't belong,” she says. “It's just too scary. It's up to you as the leader to diagnose the problem and take steps to fix it.”

Here are several red flags that indicate you may be fostering a culture of exile:

**Certain people get preferential treatment.** Maybe there are different sets of rules for different employees: “exempt” people and “non-exempt”

people. (Many companies harbor “Untouchables”—people who were hired and most likely over-promoted because they are related to (or friends with) someone in power.) Or maybe the CEO always plays golf with Drew and Tom, but not Greg and Alan.

“Preferential treatment is a leadership behavior and it's extremely damaging,” says Comaford. “It's a major culprit in making people feel exiled. I counsel companies who have this problem to include it in their Leadership Code of Conduct and insist that all leaders adhere to it.”

**Cliques and inside jokes flourish.** Sure, we all “click” with certain people more readily than we do with others. That's only natural. But if you notice some employees seem to be regularly excluding others—maybe members of a certain department socialize after work but one or two people are not invited—take it seriously, advises Comaford. Those who are left out know it...and it doesn't feel good.

“It's amazing how little difference there can be between high school dynamics and workplace dynamics,” she says. “And while leaders can't (and shouldn't) interfere with friendships between employees, they *can* set an example of inclusion. They *can* have frank discussions on the hurtfulness of making someone feel exiled. They

*(continued on page 13)*

## Are You Creating A Culture of Exile?

(continued from page 12)

can hold fun workplace events and celebrations to strengthen bonds between all coworkers.

“The point is, it’s worth making an effort to help everyone feel they belong,” she adds. “Generally leaders do set the tone, so when you focus on belonging, everyone will.”

**There are obvious and visible signs of hierarchy.** At some companies there’s a stark division—maybe even a chasm—between, say, the executive suite and the hourly workers. The white-collar guys are on a higher floor with nicer furniture, while the blue-collar guys are lucky if the bathroom is maintained. To many people this may seem like the natural order of things—but Comaford says this attitude is precisely the problem.

“Is it really a good idea for the physical workplace to say, ‘We’re in the gated community while you’re in the trailer park?’” asks Comaford. “Leaders may not think of it that way but, believe me, those under them do. In my work I see a lot of tension between white-collar workers and union workers—there’s this pervasive attitude that because the union guys don’t have the same level of education they can’t be part of the tribe.”

(Comaford notes that when her company launches innovation initiatives with clients, she finds it’s the union employees on the manufacturing line who often have the best ideas for streamlining production and boosting quality. It’s just that no one has ever looped them in on initiatives before—and therefore they don’t feel like part of the tribe!)

“I know, I know: This is a huge, messy, sensitive topic,” she adds. “But what belonging really means is every-

one is equal and marching forward together. We really need to do all we can to work toward this goal, and getting rid of some of the symbols of divisiveness would be a good start.”

**Entrenched silos lead to information withholding and turf wars.** Of course, departments are, by definition, different from each other. Still, they needn’t be alienated from each other. Comaford says it’s possible for departments to be “different” in a healthy way—IT is a band of cool pirates, while salespeople are wild and crazy cowboys and cowgirls out there on the range—while still marching forward together.

“It’s okay for groups to have their own identity, yet they must still be able to link arms and help each other toward that end goal,” she adds. “That’s the beauty of helping get people out of their Critter State—when they have that reassuring sense that they belong to the company overall, they don’t have to close ranks and play power games. They can share and collaborate because now it’s safe to do so—we’re all in this together.”

**There is no path for personal development or advancement.** True belonging is knowing you’re not just a cog in the machine. It’s knowing employers care about your future and want you to live up to your potential. It’s knowing “I might just be a stock clerk right now but I could be a division manager one day—and the company is willing to help me get there.” That’s why Comaford encourages her clients to implement Individual Development Plans for every employee at every level.

“When people see their IDP, they think, *Okay, the company’s purpose*

*is this, my part is this, and we’re all going into this glorious future together,”* she explains. “It tells them, ‘You’re safe here; we’re planning on you being here for a long time. You belong. We bothered to lay out this plan just for you, and you clearly know what you need to do to grow here. You’re part of the tribe, and we’re putting energy into figuring out how you can be part of the tribe in a bigger way.’”

Making employees feel that strong sense of belonging can send performance into hyperdrive, says Comaford. “When people feel they truly belong, they will open up their minds and do everything in their power to make sure the tribe is successful,” she says. “They’ll come to work jazzed and engaged and 100 percent *on*.”

“You absolutely cannot inspire this kind of presence, this deep involvement, in employees with coercion or bribery or even logic,” she adds. “It happens on a primal, subterranean level, and when it does, the transformation is amazing to witness.”

### About the Author:

Christine Comaford is a global thought leader who helps mid-sized and Fortune 1000 companies navigate growth and change, an expert in human behavior and applied neuroscience, and the bestselling author of *Rules for Renegades*. Her latest book, *New York Times* best seller *Smart Tribes: How Teams Become Brilliant Together*, was released in June 2013. ♦

## ASPI Seeking Nominations for 2015 Awards

**N**ominations are now open for two 2015 ASPI awards including Customer Executive of the Year and the Excellence in Leadership Award.

The Customer Executive of the Year Award is the highest honor that ASPI can bestow on an individual, and is presented annually to a customer executive who has worked diligently within his company, and with his company's suppliers, to dramatically increase the benefits to his company of supplied goods and services. Past recipients include: M. Jack Sanders, CEO, Sonoco (2014); Alex-

ander Toeldte, CEO, Boise (2013); and James Rubright, Chairman and CEO, RockTenn (2012).

The ASPI Excellence in Leadership Award honors senior level managers for unique and creative leadership of their employees and key suppliers during major projects. Past recipients include: Paul Duncan, Mill Manger, KapStone Paper (2014); Sandra L. LeBarron, Director

of Environmental, Health & Safety, Finch Paper LLC (2013); and Mike Edwards, Senior Vice-President, Pulp and Paper Manufacturing, Domtar (2012).

Any ASPI member can nominate a candidate and nominations are due by June 1, 2014. Forms are available on the ASPI website. ♦

## ASPI Welcomes New Members

**A**SPI is pleased to announce that **PMP Group** and **Jedson Engineering** have received Board of Director approval to join ASPI.



**Maja Mejsner**, Director Business Development and Marketing will be the primary contact for PMP Group. Wioleta Klups, Marketing Manager, and Pemo Klimczak, Vice President Business Development & Marketing will be alternate contacts for PMP Group.

### About PMP Group

PMP Group (PMP) – a global provider of technology – has been supporting P&P industry development for over 160 years. The company built its identity under the names: H. Füllner, Fampa, Beloit Corporation and since 2001 – PMP Group. PMP is a medium size Polish-American corporation characterized by flexible project execution and constant focus on partnership. Brand names: Intelli-Technology®, Intelli-Tissue®, Phoenix Concept™. Learn more: [www.pmpgroup.com](http://www.pmpgroup.com). ♦



*Maja Mejsner (left), Director Business Development & Marketing for PMP Group and Rocky Matuska (right), General Manager – PMP Americas accept their new member plaque for ASPI Past President Carl Howe (center).*

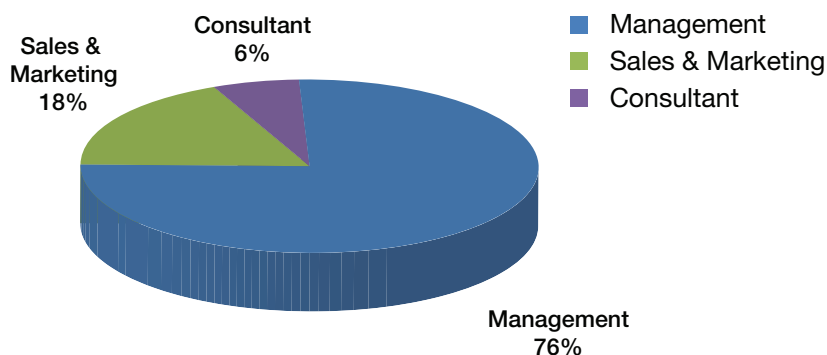
## ASPI Benchmarking Survey

One of the benefits of ASPI membership is to participate and receive the results from the bi-annual ASPI Performance Benchmarking Survey. This survey assesses trends in bookings and Net Contribution Margin (NCM), a general term to indicate the profitability of a product line. Data is included for both North America and global businesses, for six different sectors: Capital Equipment, Chemicals, Consulting and Field Services, Consumables, Engineering and Construction Services, and Spare Parts.

This survey is conducted every six months by supplier executives. Respondents are primarily in Management (76%) and Sales and Marketing (18%), providing a very high level assessment of industry trends.

All survey responses are strictly confidential. Individual surveys are not shared, and only aggregate data is available to members. Survey results for the January – June 2013 period are available, but only to ASPI Member companies. Please contact Colleen Walker at [cwalker@aspinet.org](mailto:cwalker@aspinet.org) if your company is a member and you would like a copy. ♦

### Primary Job Description



*The primary job function area of ASPI member respondents are Management and Sales & Marketing.*

## ASPI Welcomes New Officers and Board of Directors Class of 2017

At the ASPI Business Meeting held February 28, 2014 at the ASPI Spring Meeting, the membership voted in the ASPI Officers for 2014-2016:

ASPI President – Mike Gray, Area SVP, Sales and Paper Business NA, Valmet

ASPI Vice President - Keith Kemp, Vice President – Regional Business Leader, AstenJohnson

ASPI Treasurer – Marcus Pillion, Director, Marketing & Engineering, Colfax Corporation

ASPI Secretary – Rob Quarles, Director of Strategic Marketing, Buckman USA

ASPI Past President – Carl Howe, Vice President Sales, Kadant Paperline

## ASPI Recognizes Outgoing President Carl Howe

**A** SPI Past President Carl Howe concluded his two year term as ASPI's President at the ASPI 2014 Spring Meeting in Sarasota, Florida.

The ASPI Board of Directors and ASPI Staff sincerely thank Carl for his years of leadership. The association has thrived under Carl's guidance and is well positioned for future growth. Mike Gray began his term as ASPI President at the conclusion of the Spring Meeting. ♦



*Outgoing ASPI President Carl Howe (right) is recognized for his service to ASPI by ASPI Past President, Bob Gallo (left).*

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## ASPI Board of Directors

### *Class of 2015*

**Bob Gallo, ASPI Past President**

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**Keith Kemp**

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