

SPEAKERS PRESENTED INFORMATION TO HELP EXECUTIVES IN THE PAPERBOARD PACKAGING INDUSTRY BECOME MORE EFFICIENT AND EFFECTIVE LEADERS.

BY JACKIE SCHULTZ

San Antonio, Texas, site of the battle of the Alamo, provided the backdrop for reflection as the Paperboard Packaging Council (PPC) met to discuss past successes and future strategies during its 2016 Fall Meeting at the Marriott Riverwalk. About 200 people attended. It was a comprehensive three days of committee meetings, keynote presentations and receptions, the highlight of which was the North American Paperboard Packaging Competition Awards Banquet.

The first General Session began with what PPC President Ben Markens called "The peaceful transfer of power from one chair to another." PPC Chairman Kyle Eldred, President of Frankston Packaging Co.,

LP, passed the gavel to Incoming Chairman Charlie Johnson, President, Business Services, WestRock. Johnson pledged to continue "to refresh and adapt" the association's focus on delivering value to its members.

Looking at the bigger picture, Michael Doss, President and CEO, Graphic



Kyle Eldred (right) passed the gavel to incoming PPC Chairman Charlie Johnson.

PPC MEETING HIGHLIGHTS LEADERSHIP AND STRATEGIC CHANGE



Bloom is Volunteer of Year

During the meeting, Chairman Charlie Johnson presented Bill Bloom of WestRock the 2016 PPC Volunteer of the Year award. Bloom has volunteered on several committees. He has been the chairman of the Industry Benchmark Committee for more than 10 years. He also introduced the OEE metric to the PPC reporting and does a lot of work with Production and Technical Committee.



Charlie Johnson (right) presented Bill Bloom the 2016 PPC Volunteer of the Year award.



Michael Doss, President and CEO, Graphic Packaging International



Packaging International, offered up his perspective of the global industry. Doss has spent his entire career — more than 25 years — at Graphic Packaging. In 2015, at the age of 49, he was appointed President, succeeding David Scheible. Graphic Packaging is a \$4.5 billion company that has 15,000 employees and manufactures about 2.4 million tons of paperboard annually. Ninety-five percent of the business is in the food and beverage industry, representing about \$1.2 billion globally.

Over the last couple of years the company has concentrated its focus on the paperboard packaging industry, selling off businesses that didn't fit that core competency. With the proceeds from the sale of those companies it purchased 10 paperboard companies in North America, Europe and Australia. Today, the company has 40 folding carton plants worldwide.

Contrary to popular belief, Doss said the company's strategy is not just about tons. "For us, it all starts with the sale of the folding carton. We want to innovate, have new designs and help customers with their businesses and then we pull it through our 40 converting plants around the globe. It doesn't start with the mills because we think of ourselves as a packaging company," he said.

One key strategy is reinvesting back into the business. In 2015, the company reinvested \$240 million and in 2016 it spent \$290 million on infrastructure and equipment.

Another strategy is strategic acquisitions. Since 2012 Graphic Packaging has added three European businesses, 11 North American folding carton facilities and a CRB mill. The company has also had a presence in Australia since 1990.

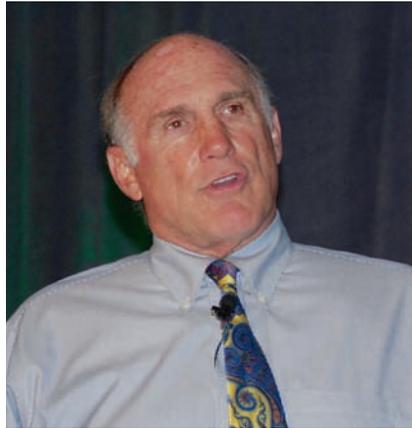
In Europe the goal was to apply the successful North American strategy to a fragmented European market. "I'm proud of what we've been able to do in Europe," Doss said. Before 2012 there was very little reinvestment in the facilities that it owned. "It was a \$200 million business but we hadn't put any money into in over a decade. I felt like I had to put a bag over my head when I landed at Heathrow and went into the facilities because they were very undercapitalized compared to what we were running in North America."

The European packaging market is larger than the U.S. so the decision was made to reinvest and expand. The company purchased three businesses, Contego Cartons, A&R Carton and Benson Box, since 2012, establishing a significant market position. European sales represent just over \$600 million and the goal is to continue to grow that.

In North America, acquisitions provided growth opportunity in key geographies and core end-use markets. Recent transactions provided a broader market reach into Canada, the East and West Coast, and Mexico. Recent U.S. acquisitions included Walter G. Anderson, Metro Packaging & Imaging, Carded Graphics, and Rose City Printing and Packaging. Other purchases included Cascades in Canada and G-Box in Mexico.

Winning Through Leadership

Using history as a metaphor, Steve Wiley, President of The Lincoln Leadership Institute, presented lessons in leadership. He extracted case studies from the three-day battle of Gettysburg in 1863 to illustrate effective leadership in the face of overwhelming challenges. The battle resulted in the largest number of casualties (51,000) during the American Civil War.



Steve Wiley, President of The Lincoln Leadership Institute

Wiley showed several videos of how soldiers stood by leaders who showed compassion and concern for their well-being.

"We're in the people business. People fall in love with people. People buy from people. You're going to see people take bullets for people at the Alamo and Gettysburg," he said.

He presented some eye-opening statistics about the present-day workplace. "Seventy percent of U.S. employees say that they are not engaged and half of them say they're actively disengaged at work," he said, adding that the No. 1 reason for disengagement is the quality of leadership.

When it comes to inspiring others to feel as though they're part of a team or corporation, U.S. companies have plenty of room for improvement. Traits that are not conducive to inspiring others include: ego and poor communication skills.

A slide titled "Management vs. Leadership" illustrated the differences between the two. While management produces order and consistency, leadership produces change and movement.

Management is about planning/budgeting; organizing; coordinating; providing structure/establishing rules; directing; and controlling/taking corrective action. Leadership, on the other hand, is about creating a vision/clarifying the big picture; living your values; role modeling; building confidence, commitment and a culture; enabling vs empowering; and communicating.

Wiley said 93 percent of an employee's attitude has nothing to do with what a supervisor says. On the contrary, their attitudes are formed by a supervisor's attitude, tone of voice, physiology and body language. "Communication is 7 percent what you say, 38 percent how you say it and 55 percent your physiology."

Wiley offered a very important piece of advice to PPC members: "When you interact with someone, listen until it hurts."

Plan For Growth

Jeffrey Rosensweig, Director, Global Perspectives Program at Emory University, a regular speaker at the Fall PPC meetings, said the U.S. economy is adjusting to a "new normal," growing at less than 2 percent annually compared to 3 percent in previous years. He does not foresee a recession or an increase in interest rates, however, he did express some concern in the reduction in productivity. "The U.S. dollar is quite high, partly due to BREXIT. Interest rates are at historic lows. Any reversal in either should be relatively minor," he said.

The U.S. job market has improved significantly and wages for skilled workers are increasing, accelerating consumer purchasing power. This spending is what has prevented and will continue to keep the U.S. out of a recession, Rosensweig said.



Jeffrey Rosensweig, Director, Global Perspectives Program at Emory University

His advice for the new year: “Do not believe the doomsayers. Plan for continued growth in the U.S. and global economics, albeit slow growth.”

On the technology front, Alon Bar-Shany, Vice President and General Manager, Indigo Division, Hewlett-Packard Co., said the biggest change he has seen in the last year is brand companies embracing digital. He referenced Coca Cola’s Share a Coke campaign that featured digitally printed personalized labels. He said these types of campaigns are gaining in popularity because they appeal to the younger “me generation.”



Alon Bar-Shany, Vice President and General Manager, Indigo Division, Hewlett-Packard Co.

He emphasized that digital printing is not a replacement for analog. “We’re complementary,” he said, adding that HP’s role is to help customers incorporate digital into their processes.

Beth Ziesenis, Technology Consultant, presented an entertaining overview of phone apps that can be helpful business tools. Today’s business leaders are strapped for time. Ziesenis, author, speaker and “professional nerd” recommended using technology to pack more productivity into each day.

She highlighted several free or low cost apps, including Waze for traffic and navigation, MileIQ for mileage tracking, X.ai personal assistant app, TripIT for trip planning and LastPass password manager.



**Professional nerd
Beth Ziesenis**

Panel Discussion

The last day of the meeting featured a panel discussion with carton competition winners and brand owners. Participants included Lysie Gibson, Sourcing Engineer — Packaging of Performance Health Hygenic Corp.; Britt Staley and Brad Walling of WestRock; David Stier of Caraustar Industries; Peter Calcagni of The Ellis Group; and Patrick DeBusk of Frankston Packaging Co. Each talked about their company’s design strategy.

Gibson, who sources packaging for her company, said she chooses paperboard packaging over other materials because it offers a premium message. She showed an example of a product that was originally packaged in a clamshell that is now packaged in a folding carton. “As you can see we were able to achieve bold graphics. It’s very visual. Customers know what this product is and the graphics tell you the purpose. It also offers structural integrity and stands out in the aisle.”

In addition, she said she prefers paperboard because the graphics for her company’s packaging often change. “Paperboard is quick to respond and we don’t have to buy large quantities. We can work as the market adjusts.”

The PPC’s 2017 Spring Outlook and Strategies Conference will take place March 29-31 at the Charlotte Marriott City Center, Charlotte, N.C. ■

Panel participants, from left: Patrick DeBusk, Frankston Packaging Co.; David Stier, Caraustar Industries; Britt Staley and Brad Walling, WestRock; Peter Calcagni, The Ellis Group; and Lysie Gibson, Performance Health Hygenic Corp.

