

## U.S. Corrugated, Inc



#### Keeping It **SIMPLE** -

How We Strive For Success in the Box Business

October 5, 2010 TAPPI/AICC Corrugated Week Baltimore, MD





# <u>Agenda</u>

- I. U.S. Corrugated Overview
- II. Simplicity
- III. Operations
- IV. Talent
  - V. Customers
- VI. Summary / Q&A







#### **Our Roots**

1973

Four M acquires partition facility in Kansas City, MO

#### 1966

Four M Manufacturing formed in a Baltimore, MD garage

1984

Four M grows to become leading manufacturer of corrugated partitions in the US

#### 1985

Four M acquires first full line box plant in Newark, OH

1993-1995

Four M acquires Mannkraft Corporation out of bankruptcy

Four M acquires corrugated packaging division of St. Joe Corporation, company renamed Box USA

2003

Mannkraft acquires Arrow Art, an innovative P.O.P producer

#### 2004

Box USA sold to International paper

Fonda acquisition of various food service disposable products companies

Four M acquires The Fonda Group, a leading paper plate manufacturer

1989-1995

Company acquires Sweetheart Cup Company, becomes the leading food service disposables manufacturer

Sweetheart acquires Paper Cup Division of Dopaco, Inc., solidifies market leadership position

2001

Sweetheart and affiliates sold to The Solo Cup **Company** 



1988





### The USCORR Story

U.S. Corrugated, Inc. formed, acquires North American corrugated packaging division of Linpac, Inc.

Mannkraft acquires NPC, a leading Northeast corrugated converter

U.S. Corrugated acquisitions of Anderson Packaging (KY), Timberline Packaging (PA), Heritage Packaging (GA), and McKinley Paper box plant (TX) Mannkraft acquires
Security Packaging, a NJ
based corrugated packaging
distributor

U.S. Display Group acquires GPS, a NJ based permanent P.O.P supplier

A future of possibilities....

U.S. Corrugated acquires eight corrugated packaging facilities from Longview Fiber

2007

U.S. Corrugated opens brand new 314,000 sq ft plant in Lancaster, OH

U.S. Corrugated and affiliates recognized as premier independent corrugated packaging manufacturer in North America

2009



### Organizational Highlights

CORRUGATED, Inc.

1700+ Employees

\$600MM+ Revenue

600,000+ tons annual containerboard consumption

Financially sound & well positioned for growth The Premier Independent
Corrugated Packaging
Producer In The US

24 facilities in 15 states, including our 100% recycled paper mill









**Our Footprint Today** 



#### Full Line Corrugator Plants

Amsterdam, NY
Bowling Green, KY
Cedar Rapids, IA
Coal Center, PA
Lancaster, OH
Newark, NJ
Minneapolis, MN
Tullytown, PA
College Park, GA
Mesquite, TX

#### **Sheet Plants**

Atlanta, GA Grand Forks, ND Lawrenceburg, KY Milwaukee, WI Seward, NE Springfield, MA Somerset, KY Trenton, NJ

#### **U.S. Display Group**

Newark, NJ Tullahoma, TN

#### **Sheet Feeders**

Atlanta, GA Fort Worth, TX

#### Paper Mill

Cowpens, SC

#### **Partition Plant**

Bethesda, OH

**Region Sales & Design Center** 

Geneva, OH







Single source solution for a complete portfolio of corrugated products and services



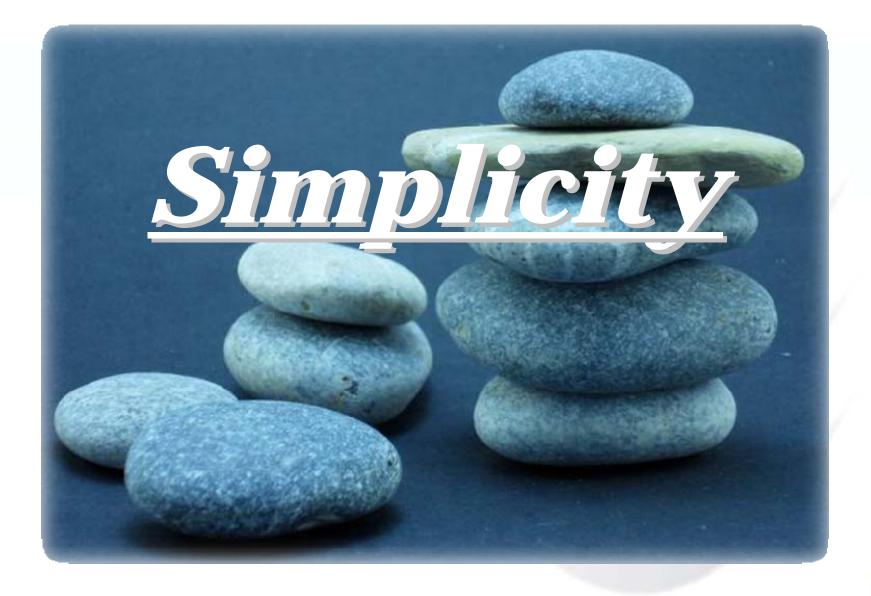












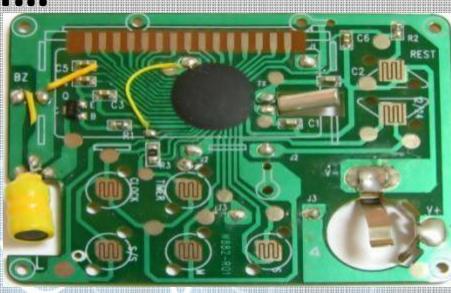


#### We Are Flooded With **Complexity** Daily



**Complex Information...** 

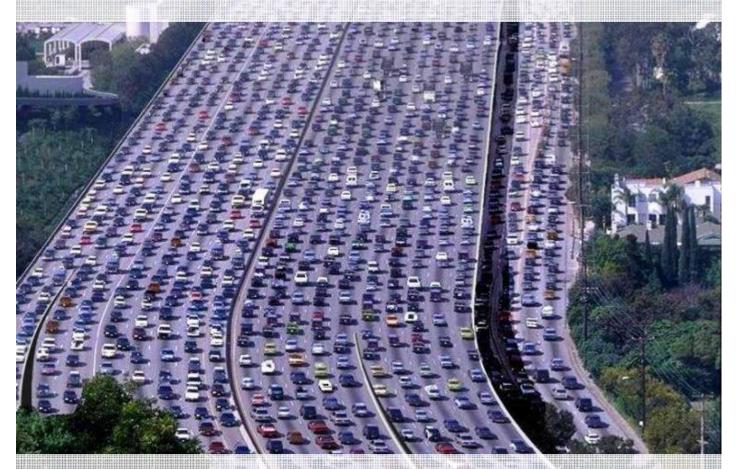




Complex Tasks...



# Complexity can almost be considered the natural state of things



But that doesn't mean it is the DESIRED STATE...



# "Simplicity means the achievement of maximum effect with minimum means."

Dr. Koichi Kawana – artist, designer and architect



While it may or may not be the natural state of things, it is certainly the **DESIRED STATE** 

### Simplicity, Google Style



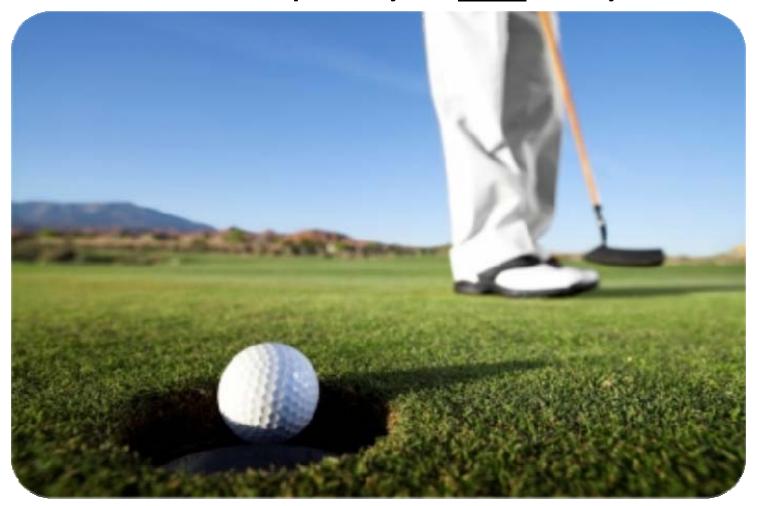
Despite Google's vast and complex network of computers and databases...

# ...when you want to know something, all you see is this:



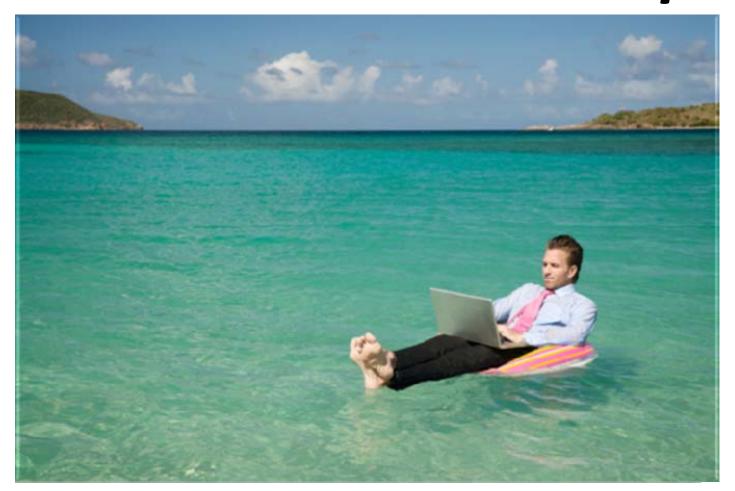
...and you have what you need in thirty seconds or less...

#### However.... Simplicity is **not** easy.



Even in the box business (especially in the box business?)

### However...You CAN Stop



complicating things and simplify...
even in the box business

But how do we get there...?





...by getting back to the basics and SIMPLIFYING ...

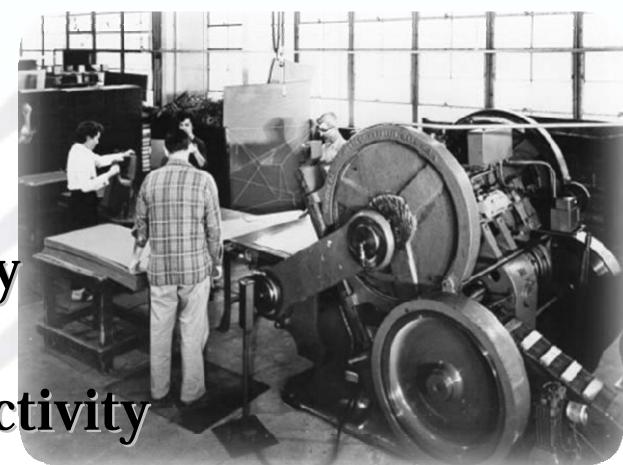


And doing your best to do nothing else...



# **Operations**

- Time
- Safety
- Quality
- Waste
- Productivity





#### **Time**

How do we use it? Does it use us? Production Manager's Ideal Utilization of Time:



Superintendent, Supervisors not far from the same Operators not far from the same (trade Productivity for Talent)

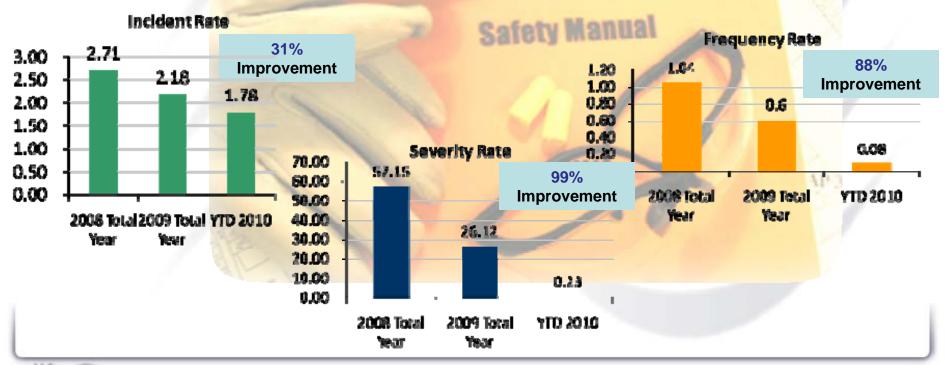
**Deviation Jeopardizes Simplicity** 





#### <u>Safety – Our 1st Priority</u>

- Core Value of Our Operating Philosophy
- No Reinvention of the Wheel (Simplicity)
- Fundamental Safety Process Development
  - Personal Protective Equipment (PPE), LOTT (Lockout Tagout),
     Powered Industrial Trucks (PIT), Guarding
- Commitment, Commitment, Commitment





### **Quality**

- ZERO defects shipped is the only goal worth setting
- Like Safety, it's all about personal accountability (more on that later)
- Create the framework and culture, provide the tools and resources, and get off the floor

#### WHAT DOES YOUR QUALITY MANAGER DO?





#### **Waste**

Materials form largest part of cost-Must be understood <u>clearly</u> and in a granular way

- 1 Side Trim
- 2 Corrugator Waste
- 3 Converting Waste

Controllable Waste Baled Waste Paper Loss

Simple Process, but must be run with total integrity every single day



### **Productivity**

- Everything begins with well maintained assets
- Highest output comes from simplest approach
- Run speeds vs. Uptime 

  Uptime wins
  - Even at average speeds, what does 10% uptime mean to your numbers?



(Ink, tooling, quality checks, supervisor approval, etc...)

Numbers come down to... People



# **Talent**



- A Note on Comp
- Building the Cultural Framework





### **Compensation**

- If EVP is right, you don't have to overpay
- Variable Comp is key
  - Program must be viable, attainable
  - Program must be understandable <u>Simple</u>
- What else is there beyond wage/salary?
  - Benefits
  - Opportunity for growth (financial & otherwise)
  - How we work together





### Expectations — Goal Setting

- If your Employees don't understand them...Don't expect much...
  - The further they are from **simple**, the less chance they will be understood...



Clear Expectations





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 Clear goals and expectations are the first steps to a successful, and <u>simple</u>, relationship between Employer and Employee

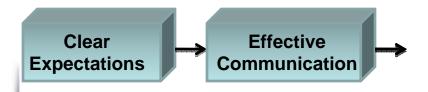






### Expectations — Goal Setting

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- That which is measured improves
  - Effective measurement of performance against goals & expectations creates the ability for meaningful feedback and... Communication

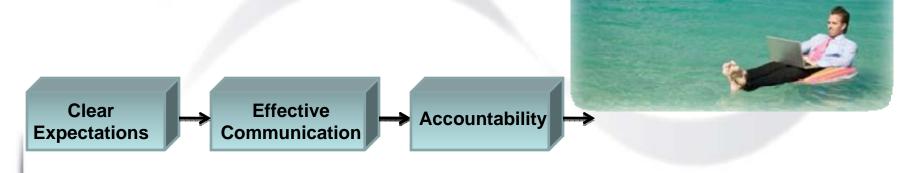






#### **Communication**

- Effective communication is THE key to creating a <u>simple</u> management model with predictable positive results
- Frequency, mode driven by specific jobs people occupy as well as specific expectations in place
- We must have (make) time to overcommunicate
  - The magic is in communicating about the right stuff, effectively
  - Driven by the simplicity of the Boss' experience
- Once expectations and communication are in place, we are in position to expect and ask for .... Accountability





#### **Accountability**

- <u>Simple</u> concept, not easy in practice No hope without it though...
- "You Do Your Job Well So I Keep Mine I Do My Job Well So You Keep Yours..."
- Comes down to our willingness as le make tough decisions
  - Do we have the right people in the right don't
- Accountability only happens with standard leads to... Empowerment



we



#### **Empowerment**



A Culture of Empowerment is the **Simplest** way to create a framework for Success operationally and otherwise



Is This What You Experience?





## The Customer



"YES!"



### Simple enough?



#### The Customer

OK fine... it is not always that easy (or simple) — It can (and often must) be:

- "Yes..but..."
- "Yes...if..."
- "Yes...as long as..."

#### **BUT IT MUST BE "YES"**

Beyond "YES," Customer relationships come down to a few <u>simple</u> things:









## The ABC's of Simplicity

**Always Strive to Remove Operational and Organizational "Clutter"** 

**B**uild (or RE-build) Everything with the Simplicity Filter as your Guide

Create a culture of Empowerment...and Get Out of

the Way!!!





# Keep

It

Simple



S.....







