



Association of Suppliers for the Paper Industry
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ASPI's Spring 2017 Meeting Offered Insights on Markets and Leadership

With a focus on learning from customers and honoring excellence, ASPI's 2017 Spring Meeting held on February 22-24, 2017 in Sarasota, FL attracted a strong member turnout. The meeting featured a program of speakers from core customers, a market forecast, and the presentation of ASPI's two annual awards.

Michael P. Doss, president and CEO, Graphic Packaging International, was named the 2017 Customer Executive of the Year award, ASPI's highest honor for an individual. This award is granted to a paper industry executive who has demonstrated extraordinary effectiveness in working with a range of suppliers to enhance their company's productivity, efficiency, and effectiveness. Doss told meeting attendees that, for GPI, part of that effectiveness is due to well-defined strategic priorities: investing in core businesses, making strategic acquisitions, and returning capital to shareholders. The company's vertically integrated business model offers "tremendous operating leverage," he noted. "Our customers are struggling; we need to help them be relevant. Innovative packaging can help." He also noted the importance of working closely with the supplier community.

Jack Bray, vice president, manufacturing operations for Domtar Corporation, accepted the 2017 Excellence in Leadership Award, which honors senior level managers within the paper industry for unique and creative leadership of their employees and key suppliers during major projects. Bray gave attendees insight into Domtar's highly effective leadership development programs, including "iGrow," which offers individualized programs for development in key areas. Other programs are specialized for every level of leadership within the company. Domtar's vision is to be the leader in innovative, fiber-based products; he said employee development is critical to that goal. "Our leadership efforts cascade all the way down," Bray said.

Rodger Fuller, senior vice president of Sonoco, offered his insights into Sonoco's successful growth and shared new innovations in packaging being developed by this \$5 billion global provider. Fuller noted that rising OCC prices were prompting Sonoco to explore new ways to capture that value stream. "Our future is skewed toward consumer and protective packaging, though we remain committed to industrial packaging," he said. Expanding margins and optimizing operations will be key to growth.

Steve Myers, vice president strategic initiatives and integrated mills at Expera Specialty Solutions, a new company formed through a merger between Thilmany Pulp and Paper with Wausau Paper, spoke to meeting attendees about the successful integration and the company's market position. He also addressed Expera's strategic approach to energy efficiency and capital expenditures in light of increased Boiler MACT regulations.

Glen Sanders, senior director of sourcing for Verso Papers, discussed Verso's approach to operational excellence. The company uses "gap analysis" to help hit its targets. He told ASPI members that suppliers can play a key role in that process. "We don't do a good enough job of tapping the potential of key suppliers," he said. "Our suppliers know more than us, and we always want to speak with subject matter experts. My job is to make it compelling enough for you to bring them in."

Michael Garcia, president of Domtar's pulp and paper division, discussed business sustainability, a key concern for Domtar Paper. Currently, 52 percent of the company's cash flow is generated by declining businesses; Garcia shared the strategy that Domtar is using to drive business to growing markets through what he called "fiber innovations." Deploying capital to growth areas is part of that strategy, and a strong supplier base is imperative. "What I would ask of (suppliers) is to remain viable and successful. I want you to be able to navigate the changing industry as successfully as we do," Garcia said.

The Spring Meeting's final presentation came from Economist Rod Young, RISI, who offered a forecast of the North American paper industry through 2018. He said the new US presidential administration is causing uncertainty in the general economic outlook, particularly regarding trade policy. Expected movement toward deregulation could be a positive for industry, though inflation is expected to accelerate over the next two years. He expects the tight jobs market to lead to wage inflation. Containerboard demand growth is accelerating, as is the demand for paper and board, though at a slower pace.

The next meeting, the 2017 Fall Customer Alignment Meeting, will be held on September 27-29, 2017 in Myrtle Beach, SC. Hosted by Sonoco, the meeting will include breakout sessions and panel presentations, and will offer attendees outstanding access to a major producer. As Keith Kemp, ASPI president, commented, "Sonoco has been actively planning and is fully invested in a successful Fall Meeting. This will be a great opportunity to understand how our key customers operate—and how we can help."



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In 2007, the ASPI Board of Directors established the ASPI Customer Alignment Initiative to assist paper manufacturers in aligning their suppliers' capabilities with their evolving tactical and strategic financial requirements. Past hosts of the Customer Alignment Initiative include: Georgia Pacific, International Paper, Boise Inc., Domtar, Verso Paper Corp., Temple-Inland, NewPage, MeadWestvaco and WestRock.

For more meeting details or to join ASPI, visit www.aspinet.org.

About ASPI

ASPI, a non-profit association, is the leading association of companies that supply products and or services to the pulp, paper and board industry since 1933. Member participation consists primarily of CEOs, owners, and senior management executives. ASPI's mission is to assist its member supplier companies in providing increased economic benefits to their customers through collective knowledge, initiatives and efforts. ASPI's unique value proposition is a combination of compelling program content and an influential business network.

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