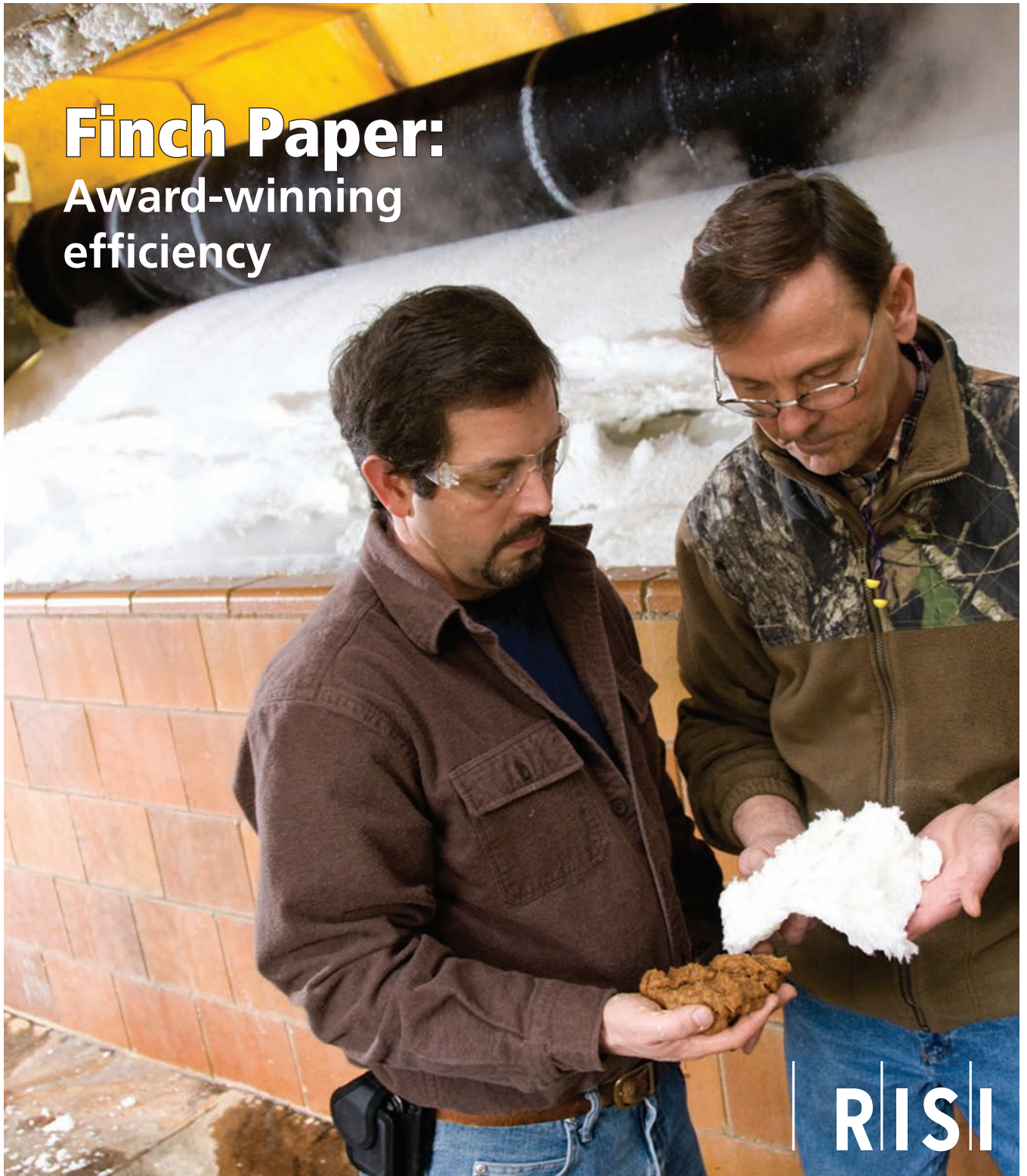


Finch Paper: Award-winning efficiency





Chris Villano, Finch Paper (left) and Sebastien Ricchi, Eka, inspect a roll of paper (Photos by Jim McLaughlin, McLaughlin Photography)

SPOTLIGHT ON **FINCH PAPER**

By MARTIN KOEPENICK

A small paper producer makes its mark, not only for the high quality paper it makes, but also for its environmental efforts

Finch Paper, an integrated mill in Glens Falls, NY, was the 2009 winner of *PPI's* International Efficiency Award, lowering fossil fuel consumption by 9% (\$2 million), as well as reducing greenhouse gas emissions by 13%. In addition \$4.2 million was saved through manufacturing-related efficiency improvements — all part of its ongoing continuous quality improvement initiative.

Employing about 750, the mill makes 700 tons/day of premium uncoated papers for corporate marketing materials, direct mail, book publishing, and business office use. With a commitment to customer satisfaction, Finch markets text & cover, opaque and digital printing papers. Its leadership in sustainable forestry, dating back more than 100 years, earned it certifications from the Forest Stewardship Council, the Sustainable Forestry Initiative and much industry respect. Finch recently expanded its role in forest management and, now manages lands for The Nature Conservancy and other private landowners in the Northeast. Even the *New York Times* proclaimed the

vast Adirondack forests, managed by them, to be “an ecological marvel.”

Although Finch Paper is a proud recipient of PPI’s Efficiency Award, it is not the only reason for the spotlight to be on this company. With its roots established in 1865 with a sawmill (papermaking began in 1904), Finch has for many decades earned a fierce loyalty among printers and graphic designers. Finch’s uncoated freesheet brands are known for consistent printability, timely delivery, and an honest “green” offering, something hard to achieve as a paper company.

But, no one can say that its journey in recent years has been easy, as the 2008 financial crisis and the growth of digital communications have affected its segment directly. Finch Paper faced extreme pressures, requiring cost cutting in all forms. It was also at a turning point, as its president, Richard Carota, was close to retirement after 50 years with the company, a man who had championed its unique approach to pulp making, and won the paper industry’s executive of the year prize in the 90’s, serving as chairman and CEO since 1984.

In June of 2007, the board accepted an offer from Atlas Holdings LLC to purchase the company, setting the stage for the next chapter in its history. Carota stayed on until retirement in 2009, following the appointment of a new CEO, Joe Raccuia, in February 2009, who had headed SCA Tissue in North America.

THE CUSTOMER’S FIRST, BUT BELT TIGHTENING NEEDED

Atlas Holdings’ stated approach to business is to identify cost savings and market opportunities. With this philosophy in mind, Raccuia’s task was clear.

Raccuia’s first day on the job included facing many tough issues, especially the necessity to reduce costs. He explains, “I presented the case to workers and management alike concerning long-term viability, and jobs at this mill over the next decades. Fairly quickly, we came to an agreement, where the focus shifted to a team effort to bring efficiency and achievement from each individual and each department.”

Raccuia continues, “Much of the credit for our PPI Efficiency Award begins with Sandy LeBarron,

our director of environment, health & safety. Her efforts highlight our new focus on inter-departmental communications and cooperation. Roger Dzieengel, vice president of continuous improvement is our biggest proponent of mill efficiency yet he is also a world-renowned forester, Larry Allen, in charge of the pulp mill, routinely listens to input from our papermakers, and even printers. This is our way of reaching greater heights.”

Adds Raccuia, “Finch has a great reputation in the marketplace for quality and reliability. What I saw here was a means to boost efficiency through the close interactions of seasoned professionals already and some new talent. If there were a Super Bowl for paper producers, this franchise could go all the way.

“Our PPI Efficiency Award recognition is shared by every Finch employee for contributing great ideas – large and small – and working hard to improve efficiencies, reduce costs and deliver unsurpassed value to our customers. “

THE GOOD TO GREAT APPROACH

Chris Villano, director of purchasing, and a 22-year veteran of Finch Paper, says, “Joe brings focus to our team. What he calls Finch Fitness involves paying

Joe Raccuia, CEO, says that if there were a Super Bowl for paper producers, Finch could go all the way





From left, Chris Villano, Sebastien Ricchi and Tom Ruch, Finch Paper

Sandy LeBarron, director of environment, health and safety with Ken Harris

attention to everything that we do, implementing a 'Good To Great' methodology, as described in the Jim Collins bestseller."

Villano says that Finch Paper could be a chapter in the motivational book *Good To Great* whose author Jim Collins says, "Greatness is not primarily



a function of circumstance; but largely a matter of conscious choice and discipline."

Adds Villano, "Being a cyclist, I can assure you that team effort gets you to the top of the hill. From there you accelerate and take off. Willingness to adapt is a powerful asset. You see this spirit everywhere in the mill today, which capital investment alone can't match."

To reach the entire employee base at one time, Finch TV monitors are in place throughout the pulp and paper mill, as well as the headquarters building to inform about efficiency levels, customers, as well as Finch's values and human interest features.

CONTINUOUS IMPROVEMENT INITIATIVE

Finch Paper's Continuous Improvement Initiative is ongoing by design, elevating the company's efficiencies, effectiveness and flexibility, and strengthening its competitive position.

Larry Allen, manager of pulp and power, sees Finch Paper as being very customer focused, continuously refocusing and fine-tuning. "Every morning we review yesterday's results with our paper mill people. Each department talks about how we did against detailed criteria. We care a lot about dirt specs and pitch, for example. We try to bring even the smallest problems to the surface, solve them, and move onto the next ones.

"We share information with long-term suppliers who know our system, because another set of experienced eyes can take us to an even higher level."

Allen says that Eka played an important role in analyzing the entire bleaching process, asking many questions about what further optimization we were looking for. "Together we made adjustments, improving product quality and efficiency.

"Communications across the entire mill, and with suppliers, should be credited for continuous improvement at what you could call 'our own little island' and elsewhere. We're even doing a better job dealing with seasonal changes in the wood supply, monitoring pitch control a little differently in the spring when the sap starts to flow."

Tom Ruch, director of technology and development, believes that continuous improvement in papermaking includes a number of subtle process

changes to minimize the time it takes to achieve the proper specification and reduce the amount of “off-quality” paper made.

The company has reduced the amount of unscheduled machine downtime; the time required to repair and restart machines when downtime does occur; and has invested in technological improvements to its paper machines and converting and finishing equipment to improve their production rates and quality.

FUELING PROGRESS WITH LESS ENERGY

The energy conservation portion of the Initiative focuses on reducing Finch Paper’s use of fossil fuels (oil and natural gas) and the resulting greenhouse gasses. Finch Paper already generates two-thirds of its energy needs through the use of non-fossil fuel sources, including biomass (wood waste that is burned to produce energy) and hydroelectric power.

As part of the new way of thinking, Employee Energy Action teams in key areas of the mill’s operations identify, evaluate and implement energy-reduction projects. Improvements have also been achieved through the development and use of a comprehensive energy model and daily operating reports to closely monitor and adjust energy usage. More than 119 energy reduction “action items” have been completed as part of the process.

Says LeBarron, “You see small yellow tags all over the place, and quickly they are gone. Why? Because we all know that shutting down tiny leaks saves money, increases efficiency and contributes to a safer work environment.”

The second key component of the Continuous Improvement Initiative is focused on manufacturing-related efficiency improvements.

Villano points out that “Several strategic suppliers have played an important role in helping us maintain high quality standards, but also reduce costs. Eka Chemicals found a way to reduce our bleaching costs by over \$200,000, and presented a plan for even greater savings in 2010. More than just cost cutting, they helped our operators lower the dosage of caustic in the bleaching sequence, while maintaining low dirt count and high brightness.”

Ruch believes that advanced chemistry has a role to play in the product and efficiency gains. In his

words, “The formation of the sheet on paper machine No. 1 reached a new level, because adjustments in our recipes, including Compozil silica nanoparticle chemistry. We are running this machine cleaner with fewer breaks; because of the role that chemistry plays. A new headbox opened the way for positive change, and partnering with Eka gave us even more.”

Mark McCoy, vice president of supply chain management, suggests “Key vendors are becoming an integral part on the sales side. Efficiencies they help us achieve, and qualities in the sheet, give our sales people an edge. All progress really starts with the customer. The goal of supply chain is linkages all the way back to the forest. From mechanical suppliers to software to chemistry, our sights are set on exceeding our customers’ expectations.”

THE TRUE TEST

According to Andy Shulman, owner of Standard



From left, Andy Shulman of Standard Printing with Blake Jones, Xpedx, Finch Paper’s distributor, and Don Mason, account executive for the Southeast

Model forestry

Finch Paper was the owner of 161,000 acres of Adirondack forests for more than a century before selling those lands to The Nature Conservancy (TNC) in 2007. TNC has hired Finch foresters to manage the lands for them, continuing the tradition.

Comments Dziengeliski about the relationship, “The Nature Conservancy gave us the job and the responsibility to manage these forests with the same care, concern and science-based methodologies handed down from one generation of trained foresters to the next. Our collaborative relationship with TNC is grounded in our common belief that environmentally sound forest management is good for society and good for the forest.” In addition to TNC lands, Finch certified foresters are in the woods every day, helping local landowners manage their forests responsibly.



High bright pulp is inspected by Dick Petro, pulp mill superintendent and Pat Benway, pulp mill operator

Press, Atlanta, Georgia, “In our industry, filled with uncertainties, predictability matters a lot. Finch Paper grades, whether for offset or digital jobs, are consistent, doing what they are supposed to do on the presses.”

Continues Shulman, “Their Finch Fine iD digital papers are a big plus for us, because of the growth of shorter run, personalization jobs. They worked closely with Hewlett Packard’s R&D group on the right paper substrate which, in fact, performs just as well as Finch Fine on our traditional presses.”

Shulman also emphasizes the importance of a good partnership relationship with Xpedx, its distributor, and its Finch Paper sales executive Don Mason. “Finch Paper is our house stock, because of high performance on our presses, satisfaction from our customers, and the ease of doing business, not to mention the quick-turn on custom stocks when required.”

Shulman believes that Finch Paper’s leadership concerning environmental issues is a positive factor with many graphic designers, as well as major corporations.

Says Shulman, “Well before it was popular to

be green, Finch Paper set the mark for sound forest practices. In addition, they had done a good job with communications tools to help printers and our customers understand the green choices.”

BETTER THAN SURVIVAL

“All around the globe, printing paper manufacturers are fighting to survive in an increasingly challenging business landscape,” says Raccauia “At Finch, we won’t settle for survival. We’re here to thrive, and our accomplishments to date have pointed us firmly in that direction.” **PPI**

Martin Koepenick, Innova, is an Atlanta-based writer with more than 25 years of experience covering the forest products industry.



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