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People vs. Processes

By Paperitalo Staff

I think we'll all agree, pulp and paper mills are, to a large extent, managed by engineers and scientists. At the executive level, educational background might be just about anything, but where the rubber meets the road, we are geeks. Which generally means our social skills are often lacking. Not quite as bad as back when I was in engineering college, however, we still often lack the people skills necessary to motivate subordinates.

When I go through mills which make similar grades, I see similar processes and unit operations. Yes, one may have a bit more of this and the other a bit more of that, but if you work in a particular grade and walk in an unfamiliar mill making that grade, you will not be lost, even down to the tiniest widget.

Yet, taking into account the various design capacities of various mills, one will find wildly different operating results. When I say wildly different results, I speak of up to 20% in rates of production.

With our geeky, logical, minds, by process of elimination we can conclude the difference is not process, but people. My wandering around the industry bears this out.

The better mills usually have great leaders, however once in a while, the norm will be defied and you'll find a great group of front line leaders with a top tier that is not quite on top of the game.

But high or low, performance is due to leadership. Which means it relies on people. Which means, while processes are important, they are not as important as people and how they are directed. Sorry, my engineer and scientist friends.

I was meeting with a great group of managers in one company recently. We got to talking about capital expenditures. They asked for my general philosophy on the subject. I told them that while it is obvious that certain capital expenditures are necessary for improvement or maintenance, it is my general belief that many capital expenditures are brought forward as a mask or an excuse for poor management.

Example--I was part of a mill management team years ago where everything was an antique and headquarters was so upset with the endless lack of results that we could receive no capital--nada. Let me hasten to say I was one of the trio of new top managers on the site, but I was not the leader responsible for most of the change. It was a swim or die situation and we had a

member on our team that could swim like a porpoise. In one year we increased production by 50% and reduced returns and allowances to nearly nothing. No capital. After that, I left. The driving leader behind the change stayed and succeeded in increasing production to 125% of the number it was when we originally came in the door. Still, no capital. And he accomplished that with an imposed union contract, not ratified until many years later.

Yes, this mill had been operated extremely poorly. But that legacy went back close to 25 years before our arrival--the place had become a revolving door of failed management.

Difference? Leadership and people skills. There are serious lessons here for management all the way up and down the management chain. If you are at the top of the heap and you deny a capital expenditure by citing this column and without your own thorough investigation, shame on you. If you are down in the trenches looking for a magical wand to fix what is clearly your management problem, shame on you, too.

There are no shortcuts to good management. There are a few quick signs, however, and I'll leave you with one of them: the manager in line operations who spends most of the day in their office is likely a poor manager. It is the first thing I look for when I go in a mill--management at the scene of the action. If you don't have enough love for your business to be out and engaged in it, you will never be successful.

For safety this week, remember safety is a contact sport, too. Training is important, but putting it into practice is more important.

Be safe and we will talk next week. ##