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The Unwilling

By Paperitalo Staff

I spend a lot of time talking to suppliers. One of their specific frustrations is the lack of willingness by operations managers to change processes. No, we are not talking about processes that are brand new and untried. Additionally, we are not talking about mills that are capital constrained.

The mills I (we) are talking about are the ones where department management is so entrenched and so comfortable they are unwilling to try well proven processes they can afford. Such people could be marched to successful installation after successful installation and will not take the plunge for one simple reason--they are unwilling to take risks and more. The more being they do not want to be inconvenienced by starting up a process with which they are unfamiliar.

One supplier was recently relating to me a process in the causticizing area, a well proven one, that, for an investment of less than USD 1 million would result in proven savings of USD 7 million per year. After he had made his presentation, showing endless examples of where this worked, the senior mill person in the room said, "So what?" So what? I suspect the shareholders of that company will be quite interested in hearing that manager's answer.

Time and again, I have seen situations similar to this. Operations managers, buried deep in a large mill, resist change. Not because they don't believe it will work, but simply because they don't want to be bothered. I spoke about this on Monday morning, 26 Nov 12, in the Morning Highlight on Nips. It is about halfway in this show.

Over my career, I have seen many, many managers that "don't want to be bothered" with change. I have news for you--it is your fiduciary responsibility to be bothered with change. It is a tired old phrase, but change is inevitable, and not keeping up will cause you problems in two phases.

The first area of potential problems is your competitors. If you don't accept a change and they do, they can earn an appropriate return on investment at a lower selling price than you can. You are cooked.

The second area is that of the entire industry. If the entire industry does not keep up with their competitors, a competing industry will take the first industry's market with an entirely different product that performs in a superior way at a lower cost. Think Internet (we couldn't do much about that one).

There is a situation like this going on in another industry at this time. Several brands of kitchen-type gadgets are promoting making soft drinks at home with a device that injects CO2 into a mixture to which you have added water. Two selling points here. The first one is that it is cheaper than buying soft drinks (economic). The second is that it saves the production and disposal of plastic bottles (environment--an argument stronger than economics for some people). It will be interesting to see how this affects the soft drink industry.

Bottom line--you can never rest, you can never be comfortable. New ways are developed all the time to transform even the most mundane tasks. They may not affect your business today, but they will sooner or later. The prudent managers and decision makers stay on top of these.

For safety this week, the safety equipment industry is very vibrant and active in coming up with new ways to ensure safe operations. Someone in your organization should be spending a portion of their time staying abreast of the changes.

Be safe and we will talk next week. ##