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## ***Foxes in the Henhouse***

By Paperitalo Staff

An old friend and I were reminiscing a few weeks ago about a situation we encountered a couple of decades ago. Perhaps with modern computer accounting, this does not or cannot happen any longer, but I pass it along for you to check out. I am sure the devious can find a way to get around sophisticated checks and balances.

In the mill in which this happened, we bought a certain supply in fairly large quantities. I'll not say what it was but hasten to add it was not machine clothing, PCC or anything bought and stored in bulk. There were many slight variations to this material and the quantity of each variation was relatively small. It was a pain to manage.

The supplier of this material had convinced our predecessors to allow them on-site to manage this activity. They even placed one of their own employees on site full time in order to make sure everything went smoothly. Their employee took the material off the trucks, placed it in a locked storage room and distributed it to production as needed. They put unused amounts of each variation back on the supplier's trucks and took them away.

Every month there was an accounting problem. Our own records of how much we used in production never matched up to the amounts on the invoice. We watched everything as closely as we could with manual systems. Finally, we told the supplier we would just manage the material ourselves, please take your employee away.

Miraculously, within a month, the records of what we used in production and what we were charged on the invoices matched up. When we started managing this material and stopped receiving "help" from the supplier, we acquired the smiles on our faces that were formerly plastered all over theirs. A word to the wise.

In another mill in my experiences, we had a situation where salaried personnel were allowed to park near their offices inside the mill fence (excuse me if I have told this story before). Over the years this had caused a lot of hard feelings with the hourly personnel, especially on cold or rainy days. There were also some suspicions on the part of management that perhaps things might be leaving the mill that should not be, given there were all these private cars and pickup trucks inside the fence every day.

Management chose to change the policy during the summer, when the weather was likely to be pleasant. They announced the change that the salaried personnel would park in a new lot outside

the fence. They softened it by saying that this change was a trial for a month to see how things went.

The gas pumps used for maintenance and other company vehicles were on the back side of the central maintenance shop, not in sight of any other part of the mill (over the fence in that area was woods). In the first month, the trial month, gasoline consumption through the pumps went from 6,000 gallons per month to 3,000 gallons per month. Do I need to mention that we never parked inside the fence again?

I started my career in an urban setting, in the technical center of a large consumer products company. We passed through a guarded gate going to and from the building each day. It was well known that the guards had the right to check briefcases at any time, although it had not been done in a long time. Finally, one Friday evening, they did it. Out came rolls of toilet paper, kitchen roll towels, bars of soap and more. By the time I came through, they had a stack of consumer products that could have made a nice display at a supermarket anywhere.

Back when I was in charge of a large group of people (not at a mill) we had an administrative assistant that seemed to spend an inordinate amount of time on the phone, as well as a considerable amount of time just chatting. This was when long distance still cost real money. I had the controller bring me the phone records randomly every couple of months as part of my own routine of self-auditing the business. One month, I noticed a certain long distance number had been called many, many times—to the tune of several hundred dollars that month. It was the administrative assistant. She lost her job that day.

My question is this. Why do people (and in the case of the supplier, companies) risk their employment or long term business relationships by doing this stupid stuff? Do people not value their career more than half a tank of gas or a bar of soap? Are they so poorly paid they have to steal toilet paper from their employer in order to make ends meet? Think about what your job is worth to you the next time you need a pad of paper at home. And watch your suppliers, or as Ronald Regan used to say, “Trust but verify.”

Hopefully we do not take safety as casually as matters were taken in the stories above. Safety attitudes and conditions are not something to fool around with—you can recover from losing your job, but your health is another issue altogether.

Be safe and we will talk next week. ##