

MAINTENANCE SALES NEWS FOCUS ON

Paper & Wipes

PAPER EXECUTIVES SEE ECONOMY IMPROVING IN 2012 SECOND HALF

By Harrell Kerkhoff
Maintenance Sales News Editor

The commercial/away-from-home (AfH) paper/tissue marketplace continues to be challenged by a slower-than-normal U.S. economy. However, signs are pointing toward greater activity for the remainder of 2012 and beyond.

Paper company executives interviewed in March by *Maintenance Sales News Magazine* shared their thoughts about future opportunities and challenges facing the AfH marketplace. They also discussed the many new products and service their companies are providing for the marketplace.

By using a segment-driven approach to better understand different challenges and unique needs, officials at SCA feel they are able to provide a “better business” focus for the benefit of customers. The company applies these insights to exceed in product, service and tool developments.

“At its core, better business drives profit for our customers,” **Joe Russo, Vice President, Sales & Marketing, SCA AfH Professional Hygiene-North America**, said. “To strengthen our better business foundation, SCA is committed to helping customers drive a strong business platform by prioritizing sustainability and hygiene, and fulfilling their needs as a strategic partner.

“This strategy is about increasing the customer’s business through a stronger value proposition and overall relationship.”

SCA is a global hygiene products company and maker of the global Tork® brand of paper products and dispensing systems. Today, SCA is one of the three

largest AfH product manufacturers in North America, supplying paper napkins, tissues, towels, specialty wipers, dispensers and skin care products used in commercial settings such as restaurants, office buildings, schools and healthcare facilities.

Over the past 10 years, Russo said, SCA has grown by listening to customers and keeping the company’s core values of responsibility, excellence and respect at the forefront of everything it does.

New product development is one way SCA remains a vital partner with customers within the AfH marketplace. For example, SCA launched the Tork Elevation line of restroom dispensers in 2009. Russo said these dispensers have provided effective solutions for facility managers who need efficiency, performance and cost-savings to come together

seamlessly. SCA has introduced four new dispensers to the Tork Elevation line of restroom products in 2012. The new Elevation additions broaden Tork’s selection of sleek and modern dispensers that decrease labor, waste, germs and the environmental footprint in the restroom.

These Elevation additions are:

■ **Tork Elevation™ Intuition® Electronic Hand Towel Roll Dispenser** — Russo said this dispenser provides one-at-a-time, no-touch automated functionality for less waste, cost and clutter while improving hygiene and image. Inside the space-saving design is a high quality motor and state-of-the-art electronics for a quieter and smoother delivery of each towel — with no special tools needed to adjust sheet length. Outside features include LED refill and low battery light indicators to simplify restroom maintenance. The Elevation line also offers a range of natural, 100 percent recycled to ultra-premium, two-ply toweling in various refill lengths;

■ **Tork Elevation™ Folded Tissue Dispenser** — A unique extension to the Elevation line, this new dispenser is designed to take up less space and time to install and maintain. Folded tissue offers a lower environmental impact because it has no core and offers a 25 percent guaranteed reduction in consumption when customers switch from conventional rolls. This upscale option also limits pilferage due to the lock that operates in key or keyless push button mode. The dispenser is also flexible as customers can use it as a bath or facial tissue dispenser and it’s designed to fit seamlessly with Elevation’s modern aesthetics;

■ **Tork Elevation™ Exit Door Towel System** — SCA has developed this system as a solution to bridges the needs of patrons and facility managers. The system keeps hands clean and germ free while patrons exit the restroom. By providing a small square of folded towel, users will use fewer paper towels and create less waste around the restroom. It includes a wall-mount 5-liter bin for easy disposal of towel waste. To maintain the clean image of the restroom, the bin retains the bag completely inside the dispenser so no bags overhang outside the waste bin; and

■ **Tork Elevation™ Bath Tissue Jumbo Roll Mini Twin Dispenser** — SCA has restyled and evolved this dispenser to decrease labor and maintenance for customers, particularly those with high-traffic restrooms. Originally introduced in 2009, this dispenser holds two high-capacity rolls and features a roll brake so people take only what they need, reducing waste, clutter and cost. The lock operates in key or

keyless push button mode. The reserve roll remains protected until the first roll is gone, ensuring it stays hygienic.

The Elevation line of dispensers from SCA is not the only Tork product evolving.

“We are continuously looking for ways to enhance our tissue and toweling products to increase value for customers, and will be growing our offering of Tork premium towel, tissue and napkin products over the next year,” he said. “Offering premium options provides highly desirable products that continue to drive value for our distributor partners and end-customers. The investment into premium products will help grow all levels of SCA’s product portfolios, meet customer needs and increase options for all our segments.”

SCA also places high value on its environmental commitment. The company incorporates an environmental focus into all aspects of operations.

“Here in North America, we have a number of ways that SCA incorporates sustainability into its solutions, operations and dialogue with stakeholders,” Russo said. This includes:

■ **Sustainable solutions:** By listening to customers’ needs and following trends across North America, SCA officials have found that composting has become a new focus in sustainability. Therefore, it was important for SCA to obtain independent verification on the proper degradability of its Tork paper product portfolio.

“Starting with napkins, SCA became the first AfH manufacturer to attain compostable certification on its line of Tork napkins from the Biodegradable Products Institute (BPI), one of the largest independent compost certification groups in North America,” Russo said. “This initiative ensures the napkin’s product lifecycle from development, production, use and disposal remains environmentally responsible.

“When our napkin products were certified, the next focus was on toweling. We recently obtained acceptance of our paper towels from Cedar Grove Composting, a nationally recognized commercial composter and pioneer of compostable testing and product review. This verifies that Tork paper towels will properly break down in the commercial composting process.”

Prior to certifications for composting, many Tork products and solutions have been certified by EcoLogo^{CM} and Green SealTM. Tork is the largest AfH brand to offer products with both certifications in North America, Russo said. He added that 22 Tork products have received the Green Seal stamp of approval and 100 products are EcoLogo certified;

■ **Sustainable Operations:** In the area of operations, SCA focuses on reducing manufacturing and distribution center costs — with the underlying goal to solve many issues that ultimately add cost to the customer.



Joe Russo

“For instance, our Alabama and Wisconsin operations are the first North American AfH tissue mills to earn ISO 14001 certification. We’re pursuing this certification for our remaining mills as well,” Russo said. “ISO 14001 helps identify the environmental impact of products and processes and implements a systematic approach for continual improvement.”

Another way SCA officials ensure the company’s operations are sustainable is through LEED (Leadership in Energy and Environmental Design) certification. This third-party validation shows the sustainability achievements in the design and construction of a building to ensure the structure and its environment are healthy, productive and efficient. SCA’s Americas headquarters, located in the Cira Centre in Philadelphia, PA, is certified LEED-CI Gold. Meanwhile, the company’s Dispenser Innovation Center, also located in Philadelphia, is a LEED-CI certified space.

“Efforts also being made at our Service Excellence Center in Neenah, WI, are a prime example of supporting SCA’s global goal to reduce CO2 emissions from fossil fuels and from purchased electricity and heating. We focus on reducing energy consumption through a program called ESave, which began in 2003 and includes a variety of initiatives that reduce energy across SCA’s operations,” Russo said. “Specific to the Service Excellence Center, ESave has saved approximately 950,000 KWh or 644 tons of CO2 emissions thus far through the installation of energy-saving bulbs and motion-sensors for overhead lighting.”

The Service Excellence Center also uses photovoltaic solar panels and four wind turbines to offset energy consumption; and,

■ Sustainable dialogue with stakeholders: SCA engages in sustainable dialogue by sharing industry insights. An example is *The Tork Report: Healthy People, Healthy Planet*. This report is a survey of North American adults and business professionals on the topics of hygiene and sustainability. Particularly around sustainability, this report gives stakeholders insight into what is driving buying habits, perceptions and trends. In addition to survey findings, SCA incorporates viewpoints from sustainability experts to enhance the message and thought leadership.

Regarding the current availability of paper for the AfH marketplace, Russo stated that, across the globe, demand for recovered fiber continues to grow as new paper-making capacity comes on line in China and other developing economies.

“At the same time, we’re seeing consumption of paper and paperboard in the developed world steadily dropping. This leads to less paper available for recycling worldwide,” Russo said. “As a result, we are facing increased volatility in the market and tight supply.”

He added that SCA officials also keep close attention to current research and industry feedback in order to understand the latest in janitorial/sanitary (jan/san) industry trends.

“SCA expects hygiene and sustainability will remain top priorities this year. As far as growth areas are concerned, office buildings and health care are expected to continue to develop,” Russo said. “Office building occupancy rates will likely continue improving through 2012, and higher occupancy will eventually lead to higher rent and the ability for property managers, etc., to spend more money on improvements, services and other facility needs.”

He added that health care facilities are focusing on prevention/infection control as Medicare payments are increasingly tied to infection/re-admittance rates.

SCA also places a strong emphasis on providing strong customer service, which Russo said begins by building partnerships with customers.

“One size does not fit all, and we know each customer’s story is different, so we listen. We also identify the issues we can help solve through our Tork solutions,” Russo said. “This includes looking at the specific needs of each customer’s industry or segment to gain a better understanding

of different challenges.

“We also ask such questions as, ‘How can we help the customer become more sustainable? How do patrons perceive and interact with their restrooms? How can we improve not just the product in their facility, but the quality of their facility?’”

Customer service at SCA also extends into how the company makes and ships products.

“Our regionalized manufacturing model aids our customer service process. This manufacturing model ensures highly responsive and cost-effective shipping,” Russo said. “SCA has made its supply chain a core competency, and I communicate with our in-house team regularly to collaborate on ways we can enhance this side of our business.

“As a best practice to improve the fill rates of our trailer cubes, SCA runs all orders through software to enhance the efficiency of each shipment. This results in freight savings and predictability, which means customers will unload their products with less frequency and save time. We estimate this optimization reduces shipments by about 15 percent, and it also adjusts pack configuration to reduce the chances of product damage during transit.”

Products are delivered from these regional locations with best-in-class fill rates. This regional approach also reduces miles per case, diesel usage, transportation emissions and road congestion. According to Russo, SCA is part of the U.S. Environmental Protection Agency’s SmartWay Transport Partnership and continually increases its percentage of intermodal shipments.

This all results in efficient sales and delivery, lowered environmental footprint and reduced costs for the customer.

“This also gives our customers a customer service experience that delivers much more than efficiency, delivery and environmental footprint. It ultimately builds a relationship they value,” Russo said. “We’ll continue to develop resources, such as the Better Business Center (www.better-business.torkusa.com), to help improve our customers’ knowledge of their segment and connect them to experts and other facility management professionals.

“This one-stop resource highlights business tips, tools and insights to facilitate open, engaging conversations and best practices sharing. Visitors can also easily access our social media sites, including on Facebook, Twitter, YouTube, SlideShare, Flickr and LinkedIn to gain and share additional content and resources geared toward improving businesses.”

Russo added that SCA officials are proud of recent external recognition, including SCA being named one of the world’s most ethical companies by the Ethisphere Institute for five years in a row. Ethisphere recognizes companies that go beyond making statements about doing business “ethically” and puts those words into action. SCA has also been named to *Fortune* magazine’s 2012 list of “World’s Most Admired Companies” for the third year.

Contact: SCA, Cira Centre, 2929 Arch St.,

Suite 2600, Philadelphia, PA 19104.

Phone: 610-499-3700; Fax: 610-546-4036.

Email: joe.russo@sca.com.

Website: www.torkusa.com.

Meeting ever-changing customer needs and industry trends remains a strong objective for the **von Drehle Corporation**, a nationwide manufacturer of towel and tissue products as well as dispensers.

“We offer a complete line of paper products — the majority of which are made from 100 percent recycled fiber, and von Drehle meets or exceeds EPA guidelines for post-consumer content,” **von Drehle Corporation Marketing**

Director Jon Thomson said. “von Drehle is vertically integrated with two Metso paper machines in place as well as three converting facilities across the country.”

The company’s corporate headquarters are located in Hickory, NC, with its paper mill in Cordova, NC. Converting facilities can be found in Maiden, NC; Memphis, TN, and Las Vegas, NV.

Looking at the remainder of 2012, von Drehle will continue to bring new towel and tissue products to the market — such as its new Preserve Plus Multi-Purpose Household Roll Towels — and will soon be announcing a new line of hands-free, hardwound roll towel dispensers. These dispensers will offer a sleek European design, are simple to load and install, and control usage, Thomson said.

“The von Drehle Corporation will also focus on cost savings and inventory management, allowing it to pass these savings to customers, and to remain competitive in the market,” Thomson said. “Our company will focus as well on expanding distribution in areas where it’s currently under represented and can provide the most value for prospective customers.”

Thomson said overall industry projections for the 2012 janitorial paper/tissue business indicate several challenges

will remain due to the economy.

“Customers will be looking for products that offer the most value, and hopefully, not just cheaper case prices,” he said. “Paper is readily available in the market, and has been for the past several months. However, this looks to be tightening as China re-enters the market. Furthermore, the quality of the waste stream appears to be declining.”

Thomson added that helping jan/san distributors with various changes found within the industry remains a central focus at von Drehle. For example, he expects hands-free systems will continue to grow in importance, along with a greater push for sustainability.

“Since the downturn in the economy, however, pricing has become more important. Unfortunately, this leads to one of the most consequential trends in the industry: The issue of cheating or ‘short-sheeting’ — especially for paper products,” Thomson said. “Customers are looking to save money, and when they see a lower case price, they may think they are automatically getting a better deal. The problem with this is, they may actually be spending more than if they would have purchased the other, more expensive case.

“Testing of the so-called ‘discount’ or ‘bargain’ products revealed that, on average, they contained 9 percent less product than what was specified. And some contained less than 70 percent of the specified product,” Thomson said.

According to Thomson, the true problems with these practices are two-fold: The first is that towel and tissue products are “performance” products.

“By this, we mean they have a specific job or function to perform. If a company reduces the length or quality of their paper products, usage will have to increase for the product to perform its task,” he said. “If I buy a case of product that only has half of what it should have, my usage will automatically double. If that product is only 30 percent cheaper than the spec product, then that so-called ‘bargain’ ended up costing me 20 percent more.

“The second problem is that cheating or short-sheeting these products completely destroys the purpose for which they were originally designed. Towel and tissue products for the AfH market were designed for a specific purpose — to reduce maintenance costs.

“If I put shorter rolls — and/or inferior quality paper — into my dispensers, then the rate of change-outs increases,



Jon Thomson

as well as my maintenance costs. In the end, without analyzing the data, distributors and end-users alike think that their paper costs have increased dramatically, when, in reality, their 'discount' products are costing them more money," Thomson said.

Focusing on the environment is also a key objective for the von Drehle Corporation. Thomson said the company has always been an industry leader in environmental responsibility. Many of its paper products have received Green Seal certification with more expected to follow.

"Not a single tree is harvested to supply von Drehle's paper mill. Each and every parent roll that is produced is made from 100 percent recycled fiber, and contains a minimum of 50 percent post-consumer content," he said. "Also, our state-of-the-art cleaning and de-inking facility does not use any harsh chemicals or chlorine products for its processes.

"Meanwhile, von Drehle's modern converting facilities adhere to the 'Reduce, Reuse, Recycle' philosophy, and energy audits have been conducted resulting in more efficient lighting systems and environmental control. All end-cuts or 'cookies' are also collected and recycled, as well as cores, plastics, metals and other scrap materials."

Keeping customers abreast with these services and others is another essential part of the von Drehle Corporation's focus. Thomson said company officials believe that customer service begins with that very first call.

"When you call von Drehle, you never have to 'Press 1' to speak to a live person. Instead, you will get an experienced, courteous professional who is there to help. Most of our customer service personnel have been with the company for many years, and know most of our customers by name. This enables them to react to our customers' needs, and quite often, anticipate their needs before they occur," Thomson said.

He added that von Drehle Corporation's nationwide sales and support team is dedicated to helping customers become more successful. These experienced professionals provide product training, solution selling, conversions and estimations, environmental impact training, custom marketing solutions and various sales tools along with participating in joint sales calls and ride-alongs.

"Our philosophy of true, personalized customer service has been very successful as many of our customers have been with our company for many years," Thomson said. "The success of this philosophy is also confirmed in the awards we have received lately such as Best Customer Service from ISSA, Supplier of the Year from NISSCO, and an Excellence Award from Triple S."

Building up the paper supplier/distributor relationship will remain another key goal for the von Drehle Corporation, Thomson said.

"Our company motto, 'Integrity is our most important asset,' is our guarantee to customers that they will be treated honestly and fairly. Our products will meet or exceed expectations, and our customer service will not be surpassed," Thomson said. "By maintaining a high level of products from all of our manufacturing/distribution facilities, we are able to run to inventory — not to orders. We can usually ship complete orders within 24 hours of receipt. This allows customers to carry less inventory as they know they will receive their orders in a timely manner."

Contact: von Drehle Corporation,
612 3rd Avenue NE, Hickory, NC 28601.
Phone: 800-438-3631; Fax: 828-322-4145.
Email: sales@vondrehle.com.
Website: www.vondrehle.com.

The continued development of three primary go-to-market brand lines remains a vital focus for **Stefco Industries**, an integrated tissue manufacturer that is headquartered in Haines City, FL.

Stefco Industries' Haines City paper making facility provides 70,000 tons of tissue capacity. Converting facilities, meanwhile, are located in Haines City; Green Bay, WI; Henderson, NV; and Shenzhen, China.

"We mostly cater to the AfH marketplace as 85 percent of our tonnage is directed toward AfH towels and tissues, while 15 percent is for private label retail," **Stefco Senior Vice President of Sales & Marketing David Shapiro** said. "The company was started in 1988 by **Patrice Mínguez** and **Marc Allegre**. They remain active owners with planning strategies for continued growth."

Stefco Industries provides a broad range of towel, tissue and dispenser products for the AfH market. Major brands include Heavenly Soft®, Heavenly Choice® double-layer, and the Confidence® "no-touch" proprietary dispensing system.

"Our Heavenly Choice® double-layer concept includes a unique product mix of small roll bath, JRT and centerpull towels using double-layer technology to reduce costs while providing high quality," Shapiro said. "Heavenly Choice® is our fastest growing brand and is followed by our Confidence® proprietary systems."

He added that a major focus for jan/san distribution is the selling of differentiated products. That is why Stefco developed its Heavenly Choice® double-layer concept as well as its Confidence® proprietary system.

"We are not focused on selling just on price, but rather a 'better' grade of products to develop a 'feature benefits' story," Shapiro said. "It's important that our distributors are able to talk about how these differentiated products from Stefco can offer customers savings, value and quality — all wrapped up into one brand. We are not just going to save end-users money by giving them inexpensive products, we are going to save them money by providing products that work better.

"We would prefer to have our distributor sales representatives develop this feature benefits story for end-users. This is what Stefco Industries does best. Jan/san distributors want differentiated products, items that they can go out and sell the features and benefits. They also need a broad range of products to turn trucks quickly. This is why it's important for us to keep adding to our differentiated products."

To further help tell the story and provide greater service, Stefco Industries' customer service department was recently merged with the company's sales department. The customer service manager for Stefco Industries is **Tracy Hunt**.

"Sales and customer service are producing one product — getting our items to customers on time as needed. We all work together in this endeavor," Shapiro said. "Monthly meetings on customer service take place at Stefco Industries, where our representatives receive product training and understand how products go to market."

Along with customer service, another issue important to AfH paper manufacturers, distributors and end-users alike is paper capacity. Shapiro reported that this capacity within the industry was well balanced as of the first part of 2012.

"There is paper available, but not in

an abundance. Stefco Industries produces 70,000-plus tons and also buys parent rolls to supplement what we make," Shapiro said. "We buy in the vicinity of 20,000 tons in parent rolls, Stefco Industries is quite familiar with the parent roll market. It's currently available and the price is stable.

"As the year heats up, and as national GDP (gross domestic product) grows, this might result in a little tightness by the middle of the year for parent roll availability. However, this could all be mitigated in 2013 with the addition of a fair amount of new capacity coming aboard within the industry during the last quarter of 2012 and into 2013."

Shapiro remains optimistic about Stefco Industries' level of growth for 2012. He said the company looks to improve upon the 20 percent growth rate in total business it experienced in 2011.

"The total AfH industry, however, has been pretty anemic since the start of the last recession. Total tons (of paper) sold in the AfH marketplace during the last four years has been somewhat flat. However, we expect the industry to grow somewhere in the vicinity of 2 to 2.5 percent in 2012," Shapiro said.

He added that consolidation continues to play a factor in the AfH paper industry. Despite this, there remains plenty of room for mid-size operators such as Stefco Industries within the marketplace.

"We offer a broad line of products and a real niche of providing better products at valued prices," he said.

Placing a strong focus on the environment also has kept Stefco Industries in a positive light with both its distributor base and the end-user community.

"All of our products either come from recycled fiber or Forest Stewardship Council® (FSC®) managed forests. We are very aware of our customers' demands to use 'green' products," Shapiro said. "Also, our tissue mill (in Florida) uses 70 percent less water than most conventional tissue mills. Our mill is not located on a river but uses well water instead, which is pumped into a closed water system at the facility. The paper making operation also burns natural gas, not coal or oil.

"Our mill was built to be a green facility, located in the middle of orange groves, while our converting facilities also have little or no impact on the environment," Shapiro said.

Contact: Stefco Industries Inc., 1006 Marley Dr.,
Haines City, FL 33844. Phone: 800-835-1854.
Website: www.stefcoindustries.com.

Excited about the recent acquisition of Merfin Systems, officials at **National Tissue Company LLC** are committed to taking the best products and services from each company in order to give customers an even larger variety of options.

"Our goal is to have a successful integration of the Merfin Systems and National Tissue lines to give customers the choices they deserve, and to help support their growth," **National Tissue Company President Mike Graverson** said. "The private label programs we've offered for a long time also continue to be popular with customers."

National Tissue Company is a full line supplier of towels, tissue, wipers and napkins.

"We offer standard universal products as well as proprietary dispensers and high quality items to use in these dispensers. National Tissue also continues to provide those hard to find products," Graverson said.

Working with customers to help with solutions to different problems remains a central focus for the company. Graverson noted that many products found in



David Shapiro



Mike Graverson

the jan/san paper marketplace are so similar that customer service is often the only thing that distinguishes one paper supplier from the other.

"Our people working in customer service and sales are very responsive and responsible. We take pride in being a company you can trust," Graverson said.

Concerning the outlook for the overall janitorial paper/tissue business in 2012, Graverson said the struggling U.S. economy will still influence business within the industry to some degree. However, National Tissue officials expect their company to continue to grow and offer products and services that distributors need.

Graverson also feels there will be enough available paper to satisfy the overall AfH marketplace in 2012.

"We do still see companies downsizing the size of products to create low case prices instead of staying with the original intent of industrial sized rolls. This is done to reduce maintenance costs and improve cost-in-use," Graverson said. "We hope distributors and end-users are recognizing that a low case price doesn't necessarily represent a low cost case."

Graverson also discussed the importance of National Tissue's ability to provide environmentally friendly products and programs.

"We consciously use 100 percent recycled paper and boxes that meet, or exceed, EPA guidelines for post-consumer content," he said. "We now offer Green Seal products for people who require third-party certifications. However, the vast majority of our products are 100 percent recycled with, or without, the third-party stamp."

Contact: National Tissue Company LLC,
3326 E. Layton Ave., Cudahy WI 53110.
Phone: 800-962-9588 or 414-481-3300;
Fax: 414-431-9634.

Email: sales.assist@nationaltissue.com.
Website: www.nationaltissue.com.

As one of the largest tissue manufacturers in North America, Cascades Tissue Group maintains 18 facilities found throughout the United States and Canada. The company is a provider of towel, napkin, tissue, and wiper products for both the consumer and Away-from-Home (AfH) markets.

"Our products are manufactured with the highest sustainable standards in the industry. AfH brands include Decor®, North River®, Cascades® and Wiping Solutions®," **Cascades Tissue Group Vice President of Sales, Away-from-Home Division-USA, Dennis Lion** said.

The company is continuing its sales development of recently launched Cascades Elite™ TADe hand towels, bath and facial tissue products; and ServOne one-at-a-time napkin dispensing system.

"We have also launched our Cascades® Moka™, the first premium bathroom tissue made with 100 percent unbleached recycled fiber," Lion said. "This product provides all the benefits of a premium grade tissue, with a 25 percent reduction in carbon footprint.

"Cascades is also continuing its regulatory approval process for an antibacterial hand towel to be available in the United States, and will be launching a series of new dispensers for the napkin, hand towel and bath tissue categories in the coming year."

According to Lion, Cascades Tissue Group had a strong 2011, growing unit sales by over 11 percent. The company's goal for 2012 is to continue to expand in the double-digit range in unit growth.

"We are also looking to continue the preliminary success of penetration in the premium category and increase sales of our value-added products," he said.

Lion also sees other positive signs for the remainder of 2012 as the overall janitorial paper/tissue business continues its recovery. He said the market will improve at a slow pace, but a rebound appears to be on the horizon.

"We are seeing improvements take place in foodservice as well as with occupancy rates in hospitality. Cascades is optimistic that this recovery will help the company in conjunction with its development in the premium category and to meet increased goals for 2012," Lion said.

A strong focus on customer service and supply chain improvements that have continued for the past two years will remain true at Cascades Tissue Group, Lion added.

"We have reduced our lead times from 14 to 7 days, achieving this in 96 percent of orders shipped in 2011," he said. "We also have achieved a 98 percent fill rate during the same period. Cascades Tissue Group is continuing to work toward reduced lead times while also providing best-in-class fill rates.

"Our complete supply chain has been an emphasis of review, and we have added positions to enhance our forecast accuracy to better predict customers' needs."

He added that at the present time, there appear to be no real issues relative to the supply of paper in the AfH segment.

Last year, Lion reported that Cascades Tissue Group had refined its corporate and sales structure. This year, he added the company has continued development of the new structure, giving it greater emphasis on the AfH business unit.

"We now have a structure that is dedicated to the success of the unit. We had very strong growth last year, and also executed a strategic acquisition that has increased our presence in the AfH market significantly," Lion said. "Cascades acquired Papersource Converting, of Granby, QC, which is a leader in redistribution and private label in both the United States and Canada."

Working to expand Cascades Tissue Group's relationship with its distributor base is another key goal for the company. Lion said Cascades is well positioned to serve jan/san distribution.

"We offer a complete line of paper towels, bath tissue, napkins, and wipers — enabling us to be a one-stop shop for these distributors who wish to maximize their turns yet fulfill their customers' needs," Lion said. "We recently launched our Cascades Elite premium products offered in towel and tissue formats. Our Cascades Elite™ TADe for Tandem premium roll towels, as well as our stainless towel dispensers, are designed to strengthen our position in the building service category along with Cascades' Elite bath and facial products. This enables us further penetration in the hospitality and medical industries, which are two major focuses."

He added that these additions better allow distributors to single-source Cascades' towel and tissue items.

Being a good steward to the environment is also important to Cascades, something that has been true since the company's inception in 1964.

"The Lemaire family recovered recyclables from landfills when they were young and decided to venture into recycling paper products. Since that time, we have strived to be the most environmentally conscious paper company in the industry," Lion said. "Our flagship brand, North River, has the most third-party certifications of any brand in North America. Most products in this brand carry EcoLogo, Green Seal and Processed Chlorine Free certifications

as well as offsetting 100 percent of the electricity used in production with Green-e™-certified renewable wind energy.

"We have further developed our environmentally sustainable products by offering the first unbleached bathroom tissue under the Cascades Moka™ brand. This high-quality, two-ply product is equivalent to higher-end bath tissues while reducing the overall carbon footprint by 25 percent. We questioned, 'Why does bathroom tissue need to be white?' This led to the development of this product and the interest level has been extremely encouraging, especially throughout the lodging industry."

Looking ahead to the remainder of 2012 and beyond, Lion said he believes the number one challenge facing the jan/san paper industry is cost. End-users are pinched by the economic downturn and are looking for options to reduce cost.

"As an industry, we need to continue to develop ways to control consumption and help our distributors offer lower cost-in-use products," Lion said. "Cascades has done this with its Tandem towel and tissue system as well as its newly launched ServOne interfolded napkin system. Cascades has also launched its Flex® Wipes system that allows end-users to customize their liquid solution to the application and carry less pre-moistened wiper inventory.

"This dry wiper in a bucket can be utilized for many cleaning and sanitizing solutions, enabling flexibility and, ultimately, a cost savings."

Contact: Cascades Tissue Group,
148 Hudson River Rd., Waterford, NY 12188.
Phone: 1-800-246-0711.

Websites: www.afh.cascades.com and
www.sustain.cascades.com.

Kruger Products L.P., a subsidiary of **Kruger Inc.**, is a leading manufacturer of quality tissue products and system solutions in North America. Kruger's consumer tissue products include well-known brands like White Cloud®, Cashmere®, Purex®, SpongeTowels®, Scotties® and White Swan® and its AfH products include Embassy®, Esteem® and White Swan®. Kruger Products operates five FSC® CoC-certified mills in North America.

"Our AfH Division is committed to ensuring that product quality, exceptional service and comprehensive business optimization solutions run through every fiber of our business," **Jay Candido, Kruger Products Corporate Director, Marketing and Operations – AfH** said. "Through our integrated operations, manufacturing and customer service teams, we deliver the right mix of products and services that make sense and add value for end-users. Our approach enables us, our distributor partners and our customers to focus on achieving excellence. Performance really does matter.

"You spoke and we listened. In an effort to satisfy customer demands within the jan/san industry, in 2012 Kruger Products is phasing in a new embossing pattern on all roll and multifold towel brands— Embassy® Supreme, Embassy®, White Swan® and Esteem® — to enhance towel performance," Candido said.

"This embossing pattern is engineered using a unique and functional cross wave design that both enhances the look and delivers increased absorption and strength," he said. "And



Dennis Lion



Jay Candido

the majority of these towels are Forest Stewardship Council® (FSC®) and/or EcoLogoM certified, two certifications we know our distributor partners and customers value.

“We recognize the importance of the combination of functionality, performance and sustainability, so this new embossing pattern was designed to deliver against each element. But the biggest benefit of this product enhancement is our ability to offer even more flexibility and provide the custom solutions our customers demand because the Esteem® and White Swan® products are now compatible with our hands-free mechanical dispensers,” he said. “In addition, Kruger also has the longest roll towel in the market – a White Swan® 1,200 foot roll towel. Ideal for the jan/san industry, this product will reduce product run-outs and requires less refilling of dispensers. It may seem minor on the surface, but this actually provides substantial labor cost savings, allowing maintenance staff to save valuable time and focus on more important tasks in building care. Some organizations are just beginning to understand and see the value of this business model.”

According to Candido, Kruger Products is proud of the company’s longstanding leading position in the AfH tissue and paper market in Canada and its successful position as a strong alternative to the U.S. market leaders boasting a large, premium portfolio of products and more selective distribution. In 2012, Kruger Products is focused on maintaining its leading position in Canada while growing the U.S. market through partner distributors.

“To achieve this growth, our efforts will center around our core strengths – ensuring that our products maintain the premium quality that customers expect, that our service continues to exceed customer expectations, and that we consistently work with customers to drive the right product and system solutions,” Candido said.

When asked to comment on the overall 2012 outlook for the janitorial paper/tissue business, Candido said that although market conditions are showing some improvement, he believes that it will be a gradual process with little change in 2012.

“In 2012, the janitorial paper/tissue business will remain relatively flat to slightly up. Like many industries, our customers in the jan/san industry will continue to be challenged with managing smaller budgets and finding new ways to reduce product and operational costs,” he said. “To this end, Kruger Products supports its distributors and customers by cautioning them to not only focus on product case price but rather to look at the overall cost of a product over its lifetime.”

Kruger Products is focused on working closely with customers to provide solutions that are geared toward their individual businesses. Candido said cost-in-use has been a key concept for the company, but in 2012 Kruger Products will step up its communication with distributors and customers by focusing on further educating about the benefits of this approach.

“Unfortunately, with the recent challenging economic times, businesses are overlooking cost-in-use and incorrectly focusing on price as the main factor in purchasing decisions, thereby missing opportunities for savings across multiple areas of their businesses,” Candido said. “To understand and leverage the returns possible through cost-in-use, we help our distributors and customers differentiate between the actual cost or price of a product in dollars and cents and the true worth of a product throughout its lifetime. This takes into account more than just the case price.”

He added the elements that make up this value are unique to product categories. When considering tissue and paper products, this may include an intermingling of the following elements:

- Premium products reduce overall consumption, thereby resulting in cost-savings over time;
- An accurate and transparent measure of product quantity is imperative to longstanding customer relationships;
- Indirect savings from longer roll towel and tissue impact other parts of a business, such as labor costs;
- Dispenser solutions help control the use of napkins or

paper towels, thereby contributing to reduced shrinkage and minimizing the amount of product used inefficiently; and

■ Inherent benefits from an improved image can reinforce brand or corporate identities.

Understanding these elements and applying them to purchasing decisions will make substantial differences to the bottom line of end-users, “Which we are committed to doing with our distributors and customers on an ongoing basis,” Candido said.

Improved sustainability is also a key driver for success in today’s AfH paper industry. In 2010, Kruger Products launched Sustainability 2015, the company’s five-year initiative to reduce its environmental footprint.

“In 2010, Kruger set nine measurable and actionable targets in such areas as fiber, packaging, water, energy, greenhouse gas emissions, transport and waste. We also launched our first Sustainable Development Report in 2011 and highlighted our first year of progress. This included significant energy and emissions reductions from award-winning biomass gasification technology in our New Westminster, BC, mill, and a heat recovery system in our Gatineau, QC, mill,” Candido said.

In 2011, Kruger Products also became the first Canadian tissue manufacturer to earn Forest Stewardship Council® certification, and currently offers one of the largest portfolios of FSC® certified tissue products across North America, according to Candido. More recently, the company became an official partner of Earth Day® Canada (EDC). Kruger Products has been actively working with EDC to communicate the practical things the company and its stakeholders can do to incorporate sustainable solutions into everyday life and make meaningful changes.

“We understand the value of sustainable operations and product offerings — not only to our distributors and end-users — but for the greater good of the planet. Kruger Products has grown to offer one of North America’s largest portfolios of EcoLogoM and FSC®-certified tissue paper products in the AfH category,” Candido said. “To that end, we actively investigate ways to make our operations more sustainable. We take pride in idea sharing with like-minded organizations because we believe this collaboration will produce more meaningful results.”

The company has a number of initiatives underway and in the pipeline through Sustainability 2015. Some of these are smaller, like lighting efficiency projects, and some of these are larger, like additional heat recovery projects. But whether large or small-scale, each initiative is meaningful and contributes to the company’s overall sustainability goals, as well as the goals of many of its end-users.

For more information on Sustainability 2015, visit www.sustainability2015.ca.

Maintaining a strong sense of service is also imperative to the ongoing success of Kruger Products. Candido feels that both sales and customer service are one of the company’s core brand strengths, and, in fact, this has been validated through surveys conducted in the marketplace.

“We believe in human relationships and appreciate the powerful difference they can make to our business. We know distributors and customers value our attentiveness, so at every step we strive to communicate with them and understand their needs. This helps us create unique business solutions that make sense and deliver the results we know they want,” Candido said.

When asked to provide a current rundown on the availability of paper within the AfH sector, Candido said availability should increase in the coming years as companies continue to invest in new and advanced paper-making technology.

“Being an integrated manufacturer that makes its own parent rolls, we are not concerned about the supply of paper itself. In fact, Kruger Products is in the midst of installing a very large Thru-Air-Dried (TAD) machine at our Memphis, TN, facility. This will assist with our growing production volumes,” he said. “Kruger Products is known for offering a broad portfolio of premium quality products, delivering exceptional customer service and providing effective business optimization solutions.

“We understand the dynamic relationship between manufacturer, distributor and customer. Kruger Products believes in working collaboratively with distributors to address and satisfy end-user demands.”

Contact: Kruger Products L.P., 1900 Minnesota Ct, Suite 200, Mississauga, ON L5N 5R5;
Phone: 905-812-6939; Fax: 905-812-6996.
Email: jay.candido@krugerproducts.ca.
Website: krugerproducts.com/afh.

New product development and distributor/customer support remain key areas for **Georgia-Pacific Professional** as the company continues its focus in offering cost-effective and environmentally sustainable products and systems.

Vince Rountree, Senior Marketing Manager, Office Building Segment for Georgia-Pacific Professional, said the company seeks out the primary needs of distributors and customers while helping them receive the right solutions for each facility.

“Once we have a viable innovation that delivers the desired needs, we demonstrate that value with a combination of product demonstrations, sampling, teaching/presentation-oriented sales materials and, most importantly, cost calculators that help demonstrate and validate the potential savings for a particular facility,” Rountree said. “We continue to focus our product development on items that have a solid

cost/value proposition for distributors and end-users. Our sales force will demonstrate how Georgia-Pacific Professional’s solutions can help improve bottom lines by reducing waste and over-usage.”

Georgia-Pacific Professional is a manufacturer and innovator of products and services that provide sanitation, janitorial and foodservice solutions for facility managers across the country and in all industries — ultimately providing a better cleaning experience, according to Rountree.

“We are widely recognized for our pioneering solutions in hygienic dispensing systems, towels, tissues, soaps, sanitizers, wipers, cups, plates, cutlery and napkins,” he said.

Two business groups operate under the Georgia-Pacific Professional business. The Washroom and Wiper Solutions group provides a full range of products, such as the enMotion® family of touchless dispensers, Compact® coreless tissue products, Angel Soft® and SofPull®, to a number of market segments. This includes: office buildings, healthcare, manufacturing and lodging facilities.

The Food Services Solutions group focuses on such segments as restaurants, coffee shops and convenience stores. Product brands include Dixie®, EasyNap®, Smart-Stock®, PerfecTouch® and Brawny Industrial®.

Since the 1930s, Rountree said Georgia-Pacific Professional, and its predecessor companies, have pioneered systems that reduce waste. The company produces more than 200 Away-from-Home products containing 95 to 100 percent recycled fiber, and 40 products that can help companies earn LEED certification. In 2007, Georgia-Pacific Professional began labeling the environmental benefits of its products using the Green by Design® designation.



Vince Rountree

Green by Design-marked products follow the EPA's 3 R program of "Reduce, Reuse and Recycle."

Among Georgia-Pacific Professional's new products and solutions are:

■ SofPull® Twin Centerpull Tissue Dispenser, which contains two rolls of tissue and provides high-capacity functionality with low-maintenance upkeep and fewer roll changes. The SofPull line's design and one-at-a-time dispensing helps reduce waste and overhead costs;

■ SofPull® Mechanical Towel Dispenser, which features an enclosed roll with sheet-by-sheet feeding that helps keep towels sanitary and prevents cross-contamination. With a gentle pull, the dispenser quietly releases one fresh sheet, helping to reduce excess waste; and,

■ Angel Soft ps™ Personal Size Facial Tissue, which features individual-sized packaging to help reduce waste. Ideal for health care facilities, the compact box fits nicely on a bedside table for easy patient access and includes 50 sheets of high-quality white tissue.

Georgia-Pacific Professional is celebrating a special product milestone in 2012 with the 10th anniversary of the enMotion® family of touchless dispensing systems. For a decade, the company's enMotion® dispensers have contributed to stylish, innovative and sustainable hand hygiene solutions.

"When first introduced to the market, enMotion® dispensers improved upon touchless dispensing technology by creating a user-friendly and efficient solution that resonates with facility managers, tenants and their guests," Rountree said. "The line has since grown to improve wash-room and foodservice experiences by offering sleeker design options for enhanced image, waste reduction benefits and measurable maintenance efficiencies.

"Today, the classic enMotion® automated touchless towel dispenser remains one of the most effective touchless towel dispensers on the market, offering reliable hygiene solutions for facility professionals."

Rountree added that the success of the brand has led to several line extensions to provide hand hygiene solutions in a variety of settings.

"We are introducing this year a brushed stainless cabinet for the enMotion™ automated touchless soap and sanitizer dispensers. This helps enhance the washroom experience and complement our other stainless offerings — such as the enMotion® recessed automated towel dispenser and the Compact® line of tissue dispensers," he said. "In addition to continued product development and extension, Georgia-Pacific Professional will be celebrating this milestone with its distributors and customers across the country."

In providing a 2012 outlook for the overall janitorial paper/tissue business, Rountree anticipates the continued juxtaposition of image and cost-in-use to take place, particularly for Class A offices.

"Additionally, with the ongoing emphasis facilities are placing on LEED certification and implementing environmentally, socially and economically viable programs into their operations, we expect to see innovations in paper products that provide both sustainable and high quality solutions," he said. "We are continuing to see an increasing trend toward sustainability, especially in the office buildings segment, and many facility decision makers are choosing products that will help them achieve their sustainability goals."

He added that despite a challenging economy, the number of LEED-certified facilities has continued to grow. In fact, according to the USGBC, by the end of 2010 more square footage of LEED certification for existing build-

ings was reported than LEED certification for newly constructed buildings.

"This shows that LEED-certification as a whole, and particularly for existing buildings and operations and maintenance, continues to remain top-of-mind during this time of economic instability," Rountree said. "Georgia-Pacific Professional provides cost-effective and environmentally sustainable products that help businesses to reduce expenses and remain competitive. These solutions will continue to be of importance to our distributors and end-users as facility managers seek LEED certification and more efficient hygiene solutions for their buildings."

He added that most customers seek cost-effective solutions that are aesthetically pleasing as well as efficient and environmentally responsible.

"We work to be a leader within the industry by being involved in key initiatives that align with significant industry topics like sustainability, operational efficiency and hygiene/infection control," Rountree said. "Also, Georgia-Pacific Professional and its products have earned numerous achievements and certifications in the area of sustainability, including EcoLogo™ certification, Process Chlorine Free (PCF), 100 percent Recycled Fiber Verification and the Sustainable Forestry Initiative®, among others."

Contact: Georgia-Pacific Professional
at www.gppro.com.

With a continued focus on The Healthy Workplace Project, **Kimberly-Clark Professional** officials look to create exceptional work areas by bundling products, services and marketing materials together through its distributor partners. This focus is designed to reach such end-users as those located in office buildings, educational facilities, manufacturing plants and health care facilities.

The Healthy Workplace Project is designed to be a comprehensive approach to hand hygiene aimed at increasing productivity and reducing work place absenteeism and business losses that occur from colds, the flu and other contagious ailments.

"Our products and services offered through this project encourage people to wash, wipe and sanitize," **Kimberly-Clark Professional Marketing Director for North America Andy Clement** said.

The Healthy Workplace Project 90-Day Challenge, introduced in late 2011, allows end-users to compete for who has the cleanest office facility.

"The Healthy Workplace Project has proven to reduce absenteeism at work up to 40 percent. This year Kimberly-Clark Professional is adding a number of new products for the project in addition to its desk caddy, including an On The Go Hygiene Kit for mobile employees, a door handle sanitizer, a new moisturizing hand sanitizer and our new MOD towel dispensing system — all under The Healthy Workplace Project product bundle," Clement said.

In April, Kimberly-Clark Professional will launch The Healthy Schools Project, which is a combination of products and services designed to get students to wash, wipe and sanitize while at school. The main goal is to reduce absenteeism and make sure students and teachers are healthier and more successful while in the classroom.

Other new programs for Kimberly-Clark Professional include a marketing campaign called The Dirt On Shop Towels, designed to raise awareness of safety risks associated with laundered shop towels; and expanding the company's distributor sales rep loyalty program called the KCPZone. This latter program compensates distribu-

tor sales reps who sell to new businesses and/or help create exceptional work places at end-use locations.

"We have large growth expectations for 2012, especially with The Healthy Workplace Project platform. We also have a goal of launching a new company vision called 'Exceptional Workplaces' in the second quarter of 2012," Clement said.

When asked about the overall 2012 outlook regarding the AfH janitorial paper/tissue segment, Clement said that after a couple of years of no or slow growth within this market, there is optimism for modest growth as more people go back to work.

"In the past few years, with higher unemployment rates, there have been fewer people at work. Therefore, requirements for more towels, tissue and skin care items have been seen at home rather than in the work place," Clement said.

He added there seems to be plenty of availability right now with the supply of paper in the AfH marketplace, but this could change depending on how the U.S. economy bounces back later in the year, along with possible job growth.

Clement also reported that a focus on hygiene and keeping end-users healthier, safer and more productive at work continues within the jan/san industry.

"I also feel many distributors are realizing that just competing on commodities is a race to zero, and that they need to partner with manufacturers like Kimberly-Clark that can provide distinctive products and messaging to end-use customers," Clement said.

Kimberly-Clark Professional also continues to drive its "Reduce Today, Respect Tomorrow" sustainability program.

"We introduced a broad range of EcoLogo-certified products last year, and our company expanded its FSC-certified range of items to be the largest in the industry," Clement said.

Kimberly-Clark Professional also recently introduced its alternative wheat- and bamboo-based fiber products. The company expects to expand this range later in 2012.

A strong customer service focus remains a vital part of doing business as well for Kimberly-Clark Professional. Clement said the company's management team conducts monthly meetings to review customer service KPIs (Key Performance Indicators), and also solicit qualitative feedback from key distributor partners.

"We listen to that feedback and make adjustments on the go. Additionally, Kimberly-Clark Professional continues to balance external sales resources with internal over-the-phone sales resources in order to maximize contact with distributor partners. Therefore, if a distributor can't quickly reach an external sales person because that person is on the road making calls, we have added resources internally to meet a distributor's needs," Clement said. "A key objective is to have our jan/san distributors work with us to create Exceptional Workplaces in North America. In doing so, there will be a large demand of new and existing products and services, along with higher and long-term protectable margins for distributors."

Kimberly-Clark Professional reorganized its sales and marketing teams in 2011. This was done to focus more resources for distributor partners and end-user customers, especially in the target segments of office buildings, education, manufacturing and health care.

"We believe this is starting to provide benefits, not only to Kimberly-Clark Professional's business health but also for our distributors. They are going to see additional marketing programs and new products designed to grow our businesses together," Clement said.

Contact: Kimberly-Clark Professional, 1400 Holcomb Bridge Road, Roswell, GA 30076. Phone: 1-888-346-4652; Fax: 1-800-654-8270.

Email: kcpinfo@kcc.com.

Website: www.kcprofessional.com.



Andy Clement