



A Long-Term Perspective

An Interview with Jim Hannan,
Chief Executive Officer and President, Georgia-Pacific LLC

EDITORS' NOTE *Jim Hannan has held his current post since 2007 and has been on the board of directors since 2006. From 2006 to 2007, he was President and Chief Operating Officer and was Executive Vice President-Chief Administrative Officer in 2006. Prior to this, Hannan was President at INVISTA Intermediates, Chief Financial Officer at Koch Mineral Services, Corporate Controller with the Homestake Mining Company, Corporate Controller at Pegasus Gold, and Audit Manager with Coopers & Lybrand. He holds a B.S. in Business Administration from California State University, East Bay.*



Jim Hannan

COMPANY BRIEF *With more than 40,000 people at approximately 300 locations in North America, South America, and Europe, Georgia-Pacific (www.gp.com) is one of the world's leading manufacturers and marketers of bath tissue, paper towels, napkins, paper plates and cups, packaging, office papers, cellulose, wood panels, lumber, gypsum wallboard, and related chemicals. Their familiar brands include Quilted Northern®, Angel Soft®, Brawny®, enMotion®, Sparkle®, Mardi Gras®, and Vanity Fair®, and their Dixie® brand of tabletop products, which is a leading household brand. The company has long been among the nation's leading manufacturers and suppliers to lumber and building materials dealers, and large do-it-yourself warehouse retailers. Headquartered in Atlanta, Georgia-Pacific is an independently managed and operated company of Koch Industries, Inc., a private company headquartered in Wichita, Kansas.*

How much of an impact did the global economic crisis have on your business and what is your current outlook for growth?

The economic crisis had a tremendous effect. Demand for most of our products was negatively impacted by consumers pulling back spending and working to stabilize their financial situations in the midst of job losses and declining asset values. With that backdrop, we tried to stay focused on what we could control and create value by anticipating and meeting the changing needs

of our customers and consumers. As a private company, without the near-term pressures that often face public companies, we maintained a long-term perspective. Specifically, we focused on three areas: optimizing our business, enhancing our competitive position and driving innovation.

The key to our success has been the ability to consistently create quality products that add sustainable real long-term value for consumers, our customers, our com-

pany and the communities where we operate. Our Market-Based Management® philosophy is based on applying inside the company the same principles that make free market societies prosperous. We use these principles and work to cultivate a culture that is focused on creating value, while acting ethically and with integrity. We know that we have to embrace change and improve faster than our competition, and to the extent we can do this, we earn the right to be in business. We are committed to finding new and different ways to create value – not just in our products, but in everything we do. Driving this commitment throughout our organization is a key to remaining successful.

What are some of the key attributes that Atlanta provides as a leading destination for business?

Atlanta is a great city. Our history is rich and the quality of life is outstanding. Metro Atlanta has all the amenities for growing families and companies, yet plenty of opportunities to enjoy the outdoors. A major asset is the world's busiest airport, Hartsfield-Jackson Atlanta International. The region also has a very qualified and diverse workforce, and because of the accessibility through our airport, it continues to attract talented individuals from around the world.

There is a strong business community in Atlanta with a number of leading companies. Would you highlight the strength of the business community in Atlanta?

The business community in Atlanta is very strong – we have the fourth-highest concentration of Fortune 500 headquarters in the country. The best thing is probably the rich tradition of these companies being

committed and engaged in the issues of the region.

Are you happy with the public/private partnership in Atlanta and the working relationship with business leaders and Mayor Reed's Administration?

I have never experienced a public/private partnership that is closer or more mutually aligned. The Atlanta Committee for Progress is an excellent facilitator of this work. This forum brings together senior corporate executives and academic leaders to advise the mayor and other top public officials on issues that are important to the city.

Using a model of joint accountability for planning and execution, the committee is charged with identifying key issues and ensuring that we address them through either existing organizations or new initiatives. The cooperation and work between business and public leadership is a strength of the city and region, and it helps us stay in front of difficult issues that often hamper other cities.

Georgia-Pacific is known for its work in supporting the communities where you operate around the world. Would you highlight some of your work in Atlanta in this regard?

Georgia-Pacific is very engaged in community efforts in metro Atlanta. We support activities that we believe create the most long-term value for the metro area and our company. This is not unlike our focus on our business – value creation. We have had long-standing relationships with several organizations including the United Way of Metropolitan Atlanta, the National Black Arts Festival, the Georgia Aquarium, the Atlanta History Center, The Nature Conservancy in Georgia, YMCA of Metropolitan Atlanta, and the Woodruff Arts Center.

One of the most unique community relationships is an educational program fully funded by Georgia-Pacific and hosted in all Atlanta Public Schools high schools, Youth Entrepreneurs Atlanta®. Introduced in 2006, the full-year, full-credit course, uses a nationally accredited curriculum to teach students free-market economics through hands-on learning activities, including a final project of developing and presenting a workable business plan. ●