



Steve Voorhees

EDITORS' NOTE Steve Voorhees began serving as RockTenn's Chief Executive Officer in November 2013 and was elected to the company's board of directors in August 2013. Prior to that, he served in various executive leadership roles, including President and Chief Operating Officer; Executive Vice President and Chief Financial Officer; and Chief Administrative Officer. Prior to joining RockTenn, Voorhees was in operations and executive roles at Sonat Inc. He received his bachelor's degree in economics and mathematics from Northwestern University and his M.B.A. from the Darden School at the University of Virginia.

COMPANY BRIEF RockTenn (rocktenn.com) is one of North America's leading providers of packaging solutions and manufacturers of containerboard and paperboard. RockTenn's 27,000 employees are committed to exceeding their customers' expectations every time. The company operates locations in the United States, Canada, Mexico, Chile, and Argentina.

What is the secret behind the success RockTenn has achieved?

It's the people who work at RockTenn. We have a long history of highly motivated entrepreneurial people involved in the company and we have been able to sustain our success for a long time.

How can you maintain that entrepreneurial spirit once you have reached a certain size and scale?

It's a challenge. All of our business comes from our 200 manufacturing locations, and each one of those has a relatively distinct position in the market, from plants that have \$10 million in revenue to plants that, as stand-alone businesses, generate sales in excess of \$500 million.

We make boxes, folding cartons, and containerboard, and paperboard, and the action in the company is at the plant locations. We have 27,000 employees and we need each of them to be motivated and engaged, and do what they need to do every day.

A Paper and Packaging Powerhouse

An Interview with Steve Voorhees,
Chief Executive Officer, RockTenn

How critical is innovation to your business?

Innovation is critical to our success at RockTenn. Innovation supports our efforts to reduce costs allowing our customers to sell more product. Reducing cost requires creative thinking to figure out how to do something even better and more consistently over time. Our merchandising displays produce permanent and temporary point-of-purchase displays for consumer packaging companies to allow them to sell more product in retail outlets. Demand for innovative displays is growing because our customers use in-store displays as an opportunity to promote their products. We've seen a marked increase in investment on the part of our customers in promoting their products through in-store displays over the past few years.

Do you feel brick-and-mortar will remain relevant over time with the advances in technology?

We have had a strong increase in primary demand for in-store displays. Our customers look at all the channels from which they can reach customers. When people come to the store, it's a unique opportunity for the consumer products company to direct them to the product they want the customer to look at. They will increasingly invest in promotions to try to make their products stand out.

How are you able to keep price competitive and maintain quality?

Our customers have a variety of needs for their packaging from brown box to a highly customized point-of-purchase display, and we want to be the preferred supplier at any particular price point.

If you need a brown box, we have to make it at the lowest cost. Our customers are smart and I view low price as a given. Customers will find the best price so our challenge is to provide the best service and quality, so that we're the chosen supplier for any product.

How critical has the investment in technology been and is it a key differentiator?

Yes. Unlike many companies in the paper business, we have focused on investment at many of our facilities. In our corrugated box business, we're installing new printing technology that allows us to reduce cost and provide a better quality product.

Printing presses now run much faster than they did 15 years ago, and we have consciously

chosen to invest in technology to maintain and increase our competitiveness.

Is this an industry that can draw top young talent?

Manufacturing has a terrific future in the U.S., and I would advise young people to take a serious look at paper and packaging as an area where they can differentiate themselves, and have a long and successful career.

How critical is community engagement and do you focus on driving it throughout the organization?

Our operating locations are part of the fabric of the communities we are involved in, especially in smaller towns where we are a large employer.

Community engagement comes naturally to RockTenn employees – we're very involved in the communities where we operate. The enthusiasm of our employees makes it something that I do not need to drive, but that I can easily support.

Do you look at growth geographically and will much of it come from the U.S. or internationally?

Both offer terrific opportunities. Within the U.S., packaging is a very significant industry. We're in paper packaging and there are other opportunities we can build upon.

Internationally, we export our products to about 70 different countries. Historically, we have done that more by exporting as compared to owning facilities overseas. I would expect, 10 years from now, we'll have a greater international involvement than we do today.

Being headquartered in Georgia, have you found this to be a business-friendly state?

It is. There are a variety of contributing factors: the business leadership in Atlanta has been very supportive of promoting the state as an attractive location for companies to relocate. The tax environment has also been supportive.

What isn't as well-known about Georgia is the strength of the university system. About 20 years ago, the state started the Hope Scholarship that offers state support for college education at any state school to students from the state who have maintained a B average throughout high school. The impact of that on Georgia is that the top Georgia high school students are choosing to stay in state for college and then are well-positioned to stay in Georgia for their careers. ●