



Case Study:



Longview Fibre Paper & Packaging

Industry: Paper & Packaging

- Company: [Longview Fibre Paper & Packaging](#)
- Situation: Following the sale of the company to a private equity firm, the company was split into a timber management company and a \$700 million paper and packaging manufacturer. This revealed that the paper and packaging company had been losing money for several years and had to be corrected for the new company to stay in business. The private equity firm set a minimum target of \$70 million in annual EBITDA.
- Role: President & COO
- Analysis: A profitability evaluation of current markets, products and related equipment was initiated concurrent with a review of the mill and box plants leadership teams.
- Findings: The traditional financial reporting of the company made profitability evaluations of market, products and equipment very difficult. The reporting was redesigned to provide clearer visibility. This showed that there were a number of markets, products and paper machines that were consuming rather than generating cash. A plan was developed to reconfigure the mill to support only the cash generating products. The review of the mill and box plants leadership showed that the group was primarily oriented to steady consistent execution of past practices and were risk averse and heavily dependent of direction from top management. The sales team was primarily focused on account management and care-taking rather than generating new business.
- Solution and Result: As planned, the mill was reconfigured to concentrate on cash-positive products. This allowed for the reduction of over 600 salaried and hourly employees. The company and mill leadership teams were restructured to reflect the streamlined operation. The sales teams in the box plants were also restructured to include more aggressive business development talent. The company exceeded the \$70 million EBITDA target after the first year and has continued to increase returns since then.