

**COMPANY PROFILE****“We don’t participate in recessions!”**

**APC (American Paper Converting) is the story of energy and ideas working in synergy to create a success. We recently talked with the founder and president to get further insight into where the company came from and where it might be going.**

Hugh O’Brian

With this bold statement Lydia Work, President of American Paper Converting based in Woodland, Washington, USA, summarizes the energetic optimism that has characterized her company since it started in 1997. She made this comment when telling the story of how APC had just moved into a much larger building in 2001 when the September 11th terrorist attacks took place.

“We thought we were on the verge of a big expansion when, suddenly, the entire AFH market simply stopped due to the attacks. We had just moved into the bigger building with higher costs and I said to myself ‘No! We are not going to participate in this recession! This is the time to work harder.’ We simply kept moving fast and we grew through the very tough times.”

APC, WHICH WAS FOUNDED IN 1997 using one converting machine and two employees, has grown every year at a pace that has consistently been substantially better than market growth rates. Work says that this has been due to a combination of numerous positive factors. One of the most important features in this growth must surely be the optimism and energy that simply radiates from Lydia Work.

As an example, in the middle of our fast-moving discussion where she was smartly covering all the details of numerous topics and projects in what seemed to be the same sentence, I couldn’t help asking “But, do you ever sleep?” “I do!” was the instantaneous reply, as she then continued the detailed conversation without missing a step.

FROM NICARAGUA TO THE WORLD OF TISSUE. Work is a native of Nicaragua and came to the USA in the 1970s to study at the University of Washington in Seattle where she earned a chemical engineering degree. She then worked in various positions at paper and tissue companies such as Weyerhaeuser, Crown Zellerbach and James River before venturing off into the world of independent tissue converters. She tells the story.

“I decided it was time to do something different and I went to Tissue World in Nice in 1995. I had seen a niche in the market to sell to small independent distributors, with the idea to provide them with private label and innovative new products for the away-from-home sector. I talked with Perini to get some suggestions as to what machine would be best and then started meeting all kinds of small independent distributors on the West Coast of the USA to present my idea. They liked it and we were in business.”

A critical factor in her success, says Work, is good production planning, with short runs and quick, cost-effective changeovers while maintaining quality through all aspects of the process. Another key aspect has been the fact that APC, when it started, was offering premium virgin fiber-based tissue products in the commercial market, which at the time was fairly rare.

Following the initial success of these premium virgin AFH products, APC then introduced private label tissue for the distributors, which was equally well received. The next move was into proprietary formats that would only work in certain dispensers, part of Work’s philosophy to give the customers what they want. “We are honestly customer-driven and have great relations with our customers. We don’t make products and push them on the customers. Instead we say ‘what would you like’ and they pull us along.”

GREEN AND SUSTAINABLE IN 2003. Then came the next big thing: green and sustainable about eight years ago in 2003. “People said I was crazy back then talking about green tissue for the away-from-home sector. And some of my big giant competitors also were saying that environmental issues were a passing fad. I was so happy to hear this,

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because I knew it would give me an even greater head start on them. If we look at the hottest topics today in the tissue business, certainly environmental issues are at the top of the list.”

While APC was initially focused on the West Coast of the US, it has slowly but surely built nationwide coverage in step with its customers’ growing demands. It now has 75 employees and what Work simply calls ‘multiple machines’. She prefers not to be specific about the tonnage or production or even the number of machines that APC is operating.

**GROWING WITH NEW SITE IN VIRGINIA.** In 2008 the company moved into a building three times the size of its existing plant to keep pace with growth in demand. Then another very big step came just a few months ago in October 2011 when the first East Coast converting facility was opened in Richmond, Virginia, giving truly nationwide coverage. “It’s interesting to see the difference in the culture between East and West coasts.” Work says that she and APC are extremely focused on consistent quality of their products and long-term relationships with their customers the distributors, and the suppliers of the paper raw material jumbo rolls. Almost all of APC’s output is AFH although it does have the capability to make a small quantity of consumer tissue.

**OVERCOMING THE CONVERTER IMAGE.** “There is a tendency”, says Work, “for customers to feel that converters are by nature very short-term focused, which leads to the image that we supply very inconsistent quality. But we fight that 100% and live by the motto that ‘Quality Today is Our Job Tomorrow.’” As part of the strategy to listen to customers and provide top quality, Work explains that she keeps her manufacturing and sales teams extremely closely connected, so that both sides understand what the others need and are capable of.

As far as securing the supply of consistent quality paper jumbo rolls that APC requires, Work says she has very satisfactory long-term paper supply relationships. “We don’t change suppliers very often and because of this, the quality we buy is very consistent.”

**NUMEROUS HOT TOPICS.** When asked about the most challenging issues for independent tissue converters today, Work says that there are quite a few. Top of the list, she says, is the low cost of imports from China. Other areas of concern are the availability of recycled fiber-based tissue, sustainability and other green issues, and energy considerations.

“The availability of RCF for tissue is an extremely critical issue,” comments Work, “because we are simply facing increased demand for this grade at a time when RCF supply is shrinking. I also see a bigger trend in the coming years where the attention will shift from fiber reuse to a focus on total energy consumed in the lifecycle of the product. I think governments might even get involved with policy decisions that may impact the tissue industry, because it is such a high user of energy. This remains to be seen but I think that it’s not unlikely.”

What is unlikely, however, is that APC will slow down its remarkable growth. Of course, the looming debt crisis and the possibility of another global recession are certainly on the minds of most business people. However, since Lydia Work has already made it very clear that her company does not participate in recessions this should not be anything for APC to worry about. In fact, she already sees what might be a golden growth opportunity.

**MINORITY, FEMALE-OWNED, SMALL OPERATION, MAKING GREEN PRO-DUCTS.** “Actually,” she explains, “we have a unique niche in the market even though we haven’t pushed it very much. It’s more the end-users, not the distributors, who are highlighting the fact that we are not only making Green and Sustainable products but also that we are a small US company, which is minority-owned and run by a Nicaraguan woman. There are many government and public sector bodies, and in fact a lot of Fortune 500 companies, that are looking for these features in their suppliers. So, as we develop across the nation, we continue to be confident of our future growth prospects.”

But more than relying on these attributes, it’s pretty clear that sustainability and positive energy, combined with quality products and the willingness to listen to customers, is the formula that will most likely keep the APC success story firmly on track.●