



Interviewee:	Dr Jon Ryder Chief Executive Officer
Company:	Oji Fibre Solutions
Date:	November, 2017

Context: In the Jan-Feb 2010 edition of the Harvard Business Review, authors T.M. Amabile & S.J. Kramer provided ground-breaking findings into what produces a “good day” in the workplace. Within some 12,000 individual diary entries, “progress” or the sense of ‘moving the dial’, was the vital ingredient discovered in over 76% of the “best day’s” at work recorded by participants.

The Value Leakage Advisory is interviewing Australian Leaders to benchmark the regularity of “Good Workday’s” and to provide insights into how the frequency of such days can be increased.

- 1** Describe a Good Workday for yourself:

I’ve had a good Workday when I drive home smiling in the car, knowing that the Oji Fibre Solutions business has completed a meaningful step-change in performance. Whilst I delight in seeing individuals achieve, there is deeper resonance that comes from witnessing holistic organisational advances. Improvements in Operational efficiencies, completed acquisitions, new sales contracts or genuine cultural improvements are all the result of many people working together. Knowing that I’ve helped get the ball rolling in some way is very pleasing.
- 2** On average, how many Good Workdays do you have a month?

The reality is that there are one or two a month. As a \$1.3b business, it would be unrealistic to expect more. Step changes take time to secure. Given our size, however, there are occasions when I feel elated due to the magnitude of impact our achievements can deliver. Pleasingly, I never arrive home thinking I don’t want to return and do it all again the next day.
- 3** Describe a Good Workday for the Oji Fibre Solutions P&L?

Our P&L has a good day when our three major variables deliver favourably. The Exchange rate is the big ticket item that causes the most angst. We can’t control this and it is volatile. A one cent unfavourable variance can impact annual revenues by some \$9m.

Second to this is the cost of commodities such as virgin fibre, energy, wages and maintenance. Whilst we may hedge perhaps 50% of the exposure, experience tells us that you simply have to be prepared to work through the headwinds as they come.

Machine efficiencies are the third item and the sole opportunity we have to mitigate the impacts of the first two. Optimum outcome here come down to our people knowing our vision, going the extra mile to deliver on it and extracting every ounce of output they can from each of our assets .

4 Do the two Good Workdays align?

Not that often. I can't lead the organisation with a heightened consciousness of short term results. Particularly when we have to navigate the external forces I spoke of earlier. Yes the month & year end result matter, but the bigger story is always strategic progress. It's a long term play in the Paper industry and my eyes have to remain firmly set on how we can best service our customers across the Australia and New Zealand regions, in the years ahead. If we get that right then the P&L will take care of itself.

5 Where is Margin Erosion most likely to occur in your sector?

Within our very long customer 'tail', and the cost required to serve it. Our business supplies to the Pulp, Paper and Packaging segments. Whilst Pulp & Paper have a small customer base, the Packaging sector sees us serving some 3000 customers of varying sizes. Margin leakage creeps up on us slowly. It glides under the radar and is only discovered when you take the time to investigate why it is that customer 2,756 is delivering a gross margin well below average. People do their very best to serve all clients but the reality is that the cost to do so may not justify the return. Our commercial teams have to know if this is the case. The devil is always in the line item detail. We then have to address the matter with care and consideration. Customers respect transparent communication.

6 Key Takeout:

Jon Ryder demonstrates a statesmanlike 'patience' when he speaks about the Paper industry. There is a refreshing bias towards ensuring the right stones get set in place, despite short term pressures. His underlying message is that his people have to be educated, equipped and willing to repeatedly do the "right things" in order to optimise the long term performance of Oji Fibre Solutions.