

# An Introduction to A Strategic Framework for Wisconsin's Paper Industry



November 14, 2023



# Wisconsin Paper Council

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of Operations

# UW Oshkosh Center for Customized Research and Services



The UW Oshkosh Center for Customized Research and Services has more than thirty years of experience providing consulting, customized research, and technical assistance services to businesses and organizations throughout Northeast Wisconsin. It is recognized as an important driver of regional economic development through the strategic connection of UW Oshkosh talent, intelligence and innovation to Wisconsin businesses and organizations.

CCRS has been instrumental in the formation of several regional and statewide industry partnerships. More broadly, it supports collaborations with regional and state scope and has also engaged a variety of national partners, including recent work with leaders in the aviation and avionics industry.



# A Strategic Framework For Wisconsin's Paper Industry

UW Oshkosh Center for Customized Research and Services & The Wisconsin Paper Council



HERITAGE • SUSTAINABILITY • ADVOCACY

## Introduction



### A Strategic Framework For Wisconsin's Paper Industry

- Two-year collaboration between the University of Wisconsin Oshkosh Center for Customized Research and Services (UWO-CCRS) and the Wisconsin Paper Council (WPC) and WPC members
- Collaboration with undergraduate students, researchers to capture feedback from company leaders, industry experts and young professionals
- The research revealed a low level of awareness of paper industry opportunities, common misperceptions about innovation and sustainability, as well as inconsistencies in company messaging, and a lack of coordination in addressing these challenges.

[www.wipaper.org](http://www.wipaper.org)

# Paper Industry Background

- Contributing over \$18 billion annually to the economy and employing over 30,000 workers
- Holds a prominent national position as the leader in both total output and the value of products sold in the papermaking industry
- Wisconsin is #1 papermaking state
- The industry has built this reputation and strength through more than 150 years of growth and innovation (UWSP, 2019)



# Challenges Over the Last 30 Years

Demand for paper and printed products has decreased due to digitization

Conversely, demand for corrugated and other packaging has soared with the growth of e-commerce

Global production growth, especially in China, Southeast Asia  
Increased foreign investment in the United States

Leading to facility closures and the decline of founding firms due to these challenges

Relocation of industry leaders' headquarters, out of state, focusing industry innovation elsewhere

A renewed focus on sustainability and addressing environmental impacts for future growth





# Project Overview

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A partnership between UWO CCRS and WPC

Two-year collaboration funded through WiSys IGNITE! Applied Research Grant

Began discussions in late 2019

UW-SP Wisconsin Institute for Sustainability Technology (WIST) published an economic impact analysis of WI paper industry May 2019 - Expansion

The WIST study presented quantification of the industry's impact and surfaced key challenges

Strategic actions for next ten to twenty years to reverse its recent erosion and shore up other weaknesses

Initially the projects focus was to develop strategies to address the greatest challenge – talent shortage

WPC's Exec Committee believed messaging the impact of sustainability and innovation was critical to the industry's future





# Project Timeline

A comprehensive engagement process in which the paper industry was encouraged to share major challenges and proposed solutions

Launched in September 2020 after COVID-19 pandemic-related delays

Reviewed industry analyses of plant closure past decade, expert perspectives, and media coverage to identify common narratives about aging facilities and workforce challenges

Convened discussions with the WPC Executive Committee to define the scope and process

Recruited four honors college students to work on the project

Formed committees on sustainability, innovation, and workforce development in early 2021, gathering industry insights and supporting student research



# Project Timeline

Held three stakeholder listening sessions to share findings, validate conclusions, and identify solutions

Conducted structured interviews with additional industry leaders

Utilized industry feedback to inform the framework's recommendations

Employed an intensive engagement process to involve the paper industry stakeholders in the project





# Industry Challenges

# Industry Challenges

Talent Challenges and Aging Workforce

Workforce Stability

Demographic Challenges

Changes in Recruitment Patterns and Practices

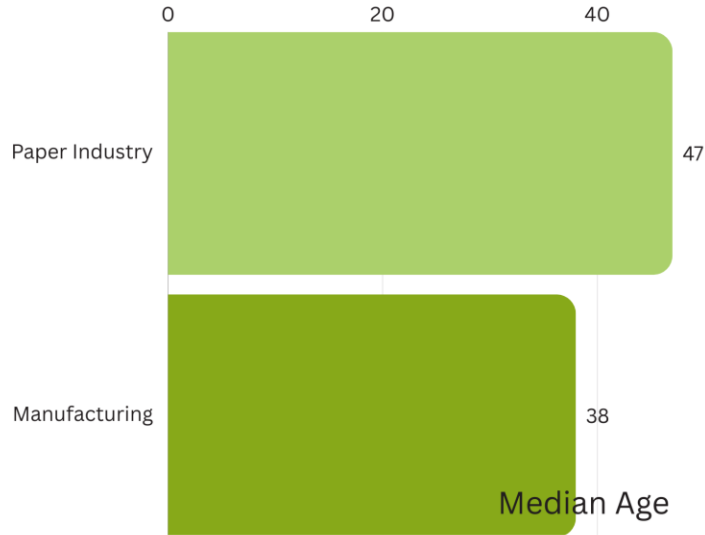
Perception Challenges

Talent Misperceptions

Environmental Misperceptions

Market Challenges





# Talent Challenges

Pandemic Role in Available Talent

47-Year-Old Median Age

Difficulties Attracting Young Workers

Maintaining Low Volume of Retirees

Reduced Intake of Entry-Level and Inexperienced Hires

Causing a Gap in Developing Future Leaders

Misperceptions of the Industry

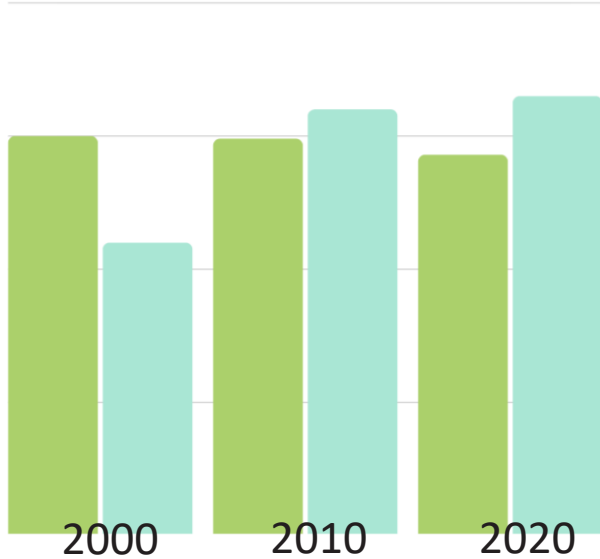
**Workers under the  
age of 25 (8.7 %)**



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■ Under 18 ■ 47-64 (nearing retirement)



# Demographic Challenges

- Over the past decade, Wisconsin's population only grew by 3.6%, significantly less than in previous decades.
- Demographic changes include a decrease in the under-18 population and fewer people moving into the state, adding pressure to the labor force.
- Rural counties have been particularly affected, with populations declining in twenty-one out of seventy-two counties, highlighting the industry's challenges in talent attraction and retention.



# Workforce Stability and Knowledge Diffusion

Difficulties Finding Candidates to Replace Recently Retired Team Members

Importance of Knowledge Accrued Through a Lifetime From Culture to Process

Recruiters Seek Candidates with Combination of Education and Experience

Recruitment Practice Worked in the Past

Vital for Firms to Bring in New Talent to Develop into Key Staff and Future Leaders

Internal Production and Trade Functions Now Outsourced

Creates Environment Where Relevant Knowledge Cannot be Found or Exist in Labor Market



# Changes in Recruitment Patterns and Practices

Difference in the quantity and quality since the recession of 2007-2009

Many have adopted automated screening practices

Recruiting either regionally or nationally

Difficulties attracting professionals to specific markets or locations

Location as the second most likely reason for employees to leave after better pay

70% of firms value employee loyalty and encourage cross-training

60% offer college internships

40% have a relationship with local college

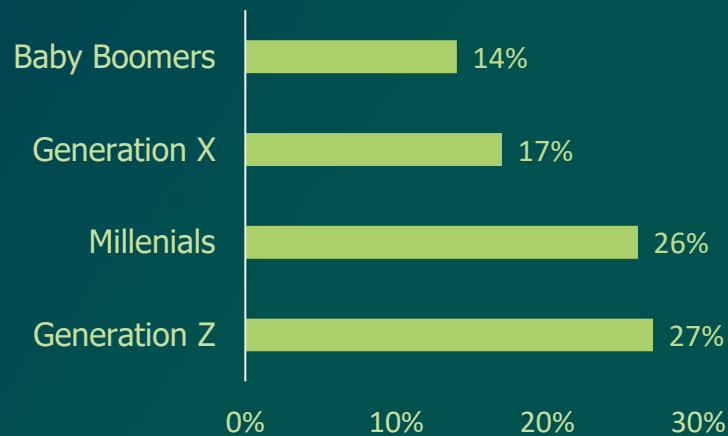
ONLY 30% offer high school or adult apprenticeships





**Generation Z is more likely to consider working in manufacturing than prior generations**

### Would Consider Working in Manufacturing



# Talent Misperceptions

Wisconsin's paper industry is actively countering the perception that it lacks opportunities for growth.

Its involvement in the Build Back Better Regional Challenge was an example of this effort, identifying industry needs and coordinating resources.

The 2019, Leading 2 Lean Manufacturing Index indicates that around three-quarters of Americans have never been offered manufacturing opportunities.

Approximately seventy percent of respondents hold a negative perception of the industry, considering it in decline.

Young adults from the Millennial and Generation Z demographics are more open to considering careers in manufacturing than their predecessors.

# Environmental Misperceptions

Focus groups led by the student research team confirmed the existence of a perception gap regarding the paper industry.

Most participating students, unfamiliar with the industry, held perceptions of decline and environmental harm.

These perceptions shifted somewhat when exposed to counterarguments.

Students expressed a desire for work in clean, safe environments with opportunities for career advancement and competitive wages.

Students did not exhibit increased interest in researching career prospects in the paper industry. More needs to be done!

2 Sides Study - Up to half of consumers believe paper and packaging are wasteful, despite the post-recycled product market's rapid growth since 2011.

The industry faces challenges in connecting with an audience receptive to career opportunities and sustainability.

Additional state support is needed in Wisconsin to effectively reach audiences.



# Market Challenges

The pandemic strained production capacity while keeping employees safe

Supply chains suffered as global logistics infrastructure was upended by health and policy issues.

Foreign paper and pulp-producing competition slowed as leading producers were affected.

The pandemic generated demand for sanitary products and creating new growth opportunities.

2019 UWSP study reveals the state lacks reliable data on industry output and capital investments

Wisconsin's converting industries thrived with e-commerce demand.

Wisconsin's leading position in the corrugated space should not be ignored

Packaging sector shows growth and innovation but faces challenges.

The printing industry adapts to declining demand due to pandemic impacts.



# Engaging Student Research

Kameron  
Dransfeldt  
(Economics and  
Finance '21)

McKenzie  
Kalscheuer  
(Marketing '22)

Allison Raddant  
(Accounting and  
Economics '21)

Justin Schroedel  
(Environmental  
Studies '21)



# Engaging the Industry

## Project Executive Committee

Addie Teeters, Lynn Peterson, Dustin Delsman, John Corrigan, Tammy Waters, Paul McCann, Scott Suder, Jeffrey Sachse, Carrie Rule

## Talent Workgroup

LaRon Wilder, Nancy Ledvina, Tammy Waters, Brennan Burks, Dan Kalupa Tom Bolles, Tim Kordula, Jeffrey Sachse, Carrie Rule, Joseph C. Nowlin, Allison Raddant, McKenzie Kalscheuer, Kameron Dransfeldt, Justin Schroedel, Scott Suder, Stacey Johnson

## Innovation and Sustainability Workgroup

Zach Leimkuehler, Dan Kalupa, Paul McCann, Brennan Burks, David Orcutt, Chris Teeters, Tim Kordula, Jeffrey Sachse, Patrick Henderson, Carrie Rule, Joseph C. Nowlin, Allison Raddant, McKenzie Kalscheuer, Kameron Dransfeldt, Justin Schroedel, Scott Suder, Stacey Johnson



# Engaging the Industry

Talent Need Survey  
and Retirement  
Intention Survey

Stakeholder  
Listening Sessions

Structured  
Industry Reviews



# Why Did the Wisconsin's Paper Industry Need a Strategic Framework?

Wisconsin's paper and forest products industry is the largest in the U.S., providing jobs and contributing significantly to the state's manufacturing output.

The industry, historically considered stable and counter-cyclical, faced challenges from events like the Great Recession, global demand shifts, and the COVID-19 pandemic, leading to mill closures and a need to rethink its future.

Changes in ownership, deferred maintenance, and an aging workforce have eroded the industry's sense of security.

The industry's diversity in products, ownership, and location has led to a competitive, rather than collaborative, marketplace.

A collaborative strategic framework is crucial to address industry challenges, provide a unified voice, and navigate the complex, diverse landscape effectively.



# Recommendations

The paper industry needs a strong value proposition.

The paper industry needs an image makeover and shed decades-old misperceptions.





# Recommendations

The industry needs a unified voice and common message.

The paper industry must highlight a consistent message about their sustainability practices.



# Recommendations

Companies must engage with their communities to highlight their good works and promote opportunities.

Messaging and talent recruitment needs to move from a global to a local approach.



# Recommendations

The paper industry must develop a strategy to engage with young professionals in unconventional ways.

Recruitment messaging should emphasize sustainability and innovation.



# Recommendations

Collaboration across companies and with partners can build new opportunities.

Speaking as One Voice - Identifying a Capable Leadership Advocate for the Papermaking Industry



# Recommendations

State Policymakers to Focus on Workforce Development Needs of the Papermaking Industry and Its Supply Chain Partners

State Policymakers and WPC to Develop the Framework for a Papermaking Industry Fund To be Used During Crisis Moments for the Industry



# Conclusion

Wisconsin's paper industry is resilient despite challenges

It has positioned itself as a global leader in production, innovation, and sustainability.

While it Acknowledges current pressures such as talent demand, industry misperceptions, and the need for innovation.

Challenges are not surmountable

The framework emphasizes collaboration and intentionality

To secure the future, the industry must communicate a positive message, enhance its presence in the labor market, and foster partnerships.



# Thank You!

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