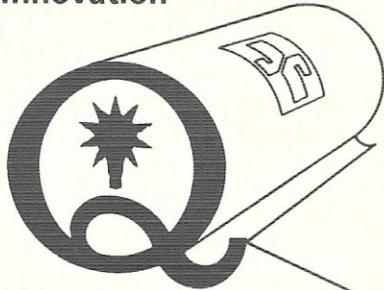




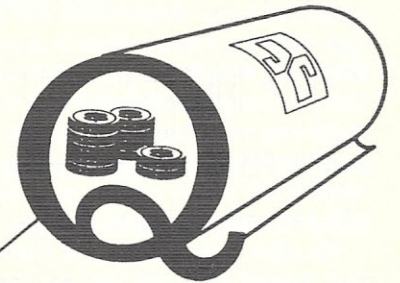
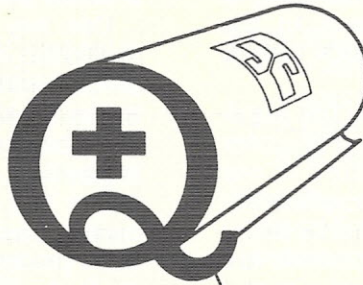
# James River

## Northeast Communication Papers Group

We Thrive  
on Constant  
Change and  
Innovation

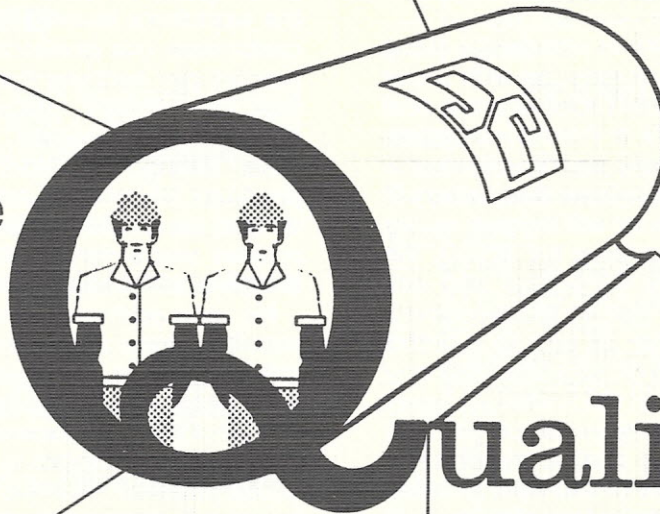


We Take Pride in Being  
the Safest Group in  
James River, While...



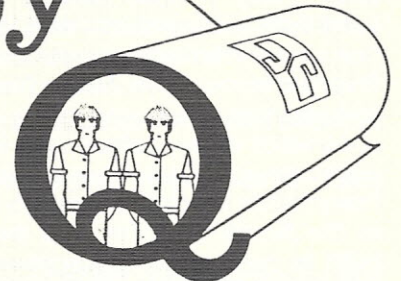
Maximizing Its  
Return on Assets

We  
Communicate  
with



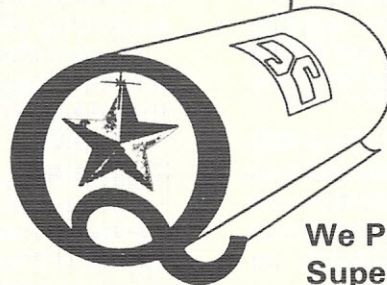
# Quality

We Share  
Ownership in  
the Group's  
Success



We Have a  
Culture of  
Teamwork  
and Trust

We Provide  
Superior Value  
and Service



# OUR VISION

# VISION/BELIEFS & PRINCIPLES

Dear Employee:

My Managers and I, at Berlin/Gorham and Groveton, have been working on our Vision for the Northeast Communication Papers for some time now which consists of a number of key points, such as: maximizing our return on assets, having a culture of teamwork & trust, and taking pride in being the safest group in James River.

Many of the above items are far from becoming reality since our paper machine operations have shown a substantial loss this year, and we all need to work on trust. A similar financial situation exists at Groveton. I don't want to under emphasize the fact that there have been some important improvements, such as, examples of teamwork, particularly in the Burgess Pulp Mill operations and at Groveton Papermaking, and some successes in the Cascade Paper Mill operations in reducing stock losses, and finished products inventory.

However, this discussion is being devoted to the application of our Vision through our Beliefs and Principles which is very important for the long term future of our operations. I know that many people are preoccupied with ongoing negotiations, but I can report to you that both the Union Committee and the Management Committee are working very hard with each other, trying to get a better understanding of the needs of both sides, so that the basic needs of both sides are satisfied, and some type of Win/Win process can evolve.

My aim is to make the Vision which is attached a living document and not just an intellectual exercise with some interesting slogans. The Managers and I spent a great deal of time concentrating on our Beliefs & Principles. Beliefs are those items that we feel are basic and flow from the Vision and Principles. Items that come from that Belief will dictate our behavior. In other words we will behave as our principles guide us. They are principles for action. We hope that eventually all employees will accept and embrace these Beliefs & Principles, so that we can become a more successful business enterprise as well as a better place to work. One of the first Beliefs deals with Safety and indicates a belief that it is possible to work without injury. This kind of atmosphere will actually enhance productivity. Many people have a feeling that a number of accidents are inevitable and in order to increase production we have to increase our exposure to hazards. You will find that throughout James River there are a large number of operations like ours, many of them in older mills, that contradict those beliefs and have a far more injury free environment with higher productivity. One example is St. Francisville which has recently been named the safest mill in the South and this year they had record production, both in pulping and papermaking. The key to the safety program which we are beginning to develop is heavy involvement from the operating people.

On the Teamwork & Trust Belief, which is one of our very important building blocks for the future, you will see that many of the Principles deal with sharing information with our employees, both positive and negative and to do so on a continuous basis. I also note heavy emphasis on Teamwork and we are enjoying some specific examples of this at our Pulp Mill. We want to have greater participation by the workforce in the decision making process and explain to them why certain decisions are made so that they have a greater depth of understanding. This, we believe, will help remove uncertainty and rumors from people's minds and keep them fully aware of not only what

is being done, but why it is being done. They will be active participants in that process. We believe that all employees should have a greater understanding of investment - why companies invest in certain types of operations and what effect spending or productivity has on investment. This is a necessity for future survival. We talk about participative management which means ongoing input to help in applying the correct decision to resolve the problem. I want to make it clear that business is not a democracy and it's ineffective to try and make all decisions by a committee. However, what we do need is input from all levels of the operation so that we can improve the operation, not just for the process, but for our customer and also make it a better place to work.

One key item that we face, not only at B/G/G but in American industry, is the need for quality. We are going to be devoured by our international competitors if we do not make consistent overall improvements in our quality. This must be done not just with our external customers, which is obvious, but with our internal customers such as the Paper Mill, Pulp Mill, maintenance crews, staff departments, and operating departments. The customer must be of paramount importance in our operations. We must capitalize on our capability to provide service and quality or we will not have customers. It is really that simple. In that regard, we have done an inadequate job of keeping the workforce involved and fully informed regarding our customers, our products, what is important to them, and how we can become the preferred supplier. You will note that this quality image is projected by a number of successful companies, such as Hallmark Cards, John Deer, Harley Davidson, and Scott Paper in consumer products. We need to achieve that same image in the eyes of our preferred customers in order to compete and remain viable in the future. The application of these Beliefs and Principles will help make that happen.

We also addressed Employment Security since it is a sensitive issue at this location. You must realize that the primary criteria, or requirement, for Employment Security is success - not longevity or history. We cannot guarantee that all of the jobs presently available will continue. Many of them, due to changes in technology, and automation will be eliminated. What we can guarantee is that with good teamwork, high productivity, and appropriate investment, we can be competitive in the market areas. However, we must also deal with those people who may not be involved with future operations. We have tried to address in a decent and appropriate manner, that situation where displaced employees are treated with dignity and the assistance which they deserve.

To give these Beliefs and Principles meaning we have selected four major directions for fiscal 1991 which are shown below:

1. Safety
2. Quality
3. Communications
4. People Development

We have had one meeting with our Supervisors to discuss the above items and are distributing this special edition of The Stockline, so that all of us in the workforce are aware of their importance. We will be involving as many employees as possible to develop specific actions (by departments or in important operating and service areas), to respond to these Directions. Hopefully, we will all become better communicators in the work force. We must concentrate on quality in all of its aspects, not just paper

*Continued on page 3*

*Visions/Bellefs Continued from page 2*

tests, correct labeling, and proper roll condition, but in maintenance work, operation of the Store Room, financial reporting and computer systems, and control of our energy systems as well. We need quality in all that we are engaged in and we need to do it with teamwork, proper

education, and information sharing. When we get to that level, we will truly have an operation to be proud of and will be beating the "socks" off our sister mills with a strong viable operation. That is my sincere desire and I hope that you can share that with me.

JOHN SHANK

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## **SAFETY**

**BELIEF:**

We believe it is possible to work without injury and that such an injury free environment will enhance productivity.

**PRINCIPLES:**

- We will hold all employees accountable for performing work safely.
- We will foster a mature attitude toward the relationship between safety and other key performance factors.

**BELIEF:**

We believe that appropriate peer pressure is a major motivator to improve safety performance.

**PRINCIPLES:**

- We will recognize good safety performance.
- We will foster among all employees the ethic that "I am my brother's keeper".

## **OWNERSHIP**

**BELIEF:**

We believe stakeholders must have an opportunity to participate or influence the decision making process in order to have general ownership in the group's success.

**PRINCIPLES:**

- We will provide methods for stakeholders to participate in the decision making processes.
- We will communicate to the stakeholders the rationale for decisions.

**BELIEF:**

We believe if all participants have ownership in the enterprise, the enterprise will be more successful.

**PRINCIPLES:**

- We will provide means of creating value to all employees to generate ownership.
- We will encourage all employees to participate in the Stock Purchase Program.

**BELIEF:**

We believe that ownership will create a long term perspective of the enterprise and a greater emphasis on creating positive change.

**PRINCIPLES:**

- We will concentrate on removing uncertainty.
- We will expect employees to accept accountability for their actions.
- We will use failures as positive learning experiences.

## **R.O.A.**

**BELIEF:**

We believe that maximizing R.O.A. will promote long-term viability for the facility.

**PRINCIPLES:**

- We will temper our short term R.O.A. goals with long term strategies/objectives.
- We will consider R.O.A. impact as a major element of

evaluation and approval.

- We will weigh the risks, against R.O.A. impact, associated with aggressive steps to reduce the asset base.
- We will build capital plans that sustain the facility to support strategic objectives.

**BELIEF:**

We believe that long-term R.O.A. is enhanced when we become a preferred supplier to our customers.

**PRINCIPLES:**

- We will temper our actions to improve R.O.A. with the impact on our customers' R.O.A.
- We will initiate ways to improve our customers' R.O.A. that do not negatively affect our R.O.A.

**BELIEF:**

We believe all employees can improve R.O.A. through better understanding of the concept of R.O.A.

**PRINCIPLES:**

- We will provide training and education to improve knowledge of R.O.A.
- We will consider R.O.A. improvement in performance evaluation.

## **TEAMWORK AND TRUST**

**BELIEF:**

We believe that teamwork and trust are necessary for continuous improvement.

**PRINCIPLES:**

- We will be open and honest with our employees with no hidden agendas.
- We will promote more active joint participation by union/management and employee groups.
- We will provide necessary education to support teamwork.

**BELIEF:**

We believe that our local stakeholders should have a complete awareness of our business situation.

**PRINCIPLES:**

- We will share with our employees positive and negative information.
- We will have ongoing organized processes to share business information.

**BELIEF:**

We believe that management **MUST** create a climate that values trust and teamwork.

**PRINCIPLES:**

- We will publicize the value of teamwork and trust and support it with our behavior.
- We will structure work processes to require teams.
- We will put in place a system that recognizes and rewards efforts that foster teamwork and trust.

## **CONTINUAL IMPROVEMENT**

**BELIEF:**

We believe that by being a preferred supplier to our customers, we can continually improve long term R.O.A.

*Continued on page 4*

**PRINCIPLES:**

- We will make as an accepted norm "continuous improvement, not just meet plan".
- We will develop a partnership relationship with suppliers and customers.

**BELIEF:**

We believe that continuous improvement is our best assurance of long-term employment viability.

**PRINCIPLES:**

- We will provide education to facilitate change toward improvement and to develop necessary technical expertise.
- Within James River guidelines, we will provide capital necessary to support continuous improvement.
- We will hire candidates who exhibit excellent job skills and a drive to change and improve their own abilities.
- We will make stakeholders in the organization aware of system variation and what we want to improve.

**SUPERIOR VALUE/SERVICE**

**BELIEF:**

We believe in providing superior value and service to our customers.

**PRINCIPLES:**

- We will involve customers in establishing requirements and specifications for products and services.
- We will periodically verify customer needs.
- We will be consistent in meeting product specifications and delivery schedules.

**BELIEF:**

We believe we must have an internal customer focus.

**PRINCIPLES:**

- We will educate our people in regard to the benefits of involving customers in joint decision making.
- We will educate our people about the role their operation plays in the value adding chain.
- We will develop a culture in which each of us strives to continuously improve the quality of products and services we provide.
- We will develop joint goals with our customers.

**BELIEF:**

We believe in a partnership relationship with our customers and suppliers.

**PRINCIPLES:**

- We will strive to become the preferred supplier to key customers.
- We will provide technical expertise to our customers.
- We will develop joint goals with our customers.
- We will expect service and quality from our suppliers.

**BELIEF:**

We believe the total cost implications of our service and

**SPECIAL EDITION**

**SPECIAL EDITION**



**JAMES RIVER CORPORATION**

BERLIN-GORHAM GROUP  
650 Main Street, Berlin, NH 03570

purchased supplies should be understood.

**PRINCIPLES:**

- We will have ongoing education of our employees on our cost structure.
- We will have ongoing cost control of reduction efforts and programs.
- We will develop systems to provide total cost analysis.

**MANAGEMENT STYLE**

**BELIEF:**

We believe in a participative style of management.

**PRINCIPLES:**

- We will provide our employees with the information necessary for them to do their jobs and understand the business.
- We will encourage decision making at the level closest to the action with appropriate accountability.
- We will allocate available resources to all stakeholders so that they can improve their effectiveness in their jobs.
- We will put in place systems and processes that encourage input and ideas and we will respond to that input in a timely manner.

**EMPLOYMENT SECURITY**

**BELIEF:**

We believe it is necessary and profitable in the long term to make reasonable efforts to retain and retrain employees subject to displacement as a result of technological changes, equipment change, and/or process change, or business needs.

**PRINCIPLES:**

- We will attempt to project staffing needs and absorb displacement through attrition and retraining to other jobs.
- We will need to seek alternative employment opportunities within B/G/G complex with union concurrence.

**BELIEF:**

We believe it is necessary and profitable in the long term to retain and retrain employees whose job is eliminated by job redesign as a direct result of employee efforts, in circumstances where the company can adopt specific employee recommendations which result in lower staffing levels.

**PRINCIPLES:**

- We will attempt to project staffing needs to absorb displacement through attrition.
- We will seek alternative employment opportunities within the B/G/G complex with union concurrence.
- We will seek employment opportunities at other James River facilities and will consider minimum relocation reimbursement.

**SPECIAL EDITION**

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