NewPage Published Vision, Values & Objectives:

NewPage's Strategic Vision, as provided in their mission statement on their public Website, is to be the best printing paper business in North America. Key points of the organization's strategic vision are to be the preferred supplier of high-quality printing paper; to be the employer of choice, offering a safe, rewarding place to work and grow; and to generate financial returns exceeding cost of capital (NewPage, Mission, 2011). This has been the strategic vision provided by NewPage that I know of since 2008, and has not changed with the passage of several CEO's in the organization. Initially, it seems as if this vision is trying to appeal to most of the people who have a stake in the enterprise - its employees, customers, and shareholders (Kotter, 1996, p. 73), and this is a key component to a successful vision. You would not want to meet the needs of one stakeholder while ignoring the needs of others (Kotter, p. 73).

Another key point to a strategic vision is to link the vision/mission with company values. When values are a part of the company's shared vision effort, they become a guiding compass for the behavior needed to move people toward the vision (Senge, Kleiner, Roberts, Ross, & Smith, 1994, p. 302). NewPage does have organizational values which are to be the guideline for all employee conduct, as well as company and managerial decisions. NewPage’s values statement outlines the core values that guide the organization:

- Safety First: Working together so that no one gets hurt
- Integrity: Keeping promises and doing what’s right for our employees, our customers, our communities and the environment
- Everyone Participates: Respecting individuality, expecting active contribution and teamwork
- Candid Communication: Creating respectful, two-way communications that are clear, simple and proactive
- Self-Confidence: Empowering informed decisions and intelligent risk taking
- Best Practices: Embracing change and new ideas
- Competitive Spirit: Focusing on results and “playing to win” values (NewPage, 2011).

These are coupled with the organization's operational model which states: We deliver financial returns that exceed our cost of capital and foster long-term sustainability by:

- Continuously lowering our costs while increasing high quality (Steadily increase our cost advantage versus the competition / Invest in technology and innovation with exceptional returns)
- Focusing on customer needs to optimize value and margin mix (Provide reliable sales and service support / Offer differentiated products and services to expand our business and margins)
- Lean Six Sigma - Accelerating process improvement (Dedicated resources and 100% employee engagement / Use factual data to drive decision-making and problem-solving)
- High Performance Organization - Expecting and rewarding high performance (Ensuring visible accountability of both teams and individuals / Rewarding measurable results and exhibiting our core values) (NewPage, 2011).

These aspects of the operational model seem to coincide with Kotter's (1996) characteristics of an effective transformational vision: they aim at providing better products at lower costs, appealing to customers and stockholders; they make no attempt to exploit anyone and contain moral power; they are ambitious enough to force people out of their comfort zones; and they take advantage of fundamental trends (p. 79).

Has this been a successful vision for the company?

NewPage has gone through a great deal of change over the last five years with mergers of Mead-Westvaco and then the subsequent acquisition of Stora Enso's North American operations. In theory, this strategy of becoming the preferred supplier of high-quality paper would seem to fit with their pursuit of mergers and acquisitions because they optimally should have a great deal of best practices and human resources/intellect throughout the industry now working for their organization. One would expect a successful organization to capitalize on those benefits of several mergers and acquisitions to better position the organization in the marketplace. However, to my knowledge, NewPage has not been the market leader in the paper industry within the last five years. In fact, in spite of attempts to better position themselves in the market, they have lost market position or at best maintained their market position. Based on that fact, I would say their strategy has not helped them improve as an organization. Finally, company strategy has not resulted in better company performance. Although NewPage's strategy even highlights that their focus is to generate financial returns exceeding cost of capital, the organization has not been profitable for several years. The organization has a very heavy debt liability, which has continued to grow significantly. Therefore, this focal point of their strategy does not seem to be integrated into their operational and management decisions.

The company's values and operational model appear to align with their strategic vision; however, their values for the most part tend to be more of a window-dressing than a path for conduct and establishing a core organizational culture. The operational model presented does not communicate the directives that are handed down through the management levels. This creates a great deal of confusion throughout the organization when it comes to setting objectives. Each mill/business unit must have annual goals and objectives which are measured by a balanced scorecard. The objective-setting process is used as a tool to stretch the organizations so they can perform at its full potential and achieve the best results. Unfortunately, when there is a disconnect between the strategic vision or operating model and what is communicated to managers, it is very hard to ensure the objectives set truly are aligned with that vision. However, as noted by Kotter (1996), with clarity of direction through a clear communicated vision, the inability to make decisions will disappear. By asking "is this in line with our vision," managers can quickly and clearly make decisions (p. 69). This is something that is desperately needed at NewPage.

Suggestions for Improvement:

To better improve alignment of objectives with strategic vision, NewPage first needs to take a good solid look at where they are and re-evaluate the internal and external considerations for the reality of the business environment of the marketplace and the organization. Jim Collins (2001) states it very clearly, "You absolutely cannot make a series of good decisions without first confronting the brutal facts" (p. 70). My organization desperately needs to confront our brutal facts. From there, I believe the organization needs to re-assess their strategic vision. I think this vision has failed in producing results because it was written by a small few in the organization and was written from the head, not from the heart. It is a telling vision wherein the employees were told what the organization of the future will look like - due to the financial state of the company, senior management has stated our only focus (Senge, et. al., 1994, p. 315). The company needs to combine analytical thinking with some passion and dreaming for it to be inspiring to the employees who need to put the sacrifice and hard work into making the vision a reality (Kotter, 1996, p. 79). A truly shared vision cannot be dictated; it must be a collective sense of what is important and why (Senge, et. al., p. 299).

Next, the company's senior leadership needs to either "walk the talk" on their company's listed values which are posted everywhere throughout the organization, or they need to remove them. Many managers feel that the values stated by the organization are a mockery because oftentimes when a manager will state the company values to help communicate decisions that they make, they will be "punished" for doing so. This creates confusion and frustration throughout the organization. The organization will need to adopt a set of values that do align with their strategic vision, but also can truly be walked by the senior leadership. This would gain better commitment by and inspire managers in the organization.

The organization's objectives also need to be better outlined to show how they align with the strategic vision. If those objectives should change over the course of a year, it should be communicated throughout the organization. This will avoid manager's focusing and tracking key business areas only to be asked by their manager's why they are taking time to do so and then providing other areas as the focus for business objectives. Also, the metrics used to measure the success toward a business objective should not continually change. This does not allow for a manager to track if their department truly is meeting the business objective or if their performance has improved. When the metric changes every other month, I as a manager question if senior management understands the business objective they have created. Otherwise, when it gets down to middle and lower level managers, they will not understand what their part is in putting the puzzle together for a successful organization. As highlighted by Kotter (1996), "visions that need constant readjustments lose their credibility" (p. 76). Many of the managers in our organization have commented that there are so many changes tied to the vision that they can no longer see how that vision even relates to the bottom line edicts handed down.

Ultimately, what I believe would truly help my organization is for our leaders to develop a Hedgehog vision. I don't believe that my organization's vision truly reflects what we can be the best in the world at, what drives our economic engine, or what we are deeply passionate about (Collins, 2001, p. 96). Our vision does not outline a deep purpose that expresses our company's reason for existence (Senge, et. al., 1994, p. 298). I believe we are competent at developing, marketing, producing and selling paper products; however, I don't believe we can say we can be the best in the world at it. In regards to economic key drivers, I believe that we fail to have a sound economic denominator, but rather focus on so many economic indicators that we don't have a true "focus" for the company. In regards to passion, I believe our senior management, in creating their vision, has tried to motivate the organization to feel passionate about it; however, they have not done due diligence to gain an understanding of what the organization (including themselves) is passionate about (Collins, p. 109).

References:

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