

ANNUAL CHIP EXCELLENCE AWARD RECOGNIZES SUPPLIERS

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WESTVACO'S PACKAGING RESOURCES GROUP IN CHARLESTON, SC, HAS DEVELOPED A PROGRAM TO ENCOURAGE OUTSTANDING CHIP QUALITY AND RECOGNIZE SUPPLIERS.

THE ANNUAL CHIP EXCELLENCE (ACE) AWARD program, started in 1996 by Westvaco's Packaging Resources Group in Charleston, SC, provides an opportunity for the company to encourage outstanding chip quality and recognize suppliers. The goal of the ACE Award is to improve the level of awareness about the importance of quality standards at all levels of chip manufacturing and subsequently reward suppliers that meet these standards.

During the design phase of the program, Westvaco identified a need to index chip quality by using one number per sample. TAPPI's "Chip Preparation and Quality Short Course" provided an idea on how to proceed. The course workbook detailed how to express each aspect of chip quality as a percentage and weigh each percentage by a factor to develop an overall quality index. In this calculation, the smaller the number is, the better the quality.

WESTVACO'S PROGRAM

Westvaco personnel took this calculation one step further to make the ranking system easy to understand. Wood Procurement personnel determined that the chip suppliers would relate better to a ranking system that correlates larger numbers with better quality. To convert

the calculation to the Westvaco index, the TAPPI quality index is subtracted from 100, then the acceptable chip fraction is added to this number. The Westvaco index is calculated for all samples and is readily accepted as a standard by all suppliers. A typical grade is between 100 to 150 quality index; samples graded 100 or less indicate a quality problem. The quality index is used to set minimum criteria for each level of the ACE Award.

The other unique factor of the program is in the award phase. In this phase, Westvaco determines a cash award for each award level. This cash award is donated to a local charity or charities by Westvaco in the chip supplier's name. To ensure that the supplier receives proper acknowledgement for its contribution, Westvaco provides a letter with the donation that identifies the chip supplier as the donor or assists with arrangements for the supplier to present the check in person. The supplier is presented with a Gold, Silver, Bronze, or Diamond award recognition

plaque, and Westvaco works with the supplier to have local media and representatives from the charitable organization receiving the donation present when awards are given. This award ceremony provides the community recognition the chip supplier should receive for winning this prestigious award.



1. The author, left, and Ken Goodwin, right, chip buyer for Westvaco's Packaging Resources Group, Charleston, SC, present a Gold Ace Award to Thomas Infinger, center, president of Infinger Lumber Co., Rosinville, SC.

Before launching the award program, Westvaco personnel knew the company had to have totally unbiased and random sampling of chips at the Charleston mill. A database of chip quality numbers that can be sorted by supplier, groups of suppliers, species, and date also was needed. Today, Westvaco has one full-time chip analyst who collects and evaluates samples. Chips are analyzed in six categories—one of which is random. Random sample results are the only data used in the ACE Award program. Sample results are placed into a database by intercepting the signal to the Gradex printer, and after daily reports are made, the information is sent to an Alpha 4 database. The system was inexpensive to design, and Westvaco employees performed all of the programming. Overall, this database provides a low-cost, reliable method of data analysis.

Westvaco also examined the company's chip quality specifications before implementing the program. Chip quality specifications were reviewed with pulp mill personnel to help determine standards that are used to evaluate suppliers' chips. Together, a new chip specification was developed that was equitable and fair, and these specifications continue to be reviewed regularly and updated as needed.

AWARD LEVELS

The ACE Award is patterned after Nalco Chemical Company's "STARS" Award program, with three levels, Gold, Silver, and Bronze. Minimum criteria are required to earn a Bronze award, and additional criteria must be met before moving to Silver and Gold levels. Award winners have the opportunity to move up through the levels; a winner of the Bronze award can then be considered for the Silver award, etc. Therefore, it takes a minimum of three years to achieve Gold recognition.

Our ACE Award program has an additional award level—the Diamond Award. A chip supplier can earn any of the award levels any year. To earn a Bronze Award, the chip supplier must meet the Bronze award criteria of an average quality index of 130. Suppliers will be disqualified if they incur rejected shipments, misidentified species, chip sample exception exceeding three times the specification, or mill complaints. Prior notification of any problems, i.e., contacting the mill before chips are received, allows suppliers to continue to be considered for an award. Other minimum criteria are violation percentages of 50% (violations per number of samples) or less, and the average annual sample must not have any violations. In addition, suppliers must have made regular

weekly deliveries for the last six months, and award recipients must be regular suppliers at the time of award. A signed chip specification form must be on file.

The Silver award criterion is the same as Bronze except that the quality index must be at least 137 and the violation percentage must be 40% or less. For the Gold award, the quality index must be at least 142 and the violation percentage must be 30% or less. The Diamond award must meet all criteria, and in addition, suppliers must achieve a quality index of at least 150 and a violation percentage of 10% or less. Diamond award winners must also have a verifiable and ongoing daily chip inspection program.

Westvaco maintains a file on every supplier eligible for an award. Throughout the year, records, reports, and miscellaneous notes are placed in the file to help determine award winners. Each supplier is sent a quarterly report card that provides the supplier a snapshot of its progress toward winning an award. Each year, new files are prepared and the previous year's files stored.

At the end of the award year, a review committee is formed to analyze the information in all suppliers' files and determine the award level achieved. A maximum and minimum charitable donation amount is allocated for each award level, and the annual volume of chips delivered by the supplier determines the actual amount.

The review committee's recommendations are forwarded to the three-person selection committee, and a unanimous vote by this committee determines the award winners. All award winners are notified by letter, which specifies the award level and amount of donation to charity. The chip supplier can designate the charity or charities of choice on a form that accompanies the letter.

Administering the ACE Award program is time-consuming and requires a lot of work, but the rewards far outweigh the effort. Westvaco regularly receives letters from charitable organizations thanking us for rewarding suppliers by asking them to designate charitable donations. The outreach and community relations benefits of this program, while difficult to quantify, are certainly worthwhile, and the media coverage of the awards draws positive attention to the work of the forest products industry. And, last but not least, Westvaco has realized value in improvements in the quality of chips provided by suppliers. TJ

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