



Sonoco Streamlines Organization to Focus on Global Growth

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Consolidated Consumer and Industrial Business Units and Leadership Changes Announced Actions to Reduce Costs by an Additional \$20 Million Annually

HARTSVILLE, S.C.--(BUSINESS WIRE)--Sep. 15, 2009-- Sonoco (NYSE: SON) today announced actions to simplify the Company's business structure and provide the necessary scale in its Consumer and Industrial packaging and services businesses to drive profitable growth and obtain sustainable operating efficiencies, according to Harris E. DeLoach Jr., chairman, president and CEO.

"Through a series of acquisitions and growth over the years, Sonoco has developed into a complex organization with 19 operating divisions, separate international organizations and various support functions," said DeLoach. "While this structure has served us well in the past, the global recession has structurally changed many of our served markets. As a result, we must change our organization to address these new market realities and react to the changing needs of our customers. In addition, we will shift resources to our businesses with the best opportunity for global development so that we can meet our longer term growth and shareholder return goals."

In addition to streamlining the Company's business structure to improve operating efficiency, DeLoach said the new organizational changes will bolster technology applications to drive new product development and continue to expand Sonoco's unique "One Face" customer service strategy to grow cross-divisional sales. "Implementing these changes will in some cases involve adding resources, including people and capital. However, combining businesses will result in some redundancies. Overall, we estimate that these actions will reduce costs by an additional \$20 million annually," DeLoach said, adding that redundant employees are being offered severance pay, benefit continuation and outplacement assistance.

Streamlined Organization

Key components of Sonoco's more streamlined organization include:

- Overall, consolidating 19 separate businesses into six Consumer and Industrial business units with a direct reporting line to the Company's senior leadership
- Consolidating nine Consumer Packaging and Services businesses into four global business units, headed by Charles Sullivan, executive vice president, Consumer. Business unit changes and their direct reports include:
 - **Global Rigid Paper and Closures** headed by [Rodger Fuller](#), vice president
 - **Global Rigid Plastics** headed by [Bob Puechl](#), division vice president and general manager
 - **Global Flexible Packaging** headed by [Rob Tiede](#), vice president
 - **Global Services** including point-of-purchase display, fulfillment and packaging supply chain management services, also headed by Tiede
 - Consolidating all consumer technology efforts into the **Global Consumer Technology** group headed by **Jeffrey Schuetz**, staff vice president
 - To better support Sonoco's large consumer product company customers, new accounts will be added to the Company's unique **Global Corporate Customer** program, which is focused on providing a dedicated team of technical and commercial resources to handle the customers' growing global packaging and services needs. [Vicki Arthur](#), vice president, leads this expanded effort and will be reviewing other potential customers to be added to the program.
- Consolidating 10 North American Industrial Products divisions into two North American business units and three international divisions, reporting to Jack Sanders, executive vice president, Industrial. North American and international business units and direct reports include:
 - **North American Converting** including tubes and cores, protective packaging and paperboard specialties divisions, headed by [John Colyer](#), vice president
 - **North America Primary Materials Group** including paperboard, Sonoco Recycling, adhesives, forest products and machinery manufacturing divisions, headed by [Jim Bowen](#), senior vice president

- **European Industrial Group** including tubes and cores, paper and recycling operations, headed by [Eddie Smith](#), vice president, Europe
- **South America Industrial Group** including tubes and cores, paper and recycling operations, headed by [James Brown](#), division vice president and general manager
- **Asia Pacific Industrial Group** headed by **Kevin Bryans**, division vice president and general manager
- Consolidating all industrial technology efforts into the **Global Industrial Technology** group headed by **David Rhodes**, director.

"Sonoco, like most manufacturing businesses, remains vulnerable to the fragile global economy and the impact the lingering recession is having on consumers and our customers," said DeLoach. "To be successful during these uncertain times we must remain focused on improving areas we can control, including simplifying our business structure and scaling the Company for program growth, improved innovation and obtaining sustainable operating efficiencies."

About Sonoco

Founded in 1899, Sonoco is a \$4.1 billion global manufacturer of industrial and consumer products and provider of packaging services, with more than 300 operations in 35 countries, serving customers in some 85 nations. For more information on the Company, visit our Web site at <http://www.sonoco.com/>.

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Sonoco
 Roger Schrum, 843-339-6018
roger.schrum@sonoco.com