



# ACCO United States Manufacturing and Distribution



# ACCO BRANDS



## U.S. Business Strategy

*Win share and improve profits in an evolving market*

- 1) Accelerate end-user demand with essential brands and innovative products
- 2) Make it easy for consumers/end-users to find, shop, and buy our products
- 3) Drive business results for our key customers by co-owning specific performance metrics and solutions
- 4) **Maximize the use of our U.S. manufacturing assets to reduce total cost**
- 5) Leverage technology to increase productivity and improve business results.

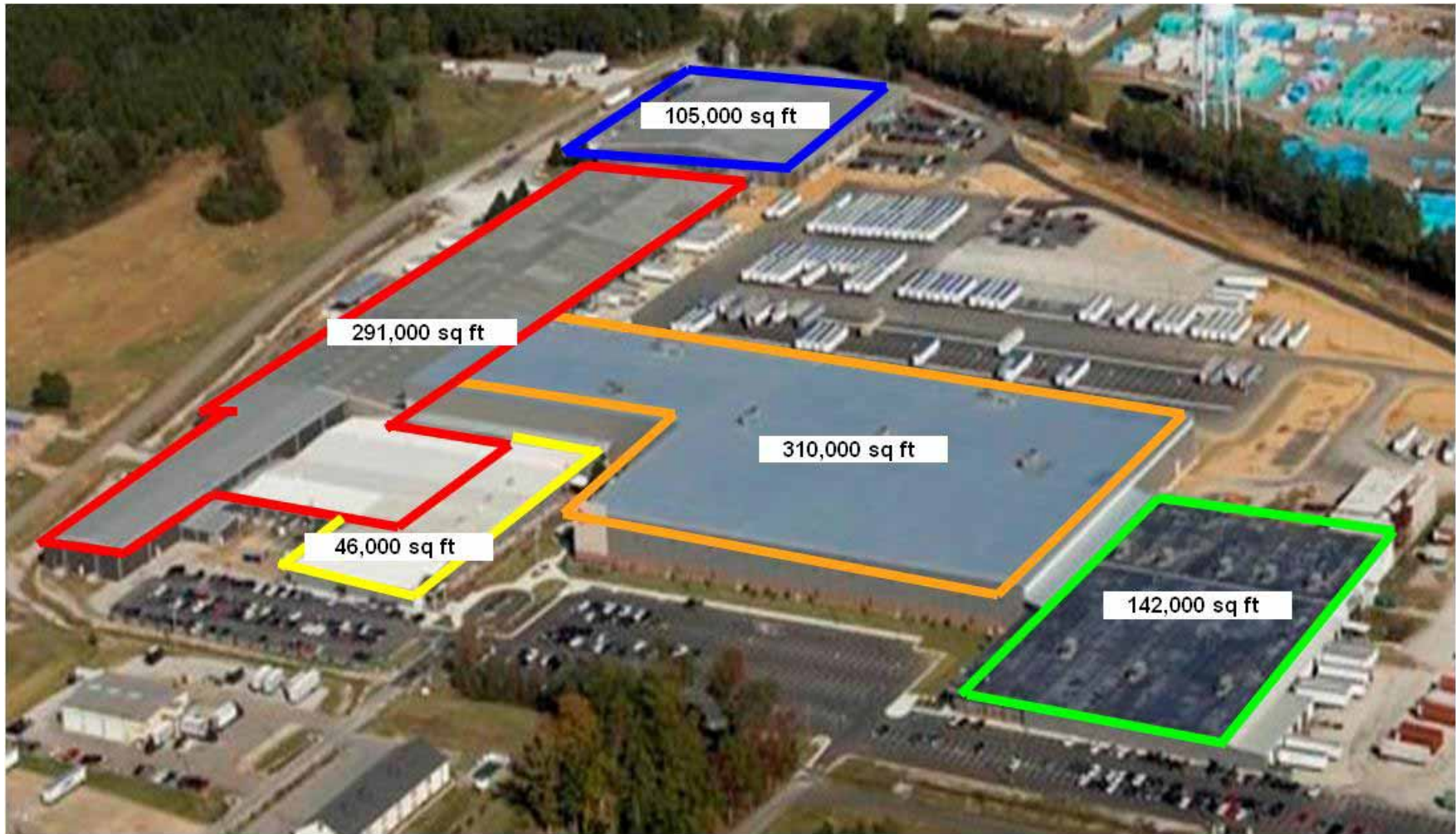


# ACCO Booneville Manufacturing and Distribution





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# ACCO Booneville Manufacturing



## Board Manufacturing

Product Line - Cork Bulletin Boards and White Boards  
Commercial (Office and School) Products  
Size Range – 1 x 1.5ft through 4 x 16 ft  
Automated, Semi-Automated, and Manual Assembly

### Material Suppliers

Fiber Board – Europe    Aluminum Frames – US / Asia  
Porcelain – US        MDF (Wood) Frames – US  
Melamine – US        Packaging – US  
Cork - Europe

## Binder Manufacturing

Product Line – Polypropylene and Vinyl 3-Ring Binders  
1/2” to 5” Round / Specialty / D- Ring  
Automated, Semi-Automated, and Manual Assembly

PP/ Vinyl Film - US  
Rings - Asia  
Chipboard - US

# ACCO Booneville Manufacturing

## 1) In Order To Be Competitive – Our House Needed To Be In Order

- Safety** Comprehensive system to evaluate and eliminate unsafe working conditions.  
Pro-Active Culture vs. Re-Active Culture.  
Incidents/lost-time accidents and workers compensation expense can trump many hours of hard work.
- Quality** In our case, we needed to define our competitive value proposition (what the customer is willing to pay for) and then design the appropriate level of quality into our materials, manufacturing processes, production validation systems, and delivery model.
- Lean** Eliminate Waste to Improve Cost Competitiveness  
Leadership / Teamwork / Focus

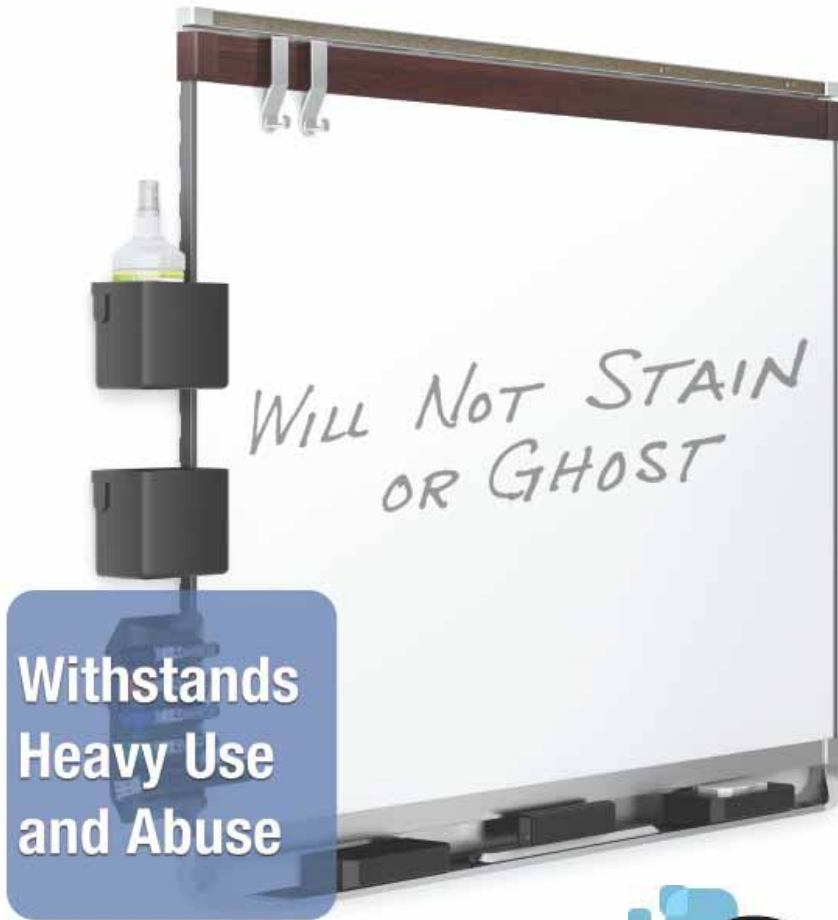
## 2) What Were The Unique Product Characteristics That Could Give Us A Competitive Advantage?

- Boards** Freight – Large Cube Product / Inventory Holding Cost / Quality (Expensive)  
Assembly Process - Kaizen Events / Waste Identification and Elimination
- Binders** Freight – “Shipping Air”  
Manufacturing Process - Automated Equipment / Common Design Platform  
Continuous Flow Manufacturing / Right the First Time / TPM

## 3) Aggressive Continuous Improvement

- Cross-Functional Alignment – Operations / Sales / Marketing / Product Development  
Robust Make vs. Buy Model – Variable Cost



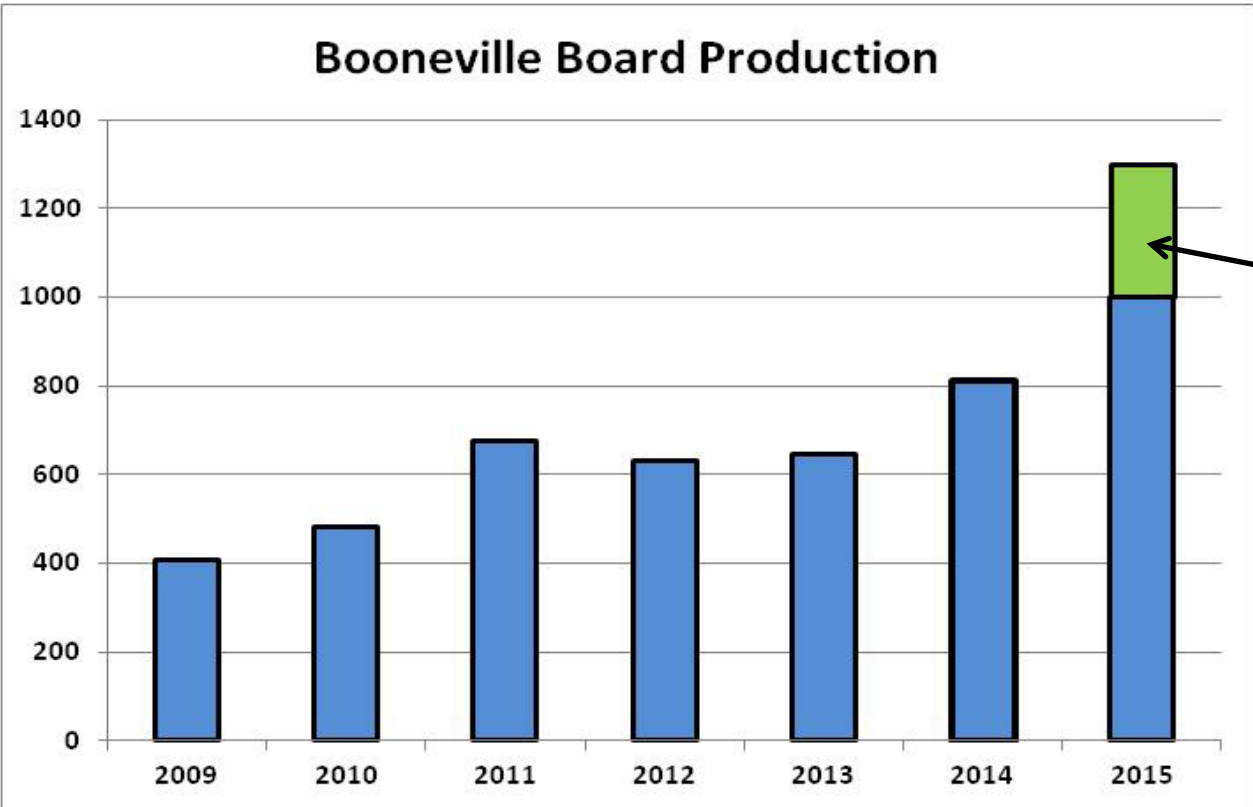


 **Quartet®**  
**BOARD**  
**MANUFACTURING**



# ACCO Board Manufacturing

| COGS %            | 2008          | 2014          |
|-------------------|---------------|---------------|
| Material          | 62.0%         | 70.0%         |
| DL                | 13.0%         | 7.0%          |
| OH                | 25.0%         | 23.0%         |
| <b>Total COGS</b> | <b>100.0%</b> | <b>100.0%</b> |



← Retail

In-Sourced  
Production

40%

7%

25%

60%

| COGS %            | Retail Target |
|-------------------|---------------|
| Material          | 75.0%         |
| DL                | 5.0%          |
| OH                | 20.0%         |
| <b>Total COGS</b> | <b>100.0%</b> |


mississippi development authority

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## ACCO ADDING CALL CENTER AT BOONEVILLE LOCATION



Booneville, Miss. (April 22, 2014) — Gov. Phil Bryant and officials from office products supplier ACCO Brands announced today the company is adding call center operations at its location in Booneville, Miss. The project represents a corporate investment of \$1.6 million and will create 162 full-time jobs.

ACCO Brands last expanded its operations in Booneville in 2009. That project was a \$55 million corporate

2014/2015

160 New Jobs  
Customer Care and  
Inside Sales

50 New Jobs  
Manufacturing

20 New Jobs  
Distribution