



Members of TC Transcontinental's Board of Directors and Senior Executive Committee pose for a group shot at the company's packaging facility in Brooklyn, N.Y., in an exuberant display of enthusiasm for the company's ongoing growth and transformation into one of the world's largest integrated producers and converters of flexible packaging products.

LEADING TO GROW

Sweeping corporate transformation serves up a lesson in the value of inspired senior management leadership and thoughtful strength of purpose

BY GEORGE GUIDONI, EDITOR

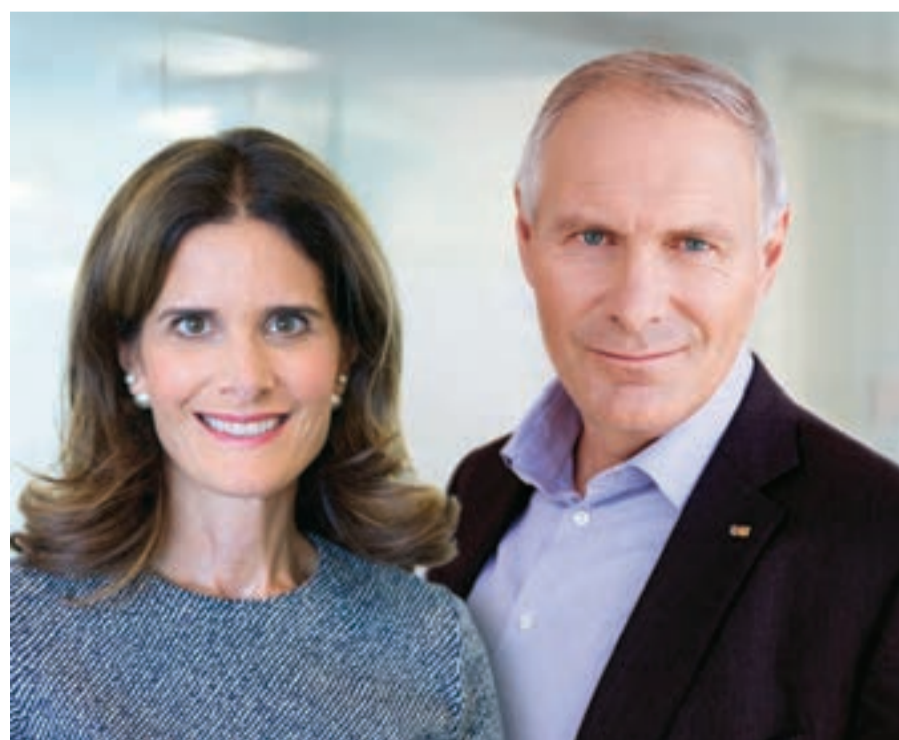
Like many buzzwords, the word “transformation” often lends itself to casual overuse—largely as a more emphatic euphemism for “change”—but as the late great business management guru Dr. Edwards Deming once deftly observed, “Transformation is not automatic. It must be learned; it must be led.”

In this light, the recent emergence of Montreal-headquartered **TC Transcontinental** as one of the world's largest converters of flexible packaging stands out as a textbook case of sweeping corporate transformation with a capital T.

Underpinned by a relentless quest for long-term profitable growth and inspired leadership skills of the company's winning duo, Isabelle Marcoux, TC Transcontinental's Chair of the Board and her husband François Olivier, Chief Executive Officer, the company's five-year journey from a packaging industry novice to one of its leading global lights may well be corporate Canada's biggest success story so far this century.

Founded back in 1976 by Isabelle's father Rémi Marcoux—one of revered early builders of the so-called *Québec Inc.* fraternity of ambitious new Quebec business enterprises eager to make their mark in corporate big leagues—the company's knack for reinventing itself to keep up with the times has fostered and nurtured a distinct family-like workplace culture and environment that played a key role in TC Transcontinental continuous growth and evolution.

As Isabelle Marcoux recalls, “Coming from a modest family of 11 children, my father thought it essential that Quebecers make their mark in the long term, which



TC Transcontinental's Chair of the Board Isabelle Marcoux (left) and her husband François Olivier, President and Chief Executive Officer, head the Montreal-headquartered company.



TC Transcontinental Packaging exhibiting the company's fast-growing range of flexible packaging innovations and sustainability solutions at last fall's PACK EXPO International 2018 packaging technologies exhibition in Chicago, generating a lot of positive feedback from the show's visitors and many other exhibitors.

is what he set out to do with TC Transcontinental.

"Intelligent, innovative and passionate, he took many risks," she says, "but only calculated ones.

"I toured a lot of factories with him and saw first-hand how close he is to the people, shaking hands, making them feel comfortable ... I learned a lot by seeing him interact with people."

While the idea of joining her father's business one day was always an option, neither Isabelle or her siblings were granted a free ride to senior management roles solely on the account of being part of the family.

"My father had outlined three conditions to the hiring of any of his children in the company," she relates.

"First, earn two university degrees; second, master three languages; third, work outside of TC Transcontinental for three years before joining."

After fulfilling these demanding requirements and joining TC Transcontinental's legal department in 1998 at the age of 29, Isabelle began her ascent up the corporate ladder—progressing from the position of director of mergers and acquisitions to vice-president

of corporate development, ultimately succeeding her father as Chair of the Board in 2012.

In 1991, Isabelle met her future husband and current TC Transcontinental President and CEO François Olivier, who joined the company in 1993 after serving as general manager at leading Montreal-area meat processor **Les Aliments Chatel's** and the former **Canada Packers** meat business of what is today widely known worldwide as **Maple Leaf Foods Inc.**

A Bachelor of Science graduate from Montreal's **McGill University**, Olivier's academic accomplishments went hand-in-hand with his natural athletic talents, with the famed Boston Bruins franchise of the **National Hockey League (NHL)** drafting him into their organization in his early twenties.

"Unfortunately, due to an injury, I had to switch gears," says Olivier, who took this change in stride to focus on furthering his academic pursuits—completing the graduate program for management development at the **Harvard Business School**—and entering the world of corporate management on a

full-time basis.

"I have always felt that it's important to have a positive outlook on life as much as possible," says Olivier, who immersed himself in learning as much as he could about the offset printing and publishing industries that at the time accounted for the lion's share of the company's revenues.

"A career, in whichever field we choose, will have some ups and downs, Olivier reflects.

"It is the same when managing a company; there will be good times and tougher moments.

"What drove me then and still drives me now in whatever I do, is making headway as a team and building something together," says Olivier, whose 2008 appointment as TC Transcontinental's President and CEO was preceded by progressive senior management roles at the company's printing plants and a posting as senior vice-president of the former Newspaper Printing Group, "where I managed a network of 17 facilities across the country."

According to his wife Isabelle, the couple's shared values, common interests and affable personalities

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have provided a solid platform for helping family patriarch Rémi Marcoux fulfill his vision of passing the reins of the highly successful business he created on to the second generation through orderly and well-executed succession planning.

“Our roles complement each other well,” Isabelle states. “As Chair of the Board, I oversee the strategic orientation and decisions that set the future trajectory of our corporation and determine how we would like to see it evolve over the long term.

“As President and CEO, François is responsible for developing and implementing our business strategy and managing our day-to-day operations to ensure the success of the corporation and create value for all our stakeholders.”

Says Isabelle: “Our strong entrepreneurial spirit, our ability to



A graphic snapshot of TC Transcontinental Packaging’s expansive global asset base following its high-profile acquisition of Coveris Americas last year.



TC Transcontinental founder Rémi Marcoux (left) steps down as Chair of the Board at the 2012 Annual General Meeting of Shareholders as Isabelle Marcoux, his daughter, is elected in this role.



Company founder Rémi Marcoux is sharing the stage with François Olivier when he becomes President and CEO of TC Transcontinental at the 2008 Annual General Meeting of Shareholders.

seize growth opportunities and convince the financial community of the merits of the strategy means we have a winning duo!”

Adds Olivier: “Playing sports at a high level certainly helped me be very efficient and dedicated towards any responsibilities I undertook, which translated into my work and ambition.

“Learning from others, listening, sharing knowledge, and gaining experience along the way have also definitely made a difference,” he elaborates.

“I would also say that ‘hearing’ my board’s advice and being a good listener is key, as well as having a long-term vision.

“I can honestly say that TC Transcontinental’s values are the values that I believed in,” Olivier states, “even before joining the company.”

The need to maintain these values at the company’s core became paramount when Isabelle became Chair of the Board in 2012, with TC Transcontinental initiating a comprehensive review of its operations to

diversify its current business and ensure long-term growth.

With the traditional offset print and media businesses both stagnating, the company’s leaders knew they had to take action. First, having already invested a lot in their state-of-the-art offset printing platform, they continued to aggressively gain market share and innovate in this sector. Second, they undertook to divest most of their media assets. Thirdly, they decided to pursue a whole new growth strategy in the more promising packaging industry—specifically the flexible packaging business.

As Olivier recalls, “The flexible packaging industry was rapidly identified as a natural fit given our extensive manufacturing experience and the fact that the market offered, and still offers, many opportunities for growth.”

Despite having had virtually no previous experience or exposure to the packaging business, the company’s leadership team worked tirelessly to get the support of its board of directors, shareholders and employees to proceed with its new strategic plan of entering the North American flexible packaging market through a combination of strategic acquisitions and organic growth.

Says Olivier: “We analyzed different segments of the packaging industry—including metal, glass containers and folding cartons— but the flexible packaging industry quickly stood out as making the most sense for us, given the production process, consisting of pre-media, printing and finishing, was somewhat similar to offset printing.”

Despite basic similarities and technology crossover, the TC Transcontinental team was under no illusions about the challenge of learning and gathering sufficient market intelligence about a vast new market in order to make a smooth entry and transition.

“At the time, we knew very little about packaging and so we set out to learn about it,” Olivier relates. “We were also humble while going through our learning curve.

“We organized meetings with companies in the flexible industry packaging, we visited plants, attended trade shows, and soon realized that this new growth sector was promising for us because the market wasn’t really consolidated.”

As TC Transcontinental discovered, the North American flexible packaging sector was in fact highly fragmented industry with a couple of dominant players and a multitude of small and mid-sized operations without the necessary capital or technological resources to pursue further aggressive growth and expansion.

For a company built on a legacy of strong market leadership and technological innovation that made it into a \$3-billion-plus enterprise, the existing industry pecking order offered a unique opportunity for TC Transcontinental “to integrate acquired companies, realize anticipated synergies, generate sales growth, and identify complementary acquisition opportunities for our portfolio,” according to Isabelle.

“We had the support of the Board of Directors and the family every step of the way, with the same goal in mind: long-term growth and continuity.”

After making its first strategic acquisition in 2014 with the purchase of Clinton, Mo.-based dairy packaging group **Capri Packaging** in 2014, TC Transcontinental proceeded to execute five more strategic acquisitions over the next four years to strengthen

its product portfolio and geographic reach, which included two Canadian-based manufacturing operations in Vancouver and Montreal.

Although this four-year buying spree swiftly propelled TC Transcontinental to the upper tiers of North America's flexible packaging pecking order, its defining Bing Bang moment arrived just about a year ago in spring of 2018 in the form of a sensational C\$1.72-billion acquisition of the Chicago-headquartered industry powerhouse **Coveris Americas**.

With that acquisition, "We have crossed a historic threshold in our transformation and accelerated our growth in flexible packaging," Olivier asserts.

"It was a giant leap for us," he states, noting that as a result of the buyout, "the packaging sector currently generates more than half of our consolidated adjusted revenues of C\$3 billion on a pro forma basis."

Adds Isabelle: "The transaction marked a turning point in our 42-year history, crystallized our strategic shift toward flexible packaging, and solidified our commitment to profitable growth."

"When we first entered the flexible packaging market in 2014, it represented an important strategic move for the Corporation into a new promising

growth area," she remarks.

"It was part of our strategy, and still is today, to ensure our future growth path through diversification."

Despite having become a solid, vertically-integrated flexible packaging powerhouse with 28 production facilities, more than 4,000 employees, and leading or solid market shares in key vertical markets such as cheese and pet-food, among others, TC Transcontinental remains committed to maintaining the time-honored, family-rooted virtues and principles that have long made it one of Quebec's most respected major employers and model corporate citizens.

"As a family-controlled corporation, we have the desire to build a lasting company and to pass on the legacy of a solid, responsible corporate citizen," Isabelle explains. "We are committed to creating long-term value by investing in our employees' wellness and development, fostering growth in the communities in which we are present, ensuring our prosperity, and adopting good practices to limit the environmental impact of our activities."

For his part, Olivier is happy to extend much credit for the company's remarkable and well-executed transformation journey to its loyal, dedicated and

highly engaged workforce.

"Our talented employees are at the heart of our success," Olivier states. "Combined with the trust from our stakeholders, they really made a difference."

"We also had a clear strategy and executed our plan with diligence and determination, he adds, "and our solid financial position allowed us to make strategic acquisitions worth over C\$2 billion."

"We have completed an exhaustive due diligence process for each acquisition and once we closed the deal, we quickly moved into an efficient and structured integration process."

Adds Olivier: "We firmly believed that we could significantly leverage our manufacturing competencies in the flexible packaging industry that offered, and still offers, many opportunities for growth."

"The key is that we were willing to learn and to listen to the advice and knowledge that we were gaining along the way as we built momentum in the packaging industry," he concludes.

"In the end, that's what enabled us to execute our business plan diligently with agility and conviction, while being guided by TC Transcontinental's values of respect, teamwork, performance and innovation."