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PULP AND PAPER

## HIERARCHY OF IDEAS AS MANAGEMENT PRINCIPLE

Forget the old command-and-control model in which people exerted leadership through hierarchy. The management model that will prevail at companies will be different from the current, supported by a hierarchy of ideas, cognitive intelligence and the preparation of better leaders, more engaged in transforming society.

Companies no longer will be responsible for simply generating income and creating jobs. Every large organization shall cultivate positive relations with its stakeholders, hold the environment as a key part of their business, mitigate their impacts and work more effectively in the institutional area. Why do we exist? What is our purpose? For some time, “profit” no longer suffices – nor should it. Our role is to change society, and this movement will come from our offices, laboratories, mills and forests.

This transformation has already begun at Suzano Papel e Celulose, a stage that, in different scales and interrelations, can help build the Brazil we wish to be in the future. The fairer society with equal opportunities we’ve long aspired will stem from valuing the knowledge of this new generation and the ability of companies to foster and recognize the leading role in each employee.

Hierarchy will, hence, come from ideas, no longer job positions or location where a key initiative is conceived. On the contrary, big ideas tend to be more pulverized and shared, the result of increasingly more intense relations between different areas and between people with complementary knowledges. We need to break down walls and approximate people so that knowledge can take on even more relevance and each employee have a more holistic understanding.

This new management approach is expressed at Suzano as the “Together and Mixed” concept, that is, integrated and combined, we complement one another. This model will certainly be present in many other companies, some with more and others with less effective progress in the short-term. The result to be achieved by each one will be directly linked to the ability of each organization to transform good ideas into actions. To be humble in recognizing that there is still a lot to be done.

The cultural transformation that guides us also supports Suzano’s three strategic pillars. The excellence of our team drives our pursuit of Structural Competitiveness and supports the many milestones achieved in 2016, as well as our optimism about the future.

The empowerment and autonomy given to employees, coupled with the entrepreneurial spirit that has marked Suzano Papel e Celulose’s history, also allowed us to advance in the so-called Adjacent Businesses. The production of fluff pulp from eucalyptus, considered a revolution in the global pulp and paper market, for example, is already a reality.

Lastly, the third pillar, and equally important, is the Industry Redesign, through which we aim to reduce the influence of exchange rates and international pulp prices on our results. It is the construction of today for an even more promising future, not only for us but for the entire sector, without forgetting the environment and the communities we interact with.

For a company the size of Suzano, with more than 8,000 direct employees and 11,000 outsourced workers, this is only possible if command is decentralized, if each employee feels like it’s an owner. Therefore, no to the status quo.

We want to offer more than just jobs: we seek an environment where each and every employee can realize its full potential and look to do things differently, better. Obviously, a change of this magnitude takes time and we are aware that there’s a whole field of actions to be taken: be it in the relationship of companies with their employees, be it in their relationship with society, partners and the environment.

We are humble to recognize the need to continue evolving and try to rectify this eternal “dissatisfaction”, of trying to be better today than yesterday, which is the driver of our change.

The first steps, however, have been taken. The transformation of people into change agents, so important for building a better country, is already underway in our company and has become fundamental in building the future of Suzano – and the Suzano of the future. The next steps will evolve even more and transcend our walls, seeking to also inspire our society. ■