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At Packaging Unlimited:

High-Speed Laminator Completes 'Full Service'

The term "full-service" has become a cliché in the realm of business marketing. The management team of Covington, Kentucky based Packaging Unlimited, however, has taken the phrase quite literally. The company's evolution from a small corrugated and converting operation to one of the largest contract packaging and fulfillment service providers in the Ohio Valley may be near completion with the addition of a Standard Paper Box Machinery Co. FMZ-1450 Laminator.

That Packaging Unlimited has increased its business at a rate of 30 percent per year for the past four years, while others in the industry have struggled, is testament to the vision of founder and owner Bob Hanekamp. It is also an example of adhering to a business plan that takes the "full-service" concept very seriously.

Founded in Louisville in 1975, Packaging Unlimited has grown to five contract packaging production facilities, four of which are in Kentucky, and one in Lincolnton, North Carolina. Becoming a provider of converting, contract packaging, and fulfillment services began when toothpaste manufacturer Colgate called in a crisis mode. Packaging Unlimited was able to package tubes of toothpaste quickly and efficiently, forging an 18-year business relationship with Colgate. Eventually, Packaging Unlimited's business model would include a sheet plant and converting operation in conjunction with a contract packaging operation.

After a time, the company's plant in Covington, a 120,000-square-foot facility that was originally a satellite operation for its Louisville headquarters, was no longer conducive to Hanekamp's vision of full-service. As other manufacturing opportunities evolved, Packaging Unlimited decided that a converting operation should also be there. A new 220,000-square-foot facility was completed in February of 2000, and a second building encompassing an additional 110,000 square-feet was opened in 2002.

"The desire to be a full service provider, to take our cus-

tomers' projects from inception to distribution, has always driven our business and our growth," said Duane Stalnaker, General Manager of Packaging Unlimited's Covington operation. "There are a lot of companies in this market that can handle certain pieces of this process, but very few that can handle it all internally."



Duane Stalnaker found the "ease of use and the ability to control adhesive is outstanding" on Packaging Unlimited's Standard Paper Box Machinery laminator.



This proved to be a unique benefit to many of Packaging Unlimited's customers because they were used to working with as many as five to seven different providers, including a corrugated company, a folding carton company, a converting company, a labeling company, and a fulfillment company, or possibly some combination. Packaging Unlimited typically takes on one element of a customer's project and gradually evolves to the full service aspect, once the customer realizes the attractiveness of a "one-stop shop" solution.

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The Missing Element

The missing element of Packaging Unlimited's service mix was performing automatic labeling in-house. Since the company did not have the ability to effectively secure a label onto a piece of board, the process was usually either outsourced or, alternatively, done by hand, which was extremely time consuming and inefficient. Confronted with problems of shrinking lead times and rising costs, Packaging Unlimited's team decided to get into the labeling business.

Tom Wiechel, Packaging Unlimited's Operations Manager, and John Perazzo, President of Packaging Unlimited, Northern Kentucky, attended SuperCorrExpo in Atlanta in 2004. The pair met with executives of Standard Paper Box Machine Co., who were demonstrating the company's FMZ-1450 High-Speed Laminator.

"By then, we had a working knowledge of several domestic models on the market and had seen several European models of which we had no prior knowledge," said



Operations Manager Tom Wiechel with a box produced by the Standard Paper Box Machine laminator.

Wiechel. "Initially, we walked away from Standard's laminator, but after discussing its benefits, we decided it was worth another look. We examined the bearings, motors and belts, then realized that everything on the machine could be bought off the shelf in Cincinnati. We wouldn't have problems with customs, extensive repair bills, or foreign exchange rates. [The Standard] was more user-friendly than any other laminator we had seen and it was certainly a much better machine for the money."

The real issue ultimately was the cost. As Standard's FMZ-1450 was under \$100,000 [compared with close to \$250,000 for some competing products], Packaging Unlimited's executives purchased it on the spot. The machine was shipped directly from Atlanta to Covington, where it was reassembled in a day and a half. By the end of day two, Standard's technicians were testing the laminator's registration and began training Packaging Unlimited's 20+ employees on how to operate the new addition.

Rapid ROI

Packaging Unlimited eventually put the new laminator on line in the fourth quarter of 2004. The managers at

Packaging Unlimited estimate the return on investment will be complete in just one more year, a date that would have been much further away had the company spent money on equipment without having any labeling business.

"Based on our business model, we really needed a full-labeling laminator, and Standard's machine filled the bill," said Stalnaker. "Its ease of use and the ability to control adhesive is outstanding, and it doesn't wrinkle labels as they are being applied to singleface."

Standard's FMZ-1450 laminates printed sheets to corrugated board at a maximum rate of 6,000 per hour. It automatically feeds top and bottom sheets, and its registration can benefit sheet plants using single-face corrugators and folding carton converters seeking to maximize production and quality of thin flute board. Enhanced models of the FMZ-1450 can handle paper as large as 65 by 65 inches. The only thing Standard's laminator does not do is spot labeling.

The laminator has created more opportunities for Packaging Unlimited because other plants now send their full labeling work to Covington. In addition to filling a need for the converter's clients, the FMZ-1450 helped drive other company initiatives, like providing better in-house graphics and enhancing capabilities with multi-part displays and paper-based packaging.

"The laminator is going to fit our growth objectives in the areas of contract packaging and fulfillment," said Wiechel. "We will get more inquiries for higher end graphics, but quantities are becoming smaller and smaller. Our competitors have to spend a lot of money on high-end direct printing flexo equipment, but the plate costs affiliated

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with four-or-five color direct print jobs at low quantities is a difficult hurdle for them to overcome. This is where Standard's laminator makes sense."

Maintaining Growth, Expanding Opportunities

The FMZ-1450 joins an equipment mix at Packaging Unlimited that includes two McKinley rotary die cutters, one Bobst folder gluer, three flexo folder gluers (one McKinley, and two Hooper Swifts), one Bobst 1575 die cutter, one Meihle flatbed, one Thomson flatbed, and a cornucopia of tapers and slotters. Future capital expenditures will include a four-color press that will allow the company to get into more high quality flexo work. Steps to expand the firm's contract packaging opportunities are also in the works.

"Over the past four years we have grown at a rate of thirty percent per year, which is practically unheard of within the industry," said Stalnaker. "We are proud of this because it demonstrates that we have taken the right steps to provide the products and services that our customers want in a timely manner."