

Pratt Display's state-of-the-art post-print challenge's lithography's dominance in the consumer goods packaging market.

By Jackie Schultz . Photos by Nick Griffin, Griffin Communications

POST-PRINT EXCELLENCE IN A LITHO WORLD



PLANT MANAGER JOE FINDLEY (RIGHT) WITH THE HBL CREW IN HEBRON, KY.

In 2005, Pratt Industries launched a new division called Pratt Display. It was a calculated move for a company well-known for its highly niched brown box offerings and emphasis on recycled packaging. The privately-held integrated is the fifth largest box manufacturer in the U.S. with about 4% market share. Display provides an opportunity for future growth.

Since entering the U.S. market more than 20 years ago, the company has been expanding in all areas of its value chain — paper recycling, corrugating and brown box and graphics packaging. Pratt Industries has grown to over 50 locations and in the last three years has opened two new state-of-the-art box plants, a recycled paper mill, and acquired sheet plants in the Northeast and Southwest. Adding a display group follows this pattern of growth. It also introduces an element of diversification.

Pratt Industries and its parent company, Australia-based Visy Industries, are keenly aware of the opportunities a diversified product mix offers. Visy is one of the world's largest privately-owned paper and packaging companies, with a wide-reaching and varied portfolio of packaging and point-of-sale solutions.

It was actually in Australia where the wheels were set in motion more than eight years ago to pursue the U.S. display market. Pratt Industries CEO Brian McPheely spent four years on assignment there running Visy's specialty group, which included Visy Displays. He returned to the U.S. intent on establishing Pratt Display. He met with John Keck, a veteran in the display business, to map out a plan.



JOHN KECK LOOKS OVER A PRINT SAMPLE.

Keck admits Pratt's approach was somewhat unconventional for an integrated company. "We wanted to set up the display group as a separate division. While we use some of the same equipment as brown box manufacturers, our approach to sales, design, manufacturing and project management is totally different in display," says Keck, President of Pratt Display. "We looked at business models that were successful in the market and added our own twists to enhance the formula. We felt it was important to report directly to the CEO rather than make us a part of a brown box group."

In addition, McPheely and Keck agreed that in order to be successful, the division required a separate national sales force that specializes in selling in-store merchandising solutions to consumer packaged goods companies (CPG). The final piece of the plan stipulated that the designers and project managers would be located near the customer's decision-making centers. These offices are located in New Jersey, Cincinnati, Atlanta and California.

Eye-Popping Graphics

Pratt Display consists of nine strategically located manufacturing, sales and design facilities across the U.S. The primary manufacturing plants are in Conyers, Ga.,

and Hebron, Ky., with secondary plants in Lewisburg, Ohio, Allentown, Pa., and Statesville, N.C. The Conyers plant was formerly a Pratt-owned brown box sheet plant that was reconfigured to run multi-color packaging and displays. Hebron is a greenfield plant located near Cincinnati, Ohio, designed and constructed for the

sole purpose of manufacturing displays and consumer packaging.

With virtually the same product mix, equipment and customers, Hebron and Conyers are bookend plants designed to meet the needs of CPGs. Pratt Industries has invested upwards of \$12 million on higher-end flexo printing technology for both plants.

The endeavor was a top down commitment that Operations Manager Bruce Hagood says contributed to the successful startup. "As we've grown, the ownership and executive management has supported us and let us do things the way we wanted."



THE CONYERS, GA., FACILITY.



LEFT: OPERATIONS MANAGER BRUCE HAGOOD (LEFT) WITH THE MARTIN CREW AT THE CONYERS PLANT.



THE CONYERS, GA., PLANT WAS FORMERLY A PRATT-OWNED BROWN BOX SHEET PLANT THAT WAS RECONFIGURED TO RUN MULTI-COLOR PACKAGING AND DISPLAYS.



THE JOBS RUNNING ON THE TWO MARTIN DRO 1628S ARE VALIDATION OF A CORRUGATED PRINTING PROCESS THAT UNTIL RECENTLY WAS OFTEN JUDGED AS LACKING FOR SOME OF THE HIGH PROFILE DISPLAY CATEGORIES SUCH AS COSMETICS.

WARREN BIRD (RIGHT) OF JB MACHINERY AND PLANT MANAGER JOE FINDLEY INSPECT THE JB DRYERS ON THE HEBRON PLANT'S MARTIN DRO.

At the beginning, the Conyers plant was running primarily specialty sheet plant business, such as specialty gluing and two- and three-color printing. The flagship graphics machine at the time was a six-color 50- x 80-inch Bobst 200 press, which is still in use. Today, the product mix is almost entirely high graphics produced on two new seven-color Martin DRO 1628 NT 66- x 110-inch high board line rotary diecutters installed at the Conyers and Hebron plants.

The vast majority of product produced at the plants ends up on retail shelves nationwide. With fewer sales people on the store floors, products have to sell themselves. The graphics have to be crisp and the colors eye-popping. The stakes are high, but so is the reward. The Fast-Moving Consumer Goods packaging market is expected to reach \$486 billion this year. Walmart is a perfect example of the

growth potential. The numbers are staggering. It is estimated that 140 million consumers a week walk through a Walmart store, which carries between 60,000 and 140,000 products.

It's all about competing for the attention of consumers who have thousands of choices and very little time. Litho-printed designs on white substrates were believed to offer the best opportunity; however, with the investment in the new presses, a higher percentage of the product produced by the Conyers and Hebron plants today is post-print flexo.

"About 95% of what is coming out of our plants is displays, whether it's seven-color print on Kemi, flood coated mottled white or litho labeled," Hagood says. Most of the products are B- and E-flute.

The Martin DROs were installed in 2008 and 2011. The inline rotary diecutters offer short setup times and high quality flexographic printing. They can process all types of corrugated board at

production speeds up to 11,000 sheets/hour. Due to board transfer above the operators' head level and additional vacuum transfers in-between the printing units, the machines enable full access to the printing dies and doctor blade chambers while running, reducing setup times. "That's why we went with a high board line press," Hagood says. "You can set up your next job while an order is running and hang the plate while the board is going over the top. All you have to do is change the setup on the diecutter. We're averaging 22 minutes a setup with multiple color changes."

Both Martins are equipped with seven FFDX Final Flexo Dryers installed after each flexo color station. They also have a FCS Flexo Curing Station prior to the diecut section. The systems, which were installed by JB Machinery, enable the press to dry trap four-color process, two spot colors and a UV or aqueous overprint varnish on coated stock at maximum designed machine speeds all while diecutting in a single pass.

The DROs have a full complement of 22 interchangeable anilox rolls from ARC International, ranging from 180 to 1000 cells per linear inch. The Hebron and Conyers plants can produce high-end images up to 150 line screen.

Printing plates are supplied by SGS and Mark/Trèce, and the ink supplier is Poteet Printing Systems. Both plants have ink kitchens.

The jobs running on the Martins are validation of a corrugated printing process that until recently was often judged as lacking for some of the high profile display categories such as cosmetics. "We purchased two of the best pieces of equipment available. They are unbelievably capable of printing high graphic flexo," says Dave Connors, Pratt Display Vice President of Sales and Marketing. "We're converting a lot of our larger clients from offset to direct print. I'm not just talking about



133 LINE SCREEN PRINTING IS ROUTINE FOR PRATT DISPLAY.

complex line art. I'm talking about beauty shots, traditional taboo areas that nobody would ever consider. Major consumer product companies are saying, 'We want the cost savings and we think the quality is there.' That's one of the things that the Martins have enabled us to do."

Indeed, this state-of-the-art printing technology is leveling the playing field between flexo and litho. "A lot of displays out there today, not just headers but pallet programs, are litho label. We have many Automätans in our company and litho is not going away," Connors says, adding that printing quality, however, is no longer the deciding factor. Many of the displays produced by the Hebron and Conyers facilities wind up in Club stores. "These pallet programs were often defaulting to litho to achieve the graphic quality to support their brand identity. We did a lot of testing and showed the customer that four-color process printing at high line screens on a day-to-day production basis is feasible. We've done fingerprinting with some of the bigger separators that are very good at

making plates for that type of process work and we're taking double digit costs out of the tray. If you're looking at a pallet that has 12, 16, 20 trays on it and you're doing 1000 pallets, the cost is significant. What it comes down to is volume."

The Right Skill Set

Hagood joined Pratt Display in 2005 just as the company was ramping up its Display Group. He, along with Connors, Keck, Business Process Director Cindy Sleumer and other key personnel, brought to Pratt their knowledge of high-end graphics and display work. Many of them worked together at other companies, such as Chesapeake and Smurfit-Stone Container.

"Almost everyone in the management group here has 20 years of display experience," Hagood says. "Combine that experience with the latest technology — printing plates, anilox rolls, equipment, inks — all of that made it easier to start up Pratt Display."

In its April/May 2012 issue, Creative magazine listed the top 50 P-O-P suppliers, and Pratt Display ranked in the top five.

"Starting a business from ground zero and growing it to be one of the top five largest display companies in the United States in about six or seven years is pretty quick growth," Keck says. "A couple of things contributed to that. First, we



HEBRON IS A GREENFIELD PLANT LOCATED NEAR CINCINNATI, OHIO, DESIGNED AND CONSTRUCTED FOR THE SOLE PURPOSE OF MANUFACTURING DISPLAYS AND CONSUMER PACKAGING.

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brought in some experience from outside the company, such as Dave Connors and Cindy Sleumer. We also brought over Bruce Hagood in manufacturing. In bringing in that skill set we recognized that one of our very first challenges, in addition to getting business, was to establish a culture within an organization that did not have a display culture. That took a couple of years."

Adds Hagood. "When we came here we already knew what we wanted to do, but as in any new business, we faced plenty of challenges. It's not that the business is harder or more difficult. It's just a different set of challenges."

Sales Solutions

Selling corrugated displays and higher-end graphics to CPGs is quite different from brown box sales. "We sell with a team type of concept and target Tier 1 accounts with highly recognizable brands significant spend," explains Connors. "We facilitate a relationship over a number of months or even years to position ourselves to land business. That's really the core of how we formed our anchor accounts and it has enabled us to grow to the point where a couple of years ago we needed to create more capacity so we opened up Hebron and ramped up very quickly at a time when most of our competitors were closing facilities."

The division recently signed a multi-year contract for all of Kroger's private label business in North America. "We researched them for about nine months and catalogued what they were doing in store, made contact and nurtured some interests," Connors says. "Kroger put out a request for proposal which included many of our competitors, whittled it down to us and another company and we were able to prevail with a solutions-based proposal. They stated that we had done our homework."

Connors says the retail food chain wanted to improve the branding of its private label. "They sought continuity so we proposed a program with a graphic package and a tool that they could quickly and efficiently design into."

In today's economy, Connors says customers are looking for speed to market, efficient order inventory programs and cost competitive solutions. They also want sustainability and environmentally-friendly processes. This is often a home run for Pratt Industries, a company that from Day 1 pledged its commitment to the environment and its closed loop practices, collecting packaging for companies like Procter & Gamble and recycling them back into displays.

PRATT INDUSTRIES HAS INVESTED UPWARDS OF \$12 MILLION ON HIGHER-END FLEXO PRINTING TECHNOLOGY FOR BOTH PLANTS.

"That P&G program alone will save hundreds of thousands of trees annually," Connors says. "We're working on programs like that for other CPGs so closing the loop is huge. We're not only making our packaging out of recycled material, but we actually get it on the back end as well so that's a huge selling point."

This Is An Integrated?

Hagood surmises that Pratt Industries' corporate culture was another key reason why the company has been so successful with the Display Division. For example, Pratt Display was set up to eliminate duplication in the business processes. "Here we're separated by tasks," he says. "At one company I worked for there were two plants doing the same display work. I was determined not to let internal

competition happen here. That has never been the philosophy at Pratt."

Keck agrees. "We've built a great organization. There's very little politics within the group. We've got the right culture that's enabled us to grow to this point and I think we can double our revenue again over the next few years. That's certainly our goal."

In terms of growing the display business, there are several options that could involve either converting an existing plant into a display operation, similar to what the company did with the Conyers facility, or building a new plant like the one in Hebron. "The most likely location for an additional plant would be the Northeast to match up to the shipping lanes and distribution centers for CPGs," Keck says. "While there are consumer products companies west of the Rockies, their 'Ship to' tends to be east of the Rockies. What we might do on the West Coast is augment our California sales and design office."

Keck admits that there are some headwinds, specifically with the economy and consolidation. "There are less consumer products companies to sell to as a result of mergers and acquisitions which means there are fewer places to go to in order to get business."

"The second challenge is that the U.S. market has been flat. Markets like South America and China are more robust so consumer products companies are directing their resources and energies to those growth areas," he continues.

Where does Keck see Pratt Display in five years? "I think we will continue our growth by improving our technology and business systems thereby offering a better value proposition to our clients, developing tools to make it easier for the consumer products companies to work with us and expanding our offering of goods and services to our customers."