

THE TWELVE YEAR EVOLUTION OF BRISTOL, UK BASED SMART PACKAGING LIMITED HAS BEEN CHARACTERISED BY THE EFFECTIVENESS OF BOTH ITS TRADING STRATEGY AND ITS INVESTMENT POLICY. THE DECISION TO REPLACE ITS HYBRID MANAGEMENT INFORMATION SYSTEM WITH ABACA'S PACKAGING 3000 SUITE WAS SOMETHING OF A LEAP OF FAITH, BUT THE MOVE HAS RESULTED IN SIGNIFICANT BENEFITS. **A REPORT BY DON HAINES**

Managing Director Mr Trevor Walters tells us more about his reservations concerning the switch to Abaca, "When I look out of the first floor window onto our shop floor, I can see our Bobst die-cutter churning out finished goods — and I look at the TCY printer slotter and see the same thing. I knew we were doing the right thing by investing in the new software, but it was more difficult to quantify. Having said that, the benefits very quickly became obvious to us." Prior to switching to Abaca, the company ran its business using a Sage accounting package, coupled with Microsoft Word and Excel based documentation, developed in-house, for order processing and shop floor

documentation. Trevor Walters goes on, "Of course, none of this was integrated, there was no way to keep track of orders or stock, except manually, and we could never have grown our business in the way that we have using such simple methods."

Trevor Walters and his partner Mr Martyn Olds met each other while working for the same company, but had gone their separate ways before meeting up again and concluding that their combined skills could be put to better use by starting their own company. This they did, equipping themselves at start-up with Klett and Curioni one colour printer slotters, together with a hand platen and Nova gluer. Year one saw the business turn over £1.1m — and steady

SMART BY NAME, SMART BY NATURE



Graham Dickinson,
Martyn Olds and
Trevor Walters

expansion on the same site has seen this grow to around £4.5m, with a target of £5m for the current year.

Subsequent investment milestones have been arrived at with the purchase in the past few years of a Bobst 160-Vision flat bed die cutter and a TCY 6PA two-colour printer slotter with lead edge feed. Martyn Olds tells us, "Before we bought the Bobst we would run 600 sheets per hour on a hand platen with one person feeding and two stripping. The Bobst is capable of 4000 sheets per hour, and on top of that gives us multi-outs."

Also now in place is a Göpfert one colour 2.5 heavy duty printer slotter, a 2.8 metre Emba gluer, together with Godswill 2-piece and 1-piece stitchers. Trevor Walters says, "We've never bought a machine and then asked the sales guys to go out and fill it. Our philosophy is always to develop the business by factoring the boxes, and when the time is right, take control by investing in the appropriate kit. Our throughput has increased dramatically, but we still buy some of our boxes outside, so the next logical step for us is to put in a casemaker, something that many years ago would have been unusual in a sheet plant but is now commonplace."

Smart Packaging designs and supplies a wide range of corrugated packaging, backed by a Kasemake 2000 CAD system, but the company also supplies a comprehensive range of ancillary materials such as bubble wrap, strapping, loose fill and bags. Trevor Walters explains the diversity of the customer base. "As we have from the beginning, we will still supply the small customer who wants one box to pack something he's sold on Ebay. We will also



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supply the person who needs a few boxes for moving house — right on up to multi-million turnover national companies. We have great customer retention and we rarely lose an account because of something we've done wrong. Like everyone, we can have business taken away from us on price alone, but usually we will win back the business quite soon when the customer discovers that the little bit extra he was paying us is worth it because of our superior quality and service.

“One of the big advantages of the Abaca package is the ability to generate some extremely useful reports. If you ask one of our sales people to explain the frequency of his visits to his 400 customers, you will find that he calls on, say, 150 of them every week, another 150 every month, and the rest will be lucky to get a calendar at Christmas. We now have a tele-sales person whose job it is to use these Abaca reports and to telephone once a month the people who normally get the calendar visit only — and this is already producing remarkable results.”

Trevor Walters now accepts that the financial benefits of the new software are indeed quantifiable and says, “We just would never have been able to grow our business using our old methods. Since we installed Abaca, turnover has grown substantially and the number of customers has increased significantly, but our staffing levels haven't increased. We are much leaner, much quicker, and that has to affect the bottom line. We have looked at the Abaca shop floor data collection module in use elsewhere, and we can see

implementing this part of the package will complement our planned investment in a more comprehensive warehouse racking system.”

Like many Abaca users, Smart Packaging has identified changes to the software that would be beneficial for their business — and these have usually been acted upon by Abaca before being disseminated to other users. Trevor Walters explains, “There are changes that we have had to make to our thinking so as to make best use of the package, but we are impressed by Abaca's willingness to listen to us as well. As an example, we are one of the few users who are merchandising such a wide variety of various packaging materials and we wanted the ability to identify the margin on every item that we supply, as well as the ability



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to see what the margin was on each order. They took that on board and gave us what we wanted.” Mr Graham Dickinson, Sales Director at Abaca, told us, “I've enjoyed working with the people at Smart Packaging — and even more pleased to hear that the system is doing its job and saving them time and money. They have recognised that customers only have to buy the software once, and that there is a whole multi-faceted system there to be made use of where appropriate for their business. It's a comprehensive package, but if you don't use it all at the beginning you can grow into it at no cost, and very importantly, all upgrades that we make to the system are free of charge to all our users.”

The investment in modern equipment at Smart Packaging has not only resulted in greater efficiencies, but the directors of the company are confident that such improvements are good for morale. Says Trevor Walters, “Who wouldn't want to operate a Bobst instead of a hand platen, or an automatic Emba instead of a hand gluer? In any case, in the face of modern day price pressures, we have to optimise our unit costs. The boundaries between sheet plants, merchants and integrated plants are continually becoming blurred, especially when prices have been going up and down as they have in recent years. There is also increasing pressure on manufacturers to hold more stock of finished goods. If we maintain our efficiency and quick turn-around, we can avoid the expense of tying up cash in huge quantities of stock.” ■