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An N.V. Publication

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Buckeye Boxes, Inc. Retools Its Sheet Plant

by Jackie Schultz

In 2006, Buckeye Boxes, Inc. celebrated its 40th anniversary and invited more than 200 people to attend a celebration at its Columbus, Ohio, sheet plant. "The people who came were really impressed," said President and CEO Craig Hoyt. "We had a wonderful time." Two years



President and CEO Craig Hoyt (middle), with Assistant GM Chris Pieroni (left), and Sales Manager Steve Holloway.

later the Great Recession hit, sending independent family-owned businesses like Buckeye into a tailspin. The focus was on survival — getting orders, making product and receiving payment. Infrastructure investments had to wait.

"When you go through a Great Recession, you're just trying to keep going," Hoyt says. "You can't afford to bring in newer equipment. You can't afford to be doing the kinds of things you'd like to be doing as far as upgrades. You're rubber banding rather than fixing machines because everything is tight."

At the time, Buckeye's two primary pieces of equipment, an EMBA flexo folder-gluer and a McKinley rotary diecutter, were "on their last

legs," Hoyt says. "On any day of the week they could have absolutely stopped running and put us out of business. We reached a point where we had to re-tool. It's not easy. It places a lot of challenges on the staff, especially sales. You have to tell the sales group, 'I can get x amount done. Which ones do you want and which ones don't you want? Because something has to be pushed back.'"

All of that changed in 2011 when the company invested more than \$1 million in additional equipment, machine upgrades and new design software, nearly doubling capacity. While the final outcome was positive, the process of re-tooling the plant proved nerve-wracking and one that Hoyt would prefer not to experience again any time soon.

Of the 25 or more pieces of equipment in the plant, Buckeye moved all but six to accommodate the addition of a two-color 66-inch by 130-inch McKinley rotary diecutter with scoring and slotting capabilities and a two-color 50-inch by 113-inch Langston Saturn II flexo folder-gluer with a creasing and diecut section. The plant also has a Simon mini flexo folder-gluer; an Emba 240 flexo folder-gluer; a 50-inch by 80-inch McKinley rotary diecutter; a Potdevin labeler; a J&L specialty folder-gluer; a taper/gluer; a stitcher; a coater and three slitters.

The investment in new machinery and upgrades resulted in added efficiencies and capacity. A new ARC/Doyle (PDM Machinery) counter ejector on the mini has increased running speed by 50 percent, and the rebuild of the EMBA has also increased running speed by 50 percent. "The end result

has more than doubled msf capacity in boxes," Hoyt says. "The slotting section on the 66-inch by 130-inch McKinley diecutter replaced our 60-inch by 140-inch Hooper with twice the speed and quicker setups but many of the boxes we ran on our old press are now going on the Saturn II. The

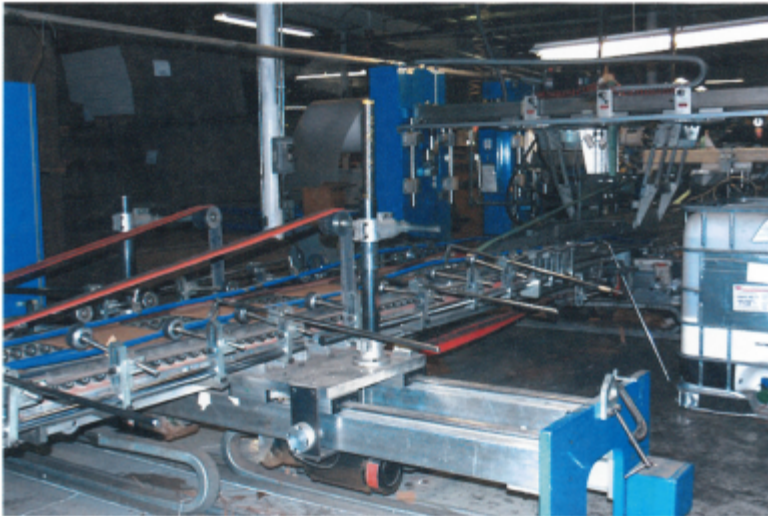


Rebuilding the EMBA 240 flexo folder-gluer has increased running speed by 50 percent.

big capacity increase here is in diecutting in both blank size and speed. Additionally, with the rebuild of our 50-inch rotary diecutter we can run it about 50 percent faster."

Buckeye also upgraded the glue system on its J&L with a new high pressure non-contact system from Valco Melton, reducing setup time by 30 percent and nearly doubling run speed. And it upgraded its design software, adding Artios 3D plus SolidWorks and Catia along with the TOPS programming for determining space utilization in trucking and stacking strength.

With the equipment installations and upgrades completed, the company is resuming its growth trend. Second quar-



The glue system on the J&L specialty gluer was upgraded with a new high pressure non-contact system from Valco Melton.

ter sales are up 35 percent. "Because of what we put in equipment wise, our growth has been in brown," Hoyt says. "Our average order quantity dollar wise has gone from \$500 to \$1,000. Our orders didn't go from \$500 to \$1,000. We still have all those orders that are \$200, \$150, we're just now running that work at higher volume, lower dollar per msf, but we don't have to do as much to it. Those orders are \$8,000, \$10,000. That's where the average mix changes. It's an indication of (where the business is)."

Proactive Approach

Buckeye offers an eclectic mix of products, from traditional brown box up to three colors to P-O-P displays, foam inserts, packaging supplies and corrugated plastic totes. "One of our goals is to be the most diversified suppliers in the marketplace," Hoyt says.

Just under five percent of the product mix is returnable plastic bins, primarily for the automotive market. Buckeye has a sonic welder for the assembly. "It's a lot of hand labor," Hoyt says. "The operative term for what we are is a converter. The difference between an integrated and a sheet plant is we want to touch it as many times as we can as long as every time we touch it we get paid, and they don't want to touch it at all. The more they do that the better they are and the more we do this the better we are."



Jim Mullins (left), Production Manager, and Craig Hoyt hold up a corrugated plastic tote that Buckeye makes for automotive customers.

Some of Buckeye's larger customers are Internet retailers. As a result, the plant finds itself on a very seasonal production cycle. "We have a huge Internet sale factor in the Columbus market," Hoyt says. "Around Christmas everyone is slammed. December is our biggest month."

A major contributing factor to Buckeye's growth is an aggressive sales team. "All of our guys are just knocking down doors. We have these different capabilities, capacity, and efficiencies now. We're recognizing that we can run product at lower numbers than what we were running so we're going back to customers and saying, 'We can beat those numbers.' Some of our growth is a change in mix."

Buckeye has three sales representatives. Hoyt, along with his nephew Chris Pieroni, Assistant General Manager, Ken Churchill, VP of Sales, and Steve Holloway, Sales Manager, also have accounts. The sales approach is more analytical and revolves around seven value components: New packaging concept; Purchasing system economics; Package economics; Packing line economics; Product damage minimization; Distribution system economics, and End customers' proposition.

"Every company doesn't find each of those segments as im-

portant as others," Hoyt says. "We can examine each one and say, 'How important is this to you?' By analyzing it we can drive out costs." One example is a patented triangular-shaped box, which Holloway designed. "That was sold because of distribution costs, which relates to the seven value components," Hoyt says. "When we designed it we replaced a roll with two end caps. You get 40,000 tubes coming into your plants, that takes up a lot of space."

As part of the seven value components Buckeye examines all areas of a company's packaging requirements, including the packing line, warehouse space, shipping, labor costs, product protection, etc.

The trick, Hoyt says, is to be different from the rest of the industry. "When a salesman comes in the door and says, 'Can I bid on your corrugated?' The customer better make sure the door doesn't hit him as he kicks him out." Hoyt says 75 percent of corrugated box salesmen sell that way. Another 20 percent approach the customer with the intent of solving a problem, which Hoyt admits is not a bad approach.

Hoyt says Buckeye falls in the five percent that approaches the customer with the sales pitch: "I should know more about your entire packaging system than you do because that's our business. You're in the business of making paint or whatever it might be. If I come in with one idea that saves you some money then I've helped improve your packaging system. That's what we want to do."

"Everybody talks about being the best solution provider," Hoyt continues. "That's not hard. That just means they can make x number of products. I don't want to be a solution provider. I want to be an opportunity finder. That's when we separate ourselves from everyone else."

A large part of that solution is box design. Buckeye is extremely design oriented, a philosophy that dates back to when Hoyt's father founded the company. Buckeye has two full-time structural designers who work closely with the sales staff. Hoyt says design is one of the two things that he really enjoys about the corrugated industry. The second is the people. He is an active member of several industry associations. He served as AICC President in 2000-2001, and he is currently an appointed member of TAPPI's Corrugated Packaging Council. "I've spent the last 20 plus years on a board in our industry. I've met so many wonderful people and learned so much," he says.

Hoyt's father, Robert B. Hoyt, along with three industry veterans, founded Buckeye Boxes in 1966. They started with 10,000 square-feet of manufacturing and office space. Today, the company has more than 65 employees and two locations: the Columbus sheet plant and a warehouse distribution center in Bellefontaine, Ohio. The Columbus facility is 100,000 square feet.

Hoyt admits the last few years have been a bit of a roller coaster ride. "This year has been the cherry on the cake from the standpoint of all the work that we've done. It's now coming together. That makes it fun."
