A NEW KIND OF CORRUGATED COMPANY

BY PAIRING SHOPPER MARKETING INTELLIGENCE WITH ELITE DIGITAL PRINTING CAPABILITIES, EXCEL DISPLAYS & PACKAGING IS CREATING A DIFFERENT BUSINESS MODEL FOR THE CORRUGATED INDUSTRY. BY JACKIE SCHULTZ

Excel Displays & Packaging is not your typical independent sheet plant. Its modern white exterior is the first clue that the company marches to a different drumbeat. Located in the Chicago suburb of Aurora, Ill., Excel is a new kind of corrugated manufacturer that does indeed ‘excel’ at making boxes and displays. Its differentiation, however, goes well beyond the complexities of designing, manufacturing and delivering corrugated solutions.

“Every other corrugated manufacturer is a cost center to the Consumer Products Companies. We want to be a revenue generator. We want to come up with ideas and drive consumer behavior and be thought of as an agency manufacturing
partner,” says Chad Mikula, EVP Sales & Chief Marketing Officer. The company differentiates through intelligence. “We demand that our people think,” he says. “The worst answer to the question, ‘Why did you do that?’ would be, ‘Because it’s the way it has always been done.’ We push the envelope. We’ll try anything.”

Mikula’s father, Michael, started Excel 26 years ago in an older building about eight miles away. The company moved to its current location, which was designed and built specifically
for Excel, 10 years ago. About 125 employees work at the 210,000-sq-ft facility. The plant runs two shifts.

In addition to Aurora, the company has a sales and design office in Bentonville, Ark., and is co-owner of Five Star Sheets, a sheet feeder in New Carlisle, Ind.

The product mix has evolved over the years from primarily industrial brown box to about 50/50 displays and industrial packaging. Packaging solutions include pallet and P-O-P displays, standees and signage, retail packaging and the X Card™, an environmentally friendly carded blister package.

“We bring different things to the table that others either don’t or can’t. We have an interesting value proposition for customers,” Mikula says.

A Different Model

Award-winning designs are one of those value propositions. Between the Aurora and Bentonville, Ark., offices Excel has 10 designers. The Aurora facility has a large design department with computer work stations, a conference area, a product showroom and a design lab with two new Esko Kongsberg XN sample tables. “This is where the magic happens,” Mikula says. The Bentonville office also has a new Esko sample table as well as an HP Scitex FB700 industrial printer.

In July, the Aurora facility became the first North American installation of an HP 15500 Scitex digital press for corrugated displays and short run packaging. Ideal for converters of displays and graphic-rich packaging, the Scitex 15500 helps to drive the profitability of corrugated printing in shorter runs.

Excel is pairing its new digital asset with shopper marketing and consumer insights. What is shopping marketing? It is understanding a consumer’s shopping behavior and then leveraging that intelligence to benefit all stakeholders. No one knows this better than Brian Hutchinson, Excel’s new Vice President, Shopper Marketing. Hutchinson previously worked at Saatchi & Saatchi, a global advertising agency.

Hutchinson is taking Excel down a path that is vastly different from traditional corrugated marketing. “We are helping our clients understand that there are creative challenges with the shopper and making sure that we get their attention within the first three to five seconds,” he says. “And once you have their attention, then it’s down to the messaging and influencing the purchasing behavior.”

As an example, Hutchinson points to a yellow floor stand with five shelves. “The problem with the display is that all of their products are yellow except for one green SKU,” he says. “When you run the display through the VAS software, the eye is attracted to the green every single time so their message was not being seen.” Excel is a subscriber of the 3M VAS software, which is a visual eye tracking software that enables the company to record exactly where a consumer is looking. With the data Excel was able to convince the customer to redesign the display. “You can’t change behavior if you don’t get noticed.

Ultimately, this design beat out the green bottle,” Hutchinson says.

“A year ago, if you had asked us how a particular display was attracting a shopper or influencing a purchasing decision, we would say, ‘We don’t know, that’s not our job. We structurally design stuff and make sure if it gets hit by a shopping cart it’s not going to fall over,’” Mikula says. “We wouldn’t even know how to answer the question because that’s not what people in our industry generally do.”

When Hutchinson initially joined Excel he spent a lot of time researching the corrugated industry and market segments to see where the biggest opportunities were. “Traditionally, manufacturers are primarily concerned with getting something made and into the stores at the right time. They’ve never had an interest in seeing the success of a display,” he says. “We want to see the display succeed, which means we have had an influence in that shopper’s journey and behavior. If we have success using some of our knowledge, those CPGs are going to come back to us.”

Quality Comes First

The new HP Scitex press is giving Excel the added fire power to achieve its shopper marketing strategy. The press includes several new features, such as
the CorrGrip, which reduces waste by allowing the use of severely warped media; hands-free and stack-to-stack operation; auto loading and zero setup; and printing direct to board. In addition, the HP HDR (high dynamic range) Scitex 230 inks are designed for economical printing on corrugated and paperboard media.

Excel researched several digital presses before purchasing the HP. The company sent art files to the suppliers and asked for a printed sample in order to do side by side comparisons. The printed images from the HP were impressive, Hutchinson says. “In terms of quality I put this machine up against anyone else. You can make things as fast as you want but if the quality is not there it does not mean anything. No one is going to buy it and retailers will reject it. Quality comes first and the HP has the quality and the speed.”

When choosing which jobs to print digitally, Excel looks at several factors, such as, volume, delivery date, number of colors, and variable graphics in which the same structure is personalized for different local markets.

For longer run, traditional corrugated manufacturing, Excel is well-equipped. The plant has four rotary diecutters, three flexo folder-glues, two specialty folder-glues, two laminators, and three flatbed diecutters. The company recently expanded the Aurora facility and

**FIRST DIGITAL JOB**

One of the first jobs on Excel’s new HP Scitex 15500 was a floor stand printed four-color with a camouflage design. Originally, it was going to be one-color flexo direct print with reversed out copy and a litho header. Digitally printing the display allowed for more colors and eye-catching detail, minus the cost of printing plates. The order volume was 350, ideal for the digital press.

“What drove that to digital was it was a shorter run and the customer could only afford to litho print the header, and the rest of the display would be flood coated, reversed out type, one-color classic stuff,” says Chad Mikula, EVP Sales & Chief Marketing Officer. “We told the customer that we could unleash the creativity of the display.”

“When you are granted the opportunity to have a display in store, it better work hard,” says Brian Hutchinson, Excel Vice President, Shopper Marketing. “There is nothing worse than having a display that sits there for 30 days and there is product left over. If you can make that display work harder or smarter through graphics and communication, it’s going to sell down much faster as opposed to something that is just there with a reversed out color logo.”
invested more than $14 million on new machines, including a J&L specialty folder-gluer, an Eterna Platen diecutter from Bobst, a three-color Topra flexo folder-gluer and two Apstar rotary diecutters from Dong Fang and the Haire Group.

“If you ask me what makes us different, we’re end to end. We start with two corrugators in South Bend, Ind., and a trucking fleet that delivers the paper. We design it, convert it, warehouse it and deliver it,” Mikula says.

The plant receives eight to 15 deliveries of sheets a day from Five Star Sheets. The sheet feeder has a 110-inch BHS and a 98-inch Isowa corrugator.

“That’s one of the largest single drop points for roll stock in North America. It’s a massive two corrugator, 24/6 operation,” Mikula says.

**Excel’s Brain Trust**

Excel was a different company when Mikula and his brother, Shane, joined in 2004. “We were primarily brown box in a facility half this size almost 100 years old,” he says. “We are almost eight times the size we were 10 years ago.”

Mikula credits his father for the company’s significant growth. “My father is the engine of the company. By sheer force of will, things happen. He engages in creative destruction every day with questions like: What are we doing? What can we do differently? Do you have a better idea? I want to hear it, and if I like it let’s go.”

Michael Mikula worked for Container Corporation of America and then Gaylord Container before starting Excel. Chad and Shane both worked in financial, sales and management positions at non-corrugated companies before joining their father. The combined knowledge and expertise is complementary. “Coming here diversified the DNA and brought in different perspectives,” Mikula says.

“My father is a wickedly smart guy. He was a mathematics major undergrad and has a Kellogg MBA. If you asked him what happened when we arrived he would say he was tapped out in terms of management depth. It’s hard for a small box plant to find talented people.”

Mikula says finding skilled and talented people is his biggest challenge. “Buying and installing the assets is the easy part. It’s finding the right people and getting them all to row in the same direction at the same speed. And we row really fast so it’s hard to find people who are up for the challenge.”

The second biggest challenge he says is getting in front of the right customers and decision-makers, especially now that Excel has the HP Scitex 15500. CPC marketing departments are now Excel’s target audience. “Most companies will say digital is for short run manufacturing. It is, but it’s also for changing the game. It is a tool to reeducate the consumer products companies about what’s possible,” Mikula says. “We’re not doing just what our clients want. We’re offering solutions that they don’t even know exist.”