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VPC Diversifies To Spur Third Generation Charge

by Jim Curley

A week before I visited Vineland Packaging Corporation's (VPC) sheet plant in southern New Jersey, the big news item in the region was Gerreshiemer Glass's announcement that it would close its plant in nearby Millville. Lost are expected to be 140 jobs to go with the 100 jobs lost in January. Once glass ruled in this somewhat rural area west of Atlantic City, and box plants such as VPC catered to this business.

Fortunately, executives at VPC saw change coming, and for the last decade have diversified the business by investing in machinery and talent to change their business model. They've been led by the third generation of the D'Alessandro family. As the family business approaches the end of its first half-century, things are looking up in Vineland.

From The Ashes

The family business was founded by Joseph D'Alessandro Sr., the son of an Italian immigrant, in 1969. D'Alessandro, who had worked as a produce broker, formed J&I Industries and began hand-assembling corrugated partitions for a major integrated. This

quickly led to low-end corrugated work, with a large emphasis on serving the booming glass industry. Still, the business grew, but in December of 1987, just as the company was set to expand into new quarters, J&I suffered a fire that destroyed almost all the company's assets. "We lost everything in that plant," remem-

bers co-owner Dave D'Alessandro. "All we had were three partition assemblers and a bandsaw at another facility."

"It was difficult," says Mike D'Alessandro, Sales Manager. "But my grandfather was part of the 'greatest generation' that fought in World War II." Quitting was not an option. Action was.

"My parents, Joe Sr. and Louise, started up the business phone in their finished basement, which became

our office, the same day as the fire. A few machines were available to do the work, and a few vendors, especially St. Joe's, helped replenish our stock." remembers Joe Jr., Mike's father, the other co-owner. The company moved to its present building, then 38,000-square-foot, in 1988.

In 1994, Joe Sr. retired, and sons Joe Jr. and Dave took over the business and renamed it Vineland Packaging



VPC's second and third generation of family management includes, from left, Joe III, Joe Jr, Mike, Christina, Dave, Annette, and Anthony D'Alessandro.

Corporation. By that time, VPC had become a third-generation business when Mike and brother Joe III joined the company. Dave's wife, Annette, had taken over the bookkeeping responsibilities in 1989; Dave and Annette's children, Anthony and Christina joined VPC in 2008.

The Turning Point

Coincidentally, as the Great Recession began in 2008, VPC was already in what Mike terms a period of "phenomenal" growth, Mike says, thanks in large part to new business generated both by new hires and the existing staff. Since 2007, both revenue and MSF have



The purchase of a reconditioned Series T flatbed diecutter gave Vineland Packaging an entree into the food service business.

risen at a compounded annual growth rate of 12 and 11 percent respectively. "We have more than doubled in size since 2007," Mike notes.

"In the grand scheme of things, we're a small company," explains Mike. "This has enabled us to be nimble in seizing on new opportunities. One of our new sales hires had significant experience in the food service business, so we invested in a Baysek T-Series flatbed diecutter and a shrink tunnel to handle that business." Baysek's Vern Engle remembers, "Vineland was talking about a machine it needed for its venture into food service, and we showed them a T-Series diecutter we had just rebuilt. Later on, we added a servo drive, which increased the machine's efficiency."

A second new salesman came from an integrated firm and helped to broaden the range of the industries VPC serves, and that also has led to increased business.

It's little surprise that this growth has been paralleled by a significant increase in capital expenditures. In 2005, VPC installed a two-color 66-inch by 80-inch Ward rotary diecutter. Four years later, it added the Baysek flatbed and the shrink tunnel. In 2013, VPC expanded by 20,000-square-feet, mainly to increase warehouse space for its food-service business. "That lasted for about six months," Mike says with a chuckle.

To fit other equipment in the plant and to handle sales growth, VPC soon had to acquire warehouse

space at another site. "Here, we decided to build a design room and install a CAD table. Plus we wanted another diecutter and needed to replace a smaller flexo." Mike says.

Move Quick

"We buy pre-owned equipment and if you do that, when something you want comes on the market, you have to act quickly," he adds. In 2013, as VPC moved into its expanded plant, it installed a used four-color 27.5-inch Martin flexo with diecut section. Intelligent Machine Control was immediately called in to replace the Martin's existing computer system, resulting in set-ups of sometimes less than five minutes.

Last year, VPC installed a die cut section rebuilt by Corrugated Gear and Services, to its two-color 50-inch S&S flexo. "We replaced the gears, bearings and other parts and brought it back to OEM condition," explains Bobby Wingard, GM at Corrugated Gear, which also worked on the two-color 66-inch by 113-inch Ward rotary. The used S&S D/C section and the Ward were purchased through Haire Equipment. "We also did a little bit of work on parts on the Martin mini when Vineland bought that from ACM," Wingard says.

The reconditioned Ward was installed in 2014. "Corrugated Gear did an A+ job for us," says Anthony D'Alessandro, Dave's son and Operations/Plant/Maintenance Manager. "Just a few days, and we were up and running."

It is a testimony to the planning and skills of VPC's production crew, led by Dave and Anthony that the company, during the expansion process, was able to meet the demands of customers without farming out jobs. "At the time, we had three flexos in the plant," Mike remembers. During the installations, we were able to use our 38-inch S&S flexo in the original building for production. We sold that when the machines in the expansion area were running. We were also able to run some orders ahead of time and warehouse those."



IMC's computer system enabled VPC to slash set-up times on its Martin flexo.

Also installed was a significant upgrade to VPC's conveyerization by Indianapolis, Indiana based System Conveyors. "Before we added our new equipment, we were having bottlenecks to the point where the line

would simply shut machinery down,” says Mike, emphasizing that the process of installing new conveyors while adding new machinery was a very “fluid” one.

Further, VPC was also replacing unpowered conveyor lines with powered ones. “Now we have more equipment and we’re not having any more shut-downs, which is a direct result of Systec’s conveyors and the programming they did for us.”



Extensive powered conveyerization by Systec Conveyors has expedited work in process within VPC's plant.

The equipment additions that followed the plant expansion had an immediate effect on VPC’s ledgers. In the first third of 2015, sales were up 12.8 percent over the January-April period in 2014, MSF was up nearly 10 percent

In the last decade, VPC has moved nimbly away from the mainstay industry that formed its early customer base. Mike D’Alessandro estimates that since 2007 Vineland Packaging has reduced its revenue from the glass industry as a percentage of its total business by 66 percent. VPC’s product mix, he estimates, is currently 55 percent food processing/food service, 35 percent cosmetics/pharma/consumer products, and the remaining 10 percent miscellaneous packaging. In coming years, he sees the percentage growing in cosmetics/pharma/consumer, which makes the installation of the Data Tech CAD table, preceded by Artios software, a smart strategic moves.

Reverence For Founder

When I visited the plant, seven D’Alessandros welcomed me. Working at Vineland Packaging means taking part in a family business, using your talents to make it grow. At VPC, it is made clear to family members that nobody’s entitled due to his or her last name. When I comment on how well everyone gets together, Dave quickly interjects, “We have our moments, but all of us respect what the others bring to the table.”

This attitude results from a decision made by Joe Sr. years ago. “My father decided that none of us would enter the management of the company without a college degree,” explains Joe Jr. “It was important to him that we learn the principles behind business before we applied it in work. Fortunately, it worked out that we all have interests and training in different aspects of the business.”

In the second generation, Joe Jr. has been the sales man, Dave the production guy. In the third generation, Joe III and Mike manage sales, while Anthony is in operations. Dave’s wife, Annette, and daughter, Christina, handle the business side of the business – bookkeeping, office management, human resources and accounting.

A sign of stable management is a stable workforce. Mike proudly points to statistics: 43 percent of employees have worked at VPC for 20+ years, 32 percent have logged a quarter-century or more of service.

In less than a half-century, the D’Alessandro family business has defied the odds: According to the Family Firm Institute (FFI), about 13 percent of family businesses survive into the third generation. In VPC’s case, it can be said that the family business has never looked better. Chalk it up to education and training, marketplace flexibility and investment, but don’t leave heritage out of the equation.

“There’s a lot of heart in the business,” Anthony, a third-generation boxmaker, says. “We have to continue the legacy of our grandparents.”