

COMPASS MAINTAINS STEADY COURSE

IN JUST 10 YEARS, COMPASS PACKAGING HAS ESTABLISHED ITSELF IN THE NORTHEAST OHIO MARKET AS A REPUTABLE SUPPLIER OF CORRUGATED BOXES AND DISPLAYS.

BY JACKIE SCHULTZ

A lot of work, but a lot of fun” is how Phil Rath describes the successful startup of Compass Packaging. Located in the Northeast Ohio suburb of Mantua, the sheet plant celebrated its 10th anniversary in October. Rath, who is President, previously worked for Traub Container, an independent Cleveland box plant that was sold to MacMillan Bloedel and then Weyerhaeuser and eventually closed. Several of Compass’s employees are also from Traub.

“There were a lot of great things about MacMillan Bloedel and Weyerhaeuser, but I had worked in that family-owned environment for so long that it was what we wanted to get back to,” Rath says. “I saw that there was a niche for the small independent in the Cleveland market.”

Rath, along with his brother, John, and a silent partner started Compass in a 24,000-sq-ft facility with five employees. Rath admits that there was some apprehension. “My wife would kill me if I left this out. Our daughter was three months old when I quit my job with a Fortune 500 company (Weyerhaeuser). My in-laws thought I was crazy. To their credit, they never said a word to me.”



COMPASS'S MULTI NOVA 2 FOLDER-GLUER IS THE FIRST U.S. INSTALLATION. INSET: ABOUT 80% TO 85% OF THE PRODUCT MIX IS ONE- AND TWO-COLOR MAKE AND SHIP.

Compass Packaging

He says the first three to four years were difficult, but the company now has 70 employees and operates two full shifts and recently relocated to a 151,000-sq-ft facility. "We knew what we wanted to do. We knew what we wanted to market," he says.

Compass grew through referrals and Rath's relationship with former Traub customers. Its market niche is quick turnaround and exceptional service.

"People want to carry less unpacked boxes as inventory at their locations," Rath says. "That was our niche to try to service that market. We do have some finished goods warehousing, but our strategy has been, 'How many boxes can you pack in two or three days because we generally can get you an order that fast.'"

About 80 to 85% of the product mix is one- and two-color and typical run sizes vary from 250 to 5000. Capacity is more than 10 million sq ft a month.

"We are a very well-equipped little sheet plant and in doing so we are able to service accounts, including any emergencies, with short lead times," Rath says.

Very well-equipped indeed. The plant has a 50-inch and a 24-inch two-color flexo folder-gluer, a 35-inch three-color printer-slotter, a 74- x 180-inch one-color printer-slotter, a new 80- x 100-inch Pioneer flatbed diecutter, two 66- x 100-inch two-color rotary diecutters, an Emba folder-gluer and Crathern & Smith and Potdevin litho labelers. One of the diecutters has an Amish-built stacker enabling the machine to handle smaller and more intricate diecut jobs.



PHIL RATH

First in U.S.

Earlier this year Compass Packaging purchased a Multi Nova 2 folder-gluer from British Converting Solutions (BCS). This was the first U.S. installation of the machine.

Compass was subcontracting a lot of specialty gluing work to a nearby box plant. Rath

wanted to bring that work in-house without incurring a substantial investment. He saw the Multi Nova at BCS's SuperCorrExpo exhibit last year in Atlanta and was impressed with its capabilities. The machine provided the perfect entry into the specialty gluing market. "We typically use it to glue anywhere between 500-5000 run lengths, either straight line or 3-point autolock-base boxes," Rath says. "It has given us the ability to save on freight by finishing orders in house, save on material handling, plant floor space, labor time, and ultimately, increase our margin. Since we started using this machine, we have not had one single customer return as we can control our own product quality."

The machine is compact, not much larger than a CAD table. "We have been able to put it in-line prior to our bander which saves on material handling and is something we could not have done with a full length folder-gluer," Rath says.

Although two people can operate the machine, Compass runs it with a crew of three and sometimes even four to achieve faster speeds. The machine can run 4000 boxes an hour with no returns. "We're really shocked by how fast that machine can run. It just comes down to how fast the people can put the raw material in," Rath says. Setup time is about 15 to 20 minutes.

Rath expects the return on

investment to be about two and a half to three years. Although BCS is headquartered in England, the company supports its North American customers from a newly established sales and after sales office near Chicago, Ill.

Compass still farms out larger volume gluing orders, but the purchase of the Multi Nova has added yet another capability to the plant's variety of services. "It has really been great for the sales guys. At this point with our equipment you'd be really hard pressed to find a box that we could not manufacture," Rath says.

The redundancy in machinery virtually guarantees that every job will be produced and delivered on time. Compass also owns Compass Transport, a freight company that Rath's brother started. "Financially it just made sense," Rath says. "We started grinding the numbers because we were subcontracting our transportation and as we got into it my brother was getting more excited (about the cost savings)." Compass Transport was set up exclusively for Compass Packaging and includes four drivers, three cabs and a straight truck.

Traub Jr.

Rath believes one of the reasons why Compass has been successful is because the company executes the "simple things" well. "We make sure the invoices are right and we make it easy to do business with us," he says, adding that order quantities are always accurate along with the bill of lading and the price. "Our sales philosophy is, 'We're going to do the best we can for you and not let you down. We may not be the lowest price, hopefully we're not the highest.'"

Compass has four sales

representatives, including three who used to work with Rath at Traub. One came out of retirement to help Rath start Compass. "He likes to tell me, 'I don't make sales calls, I just go visit friends,'" Rath says.

"Every year I think we can't do better than we did last year and every year we do better than the previous year and this year is no exception. We're way ahead of last year. So every year has been a record year," he continues. "I have to give credit to my guys. They've worked very hard. They're very dedicated."

They are also motivated to make sure that Compass remains successful. A few years ago Rath asked a consultant who he met when he was at Traub to "take the temperature of the employees" at Compass. Rath says the consultant was quite surprised at what he saw. "He said, 'You've got press operators out there who keep saying

they can do 70% more work if you give it to them. I've never heard of that. Usually production people say, 'I'm overworked, I can't keep up.'" Rath told the consultant that many of the employees lost their jobs when other plants, like Traub, closed and they want to make sure Compass is successful, "They know what happens if you get outdone by your competition. It's their shot at staying in an industry that they like."

Looking back, Rath says working for

EVERYBODY WORKS HARD, BUT WE ALL HAVE FUN TOGETHER.



Traub Container and owner David Simon was a wonderful experience. "There was always an atmosphere of learning and knowledge sharing. I want to mirror that. The door to my office is always open unless I'm talking to someone about salary.

"The best compliment I ever received was from Mike (Dubose, the designer). He said, 'Phil since we've started Compass there is not a single day where I've thought 'I don't want to go to work.' That's exciting, when people enjoy what they do. Everybody works hard, but we all have fun together. These people are in a place where they're not constantly looking over their shoulders. This is an environment where you can raise a family, know you have a secure job, know you're doing the right thing and at the end of the day everyone takes care of each other." ■

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