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Leading the charge at Malnove are Paul Malnove (front center), Bill Malnove (middle left), Lee Andrews, (middle right), Jim Belcher (left rear), Tripp Worthy (center rear) and Dale Houck.

Home Field Advantage

Forward thinking, commitment to customer needs and a drive for continuous improvement drive success at Malnove.

by Tom Polischuk, Editor-at-Large

Home Field Advantage

Malnove beats stiff competition with total solutions



Taking the home field advantage are Paul Malnove (center) Bill Malnove (left) and Dale Houck.



North American folding carton suppliers face a number of challenges, most notably stiff competition from flexible packages such as stand-up pouches, along with almost pervasive industry overcapacity. Being successful in such a highly competitive environment requires a steadfast focus on meeting customer demands—and applying leading edge technologies to gain an advantage over competitors.

Malnove is one company that is not just surviving in this competitive landscape but is using the challenges to make itself stronger—and is thriving in the process. One of the keys to the company's success is in how it leverages use of an automated information system from EFI Radius to stay ahead of the game in folding cartons.

Founded in 1948 in Brooklyn, NY, by CEO Paul Malnove, the company operates production facilities in Jacksonville, FL, Omaha, NE, Clearfield, UT, and Kapolei, HI. Malnove positions itself as a total solution-based company that focuses on customers' top-line goals while delivering on bottom-line metrics. This total solutions approach takes it well beyond folding carton printing and converting to include specialized form, fill and seal systems; product handling; cartoning; case packing; and palletizing equipment.

Three Tenets

Paul Malnove says the company operates based on three tenets to deliver long-term and sustainable benefits to its customers: Intelligent Design, Continuous Joint

Process Improvement and Speed-to-Market. “We like to think of our commitment to these tenets and our alignment with our customers' needs as the basis for a strong home field advantage.”

The foundation of this commitment is an intimate understanding of what is important to customers and a drive for continuous improvement—pillars that help the company control its own destiny in a market burdened by overcapacity and low growth.

“Our customers have a wide selection of suppliers to choose from,” notes Malnove. “We believe that our passion for getting better every day is a compelling reason that they to choose us.”

One of the company's largest market segments is food, supplying virtually all product categories including prepared and frozen foods, dry goods, dairy, baked goods, coffee and tea, just to name a few. “We really look for alignment with customers who value our needs-based philosophy and focus on working collaboratively with brand owners and retailers alike,” says Lee Andrews, vice president of sales. “Customers in this segment are very demanding about supply chain execution, carton quality, cleanliness and food safety, and cost. This segment has remained stable through challenging markets and aligns well with who we are and the capabilities that we have developed.”

Suppliers for the North American food market are well aware of the spotlight on food safety, stemming in part from the passing of The Food Safety Modernization Act in 2011. Malnove responded proac-



tively by completing the Food Safety Systems Certification (FSSC) 22000 just last year. This certification is part of an international standard for food safety directed at food and food packaging manufacturers. In part, it establishes standards for food safety, cleanliness and housekeeping that are considered state of the art.

Managing Information

One of the keys to Malnove's competitive advantage during the past decade was its relatively early adoption of a computerized management information system (MIS). It installed a Radius Solutions (now EFI Radius) ERP system in 1999, well before automated information systems were even on the radar screens of most packaging converters. Having an ERP system has provided a business and production workflow backbone that has enhanced decision-making and resulted in improved quality while reducing waste and inefficiencies.

With four plants across the U.S., the ability to access real-time business and production data has also enhanced Malnove's ability to partner with its brand-owner customers. This is especially true as vol-

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umes and job complexity have increased in a multi-plant environment.

"Not only has the number and complexity of jobs grown, but time to market has also become increasingly critical," points out John Samuelson, Malnove's IT director. "Without a robust, packaging-specific ERP system, it would have been very difficult to evolve our business the way we have, staying profitable, competitive, and responsive to the needs of our brand-owner clients."

Company-wide Efficiency

Over time, Malnove has continued to implement upgrades in the ERP system, leveraging advanced capabilities to improve processes even more. "One of the biggest advantages of having a company-wide ERP system is the ability to efficiently run a single job across multiple plants," Samuelson says. "With our Florida, Nebraska and Utah plants all running Radius, we benefit from a unified view of production capacity and deadline management, making it easy to meet the needs of customers who want packaging produced and shipped to multiple locations across the country for filling."

In addition, Samuelson points out that producing packaging in geographic locations that are closer to the destination not only saves time and shipping costs but also reduces the overall environmental footprint for Malnove and its clients. "This is becoming increasingly important," he says, "not only because of the rising costs of shipping, but also due to increased attention that brand owners are paying to environmental sustainability across all of their operations, including the environmental footprint of the packaging supply chain."

Samuelson has been especially pleased with many of the enhancements to the ERP system, such as the ability to provide multiple estimates for a single job and enhancements to the scheduling module that make it easier for Malnove to optimize production across its different locations.

"With the enhanced scheduling capability, we have found that

not only are jobs scheduled more efficiently, but we can make better use of our human resources, such as aligning work shifts to meet pressing customer deadlines," he notes. "We can quickly calculate the best way to allocate work across the production platform and ensure we have appropriate staffing to prevent missed deadlines." The scheduling system also helps balance the requirements for short- and long-run jobs, ensuring that fast-turn jobs can be done quickly without jeopardizing delivery schedules for long-run jobs.

The easy access to reliable information has also supported the company's efforts to achieve several certifications, which are vital to a supplier in the food market. The EFI Radius ERP system has been a key element in the company's ability to gain ISO 9001 quality certification, as well as superior ratings from the American Institute of Baking for its food packaging operations.

Sustainable Future

Those industry certifications also play an important part in the company's commitment to sustainability. Malnove has achieved tri-

certification for chain of custody with certifications from PEFC (Program for the Endorsement of Forest Certification), FSC (Forest Stewardship Council) and SFI (Sustainable Forestry Initiative).

"Malnove is one of the largest purchasers of paperboard in North America, and as such, we have a responsibility to source our fiber sustainably," says

Andrews. "This includes tracking and recording the possession and transfer of wood and fiber from the forests of origin, through the different stages of paperboard production, to our plants."

These chain-of-custody certifications create real value for Malnove's customers. "We are finding that our customers are more focused on the sustainability attributes of their packaging than ever before," continues Andrews. "Our certification process and sourcing strategy positions us to deliver on these needs."

Meeting Challenges Head On

As successful companies are known to do, Malnove has set itself up to turn challenges into opportunities. Decreasing margins stemming from significant overcapacity in the industry have driven change at the company. "At Malnove, this dynamic has created a laser-like focus on cost reduction and flawless execution," says Paul Malnove. "We continue to invest in the best converting assets that money can buy and focus on attracting and developing the most talented packaging experts in the industry."

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For many years now, the folding carton industry has seen significant consolidation and a concentration of capacity at large integrated carton suppliers. According to Paul Malnove, this consolidation has created further market opportunities for his company. "We have created a business with a low-cost supplier capability comparable with the biggest suppliers in the industry without losing the passion and entrepreneurial spirit of our foundation. We recognize that we earn our living by being focused on our customers' needs and executing on them with every order, every day."