

IN CONVERSATION

KYLE

PPC CHAIRMAN

During his two-year term as the Paperboard Packaging Council's 45th Chairman, Kyle Eldred, President of US-based Frankston Packaging, Frankston, Texas, will focus on member benefits as well as the environmental advantages of paperboard packaging.

■ **Kyle, your career is an interesting journey that began at Koch Industries. In 1998, after 16 years at Koch, you left the company to explore opportunities in owning your own business. You and Norm Bullock, who also worked for Koch, purchased Frankston Packaging, which was your introduction into the paperboard packaging industry. Has being in this industry met your expectations?**

■ Absolutely. We both quit Koch on the same day to go out and buy a business. We searched five States and evaluated 2,000 businesses. We personally visited 25 and we wrote paper on four and we finally bought the last one. We knew it was a mature industry. The business that we bought was profitable, but it made great product in four to six weeks. It was basically a production driven company and we felt if we could move it to a market based and customer focused company there would be huge dividends. We didn't know anything about the industry but we felt we could add value by changing the dynamics of putting the customer first. No matter what industry you're in, if you can do a few things really well, you're going to grow and be profitable.

ELDRED

■ **Frankston Packaging has thrived despite some challenging market conditions. Why?**

■ Success can be broken down to focusing on what your customer wants and allowing the customer to make the decisions for you. Our customers have pushed us to improve quality and turn times and they led us to the decision to buy the fastest equipment in the world. When we did that we knew we had to invest in our people so their skills improved. We've had 13 out of 14 record years and it's because we focus on the customer and what they want. And we make products that are different from the day we bought the company and we've invested in technology and equipment that has allowed us to change with the landscape.

## IN CONVERSATION

### ■ **Congratulations on becoming PPC Chairman. What are your goals and objectives?**

■ Our focus is going to be to maximize principal member company membership and participation at the committee level. Not that we don't have that participation now, but we want to increase and improve the quality. And then we want to increase the value that members are receiving from the PPC by constantly asking them what they need. They're the customers so we're asking them the same questions that Frankston asks its customers. What services do you need, how can we give them to you better and faster and provide more value? And our overall mission is to promote and grow paperboard packaging.

### ■ **How is the PPC going to determine what members want?**

■ We put together surveys on a routine basis asking members what we can provide. We also brainstorm and have focus groups at PPC and talk about what we can provide now that we are currently not providing. I think the saying goes if Henry Ford would have asked his customers what they wanted they would have said, 'Faster and bigger horses.' We want to figure out what members are not asking us that we could provide that we think would be of value.

### ■ **Are there a significant number of companies in the U.S. that are currently not principal members of the PPC?**

■ We have 75 principal members and we would like to grow. When we do our benchmarking we have 85 percent of the volume. There are companies out there that we'd like to get into the PPC so that's going to be our focus.

### ■ **Some organizations are broadening their definition of members to expand membership. Is that something the PPC has discussed?**

■ It is something that we've talked about and will continue to talk about. We haven't

reached any conclusions on that. We merged with NAPA (North American Packaging Association) about four years ago, which was rigid boxes. There's always potential that we would continue to look outside of our core categories.

### ■ **What are some of the issues that the PPC will be addressing in the next year or so?**

■ We're always looking at food safety, like Prop 65 (Safe Drinking Water and Toxic Enforcement Act of 1986 that requires businesses to inform Californians about exposures to chemicals known to cause cancer, birth defects and other reproductive harm). We also want to improve the knowledge that paperboard is renewable and recyclable and focus on the positives.

### ■ **How does the PPC help members in their day-to-day jobs?**

■ We have a boot camp for people from our principal and associate member companies who may not know a lot about paperboard and we teach them everything about paperboard and paperboard packaging. Our associate members teach that. We also have webinars on best practices, short run printing, and lean business practices. Another thing we are focused on is helping all of our sales forces show the purchasing people that we're calling on the advantages of using paperboard packaging compared to alternative substrates.

### ■ **What advice would you give fellow converters about maintaining and**



**Former PPC Chairman Stephen Scherger (left) inducted Kyle Eldred as PPC's 45th Chairman during the fall meeting.**

**Our customers have pushed us to improve quality and turn times and they led us to the decision to buy the fastest equipment in the world.**

For example, today there are 50 percent more trees in the U.S. than there were 100 or 50 years ago. It's because we re-plant four and a half trees for every one we harvest. The industry is doing the right thing and investing in its future. If all we did was cut down trees, we would quickly be out of business. We have counterparts in flexible packaging who don't have the ability to do the green stuff that we can. We really believe that environmental packaging is something that people are interested in and it's a great story that we can tell.

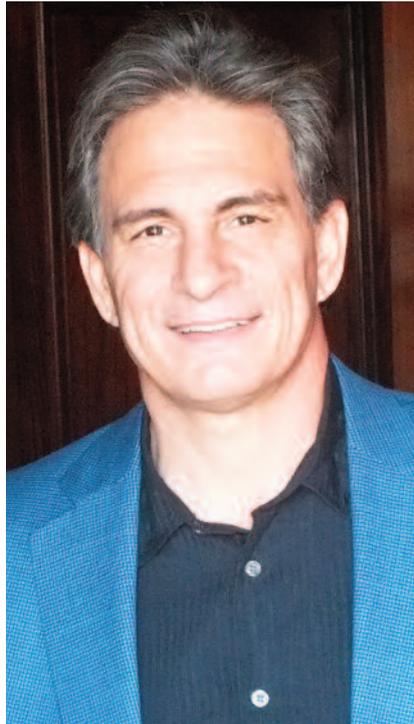
### ■ **even growing their businesses in a very competitive market?**

■ Know what niche you're in and focus on that and listen to your customers and pay attention to what they're saying and what their needs are and how you can meet them. The second part of that is invest in new equipment if you can. The new equipment is very fast and gives you a competitive advantage. And third, implement as much lean manufacturing as you can. We all have to get smarter, quicker and faster at what we're doing.

■ **Where do you see the most promising opportunities for growth?**

■ We've got some really good news going on right now. There is re-shoring where manufacturing is coming back to the US. Manufacturers took a look at not just the unit cost but also their full costs and realized that being here in America is a good thing. They're coming back and that means their packaging is coming back. The other thing we're seeing is larger companies asking for shorter runs and more SKUs and not wanting to hold inventory. That provides us with an opportunity to understand shorter runs and how we can optimize our businesses around that. The third thing is the customer is going to want environmentally responsible packaging and we have to continue to emphasize that.

■ **What would PPC members and FCI readers be most surprised to learn about you?**



■ I am an avid Kansas University basketball fan, which is where I went to school. The other thing is I really enjoy coaching my kid's football and basketball teams. I have four children. They are 17, 15, 14 and 11.

■ **What do you do in your spare time?**

■ I'm an active board member of the Fellowship of Christian Athletes and I am on the board of directors of two charities that my wife, Marlene, runs out of our house — Little Hands Big Hearts Charities and Holy Sheets. She goes to hotels and collects bathrobes, sheets and linens and gives them to battered women's and homeless foundations. One time the Gaylord hotel called us and said they were redoing all of the pillows in the hotel. There were 1,500 rooms so it was 9,000 pillows, six pillows to a box! We brought in Frankston Packaging trucks and started loading them up by hand one at a time into the 18-wheelers. For about three weeks we took pillows to every charity. ■



**STERLING TOGGLE**  
Manufacturer of Print Finishing Equipment

**Register Your Foil Stamping & Embossing Dies Off-Press  
FIRST TIME, EVERY TIME!**



- Save 40-70% on make ready time
- Reduce production bottlenecks
- Quick return on investment

**[www.SterlingToggle.com](http://www.SterlingToggle.com)**  
**+1 (631) 491-0500**

*"We chose the DPS because of its simplicity, anyone in our shop can operate the DPS"*

- Glenn Gauger, MCD Inc.



Products you trust people who care.