

‘Our own little corner of the world’

Northern Ohio Specialty Shop Eyes New Markets and Double-Digit Growth

By Steve Young



Harry Perdue Jr. describes himself as the “last man standing” in the specialty single face landscape. As president and owner of Packaging and Pads R Us, LLC, in Milan, Ohio, he can remember the days when he began his career in the corrugated business. “I started in the industry in 1978 as an off-bearer on the corrugator at Westvaco’s Sandusky (Ohio) plant,” he said. When Westvaco sold the Sandusky operation to Schiftenhaus Packaging Corp., Perdue moved on to the “corporate fast-track” at Champion International, beginning at the company’s headquarters in Stamford, Conn. He was then sent to plants in St. Paul, Denver and Birmingham, eventually ending up in Fullerton, Calif. When Champion wanted to promote him to production manager in Fullerton, Perdue decided he’d had enough of the corporate track and returned to his Midwest roots, landing back in Ohio as an industrial

engineering manager at an auto parts maker. He couldn’t work the box business out of his blood, though, and in 1989 he and his father Harry Perdue Sr. founded P & P Packaging in Monroeville, Ohio.

“I said to my dad, ‘why don’t we start our own thing?’ So we opened a small sheet plant making plain brown boxes.” Perdue said that the business started off well enough, but like a lot of independents in the brown box business, maintaining margins was a real challenge in the competitive market at the time. It wasn’t until 1994, when one of their customers, Huffey Bicycles, came to them asking for protective cohesive pads, that the Perdues discovered an opportunity. “Huffey was looking for a special adhesive wrap to cover various parts of the bicycle frame, especially to protect graphics. When Huffey approached us we said, ‘Sure, we can do that!’ Then, of course,

we had to go figure out how to make them.” Their initial efforts were noble enough, but were, in Perdue’s words, “an absolute mess.”

“At the time we were buying single face sheets and we found a machine builder over in Norwalk (Ohio) to build this machine that sprayed a latex film onto sheeted single face. The entire plant would fill with this fine latex mist and even your eyes would stick shut. It took 10 guys on two shifts to fill our orders for Huffey. We had to find a better way.” The “better way” as often happens, was an accidental air hose release by a production worker that spread the latex more evenly along the flute lines, and it was then they realized that removing the spray heads would allow them to significantly streamline it.

Perdue explained that at that time there were 17 million bicycles sold in the US each year, and 13 million of them were made in America. In 1995, when Chinese bicycle exports to the US reached an all-time high, the three major domestic manufacturers – Huffey Bicycle Corp., Murray Ohio Manufacturing, and Roadmaster – filed a suit with the U.S. Commerce Department and the International Trade Commission charging that Chinese bicycles were being sold in the U.S. “at less than fair value.” The three companies sought tariffs of up to 50% on Chinese bicycles, but in the end the newly founded World Trade Organization (WTO), to which the case was brought, imposed a levy of only 5%. Perdue said that this decision

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Harry Perdue Jr., President of Packaging and Pads R Us, poses with, at right, Lisa Brownell, his sister, who serves as the company’s controller. On the left is Perdue’s daughter, Alexandria, now in college, who hopes to come into the business one day.

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effectively killed the US bicycle manufacturing business: “By 1999 Huffy had stopped making bicycles in the US, and we had to find other markets.” The new markets all involved single face.

“We initially began making pads for the furniture industry, but this market also began to go south as more domestic producers went to Mexico or overseas. We had a couple of food accounts at the time, and so we began to grow our business in this area,” he said. During 2005 they were approached by Forest Resources, and eventually sold the Monroeville operation to them. Perdue stayed in the industry, but realized he was better suited to be his own boss. So in the spring of 2008, P & P Packaging reinvented itself and opened its doors as Packaging and Pads R Us, acquiring from Global Equipment in that year three Langston single-facers – two 85-inch units and one 69-inch. Now, Perdue explained, the company’s major customers are food service distributors which sell to ‘mom and pop’ pizza parlors, as well as the bakery and confectionary business.

The company’s product specialties allow them to ship well beyond the normal market radius for most corrugated packaging operations. “Our specialization allows us to ship across the country,” he said, with many customers buying FOB our dock.” Plant Manager Doug Peterson oversees 25 full-time employees, six or seven temporary workers help with pack-out when larger orders require it. The 41,250-square foot facility is located just off exit 118 of the Ohio Turnpike for easy East-West interstate access.

One of the Langston single-facers is paired with an in-line 66” x 110” rotary die cutter manufactured by Corfine. The others utilize flatbed die cutters, or shear the single face

into shingled sheets cut to size for the customer and packed out at the end of the line. The larger Langstons make mostly single face “cohesive” material which is converted into self-mailers, fragile part protection or other industrial uses, or produce rolled single face for the trade. The newest machine at Packaging & Pads R Us is a 45-inch single facer specially designed for the food and bakery market. It is one of five the company recently acquired. The 60-foot long unit utilizes extremely lightweight liners -- 8-11# bleached virgin material -- from specialty paper makers such as Domtar and Quillon® which sell for upwards of \$3,500/ton.

For industrial customers Packaging and Pads uses conventional virgin and recycled grades ranging from 23# up to 69#. Most of these come from major producers such as Rock-Tenn and Georgia Pacific. However, like many independents in the paper converting business, Perdue has some concerns about the reliability of his supply of his specialty raw material. “Ten years ago there were five or six suppliers of these unique lightweight grades, and now we’re down to one or two. Premium One is the largest supplier, and they’re based in British Columbia. So yes, it’s a concern.”

He and his crew are optimistic, though, about the future. They are close to achieving AIB certification for the plant which will allow them to more aggressively go after larger and larger food accounts. “We’ve taken the first steps in this process, such as changing out all our lighting to shatter proof fixtures and documenting all incoming and outbound trailers,” he said. “When we get this certification in 2012 we are hopeful it will open more doors for us in the food packaging area.” He said that the food market offers unique challenges for packaging



Doug Peterson, left, Plant Manager, oversees 25 full-time employees in the plant. With him is Harry Perdue Jr., President.

converters: “A new prospective customer has now come to us with new requirements to detect metal in the packaging, down to 4 parts per million. Our new equipment has metal detectors installed to help us control this and meet their requirements. We’re learning a whole new set of rules with food packaging,” he said.

Packaging & Pads is a lean operation, like most family businesses. Perdue handles most accounts himself along with some independent brokers in the food market in various parts of the country. Perdue’s sister, Lisa Brownell, is Controller, and she and Customer Service Representative Sharon Berger handle the office operations. Growth is on everybody’s mind these days. In late 2011 the company was shipping about 10 million feet of product, Perdue said, and he expects that to grow to between 10-15 million in the next five years.

“We have a great team here and a dynamic customer base, so we’re optimistic about the future,” he said. “This is our little corner of the world.” ■