

WHEN JANA AND JENISE HARRIS JOINED THE COMPANY THEIR FATHER, JOE STARTED, THEY VOWED TO CONTINUE HIS MISSION TO EXPAND AND GROW THE BUSINESS.

BY LEN PRAZYCH

Bigger, better, faster. These are the themes that resonate when one hears the story of Haltom City, Texas based Harris Packaging Corp. Bigger product line, better service, faster machines, and yes, bigger revenues and profits. It should come as no surprise that "bigness" is a theme, given the independent, second-generation sheet plant spawned a folding carton company — American Carton Co. (ACC) in nearby Mansfield, Texas — and that both companies

continue to grow significantly deep in the heart of Texas, where bigness is synonymous with, well, just about everything else in the Lone Star State.

The company's patriarch, Joe Harris, founded the company in 1976 with his wife, Joyce. Formerly an employee at Lone Star Container in Dallas, Joe brokered for about a year on his own, when the opportunity arose to buy a small and established sheet plant from Green Bay Packaging. Harris Packaging got much bigger very quickly and Joe Harris got very busy. Early on, he simultaneously wore the hats of Sales Manager, General Manager, and Production Manager. The company continued to grow but Harris knew he needed help. In 1984, he hired a former competitor, Harrell Bivens, as the Sales Manager.

THE MANAGEMENT TEAM FROM LEFT, MARK GILES, PRODUCTION MANAGER; HARRELL BIVENS, GENERAL MANAGER; JANA HARRIS, PRESIDENT/CEO; JENISE HARRIS-COX, CFA; AND MATT BIVENS, SALES MANAGER.

Continuing The Legacy At Harris Packaging



Harris Packaging

Harris Packaging recorded sales of \$6 million in 1984. Today, 31 years later, Bivens is General Manager, and 2015 sales of about \$38 million make the goal of achieving the \$40 million milestone very appropriate this year, Harris Packaging's 40th anniversary.

"Joe was the visionary of the company," Bivens says. "He knew where he wanted to go and surrounded himself with the people who would get him there. Yet, his strength wasn't the nuts and bolts and day-to-day stuff, it was providing the leadership to get the company where he envisioned it going."

The Second Generation

Joe's wife and partner, Joyce, passed away in 1991 and a decade-and-a-half later, he considered selling the business. When the opportunity arose, however, he discovered he didn't have the heart to do it. He also didn't have a succession plan in place.

His daughters, Jenise and Jana, had been around the box business all their lives. They were adults now, both having earned college degrees and raising their

own families. The sisters had spoken to each other about the possibility of joining their father's business, but with each having young children, were not very aggressive about pursuing it. Finally, in 2006, Harris approached his daughters and asked if they would be interested in taking over the business. Both agreed to join the company, but they were not going to come in with management positions. They had to learn the ropes. Jenise went directly to the financial side of the business and Jana worked in customer service, shipping, scheduling, purchasing and sales.

"We knew generally what the business was about but we had to learn the details," Jenise says. "We knew what the machines did but didn't know how to run them or understand how we could maximize their potential."

"It was important that we did this together," Jana adds. "Either of us would have likely succeeded in the business but not as well or as fast without the other. It's been great working together and learning together. We have different strengths and we complement each other well."

Bivens recalls how when Jana and Jenise came on board in 2006 there was a sense of relief in that the companies would not be sold and their father's second-generation vision for the future was coming to fruition. "They brought new energy and reinvigorated the companies and I feel that this is when our 'rebirth' started," Bivens says.

"We are honored that dad had confidence that we could continue what he and our mom put so much heart and effort into. With such a good foundation to build on, it is easy to be excited about the future and continuing the legacy," Jenise says.

Bivens points to the fact that Joe always allowed him the freedom to do what he needed to do. Jana and Jenise continue their father's pattern of relying on key employees' strengths. "No single person is responsible for our company's success, it has truly been a team effort," Jana says.

Investment Strategy

What Jana and Jenise wanted to do was grow both the corrugated and the folding carton businesses. In 2009, the new management team hired Matt Bivens, who had previously been with International Paper and who happened to be Harrell Bivens' son, as the company's Sales Manager. Since the hiring, sales have grown from \$22 million to \$37.5 million, despite a national recession.

"One of our greatest strengths is that we can sell anything — small, medium, large, plain boxes, five-color direct print boxes, litho label boxes, you name it," Matt says. "There is nothing that our sales team cannot sell and we cannot make. This is really unique in the market. Most other companies provide brown boxes or graphics, but we do



both. Since Jana and Jenise got involved, they have spent nearly \$8 million on high-speed equipment that has made the company super lean and super efficient, which has allowed us to get into markets that we weren't in before. This was a very big deal for us."

That equipment includes a Martin four-color flexo folder-gluer with diecutter that can run up to 18,000 boxes per hour; a Ward six-color rotary diecutter with JB Machinery dryers and KleenPlate system; an AG Stacker XRI Flexi Deck; a McKinley three-color 66- x 113-inch diecutter with scoring section; a Bobst 50- x 80-inch diecutter; an Automatän labeler; a Langston Saturn III 145 two-color flexo folder-gluer with diecut section; a Post folder-gluer; a Hooper 72- x 160-inch two-color jumbo flexo folder-gluer; a Hooper 72- x 160-inch letterpress that was converted to a

flexo press; and a Signode Unitizer.

"We are extremely excited about the new opportunities that the dryers and UV capability will present our customers," Jana says. "Working with JB has been a pleasure. Dave Burgess even came into town to train our sales staff on the new capabilities that we now have. And Pamarco's insights helped us determine the correct anilox rolls for our current and future mix of business."

"We have owners who have invested and reinvested and keep investing," Harrell says. "We have sustained growth, and a seasoned sales staff who are in their prime. We feel like we're set for the future and now we will maximize our potential in the graphics side of the business."

"High graphics," adds Matt, who emphasizes the concept of "adding value to the mix." The goal is to go from a

shop that does 90% brown box and 10% graphics to one with a 75/25 ratio, which will in turn help the company realize more profits. "There are 30 box plants in the Dallas Fort Worth market and margins are very tight in the brown box business. Margins are better in graphics and we want to balance our brown box business with higher-margin, value-added work."

Half of Harris Packaging's business is JIT; the company manages its customers' inventory in over 125,000 sq ft of warehouse space and customers can call today to order what they want tomorrow. Keeping inventory has not been a problem and has been an area of post-recession growth. In fact, the JIT business begun in the late 1980s has grown significantly and the company has large accounts today because of it. It proved to be a differentiator that



THE GLUERS HAVE LEARY SCANNING SYSTEMS.



HARRIS PACKAGING HAS AN AUTOMATÄN LITHO LABELER.



THE MARTIN FLEXO FOLDER-GLUER IS EQUIPPED WITH A CLEARVISION QUALITY INSPECTION SYSTEM.



AMONG THE CARTON PLANT'S FINISHING EQUIPMENT IS A BOBST EXPERTFOLD.

Harris Packaging

separated it from its competitors. Today, Harris packaging owns seven tractors and 31 trailers so that, according to Harrell, "We can deliver like the milkman used to." The company's average inventory turn is 28 days and it ships nationwide.

Harris Packaging has grown to 100 employees and it runs two shifts in its 220,000-sq-ft plant in Haltom City, but the facility is "landlocked" with limited room for physical expansion. Growth will come by adding shifts or by moving warehousing off site so there is room for more equipment.

A 'Diamond In The Rough'

In 2008, Joe Harris was at a crossroads with ACC, the folding carton company he'd started in 1992. He knew the enterprise was a "diamond in the rough" and that the potential for growth was huge, given the better margins in the folding carton space. He discussed it with Jenise and Jana, who by then were immersed in everything that came with running a sheet plant. Wouldn't it be

easier to sell ACC and focus their efforts entirely on Harris Packaging? Would the formula for investment and reinvestment that was working so well at Harris be as successful at ACC? Ultimately, the Harrises decided to keep ACC and bring in a folding carton expert to run it. In 2009, Trent Tucker, formerly of RockTenn, joined the company as ACC's General Manager and was tasked with growing the business.

The company began its course of peaks, plateaus and valleys. ACC lost its largest account, a "perfect customer" who left the paperboard industry completely, taking with it \$2 million in annual sales. "We became stronger because of it," says Tucker. "Today, we have a more diverse customer base and a better mix of business, and not all customers are in one industry. Our business was strong enough to absorb the hit and come back bigger, better and more diversified than ever."

Like it did at Harris Packaging, investment in machinery is playing a significant role in ACC's growth, the most recent being the purchase of a

Bobst Novacut 106-ER diecutter with blanking capability. The newest member of ACC's machine family will join two existing Bobst 102-E diecutters.

"This will be an excellent mix because the 102-E diecutters do not blank and we will use the Novacut for longer runs," Tucker says. "It makes sense to run a lot of our shorter runs on non-blanking diecutters. It will be a very good configuration."

Forty-five employees run the folding carton operations at ACC, which occupies 51,000 sq ft. The space also permits ACC to stock paperboard for its customers, which like Harris Packaging, allows it to turn around projects quickly.

The Education Equation

Harris Packaging and American Carton value education and the importance of developing the skills and talents of students who may one day become employees. Joe Harris is a University of Texas Arlington (UTA) graduate, as is Jana Harris. Since 2011, Harris Packaging has been an International Corrugated



THE AMERICAN CARTON CO. TEAM.



THE PRODUCT MIX IS EXTREMELY DIVERSE.

Packaging Foundation (ICPF) partner and was elated when ICPF placed equipment, software, and curriculum that supported packaging education at UTA.

Harris Packaging and ACC offer tours for UTA students so they can get an understanding of the industry and specifically, the box design and manufacturing process.

Harris Packaging recently established a UTA scholarship in Joe Harris's name and selected its first recipient. Further, ACC has hired a UTA graduate and created a position that provides an important value-added customer benefit. Chase Whittington researches the customer and develops new designs, packaging and prototypes for

ACC customers to see if it is a direction they want to take before investing time, energy and money in printing an entire run.

Says Jana, "Our customers appreciate the value of this service, as well as the attention to detail and ultimately, the delivery of a package that helps them sell their product." ■

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