

Positive Packers

Generally encountering a feeling of positivity, *Jez Abbott* talks to several contract packers about 2018 highs, the challenges they face, their focus and expectations for 2019 and, perhaps inevitably, Brexit among other issues currently affecting the sector

How has trading been for 2018?

Sarah Johnson, marketing manager, Cannon Packing and Logistics: 2018 has been a landmark year – huge increases in volume from new and existing customers. Workforce has grown 25% and our warehousing space by 50%.

Paul Price, commercial director, Lemonpath: Positive, with continued year-on-year growth, but delays within the supply chain have challenged our seasonal programme in gifting. We invested £500,000 in facilities: two mezzanine floors to give 40% increase in gift packing capacity.

Chris Hutchinson, operations director, Ceewhy Vancouver: Very good, as companies stock hold awaiting the final outcome of Brexit – for a storage company this is good.

Steve Tiley, sales manager, Walkerpack: Positive, with growth year on year coming from existing and new sectors. More clients are choosing to outsource parts of their operation.

Judith Leighton, managing director, APS: We've enjoyed a sustained level of turnover for the last three years.

Glenn Lindfield, chief executive, Cygnia: So far, it's been good with strong volumes, but we're going through a key trading period – the golden quarter and Black Friday period – and it's going very well so far.

What have been the highlights over the last 12 months?

Johnson: Working with new customers and developing exciting projects with existing ones.

Price: 2018 was a year for planned restructure and strengthening of the management team. Several accreditations were revalidated to include BRC.

Hutchinson: Less of a highlight, more a year of hoping for government leadership on Brexit.

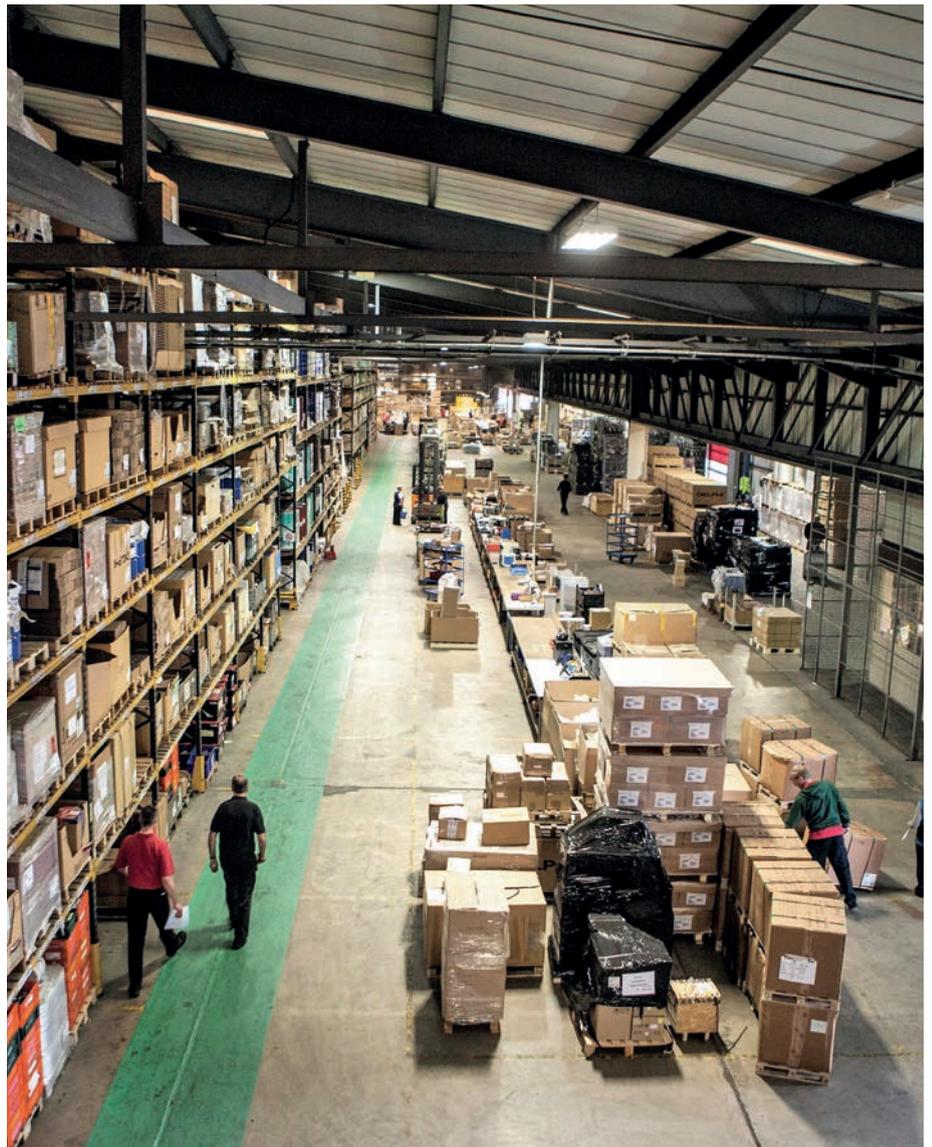
Tiley: We took control of a new warehouse management project for an automotive client and also invested in technology to support growth in automotive and aerospace applications.

Leighton: We've diversified into food and alcohol packs and have seen a 200% boom in that kind of work.

Lindfield: Customers are growing e-comms businesses and this poses challenges of achieving scalability at an appropriate cost. We invested on a Kardex solution for a customer with over 30,000SKUs to allow us to reduce warehouse footprint and improve picking productivity.

What markets do you operate in and are you targeting any new ones?

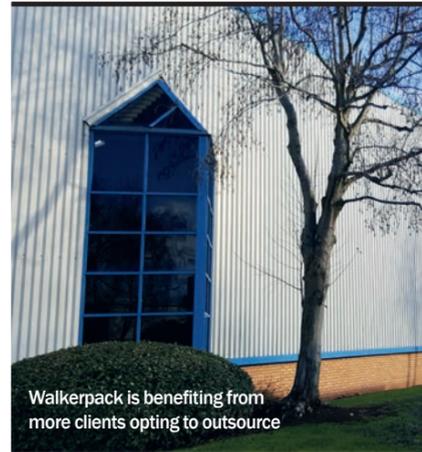
Johnson: Our customer base covers a broad range of industries, but our roots are in the engineering sectors.



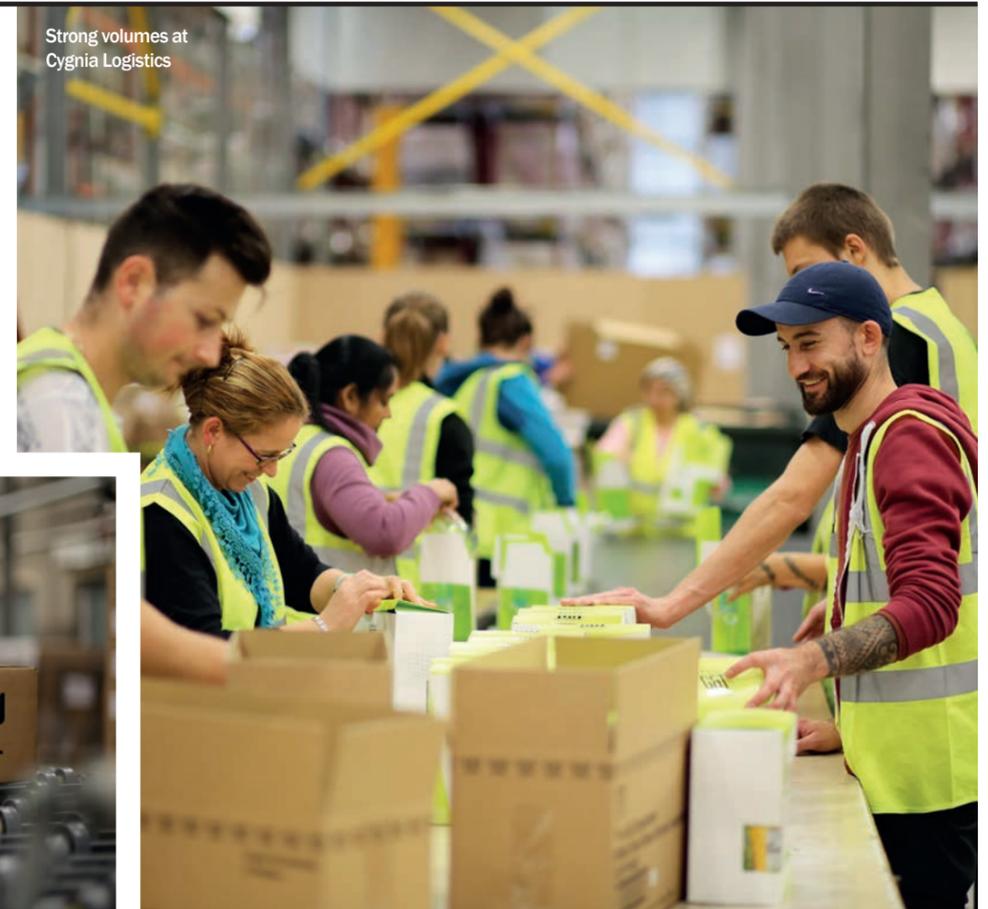
Cannon has increased its warehouse space by 50% this year with its workforce expanded by 25%



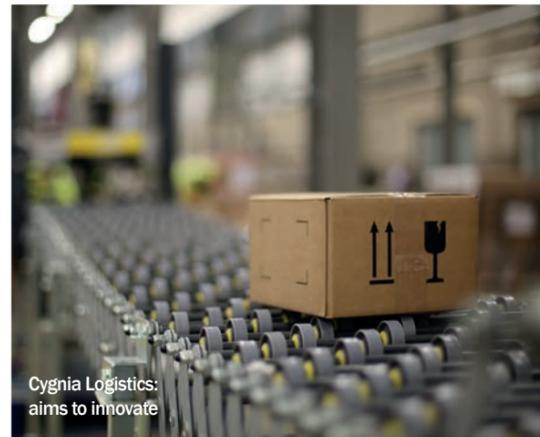
APS has enjoyed consistent turnover for the last three years



Walkerpack is benefiting from more clients opting to outsource



Strong volumes at Cygnia Logistics



Cygnia Logistics aims to innovate

Price: Gift, food and drink, retail, garden, print, point of sale, DIY, consumer and wholesale. We plan to advance our group operation with our German partners and support activities in the US.

Hutchinson: Storage, fulfilment and small handwork kitting and labelling, purely on recommendation.

Tiley: Traditionally automotive and aerospace, but also retail and e-commerce sectors which present growth opportunities.

Leighton: Food and alcohol as well as pharma are areas we are targeting but apart from gifting for all sectors, we embrace any extraordinary pack.

Lindfield: Health and beauty, automotive, high tech and FMCG. In thinking about new target markets its worth considering operators not yet fully embracing e-comms but seeing traditional channels to market disrupted.

Has business been affected by the uncertainty over Brexit? And do you fear a 'no deal' Brexit?

Johnson: There is nationwide uncertainty and seemingly unknown areas on imports and exports. We have learnt to provide flexible and



There needs to be a large overhaul of skills taught at schools
Chris Hutchinson
Ceewhy Vancouver

positive solutions.

Price: We have worked with several clients allocating a proportion of their stock to our group facility, Lufapak, in Germany. The uncertainty of Brexit has impacted labour supply.

Hutchinson: Business maybe has benefited on the uncertainty, as clients stock hold, but lack of clarity has halted investment.

Tiley: Like all businesses we are keen to learn more about any outcome as soon as possible.

Leighton: Yes, we fear the uncertainty a 'no deal' could bring, and feel companies are hanging back in making critical decisions.

Lindfield: It's a case of wait and see: if you're involved in the movement of goods, building inventory is the logical response to potential friction caused by Brexit – and this will be a challenge for the logistics sector as there isn't a lot of spare capacity in the market.

There is a strong desire in the packaging industry to develop new talent. How is your business helping to inspire the next generation?

Johnson: It is important to bring in new talent with new ideas while nur-

turing and developing current workforce, so it's important to create a balance.

Price: We encourage employees to undergo internal and external training which is reviewed annually. In 2018 several of the key Junior management team achieved NVQ qualifications and within our BRC facility a number of management and production employees progressed to level 2 of HACCP. We have a succession plan for the next three, five and 10 years.

Hutchinson: There needs to be a large overhaul of skills taught at schools to bring forward new talent. Meanwhile need more engagement with schools and further education to provide more relevant skills.

Tiley: We invest in technology that brings to the forefront new talent and fresh ideas. All employees have clear objectives and actionable feedback – good for morale and all-round culture.

Leighton: Businesses should develop talent: many of our staff are homegrown; with us since the beginning of their careers. We plan to connect with our local university to encourage a placement with APS and work with its industrial engineering facility so they can bring students to our premises.

Lindfield: We're engaged with Northamptonshire Growth Hub, University of Northampton, the South East Midlands Local Enterprise Partnership and Apprenticeship Levy Forum. Our sector must drive home what a great career logistics can offer – progress can be very rapid.

What is your strategy for 2019?

Johnson: We have earmarked strategies to improve our cost-



Lemonpath has invested £500,000 in its facilities

to-quality ratio for customers and to continue to maximise efficiency.

Price: Further investment, with emphasis on energy efficiencies such as LED lighting, waste disposal and recycling. We will focus more on logistics, e-commerce and fulfilment.

Hutchinson: It will be dictated by Brexit, but I expect 2019 to be a better than national forecasts of doom.

Tiley: To continue to deliver short- and long-term business growth plans.

Leighton: To diversify more, keep an eye on costs and make ourselves ready for a possible 'no deal'.

Lindfield: Maintaining growth and cost-effectiveness, which means adopting new technology to deliver unit cost improvements, increasing our physical capacity and being continually innovative.

If I could change one thing about the industry it would be...

Johnson: To change misconceptions that to work with a contract packing company is to lose control of your warehouse and product. We prefer to partner our customers and their in-house processes.

Price: To achieve greater certainty post-Brexit and greater understanding how the intended national living wage increments planned through to 2020 will aid industrial strategy.

Hutchinson: To foster the understanding that logistical costs and demands are important and that product design should take more notice of logistical demands.

Tiley: The industry continues to challenge and inspire and we are looking forward to an exciting future.

Leighton: To discourage companies from taking work out of the UK to lower paid countries – its difficult to compete with the low wages.

Lindfield: To sell itself better: it's a fantastic industry full of committed people doing amazing things to make sure the products we enjoy arrive on shelves and doorsteps as they do. ■

THIS MONTH'S INDUSTRY EXPERTS



Sarah Johnson is marketing manager for Cannon Packing and Logistics, a 138-staff company formed in the 1990s that has a 9,000sqm warehouse in Abingdon, Oxfordshire serving clients across sectors including engineering.



Paul Price is commercial director at Lemonpath, part of the DK Group, based in Leicestershire and operating with a combined area of 600,000sqft and 75 employees. Currently, turnover is in excess of £10m per annum.



Chris Hutchinson is operations director at Ceewhy Vancouver based on a 3.5 acre site in Heathfield, East Sussex, offering storage, fulfilment and small handwork kitting and labelling for distribution in cartons, pallets, containers anywhere in the world.



Steve Tiley is sales manager for Walkerpack, which has more than 50 years' experience in the supply chain sector, processing up to 500,000 parts a week for automotive, aerospace, manufacturing and retail, based in Northampton.



Judith Leighton is managing director of APS based in Blyth, Northumberland, with up to 250 staff making a turnover of around £4.5m serving health and beauty, laundry and cleaning, pharma, engineering and food and drink markets.



Glenn Lindfield is chief executive of Cygnia based in Northampton, with over 500,000sqft of warehousing and 600 staff turning over £50m from fulfilment services to omni-channel operators including warehousing and systems integration.

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