

## Developed to Service an Underserved Market in the Microflute Industry, Packrite is focused on a Highly Specialized Segment of Retail Packaging



### Retail Packaging



**Michael Drummond**  
**Manger**

**BIO:**

Meet the new gal and guy on the block, Mary and Michael Drummond of Packrite LLC of High Point, North Carolina. They arrived less than four years ago and have already shown solid and steady growth where those already on the block might be wondering what has happened to some of their business.

It is not that Mary and Michael Drummond, the founders, have shown up and slaughtered the competitors; it is that they have shown up with an idea that not only benefits themselves, but that is a definite benefit to the other

box plants in the Southeast. The secret, if it really is a secret, is that they are a crossover company. Packrite produces quality microflute top sheet as well as paperboard, and out-sources all printing. Their research showed there was so much local printing capacity in the area that it is advantageous to buy printing rather than create a print shop at Packrite.

Getting into the box business is capital intensive. You cannot do it without a lot of expensive machinery and some pretty high labor costs. But you can do it a lot better when you see and occupy a niche that can be served without a printing press, and with a few well-chosen and modern machines. Mary and Michael's crossover concept started to emerge in their planning stage. So they began thinking of these box plants as their customers and not as competitors. This intense structuring and financial planning took over a year 24/7.

Although the company is new starting in October 2008, Mary and Michael have been around the block a few times and they know what works and what does not. Mary has been running O.Herring Inc. and Michael cut his teeth in a family owned box company. They know when to tap other sources and when to be the source that others want to tap. Mary with the help of her company O.Herring Inc. of which she owns 100% supplied the Packrite with 75% of their Capital. One other woman joined her as a 4% stock holder.

**About Packrite LLC:**

Packrite is the fresh source for your microflute & folding paper packaging requirements. We offer expert ser-

vices on demand with scalability, flexibility and dependability. We are in an area where other converters do not pay much attention to quality microflute production. So, our plan was to get state-of-the-art equipment that required skilled operators, but that wasn't as labor intensive as the traditional machinery. The machine that is the focus of our business is a Bobst 64" Asitrade Laminator that is capable of running a 64 x 65- inch sheet.

Mary and Michael's customers are mainly box plants, whether they are doing corrugated or folded paperboard boxes. But, since they also work directly with box user customers they occasionally finds their selves faced with a competitive situation. An end user customer might ask for a quote for complete boxes, and a box plant quoting the same customer might ask for a quote on sheets for conversion. We do not quote against ourselves. We have to keep it fair across the board. This encourages box plants to bring us jobs quickly. If they do not and the customer comes to us first, we just may get the entire job. Mary and Michael are very open with all their customers, both other converters and end users.

Packrite is celebrating its four year anniversary. This is not something most people would celebrate – five years maybe, but not one year. However, opening a capital intensive business in an economy like the one that we currently face and growing, every month is something to celebrate. Michael was able to bring some customers with him when he opened the business, but without aggressively seeking business based on their crossover concept, they would not

done nearly as well; and this brought Packrite to the other part of the equation - their business plan.

It was this 'mentality' notion that became the core of the crossover idea that has been successful for Mary and Michael. You can do microflute on conventional equipment but you still have to glue any printed material to the top sheet. The business we envisioned bypassed this step with the Asitrade and made us not only competitive, but able to offer a much higher quality microflute product. But, that was only the beginning. By not doing the printing, we greatly reduced our start-up and operating costs. By seeing our 'competitors' as potential customers we could project a much larger and more readily accessible market than we would have had if we went head to head with every other box plant in the area. As it is, we have no direct competitors in the South Eastern US, and this is a very comfortable way to work."

**Interview conducted by:  
Lynn Fosse, Senior Editor**

**CEO CFO:** Mr. Drummond, would you tell us about Packrite?

**Mr. Drummond:** Packrite is a manufacture of microflute packaging for the trade.

**CEO CFO:** What is microflute?

**Mr. Drummond:** Microflute is thin-wall high graphic retail paperboard packaging. A good example of microflute would be a five lb. nail box for the hardware industry or a Jack Daniel's liquor gift box.

**CEO CFO:** Would you tell us about the industry in general?

**Mr. Drummond:** The packaging industry is what sells product. Retail packaging is the graphics and look and feel that provides people a medium to sell a product.

**CEO CFO:** Is Packrite a commodity business where price and service is the factor? Why are people choosing Packrite?

**Mr. Drummond:** Packrite was developed to service an underserved mar-

ket in the microflute industry. Microflute is a highly specialized segment of retail packaging. It requires primarily specialized machineries and there are only 37 of them in the country which is a machine called Asitrade. It is made in Switzerland. It is a machine that is a corrugated and a laminator all tied into one piece of equipment. It is highly efficient but it is extremely capital intensive to start one of those. What happens is other companies will come to us to create corrugated sheet out of their printed sheet so that it can be developed for their packaging and in many cases we take care of that also, so that it is easier on them.

**CEO CFO:** Would you tell us about your leading-edge technical expertise?

**Mr. Drummond:** Our equipment is state-of-the-art in the world. Our cutters and gluers in most cases were

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the first machine of its type in the world. The expertise has been developed and most of our people have over twenty years experience inside the packaging industry and developed skills to handle microflute second to none

**CEO CFO:** How do you reach potential customers; or are they coming to you?

**Mr. Drummond:** As people find out about us through different trade publications and different articles that have been written about us, many times they will come to us and tell us that they understand that we actually do what we say we are going to do. People hear good things about us and it is more them calling us than us calling on them.

**CEO CFO:** What is exciting about the industry that people would not realize?

**Mr. Drummond:** Everybody likes it for different reasons. I love it because

it is endlessly variable. We can create and build structures that are unique that we see on the shelves. It is fun to go into Walmart or Sam's Club and Lowes or Home Depot and see the packages that we created. That is special to me, and it is a neat thing to see your creations and how people react to them.

**CEO CFO:** Are there things you would like to do where they equipment just is not there yet?

**Mr. Drummond:** Some of the corrugated die cutters and folding carton die cutters are truly not a crossover piece of equipment. I think there are some opportunities for manufacturers of that type of equipment to open a market.

**CEO CFO:** You were recognized on the Inc 500 list last year with 117% three-year growth. How did you do it and how do you sustain it?

**Mr. Drummond:** The first thing you do is you plan your plan and work you plan. I did a great deal of extensive planning, how to go about it, and developed a plan of action that is the first thing you have to do. You have to

have it all written down and laid out as well as references. You have to know what is out there; why you are going after it and you have to be sure somebody is going to buy. You then have to prove it in the banks, which is always challenging.

**CEO CFO:** People say manufacturing has been dead in the US and, obviously, it is certainly not at Packrite. Do people come to you asking for advice?

**Mr. Drummond:** People do come to us and we help our customers to be more successful.

**CEO CFO:** Why should the business and investment community pay attention to Packrite?

**Mr. Drummond:** We are a force to be reckoned with. In the packaging markets our name is known because we do a good job and charge fair prices. We make other people successful and in turn, that makes us successful.