

## Industrial Packaging, Facility Maintenance and Safety Products Distributor



**Blaine Dinwiddie**  
President

**CEOCFO: Mr. Dinwiddie, would you tell us about FlexPAC?**

**Mr. Dinwiddie:** FlexPAC is an industrial packaging distributor as well as a facility maintenance and safety product & services distribution company. We really have six major product groups that we offer to help our customers improve their operations and reduce overall costs. These are packaging & package design, facility solutions, safety, equipment & automation, technical service, and lighting. There are many different products in our supply chain arsenal in each of these categories but it is our consultative approach that we feel differentiates us. For example, on the packaging side, things like package redesign helps us drive value. This could be as simple as taking an existing product and figuring out, in a material-neutral way, what the best and most cost-effective way to package or promote that product may be. On the facility maintenance side it is attacking labor. When you look at facility maintenance, 90% of your cost is in labor where only 10% of your budget is in the products that you use. Attacking that labor cost from a consulting viewpoint is where we can drive costs out of your operation. From a safety standpoint, we provide a number of safety consulting services ranging from OSHA gap analysis to industrial hygiene analysis. It is not so much about the products we sell as it is the programs, our approach and consultative services that we bring to our customers to help them become the most cost-effective in the marketplace. That is what we do.

**CEOCFO: Was that the original concept or did it develop?**

**Mr. Dinwiddie:** It is our 30<sup>th</sup> year and when we started, my father had planned on just being a broker. My father started the company in 1985 and was a sales rep. for another company that was then purchased by a global company and things started to change. He was good at what he did, having helped his customers as a sales rep. and realized very quickly that things were going to change even further. Ultimately, he wanted to become a broker, which essentially meant not carrying any inventory but rather being that middle man for manufacturers and end-users. Some things changed and some lines that were going to be there were not there. He had to change his model quickly and he started to carry inventory. Regardless of carrying inventory or not, he has always tried to look for innovation in the marketplace. Those new ideas that he could bring to his customers that were of value. He was always open to meeting with suppliers and seeing what was new in the marketplace. I think that has been something that has carried on and has always been part of our culture. We want to continually innovate. When we innovate, it may even mean eliminating the box that we are selling a customer because there is a better or more cost-effective way to do things. If it is the right thing for the customer, then that is what we are going to do. If we don't, someone else will. This part of our culture continues on.

**CEOCFO: Do the industries you work with understand the philosophy of FlexPAC or are they surprised when you tell them of a better or cheaper way?**

**Mr. Dinwiddie:** One thing we do is try and sit down with our customers either semi-annually or annually to review what we have done in the past and discuss those cost reductions that we have implemented because it is competitive out there. When I say it is competitive, our customers are feeling a lot of pressure from their competition as well. They constantly need to find better ways, so it is important to say here is where we were and these are the things that we have done to reduce cost and improve operational efficiency. When you are just looking at a transactional product, we have competitors that can sell a product or move a box very efficiently. We are very competitive with these companies but feel companies

need more than just a transaction. We feel confident and comfortable that overall from a supply chain standpoint we will be the most cost-effective solution because of the expertise that we bring into an account and our ability to be that resource and expertise arm. It is important for us to make sure that our customers understand all that we are doing because oftentimes an improvement, cost reduction program or work-loading program that reduces your facility and operation cost, once implemented and realized could often be an afterthought.

**CEOCFO: Are companies utilizing the variety of services you offer or do people tend to stick within one segment?**

**Mr.:** We have different market segments that have different needs. For example, industrial companies and when I say industrial, it would be manufacturing, distribution, food processing, e-commerce/fulfillment - all have needs in all of our categories. We are in healthcare, building service contractors and education as well, which would be considered different market segments that would not have a packaging need and would also have different equipment needs. Although we started as a packaging company, we have seen the need to expand our expertise and help drive cost out of our customer's operations. About five years ago we acquired a janitorial company and about a year ago we bought another janitorial company primarily to get the expertise of the owner that was running it. He is now our vice president of facilities and he is the one that brings the level of expertise to attack that labor component in the facilities segment of our business. We are seeing a growth in that area. About 9 months ago we started the innoPAC Design Center and brought on a VP of Design to run this division. This really enabled us to attack some of the largest costs in our industrial customers. Recently, we hired a VP of Safety who comes with the experience of having been a Director of Safety at a Fortune 500 company as well as run his own business. He truly understands what happens when not only the products but the safety processes aren't adhered to at our customer's. He has brought awareness to our team and the importance of making sure we help our customers execute on their safety missions. It is all about preventing injuries or even worse, a fatal accident.

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**CEOCFO: How do you stay on top of the various segments?**

**Mr. Dinwiddie:** It is all about the right people in the right seats. When you have the right people, I believe you can do anything. When you have people that are passionate about their industry such as our VP of Safety, whose core focus is reducing injuries and saving lives and that is all he cares about. If you can find someone like that, that understands that world and that is their core focus, then they are going to stay abreast of all the changes in the industry and what needs to be done for our customers to make sure that we are being true to that word of saving lives and reducing injuries. The same goes for the facility maintenance side of the business. Our VP of Facilities lives and breathes making facilities look better at a reduced labor cost. Our VP of Design is an artist and has assembled a team of creative individuals that can think of a solution and make it happen in real life. What they do on a daily basis continues to amaze me. When you have passion for what you do, you will not only bring that to your everyday life but will be able to translate that to improvement opportunities at the customer level.

**CEOCFO: Why is this the time this past year or so to go to that next level?**

**Mr. Dinwiddie:** It is amazing how when you have a vision and start to look to the future, things start to come together and you start to get alignment within the organization. A number of our management team are part of Vistage and we heard a speaker in Vistage not long ago that was talking about painting a picture for the company. Not an actual picture but a vision for the future and the company we wanted to be. As a result, we painted a picture of where we wanted to be in three years and what that might look like. We put that out there and created a video for everyone and really got alignment. Things just started happening around that vision. I think it was primarily just alignment towards who we wanted to be and where we were going and then starting to put the pieces in place to make that happen.

**CEOCFO: Are there many changes with the equipment in your industry?**

**Mr. Dinwiddie:** There are more opportunities for automation. It depends though on what segment you are looking at. With the facility maintenance side of the business, there is innovation coming out to reduce labor and there are a lot of things to create greener, healthier and safer buildings. There are many changes on the facility side to improve productivity as well. The same is happening in the packaging arena. When you look at labor, it is very difficult to find skilled or just good labor in general. It is a trend that you will see rising labor costs so companies will be looking to do more with less. We attack the labor component through automation where we can. There are continual innovations coming out on the packaging equipment side and those can be highlighted; there is a show called Pack Expo, which is a great show to see all the innovations in packaging that are coming out. We will see more and more automation opportunities in the future. Any time

you automate, there are always tradeoffs and you lose a little bit of flexibility. It is about finding the right fit and the right equipment that fits in the operation.

**CEOCFO: *When you are helping a company assess a situation, what might you look at that maybe others would not?***

**Mr. Dinwiddie:** We have a proven process called The Operation Maximizer™. It starts with what we call The Meeting Blueprint which is setting the stage for what we hope to accomplish and making sure that everyone is on the same page for the meeting. We are not going to come in with a catalog and just show you a bunch of products. We are trying to understand your world, your business, because we believe every business is different, with unique challenges. Our next step is called The Operational Analysis. That can really be focused around one product or area or on a whole category like safety. We have done full blown analyses looking at the operation from an entire operational perspective within our areas of expertise. It depends on the need of the customer. We then come back with what we call The Return Report, which is all of our findings, recommendations and areas for improvement. We bring The Return Report and let the customer decide if they want to proceed in whole or in part with our recommendations and findings. Once we establish what they would like to implement, we do what we call The Validation Process. This is trialing and sampling because what may look good on paper does not always work in the real world. We want to make sure that the ideas and solutions we are bringing will work in operation, work for their customers and work in the real world. After we validate, we then have The Strategic Rollout, which means there is a transition. Any time someone is changing something there is a strategic conversation about inventory levels and ramp-ups and things of that nature. We try to review all improvement opportunities semi-annually or annually with what we call The Elevation Review. This helps hold us accountable to continue to try and drive operational and business improvements.

**CEOCFO: *On your website you mention; we are family and encourage teamwork, have integrity, open to new ideas. Would you tell us about the culture and how it has changed?***

**Mr. Dinwiddie:** Those are core values so they have not changed. All we have done is try to put those down on paper because that is who we are. As we look at hiring or firing it is going to be based around those core values and we want to make sure the people we have here embody those concepts of servicing the customer above all else. It is about having fun at work and having integrity, doing the right thing. It is about being open to new ideas and being part of a family and no matter how big we get we always want to make sure that we have a family atmosphere and that we treat people with respect. Although we may have fights like any family, at the end of the day we are a family and part of the same team.

**CEOCFO: *Why is FlexPAC a noteworthy organization?***

**Mr. Dinwiddie:** I think we are different. We care about the customer. We don't know of another company with our areas of expertise that has the resources to drive innovation at the customer level the way we do. Although a competitor may do a good job in one of our categories, we don't know of one that has the same breadth of knowledge in all of our categories. This along with our proven process, The Operation Maximizer™, helps our customers drive cost out of their operations. We realize products are important but we try to define our success through new ideas, better processes and improved ways of doing things to help our customers reduce overall cost.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

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Products and Consulting

## **FlexPAC**

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