

Flexible Packaging Printer turning a 100 year old industry upside down



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“The packaging is the first impression a customer sees on the shelf; we treat every impression we print like it’s our first impression to that brand!” - Dru Riess

CEOCFO: Mr. Riess, what is Popular Ink?

Mr. Riess: Popular Ink is a flexible packaging printer that has been around for 10 years. We produce the film for the product that you grab in the grocery store, whether it is a candy bar wrapper, seasoning pouch or bag of nuts. We are the printer of the graphics on flexible packaging, but we are much more than that. We take the time to consult and advise customers based on what the ingredients are going inside that packet. Our focus is the shelf life of the product and preserving the customer experience in a way the brand intended the customer to experience the product. A bag of chips is different than a juice packet for a reason. From functionality to sustainability, we are the decision makers on how to get a finished good into the hands of the consumer successfully. We choose the material and consult a brand on what to use, but then our printing presses and converting equipment bring the product to life. The Flexible Packaging market is a booming industry due to rigid containers like boxes or big bulk containers becoming obsolete over the last decade. It is more fuel-efficient; you can get more on a skid of individual serve pouches or a huge stand up bag with a zipper and a gusset. It is also better for the environment, easier and more cost effective for brands to have a packet in a flexible manner. It is our job to deliver the brand’s vision and package. “The packaging is the first impression a customer sees on the shelf; we treat every impression we print like it’s our first impression to that brand!”

CEOCFO: Are there many options in what the actual pouch can be made from? How do you go about deciding what is best?

Mr. Riess: There are about a thousand different film structures. What we focus on is light, oxygen and moisture barrier properties. Does your product have tea tree oil in it, cayenne pepper? Is it something as simple as baking flour? Our goal is to give you the best shelf life. What is different about Popular Ink is there are thousands of structures out there and everyone tries to mimic what the last guy did. When we started this ten years ago, we were not going to do that. We were going to make overkill products. We simplified it. Instead of housing a thousand different films to try to do what the big boys who have been around for a hundred years have done, a customer will come to us and say here is what the last printer made. I will thank them for showing me what their last printer made, but I am not going to make that for them. I will give them something better or comparable based on one of only five structures we house. We push clients into our structures and simplified the business model. We make five structures, but we make them in such bulk quantity the cost is beneficial to all parties. The constructions of these films are so overkill that it is probably going to give your product a shelf life of four years rather than two. You do not need that, but I buy it in such bulk that I can offer it to you at the cost at which the last printer gave you their cheap option. This is something very unique about the business model that we sell. We essentially get rid of all the clutter and red tape that slows you down as an organization and push the client into something that visually looks the same as their last printer, but is a little better or if not, equal in comparison. By simplifying our business model it also limits mistakes inside our four walls. If it is a powder, liquid or pill, we have a material solution for you.

CEOCFO: *Is a company able to put a further expiration date based on you telling them it is made out of a better material?*

Mr. Riess: There is peace of mind for your brand, knowing that it is going in one of our structures. We are bulletproof. We have basically never had a leaker due to our consulting or production procedures. A leaker would be something like you grabbing a shampoo packet in your magazine and it making the magazine wet. The shampoo leaked out for a reason. Why? We try to make those things bulletproof. There is peace of mind knowing that a product is going to be delivered to the customer in the way that you intended. We also have very sophisticated ERP systems that allow us to have detailed traceability. In the event a customer has a leaker and the co-packer/filler can prove they operated within their normal tolerance then we can trace back each impression to our raw material supplier. All film starts as a resin and for us to be able to trace the film back to birth adds leverage for us as a printer. It is our intent to safeguard brands from any negative experience and the traceability feature is just one advantage we have as an organization in the food/nutraceutical market. From regulating outside contaminants from our suppliers to problem solving a visual defect in a film our systems are a selling point when competing in this dated industry.

CEOCFO: *What are some of the challenges in making the graphics look beautiful?*

Mr. Riess: We have different capabilities with different presses. We now have four presses running 24/7 three hundred and sixty three days a year. We have reverse print capabilities on some of the presses and all the presses can surface print film. Reverse printing is a process when you reverse print on a lamination film and then lay an adhesive down behind the art to bond it to its main barrier structure. It makes the artwork pop more, but again adds cost. We use different structures that are not just white. We offer clear, metallized, and matte films to pull off any brand feel that you desire. There are foil structures to do graphic effects and we do that by screening out some white and printing the white rather than supplying a white structure from the beginning. Nowadays it is very popular to do organic or the ergonomic packaging, thus our soft touch/matte look becomes the solution. Some products have multiple coatings and illusion effects....the possibilities are endless. There are different functions, ease of use, tear-ability without a tear notch., wrinkle resistant structures, recyclable structure, child proof, and more. We listen to the customer about where the product is going and what conditions it may endure throughout its journey in the market place. Our niche for the last decade has been to support the nutraceutical industry. We are very popular in boutique vitamin shops and big box stores, but we seem to specialize in that health and wellness market. A lot of it is antioxidant juice, pill packets, your multivitamins, eye serum, and other things that are individually packaged; we kind of dab on to all that. However, we are not limited to these markets and the fortune 100 companies also work with us on some very high profile brands around the world.

CEOCFO: *What has changed in your approach since you acquired the company in 2011?*

Mr. Riess: In 2007 was when I started to rebuild what was a broken business. It was bankrupt and it used to be under a different name. It was dead and I came on board and told the gentleman that owned the printing press that I could really build this. I had no printing experience but I had a determination within myself to become successful.... period. I did not care if it was making friendship bracelets or building a printing company, one way or another, I was going to be a leader in something and I was going to build something huge. The guy looked at me and said I could use the press and if I did, if I could pay off his debts that he had on the old company then I could have it, it was a sweat equity deal. I was able to do that. I put myself through "hard knocks" printing college for the first four years, 2007 to 2010 and then when the company was successful, we made an offer to buy the printing press from the guy and build our own brand. The second I finally got the company away from that gentleman, (my business partner and I), we rebranded it as Popular Ink, we knew what this industry was lacking, we learned a lot in those first couple of years. The industry was lacking speed, enthusiasm and vision. It still is today. We are the fastest growing company in our market. We were named top printer of the year in 2014 by our industry trade magazine and featured again by the same industry magazine in October 2016, we made the Ink 5000 list in 2016, the Dallas 100 in 2016 as one of the top 100 businesses in all of Dallas Fort Worth and have been featured on a business reality show on CNBC. "It is crazy because there are companies in this industry that have been around for 40-100 years. The bottom-line is, in this industry they are losing right now to two younger guys that are pedal to the metal and we understand what the market is calling for. People want speed, responsiveness, less red tape, and the bigger and bigger these organizations get, the less they forget about the actual customer and it is all about process and procedures. What we do here is food grade certified, so according to the standards that it takes to cook baked goods and supply them to the public, we are that clean of a print shop. Our procedures are top notch but we design every process and procedure with "less red tape" in mind. When we need to adapt a new principle and practice we build it backwards with our head on a swivel. Doing this allows us to see potential red tape or stop gaps that would stop Popular Ink from being Popular Ink. My executive team and I look at each other and ask how many steps does it take to get this thing done, but moving backwards to make sure we do not put so much red tape that we lose what people really want in the market, which is speed. The average turnaround time in this market is six to eight weeks. Our average turnaround time is two weeks."

A lot has changed since 2011. We are a completely different organization. We are viewed as a true threat to the industry and no longer are we looked at as a pretender. We have a plan to get to \$100 million in the next four years! I can't wait to see what changes come with that milestone.

CEOCFO: *How are reaching out or are people coming to you?*

Mr. Riess: We have no sales reps, so that is pretty unique as well. We have one CSR, which is a customer service rep. Building this company with speed has allowed us to become a word of mouth brand. That is all we do, word of mouth. We do not pick up the phone for anything. We do not do any cold calling, but one third of my time is spent just talking to new customers that have a need for speed. Once we get their order in, their artwork in and understand what that package and content is supposed to look like; it is on autopilot from there. When a customer needs to re-order later on, all we need is a purchase order and our ERP system takes care of the remainder of the workflow. There is no real high maintenance customers here....by design!! By having this business model it allows for all parties to benefit in the relationship.

CEOCFO: *What surprised you throughout the process of growing or developing the company and the concept?*

Mr. Riess: The biggest surprise when you are starting a business is how to get sales, how to pay the rent, where to find financing and all these normal things you think about as an entrepreneur. You are going to come across these obstacles and need to get over them, but managing people is by far the hardest part. As you grow, keeping your eye on the culture as well as what you are trying to grow and keeping everyone rolling in the same direction was the biggest surprise. I think both my business partner and I would say just finding the right people that buy into the vision and are consistent day in and day out. We are fifty people right now, fifty team members. We do not call them employees because we all have memberships here, we all want to be here. We are just trying to make sure we keep an eye on the culture and do not lose touch with the fact that we supply a lot of people opportunity here and we cannot let one bad apple to tear down what we are trying to build here. That is pretty surprising but that is the hardest part of building the company.

