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Ultimate Paperbox: Growth Via Technology

by Nick Griffin

America is often described as a country with more than its share of 'rags to riches' success stories. However, for the size and speed of its growth, few can rival Ultimate Paperbox Company in City of Industry, California. "We began in 1995 with just three of us, running old, used machines, making sales calls, all of it," explains company President and CEO Janak Patel. "Today we have 130 employees and serve a growing number of national brands as customers. Our sales have gone up year over year every year since opening."

So what was the entrepreneurial decision behind Patel opening a packaging business? "I'd been

looking to get into some kind of manufacturing. I kept looking, trying to find a need. For six months I was just going to stores every day trying to decide on a product category in which I could be competitive.

"I went through so many different products ideas — everything from hardware to electronics. I have a Masters degree in chemistry, so I also looked into some chemical products. Nothing clicked that I could market easily," explains Patel. "But one day, after months of looking it did click.

Of all the products I had looked at, they all had one thing in common, they all go into packaging. And that's why Ultimate Paper Box got started."

Challenges Overcome

Patel determined that, even with a very limited start-

up budget, some basics were needed. Along with a co-investor, he scoured the used market for, "The oldest, cheapest equipment I could find." This consisted of a cylinder diecutter, a very old Post folder-gluer and eventually a printing press. Patel recounts an interesting story behind Ultimate's first press. "Harris-Seybold was one of the last companies making printing



Ultimate Paperbox President and CEO, Janak Patel, has leveraged folding carton converting technology from BOBST.

presses in the U.S. But eventually they went out of business. Left behind in their old facility was a (circa) 1955, full-color, 60-inch press that was locomotive-engine black. The landlord had closed the doors on Harris, leaving \$18,000 in past due rent. So, I went to the landlord and offered him a deal. For \$18,000, the rent he was owed, he could sell us that machine and we would take care of all of the details from there."

"It was a challenge, but I needed this machine. My production guy and I — just the two of us — took it

apart ourselves, rigged it, brought it to the 3,000 square foot garage where we had set up shop and, over the course of six months, we put the press back together. Because we had no money to call on other people to help, we got the machine up and running, by ourselves, one color at a time. Looking back, we



Ultimate Paperbox's 120,000 square-foot facility in City of Industry, California. An additional 25,000 square-feet will be added next year.

learned the inside of the business in a very, very hard way. The three years it took getting started wiped out all of our savings, but I'd learned this business and we were starting to grow. And then, I just turned around and decided that going forward we were going to do it the right way, investing our profits in the best machines we could buy."

In 2016, sales at Ultimate Paper Box were, "...about \$26 million in folding carton. This year our projection is \$35 million and in two years we expect to break \$50 million in volume. We keep growing and sales haven't settled flat yet so we keep on expanding." Patel explains his company's success as being able to serve all three segments of the market: small, medium and large. For presses, they have a KBA 162, a KBA 145 and a Mitsubishi 106. "Very few companies in our area offer the range of sizes we do, that's how we keep ourselves a little bit different. We have designed our capabilities so we can run small orders on the 41 inch press and also compete on large volume, multi-up jobs on the bigger presses," he said.

The company states that approximately 60 percent of its production is food related. The remaining 40 percent is spread across cosmetics, pharmaceuticals, electronics and some hardware. "Quick turn-around is the main similarity between all customers nowadays. A job comes in and it immediately goes to plating then through the rest of the processes so we can ship it out as soon as possible. That's what determines volume," explained Patel.

Until the end of last year, Ultimate was confined within a 40,000-square-foot facility. "In our new build-

ing, we're at 120,000-square-foot with an additional 25,000 to be built off the back, which we're planning next year," he said. Part of the recent expansion has included the addition of flexible packaging capability, staffed by 30 of Ultimate's employees. The company operates in two shifts. "Awhile back we briefly tried running a third shift in the hope of further increasing volume, but we found that it wasn't as productive and the quality suffered. So we decided that it was better to add more machinery so we could get more done in just two shifts."

Ultimate's most recent acquisition has been two BOBST diecutters. "I always had a dream to have BOBST equipment. As we became more successful we upgraded to two older used BOBST diecutters a 1600 and later a 142. Then finally, last year we were in a position to remove the backlog created by having greater capacity in printing than we did in diecutting," said Patel.



Ultimate Paperbox's NOVACUT 106 ER with stripping and blanking was a game-changer for the company, says Janak Patel.

"At drupa I met with BOBST people and told them 'BOBST machines are a dream for me. I've been waiting for these machines for last 15 years. Today I can afford it, and today I want to buy them,'" he added. A deal was struck for the purchase of an EXPERCUT 145 PER that includes Power Register, a stripper and a blanker. This was supplemented with a NOVACUT 106 ER also with stripping and blanking.

Blanking and stripping were game-changers for Ultimate Paper Box. "Both machines save us from the labor of manually separating a job before moving it onto the folder-gluer. Those features, along with the machine's much faster production speeds, have doubled our productivity in that department. What we used to run at 3,000 sheets per hour we now run at 6,000 on average," says Patel. He further voices his requirements as, "When you put a job on a machine, you need to finish it without stopping. This was a major factor in selecting BOBST quality."

“BOBST Power Register on the 145 is a great feature for its extremely tight registration. That’s especially important for jobs that involve embossing because the



Janak Patel examines samples created on his BOBST equipment.

embossed area has to be dead-on accurate to the print. Tiny embossed areas are particularly critical with no room for error. With Power Register it’s right on the money,” he said.

Patel also explains, “Our old BOBST 1600 and 142 diecutters are still in almost daily use to supplement production as needed, but that’s a huge difference to the lesser diecutters we’ve had over the years. Cheap machines wear out and after five or six years there’s no re-sale value to them.” The long range plan includes adding another pair of the EXPERCUT 145 and NOVACUT 106 diecutters so the 1600 and 142 can be retired. A new BOBST folder-gluer is also on Ultimate’s wish list.

“I believe in technology,” concludes Patel. “Technology for me is like a new toy. I want to implement it as soon as possible and that’s why anything new we add is state-of-the-art.”