

The quiet company? NO MORE!



The artwork on Tilsner Carton's trucks was recently redesigned.

Tilsner Carton Co. is turning up the volume and making its voice heard.

By Jackie Schultz
Editor

Three years ago, an industry trade publication referred to Tilsner Carton Co., a sheet plant in St. Paul, Minn., as "The Quiet Company." That characterization reflected owner Joel Tilsner's personality – soft-spoken and reserved. While the company was, and continues to be, a success story, Tilsner Carton was not one to toot its own horn. However, these are competitive times and Joel Tilsner and General Manager Len Mackley recognized that in order to attract more business, they needed to get loud.

As a result, the company has reorganized its sales efforts, introduced a new logo, updated its

web site, redesigned the artwork for its trucks, invested in new equipment, and most important, hired a marketing manager.

"We've made changes from top to bottom, from management, equipment and sales," Tilsner says. "The pieces are all in place."

The Plan

Tilsner Carton's distinguishing quality is its diverse mix of products, including stock and custom boxes, signage and fulfillment services, shipping supplies and corrugated and wood

Tilsner Carton

pallets. Its sister operation, Meridian Display & Merchandising, specializes in custom design services and point-of-purchase displays.

The company was founded in 1918 by Tilsner's grandfather, Isadore, who sold used setup boxes purchased from liquor stores. His warehouse was his garage. Today, Tilsner Carton operates out of a 225,000-sq-ft facility, employs more than 120 people and runs about 20 million sq ft of board a month. Last year the company did \$24 million in sales.

Brown box (three colors or less) represents about 65% of the product mix, however, the graphics segment is growing.

Having all of these products and services under one roof, Tilsner says he needed consistency in the marketing message. He enlisted the help of the Chicago firm RSM McGladrey.

"We were looking for some direction with a strategic plan. It was determined that we had most of the pieces. We needed to do a better job of marketing," Tilsner says. "We're trying to upgrade our message and our image and get it out."

RSM McGladrey conducted a customer survey, contacting companies that have purchased a little, a lot, or nothing from Tilsner Carton. The feedback was eye-opening.



General Manager Len Mackley

Sales Manager Mike Mackley



From left, General Manager Len Mackley, Marketing Manager Michelle Lee and President Joel Tilsner.

"We were the best kept secret in town," says Sales Manager Mike Mackley. "Our company has grown so fast in the last 20 years. But no matter how hard we tried as a sales force to get our message out, people still didn't know all of our capabilities."

The message, he says, was confusing and inconsistent. "We had about four or five different logos on different things, from trucks to paperwork to cards."

One of RSM McGladrey's recommendations was to hire a marketing manager. About a year ago Tilsner hired Michelle Lee. Although Lee has an extensive marketing background, she knew little about the corrugated industry.

The first thing she did was familiarize herself with Tilsner Carton products and services. Much like the RSM McGladrey's findings, she discovered that the company was not communicating its full potential to customers. She would ask new customers how they found the company, and the response was often, "Google."

"Even though we've been here for 90 years, people don't necessarily recognize us. We needed ways to communicate better with existing and potential customers," she says. "It is amazing the different things that Tilsner Carton does that people have no idea."

One of the first things she tackled was the company's web site, which she felt didn't showcase the design capabilities. "We have a great design team but we don't advertise that we design," she says.

In addition, she began sending "stuffers" with every invoice and letter

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This photo, which appears on all of the company's trucks, features a sampling of products.



Tilsner Carton

sent to customers informing them of new developments at Tilsner Carton. This way she could track all incoming orders. "Every dollar I spend, a marketing code goes on an ad or at the bottom of a letter, so a customer can tell us the number and we enter the code. I can tell you how many orders are generated from where

The new two-color Martin Mini 618 flexo folder-gluer can run up to 26,000 boxes an hour.



Tilsner Carton operates one shift, running about 20 million sq ft a month.

each month and what the dollar amount is," she says. Lee was pleasantly surprised to discover that many Fortune 500 companies in the St. Paul/Minneapolis area are Tilsner Carton customers, even if they're just buying one gaylord box. Opportunities like that abound, and Lee is figuring out how to capitalize on them.

She works closely with Mike Mackley, whose sales team generates most of the revenue. "It's really our sales people who are making it happen. The sales force is a huge success story," Lee says.

Streamlining Sales

About three years ago, Tilsner Carton restructured its sales department, putting Mackley in charge of sales for both Tilsner and Meridian products. Previously, the two companies had separate sales managers and staffs.

Mackley says the department lacked organization. "We needed to become more efficient. A customer would call and talk to anyone in customer service. I assigned a customer service rep to a sales person. It's not an original idea. We put together sales teams. Our customers really like it. They know if they can't reach their sales rep, they have somebody who knows their accounts intimately.

"My approach is sales people sell and customer service handles things [in the office]," he continues.

Another change is that the brown box sales representatives are now encouraged to sell P-O-P products for Meridian. "Some of those customers who buy industrial packaging also buy P-O-P. Why don't we try to sell to that? Before, we split that in half," Mackley says.

Staffing includes two inside sales representatives who sell Meridian products and six full-time outside sales representatives who sell primarily industrial packaging. In addition, there are five customer service employees.

"We still have two companies, but the sales part is all managed by Mike," says Joel Tilsner. "It's in our best interest to have separate identities but not necessary to have different management teams."

Service and Speed

The production crew supports the sales efforts through its quick turnaround. Ask any Tilsner Carton employee about the company's niche, and he or she will tell you it's service and speed.

"Customer service is our core strength. If a customer calls at 9 a.m. and needs boxes by 2 p.m., he can rest easy that he'll have them by 2 p.m.," Mackley says.

"We do everything fast. It's got to be done quick," adds General Manager Len Mackley. "When the sheets come through the door, I'd like to see something done with them within 48 hours. That's ideal.

"This morning we took an order that had to deliver today. It's not getting better that way. It's getting more intense," he adds. "I don't know why people forget they need boxes. You're making these pieces. How can you forget you don't have a box to put them in?"

New machine installations that help speed up the order cycle are a common occurrence at Tilsner Carton. "Most of our production group has worked here for 20, 30 years. They say, 'We're always changing'. I tell them, 'When the change stops, that's when you should start worrying and start looking over your shoulder. Then you know we're not doing well,'" Mackley says.

Change almost always involves the addition of new technology. In the past four years the company has purchased a three-color 66- x 126-inch Göpfert rotary diecutter with a Castaldini stacker, a J&L specialty folder-gluer, a Stock laminator, a two-color Martin Mini 618 flexo folder-gluer, with EAM-Mosca bundle squarer and strapper, conveyors from Systec, a new Signode unitizer, and a pallet heat treater to make heat treated pallets to meet EU requirements and other worldwide standards. Tilsner Carton claims to be the only Minnesota manufacturer of both wood pallets and corrugated containers.

The Martin FFG was installed this past summer. It is a Rapidset machine meaning



Tilsner's Meridian Display & Merchandising offers custom design services and point-of-purchase displays.

operators can prepare a makeready on the color unit that they're not using while they're running the other unit. "They can go from a one-color job to another without having any real downtime," says Mike D'Angelo, Vice President of Bobst Group North America.

The 25-inch machine is the latest generation. It can run up to 26,000 boxes an hour. Minimum sheet size is 15- x 8⁵/₈-inch and maximum sheet size is 74 x 25 inches, running a range of board thicknesses from microflute to doublewall.

Additional features include independently driven feeder and print units, independently driven folder-gluer with Multi-T belts for additional accuracy, and top or bottom counter ejector.

"What Tilsner has purchased in that Rapidset machine is a high quality printer first and foremost that allows them the flexibility to do changeovers while running the machine and deliver a square box at the counter ejector," D'Angelo says. "Tilsner set themselves up to be flexible so they can run brown box or quality printing."

Speed to market was one reason why Tilsner Carton purchased the new Martin. It replaced an

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older 38-inch Ishikawa flexo folder-gluer, which was at capacity. "It was either [buy another machine] or go to a second shift," Mackley says. "The Mini is much more efficient. We can run 5,000 6 x 6 x 4 boxes in about 40 minutes. It used to take about three or four hours with four people involved."

"The [new Martin] makes us more efficient," adds Mike Mackley. "Before, we had a fair share of box sizes or pieces of business that we had to run through multiple machines. Now we don't have to. It makes it a lot easier to turn orders around."

"We're not really selling to a new market," he continues. "We're just trying to expand existing accounts. We're looking at different types of businesses. Michelle is working on different things to promote to that."

Lee is coordinating a direct mail campaign and has identified all the SIC codes that would buy something small off the Martin press.

While Lee's goal is to make sure the company stays focused on the customer, another new employee, Paul Branchaud, is charged with quality control. He is the company's quality specialist. He has experience with ISO and AIB certification requirements and can document processes for critical functions and implement systems to monitor those processes. His goal for Tilsner Carton? "Never have to say we're sorry."

Securing The Future

Next year Tilsner Carton will celebrate its 90th anniversary. Starting from very humble beginnings, the company has experienced steady growth over the years. In a sense, its more recent marketing strategy is laying the foundation for the next 90 years.

"We didn't have a good marketing campaign because we had too many people doing it. The greatest thing is we have somebody focused now. That's her job," Mike Mackley says.

"They've had all the parts. It's not that they didn't do things. They did them," Lee says. "They're realizing that marketing really does bring in results and information."

A Twin Cities Pop-Up

Members of the Association of Independent Corrugated Converters (AICC) received entry guidelines for the 13th International Corrugated Packaging Design Competition in a corrugated promotional piece supplied by Tilsner Carton Co., St. Paul, Minn. Tilsner Carton was one of two companies that won a bid for the promo competition.

Tilsner Carton manufactured more than 700 of the promotional pieces. The piece is a "pop-up" of the skyline of Minneapolis and integrates the competition theme of "Leadership by Design" and the host city of Minneapolis, where the

competition will be held with AICC's 2007 Annual Meeting, October 10-12.

The piece, which showcases places attendees can visit during their stay, shows leadership in both concept and structure, according to the AICC. These places include The Mall of America, the Weismann Art Museum, and The Guthrie Theatre, a famed not-for-profit theatre.

A Tilsner Carton designer took the photos for the piece, which consists of F-flute and an SBS litho printed sheet. It was hand glued by the fulfillment center staff.



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