

# u.s. business review

Strategies, Solutions and Best Practices for Business Leaders

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## 'Hop' To It

The Grasshopper Co. mows down the competition with innovation and a strong dealer network.

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## A World Of Plastics

Inteplast Group is one of the largest integrated plastics manufacturing companies in North America.

PLUS

We pick our top executives of 2007.



## PROFILE

**Inteplast Group**

**www.inteplast.com**

**2007 sales** \$930 million

**Headquarters** Livingston, N.J.

**Employees** 1,900

**Inteplast** "Inteplast's three divisions work together in order to cover the full range of customers' needs and ensure complete customer satisfaction."

Inteplast Group says it is one of the largest integrated plastics manufacturing companies in North America.

## 'A WORLD OF PLASTICS'

The Inteplast Group maintains manufacturing operations in Lolita, Texas, on a 700-acre campus that operates three divisions.

**T**he Inteplast Group, which consists of AmTopp, Integrated Bagging Systems (IBS) and World-Pak, is one of the largest integrated plastics manufacturing companies in North America. The group offers customers a product line that includes biaxially oriented polypropylene (BOPP), stretch and XF cross-laminated film; grocery, merchandise and garment bags trash can liners; fluted plastic sheets; and clear, rigid, free foam and Celuka PVC sheets-or. In other words, it says it offers "a world of plastics packaging products that covers everyone's everyday needs."

The group was started as Inteplast Corp. in 1991, founded by Dr. John Young, a renowned physician-scientist and cancer immunology specialist. Young is a previous Department Chairman at the Rockefeller University in New York City, known for producing probably the largest number of Nobel laureates in Medicine.

Asked about the origins of the group and what led it to be founded, Young says, "Inteplast was born from the solid conviction that it is still possible to undertake large-scale manufacturing in the U.S., at a time when practically all of manufacturing has been outsourced to foreign countries. We are convinced that this can be

successfully achieved if all the economic parameters are in the right place. This is why we decided to integrate, both vertically and horizontally. It is also why we chose the largest economies of scale possible, so that we would end up harvesting a significant competitive difference-and this is clearly needed in an unfavorable environment that has seen imports take over all manufacturing sectors."

Inteplast is headquartered in Livingston, N.J., with manufacturing facilities in Lolita, Texas, for the AmTopp, IBS and World-Pak divisions. The company says its state-of-the-art manufacturing facilities are supported with the most innovative technology available.

"Our superior engineering capabilities include the use of advanced automation, computerization and robotics," Inteplast adds. "The use of the latest technology in Inteplast's large scale operation provides customers with products of the highest quality at the best value."

Inteplast also boasts teams of highly trained technicians that complement the

advanced technology at its plants. Its technicians conduct tests on existing products and are continually developing new products and applications. Also, all of its plants have achieved ISO 9001:2000 certification.

#### SOPHISTICATION IS KEY

It is no secret throughout the industry that Inteplast uses a sophisticated management control system that allows it to be practically paperless in its operations. According to Young, "all company systems are linked together-integrated, in other words. We can close the company's financial statement by the first day of the following month, and we have been doing this for the last 16 years. This means a transparency in our operations that matches with our strong belief in integrity and objectivity. We have standardized and optimized every part of the company's operations. This allows us to set up SOPs and targets for achievement in every area of the company. Every person and every unit of the company have their own achievement targets."

It is no small achievement that Inteplast has reached leadership positions in all the market segments that it participates. From BOPP film to plastic bags, it stands among the top three producers in North America. For the last two years in a row, Inteplast has been ranked by *Plastics News* as among the top-10 plastics packaging suppliers in the country.

Asked about this achievement, Young says that it has been a group effort. He emphasizes that the Inteplast approach differs significantly from the path taken by its competitors. Rather than growing the company by merger and acquisitions, Inteplast has done it from the ground up and through organic growth over the years. Young is said to like to recall the times that he refers to as "start-up days," when several world-class plants were started-up in Lolita, all at the same time, making those days quite hectic for him and the entire staff.

He shares anecdotes of those days to emphasize the point that, "at Inteplast, none of the things that we have achieved came easy, and the fact that so many things

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Inteplast Group operates three divisions at its 700-acre site in Lolita, Texas, that produce more than 1 billion pounds of finished goods annually.

got accomplished, it was largely due to the hard-work and perseverance of all the loyal and talented members of our Inteplast's extended family."

## HOW IT'S DONE

At its 700-acre site in Lolita, Inteplast has developed nine plants, which, it says, are the largest of their kind in the world. The company says the combined output of these plants exceeds 1 billion pounds of finished goods annually.

The Lolita location also has an in-house art and plate department, which has one of the most technologically advanced graphic art systems in the country. The system uses the latest software, as well as scanning and computerized plotting capabilities, to create and reproduce graphic designs.

Average turnaround time from design concept to print ready plates is less than one week, making the department one of the fastest in the industry, the company says. "Having these advanced graphic capabilities on site allows us to control the design accuracy, time and quality of our printing," Inteplast adds.

Today, Inteplast no longer restricts its manufacturing to Lolita. It counts on several manufacturing operations in Massachusetts, Canada and throughout Asia. However, the Inteplast signature of operational excellence and transparency is seen clearly in each of these locations. There is no question that the corporate culture is deeply ingrained in all of its operations.

Along with being ahead of the curve technologically, Inteplast is also leading with environment efforts.

The company says its products are designed to be produced at low gauges and remain strong, minimizing waste and the



quantity of raw materials used in the production process. Also, all of Inteplast's products are made from polypropylene, polyethylene or polyvinyl chloride, which are chemically stable, non-leaching materials that will not affect groundwater sources or create air pollution.

One of its products, TUFBoard, for example, now sold through Home Depot and other major building materials suppliers, is a wood-plastics composite that Inteplast pioneered 12 years ago.

Using discarded wood chips and sawdust, the firm has found an innovative way of producing building substrates with a "wood feel" while saving on trees. And through its other green initiatives, the company has developed compostable t-shirt bags and can liners.

"Recycling is an integral part of our environmental focus," Young adds. "All of our plants have reclaim lines to reprocess internally generated scrap. This internally recycled material is subsequently integrated into the manufacturing process. In fact, what is good for the environment is also good for the economy. There is actually no conflict here."

The company has also worked extensively with schools and local communities in the past, in an effort to educate the public about resource conservation and sustainable development and to close the loop of recycling by developing a grass-roots movement that can help bring the plastics material back to the plant for reutilization.

## THE THREE DIVISIONS

AmTopp says it can meet customers' plastic film needs through one source. At its AmTopp facilities in Texas, Inteplast produces BOPP film, stretch wrap and plastic concentrates and compounds.

IBS is a one-stop shop for all bagging needs, according to the company. The IBS facility manufactures can liners, food service bags and supplies, retail and grocery bags, and industrial products.

The largest of Inteplast's plants, IBS covers more than 15 acres and produces more than 400 million pounds of finished goods annually.

World-Pak Division represents a "world of green plastics" by creating long-lasting durable products and reducing the need for wood fiber and paper. 