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# NEW HEIGHTS

**Celebrating 25 years in 2016, Inteplast Group has a systematic approach for success. PAGE 18**

**DELIVERING POWER**  
American Axle & Manufacturing is leaping past competitors in the all-wheel-drive space. PAGE 40

**Women make major strides in manufacturing.**

[www.inteplast.com](http://www.inteplast.com) / Headquarters: Livingston, N.J. / Dr. John Young, group president:  
*"Our biggest challenge is to perpetuate the legacy of the systems and procedures we have in place."*

# REACHING NEW HEIGHTS

INTEPLAST GROUP ADVANCES, ONE MEASURED STEP AT A TIME.

BY L.R. TOLSON



INTEPLAST GROUP HAS THE NO. 2 POSITION IN NORTH AMERICA IN THE FILM AND SHEET INDUSTRIES, AND IS NO. 1 IN OTHER PRODUCT LINES.

**The quote, “A journey of a thousand miles begins with a single step,”** is often used to inspire action for the most formidable of tasks. The words, “ask if every step can be improved upon,” may be a worthy addendum in understanding the impressive success of integrated plastics manufacturer Inteplast Group.

With sales exceeding \$2.7 billion, Inteplast Group is a significant force in North American plastics manufacturing. The number of people it employs has tripled during the last 10 years, as has its number of facilities.

The company manufactures diverse products that range from films for virtually all disciplines of packaging and product protection, to can liners and zipper bags, corrugated sheets, building materials, bedside plastics for the healthcare industry and much more.

In 2016, Inteplast Group will reach a milestone in the form of its 25th anniversary. Dr. John Young, group president and a company leader since its founding, shares insight about the company’s early years, the disciplines at the core of the company’s achievements and what the future may hold.

A man with dual careers, Young is a physician who served as the head of the Laboratory of Molecular Immunology and Cell Biology at Rockefeller University prior to taking on the leadership role at Inteplast Group. A practicing immunologist, Young is highly published in the fields of cancer research and preventative healthcare.

Young’s long-term oversight has provided a continuity of vision and management style at Inteplast Group. According to leading plastics industry trade publications and reports, he has led the company to

the No. 2 position in North America in the film and sheet industries and the No. 1 position for certain product lines. He attributes much of the company's success to "harmonious teamwork, Total Quality Management (TQM), Continuous Improvement Management (CIM) and total integration of information."

The systematic analysis employed for medical research is a close cousin to Young's approach for analytic decision-making at Inteplast Group. "As a team we believe in informatics," he says. "All my colleagues believe in evidence-based management and transparency, meaning that numbers speak truth."

**"I HAVE ALWAYS FELT DEEP GRATITUDE TOWARDS ALL OUR INTEPLAST COLLEAGUES. WE WATCH OUT AND CARE FOR EACH OTHER."**

"When you have clear-cut, precise numbers for every single step of every operation to the point where you can integrate all of that information, you are clear-minded in all of your decision-making."

#### **HISTORIC ENTERPRISE**

The concept for Inteplast Group began in the late 1980s when many major U.S. manufacturing companies were moving overseas en masse.

"Inteplast Group started out as a statement, that manufacturing efforts in the United States and North America could be successful in modern times," Young says. "We invested heavily in robotics and automation. We designed the plant on such a large scale to capture efficiencies."

Young acknowledges the help received from state and local government officials with choosing the Lolita, Texas, location. "For a venture of this size, we relied on many friends to make it possible, especially given the remote location in south Texas," Young has said. "However, it all started with a core team of dedicated and hard-working employees – all still my colleagues today – who believed in the vision of making manufacturing possible on a grand scale adopting the best practices."

Proponents of the Lone Star State say "everything is bigger in Texas." The slogan is certainly true for Inteplast's flagship 575-acre multi-facility manufacturing site in Lolita.

By 1995, eight industrial buildings had been constructed on the site, ranging in size from 120,000 to 866,000 square feet, and totaling more than 3 million square feet. At that time, the industrial park was the largest integrated plastics manufacturing facility in North America, and remains so today.

One can only imagine the details and planning involved in overseeing such a project, as it entailed not only new construction, but also the installation of an incredible amount of capital equipment, vetted for quality and purchased from leading machinery vendors from around the globe.

Today, Inteplast's Lolita facility is a model of productivity and efficiency. It features modern manufacturing, warehouse and office space, its own cafeteria, water treatment facility, a rail yard, trucking fleet and even a shuttle bus system used by nearly half of the site's production employees.

#### **EARLY YEARS**

Product diversity has played an important role in Inteplast's strategy

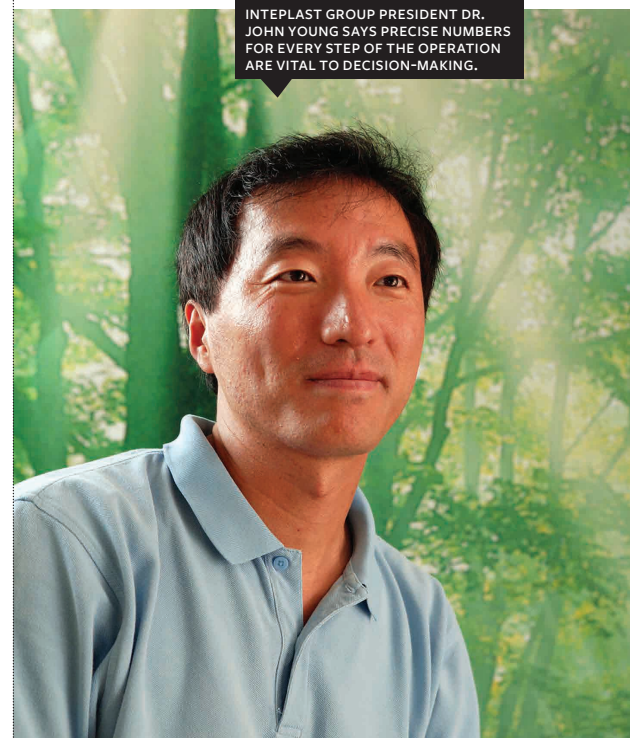
from the very beginning. Early on, three distinct divisions were established in the company.

AmTopp started up between 1992-93 and focused on biaxially-oriented polypropylene films and machine and hand stretch films. Integrated Bagging Systems (IBS) started up in 1993-94 and focused on blown polyethylene films used to make merchandise, produce and garment bags and can liners, among other products. World-Pak started producing product between 1994-95 and focused on the manufacture of PVC boards, corrugated sheets, and reinforced films.

All of the divisions' products offered wide applications for diverse industries. Each division continues to this day, but on a broader scale with regard to product line and markets.

Once everything in the operation was up and running, Young and his team no longer had the luxury of time to reflect on vision. Far from it. The >>

INTEPLAST GROUP PRESIDENT DR. JOHN YOUNG SAYS PRECISE NUMBERS FOR EVERY STEP OF THE OPERATION ARE VITAL TO DECISION-MAKING.





INTEPLAST OPERATES MORE THAN 50 FACILITIES THROUGHOUT THE UNITED STATES, CANADA AND ASIA. THE COMPANY'S DIVERSE PRODUCTS INCLUDE PVC BOARDS AS SHOWN HERE.

» plants had huge capacity capabilities and sales were needed to keep the enterprise afloat.

“We just wanted to survive,” Young says. “We were frugal and watched every single expense. The early years were harsh and very, very hard on each and every one of us. They were also the most educational, character-building years.

“Maybe because of all the hardships endured together, I have always felt deep gratitude towards all our Inteplast colleagues. We watch out and care for each other.”

In the beginning, basic products were the order of the day for all three divisions. “Given the sheer size of our production volume, we elected to participate first in the commodity

or lower end markets,” Young once wrote. “Because there were no previous sales leading into the start-up, there was no cushion. As we climbed the learning curve, we increasingly participated in higher-end markets. And, we have so many loyal customers to thank for our success.”

By the mid-1990s Inteplast Group had 1,500 employees. Today, the company has more than 7,000 employees and operates more than 50 facilities throughout the United States, Canada and Asia, with Lolita representing roughly half of the company's revenues.

“It was only in the past eight to 10 years or so that we began to expand beyond Lolita,” Young says. “We have grown uniformly over the years,

both systematically and methodically. It was organic at first, and later through acquisition.”

### ASTUTE EXPANSION

The diverse products and market applications provided by Inteplast's three divisions are reflected in the company's acquisitions. A synergistic approach is evident as well.

For instance, Inteplast's IBS division was already a producer of reclosable zipper bags when it acquired reclosable zipper bag manufacturer Minigrip® three years ago. But Minigrip® brought more store brand expertise to the table, and allowed Inteplast to expand its existing specialty medical bag line as well.

One year later, Trinity Plastics be-

came part of the Inteplast family adding even more store brand/private label reclosable zipper bag and higher end disposer (trash) bag expertise. Today, Inteplast is a leader in store brand zipper and waste bags, manufacturing them for retailers across the nation, the latter being complementary to its industrial can liner business.

More recently, Medegen Medical Products became part of Inteplast, bringing the largest and most innovative manufacturer of bedside plastics, such as pitchers, basins and bedpans to the company. The acquisition prompted Inteplast to create a business unit named Inteplast Healthcare that offers, not just bedside plastics, but medical specialty bags, can liner and biohazard waste bags for healthcare, patient belonging bags and more – an approach that better captures marketing opportunities by promoting synergistic products together.

These are but three additions of many to the Inteplast family of companies. Others include manufacturers of corrugated boards, films, can liners, building products and more, all complementary to existing product lines.

Categorization and integration of product by market is occurring more and more at Inteplast Group, demonstrating strength and expertise that goes far beyond the commodity type products of the company’s early years. For instance, World Pak’s decking, interior and exterior moulding and siding are now being marketed under Inteplast Building Products and are being sold to big box home improvement stores and a wide array of distributors across the United States.

Unit names are being created for certain major categories of industrial and specialty films and the company is increasingly manufacturing more



INTEPLAST'S ANNUAL MANUFACTURING CONFERENCE AND EXPO IS AN EXCELLENT EXAMPLE OF CIM IN ACTION. DR. JOHN YOUNG IS ON THE RIGHT.

technically-oriented, market specific products such as specific types of barrier films for food packaging.

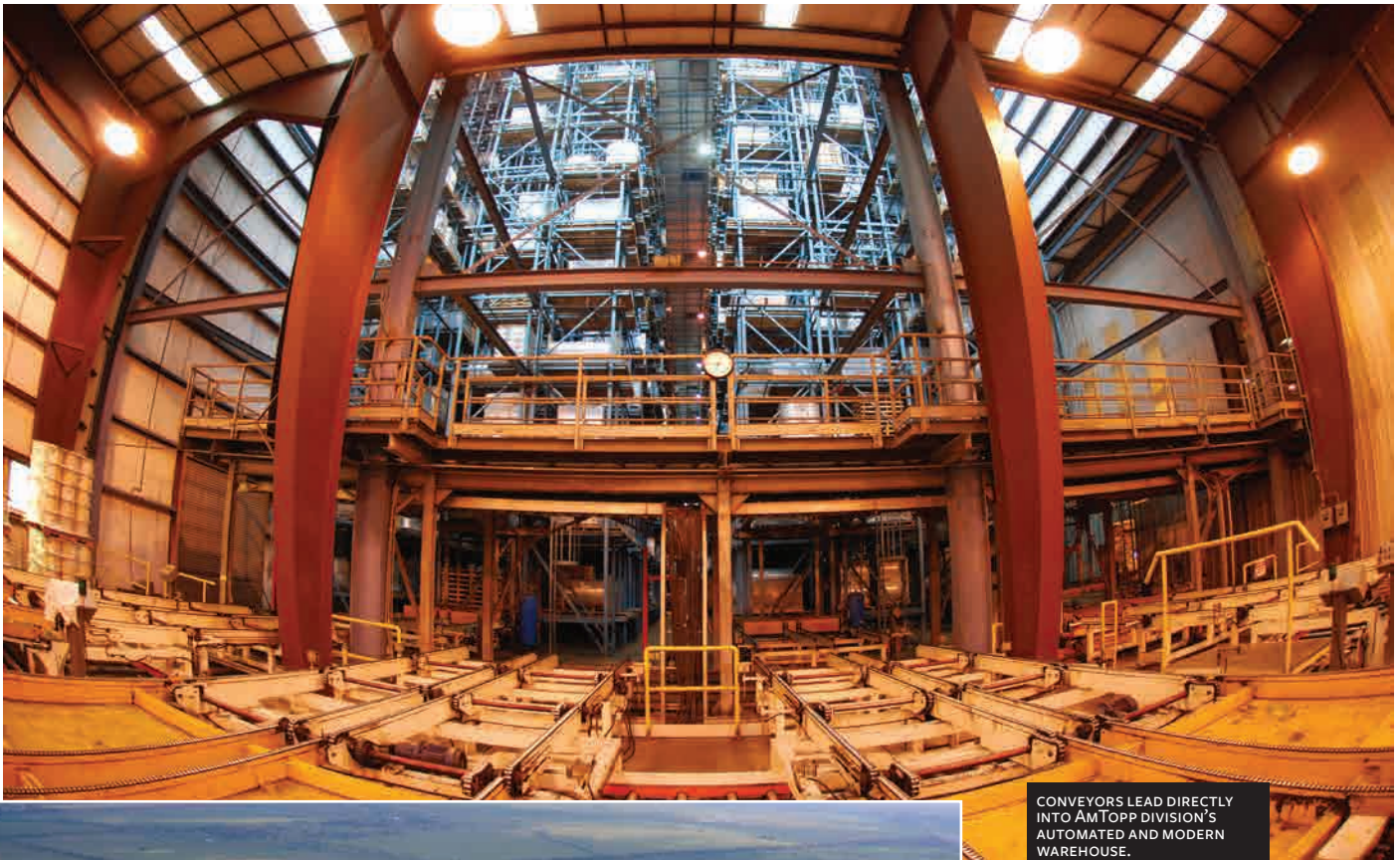
**STRONG PLATFORMS**

TQM and CIM have proven to be strong platforms for the company’s growth, a strong tradition Inteplast’s leadership is committed to for the future. “Our biggest challenge is to perpetuate the legacy of the systems and procedures we have in place,” Young says. “Our colleagues, namely the di-

vision heads and the business unit and plant managers have worked so hard to enact this platform, which works!”

“Total Quality Management is mostly a slogan for some companies, because who doesn’t want to have a Total Quality solution or environment?” asks Young, adding, “But it’s easier said than done.”

Young describes manufacturing as “a long series of events, leading to the final outcome, your product.” “TQM,” he says, “is breaking a »



CONVEYORS LEAD DIRECTLY INTO AMTOPP DIVISION'S AUTOMATED AND MODERN WAREHOUSE.



INTEPLAST GROUP'S LOLITA, TEXAS, FACILITY IS A MODEL OF PRODUCTIVITY AND EFFICIENCY.

» big box of intangible events into smaller boxes that you can touch, measure and act on. It enumerates all the factors and variables that can affect each step.

“By doing that, you can set up standards and targets for each step of the operation and apply training, expectations and goals. You make the entire process accountable. And then create

systems that can allow you to monitor performance. If each step works, you have Total Quality Management as a result, and the final outcome becomes a good product.”

“By clearly defining standards and goals by person and department, we are able to acknowledge a job well done,” he adds.

Training and training modules are a big part of working at Inteplast Group, which invests heavily in them. The company also puts high value on employee recognition with numerous awards programs and celebrations of employee successes.

“We are an industry that is highly labor-intensive, with people sensitive processes,” Young says. “It’s important to remember that it is all people driven. This is why building up trust and goodwill through training, goal

setting, and positive reinforcement is so important.

“On the other hand,” Young says, “Continuous Improvement Management is the understanding that nothing happens overnight.

“You cannot settle on the status quo or sit on your laurels,” he says. “There is a continuous, endless process of improvement that we have to undergo in order to set the bar higher and higher. You do that in steps by area. It is an extremely important aspect of our management.”

Every year Inteplast Group holds an intercompany Manufacturing Conference and Exposition with all of its products on display. It is an opportunity for company engineers, supervisors, senior technicians and other staff, to not only share product attributes, but to explain through presentations the improvements that were made in the products or their manufacturing processes as compared to the previous year. It is an excellent example of CIM in action and the results are prolific.

With reference to the exposition, Young says, “Continuous improvement is totally built into our process. We believe in it so much that we highlight it this way and we give improvement awards, often to recipients who work on the plant floor. We gave over a thousand awards last year to recognize significant improvements. It is all about recognizing and acknowledging one’s colleagues for a job well done.”

He adds, “After all, the greatest motivation in life is positive reinforcement, and all the systems, metrics, procedures and training that we have in place are merely to facilitate our employees’ success and for us to praise them where credit is due. Rather than seeing manufacturing as a chain of ‘weak links,’ we ought to change our mindset to see the



INTEPLAST GROUP IS A LEADING MANUFACTURER OF CAN LINERS FOR INDUSTRIAL, COMMERCIAL AND PRIVATE LABEL MARKETS.

strength and talent in each one of us. How to garner and enhance such talents is the key challenge that we as managers must face every day.”

#### LOOKING AHEAD

From the very beginning, Inteplast has concentrated on sustainability with reclaim lines for scrap that is reused or sold, a robust company-wide recycling program and other initiatives that reduce energy, water and raw material usage. From a manufacturing standpoint tests are conducted, accounting for all raw materials before they enter the production process and afterward.

Production yield is calculated by the finished product quantity and scrap amount. In general, lead engineers report about 97 to 99 percent of production yield, depending on product types – meaning there is not much waste of raw material. The company is

producing thinner, stronger films that use fewer raw materials as well.

The future holds much more to come from Inteplast in this area, Young says, especially in the area of recycling and products made from post-consumer waste and sustainable packaging. New initiatives, partnerships and products are underway.

“As an organization, we need to contribute our share in terms of ecological responsibility,” he says. “Due to our need as an organization to survive economically, we can embark on this mission by taking one theme and one product at a time but with a larger blueprint in mind.”

That sounds like a huge, long-term task. But then again, both Inteplast Group and Dr. John Young are familiar with taking on enormous tasks and succeeding far beyond the scope of initial goals, one measured step at a time. **mt**