

Manufacturer Defies Odds, 4 Billion Straws At A Time

John Reid Blackwell, Associated Press

RICHMOND, Va. (AP) — Among the many modern comforts we all enjoy, the humble drinking straw perhaps gets too little attention.

Few people — when they pop a straw into a carton of juice or milk — think about the source of that deceptively simple piece of plastic, or what it takes to make one.

But tucked away in an industrial park in Louisa County is a factory where a team of workers — machine operators, engineers, distribution managers and salespeople — thinks about drinking straws all day long.

The Tetra Pak Tubex Inc. plant makes more than 4 billion drinking straws a year.

That's enough straws to fill more than 500 53-foot trailers.

It's likely that anyone who buys popular brands of juice or milk sold in aseptic or gable-top cartons in the United States has used a straw from the Louisa plant, said Dan Scott, the plant's managing director.

The company supplies the straws that are sold with those cartons, and it has more than 80 percent of the market share in the U.S., he said. The company ships straws to destinations throughout North and South America and the Caribbean.

"All in all, we have about 13 countries that we service out of this little facility," Scott said.

It's the kind of work that often prompts curious questions for employees such as Ellen Robertson, a shift supervisor at the plant.

"When people ask me what I do, I say I work at a factory that makes drinking straws," said Robertson, a 16-year employee of the plant. "They get excited about that because they don't know much about how straws are made. I tell them it's amazing."

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The factory "is probably a well-kept secret, or an unknown fact," in the Richmond area and in Virginia, Scott said.

This year, the Tetra Pak Tubex plant marked its 20th year of production in Louisa. From just a handful of employees when it opened in 1990, the plant now employs 45 people, working three shifts a day, typically five days a week but sometimes

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more.

"We still are enjoying a very nice run on the market," Scott said. "We've grown in capacity, we've grown in headcount, and we've grown in market size and market share."

Yet the Tetra Pak Tubex plant, like many other U.S. manufacturers, always is facing a shifting market. The plant is working now to adjust to changes in its global marketplace, rising raw materials costs and shifting consumer desires.

Besides the normal, daily work of making straws, there is a flurry of activity at the plant now as it goes through an 18-month process to implement a new computerized enterprise-management system. The change is designed to make it a faster and more efficient producer of drinking straws.

"We were very successful for our first 20 years, but to stay successful for the next 20 years we need to have a shift in the paradigm," said Scott, who has worked for the Swedish-owned company since the mid-1980s. "We are shifting the way we manage our business."

Much of the effort is focused on eliminating waste and adding higher-speed production processes. The plant also houses a research unit that is working on faster-speed production equipment, now in testing at the facility.

Just how much faster that equipment will make straws is a guarded secret. "It will be a remarkable increase in production speeds," Scott said.

The plant makes mostly flexible drinking straws, the type of straws with a corrugated end that bends for easier sipping, but it also makes straight straws and telescopic straws. Customers include big beverage companies, such as Coca-Cola, Nestle and Tropicana.

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Drinking straws start out as pellets of plastic resin, one of the raw materials that Tetra Pak Tubex sources globally through its Swedish parent company to reduce costs.

The plastic is heated to about 500 degrees Fahrenheit and run through extrusion machines that create the tubular, hollow drinking straw shape.

In the flexible-straw production area of the plant, the plastic tubes are cut and corrugated to create the flexible tip.

The 45 machines that do this work churn out more than 3.5 billion flexible straws alone in a year. "These platforms, in the next couple of years, will be replaced by higher-speed processes," drastically reducing the number of machines, Scott said.

For the machine operators in the plant, that will mean some changes in the work

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they perform, too.

"They'll be more like process engineers" than production workers, Scott said. "The new machines will allow them more time to focus more on quality assurance."

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The plant is located in Louisa in part because the company started out as a rural manufacturing business in southern Sweden.

The founders of AB Tubex, entrepreneurs Per Hjarlmarsson and Ingvar Kristensson, developed a faster process for producing drinking straws in the 1970s.

"They built a better mousetrap," Scott said. "They were able to increase production speeds better than twofold."

The company started to sell its products in the United States in the 1980s as aseptic juice and milk cartons gained popularity.

Scott, who had been working as an export sales manager for the Texas Citrus Exchange, joined AB Tubex in the mid-1980s.

"In 1985, we started our marketing and reaching out to the Cokes and the Pepsis and to everyone in the United States that might have aseptic lines in any of their facilities," he said. "It was fun because we were the new kids on the block."

The company was shipping its straws from Europe. When it decided to start production in the United States, Scott and other managers looked from Pennsylvania to the Carolinas for a plant site.

The Swedish owners liked Virginia, though.

"They thought Virginia looked a lot like home to them," Scott said. "They were small-town guys, and they were comfortable with Virginia," especially Louisa County.

Louisa County officials "were really very professional and very welcoming to a small band like we were at the time," Scott said. "So we purchased 5 acres here, and in 1988, I came up here from Texas to get this started."

Andy Wade, director of economic development for Louisa County, said he believes the company chose Louisa and has stayed there for 20 years because of its low machinery and tools tax and its location within a two-hour drive to most major transportation infrastructure in the state.

"Tetra Pak has a very committed local work force, some of which have been with the company since Day One, and we understand their business and business needs," Wade said.

The 24,000-square-foot plant opened in 1990 in the industrial air park, which at the

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time had only a few tenants. The plant has doubled to 48,000 square feet.

In 1994, AB Tubex was acquired by Tetra Pak, a family-owned Swedish company with about 20,000 employees and packaging-related businesses around the world.

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The company's change to a new, global computer enterprise-management system also means that the Louisaplant will be more closely plugged in to its Swedish parent's company global sales network.

That means the plant can respond more quickly to customer demands in growing markets such as China and India, Scott said.

Scott says the company has performed well even during the economic downturn, and sales are projected to grow next year.

Competitors in the drinking-straw business include large producers in South Korea and South America.

One factor working in Tetra Pak Tubex's favor is that it can supply markets in the U.S. faster than foreign competitors, Scott said. "We don't have long lead times," he said. "The Asian (factories) have eight to 12 weeks of lead time. There is value to being in the United States."

"Nonetheless, it is not all about freight. It is about the value proposition — about trust, quality and hygiene. There are a lot of things that go into making us a success."

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