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PCG Continues Booming Growth With New Machinery Investment

BY LEN PRAZYCH

It's a great time to be in the box making business!" For the last year, this has been the refrain of virtually everyone in the North American (and global) corrugated and folding carton industries, which continues to enjoy unprecedented growth and ongoing backlogs. A sheet plants' output appears to be limited only by the amount of board it can acquire and larger independents with corrugators by the amount of paper they



A support team of PCG operators (in red shirts) and engineers from Engico in Italy (in black sweaters) with PCG's VP of Operations, Richard Goldberg, second from left, and Keith Umlauf, VP of Sales at Haire Group.

can procure. The fact that our industry was deemed "essential" contributed to the current state of affairs, but independents and integrators alike are now facing delays in getting product to their customers because of "supply chain disruptions," specifically, finding enough people to drive the trucks to transport the finished goods to market.

Smaller independents are growing bigger, if not in physical size, then in capacity, customer orders and revenue; larger independents are growing even larger. For example, Middletown, New York based President Container Group (PCG), owned by Larry and Richard Grossbard, who already lay claim to a 500,000-square-foot "super plant," one of the largest in the Northeast, announced earlier this year that they are building a 100,000-square-foot addition in which they will invest in a second Fosber corrugator, a second Mitsubishi EVOL, a Goepfert, and approximately six miles of conveyor. PCG broke ground in the spring and construction is ongoing.

PCG will also continue its impressive streak of acquiring at least one new major piece of machinery every year for the past 11 years, according to Richard Goldberg, the company's Vice President of Operations, who manages and monitors the super plant's constant growth and continuous improvement initiatives. Last year's "investment" was that



President Container Group's new Engico dual-sized 66/99-inch Jumbo Flexo Folder Gluer.

of a remarkably efficient and incredibly engineered Jumbo Flexo Folder Gluer by Engico, a small Italian manufacturer of converting machinery still relatively new to this continent. The story of how an Engico Jumbo came to be the latest piece of high-speed equipment now humming away on PCG's production floor is almost as intriguing as the machine's engineering itself.

The story began during a late-night fishing expedition at AICC's Northeast Region Meeting in Atlantic City, New Jersey, in August 2019. Goldberg started chatting with Keith Umlauf, Executive Vice President of Sales at Haire Group, which had recently begun representing Engico in North America. The conversation somehow got around to machinery – surprise! – when Goldberg mentioned that PCG was going to be replacing its flexo and jumbo. Umlauf told him about Engico's machine and its too-good-to-be-true efficiencies. Goldberg was intrigued. He arranged a meeting with Umlauf and Engico's founder and engineer, Rinaldo Benzoni, and PCG's owner, Larry Grossbard, who was impressed by what he heard.

Goldberg performed his requisite “due diligence,” which he does before making any PCG machinery purchase. He did research, he asked questions and for “intel” on the Engico he “poked around” Italy, where his industry connections run long and deep. “Everyone I spoke to in Italy had rave reviews not only about Engico as a company and the way it did business, but they couldn’t speak more highly of Rinaldo Benzoni, the company’s founder and mastermind behind the technology,” says Goldberg. “That made our decision to purchase the new machine an easy one.”

The machine in question was a dual-size manufacturing marvel with 66-inch/99-inch cutting dies and print heads. It was essentially two machines in one. “The ability to cut and print from 66-inches to 99-inches, basically from the smallest box to the biggest, is huge,” says Goldberg. “The integrated stitch heads can stitch jumbo boxes on the fly at normal speed, skip feed and double skip feed. You can even run end slots and trays and tubes.” (PCG ultimately purchased a customized model with three print heads; two are 66-inches and the third is 99-inches).



Engico's inline stitcher

“Engico built a jumbo slotting section that is unique and unlike anything you’ve seen on any other machine,” adds Haire’s Umlauf. “They integrated quick set ups on both the slotting section and the print units. They’re doing with a jumbo machine what others are doing on a mini, including the having the ability to set up while running.”

Miracle Machine

So where has Engico’s “miracle machine” been all our lives? The technology had its roots in the early 1990s, which was the advent of Just In Time (JIT) delivery. “We wanted to improve the flexibility and speed for converters running boxes on large machines,” said Engico’s Benzoni. “The only way to compete and survive against the large machine manufacturers was to be a specialist and to create something different, so we developed the technology that offered increased flexibility, reduced set-up times, rapid order changes and high-speed production. I did not imagine that one day we would be importing this unique technology to the U.S.”

Benzoni says that in the early days, his goal was not to manufacture machinery but to own a small service and

maintenance company. After discovering there was a diversification in the production needs of box makers and that machine manufacturers at the time were only making “standard” machines, he shifted his business focus. Located in Lissone, Italy, just north of Milan, Engico had built long and trusted relationships with the select companies that manufacture the mechanical and electrical components that go into each of the company’s machines. All the iron Engico buys for its machinery is certified and contains a detailed description of the chemical components used in the manufacturing process. Any other components that



PCG added a specially designed Alliance FEEDMASTER Jumbo Bottom Feeder to the Engico's front end.

require “chemical treatment” is accompanied by a certificate detailing exactly how and with which chemicals the components were treated. A fully stocked parts warehouse permits the company to provide its global customers with spare parts as quickly as possible. And all Engico machines are equipped with a remote control system that allows the company’s service team to assist its customers in real time.

First U.S. Installations

The first U.S. installation of an Engico machine happened 15 years ago in 2006 at Lawrence Paper Company’s Fremont, Nebraska based Jayhawk Boxes, where the dual-sized workhorse exceeded expectations of owner Justin Hill. In 2017, Hill purchased a second machine for Jayhawk’s sister plant, American Packaging Corporation in South Hutchinson, Kansas, where the Engico was equally successful. More recently, Hill purchased a third Engico to replace the first one at Jayhawk Boxes.

Addressing the reason as to why there have not been more sales of Engico’s unique converting technology in North America, Benzoni said that his previous agents were not able to express to potential customers the true technological abilities of the machine and respond to the customers’ real needs. “Then Haire Group came along,” he says. “We finally found an agent who really understood the key to our technology and was able to pass this along to the customer. Not only the features of the machine, but the attitude of our company. Even though we are a small and young company, we are flexible and aggressive. Keith Umlauf and Haire Group have been successful in sharing this message with the United States market.”

This message was not lost on President Container Group. After their initial meeting with Benzoni and Umlauf in August of 2019 in Atlantic City, Goldberg and Grossbard visited Jayhawk to witness the Engico's performance on a live production floor. They made the decision to purchase the machine in October of 2020 and were expecting to have it up and running by November. The installation, however, did not go as planned.

The COVID Effect

Along with the rest of the global economy, the impact of the pandemic wreaked havoc on Engico's ability to perform a timely and efficient installation in Middletown, New York. Major shipping delays at the ports caused the machine's delivery timeline to be adjusted time and again. The machine that should have been converting boxes at PCG by November didn't even arrive in the U.S. until December, and then it had to be put in storage while the N.I.E. (National Interest Exception), the authority at the American embassy in Milan, Italy, reviewed Engico's application to



PCG Engico has two 66-inch printers and one 99-inch.

let its employees travel to the United States. After receiving approval, the five Engico employees who journeyed to PCG's super plant in New York to install the machine, Benzoni among them, tested positive for the coronavirus and were quarantined in a hotel near the plant. More delays.

"Logistically, the obstacles were unbelievable, but the machine was finally up and running on February 17," says Goldberg. "Rinaldo and his team did a fantastic job, which was a shining example of his commitment to grow his business. From the minute we turned the machine on, the Engico has been making boxes."

By removing its old 1636 and its McKinley and replacing them with Engico's dual-sized machine, PCG can now run boxes "that are down in the 1228 world all the way up to the 220," according to Goldberg. "The flexibility combined with the speed associated with the technology is huge." He appreciates the imagination and creativity on the part of Engico's Benzoni and Daniele Mazzola, who for 15 years has been the company's mechanical engineer and Benzoni's "right-hand" man. "Daniele has been able to polish the design of the machine to make it extremely customer-friendly. His ability to transfer Rinaldo's vision into the machine now running on our floor is incredible. That relationship is special," says Goldberg.

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Production speeds on the Engico – it can convert between 2,000 and 8,000 boxes per hour – have been improving since its installation in February. To maximize performance, an Alliance FEEDMASTER Jumbo Bottom Feeder, designed especially for jumbo machines, was installed. Since commissioning the Engico, PCG has been running it two shifts and went to three in early April. Goldberg admits that there is still a learning curve – for example, discovering the best and fastest way to run an RSC – that needs to be scaled before setting production speed records and there has been a concerted effort on training because the machine can simply do so many things.

"So how do you take a traditional flexo operator who doesn't know what a stitcher is or an operator doing end slots and trays on an old machines? Engico has been with us every step of the way – their employees have been here for six months to help with maintenance and training –and their people have been working with our designers, teaching them how to leverage the ability of the machine."

Presently, Engico employees and trainers are in the United States servicing and supporting the growing installation base. The Haire Group, which currently handles sales parts, service and support for the APSTAR product line in North America, is working closely with Engico to replicate a successful proven model. Providing excellent service and the ability to tap into Haire Group's rigging and support team, if and when needed, reinforces their long-earned reputation in the American market. Says Benzoni, "Sometimes our technology appears unbelievable, but when it is introduced and presented by someone who is already trusted, like Haire Group, we can be successful. You can have the best technology in the world, but if it is presented by someone who hasn't earned the trust of the customer, the relationship will not work."

"Like PCG, Rinaldo is an independent in the true sense



of the word," says Goldberg. "He and Engico will do whatever it takes to satisfy whatever the relationship needs but he expects that as the customer, we will provide the same effort. And we have. It's been a great partnership from the very beginning. I can confidently say that the Engico was fairly priced and is a great investment. If a box plant owner leverages that investment, especially with the speeds the machine can achieve, the machine will pay for itself in no time."