

Board Converting

NEWS

Serving the North American Corrugated and Folding Carton Industries for 38 years

Akers Packaging Mission Propels Midwest Growth

BY LEN PRAZYCH

“Service and quality second to none,” was the mission statement of William C. Akers, who founded the company bearing his name in Middletown, Ohio, in 1963 after leaving his job as Sales Manager at Inland Container. A former U.S. Marine who survived two tours of duty in Okinawa before returning home to begin his career working second shift on Inland’s corrugator while pursuing a degree at Miami of Ohio, Akers convinced his secretary and one Inland salesman to join him in his new venture: making and selling custom shipping solutions, wooden pallets, folding cardboard cartons and corrugated boxes.



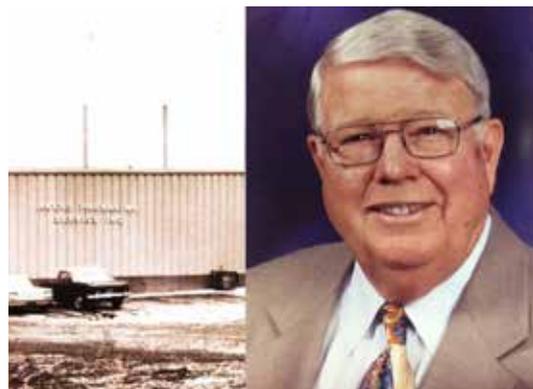
Mike Akey II, President of Akers Packaging Service Group, continues the mission of his grandfather and company founder William C. Akers.

With a primary focus on customer service, quick delivery, and no order minimums providing same or next-day delivery – essentially discovering the Just-in-Time (JIT) model long before the term became an industry standard – Akers made his first deliveries out of the back of his car before quickly growing to become a 10-person operation making boxes in a 20,000-square-foot facility in Middletown, just north of Cincinnati.

“To this day, nearly 60 years after the company’s founding, we continue to fulfill my grandfather’s mission that the customer must come first,” says Mike Akey II, the oldest of the Akers-Akey family’s third-generation and now president of the company; William C. Akers’ daughter,

Marilyn, married Michael Akey, thus uniting one of the “first families” of the modern independent corrugated industry.

As president of Akers Packaging Service Group, Akey and his uncles Bill Akers (CEO)



Company founder, William C. Akers, and Akers Packaging’s first box plant in Middletown, Ohio.

and Jim Akers (Chairman) have grown their grandfather’s once fledgling operation into one of the largest family-owned independent corrugated companies in the Midwest, with 13 facilities spanning the states of Illinois, Indiana, Kentucky, Michigan, Ohio and West Virginia. Akey’s cousin, Andrew Akers, is the company’s Managing Director.

“We’ve been fortunate to have acquired several great companies with great management. We’ve even kept the names of those companies because their customers loved doing business with them,” says Akey. “It’s very difficult to grow organically in the corrugated industry, which is why we decided a long time ago that if we wanted to grow the business, we would grow through acquisition.”

Better Or Cheaper

Akey cites Michael Porter, the Harvard Business Professor on Strategy, who says if you’re going to win business, you have to be either better or cheaper. You have to decide which boat you want to be in. “A lot of companies in the box business go cheaper,” says Akey. “We don’t do that. It’s just not sustainable. We want to be better.”

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For Akey, being better means being more educated. He graduated from Hillsdale College, a small liberal arts school in Michigan, before beginning work in the family's plants, first in sales, then working his way through the rest of the company. "My other big education piece was work-



A 3-color Apstar flexo folder gluer from Haire Group has a die cut section and adds capacity to Akers production lines.

ing for my grandfather and with my uncles," he says. "My grandfather had a different way of running a box business. It's in our core and literally, it's in our family's DNA and we haven't lost his knowledge because my grandfather made a point of seeing that his knowledge was transferred to the next generations."

Twenty years ago, when Akey was 30, one of Akers Packaging's vendors introduced him to a business group called the Young President's Organization (YPO). "Being part of YPO for the last 20 years has helped our company more than any other educational program I've been a part of," says Akey. "Just being around those people, networking and having access to their knowledge made me realize I don't really need to know everything, I just need to know who to call. I know someone in the group has the answer I'm looking for. Hanging around with these high-level business leaders for the past 20 years was really how I got my education."

Maxxed Out In Chicago

Akey sits for an interview in the office of Akers Packaging's Chicago facility. Not coincidentally, the circa-1943 building was his grandfather's first acquisition, from Potlach in 1975, and over the last five decades has been filled with about as much equipment that can fit in the low-ceilinged 120,000-square-foot structure. The company's machinery includes an original Langston 100 fingered corrugator, which Akey says may be the oldest operating corrugator in America. (Today's modern corrugators have two rolls pushing the medium together but on the old Langston, prior to going into rolls, metal "fingers" push the medium into the flutes.)

Akey equates the old Langston 100 to a vintage 1960s Chevrolet with 400,000 miles on it. "There are not many original parts left on it but it still runs 550-feet a minute and maintenance costs are next to nothing because the things

that need repair are not high-technology things. It's a great old corrugator and it still serves us well but because our business has grown so much and because it can't keep up with demand, we also buy sheets on the outside market."

In addition to the corrugator, Akers' Chicago plant runs two flexos, each with Alliance prefeeders; a two-year-old Apstar 3-color flexo folder gluer with die cut section; and a Post Folder Gluer. The corrugator, which is supported by a BW Papersystems downstacker installed last year, runs two shifts a day.

With the size of the today's corrugators and length of modern high-speed flexos, Akey says the company is "maxxed out" in its Chicago location and would need a facility of at least 400,000-square-feet to accommodate the



Akers Packaging's Langston 100 fingered corrugator, one of the oldest in North America.

industry's new larger equipment he would need to satisfy the ever-increasing demand for its products. In the meantime, other Akers companies are satisfying its customers with the output from the company's recent purchase of two Isowa Falcons, a 4-color 37-inch by 95-inch flexo folder gluer that was installed late last year at both Akers' Tecumseh, Michigan, and Middletown, Ohio, facilities.

Confidence In Isowa

Akers Packaging acquired Tecumseh Packaging Solutions in 2006. Akey says the plant was running a flexo that was 50 years old and was no longer able to keep up with overwhelming demand, largely due to the pandemic. Isowa technicians successfully installed the new and efficient set-up-while-run Falcon in November of 2021.

"It's running unbelievably well," states Akey. "Within the first three weeks of operating the Falcon, our crew ran a very impressive 50,000 pieces in a single shift of sheet plant work. In the past on the old machine, we might run 25,000 pieces in a single shift and that was on a good day. The Falcon is expensive so we have to keep it busy but that hasn't been a problem. We've now got the capacity to satisfy demand in Tecumseh and Chicago, as well as our plants in Van Wert (Ohio) plant and Sturgis (Michigan)."

The decision to invest in Isowa was made easier by the fact that Akers Packaging Service enjoyed prior success

with the Japanese manufacturer (U.S. sales, service and support are handled by Phoenix, Arizona based Isowa America) in its Middletown, Ohio, headquarters and manufacturing facility, which boasts not one but three Isowa flexos: two Falcons and one Ibis, a 47-inch by 120-inch flexo folder gluer that kicks out 250 sheets per minute.



Two flexos in Akers Packaging's Chicago plant are equipped with Alliance prefeeders.

(Read about Akers success with Isowa machines in its Middletown facility in the 10/14/19 issue of Board Converting News.) "The operation in Middletown has great capacity and is already "world-class," adds Akey, who credits the plant's management team with leveraging the advantages of the Isowas.

"We definitely could have saved money by going with a different flexo in Tecumseh, but we wouldn't have the shared knowledge, shared parts, service and support that we have with our Isowa machines," says Akey. "We can also move our dies between locations. There's real value in that."

Relocating Chicago

Akey says he would like to have one (or two) Isowa flexos in the company's Chicago plant but machines are too big and there simply isn't the square footage in which



A downstacker by BW Papersystems was installed in 2021.

to hold them. He also wants a new corrugator to replace the antique Langston, and add high speed converting equipment, so the search continues for a facility in the area www.boardconvertingnews.com

that will accommodate all of the above and more. Ideally, it will look like Akers' operation in Middletown.

"In the last few months, every building we've looked at moving into has been 'gobbled up' by Amazon or Walmart," says Akey. "At first, in 2019, we were going to build an entirely new plant. We had a site picked out and had plans



Akers Packaging recently purchased two Isowa Falcons.

drawn up but then the pandemic hit and so did pandemic inflation, which nearly doubled the cost of the project, from \$24 million to \$43 million for 400,000-square-foot. Then we decided to lease. We're getting close to a move but there are other things to consider: we don't want to be too far from our customers and we don't want to lose our great employees."



An Isowa Ibis, a 47-inch by 120-inch flexo folder gluer complements the Isowa Falcon at Akers' Middletown, Ohio, plant.

Indeed, like most other independent and integrated corrugated manufacturing facilities throughout the country, Akey says that hiring people is a tremendous challenge and that for every 20 people Akers Packaging interviews, they may hire only one person. The process could take up to two months. Then there's the challenge of keeping them. He sees the current supply chain problem as a labor problem.

"Everyone in the industry, independent or integrated, is struggling. There are virtually no people and the people you are fortunate enough to hire are new. I believe that



An EAM Mosca squaring bundler on one of the production lines in Akers Packaging's Chicago plant.

80 percent of the corrugated and converting plants in the country are not operating at the levels they used to. They can't run as fast. Plants that have the technology and fast machines may not feel it as much, but in a plant like ours (in Chicago) with flexos that are 8-10 years old, real knowledge and experience is required to run them."

Akers' Chicago operation currently runs two shifts, consolidated from three because of the pandemic and the aforementioned hiring challenges. Across its 13 facilities, nearly 500 employees – including 55 in sales – work for the company, which Akey claims has a 90 percent job occupancy rate. "This means we have ten percent of our jobs are available but we just can't hire anyone. And that's across all levels of the company. It's a big problem for our industry and a big problem for the country."

In addition to providing a safe and working environment, a competitive salary and a good benefit package, Akers Packaging Service is doing whatever it can to keep



Mike Akey and long-time employee Billy Mitchell on the floor.

all its employees, old and new, happy and satisfied enough to stay, which includes updating or renovating the break rooms, washrooms and vending areas: "open source" vending has been popular among employees.

"For us, our people are the key, from our laborers and drivers to our operators and managers," says Akey. "Our goal is attracting, training, and developing good people.



As a perk to retain employees, Akers Packaging installed an "open source" food and vending area.

I think we're good at training and developing people but we're also pretty fortunate to have the people we have working for us. We've come a long way and we're still a work in progress but we're still staying true to my grandfather's mission of 'service and quality second to none.'"