

Cleaning up

Keeping reusable containers dirt- and germ-free is good business

by Kara Kurylłowicz

"Cleanliness is everything." Three simple words drive every action at GTA-based BoxSys, where owner Maninder Swaich and her 26 employees clean approximately 36,000 reusable plastic containers (RPCs) and pallets daily for customers across four specific verticals: pharmaceutical, food, automotive and retail.

"This is our core business—it's what we do 24/7," says Swaich. "Once customers' RPCs arrive at our facility, we take control and assume full responsibility for managing and cleaning a valuable asset that can have a direct and dramatic impact on our customers' bottom lines as well as their relationships with their clients/consumers and subsequently their corporate image and reputation."

Over the past few decades, corporations have increasingly moved from single-use containers, usually cardboard, to high-density polyethylene and high-density polypropylene containers. While a single-use, cardboard container might cost about \$2.80 and an RPC runs around \$15, the RPC is typically used up to 600 times bringing the cost down to just a few cents per use.

"RPCs make good business sense—they cost far less per use and tend to better protect the product while taking less of a toll on the environment," says Roly Scagnetti, new business development manager at BoxSys.

For some time corporations have recognized the value in focusing on their core competencies while outsourcing specific tasks to third-party providers. Customers such as Apotex, Canadian Tire, Nestlé Canada, Grocery Gateway, WalMart, Magna and Matrix Logistics know that the structural integrity and cleanliness of the containers that carry everything from food products to car parts is of paramount importance. BoxSys has leveraged its expertise and experience to develop a unique set of Standard Operating Procedures for each industry sector, which it then modifies for each individual client.

"Owning your RPCs is one thing, but when you decide to manage that asset in-house, you're essentially getting into a different business and incurring the related costs such as real estate, equipment, testing and payroll, whether or not the volume warrants it," says Swaich. "We partner with our customers and review and adjust their SOPs together."

Brian Petrie, now central procurement manager, Canadian Tire, has been working with BoxSys since the company first started in 1997 as a washing and asset management expert, because it made sense to rely on a single company rather than two separate firms to source, wash and repair its RPCs.



BoxSys owner Maninder Swaich

"At Canadian Tire, our focus is on ensuring the products on our shelves meet our customers' needs," says Petrie. "We're not interested in washing and managing the RPCs because that's not our core business."

Every week, Canadian Tire relies on approximately 100,000 RPCs to carry its goods from four warehouses to more than 491 Canadian Tire retail locations and 90 PartSource stores across the country. During peak seasons, such as the fall, this number can be as high as approximately 135,000 RPCs per week.

"If we don't have an ample supply of RPCs, it can cripple us," says Petrie. "I love the fact that I can absolutely rely on BoxSys to wash, repair and pack up a full trailer load, 2,400 RPCs, in a day and a half."

Six years ago, Jagdev Bahra, manager, logistics, processes and projects, at Canadian-owned pharmaceutical company Apotex Inc decided to commit the 1,000-plus pallets required by Apotex Inc each week to a single supplier, rather than washing a small percentage of its pallets in-house and outsourcing the rest to several providers.

"Our expertise lies in the production of generic pharmaceuticals—it's more cost-effective and a better use of our resources to turn pallet management over to an expert in that field," says Bahra.

Every week, the 1,000 40- by 48-inch plastic pallets must be washed to eliminate cross-contamination between Apotex's four

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Ontario sites that need the service. While there is little real dirt, even the smallest amount of dust that would typically be created by the finished pharmaceuticals themselves must be washed away.

"We needed a supplier that would work with us to understand our industry's specific requirements and fully grasp the regulations around things like waste water," says Bahra.

In the early days of the relationship, both Apotex and BoxSys faced unanticipated challenges but as far as Bahra was concerned, BoxSys handled it well.

"BoxSys is a smaller, owner-operated firm with a flat management structure," says Bahra. "Apotex, despite its size and scope, is very entrepreneurial, and we want partners that think like us. At BoxSys, there isn't any bureaucracy—they're not obliged to go through various steps and approvals—they just do what they need to do to solve your issue."

Demand for BoxSys services are such that in May, the company is moving from its 18,000sqf leased space to a 50,000sqf owned facility nearby. While it is currently running a single, automated washing line and one manual cleaning area for oversize and unusually shaped containers, the new space will allow BoxSys to add a second, more automated washing line to increase efficiencies, contain costs and accommodate greater volume from new clients.

"After I hired an outside consultant to audit and assess our business, I was informed that we were running below our potential because we lacked the space we'd need to take on new clients," says Swaich. "That's when I started looking further ahead to a bigger future."

BoxSys can accommodate containers as small as about 12 square inches to as large as four feet square. The containers range in colour from basic black to cherry red and brilliant blue. Some containers have hinged lids and others are open. Certain containers are essentially shallow, oversize trays with precisely molded compartments that secure and protect parts from jostling, rubbing and potentially damaging one another while in transit.

Today, BoxSys has nearly two decades in the business and a relatively new owner and CEO in Swaich, who bought the firm from the original owner in 2008. Swaich was hired the year after the company launched to input the production numbers. Initially, Swaich saw her admin position as a temporary summer job. But over the years, as she acquired new skills and responsibilities, the challenges kept her at BoxSys. In her roles as quality auditor and ISO coordinator, she became an integral part of the firm. In October 2008, Swaich, who was then operations manager, got a bit of a surprise. BoxSys would close forever that November and Swaich and the rest of the BoxSys employees had just one month to find other employment.

"The owner was more than ready to retire, the economy was poor and he'd been unable to find a buyer for BoxSys or its equipment," remembers Swaich, who wondered where she'd take her 10 years of hard-won experience. "As I walked through the plant, I looked at how many employees, including me, would lose jobs. I knew what our equipment could do and the fact it was now destined for the scrap metal heap was really sad."

As the second-in-command at BoxSys, Swaich knew the industry well and recognized BoxSys's enviable position as the only RPC management option in the GTA. As she puts it now, "I didn't want to see a business with 10 years of success just disappear!"

Learning that the lease had expired gave her pause, but she persevered. "I knew I could run the business because I'd already been in charge of operations," says Swaich.

Swaich was determined to recreate her job and keep everyone else on the payroll. The new location needed some work but it got done due in large part to her employees' deep commitment to making it happen. When asked why they were painting alongside the professionals hired by Swaich, one of the older employees replied, "They way they're painting our plant—it won't be ready for us!"

"The fact I haven't gone out for an RFP on our RPCs since 1997 indicates I'm very happy with my partnership with BoxSys," says



BoxSys cleans up to
36,000 RPCs each day

Petrie. "When Maninder bought the business and took over as president and CEO, it was comforting and it further built my confidence in the company. My first choice was to stay with BoxSys over going back into the market."

When Apotex's Bahra learned that BoxSys had recently been purchased by Swaich, a former employee, he wanted assurance that he could continue to have a long-term relationship with BoxSys under a new owner. He didn't want to go out to an RFP because he knew that 20 percent of respondents would be newer firms or start-ups, who may not go the distance.

"I'd known Roly for years and he had complete faith in Maninder's abilities," says Bahra. "The best supplier may not be the biggest or have the most equity and assets, but they have the flexibility and awareness to deliver the personalized, dedicated customer service that really sets them apart."

What does that really mean to Bahra? A few years ago, when faced with an issue that needed immediate resolution, he called Swaich at home.

"The fact I had her home number speaks volumes as does the fact she solved the problem in just 20 minutes," says Bahra. "Year after year, BoxSys proves their commitment to me and to Apotex."

The plant operates Monday to Saturday, 7am to 11pm and can

CANADIAN Food Chain

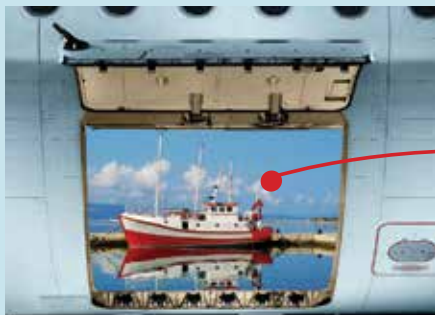
add a shift if required. Experience has proved customers' businesses are cyclical and that demand ramps up with new product launches. In some cases, BoxSys knows that an uptick is imminent and can plan ahead, but Swaich and her employees are always prepared to accommodate emergency and rush orders.

"It's what we do to help our customers run their businesses and it's a part of our regular service—we don't charge a premium—we just get it done," says Swaich.

As would be expected, because the food industry's standards are the most demanding, the new location will have a separate, second line dedicated exclusively to food containers. BoxSys complies with the ISO 9001-2000 standard, which is a hallmark of the consistency and reliability that ensure quality. As importantly, BoxSys meets the standards set by the Canadian Food Inspection Agency and has developed a 20-plus series of steps that address everything from employee training to line speed, water temperature and pressure. The steps also detail the use of approved detergents, sanitizers and chemicals for washing the containers, the plant floor and the trailer interiors.



The company is moving to a larger facility in May.



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Clean RPCs and lids are randomly tested daily for TPC (total plate count) and coliforms at BoxSys' on-site laboratory and regularly verified at an independent, external laboratory. BoxSys' production objective is less than 10 Colony Forming Units (CFUs) of bacteria, yeast or mold or less in 98 percent of the samples tested, but the industry standard is 50 CFUs.

"When we put consumers' health and safety on the line, we're also putting our customers and our own reputation on the line so our operators manually check critical control points such as the water temperature and pressure as well as the chemical levels every 30 minutes although the industry standard is every 60 minutes," says Swaich. "Our quality-control inspector also has the authority to stop the production line if we're not meeting the necessary standards."

Each pallet of washed goods carries a Pallet Inspection Tracking System (PITS) form so that BoxSys managers can identify the root cause of issues, then develop and implement corrective actions as required.

"Our customers are welcome to walk through the plant any time, but we also provide inventory status reports on a daily or weekly basis as specified by the customer," says Swaich.

BoxSys staff, who have years of industry experience, work closely with customers and act as consultants when they see fit. For example, BoxSys recommended a meat processing client switch from wood

to plastic pallets which have proved more durable as well as easier to sanitize.

"Customers trust our experience," says Swaich. "For example, while they'd like to save time and money by skipping the four-sided shrink wrap, they understand it keeps the RPCs and pallets pristine while they're in transit."

As required, BoxSys, which provides cradle-to-grave service, will order new RPCs and send RPCs that are past their prime to plastic recycling facilities. BoxSys receives the payment from the recycler, but applies a "material credit" to the RPC owner's account.

Employees in quality, inspection and rotational production positions receive four months of apprenticeship training and are reviewed every four months. Annual employee bonuses, which are paid at Christmas, are tied to performance and targets.

Swaich is proud of the fact 16 BoxSys employees have been with the firm for more than 10 years while 14 have over five years with the firm.

"Our customers benefit because we have established a trust level and our teams regularly deliver good results," says Swaich. "Customers also know that they can always reach me directly when necessary—that accessibility and personal attention are differentiators and can ensure peace-of-mind. They know that I really do take our ability to meet their expectations very personally."



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