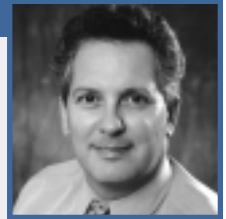


VIEWPOINT

FLEXIBLE INSIGHTS

Pre-Made Business Opportunities in Flexible Packaging

by Dennis Calamusa, Alliedflex Technologies Inc.



Pre-made flexible packaging is perhaps one of the most exciting business opportunities to come along in our industry in a very long time. Pre-mades come in the form of a wide variety of pre-formed and prefabricated bags or pouches. Pre-mades have certainly been around for a while, but the market is now! This is based on a number of interesting market dynamics mainly driven by consumer convenience and technological machinery advancements.

Pre-made bags and pouches can be constructed in simple polyethylene or complex laminated structures, providing custom barrier properties. These pre-mades can be further enhanced with the incorporation of spouts, dispensing fitments, zippers, "slider" zippers, die-cut handles, and unique shapes to satisfy the creativity of even the most imaginative marketer.

In this critical time when we may be looking for ways to keep our capital investment low, we can form a strategic alliance with a pouch converter who may already own the equipment but lack the customer base and marketing savvy to promote the pre-made capability in a big way. Enter your sales team!

Opportunities abound

Wicketed Bags are ideally positioned to offer the packager a simple solution to the challenging problem of how to enhance their "age old" polyethylene packaging to suit today's more sophisticated consumer or retail buyer. The solution may be a pre-made wicketed polyethylene bag enhanced with a press-to-close or "slider" style zipper, a package solution that offers the consumer the modern convenience desired without the capital investment of VFFS.

Side Gusseted/Zipper Bags are ideally positioned to provide an alternative to the popular multi-wall paper bag. This innovative laminated pre-made bag provides superior barrier, improved graphics, and

reclosability via a zipper or "slider" feature. The side gusset configuration also offers the volume needed for many traditional multi-wall bag applications.

Standup-pouches in the pre-made format are perhaps the greatest opportunity for the flexible packaging converting industry in the past 50 years. You may not realize it, but there are more pre-made standup pouches filled than the form/fill/ seal variety. This represents billions of pouches. How many did your company provide? Are you presently positioned to serve this need or are you planning a strategy to participate in the future? Either way you can not afford to be excluded from this massive potential market.

The variations of pre-made standup-pouches styles include "press to close zipper", "slider zipper", spouted, handle and with unique shapes to satisfy even the most creative marketer.

Retort Pouches represent an opportunity to get in on the ground floor of a technology that appears to be poised to explode in coming years. We have seen powerful examples of the potential that exists in this category with the very successful market introductions of Kal Kan's Whiskas and Starkist and Chicken of the Sea tuna. These companies deserve accolades for their forward-looking approach, but also for their bravery in changing from a century old packaging format, the metal can.

Marketers are increasingly willing to take risks due to the fact that if you don't transition and your competition does, it may not be possible to gain back the lost market share when you finally succumb to change. The only short-term solution may be to slash price, but this may be a very expensive marketing strategy.

A logistical nightmare

The concept of "pre-made" packaging is not new—think for a moment of the com-

posite can, spiral wound container, metal can, glass jar, or PET bottle. All represent forms of pre-made packaging. These packages are all pre-fabricated, shipped in to the packager, warehoused, and finally delivered to the packaging floor. And we still have to decorate or label, fill, and seal this container. This is a logistical nightmare!

The "pre-made" flexible pouch or bag is pre-printed, shipped in flat, and efficiently warehoused. Typically one truck of flexible pouches represents three to four trucks of rigid packaging. Think about that effect over the course of a day, a week, a month, or a year! The logistics are staggering, and companies are realizing this fact and changing not only to suit the consumer or market, but to reduce the cost structure of the total packaging process and the multitude of cost centers along the way.

In the near future we may see pre-made pouch converting lines that far exceed the present technology of 100 to 400 PPM. Systems are on the horizon that may be capable of approaching 2,000 PPM! Fill/seal equipment is also evolving, and systems are already installed in the US producing 100 to 500 PPM. Things are sure to get very interesting in the not too distant future.

If our industry does not respond by offering viable, cost-effective solutions to its customers it may find that packagers becomes more self sufficient by incorporating pouch making capabilities within their own operations. This is already a growing trend among some of the largest beverage and retort packagers around the world. 📦

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