

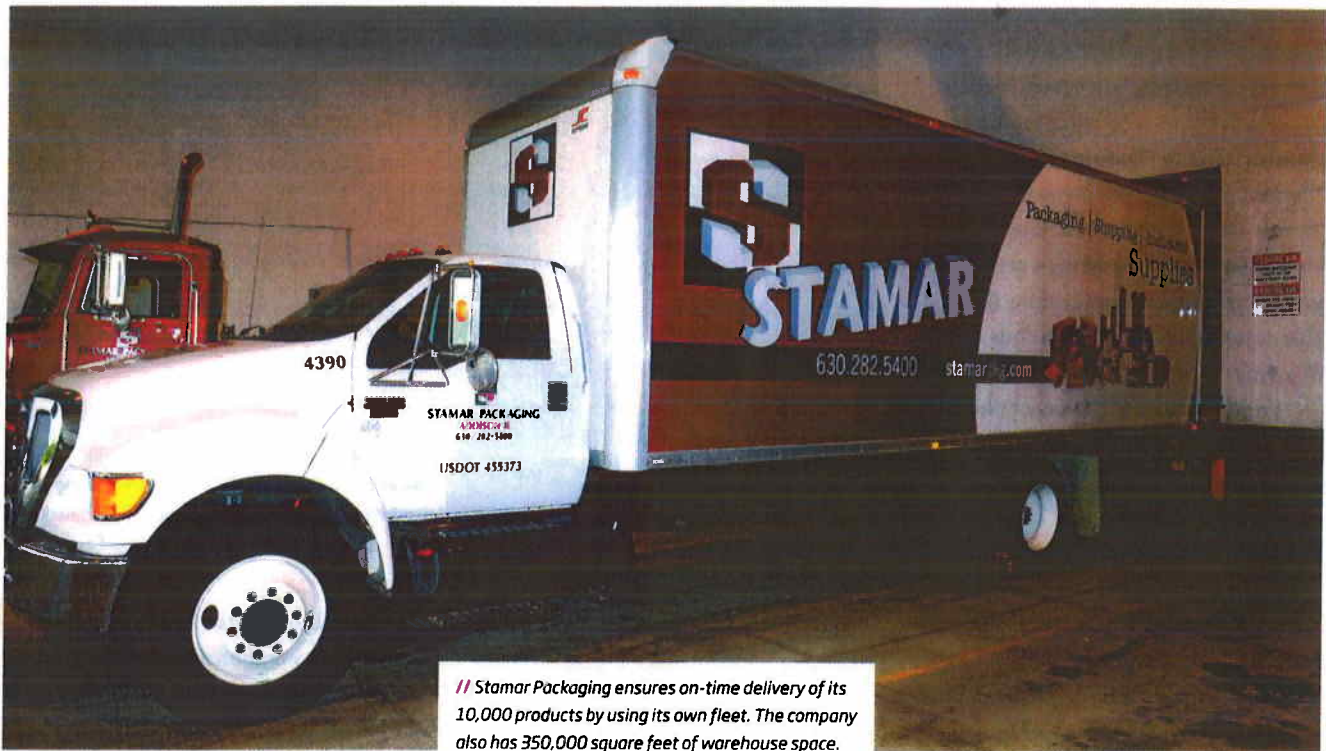
"You also have to hire great people and build great relationships with suppliers." -Joe Tedesco, president



A Package Deal

ITS FOCUS ON CUSTOMER SERVICE, SUPPLIERS AND SALESPeOPLE MAKES STAMAR PACKAGING A NATIONAL PLAYER IN THE PACKAGING INDUSTRY.

> STAMAR PACKAGING



// Stamar Packaging ensures on-time delivery of its 10,000 products by using its own fleet. The company also has 350,000 square feet of warehouse space.

BY BRIAN SALGADO

Joe Tedesco took ownership of Stamar Packaging with a plan to revive the struggling packaging supplier. Although this was the first business Tedesco had owned, he knew the three things in business no one can afford to lose are customers, suppliers and salespeople.

The first prong of that three-way approach is simple enough –customers are always right, and they often expect businesses like Stamar Packaging to serve as

a partner rather than merely a supplier. The other two, however, required a culture change inside and outside the walls of headquarters in Addison, Ill.

"The business model is built around developing relationships with customers and understanding their needs," Tedesco says. "You also have to hire great people and build great relationships with suppliers."

The plan is working. Since Tedesco purchased Stamar Packaging in 2000, the company has grown from \$7.5 million in

annual sales to more than \$50 million. Tedesco says Stamar is becoming a national player in packaging supply, as well.

[PROFILE]

Stamar Packaging

www.stamarpkg.com

2010 sales: \$50 million

Headquarters: Addison, Ill.

Specialty: Packaging supply distribution

Stamar Packaging was established in 1981. Along with headquarters in Addison, the company has distribution centers in Memphis and Nashville, Tenn. Combined, it has more than 350,000 square feet of warehouse space.

The company owns its own fleet of tractors and trailers to deliver its more than 10,000 products on time. Half of the business stems from packaging supplies, while the rest comes from corrugated cartons.

Committing to Customers

The first part of Tedesco's plan to revive Stamar Packaging involved catering to its clients. This involves taking a vertical approach to their needs and asking the clients how they want things done instead of telling them how it should be done.

"We don't say, 'No,'" he says. "We do business the way our customers want to do business, which is critical today in the economic situation."

Tedesco says this requires the sales force to develop relationships with clients to determine what they need to best run their operations.

"We're always pushing the envelope of trying to change the game inside customer accounts," he says. "I could have people sitting behind a computer and quoting tape or stretch wrap, but we develop a relationship and while they're using 'x,' we try to show them 'y.'"

Along with offering a variety of products for specific applications, Stamar Packaging maintains an open-book policy regarding its pricing and costs. For instance, the price of oil has placed a burden on its transportation costs. Stamar Packaging is upfront about these pressures and uses them to explain why it now imposes a fuel surcharge on orders.



// When adding to the Stamar Packaging sales force, owner Joe Tedesco looks for people with a strong work ethic and willingness to do anything to succeed.

"The fortunate part of this economy we're dealing with today is that we're not the only company in this position," Tedesco says. "It is how you discuss it with your customer and quantify it with customers - that is the key thing."

Supplier Strength

After setting new standards for interactions with customers, Tedesco turned his focus to strengthening Stamar Packaging's core of suppliers. When he purchased Stamar Packaging in 2000, the supplier base was limited to a few companies for each product category. Not only did Tedesco want more suppliers to choose from, he wanted to improve the selection and expand offerings, as well.

"That was one of the key things we needed to strengthen and enhance," Tedesco says. "Stamar was buying from one or two guys. Now we choose from a half-dozen people because they all bring different value to us. Once you've got a good supplier base, you're able to go to market and play golf with a bunch of different clubs. I learned who some of the bigger suppliers were and who I didn't want to deal with."

Tedesco had 12 years of experience in the packaging industry as a salesman before purchasing Stamar Packaging, so he knew who he wanted to bring into this new venture with him.

One category where the supplier base has improved significantly is in corru-

gated boxes, he says. This industry is consolidating as a result of the slow economy, which means struggling manufacturers of corrugated boxes no longer will give away inferior products for low prices.

"We're making sure we align ourselves with suppliers that are financially stable and deliver a good product," Tedesco says. "That's a benefit for us because ones that are financially struggling are the ones giving corrugated boxes away forever. This gets rid of the players not interested in making money."

Superb Work Force

Once Stamar Packaging had the right products from reliable suppliers in place,

the final step for the turnaround of the company was to solidify the sales force. According to Tedesco, this required expanding the staff as well as providing additional training.

"Once we got a good supplier base, we focused on adding to the sales force and teaching better techniques," Tedesco adds.

For training, Stamar Packaging depends on the manufacturers of the products it sells to give its sales force the knowledge it needs to sell products. Most manufacturers offer onsite training on their products at Stamar Packaging's facilities. Stamar Packaging typically visits its corrugated suppliers' plants for training on those offerings, Tedesco says.

When adding personnel to the sales force, Tedesco says he looks for individuals with a strong work ethic and willingness to do anything to succeed. He feels that he is leading by example in this regard.

Between a revamped sale force, internal customer service employees and a knowledgeable procurement department, Stamar Packaging has the know-how to get clients what they need when they need it.

"We continue to develop our service-oriented culture," Tedesco explains. "We're strengthening our supplier base, and we continue to develop our account base and keep building a reputation as one of the companies others don't want to compete against." *•mt*

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