

IN PROFILE

■ Edson Packaging Machinery Limited: Aim to Always be the Preferred Supplier

Imagine the scenario: two experienced business executives, Robert Hattin and Gary Evans, are recruited in 1997 to support a succession plan for Edson Packaging Machinery, a Hamilton-based custom packaging machinery manufacturer. Both men have previously worked at Westinghouse Canada (with some overlap in service time) and both live in Grimsby, Ontario. They don't know each other.

Within two months, the succession plan goes awry and the successful company becomes available for sale.

Relying on their gut instincts that their skill sets and personalities would be compatible, Hattin and Evans take the reins as co-owners and become Edson's President and Executive Vice-President, respectively. Hattin's core strength lies in both marketing and automation. Evans' background and core competency is in finance and industrial service.

At its 50,000 square foot facility, Edson - with annual sales of \$10 million and 70 employees - designs, builds and services the machinery that manufacturers use to package their products and goods into cardboard boxes.

To be clear, Edson does not do the actual packaging (this is sometimes misunderstood). That activity is the purview of its clients, many of whom are well-recognized, blue-chip companies, including Proctor and Gamble, Kraft, Technicolor, Scott Towels and Huggies.

More than 80 percent of Edson's clients manufacture tissue products such as bathroom tissue, facial tissue and kitchen towels.

"We cater to progressive clients, both large and small, who take a collaborative approach to their packaging systems," explains Hattin. "Many heads are better than one. We learn from each other, and make both better in the process."

Still, whatever their clients' requirements or industry sector, Hattin and Evans focus squarely on their number one goal: to be the preferred supplier in any market segment in which Edson chooses to operate.

"Currently, approximately 75 percent of Edson's revenues are attributable to its design/build, with the remainder driven by its higher-margin "Customer Care Group" (service) that provides after-market support.

So as the current business environment evolves to become more of a service-oriented economy, the partners are steering their company to reflect this new reality.

"If we want to always be the preferred supplier, to become an essential part of our clients' business, then we need to become more active in after-market customer support," says Evans.

Being adaptable explains why Edson, in a bold move, has recently undertaken a unique project.

IBF Snapshot

- Edson maintains an active Employee Charitable Policy. The company matches employee donations up to a maximum of \$500 per year.
- A motto: "Running a business is all about taking responsibility, making decisions and then living up to the promises you make to your clients, suppliers and most importantly, your people."



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L A W Y E R S

“One of our clients, the second-largest paper converter in North America, recently asked us to take care of more than 100 machines, spread among its locations all over North America,” explains Hattin. “The request for service support would not be unusual, except for one detail: the machines were designed, built and installed by one of our competitors.”

Hattin and Evans did not hesitate to take on the task. “This is an opportunity for us to shine, to show our clients what we can achieve in terms of supporting their machinery,” continues Hattin.

“We told them: ‘Put the first machine on a trailer and send it up here. We’ll figure out how it works and support it.’ Why send our client back to our competitor with whom he is not happy?”

Evans agrees: “We may stumble a bit in the initial stages of supporting this machinery. But, here’s the important point: a company can always learn about the technology, but you can’t buy goodwill. It’s all about having a positive attitude and building strong relationships with clients.”

Responsibility to the business community and the community-at-large are also ongoing commitments for the partners. Hattin, a passionate commentator on business and government, speaks for the partners: “Business and politics are commingled, it’s vitally important to have accountability in this world.”

This philosophy dovetails well with their belief that although manufacturing in Ontario has its ups and downs, (think the summer of “SARS” when clients did not want to fly into Toronto for meetings or trade shows), the manufacturing sector is integral to the province’s economic health. “Strategically, we need to keep our

customers as competitive as they can be so that they keep their base of operations in North America, as opposed to sending operations offshore. We must keep the supply chain on this continent strong,” declares Evans.

As such, Hattin and Evans are active in roundtable and industry events with associations such as the Canadian Manufacturers & Exporters Association (CME) and the Packaging Machinery Manufacturers Institute.

They take their involvement in stride, sharing lunch and ideas with executives of major international corporations, and at meetings with key influential decision-makers, such as Governor David Dodge of the Bank of Canada, where monetary issues are discussed.

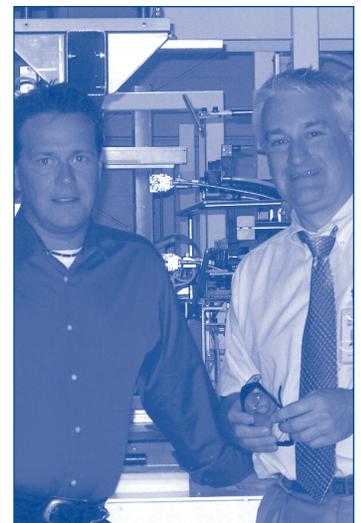
Recently, the company was asked for its input by Ontario Minister of Small Business and Entrepreneurship, Harinder Takhar, at the Hamilton Chamber of Commerce.

In addition, since the partners are aiming to shape Edson into a “lean manufacturing organization”, they also meet regularly with executives from the Royal Canadian Mint and the Mayo Clinic, who are also working toward the LEAN goal.

While the partners did plan an “exit strategy” when they agreed to buy the company, it’s apparent that the marriage of minds is steering Edson in a direction that is amenable to them both. The partners are in sync and often finish each other’s sentences and thoughts.

Ironic, considering that before coming to Edson they could have passed each other on Grimsby’s main street and had no inkling of how firmly their destinies would be linked.

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