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Facial tissue specialists



Jeff Anderson, president of Precision Paper Converters, says the company is looking at expanding around the country. The Business News photo by Nick Lauer

Kaukauna company success tied to its niche product line

By Nick Lauer
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If you've ever watched a tearjerker of a movie and used a tissue to stop the impending waterworks and potential embarrassment, you may have Precision Paper Converters to thank for supplying the necessary materials.

Since 2009, the Kaukauna business has focused on one thing and one thing only — making the highest-quality facial tissues on the planet.

According to president Jeff Anderson, this wasn't the initial plan when the current ownership group took over Precision Paper Converters in 2002.

"That group of investors rolled up a couple of different companies — one that made facial tissue, one that did some rewinding, and one that did sheeting and trimming — and put them all in this building, which was built in 2000. The original Precision Paper Converters did sheeting and trimming and they were in this building."

Those three businesses all operated under one roof until 2007. Then, the issue of diminishing space forced the ownership group to make the decision to either expand the facilities or go in a different direction.

It was decided that facial tissue would be the sole area of focus for Precision Paper Converters.

This was a bold choice as still to this day they are the only company in North America that has facial tissue as its main product. However, the decision to make facial tissue

the focus had sound reasoning behind it. "It was a niche that the company could really do well in," Anderson said. "It was well enough established here that they saw enough potential for it and they had a reasonable competency making it. They decided the other two businesses were more commodities. There's a lot of people doing rewinding, a lot that did sheeting and trimming, but not many that did facial tissue and none that focused on facial tissue."

This specialization on the production of facial tissues has made Precision Paper Converters the go-to supplier for many companies across the country and in Canada that want to offer facial tissues to their customers without having to participate in the production.

Although they do offer a niche product line called Sniffles that is mainly found in gift shops and Festival Foods, the majority of the business comes from these companies that are interested in outsourcing this arduous task.

"If you think about bath tissue, you just rewind it from one jumbo roll onto a smaller roll, cut it, wrap it in plastic and it's ready to go," Anderson said. "Facial tissue is much harder to make and it's a small category. Other people don't want to mess with it."

For those not familiar with the conversion process, it is a simple, yet challenging system. It starts with jumbo rolls of tissues that weigh close to a thousand pounds. These rolls are put onto inner fold lines, cut to the correct size, and then inner folded so the tissues pop out of the box. Next, the tissue is put onto a conveyor

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belt and is fed to a log saw. Finally, they go into a cartoner that puts the tissue into the box. It is this folding process that makes facial tissues the most difficult product to make within the tissue market.

While the task is highly challenging, Precision Paper Converters has gotten it down to a science. "We're really, really good at that one thing," Anderson said. "We're very specialized. It's a niche market. It's not high growth, but it's a good place for one company to be."

This specialization at doing one thing really well combined with the fact that facial tissues are locked into a stable, non-cyclical market has allowed Precision Paper Converters to steadily grow its business and thus expand its facilities. The company recently completed a

facility expansion that cost close to \$6 million and added an additional 28,000 square feet to the 44,000 square feet of the original building.

Anderson mentioned that future expansion is on the horizon and it won't be limited to simply increasing the size of the Kaukauna building again.

"The plan is to start to expand around the country," he said. "We need to get closer to some of our customers. Facial tissue is pretty freight intensive. It costs a lot for the value of that box to ship it around the country. Our plan is to get closer to some our customers that are in the Southeast."

While business continues to grow for Precision Paper Converters, the company knows there is a natural process that will prevent it from resting on its laurels.

"Our customers over time, as they grow their products, there's a natural interest in making their own," Anderson said. "You outsource it for awhile until it makes sense to bring it in house. From that perspective, we need to keep up growing because we'll lose some naturally over time."

Continuing to grow in a market that grows approximately one percent a year is another challenge the company faces, yet Anderson and his team have a strong driving force to keep expanding the business. "We have 45 families here, including mine. All those people and families depend on this business to keep doing well and grow so they can do the things they want to do with their families and improve their lot. That's why we're here, right?"