

Georgia Crate Company Finds Strong Niche in Custom Work

By Tim Cox



Versatile Production Capabilities: *At times Reid Packaging is steadily manufacturing wood crates and containers, and at other times it is busy crating large objects at on-site locations.*

PEACHTREE CORNERS, Georgia – Reliability is the strength of Reid Packaging, said owner Ward Phillips. “You will get what you order when you expect it.”

Reid Packaging specializes in supplying wood crates and containers for shipping industrial products. The company also provides related services, including on-site crating.

The company is based in Peachtree Corners, a suburb north of Atlanta. It is located just a few miles west of the I-85 corridor and a short distance north of the 285 beltway that encircles the Atlanta metropolitan region.

Reid Packaging has been in business since it was founded in 1982 by Peter

Reid, who ran the family-owned and operated business until selling it to Phillips in 2007.

Phillips, 62, grew up in the Southeast and earned a bachelor’s degree in journalism from the University of North Carolina-Chapel Hill. He spent 24 years working in the industry that manufactured photography products — films and the paper and chemicals to develop them into photographic prints. He worked mostly for a British-based company and lived with his family for part of that time in England. He left the company in 2006 — at the time he was director of sales and marketing worldwide — and returned to the United States and settled in the Atlanta area.

Phillips took six months off and then began looking for a business to buy. He did due diligence on a few other manufacturing businesses, but found they did not “measure up.” Then he found Reid Packaging. “It was absolutely pristine,” he said. As he did the same type of due diligence, he found that Peter had accurately portrayed the company’s finances.

“I took a well-run company with a great reputation, and one that I could easily understand in terms of growth and strategic planning,” commented Phillips.

The photography industry, at least that portion that manufactured film and products for developing film, was overtaken and decimated by technology: digital photography. People still buy cameras,

but photographic film has gone the way of buggy whips.

That was one thing that attracted Phillips to Reid Packaging and the crate and container industry. There is a certain amount of security in the packaging industry insofar as it is unlikely to be overtaken by a technology revolution like digital photography, suggested Phillips. Businesses continue to move goods and products from one point to another, and they need transport packaging to move them and protect them. "I felt like it was a safe, long-term investment, and a business I could understand and relate to, and — quite frankly — enjoy."

Reid Packaging is "a little bit all over the place," said Phillips. At times it is steadily manufacturing wood crates and containers, and at other times it is busy crating large objects at on-site locations. About two-thirds of the company's business is for wood crates and containers, and about one-third, corrugated containers.

The company has a 60,000-square-foot shop and about 20 employees. They



Wood-Mizer Resaw: After hardwoods cants are cut to length, the material is turned into deck boards or stringers on a Wood-Mizer HR130 horizontal bandsaw resaws. This saw is equipped with the optional return system so the machine can be operated by one worker who re-feeds the cants to the single head saw.

are augmented at times by about two to six temporary workers who perform production tasks, such as feeding wood to a

saw. Asked to describe the company's 'bread and butter' product, Phillips ex-

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Specialty Jobs: Sometimes Reid Packaging will develop a specialized crate for a very large object, such as a car, industrial machine or large parts for fighter jets.

plained the process of working with a customer, most of whom are manufacturers of heavy industrial products, such as pumps or motors. “They’ll design a new one, and they’ll want a crate for it,” he said. “We work with them to develop exactly what they want, and we keep those drawings on file.”

The customer may subsequently order six of those crates, or four of another that already has been designed and is on file. “They reorder as needed. We can make them in short runs, and they can have just-in-time inventory for crates.”

Repeat customers are purchasing custom crates that become a stock item for their business, although Reid Packaging will accept an order for even a single crate. Most customers are within the Atlanta metropolitan region.

Reid Packaging supplies crates for companies that manufacture industrial computer cabinets, satellite antennas and smoke stack scrubbers to name a few of their products. Some crates are larger than a sea container. By contrast, the smallest crates the company has supplied were about 9 inches by 12 inches by 15 inches.

Customers often order in multiples from five to 50 units, indicated Phillips. For one customer the company produced 20,000 small crates. “Most of what we do would be considered a short run,” added Phillips.

The company fills a lot of orders for just one crate or container. Reid Packaging also supplies packaging that meets military specifications. Many companies that manufacture products for the U.S. military do not have the knowledge and equipment to meet the packaging requirements, said Phillips. Reid Packaging can help them in one of two ways. It can supply a complete container kit for a customer that includes all the materials and appropriate documents and labels, or the customer will ship them goods, and Reid Packaging will unload them and then package them according to the military specifications. “We do a fair amount of that,” said Phillips, both supplying kits and re-packaging shipments.

A lot of customers put their product in a crate or container and store it or ship it to a warehouse, not knowing if it will eventually be sent somewhere in the

United States or abroad. For that reason, most crates made by Reid Packaging are for export shipments, so the company uses heat-treated wood material in order to comply with ISPM-15 regulations for wood packaging used in export.

The company also makes use of foam cushioning products, static control products, and barrier bags to package and protect a customer’s shipment. Crates can be equipped with such optional features as carrying handles, hinged lids and doors, latches, hasps and locks, foam lined interiors, partitions, drawers, ramps and casters. And they can be labeled with a company logo or promotional signage.

Reid Packaging was chosen by Lockheed Martin to supply all the wood crates and containers and to perform on-site services for the complete dismantling of manufacturing operations that produced the F-22 Raptor fighter jet in Marietta, Georgia and Meridian, Mississippi. That project took 15 months to complete.

Bill Reid, Peter Reid’s son, continues to work at the company as a senior sales executive. At Reid Packaging, a sales

manager has a dual role as a project manager, Phillips explained, actually designing a crate or container, determining what components are required, and overseeing the production of the first sample or prototype.

For raw material, Reid Packaging buys mostly plywood panels ranging from $\frac{3}{8}$ -inch to $\frac{3}{4}$ -inch thickness and heat-treated southern yellow pine lumber in such dimensions as 1x4, 2x4, 2x10, 4x4 and 6x6. The company buys truckload quantities through brokers from mills in the Southeast, including Georgia, Alabama, South Carolina and North Carolina.

Some customers do not require crates for export shipments, and in those cases Reid Packaging will buy mixed hardwood 4x6 cants from mills in Georgia and remanufacture and resaw the material into components. Cants are cut to length first on a Northtech 24-inch upcut saw. A Wood-Mizer HR130 horizontal bandsaw resaws the material into deck boards or stringers; it is equipped with the optional return system so the machine can be operated by one worker who re-feeds the cants to the

single head saw.

For cutting plywood panels the company is equipped with two horizontal panel saws, a Homag and another manufactured earlier under the Hozlma brand name. For some cutting or forming processes the company uses a CNC router and an inverted pin router. The company is equipped with an assortment of other woodworking machines for remanufacturing lumber, probably few brands that are familiar to people in the pallet industry. The list of equipment includes a Tannewitz bandsaw, a couple of Cameron optimizer chop saws, two Northtech up-cut chop saws, a Diehl straight-line rip saw, and TOS gang rip saw.

The panel saws and routers are on one side of the shop for processing panels, and equipment for remanufacturing lumber is on the other side. Plywood is staged near the panel saws, and the dimensional lumber is staged all along the back wall. The components are cut and loaded onto rolling carts with the drawings for the crate and moved to the middle of the shop, where crates and containers are assembled.



Top and Bottom Redundancy: Ward Phillips believes in equipment redundancy to ensure they can fulfill orders even if a machine has to go down for maintenance or repairs. Also, this extra capacity comes in hand for rush or emergency orders.

All crate and container assembly work is performed by hand with pneumatic nailing tools.



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40 Foot Skid: While the company doesn't make lots of pallets or skids, when it does they tend to be very large or specialized to work with some crate or container. This 40 foot skid is a heavy-duty platform.

"Most of the people who come to us have a separate pallet supplier," said Phillips. However, Reid Packaging does make a small volume of custom pallets. They are assembled by hand on home-made jigs. When he was interviewed for

this article, Phillips said the most recent pallets the company made were over 100 inches long. Occasionally the company produces a small run of 40x48 pallets for a customer who needs them for an export shipment.

The company does include a pallet-type base for some crates and containers that require them, but the standard base is more akin to a skid. It is made with 4x4 runners and 2x8 or 2x10 for decking. "They're very heavy-duty," Phillips acknowledged.

Scrap wood material and sawdust is disposed of at a landfill along with other scraps of banding, foam, and other material. Scrap corrugated is recycled. Phillips has looked at options for grinding scrap wood, but the company does not produce enough residual material. In addition, it would require segregating the scrap wood from other scrap material, like banding.

The shop begins work at 6:30 a.m. It normally operates four 10-hour days with Fridays off. Rush orders can be done on Friday or the company can pay overtime to catch up if needed.

As head of the company, Phillips supervises a number of staff who oversee various aspects of the business: a production supervisor, two sales representatives, an office manager and a maintenance technician. He usually begins each day on his computer, reviewing the

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company's financials. He uses Sage 50 accounting software for managing the company's financial information and ordering process.

Reid Packaging does not use any crate or container design software. It has a system it has used for many years. Phillips actually tried a new program, but it ended up making work more difficult for employees on the shop floor.

"We have a lot of experience here," Phillips noted. Bill grew up with his father in the business, and the company's other sales representative has 15-plus years of experience.

The Great Recession took a firm hold on the U.S. economy in 2009, just two years after Phillips bought the business. The company's business dropped 42%. With his experience restructuring companies, Phillips immediately recognized the impact of the recession. He laid off five employees at one time, although all of the positions were restored within a year. He told them to sign up with temporary employment agencies and hired one person back through the agency within two weeks.

If a business needs to downsize and reduce payroll, it is better to make layoffs at one time, he suggested. "It isn't about the money. It's about the morale." If you lay off one employee one month and the next month lay off another, the rest of the employees begin wondering: are they next? For morale purposes, a company is better making any job cuts at one time, he said. "Make your changes, tell them, 'We're done now.'"

Phillips may be the kind of person that machinery salesmen love. The reason is that he is a firm believer in having redundant machinery capacity. "One thing we have done over the past 10 years is put in redundant pieces of equipment, back-ups for every piece of equipment."

In just about every instance, a single machine is adequate for production. However, redundant capacity comes in handy in two types of circumstances, noted Phillips. If one machine is down for maintenance or repairs, for example, production can continue with a back-up machine. Also, if there is a rush order or high demand, a second or third machine can be put into production.

The company's shop even is equipped with three air compressors. "One can do it," said Phillips, but in times of high

level of production, two compressors are utilized.


The strategy behind redundant machine capacity comes back to the company's strength: reliability. The additional machine capacity enables the company to avoid and eliminate potential bottlenecks in operations, Phillips pointed out. "Anything that could become a bottleneck has a back-up, ready to go...That way, if we tell you we can get your product made, we have every reason to believe we can." A machine failure or breakdown will not impede the company's operations.

"That was one of my biggest initia-

tives," said Phillips, when he acquired the business.

Perhaps even more striking is when Phillips decided to make investments in machinery and equipment: during the Great Recession.

"Rather than back away from it," Phillips said, he looked on it as an opportunity to add more equipment capacity. As he added machine capacity, it reduced the number of employees he needed to hire.

"We try to use automation to increase capacities," said Phillips, "not eliminate jobs." For more information on the company, visit <http://www.reidpkg.com/>. 

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