

THE MAGAZINE FOR CANADA'S BUSINESS LEADERS

advantage

SEPTEMBER/OCTOBER 2011

Networking 2.0

Digital pioneer MGImedia helps companies devise a social-media strategy. **p.58**

THE SOCIAL MEDIA ISSUE

The road to success is paved in tags and tweets. Rypple co-CEO **Daniel Debow** and heads of two other industry innovators show how. **p.50**

BREAKING AWAY FROM THE PACK

Fresh branding and sustainable solutions help the young entrepreneurs behind Zebra Paper Converters Inc. battle a traditionally “old boys” market **AS TOLD TO ZACH BALIVA**

In 2003, three entrepreneurs came together to launch Zebra Paper Converters. The move raised some eyebrows: the partners—each in their 20s—had no experience in the paper industry. What they had was vast finance, sales, and marketing backgrounds combined with passion and creativity. Those qualities have helped David Rosen and his two partners breathe life into an often stale and stagnant industry. While most competitors serve only the largest clients, Zebra focuses on the “forgotten” small-to-medium clients. The strategy has led to 8–10 percent annual growth, with 16 percent

growth in 2010. Recently, Rosen sat down with *Advantage* to share how he helped give Zebra its stripes.

Advantage: How do three guys with no background in paper packaging end up starting a paper-packaging company?

David Rosen: This industry has large segments that are status quo. Paperboard packaging wasn't our focus. Our focus was being new and innovative and creative and taking risks.

We were looking for an industry that would allow us to leverage our experiences to build a new and relevant positioning in the

market. We identified great opportunity within the paperboard-packaging industry that allowed for creative and innovative approaches to marketing and product lines. This, along with a strong partnership that had experience in marketing, sales, and finance/operations, really helped.

ADV: How did you start?

DR: We started back in 2003, and the industry was somewhat set in its ways. Product lines were fragmented and poorly promoted, so we took a fresh approach to what we converted. We leveraged our Zebra brand to promote products in a unique and exciting way, and understood that there was a growing need for sustainable and recyclable paperboard options. We identified that customers were looking for converters who offered quick turnaround on short runs and, most importantly, were single-source providers for their paperboard needs.

ADV: What made you think Zebra would be well received?

DR: We identified an opportunity to market our company in a fun and innovative way. The market was very fragmented with customers using two to three suppliers to purchase what they needed. Zebra quickly built an infrastructure that could accommodate a wide variety of paperboard-specific product offerings under one banner—all produced in-house and all available in 100-percent-recycled and recyclable paperboard grades for truly sustainable options. This allowed greater relevance and creditability within our customer base, and increased barriers to entry for our competitors.

ADV: Describe Zebra's niche in the marketplace.

DR: “Act small. Think big.” What I mean is that we have found great success in reacting quickly to customer needs and trends, allowing for flexibility and open-mindedness in our approach while fostering partnerships with our customers. We try to be an extension of our customers businesses from a packaging perspective. However, we still have developed a fully integrated, state-of-the-art production facility that allows us to compete—in the grades of material offered, quality, and price—with industry leaders across North America. We packaged this approach with a marketing approach unique to the industry.



From Left: Founders Darryn Coben, David Rosen, and David Klass at Zebra Paper Converters' facility in Toronto.

Your Local Route To International Business



701 Rue Dubois Suite 101
St. Eustache, QC J7P 3W1

Phone (450) 623-8422

Fax (450) 623-0277

Toll Free 877-528-2873

www.mkfreight.com

2003

ZEBRA PAPER CONVERTERS IS FOUNDED WITH A STAFF OF 6 PEOPLE IN AN 8,000-SQUARE-FOOT FACILITY

2004

COMPANY MOVES TO 20,000-SQUARE-FOOT FACILITY TO FOCUS ON INDUSTRIAL PAPERBOARD

2005

ZEBRA'S EXPANDED PRODUCT LINE INCLUDES FOLDING CARTONS AND SPECIALTY DIE CUTS, AND ITS REACH INCLUDES CANADA, EASTERN UNITED STATES, AND EUROPE

2007

THE COMPANY MERGES WITH TERDUN MATERIAL MANAGEMENT, A LEADER IN RECLAIMED PAPERBOARD CONVERTING, AND OPERATIONS EXPAND INTO A 100,000-SQUARE-FOOT FACILITY WITH A STAFF OF 50 PEOPLE

COMPANY TIMELINE

2010

FSC CERTIFICATION FURTHER ESTABLISHES THE COMPANY AS THE KEY PAPERBOARD CONVERTER IN CANADA, AND ZEBRA LAUNCHES A FULL LINE OF CUSTOM FSC-CERTIFIED RIGID MAILERS AND VALUE-ADDED PRODUCTS

2009

CONTINUED INVESTMENT IN CAPITAL EQUIPMENT, INCLUDING SHEETERS AND AUTOMATED CUTTERS, ENHANCES ZEBRA'S ABILITY TO PROVIDE A SINGLE-SOURCE SOLUTION FOR LARGE-SCALE CUSTOMERS

ADV: Did you face any resistance?

DR: Building credibility with our suppliers and customers. We started this business when I had just turned 27. Both my other partners were also similar in age. We were a bunch of young guys with no paper experience trying to make a mark for ourselves and our company. Most found our approach aggressive, with colourful zebras and pieces of striped gum in invoices to customers and suppliers. We were playing within an "old boys" network that was content with the status quo. We ended up learning that strong cash-flow management and paying our supplier COD broke through many doors at the beginning. As we grew, our volumes and our fresh approach to business took hold, and it has helped us to develop some very strong supplier partnerships.

ADV: What's next for Zebra?

DR: We plan to continue innovating in both product and process. We have launched a new line of 100-percent-recyclable, FSC-certified custom rigid mailers—a first in the Canadian marketplace. And we're building a new customer "Lunch-N-Learn" series, unique web e-learning tools, and new social-media strategies. And we are always looking at new acquisition targets to continue to build and add value to the Zebra group of products.

ADV: Why are green products so important to your company?

DR: We understood and identified that

consumers were demanding more responsible packaging options that were recyclable and sustainable. We convert more than 12,000 tonnes of paperboard each year and are proud that over 70 percent of our converter material sold is 100 percent recyclable and or recycled. As part of our innovative approach, we believe that packaging sustainability is a key pillar to the ongoing success of our business, and the promotion of sustainable options is the responsibility of paperboard converters.

ADV: Looking back, what factors have led most directly to your and Zebra's early success?

DR: People—finding the right people for the right roles who share the same energy and vision. We believe strongly in empowering our people and nurturing an environment of individual leadership and collective team play. Zebra is not any one person; it is the success of our collective group. This, coupled with our integrated approach to converting and unique marketing initiatives, differentiates us well in the industry. **_a**

A MESSAGE FROM MK FREIGHT:

MK Freight has been in business for more than 12 years and is proud of its working relationship with Zebra Paper Converters. MK Freight strives to offer quality, reliable, and dependable service. It seeks to form relationships upon which to build for the future, and Zebra Paper Converters is clearly one of those relationships.