



Walking the talk

Australian-owned and family-run closures specialist Cormack Packaging has recently expanded its capacity and capabilities through the acquisition of Lindale Plastics. Lindy Hughson caught up with MD Matthew Cormack to talk about the company's growth and innovation strategy.

Q **UITE** a few years have passed since I last visited Cormack Packaging's closure manufacturing premises in Condell Park, NSW, and I have to say I was taken aback by the change. The production facility is all but transformed. Over the past eight years the company has invested close on \$15 million in equipment, and expanded the number of robotic stations from two to 14. The plant today is a hive of automated activity, and is close to bursting at the seams.

It's not surprising, then, that when an opportunity came up to expand capacity through an acquisition, Cormack grabbed it, and bolted onto its business Lindale Plastics, a plastics injection moulding company based in Silverwater specialising in the manufacture of closures and other plastic components.

The transaction was completed in December 2016 for an undisclosed sum, and MD Matthew Cormack says the business will continue to operate at its current location. For existing Lindale Plastics customers, it will be "business as usual".

The acquisition brings many bene-

fits to Cormack. Adding the extra facility to its existing premises addresses a concern from its key customers about having a contingency plan for an alternative source of supply, a requirement for many multinational companies.

At the same time, Cormack gains access to new technologies and new markets, separate from the closures business [Lindale currently supplies a large proportion of the electronic tags that are mandatory on all cattle in Australia], which could create interesting opportunities for growth, according to Cormack.

The two companies run similar high-end European-sourced equipment from leading injection moulding machinery suppliers like Arburg

ABOVE: Over the past eight years Cormack Packaging has invested close on \$15 million in equipment and automation.

By using robotics it enables us to both extend the life of our investments and also enables us to cost effectively re-purpose automation systems."

and Engel, and combined, the plants manufacture 65% of all product volume sold by the businesses.

Today, Cormack enjoys a market leadership position in tamper-evident and child resistant closure (CRC) technology and in specialty dispensers.

And, with this latest move, Matthew Cormack says the company is well placed over time to shift into number one spot for beverage and food closure supply as well.

INNOVATION INSIGHTS

"There's no doubt that brand owners find themselves in a 'hostile' market right now," Matthew Cormack says, "and they need supplier partners who will develop products to give them an edge in this competitive market, designed not only for positive consumer impact but also to increase production efficiencies on manufacturing lines.

"Cormack has worked hard to instil a culture change internally, a learning culture where our team can do their best work, one that enables us to develop and build our team's knowledge base and then to deploy that retained knowledge to develop innovation that has purpose for both the brand owners and the consumer.

"This ties in directly with our vision – to be 'the preferred supplier' to our customers, nothing more, nothing less... to be *the* vendor our customers trust to deliver consis-



tently and reliably on their challenges. They can have confidence we will collaborate to help increase their productivity and develop innovation they can use to win over their retailer customers. And ultimately the products we innovate have to 'walk the talk' with consumers."

Targeting preferred supplier status with top multinationals has required strategic investment with a long term game in mind, he says, citing the example of closure innovation developed for Vegemite and Kraft peanut butter containers for brand owner Mondelez [Bega has since bought the brand].

"In this case," he says, "six years prior to developing the innovation, we invested in IP and technology that we knew we wouldn't be in for longer than three years, just in order to learn and use that as a platform for developing the advanced closures we're making for the customer today – closures that are lighter, easy to cap on the production line, and easier for the consumer to use."

Consumer access was a key driver for innovation on the tamper evident closure developed for Mondelez.

"Using our experience and relationships in beverage closures, specifically in the hot-fill market, we came up with a solution that reduces the application forces for customers and makes it easier for them to cap, giving them more control in their

process. Changing the design parameters on the component means they don't need to cap it so tightly, tamper bridges can be lighter, and in turn it's easier for consumers to open," Cormack explains.

"We're finding that typically we'll reduce the application forces on closures by anywhere between 20% and 50% and we'll reduce the open force for the consumer by anywhere between 15% and 50%.

"We've worked closely with Arthritis Australia, and through this have also picked up on its push towards smaller closures – like the shift from 85mm to 63mm closures that are more easily gripped by people with constraints – and we've passed on these solutions to our customers."

AUTOMATION AND CONTROL

Commenting on the company's sizeable investment in robotics, Cormack says: "When we looked at automation for our plant, we had a strategy to increase efficiencies and output within the plant along with the subsequent repeatability that robots bring.

"By using robotics it enables us to both extend the life of our investments and also enables us to cost effectively re-purpose automation systems."

"Our plant set-up is one of integrat-

ed cellular manufacturing. We have integrated a number of moulding machines, interconnecting them and sequencing the assembly process so that the end product is coming out fully inspected, packed straight into a carton or pallecon.

"Automation also allows us to increase our level of control. For complex componentry you need a high level of consistency during the assembly phase. This can be engineered in from the start, allowing the end process to be autonomously handled by the robotics and automation.

"But robotics are not good for everything, they have limitations on how fast they can go," Cormack says.

"We're seeing as product volumes lift, they go into a robotics phase and then as volumes further increase they need to shift into dedicated assembly machinery. But when this happens, we find other ways to deploy the robotics to different applications."

In the case of the Vegemite-style closure – now applied across a number of food and healthcare products – having robotics meant that Cormack could process the closures in a way that allows brand owners to optimise their filling lines.

"With these tamper-evident (TE) closures, on which we run a segmented patented tab system (that's what makes it easy to apply and to remove) it brings complexity in the moulding," he explains. "We mould our TE bands already inverted – the plastic has a memory for that position so they won't ever unfold. Our robotic systems process the closures after post cooling then inspect 100% of the caps through a vision system prior to auto packing. This allows very good control from a food safety standard perspective."

He adds: "We have set up our plants to ensure we remain globally competitive as an Australian manufacturer in whatever we do, otherwise our customers will move offshore."

Looking ahead, Cormack says the company's focus will remain on developing leading edge innovation for tier 1 customers, because they provide the catalyst and support for developing new technology that will fuel growth – for Cormack and all its customers. ■

LEFT: The Cormack Packaging plant is a hive of automated activity.

BELOW: MD Matthew Cormack: Setting up the business to remain globally competitive.

