

Technopak has wind at its back



Technopak director, Henri Hermans with a part of the latest innovative machine.

Technopak Limited typifies the value-added proposition our commercial and political leaders dream about – and some. You could describe the company as a by-product of our milk industry, but there's much more to that.

Mateship, hard graft, lots of travel and calling on customers and prospects all over the world, brilliant design engineering and today being up there with the best in the world. If you need proof: they recently doubled their floor space, and have already reached bursting point again.

Nearly all – certainly most – of the customers for their powder-bagging lines and equipment or their upgrade consulting services are abroad in just about every country where there is significant milk production and major industry giants such as the legendary Land O'Lakes giant in Minnesota, USA.

Founding partner, Shane Reckin, director, R&D was – inevitably – away when **NZ Manufacturer** met with co-founder, Henri Hermans, director design & projects, at their East Tamaki operation on the day of yet another significant milestone for the 2002-established company. He flies all-around the world frequently advising clients and securing business.

A project manager was en route to the Auckland International Airport to fly to Colorado, USA to meet-up with the recently shipped state-of-the-art milk-powder bulk bagging-line, which he will take charge of installing for the US\$420-million plant for the biggest mozzarella cheese producer in the world, Leprino Foods, which provides Domino's Pizza and Pizza Hut with product.

And Henri had just confirmed the appointment in the USA of that country's top powder-packing industry broker, to represent them, primarily in North America initially. These guys are going places, faster-and-faster as they prepare to sail through the 10-year barrier, into the big time. Expect them shortly to be joined into a new global strategic alliance — their only opposition is 'conflicted out' — to take-on the German industry giant.

It's appropriate that those two significant events are happening in the US, because it was in Portland, Oregon, in the top north-west corner, below Washington State, that they realised, shortly after starting out in 2002, they had 'the goods', the gutspah and the credibility to crack the overseas market, starting at the top.

The observant would have noted by now that this feature on a highly-successful business, with all the really good days ahead of it, in the milk-powder packaging business, hasn't included a mention of Fonterra yet. That's because that company prefers a German-owned supplier. Technopak has more than 200 suppliers, most of whom are in Auckland, Hamilton and Palmerston North: that's lots of money and jobs being kept in New Zealand.

Back to the two engineering mates, who had previously worked for Sapac, the local company which had developed the world's first, fully-automated, hygienic, bulk milk-powder packaging system. Reckin was one of the guiding geniuses in that enterprise, before Hermans joined. When the company was bought and then sold to a German company in fairly short-order, a number of the pioneers decided to try their luck elsewhere.

Skip to the likely lads, who are now steeped in the knowledge of how to make these revolutionary machines – and what not to do = heading off, with just the plans for a proto-type, and no secured premises for Technopak

either (they rolled out an office in Henri's home every morning and rolled it up at night). The duo met-up with a USA local—who sold milk-power bags, so knew all the right people in the business on the west coast, and went 'cold-calling'.

Incredibly, such was their passion and self-belief, they came home with 'the cream'; never mind the powder. They were in business, part-financed by a customer who was so impressed by them that he placed an order for the yet-to-be-built \$700,000 prototype. What's more, within a few weeks they had a deposit of \$400,000 in their bank account; to make the task even more daunting.

In no time, they had a home, design engineers to assist 'the guru'; software writers; and were sifting through a short-list of suppliers, determined to have the very best only. They knew who the best were and the type of challenges and environment that would attract them. Needless-to-say, the product was produced on time, tested and installed in situ giving them a flying start.

It was now time to start a business. Over time, the duo split the tasks with Reckin creating and commissioning the gear while Hermans organised the business and project management (between them, they have nearly 50 years in this specialist milk powder packaging business, plus production director Robert McClean's 20 years). That role has gone to a hired project manager, Hermans has slid across into running the business, and Reckin, combines the roles of technical boss and remains in close contact with new customers and those 40-50 customers he stayed in close touch with – often visiting — after they were abandoned when Sapac was gobbled up. They have been a fruitful and loyal customer base.

Technopak focuses its skills on 'everything below the spray dryer producing the milk powder' including:

- transporting the powder.
- loading and positioning the empty bag
- filling the bag
- weighing
- de-aerating (removing the air)
- folding and heat-sealing the bag
- check-weighing the bag again, this time including metal detection
- wrapping and palletising

Every machine is hand-assembled on their premises and given a pre-test run to ensure it is fully up to specifications. before being disassembled and packed into 40ft containers.

"When most of your clients are that far away, you want to ensure that everything is +100-per-cent, before it leaves the shop. That takes pressure of our team members handling the commissioning far from home," Hermans adds.

What the global industry likes about Technopak is that it is 'restless and perpetually innovative'; it doesn't ever rest on its laurels. Every machine and every project delivers new insights and experiences, which are captured and included in the next. Even as their state-of-the-art machine goes into Colorado, the very latest iteration is scheduled for Innovation Waikato.

Hermans is quick to acknowledge the pioneering role of Sapac's Peter Cunningham, but is equally confident that Technopak (they were able to cherry-pick the best when Sapac moved to Hamilton) today has more experience and greater skills and intellectual property than "anyone else in the world". They have acquired the skills to deal with multiple powders; with different characteristics, grain and levels of compaction.

The not too distant future will see them packaging high-value products like pharmaceutical-grade salt, bicarbonate of soda, dried rice extract (for milk allergy sufferers) and other powders, such as dried protein, which could be valued at \$1,000-a-bag, versus \$25 for milk powder. Anything which requires the ultimate in hygienic standards (e.g. the USDA rating); and precision-weighing ("being a spoonful out per bag when you are running 10-tonnes an hour is huge").

And their innovative skills go beyond the engineering and bagging process, encompassing the use of holograms, "optical validation devices" and RFID technology. They are totally involved in every aspect of the business. Their current challenges include minimising the footprint of the packaging machinery; cutting the capital cost of same; simplifying the componentry and potentially revolutionising the traditional bag.

Aside from their acknowledged experience and global market-leadership, what is getting the attention of the really big players is this refusal to become complacent and a perpetual search for the holy grail of perfection. The good news here for their 25-odd staff and a dozen contract workers, not to mention their 200 local suppliers is they aren't for sale, but will be forming alliances with the top players.

Until now the US market has been the dominant force and, therefore, focus (and will continue to be into the future) but already contracts have been won in China and Malaysia, with India to follow.

Pity they aren't considering an NZX listing just yet.