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**Recognizing Companies Bringing
Sustainability to the Supply Chain**



Green and “sustainability” have become new watchwords for the supply chain. Whether or not you believe that green supply chain goals are practical or attainable, and regardless of your feelings on topics like global warming and fair trade, the fact remains that more and more companies are beginning to incorporate green goals into their corporate social responsibility programs, and chief executives are looking to their supply chains to help meet those goals.

This year *Supply & Demand Chain Executive* is recognizing small, midsize and large companies that are taking steps to realize green goals with our 2008 Green Supply Chain Awards. We saw significant interest in the inaugural edition of the awards, receiving more than 50 submissions. From among the nominated companies our review panel selected 21 that stood out for their projects to incorporate sustainability objectives into their own supply chains or to enable sustainability in their customers’ supply chain. Bell Incorporated is one of those companies.

Supplier Award Winner: Bell Incorporated
Sioux Falls, S.D. (www.bell-inc.com)

Back before green became a buzzword in supply chain, Mark Graham, Bell’s president and CEO, provided a sustainability vision that inspired the environmentally sound practices that are a habit at Bell today. “Our senior leaders know that sustainability is good not only for Bell’s bottom line, but for the customers we serve, and for the future of our planet,” says Benjamin Graham, a vice president with the company.

Bell, one of the largest and fastest-growing independent folding carton companies in North America, has put its principles into practice by achieving Cradle to CradleSM certification for courier envelopes. Postal Service customers use more than 200 million of the envelopes every year, and the certification, developed by design firm MBDC, verifies that every Bell supplier that contributes

to the manufacture of the envelopes uses environmentally safe and healthy materials; designs for material reutilization, such as recycling or composting; uses renewable energy and energy efficiency; ensures efficient use of water, and maximum water quality associated with production; and institutes strategies for social responsibility.

Bell has applied the same level of scrutiny to its own operations and adopted a philosophy of transparency. For example, the company undertook a lead-reduction initiative with GE that involved opening for scrutiny every detail of its operations. Elsewhere, the company has undertaken activities around recycling, waste reduction and more efficient facilities, equipment and asset management. Bell also has hired for sustainability, bringing on a new supply chain manager, David Gabel, with extensive Fortune 500 experience and a world-class passion for

green supply chain programs. His first public pronouncement was his intent to achieve total elimination of waste "in everything but the lunch room, and then we'll tackle that!"

Bell Incorporated – The Face of Packaging Innovation

Bell Incorporated is one of the largest and fastest growing independent folding carton companies in North America. The company doesn't compete by trying to be as big as the folding carton subsidiaries of the huge paper mills. Instead, it invests in the latest converting technology and maintains an entrepreneurial, customer-focused organization.

Green principles have been an integral component of Bell's strategy for success in a competitive marketplace. Led by Mark Graham, Bell's president and CEO, the company has embraced a sustainability vision, based on environmentally sound practices, that includes the following goals:

- Set a standard for sustainable manufacturing among paperboard packagers and in the manufacturing sector in general, including total elimination of waste in its manufacturing processes and facilities.
- Inspire, by example, all participants in its supply chain so that they can see the benefits and rewards of sustainable initiatives.
- Assist and advise other companies in the implementation of sustainability programs.
- Be a citizen of its community by implementing green programs that protect both the company's workers and the surrounding environment in which the company's employees live.

The Sustainability Strategy

Years ago, Bell's leaders recognized early on that ISO certification would be essential to business survival. Looking ahead, the company's leadership saw that sustainability was emerging with the same urgency. As a result, the company's leadership has established sustainability strategies that build on the company's strengths to increase its competitive advantage while fulfilling its green goals. The strategies encompass:

- **Habit of transparency** – including a willingness to expose the details of its operations to Bell's customers and the certifying agency that awarded Bell the Cradle to CradleSM certification for courier envelopes. Such transparency is a part of Bell's culture, demonstrated in numerous examples, including a lead-reduction initiative with GE that involved

opening for scrutiny every detail of Bell's operations. All of the company's suppliers had to be equally transparent regarding every aspect of their manufacturing process from raw materials sources through shipping in order to participate in the Cradle to Cradle certification and to work with Bell on various other initiatives.

- **Power of persuasion/strong supplier relationships** – Bell's value chain partners are an integral part of its operations and practices, as exemplified by their partnership with Bell in achieving Cradle to Cradle certification. Bell seeks out best-in-class suppliers that share the company's standards and values for sustainable manufacturing.

- **Long-standing practices of efficient, economical, environmentally safe operations** – Years ago, Mark Graham provided a sustainability vision that inspired the environmentally sound practices that are a habit at Bell. The

company's senior leaders know that sustainability is good not only for Bell's bottom line, but for the customers it serves, and for the future of our planet. Bell implemented water recycling and reuse systems years ago, and, also years ago, switched to water-based inks. "Reduce, reuse, recycle" has been a habit at Bell for a long time.

- **Hiring for sustainability** – Bell recently hired a new supply chain manager with extensive Fortune 500 experience and a world-class passion for green supply chain programs.

Practical Steps toward Sustainability

What comes after Cradle to CradleSM Silver Certification? After being the first supplier to the U.S. Postal Service to obtain the Cradle to CradleSM Silver Certification for the envelopes it produces, Bell is now focused on becoming the first gold certified supplier producing materials for USPS. In order to obtain the gold certification, Bell, working with MBDC, is working with its suppliers to certify that recycled board grades are manufactured in processes that are sustainable and free of certain materials in the manufacturing processes.

Current recycling – what Bell recycles now:

- Production waste
- CCNB – Raw component in CCNB
- SBS – Raw component in CCNB top layer
- Cores – Raw component in CCNB
- Corrugated - Raw component in new corrugated
- Core plugs (plastic and wood) – Reused by mills
- Steel banding - Recycled
- Wood – Repaired or disassemble with components used

Bell Incorporated's Supply Chain Manager David Gabel's first public pronouncement was his intent to achieve total elimination of waste "in everything but the lunch room, and then we'll tackle that!"



in repair of other pallets, remainder is used for heating

- Cans and bottles from break room - Recycled
- Office paper – Raw component in CCNB top layer
- Spacers and dunnage from inbound trucks and railcars – Raw component in CCNB
- Aluminum litho plates - Recycled
- Computers, displays and other electronics – reconditioned or good components removed and remainder is recycled.

Facilities, equipment, and asset management initiatives:

- In the engineering and design of its new facility, Bell utilized efficient workflow and lean design to reduce workflow and utilize energy reduction materials.
- Bell renovated one of its facilities to include KAL-WAL, a type of wall that allows natural light into the facility and decreases consumption of electricity for lighting and heating this facility.
- The heat from the drying units on its printing presses is recycled and used as a source for heating manufacturing areas.
- Bell utilizes rail cars rather than trucks for bringing in much of its paperboard.
- Bell's facility was designed using a linear flow for manufacturing; no product is handled more than once, lessening the use of fork trucks that burn gas.

More on waste reduction:

Bell has developed a closed-loop reclamation and reuse process for its scrap paperboard and corrugated materials, which are repulped and reused. The scrap paperboard generated from the company's operations is re-distributed back into the papermaking process to be de-inked and recycled.

In addition, Bell is a large consumer of recycled paperboard, which is a renewable resource that can be recycled multiple times. Bell "reuses" by purchasing refurbished pallets. The company captures its paperboard waste, bales it and sends it back to a recovery site for recycling. Recently Bell purchased a new baler/shredder to improve its processes for recycling scrap production waste.

Next steps:

- Separation of finishing waste into two grades, plastic recycling and elimination of the inner bundle strapping in its corrugated boxes
- Pollution prevention: Several years ago, concerned about the polluting quality of some inks, Bell switched to using mostly water-based inks that are safe enough to be washed down the drain. None of its processes emit harmful gasses.

Community awareness:

Bell undergoes surprise audits by AIB International, a leading provider of independent food safety audits and inspections, in which every nook and cranny of the company's operations

are inspected in an all-day process. Bell informs its community that (a) participating in these audits is voluntary and (b) the company has received the highest possible rating, "superior," for 10 years straight. Bell also explains publicly that this is significant to the community since it ensures that, as a "local," the company isn't polluting the water, is using chemicals safely, and is providing a clean and safe work environment for its employees

All of Bell's employees participate in, and are supportive of, the operational efficiencies and environmentally sound practices of the company. These go beyond manufacturing to include recycling of office waste, as well as cans and newspapers in the locker and lunch room areas. These are habits that are built into the employees' daily lives, and Bell believes that, being a matter of habit, they carry over into all of the employees' homes as well.

Bell already has achieved one of the lowest cost structures in its industry based on its continuous innovation – which is why the company calls itself The Face of Packaging Innovation™. With its green initiatives, based on a clear vision and realistic strategies, the company is moving to become The Face of Sustainable Packaging, too.

Lucky for Apollo Creed We're in the Folding Carton Business

Apollo Creed thought he had his hands full with Rocky. He's lucky Bell Incorporated didn't take up boxing.

That's because we have a habit of beating up on bigger opponents. Like the folding carton subsidiaries of the huge paper companies. While their business model depends on scale, ours depends on something else: brains. We invest in the latest high speed converting technology, stay lean, and focus tenaciously on cost. The result? Our cost structure is the envy of many of our bigger challengers.

Hard to believe? Give us a call. Let us prove it to you.



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