

Supply & Demand Chain Executive

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2009 Pros to Know

Honoring supply chain leaders demonstrating leadership during times of economic crisis

Team Practitioner Pros

BELL INCORPORATED

Tough economic times bring challenges and opportunities. At Bell Incorporated, the supply chain team believes the key to weathering the storm and taking advantages of opportunities is to have a strong business model and supply chain in place before tough times hit.

Fortunately for Bell, its low-cost business model is built on solid supply chain tenets. The company invests in the latest high-speed technology, finds innovative cost solutions through technology and maintains a lean organization with a tenacious focus on cost. Bell partners with large national and multinational clients through long-term contracts that enable shared investment in customized equipment. Scale enables selective supplier relationships, but Bell suppliers are partners, with long-term, albeit flexible, contracts. A low-cost mantra has driven Bell to eliminate waste and put the company on the sustainability bandwagon decades ago.

The current economic slowdown has put Bell's business model to the test. They saw some cutback in orders toward end of year, with customers managing their inventory carefully. The 2008 holiday season was the first in memory where there was downtime; Bell closed down for nine days during December, unheard of for them.

Despite this, Bell achieved its plan for 2008, and by the end of the first week of 2009 had experienced a strong bounce-back and was running at capacity. That clearly isn't due to an economic recovery but to supply chain strategies that have established and maintained Bell on solid footing. The supply chain team at Bell believes that economic crisis is not a time to be scrambling for new processes and programs.

An established approach to supplier relationships has helped Bell deal with risk and capitalize on opportunities. Bell buys few if any sole-sourced items and continuously qualifies multiple sources. The Bell team describes risk among some suppliers who are rumored to be in trouble or for sale, and are now quite interested in talking with Bell, which creates spot buying as well as other opportunities. As a matter of practice, Bell works only with suppliers on solid footing, but they are at some risk if they don't work with Bell in ways that reflect the times. The suppliers' costs have dropped dramatically; raw fiber, dipping recently from \$100 to \$20, is a case in point. Flexible contracts allow Bell to renegotiate, and the team continues to research the market on a daily basis, talking with other vendors and renegotiating with suppliers. If they have managed their own costs well, suppliers are able to say yes immediately—hard times test everyone.

The Bell team is also managing inventory and lead times. Specialized paperboard for frozen food packaging has a very long lead-time, for example, and the company carries extra inventory to ensure customer service with any upturn. Inks, glues and adhesives have very short lead times, so they're carrying just enough to meet current business needs.

What's important is that these strategies and principles are not sitting in a file somewhere, to revert to during economic downturns. Bell's supply chain team has taken the lead in living and breathing Bell's supply chain-grounded business model and driving its practices throughout the business. The fact that the supply chain team is led by Ben Graham, who is part of a small team that will assume leadership of Bell when CEO Mark Graham retires, speaks volumes about company priorities.

THE SUPPLY CHAIN TEAM AT BELL INCORPORATED

Ben Graham, Vice President of Sales, Finance & Supply Chain – Ben Graham has established Bell Incorporated as one of the most dynamic competitors in the packaging industry. In the process, he's helped Bell grow by more than 50 percent. As part of the company's senior management team, Graham played a key role in defining the business model that has driven Bell's success. The model he helped develop – manufacturing excellence, global supply chain strategies and a lean organization – has enabled Bell to establish one of the lowest cost structures in the industry. That has created significant competitive advantage for Bell and a strong brand identity that helped the company acquire such major clients as McDonald's, GE, Barilla Pasta.

Tim Bunkers, Logistics Manager – Tim Bunkers is responsible for inbound and outbound transportation as well as management of the various responsibilities associated with transportation and freight costs. Bunkers is a supply chain veteran, having worked in the transportation and manufacturing industries since 1972. He joined Bell in 1996 as a traffic coordinator, and was quickly promoted to traffic manager. In 2002, Tim became purchasing manager and assumed responsibility for managing and monitoring the purchase of all raw materials involved in the production process, with paperboard being the largest component of raw materials used. In 2008 Tim was promoted to logistics manager.

Doug Charlson, Finance & Supply Chain Consultant – Doug Charlson has been an integral player in Bell's supply chain and financial innovations and successes. He has guided Bell in its focus on total cost of ownership and ongoing supplier improvement initiatives, including pricing and delivery terms. More specifically, Doug's leadership in a 2006 global sourcing initiative helped established Bell as an industry authority for overseas paperboard purchasing. A 2007 strategic sourcing project resulted \$600,000 of cost takeout and the creation of strong multiyear supply agreements that benefit both Bell and its suppliers. Charlson first joined Bell in 1992 as controller, gaining a detailed knowledge of the company's finances and cost drivers prior to being promoted to director of manufacturing. From 1998 to 2002 he expanded his experience in manufacturing and finance through accounting and IT consulting services, and as vice president of manufacturing for Wybron, Inc., of Colorado Springs, returning as a key advisor and member on the Bell management team in 2002.