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Driving Impact for Manufacturers

Success Snapshot

Market Intelligence Leads to New Product Line

Rapamar Container

Background

Randy and Patti Fyock are a husband and wife team who owned Marcie's Ice Cream for 40 years. Through the ice cream business, a need arose for different types of storage containers. Plastic was the material of choice however, the FDA put a rule in place that plastic containers could not be reused. This led to their own design of a cardboard containers. Rapamar Container Company was then started approximately 15 years ago and initially only sold to other ice cream companies. In 2016, the Fyock's sold the ice cream business and made the decision to put all efforts into Rapamar Container. Through some trials and tribulations with the sale, Patti Fyock began to make ice cream again for a small contingent of customers and events. However, the focus for growth remains in the container business. Currently, the manufacturing of the containers is done at a plant in Cleveland. While the labor is outsourced, they own all the equipment and supplies the materials.

Business Issue

While Rapamar has been experiencing continued growth in container sales, the company is challenged with disposing of the significant amount of scrap cardboard generated from the manufacturing process. Currently, on average Rapamar can receive approximately $100 per semi-load of scrap. While this is not economical, it also creates a storage challenge, holding the scrap to gather enough to justify taking it to a recycling center. Alternative solutions include burning the material which is not environmentally friendly. They have researched the feasibility of recycling the scrap to create corrugated packaging that could be resold as packing material. He has identified a vendor who could provide a machine that will cut the scrap to form the packing material. Without research on the customer market for this type of packaging material, the company would be at risk of purchasing the machine and not generating enough revenue to recover the cost of the new equipment. In addition, not addressing a more efficient and effective way to dispose of the scrap creates a potential environmental risk.

Solution

Technology-Driven Market Intelligence (TDMI)

NWIRC Strategic Business Advisor and TDMI expert provided assistance to research the potential customer markets for recycled corrugated packaging material. This information will help Rapamar make informed business decisions as to

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whether there is a potential to create another viable revenue stream for the company. Basis for the research included industry sectors that have a need for this type of packaging, competing companies that are already in existence, and the current average selling price of this type of material. An Idea Map and recommendations were presented at the conclusion of the project.

Success

Upon receiving the research information, the Fyock's decided to move forward with adding the new product line to their business. The anticipated impact is an increase in new sales of $20K, creation of 1-2 new jobs, and increased investment of $12K into the business.

"The NWIRC was extremely helpful. They gave us a resource to have the ability to research and do marketing for our new venture for Rapamar Container. This assisted us in making an informed business decision on a new product," said Randy Fyock. "The research assisted Rapamar in finding new areas of growth for our business and the contacts and avenues for our product to sell. Lisa Pustelak and other NWIRC staff were very accommodating of our schedules and company needs."