

## **BRAND SECRETS AND STRATEGIES PODCAST #130**

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #130

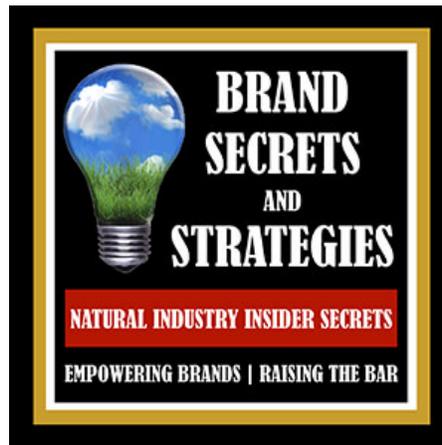
Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

I'm your host Dan Lohman. This weekly show is dedicated to getting your brand on the shelf and keeping it there.

Get ready to learn actionable insights and strategic solutions to grow your brand and save you valuable time and money.

**LETS ROLL UP OUR SLEEVES AND GET STARTED!**

Dan: Welcome. Thank you for listening. This podcast is dedicated to helping you get your product on more store shelves and into the hands of more shoppers. Now there's a lot to it before you can actually get your product on a retailer's shelf. In this episode we're going to talk about packaging. While this is a topic I've covered in great detail on other episodes about compostable packaging, recyclable packaging, what the difference is, what you need to know, et cetera, the focus on this episode is on answering those questions. What do you need to know when you think about putting your product in a package? Who do you go



to? Do you go to a packaging broker, or do you go directly to the converter?

A converter is an industry term. These are the people that work the magic to create the packaging that your product goes in, the packaging that you see on retailer shelves. What questions do you need to ask them? What are the options that are available to you as a brand, and then how does that packaging supplier work with your co-packer, your marketing company, and anyone else who's involved in designing your packaging and your product? Essentially everything that has to go on behind the scenes before you can get your product on more store shelves and into the hands of more shoppers.

But before we can go down that path we've got to talk about some of the other very important elements that you need to have in place before you even develop your packaging. For example, how can your packaging tell a compelling story about your brand? What are some of the ways that you can leverage your packaging to help grow incremental sales to make it easier for a retailer to say yes to your product? What can you do to catch the consumer's eye so that they buy more product and then evangelize your product to their friends? Once you come up with your packaging design, what's next? What format does it need to be in and how does that work? What are the limitations around your packaging? How customized can you make your packaging? What are some of the different strategies and technologies that you can take advantage of today to gain a significant competitive advantage in your category?

Then more importantly, what are the different options available to you? This can vary greatly depending on what kind of product you



have, whether it's hot, cold, how much liquid is in it. There's a lot to know here. Anyhow, don't fret. This no longer needs to keep you up at night. This podcast episode is dedicated to answering many of those questions that you have, plus a whole lot more. In preparing for this episode I actually made a list of all the questions that brands ask me when I mentor and work with them. You're going to hear a lot of them repeated here, and a lot of those questions get addressed. If there are any questions that weren't addressed here, you can always reach out to me via email or any social platform, or you can reach out to our guest today.

Before I go any further, I want to leave a shout out to a listener. The reason I do this is I want to let you know how much I appreciate and value those of you who are taking the time to leave a review on iTunes, or sending me a note via email or some other social platform. It's your comments and your feedback that's keeping this podcast alive. Remember, this show is about you and it's for you. Today's review came from Randall C. on LinkedIn. Randall says "This guy knows a few things about retail. Listen to a few of his podcasts and you will see what I mean. Daniel, you have a great deal of podcasts that are very useful. Nothing like this was available when we were breaking into the business." Thanks Randall. I really appreciate it, as well as all the other great comments you've left for me. Thank you.

I also want to remind you that at the end of every episode there's a free downloadable guide. I always include one easy to download quick to digest strategy that you can instantly adopt and make your own, one that you can use to grow sustainable sales and compete more effectively. Remember, the goal here is to get your



product on more store shelves and into the hands of more shoppers. Oh, and don't forget to check out my new YouTube channel. I just launched it and I'm looking forward to putting in a lot more great content to help you grow your brand.

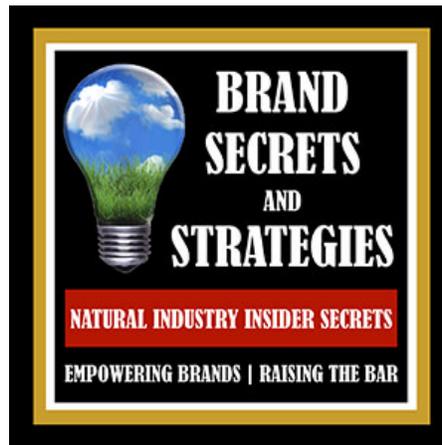
Now here are today's guests, Carl and Dustin of ePac.

Dan: Dustin and Carl, thank you for coming on today. Can you please start by telling us a little bit about yourself and your journey to ePac? Carl, you want to start first?

Carl: Yeah, sure. I spend most of my career bringing production level digital printing technologies to market. Starting with the Xerox back in the '90s, when first really digital printers were brought to market. My career has followed a path along the same lines in marketing and business development with companies like OSA, which is now owned by Canon. And then followed by Rico. In 2012 I thought I was going to retire and I started to consult and the first and the first consulting job I got was with my current partner, Jack Not. And we started to look at digital printing for flexible packaging and so what came out of that really is the idea for ePac and here I am.

Dan: Cool. And then, well, what made you think that, hey, I need to go start a new printing company, a packaging company? Because that's a big leap. I mean from just printing to starting your own company and managing all the things that go with that.

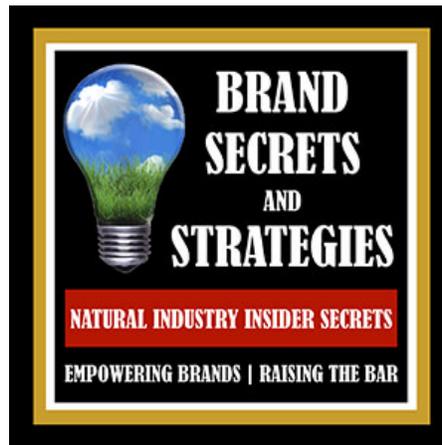
Carl: Well, what we saw during the work that I was doing with Jack and Brock as well, he was part of the team that we formed was that this issue of skew proliferation, which we almost take for granted today. Back in 2012 and 2013, we were still trying to figure out



whether it was a passing fad or it was something that was going to be sustained. And so what we saw in the market through our market research, we did some market research with California Polytechnic University. I'm on the board there, the graphic communication school. We also engaged Joe Angel over the packaging world at the time that we conducted some primary research that all pointed to the fact that we had market phenomenon around shorter runs, more frequent runs, change in the way packaging was being utilized by the market.

Carl: So our idea really kind of started to come to life as we conducted this research and then around the same time, I think probably around late '13, early 2014, Emerald packaging in Oakland, California actually acquired the first beta test site of the HP Indigo 20,000, which is a wide web, digital flexible packaging device. They launched it earlier in Europe with some success. The first data went in probably around the first couple of months of 2014 at Emerald and I had met Kevin Kelly, the CEO. We got to talking about how the beta test was going and what we found was that there was some problems with it. Not so much problems with the press, the problems with the whole business model around it.

Carl: Emerald's a very successful company and they have assets and a business model that's built around serving their clients. And it's a different client base really with digital printing. And so long story short Jack Brock, myself, Kevin we joined forces, we looked at what was going on at Emerald and we tried to figure out a way to make the 20,000 work. We looked at buying other companies like a label company and possibly adding a flexible packaging element to it. We looked at doing some things inside of the Emerald that might've created a better environment for 20,000 to be



successful. And in the end, what we concluded was that it was such a new technology tackling a market that was very, very new for flexible packaging, at least this time, the flexible packaging. And we thought that a Greenfield was really the best way to go after it.

Carl: And the four of us actually came to an agreement rather quickly on it. The idea ePac was formed. Kevin essentially swapped the 20,000 for equity and ePac Madison. And he was essentially a really our first investor along with Jacques Rogge and I, and we have had a couple of other investors as well. And the idea was testing and Madison and very quickly it was proven to be a pretty good decision.

Dan: Thanks for the extra context. That really helps a lot. Dustin, can you share your story?

Dustin: I spent my 13 year career in the printing and packaging industry initially with a focus on the paper segment communication, great papers utilize for retail inserts, magazines, catalogs and newspapers. They got into the industry in 2006 when it was a rate trending downwards and realize that in order for me to stay within the printing sector, I would need to evolve and look at different market opportunities.

Dustin: So I shifted into packaging initially in folding carton grades, utilized to let's say make cereal boxes. And from there I found my way into the label industry. It was really the legal industry that I first saw how disruptive digital print technology was and could be to the printing industries. We saw that in the labeling industry companies were shifting from multiple week lead times to lead

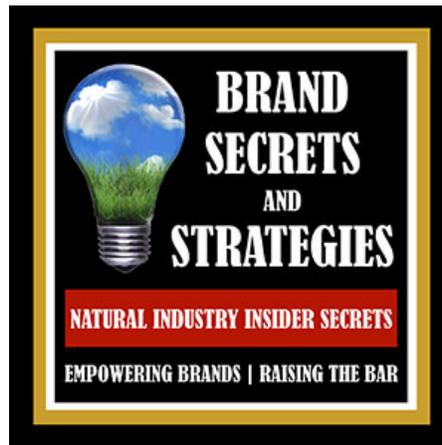


times that consisted of hours being at 24, 48, 72 hours and this was achieved solely through the digital print technology.

Dustin: Most companies were starting out with HP indigo technology. There's smaller presses, 6,800 presses, and what allowed for that to happen was the ability to go from direct pdf file to print. In 2016 had the opportunity to meet brought the tell is one of Carl's business partners and co-founder of ePac and blog and I had lunch. He was sharing me the vision of where they saw ePac going as relates to a national footprint and how to build that national footprint at the speed they were looking to scale. And given my background in the paper industry and having the opportunity to see the disruption of the label industries with digital technology, I was really able to align to the path and vision that Robin has partners had four ePac. It was actually very exciting for me I saw a young company that was just getting ready to disrupt an industry.

Dustin: And with that comes with the ability to build a fun company culture, a fun team, something that attracts people to a business. And that's where I was at in my career. I was looking at where is there an opportunity for me to get involved and take the experience that I've learned, but really create the most impact. After meeting with Roy, it felt strongly that there was a really big upside and opportunity at ePac and that's when we started talking about getting involved with the journey and coming on to help open up the first facility, past proof of concept being boulder, Colorado.

Dan: Okay. Well I appreciate your sharing that. Carl, what is the vision of ePac? What was your goal in setting it up? What did long-term, what did you want to achieve?



Carl: Well, when I look back at how digital printing has evolved and like I said earlier just kind of in it since the beginning, going back into the early '90s, late '80s even. I saw how digital printing evolved first and data center environments that in commercial printing and implant environments print for pay industry. And so I had a pretty good idea of what the future could be for flexible packaging using this technology. So our first idea, obviously it was proof of concept. So Madison, Wisconsin went up in May of 2016. And we were pretty darn sure because we had done our research and homework and it was going to be successful.

Carl: And very early on, I say within the first six months we thought that this thing had some real legs. And so our vision is for by the middle of next year to have 15 equinox locations across the US. We've already announced our first location in Europe and the UK. And our plans are to continue to expand and to really create a global footprint for companies that can leverage the benefits of digital printing and flexible packaging.

Dan: Fantastic. And then, Dustin, you said you wanted to disrupt the company culture. What did you mean by that?

Dustin: I saw a disruptive business that had the ability to create a unique company culture. And what I mean by that is having grown up in the paper industry, which was an industry that several centuries old there really wasn't opportunity to create a culture that was going to attract young professionals up and coming individuals who were looking to really build a 20, 30 year career.

Dustin: And I tried to reinvent that, but unfortunately didn't have success in my meeting with Rog. And then soon after that, getting to do a joint visit with Carl, Colorado, it became very clear to me that the



ePac model and the vision for the company and the direction that we were headed was very well aligned to where business is going today. Therefore the gut instinct was that this was going to be a business that we could attract young professionals and people that want to get involved and help grow this brand and be a part of our story for the next 20 years.

Dan: I appreciate you putting all that in context because that helps frame the conversation because when you get into something that a lot of people don't understand, they don't even know where to start or what to think about or what's important, et cetera. So I think it's important to have that context. So now let's back way up. Let's pretend that I've got a brand and it's the most amazing brand in the world. You've probably never heard that before, right? But I've got the most amazing product in the world, even my mom likes it, but now I've got to put it in a package. What do I do? Who do I talk to? Where do I go? How do you help me answer those key questions so that I can start the process of thinking about how do I take it from my garage or my kitchen to a retail store including online?

Dustin: Sure. So when I first got involved with the company, because I mentioned it was 2016 Carl Varage and Jack, they saw the opportunity to serve as small, medium sized business owner and segment and prior to ePac the small medium sized business was going through a broker in order to secure or procure flexible packaging.

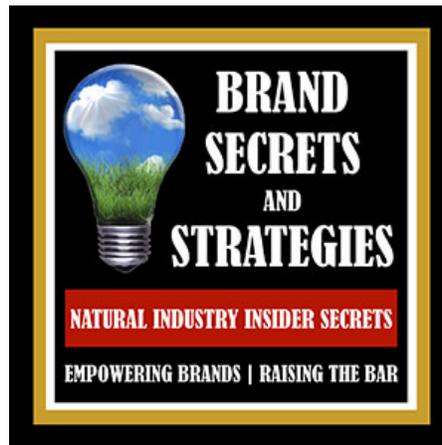
Dustin: What we found was that in the United States and Canada, the domestic market to purchase 10,000 or 15,000 or even 5,000 custom printed pouches was not available in this market. You had to go through a broker and go overseas and to Asia most likely



China where they were willing to produce smaller production. Because of the fact that you were going through a broker, you are likely going to be defaulted into a material structure that was available. Oftentimes the intermediary channels not as well versed in what barriers are required or the simplicity that can truly go into making the package yet it meet the demands and expectations of the product that's being put into the package.

Dustin: So where we start is we start with wanting to understand what the product is, what the requirements are from a battery perspective as it's sensitive delight, is it sensitive to oxygen, moisture? Are there other variables? And then we look at our structures that we stock and we look to apply what we feel is going to meet the need. And what we saw in the market was that oftentimes a small business was being guided into an over engineered product. And we looked at how can we simplify this? So when you go into an over engineered product, you're paying for that. We had ePac, we stocked very few films, yet we're able to achieve, I would say probably 90% of the demands of food product packaging through our available stock films. After we understand what the barrier requirements are and we'll look to valuate the sell side of the package.

Dustin: If you're coming and looking for 5,000, 10,000 units will likely shift you into a bag that we find works well. Oftentimes our customers are moving from the u-line stock bag into a fully customized couch and therefore we've built the template offering similar to the available stock size bags in the market as it's an easy shift. Most of our customers are putting labels on bags. So we'll give you the opportunity to look at our template offering and

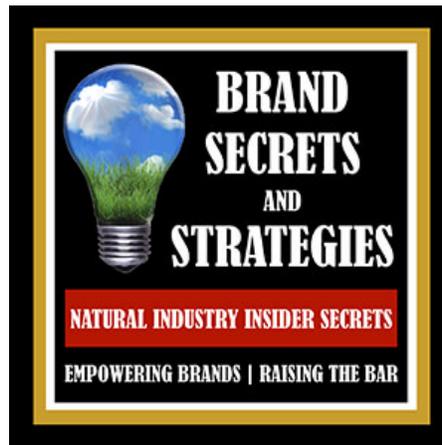


if you need help with tests filling to determine that size. We offer that support as well. It's a very consultative approach.

Dan: So how does that impact the customer journey?

Dustin: So Vanda is highly disruptive company. What we found early on is that our platform and our model really sells itself. Our sales people are trained to be educators in consultants to brands. And the reason for that is that we have really such a different process than what has been available today. Most brands and companies when they think of digitally printed flexible packaging, some of them think that we're buying a pouch and then actually printing onto the pouch, but we're just like any other converter. We have the exact same workflow except the roots and our foundation is built around digital print technology. That being said, when a brand first reaches out to us, be it through our website, through LinkedIn, through our 1-800 number, we immediately start with wanting to understand who they are. We want to know more about their company, what they're doing, where they're located, what the current need is.

Dustin: We're not focused on their entire portfolio. We're focused on providing a solution. Oftentimes brands come to us because they have an issue and we have the unique platform that can actually provide the resolution to that issue. Maybe a brands coming to us because they have a trade show coming up and they want to have unlimited runs, their new branded packaging, all the trade for purchasers to see. Or a brand be coming to us because they're growing at a rapid speed and the retailers are out of stock and they've run out of packaging because their supply chain takes eight to 10 weeks to get it delivered.



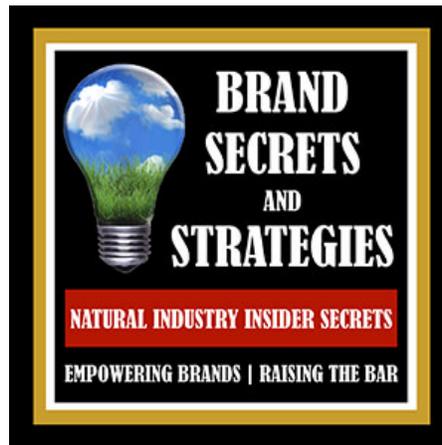
Dustin: So they're leveraging our speed to market the 10 to 15 business days from when you place an order approving the art and allow us to then put into production it's guaranteed to ship. Brands may come to us because they are looking to test the new product. Maybe they want to buy a limited amount of packaging to see what the market response is like. So it all begins with our team getting to know the person that's reaching out to us and what their need is, and then helping identify where in our platform we can provide the solution to that, that need, that issue today.

Dan: Go ahead I'm sorry.

Dustin: Go ahead.

Dan: No, I was just say no, this is very helpful. One of the things though is as you're talking about this, and thanks for sharing all of this is remember I'm a brand, I don't know what I don't know. So how do you help me with that? Apologize for interrupting, but please continue. But keep in mind that I don't even know what to ask.

Dustin: You don't have to know what to ask. We have the questions to ask. Initially when we first started, we began with selling our capabilities, but we quickly realized that our capabilities are overwhelming. So we took a step back and really focused on our team being the ones to ask the questions to help understand where the pain points are, and then we identify how do we relieve those pain points. Jack who's our CEO early on said we're Swiss army knife, we have 20 different blades and that is the reality. We do have so many different capabilities that it is quickly overwhelming. So our team is trained to ask the right questions and to understand what the needs are and then guide you



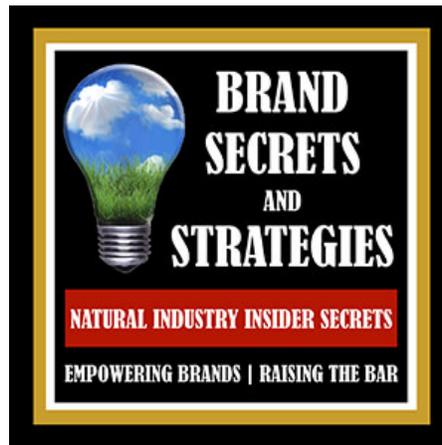
through the journey. It's very often that we're dealing with a company, an individual who's never actually bought a custom flexible package before.

Dustin: So we're providing that first experience and our focus is providing a concierge like first experience in buying flexible packaging. As I started to say before you might find us through social media, through Google search, many times companies are looking for a short run, flexible packaging, fast custom packaging, digital packaging.

Dustin: They find us one somehow some way, be it word of mouth as well. And we begin by understanding who they are, what their company is doing, and what their current needs are. As we understand what the needs are, we'll then guide them to the correct material structure, which is something we were speaking about earlier today. And we'll also get a better understanding of the project. What's its timeline? When do they need the products in hand, how much volume do they need to meet the current demand for the project that they're working on. From there, we can then build a timeline for what we need to execute on in order to meet their project's requirements.

Dustin: As a first time order in our platform, there is a process within art where we need to receive the customers art files and we need to ensure that they're built per specifications for digital printing.

Dustin: We will provide a checklist, it's an ePac checklist that calls out exactly how art files need to be built in order to work in our platform. Our team will take the time to review that checklist with the perspective buyers so that they are fully in the know of what



the requirements are in order to avoid back and forth and help expedite the process of bringing that project to life.

Dustin: Once we get through the art file process and we have a understanding of the package dimensions and the quantities that are required, we will then provide a dieline. So one of our sales support specialists will get involved with the project in conjunction with our sales team member and they'll start to provide the internal feedback as it relates to the package design and the project requirements in order to execute on the needs.

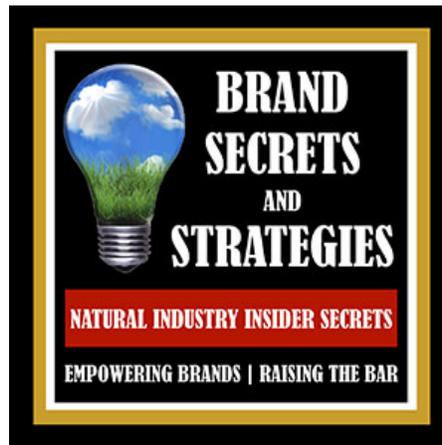
Dan: Got you. And the dieline are the graphics, right?

Dustin: The dieline is the schematic of the bag, which is on a pdf file, which the designer for the brand will then input the graphics too. So it's going to be the border of the bag and where the seams are in the bag so that you understand exactly where the graphics we'll lay out in relation to where the zipper is placed. A tear notch is placed, where the hand holes is placed, all of those features are included on the dieline.

Dan: So in other words, when I'm thinking of a dieline, I want to think about the margins on a word or pages document and make sure that I'm staying within that. Does that a better way? It does. Does that make sense? Is that a good way to look at it?

Dustin: 100% correct.

Dan: Perfect. Yeah, that helps a lot more. So let me back up and appreciate your sharing that. So let me back up a little bit. Carl I will let you answer these questions. What is barrier and what our structures, what does that mean and what does a you line stock



package? And the reason I want you to be able to explain this is because I don't think everyone understands it. And since I've spent a lot of time talking to packaging people, I have a pretty good feel for it. But I don't think other people understand what a barrier is in the significance of it is and why that matters.

Carl: Well, barriers instructors are absolutely critical to the whole discussion around flexible packaging and it's part of what really creates the complexity and makes it very difficult in particular for small or medium size brands you get into flexible packaging. Barriers simply put is a film layer and it goes inside of the package, is laminated to a print layer and that barrier has properties that prevent moisture transfer, oxygen transfer, things of that nature. So it can keep food fresher, longer, prevent odors from escaping, things of that nature.

Carl: Now a structure is typically a term that's used to describe the film that is used to create the package. It'll start with a print web that we will oftentimes, perhaps most times prevent, we use a term called reverse printing, so we'll print on the backside of the film and then we'll lock that ink in with a barrier layer.

Carl: So the print actually shows through the clear layer that it's printed on. And then the underside of it is a layer of say, metalized polyester or something like that that provides the barrier. And you asked about you line where you line is simply one of the options that we find that it's small brands go to. They really only have three options. If they're going to get into the flexible packaging, they can get it from overseas. And there's problems with that around quality and timing and things like that.



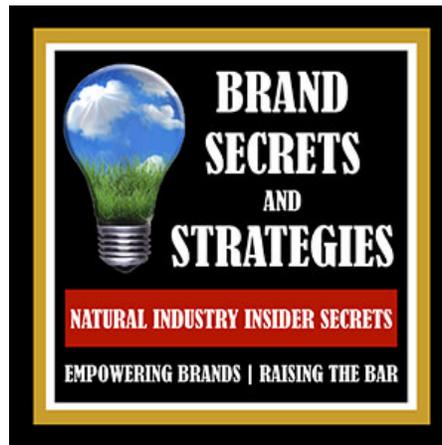
Carl: I think go to a conventional supplier and typically the minimum orders are very, very large and they end up with a large inventory. Or they can go to a company like an online service like You Line and by blank bags and then have stickers printed and put the sticker on the bag. And so what they end up with is more or less a kind of a farmer's market look. And without exception, what are brands want is they want to have the same great looking packaging. The Frito lay has on a retail shelf and that actually provide.

Dustin: Carl, I would say farmer's market look pretty ePac.

Carl: Yeah, right.

Dan: Well I know what you mean. And actually a lot of stores, I mean even if you go to some of the local retail stores around here, their private label looks like they made it in a kitchen. And I remember years ago there was a thing where you could buy it and you could suck all the air out of the moisture of it. You could be a form fill a plastic bag essentially to put your leftovers in. That's exactly what I'm thinking about. So putting the labels on that year, right? That doesn't look very professional. So Dustin, let's pick it up back where you were, where you were talking about very consultative, but yet talking about how to work with me and my amazing product to help me understand what I need to do to move forward to get it on the shelf.

Dustin: Sure Dan so as we were talking about, it all begins with understanding the product that you're intending to put inside the package that we can align you to a material structure that meets the needs, but it's not over engineered. From there, we'll then determine the package size and we'll get you a dieline, which is a



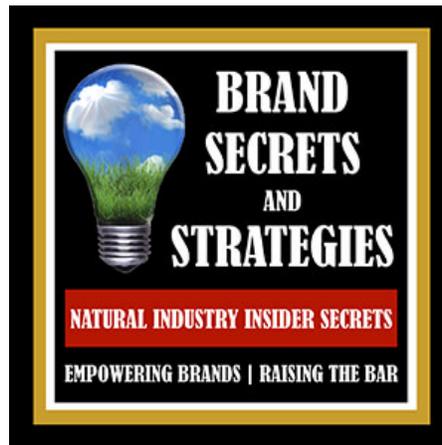
pdf file that has the drawings of the bag that we're going to be producing for you. In essence a schematic and that's for your designer and your branding team to then place the artwork into that dialogue. Once you've sent the dieline to our team will then review the file to ensure it's built per the specifications that we require in order to digitally produce the packaging.

Dan: And so I create my own packaging. I can create my own graphics and everything like that. Carl that's what you were talking about before in terms of what led you to want to get into the digital packaging? Correct. And can you explain that a little bit more?

Carl: Well, with digital you can really take the complexity out of flexible packaging and in essence, that's what we do. We take the complexity out of it. We'll sit down with a brand that would usually have a designer. Sometimes it's the brand owner's wife or husband. But in any case, we'll sit down with a designer, we'll make sure that the designer understands the kind of file that we need. And it's typically, there'll be illustrator or in design file.

Carl: It comes to us we run it through pre-press, we create a PDF, the pdf gets sent to the printer, there's no plates involved. It prints, then it laminates, then it goes to the pos machine and it's out the door at 10 to 15 business days. So what we really try to do is on the front end, work with the customer to take the complexity out of structure, selection and barriers and all that kind of stuff.

Carl: And that's what our sales people were very, very good at. And the other thing that I probably add is we got involved here in Austin with an organization called SKU, and it's essentially a startup. It's an incubator group and it consists of local companies and individuals. Many of them entrepreneurs themselves that are



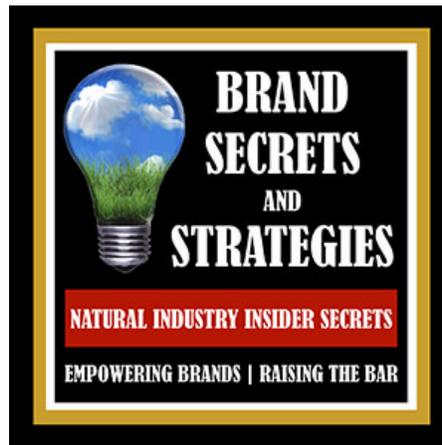
working with, maybe it doesn't start up companies here in Austin. We try to figure out how to take their product to market. And packaging is one of the areas that is addressed. And it's an area that we participate in terms of how we're engaged with SAU here locally.

Dan: Got you. And actually I'm familiar with SKU because I've talked to Scott Jensen about it, the CEO of Rhythm Superfoods and former CEO of Stubb's, Legendary Bar-B-Q Sauce. So he shared a lot about them. In fact, actually I'm looking to get connected with them at some point, but so as you're using that, how do you use this? How do you integrate what you're doing with SKU?

Carl: Well, I'm familiar with SKU, there are various courses, if you will, various steps that each of these entrepreneurs go through and we'll teach a class. One of our guys, we have a digital marketing manager's name is Jeff Jacobs. He teaches a class four SKU on a packaging and then we work with them to be sure that their membership, their alumni, if you will has an awareness that there are options for those companies to use. It's flexible packaging a little bit differently.

Dan: And do you give a similar program? Do you share a similar educational program with other groups like Naturally Boulder? Dustin, I've seen your name on speaking at some of the different events on any of you guys are speaking Natch Com in a couple of weeks.

Dustin: Sure. So when we first decided that we were going to build a facility in Boulder, Colorado, the first thing I did was reach out to Naturally Boulder. In doing our research in the local market, we found that this was an association that has existed for I think



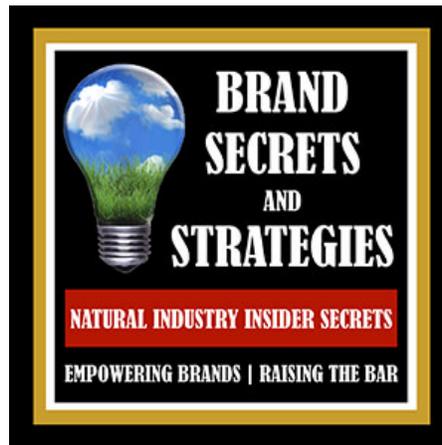
close to 15 years now. In the past year they've actually expanded and begun to build a national reach with naturally Austin, naturally Chicago, naturally bay area, naturally North Bay, and I'm sure they'll have more chapters coming online in the next 12 to 24 months.

Dustin: That being said we felt this would be a great association for us to get involved with. It was what we saw actually, boulder was lots of individuals, lots of companies that are part of the natural organic industry. And doing our research, we learned that boulder was the epicenter of the natural products industry. A big focus for ePac is community involvement, community reach, regional touch, and Naturally Boulder allowed for us to align into the border community immediately along our mission.

Dustin: We find that these association give us the platform to give back to others in the community to help entrepreneurs understand where they can turn as relates to support for bringing the vision and their products to market, be it through Amazon or retail or as Carl mentioned earlier, the local farmer markets.

Dan: I like the fact you guys have a mission like that. Brands have a lot of mission. I spent a lot of time talking about missions and that's encouraging. I Like the idea that you guys are going beyond just being a transactional organization and just printing packaging and you're done and that's it. But that you're actually getting involved and engaged in the community. So thank you for sharing that. Are you involved in other groups as well? And by the way, Scott Jensen was on a podcast episode is 78.

Dustin: So we are involved in other groups. We encourage our regional locations to get involved with in groups within their local

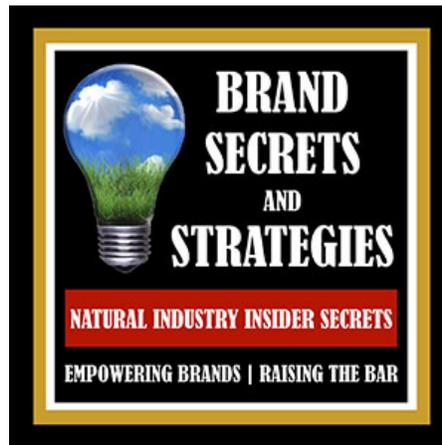


communities. So in boulder we got involved with a group called Community Food Share. So a local food share that is based in the same complex as our manufacturing facility, which is actually in Lewisville, Colorado. We encourage our team to be able to give back to those communities. It's actually a KPI we're looking to establish in boulder for a game is amount of hours that we're getting back to our local community. Above and beyond the local community food share we also have recently gotten involved with habitat for humanity.

Dustin: And this was actually something we first did in May, just a few weeks back, but had a great opportunity being able to work together as a team and give back to the community which supports ePac.

Dan: Fantastic. And by the way, the reason why I took this a little detour is because one of the things that I'm trying to teach brands how to do as leverage the mission of their product, of their brand with their core consumer instead of being just another commodity on a shelf, et cetera. And what I mean by that is that consumers want to feel good about the products they purchase. They want to feel good about the ingredients, where it came from, the transparency, everything.

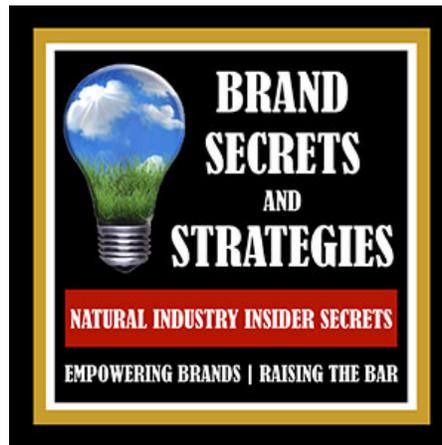
Dan: Being able to leverage their packaging as part of that mission is something I'm extremely passionate about. And one of the reasons I wanted to have you guys on this call is I've been spending a lot of time doing a lot of podcasts and doing some mini courses with Kelly Williams of Nature's Flex and he recommended that... Said I needed to have you guys on this call. But what we've been talking about is how does a brand leverage not just what the inside their package but their package as part



of their mission as part of the way they communicate with their brand. So again, I know we're kind of took a little bit of a detour. Do you guys have a strategy around helping brands leverage the fact that you are giving back, you as ePac are giving back, you as ePac are part of their bigger community?

Carl: A couple of different ways, Dan. First of all, because we work primarily with small, medium size businesses and I still think ePac is a small business, more or less a startup even though we're three years into it. We understand many of their pain points and we actually worked to cope, promote our customers through social media, through our blogs. So when a customer comes to us, works with us, it really becomes a partnership. We're so mission critical to what they do. We make mistakes. If we miss the delivery date, it could spell a real problem for our customers. And so it's a lot more than a supplier vendor company relationship. It's truly a partnership. The other thing that we can do and we're starting to do but more of it is to the power of variable data printing.

Carl: There are things that a brand can do to enhance that consumer experience. QR codes and other forms of marketing technologies can be used. A unique code can be applied to virtually any package that can take the consumer to an online experience. That can talk about the transparency of product sourcing, of ingredients sourcing. It can talk about how a brand works within a community. It can convey a whole different message depending on what the product is and depending upon what the brand wants to say about that product in a given geography. All of that is unique and all of that can be handled with variable data printing

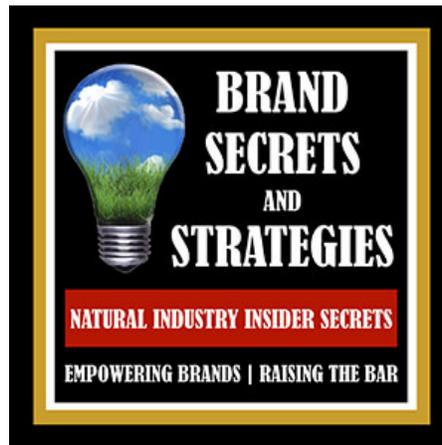


that is unique to digital printing and we're involved with that as well.

Dan: That's exciting. In fact, that's actually one there is, I wanted to get into a little bit later is the being able to use your packaging as part of your messaging and as a profit center, et cetera. So that's definitely some place I want to go. But going back to the fact that you guys have a partnership or create a partnership with the brands that work with you, that's exciting. And the reason it's exciting is because a lot of the brands that I met her and I've had the privilege of mentoring literally hundreds and hundreds of brands and they talk about how they feel like they're out there on their own and they don't have their support network.

Dan: But yet what makes natural natural is the fact that we have that community, especially in Boulder, Colorado, which is kind of down the street from where I'm at. So thank you for sharing that. So let's get back on track. And I want to come back to this in a little bit, but, so Dustin, now that I've got my packaging ready to go and you've been able to help me identify how to put the product in the bag, et cetera. How do you work with my co-packer? How does that relationship work?

Dustin: So we work with all different size companies. Some brands will do the packaging themselves, other brands we'll work through co-packer. If you are going through a co packer, that's typically something that we would like to understand prior to making that package. As the co-packers typically we'll have requirements for the packaging. Oftentimes they'll have a specific material structure that is approved to run on their machine or they'll have specific requirements for the packages that are coming into their facility. So we'll encourage communication. Our team to



communicate with your co-packer directly in order to help streamline the process of bringing your packaging to market.

Carl: Well, I would also add Justin that we're a member of the contract packaging association and we do so because we really need to understand their requirements. They represent brands oftentimes and oftentimes they call the shots. So we see that as a vital avenue for us to really understand market requirements.

Dan: So in other words, you're on top of things. So again, this is something I don't need to stay up late at night worrying about because you guys got my back basically. Right?

Dustin: I would certainly like to think so.

Dan: Okay, good. I mean because at the end of the day, again I'm focused on making a product. I'm not worried about the counting. I'm not worried about the back room. I'm worried about trying to get my amazing product in a store shelf and into the hands of shoppers. What are the things do I need to know as a brand as far as packaging is concerned? Carl, your thoughts?

Carl: Yeah. I mean, there are a lot of things I think the brands come to us and wants to know about. They want to know about sustainability. Do we offer recyclable films? Are we engaged in the whole conversation around sustainability? I mean that becomes a really important aspect of it as well.

Carl: Often times we get involved with their go to market strategy. They are looking at target markets where they want to perhaps a different type of package to go into an area, a part of the country, perhaps a shitty or region. Sometimes they come to us and they



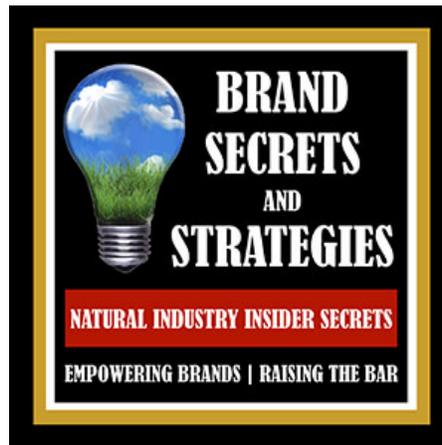
say there's an event going on and we're the text food for the NFL or something and we want, and we're sponsoring the Superbowl. Can you help us come up with some promotional packaging that helps tell that story. And so those are all things that we get involved with. Once the brand they're up and running, then they look for opportunities to differentiate the products in the market. And that's how we work with them generally.

Dan: And do you have other strategies around how to leverage the capability of printer demand packaging?

Carl: Well, yeah. I mean, first of all, you can look at this from the standpoint of sustainability, right? I mean, the ultimate sustainable solution is you don't have as much packaging going into the environment at all.

Carl: And through the ability for brands in order to demand, only meeting to look perhaps a month ahead and every month just order what they need and doesn't avoid the inventory. Avoid the obsolescence in variably occurs. Many times you avoid introducing waste or absolutely packaging into the environment altogether. So that's one way that we look at it. Another way is simply through variable data. We know we have the ability to track virtually every package uniquely from the point that it's produced to the point that it ends up in a landfill site or ends up better yet in recycling or reuse site, which is all of our goal.

Carl: And we have the ability and we're working right now on various R&D projects to assign those unique codes to packages and provide brands the ability to do a couple of things. They can track that package from cradle to grave if you will. And they can provide that visibility to their customers through an online



experience. It's activated through the package and they can essentially find another opportunity to engage with the customer around the sustainability dialogue and really help put the consumer's minds at ease and the fact that the brand is sustainable, that they take it very seriously. And in many cases we find that there's opportunities for brands to actually incent the consumer to be more environmentally conscious and to actually recycle their plastic packaging.

Dan: How do you define Carl's sustainability? How do you define it? You as an organization in terms of your product?

Carl: Yeah. I think we define it in a couple of different ways. I mean, first of all we offer recyclable films. We are engaged in like with Kelly Williams and Futamara, we've been engaged with testing of compostable and biodegradable films. None of that is really quite where it needs to be yet quite yet for us. We also look at it from the standpoint that even though we have all of these different recycling programs how to recycle the numbering sequence, determines what package goes where and how it's recycled. We do know through the flexible packaging association at 91% of all plastics end up in a landfill anyway. If they end up in a landfill, they might find a barge and they might be shipped to another country and they might end up in the ocean.

Carl: And so we've got a big problem and not just in the United States but globally around finding solutions that essentially stop that problem. And so solutions like variable data, being able to track your package through, being able to use interactive technologies on the package to reward customers for recycling, those kinds of things. And then working with the state of sustainable packaging association and a couple of different universities that we're



engaged in. We're looking at alternative ways that are in research right now to actually dispose of the package in an environmentally clean way.

Dustin: When it comes to sustainability. ePac platform provides a foundation for sustainable growth. And what I mean by that is we've established a manufacturing facility that independent of the materials were producing, has a much reduced impact on the environment. We have zero waste water, we have less ozone emissions and we consume less material in production in order to deliver a commercial product. So we've begun our sustainability path with our actual platform itself and now where we're at is looking at the materials that are available from the raw material suppliers that we can produce for the brands and bring to market that meet that current downstream capabilities and sustainable packaging.

Dan: Thanks for sharing. Yeah. This is the reason why I'm so interested in this because this is one of the biggest pain points that every brand shares with me. This is one of the things that I am on a mission help solve and help communicate the value of two other brands. In my opinion, we could do a lot better. I mean everyone says that, but I think that by sharing these messages and helping the brands, the listeners, the brands that will listen to this podcast understand what it means, what's possible, I think that's how we change the world. I think that's how we begin to make a real difference. So thank you for sharing that. So when you say that you had the ability to track every package, what other things can you do with the package?

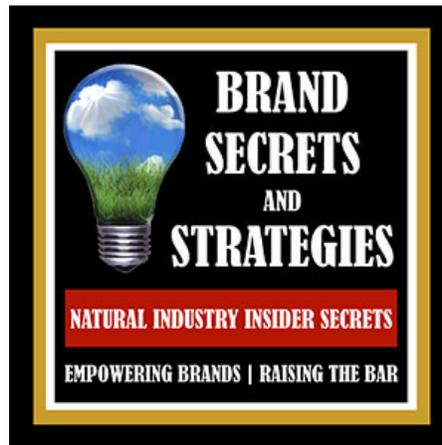
Carl: Well, with variable data I kind of look at it in several buckets. First of all, you can differentiate your product. Everybody's seen



the share a coke campaign. There are a variety of different software techniques and packages that we have that can use graphics design in a certain way to really help you package pop and differentiate it on the shelf.

Carl: we also use variable data to encourage a consumer engagement experience. Where as I mentioned earlier the brand can find a message, develop a message that they want to communicate to the consumer and enable that message to be accessed by the consumer via Qr Code Barcode. Again, being unique to any packages that they want it to be unique to. We also use a variable data printing for brand protection. Brands ask and product diversion is a very, very big problem in our autonomy. And there are techniques using variable data that you can use to actually protect your brand and give yourself as a brand, a fairly high assurance that if there is any product counterfeiting going on a brand bruising going on that you would nip it in the bud. And so those are the kinds of things that we look to do with the variable data printing capability of the ePac platform.

Dan: Fantastic. And thank you again for sharing that because one of the things that we've been talking about and Kelly and I have been talking about is using packaging as a profit center and using it to enhance your trade marketing, ROI, et Cetera. And so the fact that you guys have that capability and the fact that you guys are able to work with a brand like that, I think that really sets you apart. And the reason this is important is because instead of packaging being an afterthought for a lot of brands, I want to help brands think about how to leverage packaging to their benefit.

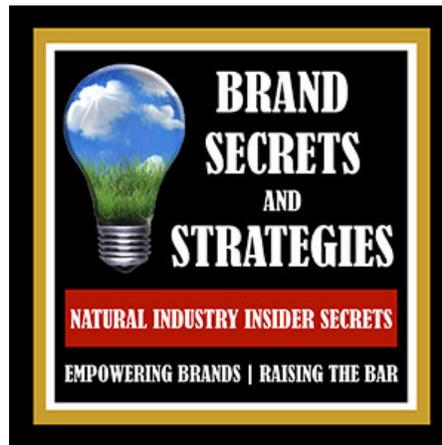


Dan: And when I say packaging as a profit center, for example, if I were to co-promote a product and the product that I'm co-promoting with a different brand, put that on my package for a little bit vice a versa, and use some of those strategies to leverage the unique properties or more importantly that you need consumer that comes into buy my package. So there's so many creative ways to help brands think about packaging more so than just this is a bag you put your stuff in. That's it. So thank you for sharing all that. Dustin, earlier you made a comment where the business is going today. Could you please talk about that more in depth? Where do you see the business going today?

Dustin: Dan where we see the business going today is that we continue to see change take place in the industry. Disruption all across the board in the sector specifically when you look at the food industry. You see CPG that's growing at less than 2% a year and natural organics, I believe, was at 9% a year. In order to stay relevant, you have to continuously be launching new products. You're seeing that brands are once a year, they're doing a facelift with their brand, whether it's a complete rebrand or it's adjustments to that brand strategy, mostly on the visual aspect of packaging components.

Dustin: So what we've been able to do is allow for those brands to not just visualize through an onscreen perspective, but also physically visualize where they're headed with their brand or their new product launch. When you go to a digital platform, we have the ability to produce physical proofs.

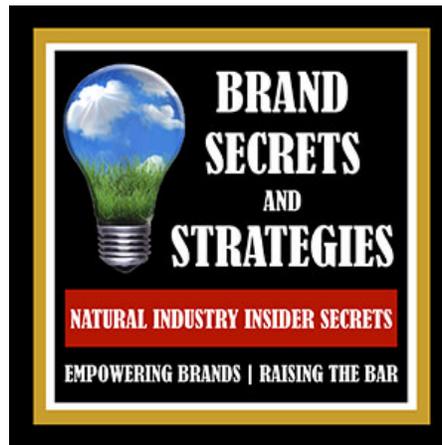
Dustin: A physical proof comes directly off of our printing press. It's exactly the art that is going to be laying down a commercial run. And this is something that prior digital print was not available. So



we're giving brands the ability to ideate with the physical art in their hands and look at how can they continue to shift and change that brand, continue to differentiate it in comparison to the competition. We see the industry continuing to go towards the on demand model, the speed to market. We find often that once a brand understands how they can leverage digital printing it often will open up the opportunity to look at how they can move their entire supply chain, to a digital model because of the flexibility, because it aligns to their marketplace and the hurdles and challenges that they're finding within their industries.

Dan: Very helpful. So let me help frame this for anyone listening. I'm a brand. I'm ready to put my product in a package. I went out and I heard a bunch of money up. I got a bunch of investors on board. They want their return on their investment. They want to start earning something. Me as a brand, I don't make any money till you start selling something. So traditional model using what you said earlier, I go to a broker package broker. I wait 10 to 12 weeks to get my packaging back and then I can start selling my product, but oh wait. Between that, those two times I just earned a new sealed non GMO, organic, does it matter? But I just earned something new in the package, a new seal that it can highlight or let's say I found a mistake on the packaging or whatever.

Dan: That's another 10 to 12 weeks. Oh and then I've ordered all that inventory that I don't necessarily need. My point is this, the ability to, as you were saying, Carl, being able to buy the packaging that I need on a month by month basis, essentially have no inventory, costs a teeny bit more to put my product in your package because of the print on demand capability. But I get paid right away and my investors get paid back right away, which



is so critically important in where I'm going with this is a lot of brands struggle because again, if I don't get something on a retailer's shelf, then I can't make any money. If I can't schedule properly the product that needs to come through the co-packer, et cetera, then that impacts dramatically, negatively impacts my ability to service my customers. I've talked to a lot of brands that have the capacity to be able to produce the product for a large order, but because of the packaging constraints, they can't accept the order or they accept the order and then they fail and get kicked out of the big store because they weren't able to produce.

Dan: There's so many variables and I want to make sure that while we're talking about the amazing capabilities that you guys have, that we're also celebrating the fact that you're helping brands be nimble and quick so that they can react to market conditions so that they can react to customer demand. And so that they can take advantage of all these amazing technologies by going back, like you said, Carl, essentially no inventory, reducing waste and being able to print the package and then put the product in the package almost immediately.

Dan: So I think that that is part of your model. I think that needs to be really highlighted in terms of helping the industry understand why this matters. And so as we're going forward and we're talking about this, what are the other things, I will let you go first, Carl, that you think brands should know about when they're thinking about a print on demand solution. And more importantly, what should they know about what ePac can do for them?

Carl: Well, what see all the time with brands in particular relatively new brands is they bring a product to market and as you mentioned Dan something has to change. They find a mistake on the



package, they find that they've got an ingredient that they need to change. They get a new seal of approval of something. And so it goes beyond just considering, well how much facts gene do I need today and how much do I have to buy and what's it going to cost me?

- Carl: You really need to think about what's it going to look like three months, six months, 12 months down the road to the extent that they have that kind of visibility. But the great thing about digital printing and ePac is we can be a part of that whole discussion with the brand.
- Carl: We can help them kind of map out, well, here's what we think our demand cases going to be. What if we have to make the change mid-course, how long will it take me? What will it cost me? And so it's the relationship that we have with brand is far beyond just that of a supplier. It's kind of working with them on their demand case and how we can come up with an effective way for them to order to demand and cut the costs down the road where they have to make these changes.
- Dan: Critically important. Again, this is what I wanted to celebrate. This is why I wanted to have you guys on, because brands need to be thinking about this. I don't know what I don't know if I'm a brand, but what I need to know is that there are people out there that can help walk me through some of this and help me think about the future and what my future needs are. A penny saved, a penny earned sometimes that doesn't necessarily work. In this situation if I've got to put money out that I'm not getting anything back for, that's a bit of a challenge. So the ability to react and pivot quickly. Again, this technology is so amazing as a

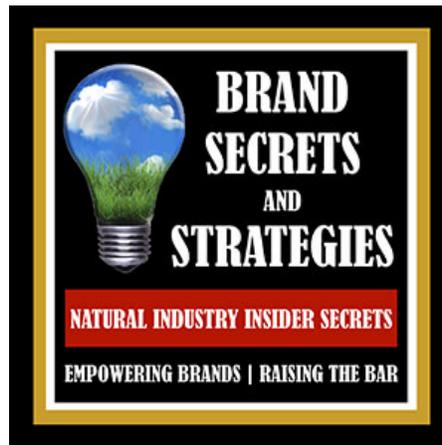


result. Dustin, what are your thoughts? What anything else that you want to share?

Dustin: Dan certainly. I think to Carl's point, there's an enormous amount of clients that we serve that since we first brought them on to our platform, our work has changed in every single order that they've produced with us. If the points that we're discussing as relates to call outs, ingredients, changes, new seals, non GM over certification, which we all know that that can take weeks upon weeks to get, but how important it is for that brand. These are things that brands are facing every day and the on demand model allows to your point, the ability to be nimble, the ability to order what you need today to stay and maintain your presence on the shelf, but also not have all the inventory on hand that slows you down from speed to market with that new seal or that non GMO certification.

Dustin: You'll see that when you look at digital packaging, the unit costs will appear higher than the unit costs from a traditional converter or a traditional manufacturer.

Dustin: But what you need to really understand and what you need to look at is all the other factors that come into the overall expense and your packaging supply chain. We spent some time talking about on demand, so inventory obsolescence is always an issue that we see with brands when moving them from conventional to digital. Typically they're scrapping inventory at the end of the year, be it ingredient change, be it rebrand, be it shelf life of the packaging. The other item that we always like to help a brand really look at is the impact of lost opportunity.



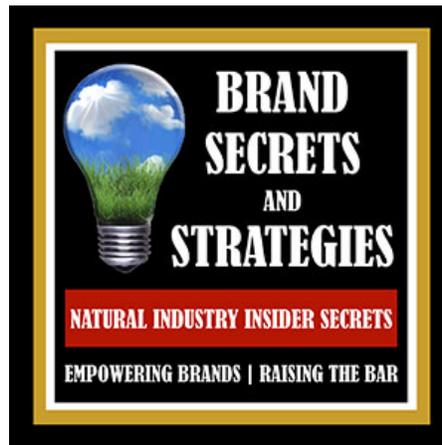
Dustin: So you might spend a little bit more on your digital package, but you're going to spend a lot more if you miss the opportunity to get on shelf or the retailer about a slot that opened up last minute and they reached out to you to say, hey, we have an opening, but at the same time your existing customer base is scaling demand and you just don't have the inventory to meet the new opportunity that's been presented to you.

Dustin: In our platform we allow you to not lose that opportunity.

Dan: Thank you for sharing that. That's so critically important. And this is something I talk about all the time about changing the model from a brand, being effectively an ATM machine for a retailer and a broker, et Cetera, but becoming a value added partner. And the way you do that, everything I talk about, the way you do that is by making sure that you can be quick and nimble, that you can support the retailer at a much higher level, that you can pivot quickly, that you can create opportunities that didn't exist previously.

Dan: And you've got to have that ability to pivot your brand, to create more product, to do things in a very creative fashion that your competition is and thinking about. And another thing I wanted to throw out there is that consumers today look beyond the four corners of their package. And what I mean by that, and I talk about this a lot, but what I mean by that is that they don't just walk up to the shelf and pick the blue box or the red box or whatever.

Dan: What they do is they take the package and turn it over. They scan the Qr Code, like you were saying Carl or they start looking at like who's used that? How do they use it? When do they use it,

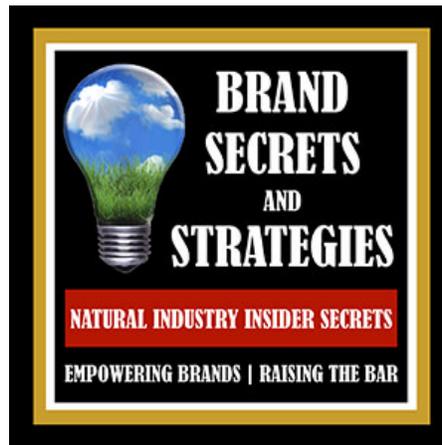


how do the people use it when they get home, et cetera. The point being is that any brand willing and able to put that kind of technology into their packaging is going to help improve the shopper journey and help improve the shopping experience.

Dan: And so I think that's another thing that we need to highlight here in terms of what brands can do to leverage the strength of the consumer that buys our product. And what I mean by that is that to a retailer, what retailers really want is they want that unique consumer that you're as a brand or able to drive into the store, they want to remain relevant and anything that a brand can do to help support that, to help support that retailer and drive more traffic in their store, a little bit more profit in their category, that's the win.

Dan: And so put a different way is that retailers generically don't make anything. What they do is they sell real estate in the small sliver of space at my product takes up on the shelf. And if I can help maximize the profits for that space and if I can increase the shoppers coming in the store, that's hiring help retail partners remain relevant against even online threats. So guys, thanks for coming on today. Are there any parting thoughts, any last things that you wanted to share? Carl, you want to go first?

Carl: Well, I go back to looking at the evolution of digital printing and there's an analogy that I like to make. 20 some odd years ago if you look at the book publishing market it was tough to bring a book to market. Not everybody could be a writer. They hadn't have access to printing and publishing channels. And it was tough really to get to get their books to market and it became such a barrier that really not everybody can be an author. Well, today, look at where we are. Virtually anybody can be an author, they



can promote their books online. They can get dialogue going through social media, they can print the demands so that they don't need somebody to pay for a large print volume initially in hopes that the book takes off.

Carl: So that entire industry has been changed by essentially digital printing and digital marketing. And I like to say the same thing is going to happen to the flexible packaging industry and to brands they use flexible packaging because they're going to find increased ways to use the package as an element of the marketing mix. They're going to be able to go to market faster and they're going to essentially be able to use digital marketing technologies like social media to help promote their package. So it's about to be a very different world and that's where I would leave it.

Dan: An exciting world. Thank you for sharing that. Dustin your thoughts?

Dustin: Yeah. So a a brand telling your supply chain execute upon your growth strategy and you're only as good as your weakest link. At ePac we view our relationships with our customers as partnerships. We don't leave them as a vendor and customer relationship. We truly view it as what part of your business or to grow together. So we encourage brands of all sizes to come to us, bring us your challenges, allow us to help you resolve those challenges and to help be a partner in your growth strategy and building your brand throughout the communities with which you operate within.

Dan: Perfect. So how can brands get ahold of you and then where do they go to look to learn more about what ePac offers?

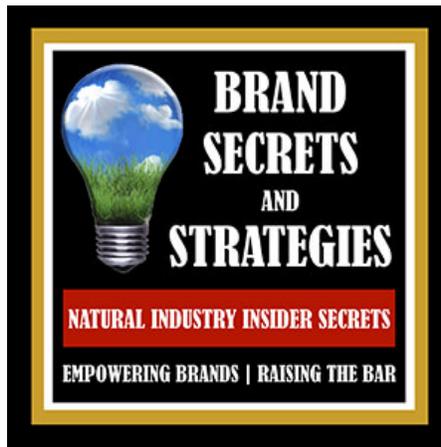


Dustin: Sure. So we have a heavy focus on a new occasion as we spoke to earlier today. When it comes to understanding how we can provide solutions, our blogs, our activity on social media via LinkedIn or if you go to our website and would like to do some reading. We have tons of case studies that we're continuously sharing to the prospective community.

Carl: Social media is really critical and it does work hand in hand with what we do with our website. I mentioned earlier that we do co-promotion with brands on social media. We use it to tell stories about the latest things that ePac is involved in. But getting back to the website as well because it is part of the overall digital marketing strategy. There's a heavy focus on content, educational content, whether it be blogs, news articles, case studies.

Carl: We think the market education is probably the number one challenge that we have at least from a marketing standpoint. There are literally thousands of small and medium size businesses out there. Many, many of them are entering into this. The natural and organic product space and getting to those thousands of companies is a real daunting task for any marketing guy. And you have to be good at using digital marketing techniques or on your website and on social media and I think they can all be done to the benefit of the brand as well because we work together.

Dustin: Dan you asked me how can a brand find us and how can they get in touch? We make it very easy. You can go to our website and request a quote. You can call our 1-800 number. You can find us on LinkedIn. We are often communicating with respective clients directly through the channels, which with they operate in today. Instagram, linkedin even on Facebook we have a presence. So we've made ourselves very accessible to get in touch with and we



encourage that you reach out to us at any given time in order to how you with your names.

Dan: Perfect. And what is your 800 number?

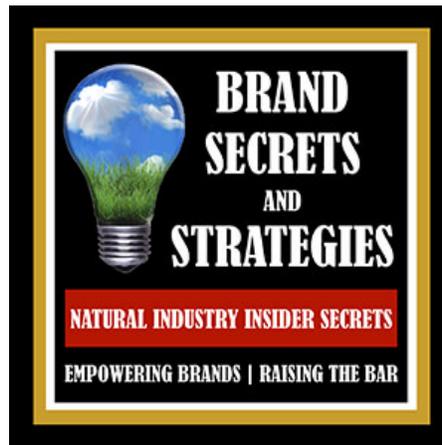
Dustin: The 800 number is 844-623-8603. And our website is ePacflexibles.com.

Dan: Perfect. And I'll make sure that I put a link to that in the podcast show notes and on the podcast webpage. Gentlemen, I thank you for coming on today for sharing your story and for and helping brands, emerging brands understand how they can take advantage of flexible packaging to grow their business.

Carl: Been a pleasure. Thanks Dan.

Dustin: Thanks for having us Dan. It's always a pleasure to be able to educate the community.

I want to thank Carl and Dustin for coming on today and for sharing their wisdom and their advice. This is a complex topic and I hope we're able to give you the information to simplify this to help you get the answers to your questions so that you can make the very best decision for your brand to make sure that you can get your product on more retailer shelves and into the hands of



more shoppers. I'll be sure to put a link to ePac on the podcast webpage and in the podcast show notes.

Before I share this week's free downloadable guide, I want to let you know that I have two packaging courses, two free packaging courses. I'll put links to those in the podcast show notes and on this podcast webpage as well. The first one is Earth Digestible Print on Demand Packaging. You heard me correct, earth digestible print on demand packaging. This is a really cool technology and we covered some of it in today's podcast episode. In this mini course, this free mini course, we talked about the shocking truth about sustainable packaging, strategies to save you time, money and the insider secrets to getting your brand on the shelf. The other free packaging mini course is the Secret Packaging Strategy Your Brand Needs, strategies to grow sales with earth digestible print on demand packaging as a profit center. In this mini course, in this free mini course, we go well beyond what we talked about in this podcast episode, specific strategies that you can use to turn your packaging into a profit center.

This week's free downloadable guide is my Strategic Solutions to Grow Your Brand. This is one of my most popular downloads. This free ebook covers a lot of the key things that you need to have in place if you want to take advantage of the strategies that the big brands use and gain a significant competitive advantage in your category. You can download the guide, get information about the two free courses, and get connected to ePac, and get the podcast show notes by going to [brandsecretsandstrategies.com/session130](https://www.brandsecretsandstrategies.com/session130). Thank you for listening and I look forward to seeing you in the next episode.



Epac <https://epacflexibles.com>

### **This episode's FREE downloadable guide**

This short guide levels the playing field between small brands and their more sophisticated competitors. It highlights the advanced strategies the big brands use called Category Management - what retailers want.

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### **#12: EARTH DIGESTIBLE™ PRINT ON DEMAND PACKAGING**

**SOLUTIONS** The shocking truth about sustainable packaging. Strategies to save time, money & the insider secrets to getting your brand on shelf.

#### **LEARN HOW TO:**

- Make your packaging stand out on a crowded shelf
- What to consider before presenting your product to retailers
- Merchandise your products - why packaging matters
- Communicate beyond the four corners of your package
- Tell a compelling story with your packaging
- Dramatically reduce wasted spending and get your products on retailer's shelves faster
- Determine your best packaging option- The history of flexible packaging
- Ask the right questions — the ABC's of packaging
- Navigate the current challenges with compostable and flexible packaging market/supply chain
- Turn your flexible packaging into a profit center
- Use compostable packaging to align with and amplify your mission and be a beacon for social change

<http://brandsecretsandstrategies.com/packagingsolutions>



## #16 THE SECRET PACKAGING STRATEGY YOUR BRAND NEEDS

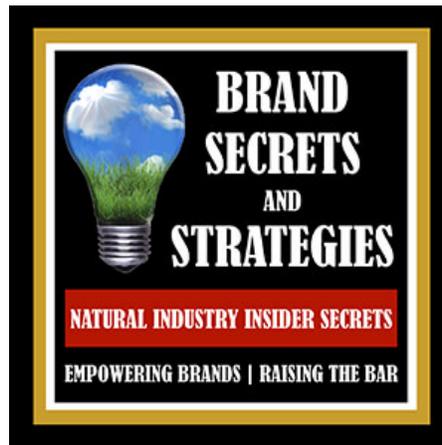
Strategies To Grow Sales With Earth Digestible Print On-Demand Packaging as a Profit Center

### LEARN HOW TO:

- Turn compostable packaging into a profit center
- Improve trade marketing ROI with print-on-demand packaging
- Co-promote with complementary brands with print-on-demand packaging
- Use print-on-demand packaging to gain a significant competitive advantage
- Give your customers what they REALLY want - sustainable packaging solutions they can feel good about
- Get the most from compostable packaging - what you need to know about sustainable packaging
- Leverage your compostable packaging strategy to grow sales
- Help retailers grow category sales with your brand

<http://brandsecretsandstrategies.com/packagingstrategies>

Thanks again for joining us today. Make sure to stop over at [brandsecretsandstrategies.com](http://brandsecretsandstrategies.com) for the show notes along with more great brand building articles and resources. Check out my free course Turnkey Sales Story Strategies, your roadmap to success. You can find that on my website or at [TurnkeySalesStoryStrategies.com/growsales](http://TurnkeySalesStoryStrategies.com/growsales). Please subscribe to the podcast, leave a review, and recommend it to your friends and colleagues.



Sign up today on my website so you don't miss out on actionable insights and strategic solutions to grow your brand and save you valuable time and money.

I appreciate all the positive feedback. Keep your suggestions coming.

Until next time, this is Dan Lohman with Brand Secrets and Strategies where the focus is on empowering brands and raising the bar.