

# WHEN CUTTING DOESN'T CUT IT



## 6 Reasons Why Cutting Out The Middle Man Is An Epically Stupid Idea

PRESENTED BY CONTAINER AND PACKAGING



Written by  
**Ben McCallister**  
Ownership Team  
Container and Packaging

Like every young boy, Ben wanted to sell bottles when he grew up. The fulfillment of this life-long dream was met in 2004 when he came to Container and Packaging. Aside from the glitz and the glamour that naturally accompanies containers, he enjoys many aspects of the business: warehouse, customer support, sales, marketing, and HR. He likes to play basketball in the mornings, annoy his co-workers, and has a mini bar in his office where he likes to mix non-alcoholic drinks.

**Adapted and Designed by**  
**Keith McCauley, Executive Vice President**

## Cuts, both good and bad

There are good cuts and bad cuts. There are cuts that make you feel all warm and fuzzy inside and there are cuts that bring intense pain. Some cuts are made to create and rejuvenate and some cuts are made to downgrade or destroy. So let's talk some good you make something cute and eat it. Cute cuts I can get behind! Some cutting is just wrong; like cutting Michael Jordan from his high school basketball team or cutting sugar from your diet.

## Cutting out the middle man is bad

There is one cut that you may have heard of that I would like to mention—and yet I hesitate to say it out loud. It is such a foolhardy notion that it hardly seems wise to commit it to paper. But here it goes in a whisper—the most abhorrent and reckless cut imaginable: “cutting out the middle man.” What a deplorable thought! What a disaster! What a shamelessly callous thing to consider! I can't think of anything worse ... well ... except for that whole sugar thing we talked about earlier.

Seriously—there are a myriad of reasons why this is a really, really bad cut. And I am going to give you every one of those reasons. It may take me awhile to get through, but I don't plan on taking any short cuts while explaining them to you. (Get it—short cuts? Oh come on—that's funny, right?)

## Container and Packaging is an un-cut-able middle man

Let's start off by explaining that Container and Packaging is a distributor. Some would consider that to mean that we are one of the dreaded “middle men” mentioned above. However, the art of distribution is not a simple prospect. There are “middle men” who provide little in the way of value. But WE ARE DIFFERENT. In the packaging world, distributors are a key cog in the supply chain and provide huge benefits to those who use their services.

In most cases all these services can be had for little to no additional cost to the end user. You heard me ... little to no additional cost to the end user. Those are some hefty claims I plan to prove over the next few pages. I will share with you the major reasons why Container and Packaging is such a boon for those trying to tackle challenging packaging problems.

# 1

## Cutting out the middle man is epically stupid because **YOU WANT A GOOD PRICE**



I'm not going to mess around here. We are going straight to the money trail. I thought about holding out for a few pages and teasing you with it. But let's face it, the biggest concern people have with a distributor is that they wonder if they are getting the best price they can get. Are we needlessly taking our "cut," at your expense?

I think that's a great question to answer right off the bat.

Let me quickly and definitively state that Container and Packaging, as a distributor, saves you money all along your product's

pathway. This particular section will be focusing on the actual price of the container and not on the other cost savings that will benefit you while working with us. (Aside: These other cost savings are just as real and tangible. However, they are sometimes not as apparent and obvious.) With that caveat, I think we are ready to discuss unit price savings that come from using a distributor.

When it comes to price, the first thing to keep in mind is that Container and Packaging has been doing business for a very long time. We incorporated in

1987, but the business operated under a different name over 40 years ago. That is a long time to be in the business and believe it or not – our very own Jim McCauley has been here that entire time. Let's face it, that is a stinking long time to be in one place. I won't be the one to say how ancient Jim must be – but that is a seriously long time. During that time we have developed all kinds of important relationships with vendors throughout the country and even the world. These relationships are based on volume, history, and trust.

**Volume is key.** We do a lot of business with our vendors. Manufacturers plain just like it when you can churn out some good old fashioned volume. They like it so much that we have been able to negotiate some great prices. Prices that they would not be able to offer just anyone who called them. We get breaks because our overall volume, not just a particular unit, is so big. This means that by the time you get your pricing, it is often the same or better than what you could ever get by going direct to the factory.

**History is vital.** We have been doing business for so long (remember Jim's ancientness?) that our vendors know who we are and they value the consistency in which we purchase from them. Many businesses come and go, but we have long steady relationships that factories value highly. This, again, allows us to receive pricing reductions that we can pass on to you.

**Trust is a must.** (Sorry, I couldn't help myself with that last cheesy line.) Trust is built over time as well. For the 40 years we have been in business, we have prioritized building healthy partnerships with our vendors by paying our invoices in a timely manner, ordering in the preferred process of the vendor, and being consistent with our own processes. This consistency and trust has allowed us to keep prices low by being a preferred distributor for the factories we deal with.

Container and Packaging Supply has spent all of these years developing an impeccable reputation with our vendors that allows us to keep prices low for you. The Price reason alone is enough to think Container and Packaging is practically perfect in every way – but we have 5 more reasons still to go.

# 2

## Cutting out the middle man is epically stupid because **AMALGAMATION IS GOOD**



The amalgamation factor is a big one and not just because it happens to be a five-syllable word. It isn't often I have an opportunity to use a five-syllable word and I don't think its inclusion in this post should be understated. An even niftier trick would be to insert five five-syllable words in one sentence; like this. Amalgamation and consolidation have similar meanings with consolidation getting considerably more air time than amalgamation due to its fixture in business lingo. Wow – that was a first for me. I'm fairly pleased with how that sentence turned out. Back to point ... in

an effort to give amalgamation its five minutes of fame (a minute per syllable) – we are going to use it throughout this post instead of the old and tired term of consolidation, knowing that they are pretty much synonymous.

How does amalgamation affect you? Let us first examine a list of common packaging products: Bottles, Jars, Tins, Canisters, Pails, Tubes, Lids, Pumps, Sprayers, Droppers, Shrink Bands, etc. I can tell you that nearly every item on this list is produced by a different factory. If you throw in the variable of "type of material" then the list of factories could

easily double or triple. Rarely does a factory make both the container and the closure. It does happen, but even then, the combinations and flexibility are limited.

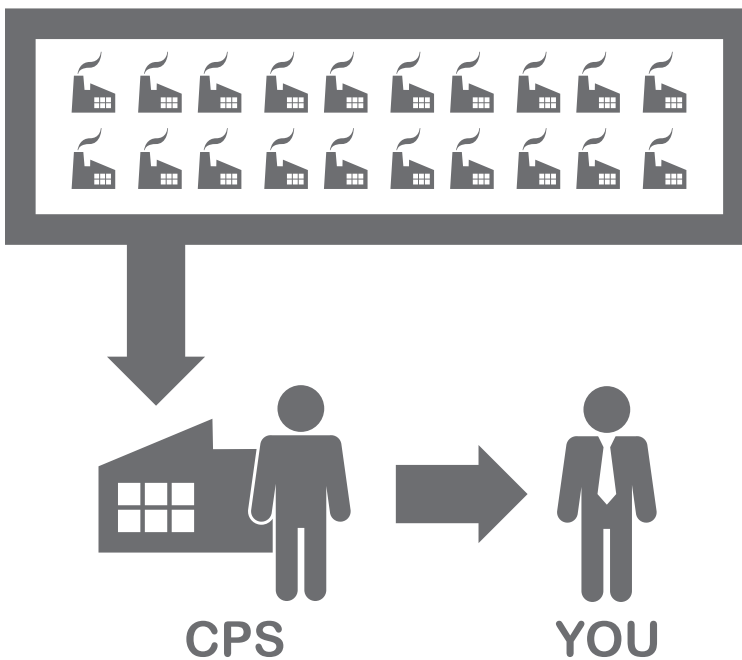
What does all this mean in a nutshell? (I've never understood why nutshells are the only shells that are considered concise? My opinion is that seashells are equally concise, if not more so!) If you need 20 unique packaging components you would need to purchase from 20 unique factories. In addition, you would need to develop that many relationships, have that many negotiations, apply for terms that many times, and pay invoices on that many orders. And VERY often, they won't even let you buy from them directly because ... you're not ordering hundreds of thousands of pieces each time you place an order.

Our consolidation (ahem, amalgamation) of orders allows you to save all that time and effort and put it back into other parts of your business. This is a very significant service that can make a huge difference to you.

I believe that with reason 1 and 2 of this paper we basically just built you a time machine. With the money you save from reason 1 (our super-duper negotiated prices) you could easily buy a DeLorean. And then with reason 2 we provide you with time. If you combine Time with a DeLorean (throw in a flux capacitor and a dash of 80's music) you can pretty much overcome any problem you face by changing and manipulating the time/space continuum. I have no idea what most of that means; I just know that we make it possible with all of that "amalgamation" stuff that we do.



This is what your life is like without a middle man. Imagine building relationships with 20 different companies, 20 different sources to negotiate with, 20 applications for terms, 20 different companies to pay invoices to ... this is a recipe for a nervous breakdown.



Life with a middle man is easy. One relationship, one invoice, one negotiation point gives you access to those 20 packaging components without the imminent threat of mental collapse.



# 3

## Cutting out the middle man is epically stupid because **FREIGHT IS TRICKY**



Freight is a major challenge in navigating the supply chain. Freight can represent a significant percentage of your total COGS (Cost of Goods Sold). We have found that freight is one of the areas in which we can provide substantial value for our customers.

In addition to freight savings, we can also provide solutions for any time sensitive needs that may arise. When it comes right down to it, we have freight solutions galore. Galore is a funny word because it doesn't represent a specific number but it does provide allusions of abundance. And abundance is a happy

word that makes us warm and tingly. So let me share with you some of the abundance you can expect from our freight services.

**We offer Small Package service** which gives you the flexibility to ship small quantities quickly. We have 1-Day and 2-Day options to insure your product arrives on time.

**Because we have multiple (an abundance of) warehouse locations,** we can usually ship product to anywhere in the continental United States, using our small parcel service, in just

2 business days without extra cost. We do have a process time in our warehouse that we try really hard to keep at 1 day. This means product arrives quickly and inexpensively because we have a warehouse near you!

**When a shipment is more than a few cases,** we have gazillions of options to ship LTL (Less than Truck Load). This means we can put your product on a pallet and save you beaucoup bucks by shipping in bulk. We have negotiated LTL rates for years to help keep shipping costs down. We love to pass on the savings from these negotiations. Although, to enjoy the benefits of LTL shipments, you will need to call during business hours to speak to one of our representatives.

**If full truckloads are your thing,** then give us a ring. (That last line is especially bad, even for my standards. Ughh.) We really do have access to very low rates for truckload business and can provide that service for you.

With all of these shipping options and with our ridiculously flexible logistical expertise we really can provide freight options galore for you and your business. Just one more reason we are a cut you can't afford to make.

# 4

## Cutting out the middle man is epically stupid because **MIDDLE MEN STOCK STUFF**



Stock be nimble. Stock be quick. Stock is all about speed and flexibility for your company. Running a business can be unpredictable and your needs for containers can vary throughout the year. We help to make sure that you get your product when you need it.

Most manufacturers keep very little of their product on hand. If they don't have stock then lead times can be anywhere from a 4 to 12 weeks as they try and fit your order into their schedule. But guess what? We exist to solve problems like

these! This is what we do! We are your stock answer! As you communicate your needs to our staff, we will do everything we can to insure that we keep stock available for you.

We don't just keep stock on hand, we keep it close too. Since we have multiple stocking warehouses strategically placed throughout the country, we can make sure we have product coming to a warehouse near you. We cut right to the chase and to the quick, but not to the bone.

# 5

## Cutting out the middle man is epically stupid because **YOU NEED EXPERTISE**



An expert is someone with a high degree of knowledge or skill in a particular subject. We are making the expert claim! As mentioned in previous posts, we certainly have longevity going for us – but we also have a well trained team, most of whom are certified Packaging Ninjas! We know stuff you wouldn't even know that we should know.

We take containers to the most nerdiness level possible, and we actually kind of like it. As a matter of fact, most of us can claim to have had both dreams and nightmares about bottles and jars. That kind of expertise is hard to find.

Let me put it this way. Manufacturers know a lot about their product. So do we. So what's the difference?

We know a lot about all the other manufacturers' products too.

We have so much experience and history with so many vendors that we can provide and offer solutions that would be near impossible to get by going direct to a single factory.

The Great Escape is an all-time classic movie starring James Garner as the scrounger. Every successful project needs a scrounger, someone who can find the hard to find things. The scrounger (in the movie) is not only incredibly resourceful, but exemplifies a bit of humor with a touch of compassion.

Being the scrounger is way cooler than its name may suggest. At Container and Packaging, we scrounge like there is no tomorrow. And it is a good thing too, because our scrounging helps insure that there is a tomorrow for your business.

After this bit, it appears redundant and more than a little obvious that cutting "the scrounger" would be ... well ... not very smart. Cutting expert scroungers is even more dubious. Don't do it!

# 6

## Cutting out the middle man is epically stupid because **WE'RE IN YOUR CORNER**



Not everybody is a Rocky fan, but that's just because nobody's perfect. Rocky is a metaphor for the entrepreneurial spirit. You start from scratch, you have doubters everywhere you turn, and then, after immense struggle, you eventually rise to victory. But if you'll recall, Rocky didn't rise to victory without someone in his corner, as Mick used to say it, "like an angel on your shoulder, see?"

Well that is what Container and Packaging is to your business. We are like that angel on your shoulder. And when things get tough "and you feel like you're going down, this little angel is

gonna whisper in your ear. It's gonna say, "Get up and fight 'cause Container and Packaging loves you. Okay?"

Now that may be a bit corny, and the more I think about it, there is no maybe about it. It's definitely corny. However, it is also quite true. We work and we ache and we worry for your success. We fight for faster lead times, we beg for better pricing, we grind out the research, and we labor through your supply chain. And here is the part that is interesting and the most important ... we love it. Really we do. It's in our blood. We bring that passion everyday to your fight for your business.

Now ... not only do we work hard, but we are so stinking nice while we do it. We really try hard to make your experience a pleasant one and we hope that we can help you find a sense of packaging nirvana. We know how to turn a bottle into bliss, a jar into jubilation, a tin into triumph, a pump into pleasure, and a container into contentment. If this sounds ridiculous and slightly exaggerated - it's because it is both of those things. I am merely using the literary tool of hyperbole to evoke strong feelings while not intending to be taken literally. However, here at Container and Packaging, we can get about as close as anyone could to achieving the above results.

Admittedly, there will be times when situations crop up that are not ideal, but we always try and provide multiple options and ideas to help you get through the rough patches. The business world is tough, there will be times when you feel like giving up, but just remember, we are that angel on your shoulder. We'll get you through, because we're in your corner. Rocky, without Mick, isn't Rocky!



**CONTAINER AND PACKAGING**  
[www.containerandpackaging.com](http://www.containerandpackaging.com)  
1-800-473-4144

