

## Graco and Summit Brewing team up to solve sticky problem

● Summit Brewing needed a better way to seal its cardboard boxes, so Graco came up with a glue technology that solved its problems.

By DEE DEPASS, Star Tribune

For all its 87 years, Graco Inc.'s bedrock business has been industrial sprayers that paint everything from cars to football fields for the Super Bowl.

But on Friday it entered the sticky business of package glue, with a new machine that promises to take the fuss — and funk — out of sealing boxes.

Minneapolis-based Graco has dashed across the mighty Mississippi to St. Paul, where it is partnering with Summit Brewing on a new “hot melt” dispenser that Graco hopes will revolutionize the packaging industry.

The two Twin Cities companies have never worked together. But a glue clogging problem at one plant and a fledgling idea at the other brought the two firms together to develop InvisiPac, a tankless carton-sealer about the size of a backpack. The system not only prevents clogging glue, but also eliminates the foul odor associated with the so-called glue crockpots now standard in the packaging industry.



This pelletized adhesive is used in a new hot-glue process being used at Summit Brewing to seal boxes.



Photos by Bruce Bisping • bbisping@startribune.com

Kenny Gunderman, Summit Brewing's packaging manager, explained how boxes of beer bottles are glued shut by a Graco glue head as they passed underneath while going down the assembly line. Graco has launched a new line of hot glue equipment that dispenses packaging glue more efficiently and eliminates a stench.

Graco, which has \$1 billion in annual sales, already makes industrial glue dispensers that seal windshields, mobile homes, and windows and doors. Until now, product packaging has remained untouched turf.

“A few years ago we identified packaging as a growth opportunity for us. And we think we can grow it,” said Nicholas Long, Graco's global marketing manager. “There is a significant unmet need to apply our hot melt technology to packaging.”

If successful, the new product line could produce millions in fresh revenue for Graco, which has recently enjoyed 13 percent sales growth thanks to a key acquisition and a comeback in construction and contractor equipment sales.

But tapping into the \$36 billion box-packaging industry will further diversify Graco's offerings and revenue base, analysts noted.

“They have a great track record of going into a new category, of penetrating it and driving strong growth,” said Michael Halloran, a Robert W. Baird senior research analyst.

Last year, Summit Brewing's boxing equipment in St. Paul kept getting jammed with glue, with backups so bad that production would stop. Meanwhile, Graco was looking for a local partner to test its packaging technology. Graco ended up calling Summit, and from there, a partnership was born.

Graco's latest experiment offers a unique "tankless" applicator for melted glue. Summit Brewing installed two test machines last spring. Two more lines are expected later this year.

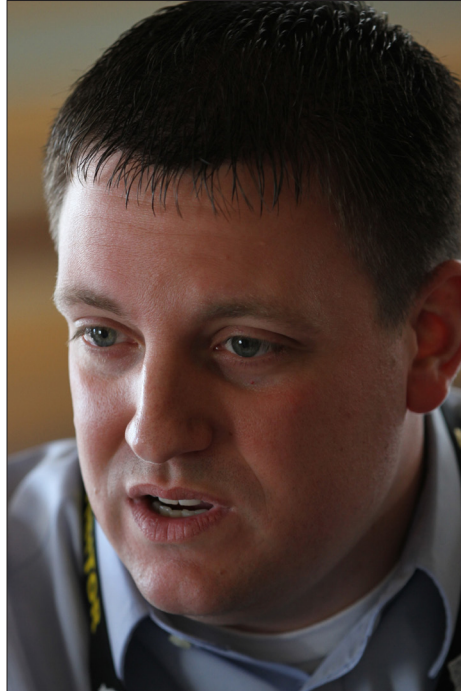
"We like the new system. We want to go all-Graco," said Summit packaging manager Kenny Gunderman.

On a recent Wednesday, thousands of Summit beer bottles clinked and rattled along overhead conveyor belts, under spouts, and past labeling machines as worker Joe Paul welcomed them to the end of the line. There he stuffed boxes into a packaging machine attached to Graco's new hot melter.

The machine features two parts: an oversized canister filled with golden glue pellets and a vacuum that continuously sucks just a few beads at a time into a heater. As each case of beer shimmies past, the machine deposits the molten glue on cardboard seams, sealing the box shut.

The process is fast and easily missed with the naked eye. What's not missed? The smell.

Traditional glue crockpots "stink like old gym shorts," Gunderman said. "That can't be good for your brain."



Nicholas Long

Paul said he doesn't miss his old glue crockpot, a seven-liter container that held pungent molten glue. With the pot, "glue got all over the tubes and dries up in the creases so you sometimes couldn't open the glue drawer" and you have to scrape the whole thing down, Paul said. The Graco line "is dry and is a lot less work. I don't have to clean up as much."

The Graco technology is a new take on an old system and it's solving more than messes. Glue crocks need heat so

they don't gunk up sprayer nozzles. But each crock needs 45 minutes to heat to 350 degrees.

When workers forget to fire up the glue crockpots first thing in the morning, it forces them to wait 45 minutes to get the production line running.

"So you are just twiddling your thumbs and wasting time," Gunderman said. The new system melts pellets in five minutes.

It also prevents equipment clogs, which frequently shut down production for 15 minutes a pop. A newly retired manager was so determined to avoid that problem, he'd stand over the clogged packaging line with a torch so the production line could keep going.

But heating glue by hand meant many a singed arm and hairs, Gunderman said.

The new packaging sprayers will be put on the market at \$10,000 to \$25,000 each, depending on the number of hoses and spray guns, Graco's Long explained.

Graco is a newcomer to a crowded field of packaging dynamos that mainly rely on standard crockpot technology.

That's where Graco can differentiate itself, analyst Halloran said. Graco has a reputation for going into niche industries with high-tech solutions.

"They are interested in being specialized and unique and having a technological advantage to their peer group."

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