Richard Goldberg, Vice President of Operations President Container Group

INSIDE AND OUTSIDE THE BOX

OVID 19 has had a huge impact on the economy and the corrugated packaging industry is no exception. Corrugated packaging has evolved greatly over the past 40 years. Even prior to the pandemic the pace of change was accelerating, but now it is seemingly happening at "warp speed." Richard Goldberg, Vice President of Operations for Middletown's President Container Group has been navigating change in the industry

for nearly four decades and he needed every bit of the wisdom he gained from that experience to help him guide President through the pandemic and emerge on the other side stronger.

HV Mfg sat down with Richard to talk about his role at President Container, career path, trends in the industry, opportunities and challenges for President, and his thoughts on leadership. Council of Industry counts among its friends and members some of the most community minded and generous organizations in the Hudson Valley region. Every day our members and friends donate their time and money to organizations and causes supporting healthcare, education, poverty remediation, the arts and more. So it should not come as a surprise that so many have stepped up to help those in need during the Coronavirus Crisis.

HV Mfg: Thanks for agreeing to do this. How long have you worked in manufacturing?

years? No, not quite -39 years. It was while I was in college – I started with a small company that made dental implants on Long Island called Dentaco. I started there as an intern helping them with software for process mapping. I was there for a few months, doing pretty well, when (through a variety

of circumstances)

they offered me a

RG: A long time. 40

job. I was a full-time student, they agreed to work around my course schedule, and I agreed to work for them.

HV Mfg: Where did you go to college, what was your major?

RG: I went to Hofstra University in Hempstead. I had a dual major in business and computer science.

HV Mfg: Computer Science. You were ahead of your time.

RG: A little bit. I learned on punch cards and tape. Some of

the languages I learned were Pascal and Assembly. I really was considering Bio-Medical Engineering as the Six Million Dollar man was popular at the time; however few schools were even available then

available then.

The view of President's 500,000 square foot manufacturing center floor.

HV Mfg: What drew you to computer science?

Richard Goldberg sporting one

of the face shields his leadership

team secured for his employees

early in the pandemic.

RG: Truthfully, I loved the logic, I still do. 'If -then- else." It is a language and an approach that makes sense to me and helps make sense of problems – especially problems we face in production and manufacturing. It has served me well. My knowledge and expertise writing software is what got me that first job

at Dentaco and I apply that knowledge - plus a few years of experience - to what I do at President every day.

HV Mfg: Did you stay at Dentaco after you graduated?

RG: No. I went to work for IBM. A gentleman by the name of Don Martin, who I really liked and taught me so much, was working as an IBM "Value Added Provider" at Dentaco. He saw what I was capable of and got me the position at IBM. My job was setting up the System 34 for customers on the first real time data entry computer. About this time a company called LinPac opened a corrugated factory in Syosset NY. They are a big UK packaging company that was expanding their operations in the United States at that time. I spent about six weeks setting up a production system for them - this was probably 1982 - when they offered me a job in Atlanta. I took it and moved to Georgia. I worked



Matthew Grossbard, Continuous Improvement Manager

for LinPac, in various capacities until 2009. I was looking for an opportunity to get back to the northeast when this one with President presented itself. I took it and helped open this facility in Middletown in 2010.

HV Mfg: Your focus at LinPac was on manufacturing process improvement and building "lights out" factories (an English expression at the time meaning automating processes)?

RG: For the most part yes. I went from working on the IT side to the production side of the business. I spent a lot of time on the Y2K problem. I know most people shrug it off, but it was a big deal. We had to re-write so much code – especially in production software and machinery (PLC) software because so much of it was time stamped.

HV Mfg: Tell us about President Container Group. What do you make here in Middletown?

RG: Boxes, lots and lots of boxes. In Middletown, we are President Container and we custom manufacture all kinds of corrugated packaging and partitions for specific clients. Our customers are primarily in the food, cosmetics and pharmaceutical industries but we manufacture for all kinds of clients.

President Container Group, our parent company, is based in Moonachie New Jersey. We were formed in 1947 by Marvin and George Grossbard and we are still run by the Grossbard family. We are now four companies. The one I just mentioned plus Artisan Display & Packaging, Tech Pac, and President Industrial Products. Artisan Display & Packaging provides high quality graphic art services, structural designers, and project coordinators to help customers create the packaging they need. Tech Pac is dedicated to the assembly, pack out and distribution of point-of-purchase displays. That business actually assembles the customer's display, packs it with their product and delivers it to market. President Industrial Products is our "off the shelf" product line. It provides

our pre-made corrugated cartons, packaging materials, moving supplies, tapes and printed tapes, as well as janitorial and food service supplies.

HV Mfg: As a critical supplier to food and pharma President is an Essential Business. You remained open during the shutdown correct?

RG: Yes, we never shut down. From the start – in March – we worked extra hard to keep our people safe and our product moving out the door.

HV Mfg: What were some of the actions you took to do that?

RG: I had a little hint that things might get bad here because we had – still have – a big machine on order from a company in Italy that's delivery was delayed by the shutdown happening there. I was paying attention, running scenarios in my head for what might happen here.

First thing I did was get our leadership team together to develop a plan – and by the way they have been terrific. Brian Sizer, Steve Testa, Dominic Deramo, and Shawn Parson all stepped up big time. We knew we needed safety and cleaning supplies. We knew we had to alter our workflow a bit to keep people distanced. Most importantly we knew we had to communicate with the employees that we were taking their safety seriously. Our safety guy – Andrew Santiago – did and is doing a fantastic job. And – we needed to convey to them that they were "essential." The items we were shipping were important and that what they were doing was important if we were all going to get through this.

HV Mfg: How did your workforce respond?

RG: They were terrific. I was, and am, incredibly proud of them. It was stressful for sure – we had close to 30 employees contract the virus – though to the best of our knowledge no one contracted it here at the plant. But we kept up production and met our orders. We look to manufacture 2 billion square feet of containers per

14 HV MFG



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Brian Sizer, Production Manager

year. Obviously, that varies and changes month to month. But that gives you an idea of how hard people work and how important it was to have people here. We began paying an "appreciation bonus" to those who came to work consistently through the pandemic early on and that was the right thing to do.

HV Mfg: What has been the effect of the pandemic on your business and on your workforce?

RG: Business wise it has been up and down, but mostly up. Trends that were happening before the pandemic have only accelerated. The move to online shopping for example has led to more business for us. Buying online means more boxes, smaller boxes, better designed boxes.

We have now, for example, the ability to print on both sides of the corrugated board at the same time. Imagine a box where the outside is a beautiful product image and the inside has the assembly instructions, not on separate paper, but printed on the inside of the box itself.

Because of the need for all those boxes I also think sustainability will become more and more important to our industry.

As far as the workforce goes, we are short about 50 full-time people at the moment and if we move ahead with the expansion, we will need another 50 on top of that.

HV Mfg: Before the pandemic hiring was a challenge for you – it sounds like it still is.



RG: The reasons are different, but the challenge is the same – if not harder. Before it was low unemployment and competition for candidates. Now it's the high unemployment and the government's supplement to unemployment benefits. Why come to work when you can

make \$48,000 - \$50,000 staying at home? Obviously, there are other issues too – childcare with school closings and vulnerable family members at home for example.

We raised our starting pay to \$17.50 per hour and still can't attract people. Another problem is that even our "unskilled" positions require some basic math proficiency – measuring, fractions, etc. And, we have found that many of our applicants don't have those skills. We will train you – we are looking into the Council of Industry Apprentice program for example – but we really need to get people through the door and working here.

HV Mfg: You mentioned that COVID has accelerated existing trends. Does that hold true for the underlying issues that impact workforce, the issues that keep people from entering the workforce or keeping a job?

RG: Yes, for certain. Transportation – getting to and from work consistently, affordable housing – we pay well but it is difficult to find rentals or homes that people can afford to live in here. Most of all, and this is just my opinion it's Child Care. I think there are

We began paying an "appreciation bonus" to those who came to work consistently through the pandemic early on and that was the right thing to do.

a lot of people who would love to come to work if they could find safe, reliable and affordable childcare that is conveniently located. With schools closed and child care centers overwhelmed that is certainly a major problem.

HV Mfg: Earlier you mentioned sustainability

and I know you are committed to it. Tell us about some of the initiatives you have put in place.

RG: We are committed to a sustainable business model – especially related to energy and waste.

In regard to energy you may have noticed the solar array just east of the building. We installed that in 2016. It provides upwards of two megawatts per day to the plant. We worked with NYSERDA to install energy efficient lighting, motors, compressors, equipment – you name it. Bryn Samuel from ERS has helped us access a lot for NYSERDA resources that make investing in energy efficiency more effective and feasible.

As far as material goes, we are committed to making best efforts in a sustainable manufacturing process. Some of our discharges are recycled using renewable energy. We maximize the use of renewable or recycled source materials – right now that is close to 90% of our material. We use clean production practices and our wastewater treatment is constantly managed. Finally, we design

16 HV MFG

all of our packaging processes to optimize material and energy.

HV Mfg: Is all that customer driven?

RG: In some cases, yes, but we do it because it's the right thing to do. In the long run – it will help the bottom line, but really, it's the right thing to do. Look, this is our community. We want people to be proud to use our products, to be proud to work here, we want our neighbors to like and respect us...that is what happens when you do the right thing.

HV Mfg: Finally – What do you think makes a good leader?

RG: I go back to some advice that I received years ago from Don Martin – the guy who got me started in my career and who I have always considered a mentor. The one word to remember is "circumspect." A good leader observes, considers, listens to all things (no blinders) surrounding a specific challenge and thinks outside the box. Some people think it just means "cautious" but for me it means looking around and considering all the stakeholders, all the options, all the issues.

I've been in this industry a long time. I know a lot of the players. I've seen a lot of successes and a lot of mistakes. Using If-Then-Else and applying my definition of Circumspect to day to day activities gives greater opportunity for success.

HV Mfg: Did that help prepare you to deal with the COVID "crisis," – using If-then-Else and being circumspect?

RG: Well, to the extent that we have been successful in the crisis I would have to say yes. I didn't have blinders on so I did see

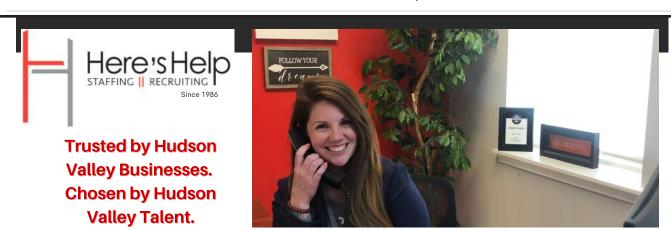
it coming – probably not the full seriousness of the pandemic, but I was not completely blindsided by it. And, the logical If-Then-Else problem-solving process helped us work through the challenges effectively.



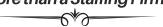
Rich Goldberg demonstrates leadership on the factory floor, in the community and as a workforce development champion.

HV Mfg: Thank you very much for your time. We appreciate you sharing your story with our readers.

RG: Thank you.



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18 HV MFG