

# Official Board Markets

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## NEW OPPORTUNITIES

## Corrugators Are Finding Creative Ways to Cut Costs

Surviving in the uber-competitive corrugated box business means sheet feeders like Niagara Sheets, North Tonawanda, N.Y., must think out-of-the-box when it comes to reducing costs.

"Pennies can make the difference between making or losing a sale — we need to explore every opportunity to reduce our operating expenditures," says John Bolender, president, Niagara Sheets LLC.

It is this increasingly competitive marketplace and the growing interest in sustainability that has encouraged Bolender to keep an open mind when it comes to new cost-cutting ideas. So when he heard about the significant savings Innovative Packaging Corp., (IPC) Milwaukee, had earned with a customized energy-saving solution, he was all ears.

### NIAGARA SHEETS' ENERGY SAVINGS AFTER WPS GLOBAL'S INSTALLATION

Month	% From Average	Effect on Energy Bill
Sept-09	-13.59%	(\$3,185.14)
Oct-09	-10.00%	(\$2,244.01)
Nov-09	-20.10%	(\$4,988.33)
<b>Avg Savings To Date</b>	<b>-14.56%</b>	<b>(\$10,430.48)</b>

"Executive management at IPC strongly recommended I bring in WPS Global to have a customized energy savings plan developed for our facility," says Bolender.

IPC adopted WPS Global's energy-cutting plan and recommendations in October 2008 and has since enjoyed nearly \$300,000 in savings. It stands to save a total of about \$600,000 in electricity costs and cut its carbon dioxide emissions by nearly 7,000 tons at the 1.0 year installation milestone.

Serving corrugated, paperboard and packaging businesses, WPS Global is an energy management organization. Each energy management system placed by WPS Global is unique in that it is custom-designed to directly reduce kilowatt consumption for each individual facility. By creating a facility-specific plan, selecting equipment, and placing it based on the customer's particular needs, WPS Global's systems quickly translate to significant and enduring electrical savings for up to 15 years.

"IPC's success in reducing energy costs, along with WPS Global's 10 percent savings guarantee, made it a very low risk investment," states Bolender. "To survive I feel Niagara Sheets must be a low-cost producer, and reducing our energy costs is one element of that strategy."

In August 2009, Niagara Sheets partnered with WPS Global to implement the plan tailored specifically for the Tonawanda, N.Y., plant. Just 90 days after WPS Global installed its comprehensive energy solution, Niagara Sheets had already realized over \$10,000 in savings.

Bolender says the results to date have met his initial expectations. "The data so far already demonstrates a nearly 15

percent reduction in kilowatts consumption compared to last year," he says.

WPS Global offers a 10 percent reduction guarantee — an insurance policy for savings — with each plan. William Behrmann, president of WPS Global, describes corrugating equipment as big consumers of energy. The reduction guarantee, along with projected savings and success stories like that of IPC's, help Behrmann articulate the generous opportunity for cutting a plant's operating costs.

"For financial and sustainability reasons, decision makers want to know if and how we can reduce the amount of energy and make it more efficient," says Behrmann.

WPS Global's 10 percent reduction guarantee, combined with its flexible leasing options, assure customers like Niagara Sheets of a prompt return on their investment. For example, IPC chose a 36-month lease payment and earned a positive monthly cash flow during the leasing period. Now post-lease, this sheet feeder enjoys savings that are entirely pure profit.

Before implementing WPS Global's audit and plan, the Niagara Sheets' executive team — president, vice president of operations, and comptroller — were tracking energy consumption and use according to monthly KWH per MSF of production. With the solution in place, the team will receive reports from WPS Global making it effortless to see energy consumption and cost savings every month. According to Bolender, the executive team anticipates to see an ongoing positive impact on the facility's bottom line.

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