

‘We’re Not Really in the Container Business’

By Taryn Pyle

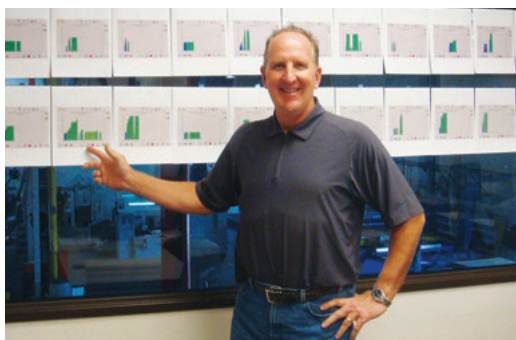
Why would the president of a very successful and highly regarded company with the word “container” in its name say he isn’t in the box business? I was talking with Jeff Erselius, founder and CEO of Jellco Container of Anaheim, California. Jeff is known for his sense of humor so I knew we were in for a fun interview.

Jeff is no newcomer to the business, and he still has the wide-eyed enthusiasm he had 30 years ago when he was a one man box broker. He still looks forward to coming to work every day, and this is confirmed by two of the over one hundred Jellco employees, Jason Wilkerson and Benny Aguilar. More about them later.

Today, Jellco produces over 600 million sq ft of quality corrugated products. This allows them to be a dominant force in L.A Corr Packaging, LLC, a 1.5 billion square feet corrugated sheet feeder operation that is owned by Jellco and five other members.

Jellco provides these figures with the help of many state of the art martin servo quick change flexo converting machines specifically designed to produce truck loads by the hour.

“We’re in the efficiency business and we just happen to make containers,” Jeff continued. Ah, now he was getting to his point! “Every day we redefine our company. We hit the “refresh” button at least once a day. If we didn’t we’d have been out of business a long time ago. Whether we like it or not, the world changes that fast and our world, the container world, changes with it. The real trick is not just responding to change, but initiating it. When you go this route you have a lot more control than if you just do what has to be done.”



When Jeff talks of change on that scale, he isn’t kidding. He was one of the first box people to use a computer years ago—one of the early reel-to-reel machines, in fact. Over the years, he has developed his own software that is modified whenever a light bulb goes on over Jeff’s head. “When we find something that works for us, we hit the refresh button and we’re off and running.”

Another word that Jeff likes to use is “flexibility”, and it has real meaning for Jellco. “We don’t have operations and procedures manuals here,” he explained. “Fifteen years ago I wrestled with the problem of how to establish a niche in a commodities market. Anyone could call any number of box plants and get the same quote. You have to own a niche to get out of that rut. So, I talked with many of the companies I did business with and quickly discovered that there were a number of common elements in all the relationships.”

Jeff assembled and analyzed these elements and this led him to the competitive edge he now so thoroughly enjoys. He still noodles his ideas on paper first and when he sees how they fit and work together, they are converted to grist for his electronic mill - the company computer, no longer a reel-to-reel machine, of course.

I wouldn’t be a good association person if I didn’t probe for the elements that Jeff discovered and used to create his plan. And being the good and entrepreneurial box person he is (he did admit to this finally!) he dodged the bullet. “The actual elements are my secret,” he said. “However, anyone can do what I do. What they come up with will be different than what I come up with because we are all different, we are all in different markets, in different stages of development and we all have different wants and needs.”

It’s interesting to note that some of the best ideas are hiding in plain sight and that some of the major successes we have seen in the business have been based on using just plain common sense in new, different and unusual ways. Ask a bartender how to make a Martini and he or she will tell



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**—Jeff Erselius,
Founder & CEO,
Jellco Container**

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Jellco Article to Come

continued from page 7

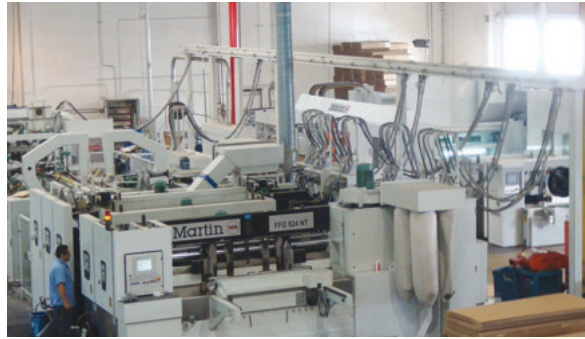
you to mix gin and vermouth. Ask the same bartender how to make the martinis that made him or her famous and you will be told that it's in the proportions—and they are secret!

People Come First at Jellco

I don't mean to imply that Jellco is one of those automated plants run by a computer. It definitely isn't. With over a hundred employees it's still a very people-centered business. Job titles are flexible, ideas are welcome, even when they might jangle the nerves of the owner. In fact, Jeff challenges his people to replace him if they discover a better way to run the business. A bluff? I don't think so and neither do the people who work for him.

Let me tell you why it's not a bluff. About fifteen years ago Jeff was poking around the stacks in a local book store and spotted the now famous book by Spencer Johnson, *Who Moved My Cheese*. This is the story of four characters living in a maze who face unexpected change when they discover their "Cheese" has disappeared. Sniff and Scurry, who are mice, and Hem and Haw, little people the size of mice, each adapt to change in their mazes differently. In fact, one doesn't adapt at all. Full of modern day insight, Johnson invites individuals and organizations to enjoy less stress and more success by learning to deal with the inevitable change.

The book grabbed Jeff. In fact, when he got to the checkout counter he had forty copies in his cart. When he got to the office the next day he gave copies to key people in the plant and told them to read it. In fact, he told them to read it on his time. How many people do you know who pay employees to read on company time?



Making It Work

This, of course, begged the question, How do you make that work for your company? and I asked it. Jeff explained, "If you have a base line and can make a complex message easy for everyone to understand, they quickly realize that change is natural and not to



be feared. The fear that people have about change is usually that they will be unable to adapt to it. Since we see our company as a family, it's just natural for all of us to support and help each other. And that makes change not only necessary but something we all look forward to."

Common Sense Rules

Earlier I mentioned that Jeff's number-two, Jason Wilkerson, and Benny Aguilar, the

spark plug of the customer service department, were in the wings. I asked Jason what he thought of all this and he replied, "We have all come to realize that the best way to look at our business is from a common sense point of view. We may have computers and other high-tech tools, but it's still common sense that rules the day.

For example, we might hire people whose interest is in efficiency and who can look at any business from that perspective. Making boxes isn't rocket science. You can learn that quickly. What's needed in good people is an open-minded outlook, an ability to see not just one but several moves ahead. It's a competitive world and all the computers in the world won't help without common sense and the ability to change things that need changing. We take a transactional perspective in everything we do. Business is not just a buy and sell activity, it's a dynamic interaction of people, machines, money and drive."

Benny Aguilar, who sees the business from the perspective of customer service, talked of seeing his daily interaction with customers being much more that of a partner, not as a defensive activity as so many customer service people do. "Besides," he added, "working for the kind of people we have here isn't just a job, it's a pleasure."

I, who see the business from the perspective of having seen and interviewed many box plant owners, see this company as one of the more unique and imaginatively run companies on our roster. Jeff is one of a kind! ■



**Jeff Erselius,
President-Jellco Container,
is slated to give
an industry presentation
at the upcoming
AICC 2010 Spring Meeting
being held at the
Hotel Del Coronado on
Friday, April 16, 2010.**