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Bell invests in growing its market share

By Rob Swenson
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Packaging firm competes globally

A lot of business people in the area might not be familiar with Bell Inc., an established and growing manufacturing company based south of the Sioux Falls Regional Airport.

The company is well known and highly regarded within its industry, however.

Bell is recognized among its peers as one of the 10 largest independent folding-carton manufacturers in the nation. And it is a dominant producer of courier envelopes.

It is the sole supplier of overnight express envelopes for the U.S. Postal Service and provides similar envelopes for other major delivery services.

The company also makes printed products such as the paper containers that hold french fries sold regionally at McDonald's restaurants.

Last year, Bell purchased the patent for packages that hold four light bulbs, a move that springboarded the company into new markets.

The company has some corporate clients in the area, but most of its customers are hundreds of miles away from Sioux Falls.

"We compete on a global and national level," said vice president Benjamin Graham, whose father, Mark, purchased the small local company 30 years ago and turned it into a national player.

The name Bell came from one of the early owners.

Mark Graham, 61, remains the president, chief executive officer and sole owner. He bought the company in 1976 when it had a few employees and a customer base of local retailers.

Now, the company operates around the clock and employs 225

people. It does \$60 million to \$65 million in business annually and expects to double its sales within five years.

The company expects to create 10 to 20 jobs by 2008.

Bell occupies 350,000 square feet of office, warehouse and production space in three buildings. Its equipment includes a \$9 million, 10-color web press.

“This is as state of the art as it gets for printing and packaging,” Benjamin Graham said.

Mark Graham has invested millions of dollars in building improvements and equipment the past few years, and plans to spend millions more the next few years.

“We’re planning for future stability. That gives us an advantage in the marketplace,” Mark Graham said.

The planning process includes working out a succession plan to pass leadership of the company to a new generation of executives.

“We’re poised to be a national leader in our industry. We’re really kind of making moves,” said Benjamin Graham, 31.

Benjamin Graham already is recognized as an emerging leader. He is part of the Paperboard Packaging Council’s New Generation Leaders Network, said Jerry Van de Water, president of the national organization.

Van de Water describes the network as a committee of the industry’s “young, hard chargers.”

Benjamin Graham splits his time between Sioux Falls headquarters and a company sales and marketing office in Chicago. The company also has a sales office in Minneapolis.

Mark Graham leads the company from Sioux Falls and serves on the board of the packaging council, a trade group based in the Washington, D.C., area.

Sioux Falls should be proud to have Bell Inc. as part of its business community, Van de Water said.

“They are the envy of a lot of people in our industry,” Van de Water said. “They’re really growing to be a major player in the industry. They dominate some of their segments.”

Ben Markens, a national consultant for the industry from Massachusetts, said Bell is operationally excellent and also is good at customer relations and product innovation.

“Mark and the company are very highly regarded,” Markens said.
“Bell is one of the best there is.”

Generally, the container-making industry is divided into two types of businesses: integrated companies that make paper as well as paper products, and independents such as Bell that buy paper and then make products.

Mark Graham stresses the importance of efficient operations, hiring smart employees and using technology to keep competitively sharp as an independent.

He tells prospective employees that he wants to hire them for their brains, not their brawn.

“The market expects you to be the low-cost seller. You can’t do that without being the low-cost producer. You can’t do that without technology,” he said.

The Bell Inc. File

What it does: Makes folded-carton packaging and paperboard envelopes

Headquarters: 1411 N. D Ave.

Employees: 225

Annual sales: \$60 million to \$65 million

Owner: Mark Graham, also president and chief executive officer

Web site: www.bell-inc.com