



As featured in Australia's Best Manufacturing media.net.au

A Focus on

Innovation

SHORKO IS THE LEADING SUPPLIER OF CO-EXTRUDED BOPP PACKAGING AND LABEL FILMS IN THE ASIA-PACIFIC REGION.



Aiming to lead by performance through its high-quality products, professional service, and impressive technical support, Shorko has developed a remarkable portfolio of products including tailored solutions for biscuits, confectionary, fresh produce, in-mould labelling, pressure-sensitive labelling, snack foods, and wrap-around labelling.

In the new millennium, Shorko has continued its traditions of excellence and innovation, investing in a state-of-the-art metallising and slitting capacity to service advanced-technology products, as well as boasting further technological improvements including the introduction of three- and five-layer die, vacuum

metallisers and slitters.

According to Elie Jarrous, Chief Executive Officer of Shorko, this considerable development has been achieved steadily over the years. "The company's inception was in 1982 and, following the purchase of a second line in 1989, Shorko started to grow within the local market. We initially worked supplying the flexible packaging market, but expanded into providing a bigger variety of plastic films. Following the purchase of the third line, our business operations expanded into the overseas export market," he explains. "In 2003, the company grew further through investing in metallised coating to add value to our range of products. We continuously make

investment and upgrade our equipment as we go along; our current manufacturing technology has been upgraded to give us the edge in product function and quality, as well as meeting the requisite international standards."

In addition to internal growth, the company's supply base has been integral to its overall success and expansion. "Suppliers play a role in the success of the company for a variety of reasons; having good suppliers means reliability and seamless, on-time delivery. They also bring innovation to the table," explains Elie. "The world of manufacturing has changed – while research and development used to be exclusively in-house, now it has moved

to be outsourced. We can develop products based purely on our suppliers' innovation, particularly in regard to resin products. At Shorko, we do have a specialised development team and do undertake some of our own product development, but it increasingly comes from our niche and speciality suppliers."

This innovation is necessary for the ongoing success of Shorko, allowing it to continue to grow and move into specialised markets. "The new ideas and developments that come from our suppliers for specialised products are important to us as a company. We do undertake our own partial development, in purchasing specialised products and

blending them, but generally over 50 per cent of our innovation comes from our suppliers," says Elie. "Speciality suppliers won't offer their products to just anyone; they prefer quality partners for distribution. A company like Shorko is able to market a specialised product effectively and offer it to the appropriate clientele, so both the company and its supplier are able to benefit. There's a definite interdependency, and Shorko has always been at the forefront of experimenting with, developing and trialling new materials because there is an extremely close relationship between our technical department and our supply base."

Given the nature of manufacturing in

Australia, Shorko believes that being at the forefront of technological changes and trends is fundamental to its continued relevance within the marketplace. "In Australia and the Western World in general, innovation is the only way to go. You can try to be a low-cost manufacturer, but the more you cut, the more your competitors cut. Not only are they catching up, but if they are offshore manufacturers, they're probably leapfrogging you too," he says. "Therefore, the nature of our challenge here is to continue to deliver innovative, new and advanced products, rather than aiming to develop the cheapest." Some of the company's notable recent innovations include the development of an anti-fog film for see-through packaging of fresh





produce, very-high-speed HFFS films, ultra-high-barrier metallised film for foil replacement, and metallised white films.

Innovation is not limited to product development; Elie is quick to demonstrate that innovation means a number of things to Shorko. "The innovation route is multifaceted; it can go a number of ways. To us, innovation is not just new products and development, but also improvements in the supply chain, value proposition, and specialty products. These are all important to our overall success," he says.

"Innovation involves working together with suppliers over a period of time to offer cost competitiveness. This is a win-win situation – as we grow the business, the cost of the product comes down for the supplier."

Suppliers are also essential to the success of Shorko beyond the innovation that they can offer; fundamentally, they provide the

goods and services that Shorko requires to manufacture its products. Accordingly, the company is careful when choosing its suppliers, and picks them based on a number of criteria, including their reliability. "Reliable suppliers give us an advantage – we have a reliable source of energy without spikes or disruptions, allowing us to produce our goods," Elie states.

While reliability is paramount, Shorko also takes into consideration a variety of different factors. "When we're looking for suppliers, we tend to follow the same set of principles. We choose suppliers that offer value for money. We've found that going with the cheapest option often leads to more grief than it's worth," Elie says. "Obviously, we look for continuous innovation, but we also look for suppliers we believe will help us make the supply chain seamless. We look for suppliers that offer the products that the market wants and is willing to pay for."

Shorko's suppliers are also integral contributors to its environmentally sustainable initiatives. The company practises responsible manufacturing, and is proud of its environmental practices. "Shorko recycles 99 per cent of all its waste. There are no chemical by-products or inks in any of our production – we employ clean technology," Elie states. "The only thing that we consume a lot of is energy. In our transformation process,

whether it is raw materials or packaging materials, 99 per cent of the material is recycled. We collect the pallets and packaging sent to our customers, and reuse them. Also, we endeavour to reuse any waste that we generate later in the process – we keep it clean and segregated so that it can be used again later. Anything that we can't reuse due to particular contamination points is sold or disposed of to recyclers so that it doesn't wind up in landfill."

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Further to developing and implementing its own environmental processes that are supported by its supply base, Shorko aims to work with suppliers that are equally focused on protection of the environment. "Obviously, we have a variety of suppliers for both the ingredients that our products require and the packaging for them. Of those suppliers, we predominantly work with organisations that use recycled or green products. In that context, 85 per cent of the supply of ingredients to us is done in a manner that doesn't generate any waste," Elie states. "Additionally, a lot of our suppliers are specialised in the materials that they use, such as containers that we can give back to them for reuse. The supply chain is therefore not littered with wastage of packaging. What we can't return to our suppliers for whatever reason is sold responsibly, not in an ad hoc manner. It's all regulated, so the supply chain is very neat and streamlined. In that way, less engagement of resources really

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makes the company stand out."

Given the importance of suppliers to the overall success of Shorko, the company invests a lot of time and energy in ensuring that this partnership is positive. "The traditional method that a lot of our competitors employ is beating your suppliers to get every last cent out of them. The problem that we see with this proposition is that suppliers tend to leave companies that treat them like that. If you work like this, you end up with no innovation and an adversarial supplier relationship, plus suppliers go elsewhere anyway," explains Elie. "Shorko has always believed that the relationship with its suppliers is of fundamental importance. It's a balancing act based on value for money and collaboration. In having these positive relationships, there is opportunity for



financial gain, streamlining of the supply chain, and procuring more effective materials."

Once Shorko has established a mutually beneficial relationship with a supplier, it aims for this partnership to become longstanding. "We believe in long-term relationships," emphasises Elie. "If a supplier is reliant on our business for our

support, we find they are generally more reliable, secure and diverse. We value suppliers like this, because it's very difficult for us to find a reliable, trustworthy supplier whose product behaves consistently."

For more information on Shorko, please visit shorko.com



...Leading by Performance

Shorko Australia, high quality, high performance BOPP packaging and label film solutions to the Australian, New Zealand and Asian markets.

- > Superior range of high performance white opaque films
- > High performance, high barrier Metallised films
- > Advanced performance Shorko 'A' transparent films
- > Specialised films for a variety of label applications
- > Rapid response delivery
- > Superior local customer service and technical support

Australian made - Global technology

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