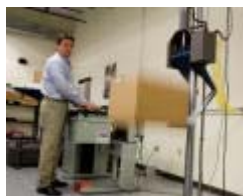


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Logistics firm comes out of box

Austin Business Journal - by [Laura Hipp](#) ABJ Staff



Brett Buchanan

Henry Heil, a vice president at Compadre, tests boxes through simulations.

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The new leaders of **Sydcor LLC** have changed the company's name and diversified its client roster -- just weeks after buying out previous management.

The Austin supply chain services firm -- which, for 11 years sustained itself by designing **Dell Inc.**'s packaging and figuring out ways to ship the computer giant's products efficiently -- rebranded itself this month as **Compadre LLC**. The company has picked up five new customers in the past three months.

"It's just good business sense," says Darryl Kelinske, principal and CEO. "We want to grow the company. To do that, you just have to get new customers."

In January, the company announced that top executives bought out former President and CEO Chris Horton, who had managed the company since 2000. Horton purchased the company when it was doing business as **Copyright Labeling**, but soon there after adopted the Sydcor brand.

The company grew its base of making packaging materials to consulting with Dell on ways to pack consumer electronics using the least material. One of the company's most notable projects was handling the notebook battery recall for Dell in 2006. In a matter of days, Sydcor created a Web page and call center to handle consumer questions and returns.

Kelinske, previously the company's chief operating officer, says the executive team wanted to diversify its customer base. **Foxconn Technology Group** of Taiwan was added to the roster last year.

He declined to disclose what U.S.-based customers were signed in recent months or to quote annual revenue, but he says that Compadre will continue to focus on consumer electronics manufacturers.

"The company reached a point where it really needed to mature," Kelinske says. "Primarily, the biggest thing it needed to do was to go in and get new customers."

Compadre plans to increase its workforce by 25 percent by the end of the year with packaging design, marketing and sales employees. Currently, it has 150 full-time workers in Austin; Nashville, Tenn.; and Fairfield, Ohio.

Diversifying a customer base allows a company to avoid a "feast or famine" scenario, says Greg Aimi, director of supply chain research at AMR Research of Boston.

"No one wants to have that situation," he says. "The management wants to take the company and use it as a platform for growth."

Over the years, several Austin companies -- from ad agencies to parts suppliers -- have had to lay off staff or retool when they lost Dell business. Many of the worse-case scenarios involved service providers that relied heavily, or almost completely, on Dell's business.

However, Kelinske says that wasn't the case with Sydcor.

Aimi indicates that Compadre is serving an area with growing demand. Initially, he says, manufacturers turned to outsourcing for delivery methods. But more corporations, he adds, want vendors that can design packages and handle delivery.

Compadre's primary competitors hail from the printing industry and specialize in customized packaging.

"It's kind of a burgeoning space," says Aimi, who has worked with Compadre to examine business possibilities.

The Austin company could provide an edge with its focus on environmentally friendly packaging, which can also lower shipping costs, he says.

"They're trying to leverage the opportunity that companies are going to want to do things that are more green," Aimi adds.

Almost three years ago, Compadre began concentrating on ways to reduce the use of packing material, says Kirk Coburn, principal and vice president of marketing and relationships.

"In electronics today, the big buzzword is 'green' or 'sustainability,'" Coburn says. "All that packing and materials, that's a lot of waste."

Kelinske says they are looking for ways to pack products with reusable materials -- not just recyclable items. One possible example is a case that includes a product CD and paperwork that is meant to sit on a desk or bookshelf instead of being thrown away.

"The low-hanging fruit of green solutions is just make the packages as small as you can to save on fuel," Kelinske says. "We're going to the next step. Once the customer gets the package, get them motivated to use the packaging in the best way as possible."