

Flexing muscle

Constantia Flexibles is aiming for its pharmaceutical and healthcare packaging division to become the dominant market figure



As part of the Constantia Packaging Group, Constantia Flexibles offers solutions to the food and beverage industries, and also the pharmaceutical and healthcare sectors. Within this division, the company is one of the globally dominant figures in the market, supplying a wide variety of packaging solutions to literally all of the key players within the pharmaceutical industry. Constantia has consistently invested in the best manufacturing machinery, honing its skills in lacquering, UV-flexographic and rotogravure printing, and laminating. These techniques are applied to the manufacture of products like blister-lidding foils and Coldform tablet packaging, and require an understanding of the capabilities of aluminium within the production process.

Herbert Turnauer formed the Constantia Group in the 1960s, and today, the Flexibles division accounts for around 75 per cent of sales. The strength of the company can be attributed to the quality of its products, supported by Constantia's aluminium rolling mill at its Mühlhofen facility, as well as constant dedication to innovation and internal development.

Peter Bräuer, executive vice president for the pharmaceutical and healthcare division, outlines the current business activity: "Constantia Flexibles is a leading supplier of aluminium-based packaging for medicine and medical cosmetic applications, including tablets, capsules,

powders, and many other medi-technical products. The division supplies products to practically the entire pharmaceutical industry, literally supplying goods to every customer in the marketplace. The company either supplies its customers with products directly, or deals with them through a packaging converter, that produces the final goods for Constantia to then manufacture. Constantia's packaging is sold to customers on a global scale. The business consolidation process has been tremendous over the last few years, with the company acquiring the majority of its key packaging competitors, aiming to become the leading packaging supplier in the world. Successive acquisitions in the last five years, particularly Constantia Hueck Folien in September 2006, have strengthened the company's position within the healthcare market to make it the second best brand, as well as market leader within some product ranges."

The company's acquisition of Constantia Hueck Folien, located in Weiden, Germany, displays Constantia's drive to become the globally dominant packaging supplier. Peter emphasises the importance of this development: "The latest acquisition of Constantia Hueck Folien is a very important development for the company, and emphasises the steady growth of Constantia towards attaining the number one position in the pharmaceutical and healthcare packaging market. The aim is to become the dominant market figure very soon, by continually making

acquisitions, as well as growing internally, to assure strength within the division."

Peter explains how the division works with its suppliers to ensure growth: "Constantia has its own in-house supply of aluminium, which is the most important component in the manufacturing of flexible pharmaceutical and healthcare packaging. With this in mind, the company is able to focus clearly on managing its manufacturing processes efficiently. In relation to its suppliers, Constantia values close working relationships that meet international pharmaceutical standards, alongside food legislation and regulations. These are the only suppliers that the company can work with, because of the stringent demands within the industry. Constantia works with world-leading suppliers, as well as smaller companies that meet unique and niche supply areas. When the company has a specific requirement for one of its products, it works closely with these small suppliers to develop a solution. Close working relationships are crucial to the company's operating processes - as are long-term agreements that aid mutual growth and development."

To attain dominance in the market, Constantia consistently conducts research to develop new products, as Peter elaborates: "Innovation is a vital part of product creation, and can only progress through close working relationships. The company has three major European centres of research: in Austria, Denmark

and Germany. Each site focuses on different product areas, for example, the use of lacquers, foil bases, or printing technology. At the beginning of the design process, the company completes extensive research and development, as packaging is one of the most important components when it comes to the matter of a product's shelf life. With this in mind, research capabilities have been invested in, as Constantia believes that strength in this area can help maintain the levels it has set as a company of releasing at least two new products onto the market every year."

Research has provided bountiful results, as Peter comments: "Constantia is at the forefront of the latest developments within the packaging division, particularly the provision of 'life science' products. The company aims to focus on these products, as the packaging needs to offer high levels of protection. Constantia expects to see tremendous, worldwide growth within its Coldform technological process and product range. The company is in a healthy position in regards to the pharmaceutical and healthcare packaging market, and the business still growing. Across different continents, the rate of growth is of course different, but generally it is a productive, and challenging, market sector. I am confident this growth will continue over the next five years, particularly in emerging markets like the Asia Pacific, South America, and India. The company sees great opportunities within these markets."

In regards to the future, Peter outlines

the market prospects, and Constantia Flexibles' position within it: "The main challenge facing Constantia as a company at the moment is the strong global currency rates, particularly the dollar's relation to the euro. With Constantia being such a worldwide market leader, this provides problems to both the company and its clients. The biggest difference between the company and its competitors is Constantia Flexibles' sole focus on packaging - it is our life. Other market players divide their focus and also concentrate on the supply of aluminium, but at Constantia everything is devoted to the production of packaging. The company is also a market driven organisation, so it is always in tune with the demands of its customers."

The dedication to research and product development within Constantia Flexibles ensures the growth of the company, as does the emphasis on a programme of acquisitioning mutually beneficial companies and facilities. As Peter concludes: "With recent business activity and plenty of new products in the pipeline, the company feels very confident about the promises of the near future." □

Constantia Flexibles

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