



Focused approach to container production expansion

Within the past decade, the fortunes of Brazilian glass container producer Vidroporto have been transformed. Glass Worldwide spoke exclusively to Edson Rossi, President about the changes made and the involvement of Container Glass Alliance member companies in the completion last year of a third production shop.



"We had the option either to grow or die" says Vidroporto President, Edson Rossi.

Located at Porto Ferreira, Sao Paulo, Vidroporto has emerged as one of Brazil's largest glass container manufacturers in recent years, recording sales of R\$170 million in 2014. The company's performance has been completely transformed in the space of just 11 years however, following the introduction of a new management philosophy, combined with an ambitious and thoroughly planned development strategy, under the leadership of Edson Rossi.

As recently as 2004, Vidroporto was satisfying just 2% of local glass container demand and was struggling financially, with low production efficiencies and even lower profit margins. "We had the option either to grow or die" says President, Edson Rossi "because at that time, we lacked the production volumes, quality and technology to compete in the glass packaging market."

The growth strategy subsequently adopted to deliver greater market share has been realised thanks to the efforts of a dedicated management team, combined with the trust and financial support of investors, especially the majority Salzano family

shareholders, as well as the close involvement of some of the industry's leading equipment suppliers. Throughout the redevelopment process, all profits generated were re-invested in the plant.

TRANSFORMATION REALISED

The Vidroporto glass container manufacturing business had been originally created in 1977 by a group of Porto Ferreira businessmen, together with a leading Sao Paulo lawyer with strong ties to the city. A 15 tonnes/day melting furnace was commissioned in 1981 and by 2004, the factory was struggling to deliver 20,000 tonnes of glass to customers annually. By comparison, today's factory and its 500-strong workforce includes three advanced melting furnaces and seven high speed production lines, making 200,000 tonnes/year. Vidroporto operates its own cullet treatment plant, as well as a mould shop to make its own mould equipment.

The glassmaker's transformation has seen state-of-the-art glassmaking machinery installed from around the world, including both hot and cold end equipment from Bucher Emhart Glass. The relationship between the two organisations has been in place for more than 20 years, BEG having shipped its first IS machines to the plant in 1992. "Transparency, flexibility, agility and a desire to continue doing business are among the reasons

why this arrangement works" says the Vidroporto President. "Support from local agent Reglass (Adriano Rodrigues and Jorge Gomes) and a good relationship with Patrick Battersby (Commercial Director) have been important to the maintenance of this positive arrangement."

According to Mr Rossi, the challenge presented by Vidroporto's third and largest production shop led to the glassmaker involving the best suppliers to comply with volume, quality and low cost market requirements. "We signed a contract with the Container Glass Alliance, involving Bucher Emhart Glass as the lead company (supplying hot and cold end equipment, plus advice and support on the project), together with ZIPPE Industrieanlagen (batch plant and cullet processing equipment), HORN Glass Industries (melting furnace) and MSK Verpackings Systeme (cold end)."

The glassmaker's main goal was



Each production line in Vidroporto's third production shop is equipped with a Bucher Emhart Glass 12-section triple gob AIS forming machine.



to make the company stronger and to satisfy growing demand from the local market. "The Container Glass Alliance was well placed to support these efforts, bearing in mind their reputation in the glass industry, the availability of day-to-day project development, their commitment to provide technical assistance and start-up support to help with our production efficiency targets."

As such, Vidroporto was the first glassmaker to contract Container Glass Alliance services and equipment but Edson Rossi was very comfortable with the arrangement. "They are all very trustworthy companies, providing excellent products and projects." And although the four orders were negotiated and placed separately, all four members of the Glass Alliance were equally pleased to work on the project. Other contractors associated with the initiative included cm.projecting GmbH, (involved in project engineering and utilities), Antonini srl (annealing lehrs), Elliott (air



The Vidroporto glass container plant at Porto Ferreira has increased manufacturing capacity to 200,000 tonnes/year.

compressors), Weg (transformers), Constac, Marka and Construaco (civil construction), Set Line (batch house civils) and Fabrenge (furnace civils).

The third production shop became operational in October 2014, with an output of 600 bottles/min on all three high speed lines. The

€60 million plant has increased the company's production capacity by 150% via the addition of a 350 tonnes/day melting furnace. HORN supplied the refractories, steel and construction supervision for the melting end, as well as the distributor and three forehearth. The furnace is served by a ZIPPE fully automatic batch house, designed to produce 400 tonnes of material in 16 hours. In addition, ZIPPE supplied batch transport equipment and cullet return system, as well as the batch house control system, steel construction and silos.

Each production line is equipped with a Bucher Emhart Glass 12-section triple gob AIS forming machine and FleXinspect inspection machines at the cold end. AIS is considered a reliable, high speed, high volume performer, ideally suited to the longer production runs usually required for beer bottles. All three shops at Vidroporto are equipped for both NNPB and BB inspection and can handle between 750 and 810 containers/min for standard beer or soft drink containers with a diameter of 60mm, with the capability to deliver short bursts of higher performance handling, as many as 900 containers/min.

Fully automatic palletisers of type MSK Duotech place bottles on pallets at a rate of up to two layers every minute, which are then secured for transport with an MSK shrink packaging machine. An MSK shuttle car ensures automated pallet transport between the palletisers and packaging equipment and supplies the palletiser with dressed pallets and interlayers.

PASSIONATE ADVOCATE

Having started his professional career in the financial sector, before working in the ceramics industry, Edson Rossi joined Vidroporto in 2004 as Administration and Finance Director. Subsequently, he has become a passionate advocate for glass packaging, developing a successful manufacturing business, while opposing the purchase of alternative packaging materials, even for his own household. "Noble glass packaging allows products to maintain their characteristics, as well as helping the environment" he contends. "I am passionate about products being stored in glass packaging and work hard to convince everyone around me to use the material."

In addition to his father, who was highly influential in the creation of Mr Rossi's personality and values, the founder and majority shareholder of Vidroporto, Evelcor Fortes Salzano has been a much admired personality in



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Bucher Emhart Glass FleXinspect inspection machines are installed at the cold end.



his professional life. "His energy, knowledge and goodness have inspired me to grow and generate wealth."

According to Edson Rossi, the success achieved at Vidroporto has been a real team effort from everyone involved in the business. In particular, he names Jorge Siqueira (Financial Director), Gian Bortone (Sales Director) and Mrs Fernanda Salzano (Works Council President) for their critical support and trust, as well as his mentor Marcio Bissetti, who actively participated in critical negotiations with financial institutions and customers.

"We have always been planning-oriented and during the reorganisation process, our focus was on market needs and technology, as well as financial and human resources" says the Vidroporto President. "Every step taken was pre-planned and every capacity increase has been based on developing new products to meet customer/market requirements." The outcome has certainly been impressive, the glassmaker having increased sales by 1000% within the past decade to build a 17% share in the local market.

By increasing manufacturing capacity to 200,000 tonnes/year, it has been possible to generate higher volume orders from such important customers as AmBev, Cervejaria Petropolis, Bebidas Asteca, Caninha 51, Caninha Missiatto, Tatzinho and Vinhos Chapinha, predominantly in the beer, liquor and olive oil sectors. Transparency, agility and faithfulness



The furnace has been provided by HORN Glass Industries AG and can produce on average 42 million bottles/month or 350 tons of glass/day.

are described as three essential keys to maintaining strong customer relationships.

"Our main target is for glass to become more competitive with alternative packaging materials" says Edson Rossi. "We believe glass packaging offers a number of advantages, including its maintenance of product quality, customer loyalty via the return of used bottles, as well as its environmental appeal."

The proactive approach adopted has certainly been successful, Vidroporto having increased its production volumes 10-fold in the space of a decade. Furthermore, the company's achievements have been realised at a time when the local

economy has not been performing especially well. "We have more investment plans but the current economic turbulence is not an ideal setting for more investment at this time" Mr Rossi suggests. "Brazil faces enormous challenges, associated with the cost and availability of power (natural gas and electricity), a high tax burden and reduced economic activity but we believe we can overcome these problems via Vidroporto's focus, its planning and the efforts of a fully prepared and motivated management team."

A member of the national glassmakers' association, ABIVIDRO's strategic committee, Edson Rossi has seen demand for glass packaging increase at a faster rate than the local economy. "By increasing the environmental conscience of Brazilian consumers, we believe even more advances can be made in the future, with the industry benefiting from increased recycling volumes, reduced raw materials and energy costs and lower pollutant emissions." ■



For the third production shop at Vidroporto, MSK delivered the complete cold end from the Lehr exit to pallet packaging.



The ZIPPE batch house is designed for the production of 400 tons of batch in 16 hours.

FURTHER INFORMATION:

- web: www.vidroporto.com.br
- web: www.glass-alliance.com
- web: www.bucheremhartglass.com