

# MEETING THEIR NEEDS

## Portland Pallet Producer Promotes Service

By Matt Ottinger

Driving through the heart of Portland, one spots a large gated property just off the main drag filled with stacks of pallets and rows of semi-trailers. This is where Wade and Susan Kohler have built a successful operation that serves many large food producers in Indiana and Ohio (including Coca-Cola, Red Gold, Tyson Foods and Weaver Popcorn).

Pioneer Packaging started as a second job back in 2003; it has become a force in the industry with around 90 employees, as well as recognition as a 2015 Indiana Company to Watch.

“It was a progression,” recalls Wade, who used to work in sales for a plastics packaging business. “(The leader of) one of the big companies that I worked with in my job came to me one day and said they wished they knew somebody in the pallet business that would do a good job for them.”

He quips, “At the time, I didn’t know the first thing about a wood pallet – other than I tripped over them once in a while.

“But then I thought: ‘it’s just some wood sticks nailed together; how hard is that?’ For several years, we didn’t take it that seriously because we both had good jobs making a lot of money.”

Having food production companies as

Producing new and remanufactured pallets is a booming business for Pioneer Packaging. Wade Kohler explains the building process may be simple, but it serves a large need for many major food producers.



customers became quite a blessing, he contends, noting the stability of the industry. He quantifies that Pioneer Packaging increased revenues by \$1 million per year or more through the recent recession, growing “like wild weeds in a field.”

### Putting the competition to bed

The company produces and recycles several million pallets annually and also generates 40 million pounds of livestock bedding.

“One question you’re presented with is, ‘What am I going to do with all of this wood waste?’” Kohler asserts. “Our large customers produce a lot of it as well and asked us to take it from them. That’s the type of thing you need to do to make sure your

competition doesn’t.”

Most companies in the pallet industry also produce mulch, according to Kohler. The seasonal nature of the product, however, caused Pioneer to take a different tack.

“Just east of us in Mercer County, Ohio is one of the world’s largest confined feeding areas in the country, due to its egg, poultry, cattle and other livestock-related farms. We decided to get into the bedding business and do it year-round.”

Kohler reports spending nearly \$1 million on grinding equipment to launch the operation, not to mention the time involved in starting the venture.

“I basically drove up and down every county road six days a week marketing my product. Then through great delivery promptness, quality of materials and courteousness, it exploded in growth because there was no one around here who would bend over backwards for customers in that business. Now our bedding business is completely sold out throughout the year.”

### Workforce pluses and minuses

“The truck drivers we hire are almost suit and tie type of guys,” Kohler remarks. “They make a lot of money, but they represent us well. They’re smart, professional, courteous and common sense people. It’s costly, but it sure helps in the long run.”

While Pioneer’s driving fleet is a well-oiled machine of capable navigators, the



Pioneer’s livestock bedding grinding system turns would-be waste into a profitable product, benefiting those with confined feeding operations.

Continued on page 55

## Pioneer Packaging

Continued from page 47

company has had the same hiring challenges as many businesses of late.

“(Lack of a ready workforce) is the biggest problem in Indiana. It doesn’t matter what they pay employees,” he states. “(Because of a reliance on government programs), people have chosen not to work, and it’s a mess. If you don’t realize it, start your own business and try to hire 100 people.”

On the positive side, Kohler has aspirations of growing the business locally and into other markets – and possibly having one of his sons run the operation.

### Building pallet-able relationships

An “old school” mentality of hard work – and putting in some 20-hour days – has been critical to adding and keeping clients for the Kohlers and Pioneer’s staff.

“Every one of my customers becomes a close personal friend, and they need help,” he offers. “They have problems they need fixed. So we may warehouse a product for them at little or no cost – and we do many secondary things for our customers. Maybe they need a truck driver for a day, so we’ll dedicate one of our drivers to shuttle trailers for them all day and just (charge them enough to break even). If you do things like that, your customers will never even listen to your competition.”

Pioneer also makes deliveries within a 100-mile radius via its own Pioneer Transport LLC and seeks to provide value whenever possible.

“Customer service is what people want,” Kohler concludes. “Doughnuts or Subway platters once a week for their warehouse guys or Colts tickets on top of the best daily service. Those are things that make us stand out. My wife and I – we care. You want to be the hero for your customers.”

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**RESOURCE:** Wade Kohler, Pioneer Packaging, at [www.pioneerpackagingcompany.com](http://www.pioneerpackagingcompany.com)