

SOUND STRATEGIES SUBSCRIBER CONTENT  
SUBSCRIBER CONTENT

## Kalani Packaging's culture catapults sales

Apr 15, 2016, 3:00am PDT

BUSINESS JOURNAL PHOTO | ANTHONY BOLANTE

The Everett company delivers retail and industrial supplies island-style and sees revenue increase 250 percent in two years.



BUSINESS JOURNAL PHOTO | ANTHONY BOLANTE

Lono Dickson grew up in a Hawaiian culture that stressed integrity, respect and family. He and his wife, Shelly, run Kalani Packaging on the same principles.

“One of our largest challenges continues to be finding more talented people who fit the Kalani culture,” Dickson said. “Our expectation is that those traits prevail in all of our interactions with all of our customers, supplier partners, and each other, every day.”

Early on, when Kalani Packaging was just Lono and Shelly in the garage of their Everett home, a mentor stressed the importance of defining a company culture. The couple took the advice to heart.

They credit the resulting mix of “Hawaiian-style hospitality and ethics” as a driving factor in the success of Kalani, which has steadily increased revenue despite a setback during the 2008-2009 recession. Over 24 months between January 2014 and December 2015, sales increased by 250 percent, Dickson said.

“We were very lucky to have had some mentors in our lives that have helped us along the way identify important factors and concepts that are largely overlooked by small fledgling businesses,” Shelly Dickson said. “Things like the importance of documentation of our processes, so as we grew and added new employees they could be easily trained and successful.”

Kalani is a national distributor of retail and industrial consumable supplies such as tape, labels, gloves, and receipt paper, typically delivered to manufacturers and distributors.

The company received a huge boost when it earned certification in 2001 as a Minority Business Enterprise from the National Minority Supplier Development Council.

That opened up new opportunities, including the chance to target Fortune 1000 companies around the country.

One of those companies, Starbucks, partnered with Kalani only after a long period of courtship.

The Dicksons were “patiently persistent,” said James Hing, global manager of Starbucks’ supplier division. “They took the time to get to know us. They weren’t chasing the next dollar that comes in the door; they were interested in building a relationship.”

The Dicksons’ original goal was to build a packaging company to support electronic manufacturers in the Pacific Northwest.

“However, with the downturn in the economy in 2000 and 2001 and the advent of offshore manufacturing to other countries with cheaper labor,” Lono Dickson said, “we realized very quickly that we needed to reconsider who our target market should be.”

When the company began working with larger national customers who had decentralized networks, he realized those customers “could benefit from local stocking solutions.”

So Kalani set a goal to stock product regionally throughout the nation. Today it has seven stocking locations nationally. New locations are expected soon in Illinois and Texas.

According to a report by industry analyst Smithers Pira, the worldwide packaging industry is projected to grow 4 percent a year through 2018, when revenues will reach \$975 billion.

Kalani is ready to handle the up-tick.

“We have grown to be a process-driven company with a strong culture, which has provided us the ability to handle recent hyper growth,” said Lono Dickson. “We continue to reinvest in people, systems and processes fostering a progressive and collaborative work environment.

“Continuing to add the right people and refine our process,” he said, “will keep the company prepared for the next level of growth.”

## **LESSONS LEARNED**

- Relationships matter. If you treat people with respect and work to help them — not just sell — you can then build real relationships and collaborate, creating true partnerships.
- Hire smart people who fit your culture. We have found over the years that you can train smart people to do a job but we can't train people to fit your culture. If a person does not see the value of integrity in their outside life, they will not see the value of it in their work life.