

FANTASTIC PLASTIC

ABOUT FEDERAL PACKAGE. Federal Package is a health, beauty and personal care contract manufacturer that provides formula development, compounding, filling, decorating and packaging for lip balms, sunscreens, deodorant, lotions and other similar products. Established in 1984, Federal Package employs 65 people at its single location in Chanhassen, Minnesota.

THE CHALLENGE. Federal Package continually looks for ways to make their plastic container offering environmentally friendly for their clients. Finding options for recycled resins to solve for reduction of virgin use while remaining recyclable as well as options for being biodegradable was a challenge. They finally found their solution with an organic additive that allows a plastic container to degrade more quickly in a biologically active landfill. The additive allows the containers to break down into methane, carbon dioxide, and humus (enriched soil), which shortens the time span the plastic would have occupied the landfill from hundreds of years to several years.

“A lot of manufacturers like us don’t have resources for a big marketing department,” said Steve Dakolios, CEO of Federal Package. “We are the only ones using this additive in consumer products, so it’s a big deal. We knew we needed a branded marketing approach. But we didn’t know what we didn’t know.”

MEP CENTER'S ROLE. To help them create a brand around its new sustainable plastic packaging, Federal Package brought in Penny Hanson, a marketing expert from Enterprise Minnesota, part of the MEP National Network™. Hanson and the team dove into Federal Package’s target market research, product mix, market positioning, and potential competitors. That foundation informed the strategy from which branding and marketing efforts were created. The new packaging was named Eco Smart®, and Federal Package created a complete marketing brand profile to give Eco Smart® a personality of its own.

Eco Smart® launched in spring 2021 and was rolled out in phases to test messaging and adjust along the way. A media campaign targeting industry publications was executed in June of that year, and social media and Google advertising began in July. Educating the market about a new product takes time, but Eco Smart® orders are increasing. Last year Federal Package shipped out many samples for interested customers to test, and production orders started shipping out in 2022 with additional rollouts slated through the rest of this year.

"The support we received from Enterprise Minnesota far exceeded our expectations. Penny Hanson and Mark Davidson really helped us to develop a very effective new product launch marketing campaign. This elevated Federal Package's perception in the personal care market in sustainable packaging."

-Steve Dakolios, CEO

RESULTS



\$370,000 in increased sales



\$174,000 in retained sales



\$106,000 in new investment for 2021; \$194,000 for 2022; \$271,000 estimated for 2023



Successfully launched one-of-a-kind biodegradable plastic container for customers

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