

Business

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"In order to stay competitive and not shut their doors, people had to figure out how to produce more efficiently. That's been good for us because now we're cutting labor at least in half."

Chris Jennerjahn, president of Jennerjahn Machine



LIKE FATHER, LIKE SON: Chris Jennerjahn (left) now is president of the company founded in 1978 by his father, Brian, who is now chief executive officer. Jennerjahn Machine in Matthews, Ind., designs and builds machines to convert huge rolls of paper into smaller rolls.

GARY MOORE / The Star

Rolling with the times

JENNERJAHN MACHINE

» **WHAT IT DOES:** Jennerjahn Machine designs and produces custom converting equipment to turn large products such as paper rolls into smaller end products, such as cash-register receipt rolls, butcher paper and photo printing paper.

» **LOCATION:** 901 Massachusetts Ave., Matthews.

» **FOUNDED:** In 1979 in Hartford City by Brian Jennerjahn. Company moved to present location in the mid-1980s.

» **LEADERSHIP:** Chris Jennerjahn, president, is the son of the founder.

» **EMPLOYEES:** 40.

» **CUSTOMERS:** NCR, Avery Dennison, 3M and Dow Chemical.

» **SALES GROWTH:**

» 1980: \$72,527.

» 1990: \$1.9 million.

» 2000: \$4.8 million.

» 2003: \$6.2 million.

» 2006: \$13.2 million.

» 2008 (projected): \$10.25 million.

» **CONTACT:** Call (765) 998-2733 or visit www.jennerjahn.com.

Grant County company develops machines to cut products down to size

By Lori Darvas
Star correspondent

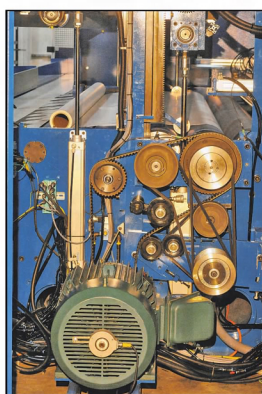
Ever been handed a cash register receipt?

Chances are good you have held some that originated from a Jennerjahn Machine.

The 40-employee company that builds them, about 70 miles northeast of Indianapolis in the Grant County town of Matthews, has survived and thrived for nearly 30 years designing machines to convert huge rolls of paper and other products into smaller rolls used for cash register receipts, butcher paper, tape and photo paper.

While other companies in the paper-converting business have closed shop, Jennerjahn continues to post profits, anticipating \$10.25 million in annual sales this year. The number is down from a high of \$13.25 million in 2006, but sales are \$4 million higher than five years ago, and the company continues to look for ways to diversify its products and become more competitive.

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THE HEART OF THE OPERATION: The JLS 135 is among Jennerjahn's several wide-format rewinders built for construction-grade materials.

Rolling

» Jennerjahn looks to expand in global market.

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"Even though we're down, we're still very happy about where we are right now," said company president Chris Jennerjahn, whose father, Brian Jennerjahn, founded the company in 1978 with \$14,000 in savings.

The converting market is huge, encompassing everything from photo film to corrugated boxes and often including printing surfaces and special surfaces such as laminates. Jennerjahn carved out its own niche in the cash register receipt business, creating custom machines for clients whose customers included retail giant Wal-Mart.

Brian Jennerjahn was a 32-year-old engineer working for the local 3M plant when company leaders asked him to design a machine to produce cash register rolls. 3M opted to stay out of the cash-register receipt business, but Jennerjahn believed in his design and started his own company, selling the cash register rolls from 1972 to 1979. He sold that company and created Jennerjahn Machine, which focused solely on designing and building converting machines.

The company landed a contract with cash register giant NCR in 1984, building machines that cut and wound cash register rolls. These machines became a major part of the company's business for the next few decades. Business was driven by a need to produce more end products faster and with fewer people, a charge met by newer and more efficient equipment.

"In order to stay competitive and not shut their doors, people had to figure out how to produce more efficiently," Chris Jennerjahn said. "That's been good for us because now we're cutting labor at least in half. That's why people are interested in our equipment."

The company also took risks when necessary. For instance, Illinois-based Odman Corp. approached Jennerjahn in 1998 about creating a more efficient machine for cutting and wrapping butcher paper.

"We were looking for something to reduce labor costs and produce paper faster," recalled Tom Hohmann, a Chicago-area salesman with Odman.

No money was exchanged until the machine was built and working efficiently. That risk paid off, Chris Jennerjahn said.

As word of the machine's success spread, orders rolled in.

Today, the company has installed about 110 of those machines worldwide, ranging in price from \$400,000 to \$1.1 million apiece.

In recent years, Jennerjahn has had to stretch its sales base, moving beyond the volatile cash register receipt market.

Cash register receipt machines still account for about 35 percent of Jennerjahn's business, but the company now is focusing its efforts on machines that produce printing paper for do-it-yourself digital-photo kiosks in stores and malls.

Such moves are integral to keeping small businesses competitive in an increasingly global market, said Rich Meyer, a business growth services leader with Purdue University's technical assistance program.

Companies such as Jennerjahn must continue to build new products to serve new markets.

"New customers in new markets drive growth," Meyer said. "If you're selling the same things to the same customers, your profit margin starts to shrink. The data says your profit margin is 10 times greater for new markets than existing markets."

Jennerjahn already has cast its business net overseas, with some of its machines in China, Australia and Europe.

Chris Jennerjahn, who estimates his company probably receives about 95 percent of all North American orders for its type of converting machines, admits the foreign market is a challenge. After all, companies want someone local nearby in case a machine needs to be fixed, he said.

Jennerjahn also has expanded its Internet focus to target the global market, staying alive as similar companies go under.

"Approximately half of the converting machine builders have gone out of business or merged in the last five years," said David Roisum, a business owner, author and expert on the industry. "Anybody who's survived needs a pat on the back."

Jennerjahn Machine is building a machine for a customer in Holland, and Chris Jennerjahn again has agreed to refund all payments if the machine does not work as promised.

"If we're confident enough, and that's what it takes to secure the order, and if we're financially secure, we'll do that," he said. "If you're going to expand, you have to be willing to take a calculated risk."