



## Mello Joy Moves Packaging In-House, Improves Freshness and Reduces Expenses Significantly

### BUSINESS BACKGROUND

- Localized Louisiana-based coffee producer
- Passionate about creating distinct, Cajun coffee flavors
- Moved from contract packaging to in-house packaging



### Business Background

Mello Joy, the original Cajun coffee, was founded in 1936. The distinct aroma of a fresh-brewed cup of Mello Joy sparks memories of Louisiana's rich culture. The company took a hiatus in the late 1970's until 2000, when it was reformed under new ownership in Lafayette, Louisiana. Mello Joy is now a local favorite in Louisiana as well as being available in several markets throughout the United States.

For the first fifteen years at its new location, Mello Joy utilized contract packagers to package its coffee for grocery stores and for its office coffee service. However, that process was expensive and inefficient. Instead, they decided to purchase a form-fill-seal packaging machine to use in their own warehouse.

**"If we had not made the decision to move to packaging in house with the Viking machine, I'm not sure that we'd be here today...It's changed our bottom line tremendously by bringing it in-house and doing it ourselves."**

- Mike Gregory, General Manager at Mello Joy



## Critical Issues

Mello Joy was facing growing costs by contracting with outside packagers, between the rising costs of transportation and holding, plus the cost of storing inventory. In addition, a down economy facing Louisiana was impacting their ability to stay financially secure.

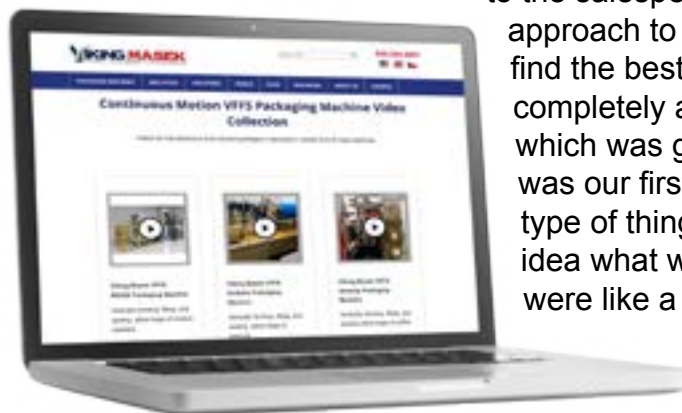
### CRITICAL ISSUES

- Transportation costs
- Holding costs
- Inventory storage costs
- Lower demand due to economic changes

Mike Gregory, GM at Mello Joy, put it this way: “We’re in a part of the country that has gone through a tremendous economic downturn here in Louisiana. [Louisiana is] very much related to the oil and gas industry as a whole - so while cheap gas is great for the rest of the country, it’s not so great down here. When the price per barrel is way below \$40-\$50/barrel, it shuts down a lot of industries down here. When you start shutting business down or cutting down employees, our OCS (Office Coffee Service) [is] affected greatly by headcount at a lot of local businesses. So if we had not made the decision to move to packaging in house with the Viking machine, I’m not sure that we’d be here today.”

## Solution

Mike started asking people what packaging machinery they used. “I remembered one of our previous copackers talking about Viking - that they had just gotten a new machine from Viking, and it was wonderful.” He reached out to Viking Masek to learn more. Since Mello Joy was new to the whole machinery-buying process, they found the educational approach by Viking Masek to be incredibly helpful, from the videos available on the website



to the salesperson’s hands-on approach to helping Mello Joy find the best solution. “It was completely a turnkey process, which was great for us. This was our first venture into this type of thing, so we had no idea what we were doing. We were like a bunch of blind mice running around,” Mike joked.



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“We did shop around with some other manufacturers, but we were just more than impressed with Viking and all the help that we got from the staff early on, so when it did come down to the number crunching time, even though Viking was not the cheapest, we just felt the most comfortable with them, and that’s what made our decision,” Mike added.

“We actually use the machine for three different things. Which is really great, to be able to use one machine for three problems.”

- Mike Gregory, General Manager at Mello Joy

Mello Joy selected the M400 Vertical Form-Fill-Seal machine, which they can use for three products that require two different films. They also purchased two formers - a quad seal bag that’s larger for grocery stores, and then a much smaller bag for their Office Coffee Service. Then, they reuse that form for packaging instant coffee that’s in a fractional package as well.



Vertical Form Fill Seal (VFFS) M400



Close-up views of Vertical Form Fill Seal (VFFS) M400

## RESULTS

- Mello Joy chose the M400 VFFS machine
- Purchasing process was turnkey and educational
- Product is now fresher and more satisfying to customers than ever
- Costs have been lowered, leading to an “unbelievable year” with the machine

## Results

The actual cost of production has gone down, allowing Mello Joy to plan better: “It’s going to more than pay for itself within that 5-year timeframe. Way more than pay for itself,” stated Mike.

In addition to reducing the actual cost of production, holding, and inventory storage, the product is also now much newer and fresher. Mike elaborated, “In the past, what we would do is we would order from the co-packer and fill the warehouse up, and then every 3 to 4 weeks we’d order again. Now, we’re running product every couple of weeks so that the product getting into the consumer’s hands is fresher than it’s ever been.”

He adds, “We’ve actually been packaging coffee and then the next day that coffee goes out to certain businesses. It’s amazing what it’s done in our customer satisfaction. We’re getting a lot of phone calls from customers raving about how great the product is.”

They’ve even hired people to help. “It’s given us a lot of exposure here in our town by hiring additional people in a down economy,” he adds.

**“It’s been an unbelievable year with that machine.”**

- Mike Gregory, General Manager at Mello Joy