

YEAR-ROUND EXPANSION

for a

*Whitney Corp. goes
beyond seasonal
offerings with packaging
and fulfillment services*

DOWNEAST COMPANY

BY LAURIE SCHREIBER

FOCUS MIDCOAST / DOWNEAST



David Whitney, founder and CEO of the **Whitney Corp.** and **Downeast Packaging Solutions** in Whitneyville, stands amid rope mats, just one of a number of products and services that have helped the firm become a year-round employer in Washington County.

PHOTO / FRED FIELD

In the tiny Washington County town of Whitneyville, a longtime supplier of holiday wreaths and related products is expanding with a year-round business.

Whitney Corp. has added a subsidiary, Downeast Packaging Solutions.

On a September afternoon, employees in the 75,000-square-foot production facility were surrounded by reels of various types and colors of rope. The workers were weaving sturdy door-mats on specially designed jigs. The high-ceilinged space was filled with the sound of movement and people chatting while they worked.

At another station, employees filled shipping boxes with mat orders for retailers across the country.

"This is fulfillment. These people work in the Wyman's area downstairs, too," says the company's founder and CEO, David Whitney.

Whitney was referring to an area where Downeast Packaging picks, packages and ships blueberry juice and other products for Wyman's of Maine, the Milbridge-based wild blueberry producer.

Elsewhere in the building, there's extensive wreath-making equipment and cavernous warehousing with heavy-duty rack systems, digital scales and a climate-controlled environment. Conveyor belt systems handle complex shipping requirements. Multiple bays with overhead doors at opposite ends of the in-line building are designed for ease of receiving and shipping.

Assembly, packaging and distribution might lack glamour. But there's a big idea here.

It stems from the business that precedes Downeast Packaging — Whitney Wreath Co. The wreath company has always had a team of long-time employees talented in logistical skills, like sourcing raw materials and tracking, producing and fulfilling orders. They were used to shipping hundreds of products to far-afield customers who were looking for unique Maine gifts — such as wreaths fashioned from fragrant balsam fir, white pine and cedar.

Pick and pack

Wreaths and other seasonal products have been a great business, but with one major shortfall. Wreath-making is largely seasonal, idling facilities and leaving skilled employees jobless for months out of the year.



Pick, pack, ship

Downeast Packaging Solutions services include:

- Warehousing
- Fulfillment
- Manufacturing
- Packaging
- Software integration

Alisha Parsons creates a 72-inch by 26-inch rope mat at **Downeast Packaging Solutions**.

“You get to the end of December and say, ‘We found it!’” Whitney says. “What did you find?’ ‘The last wreath. There it goes.’ You’re smiling — and everyone else is out the door and sad. There go those wonderful and capable people.”

Whitney conceived of Downeast Packaging as an expanded, year-round use of his facility that keeps those capable people employed. The packaging business was a natural offshoot of what the company was already doing when it shipped wreaths across the country.

“We have core competencies — pick, pack and drop ship fulfillment and warehousing and packaging and assembly,” he says. “Those are the basic things we’re really good at.”

The right formula

Those core competencies are also a good fit for the Downeast region, where logistics and shipping have always been a challenge. The region’s distance from more densely populated areas have traditionally meant higher shipping costs, says Katie Bragg, director of small business and enterprise at the Sunrise County Economic Council.

“One thing Dave has done very well in his many years in the wreath business is that he’s figured out the right formula to get things out on time for a decent price and he’s been able to do that very well,” Bragg says. “He’s figured out something that others have struggled with, and because he was able to do it on a large scale with his wreath business, he’s been able to figure it out for others.”

Getting products out quickly and cost effectively is often a challenge for small businesses.

“For the most part, we don’t have a UPS store and we don’t have a FedEx store like a lot of bigger places do,” Bragg says. “We basically have the post office. If Downeast Packaging Solutions is able to mitigate that issue for some people, that’s great.”

Family roots

Whitney’s name is inextricable from Whitneyville. The town, which has a population of 200, neighbors the Washington County seat of Machias.

“We have been a part of the fabric of our area and its rich history since the Whitneys moved to Jonesboro from Scarborough in the 1700s,” he says.

Over the generations, the family has been involved in the lumber industry, fur trading, blueberry farming and automobile sales and service.

Growing up here, David Whitney recalls discovering the smell of balsam at age 8 in 1974, wrestling with his cousin Bobby.



Katie Bragg, director of small business and enterprise at **Sunrise County Economic Council**, says **Whitney** has figured out the right formula for shipping and cost efficiencies.

PHOTO / COURTESY OF SUNRISE COUNTY ECONOMIC COUNCIL

He's figured out something that others have struggled with, and because he was able to do it on a large scale with his wreath business, he's been able to figure it out for others.

— **Katie Bragg**
Sunrise County Economic Council

"Why do you smell like trees?" he recalls asking Bobby.

Bobby explained he had been making money collecting "tips" from trees and selling them to Flo's Wreaths in nearby Marshfield.

Flo's Wreaths was co-founded and run for 50 years by the late Flora "Flo" Hanscom, who died in 2008.

Young David thought collecting tips would be a great way to make money to buy candy. He climbed a spruce tree and picked a baggie full of needles. Flo was amused, and showed David the actual tips — the end portion of balsam fir branches — and the process of snapping them into decorative bunches to wrap with wire around rings to create wreaths.

"Flo unknowingly had opened the door to my new world," he says.

In 1988, as a college student, Whitney started Whitney Wreath, marketing direct to consumers.

In 1991, he secured a contract with Dodgeville, Wisc.-based catalogue company Land's End to market his wreaths. Focusing on the mail-order business, his customer base grew through the decade to include national and state outlets like QVC and Sturbridge Yankee Workshop.

He acquired additional holdings, including marine sales and service business, a glass company and real estate.

Tipping point

In 2008, Freeport-based L.L.Bean contacted Whitney to ask if his company could produce its balsam wreaths.

"I said we'd love it," Whitney recalls. "We were on a fairly steep trajectory for volume."

At the time, Whitney was leasing nine different locations in Washington County,

northern Maine and Nova Scotia, using them for seasonal wreath production. He was also gaining access to pools of seasonal workers.

He placed production for the large L.L.Bean order in one of the shops. A year later, the retail giant substantially increased

its order, asking Whitney to supply 70% of its overall balsam business. Whitney agreed. But the sizeable contract meant creating efficiencies and consolidating facilities. So he invested more than \$4 million to build the 75,000-square-foot Whitneyville facility, on land he owned, opening in 2010. The project was financed through Machias Savings Bank with a USDA Rural Development guaranteed loan.

The two-story building — with 23 overhead doors, most with loading docks — was designed specifically for efficiency in the wreath business.

"But the same efficiency the wreath business needs is very similar to what other manufacturers need, and that is straight-line flow of goods with particular emphasis on high-volume shipping," he says.

Stretching the season

But there was a nagging question. "In particular, Whitney Wreath has long been challenged with the question of how to utilize the facilities, management, labor and skills of Whitney Wreath outside of the six weeks of busy wreath season," Whitney says.

PHOTO / FRED FIELD



Kelsey Stevens burns a small portion of a rope mat to secure the rope ends at **Downeast Packaging Solutions**.

Patrick Carroll, Wyman's director of marketing, says **Downeast Packaging** provides cost-effective solutions to ship products.

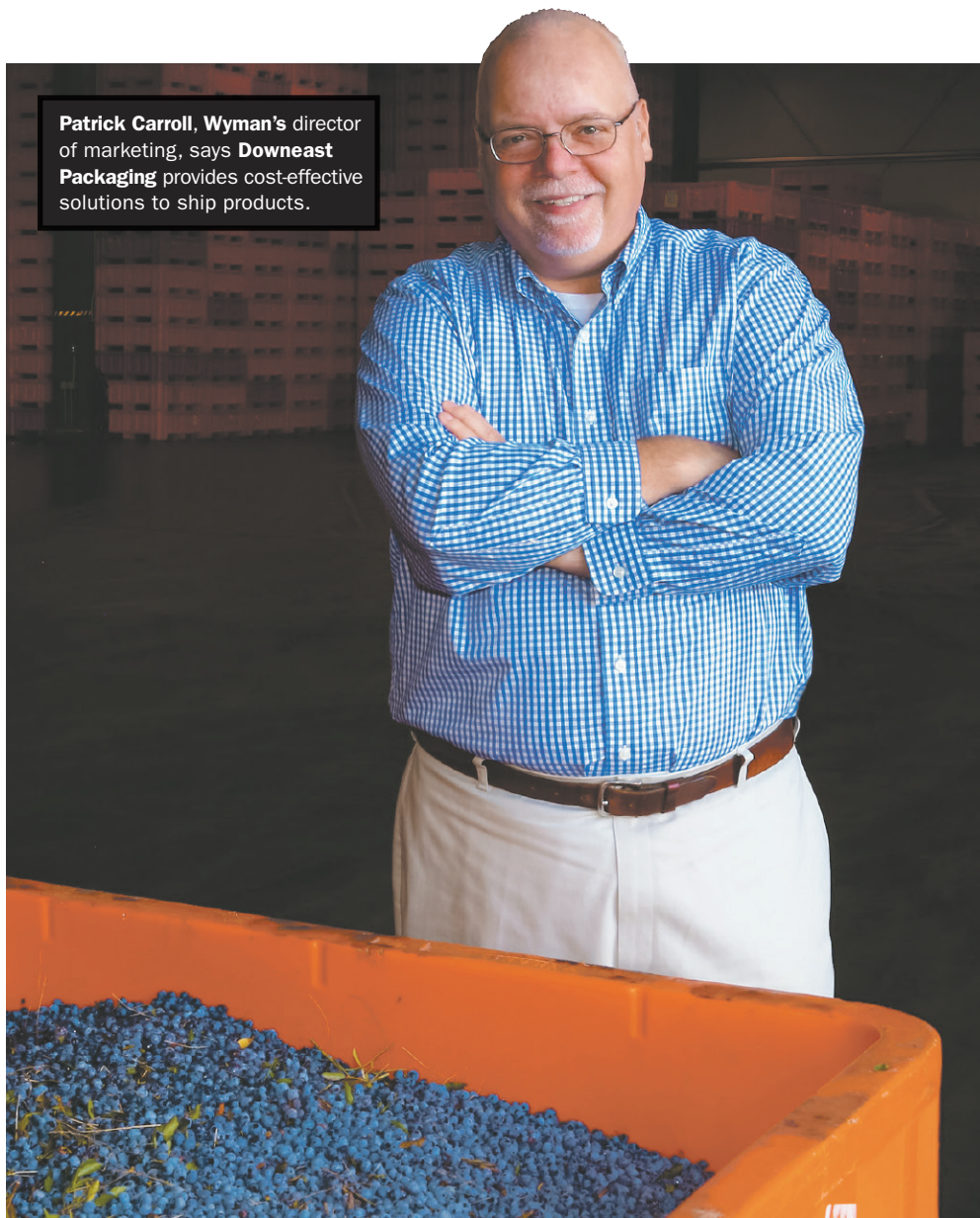


PHOTO / COURTESY WYMAN'S OF MAINE

From that was born the concept of Downeast Packaging Solutions, which would make use of systems and talent already in place. It also had the capacity to accommodate the needs of other businesses.

The first client was the Rockport-based Rope Co., a rope mat and basket maker owned by Logan and Hannah Rackliff. Connecting through a business association six years ago, Downeast Packaging took on the company's manufacturing. It receives and stores incoming rope, tracks demand for the company's SKUs, and manufactures and ships the products.

Downeast Packaging developed regular production schedules for the Rope Co., and is responsible for keeping its client's 100 SKUs properly populated with inventory. In effect, the firm manages its client's production, Whitney says.

Wyman's of Maine, which was founded in Milbridge and will be 150 years old in 2024,

approached Downeast Packaging in 2020 about packaging blueberry juice to market direct to the consumer.

"Wyman's was looking into direct-to-consumer fulfillment products," says Patrick Carroll, Wyman's director of marketing. "We had looked at doing it ourselves. It was manpower and knowledge that we just didn't have in-house."

Carroll was impressed by the sophistication of Downeast Packaging's operation.

"He had a lot of buying power with UPS and helped us out with cost-effective solutions to ship products," he says.

That contract grew to include juice, powder, dried wild blueberries and ancillary products like T-shirts — everything except frozen blueberries — and has increased distribution at least three-fold in two years.

"Without Dave, that would have been a lot harder," Carroll says. "He allowed us to accelerate."

Accordion effect

As with its other clients, Downeast sets its production schedule to meet Wyman's "accordion of demand," Whitney says.

"One day they'll ship, say, 2,000 boxes. Another day they'll ship 50," he says. "We have to meet that accordion effect. That's what we're able to do with our schedule of production."

Downeast now has four clients and conversations with others are underway. Whitney recently attended seaweed-industry conference in Portland to offer production, packaging and shipping services. He's looking at companies in Europe and Asia desiring a presence in the U.S.

"We can take containers and master packs and turn them into retail shippable packs," he says.

His goal is to provide more year-round work? With Whitney Wreath, he had about 15 year-round employees. Today, Downeast Packaging has about 30. And he's looking to grow.

"We're really on the verge as a year-round company," he says.

Bragg says another economic development plus is the potential to draw packaging business from larger companies outside of Washington County.

"They wouldn't need to have a physical presence here," she says. "They'd send their product and Downeast Packaging Solutions would package it and get it out in a timely fashion. He has a fantastic facility that they can do so much with, with so many business."

Downeast Packaging's growth, in turn, would bring more jobs, she continues.

"There's a big population of seasonal workers here," she says. "If there's a way for him to keep them on, that would be great."

She continues, "Job creation is always huge — good-paying jobs that keep people here. People want to stay here, but sometimes they can't if they can't find that job that will keep them here. If there are more people working, there are more people staying. It's a huge benefit for our area all the way around."

Whitney has no intention of shying away from the wreath business.

"But we're really leaning into the Downeast Packaging Solutions business," he says.

He adds, "We like to say we're a really good dance partner and we're looking for more dance partners. There's somebody in the state of Maine that's going to bulge this building."

.....
Laurie Schreiber, Mainebiz senior writer,
can be reached at LSCHREIBER@MAINEBIZ.BIZ