



CORESA

IT'S IN THE BAG



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Managing director Jose Ignacio Arrate talks about Coresa's range of plastic packaging solutions, and the company's opportunities for expansion in South America

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Coresa storage silos allow for the temporary storage of cereals, pulses, fertilizers, pastures, feed, among others



Packaging specialist Coresa was established in Chile in 1966. “We started making flexible containers from polypropylene in the 1980s and also some fabrics for specific applications,” says managing director Jose Ignacio Arrate, “so we’ve been making these products now for thirty years, and the company has been in existence for nearly fifty years altogether.”

The products he refers to are predominantly bags and sacks for the packaging and transportation of commodities in a variety of industries including fisheries and food, animal feed, mining and construction, although there is also strong demand from agriculture, in particular, for woven polypropylene or polyethylene fabric sheeting used in containers, perimeter fences, curtains, tents and blankets, among other things.

It’s too easy to describe them as “bags and sacks,” however, as this fails to convey the multitude of different product lines Coresa produces for individual customers and applications. “Our product range uses over a hundred different fabric specifications in terms of their properties, thickness and weight per square metre,” explains Arrate. “We have different bags with different designs for the top and the bottom, for different sizes and weights, which are all customised for each client and each application.”

One of Coresa’s most successful products is the ‘bigbag’, as Arrate refers to it. It probably has a different name in different parts of

the world, but to be clear on what we mean here, it is also known in Latin America as a ‘maxi saco’, and in English speaking countries as a ‘bulk bag’. I’m sure you know what I mean. It’s the bag that your local building merchant uses to deliver a ton of sand, or the agricultural merchant a ton of animal feed. It’s an essential product for bulk deliveries, and Coresa has a consolidated capacity of more than 150,000 a month from its three manufacturing facilities, one in Chile, one in Argentina, and one in Peru.

The Chilean factory is the heart of the organisation, with 550 employees. The Coresa plant in Peru employs 180 and Argentina 150. The number of employees in each facility reflects the production capacity of each plant. “In Chile we have the capacity for 100,000 tons of extrusion per month, enough for seven million bags a

month,” says Arrate. “In Peru we have an extrusion capacity of 400 tons a month, but we don’t produce fabrics in Argentina, we ship them in from Chile and produce bigbags and sacks from the imported material.”

Raw materials purchasing is centralised in Chile, as also are the finance function and the ingredient ‘recipes’ for each product. With three manufacturing facilities in three different countries, however, and a reputation for quality to protect, consistent processes are essential across the board, so the plants are integrated using the same ERP system. “We have SAP R/3 in all our plants so we have standardised processes for manufacturing,

1966

The year that Coresa was established



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Coresa bags are manufactured to withstand industrial transportation

management, accounting, buying, selling, accounts receivable, etc, in all three facilities,” says Arrate. “Everything is managed using SAP—the same platform in all three plants.”

A major benefit from the close integration is that it allows Coresa to operate with a very lean management hierarchy at each plant. “We have the same machines in each plant,

we have a lean operation to avoid duplication and waste, and we have a really ultra-light back office in all of our plants,” says Arrate. “Our goal in manufacturing is to increase our productivity based on three pillars; efficiency, quality and safety. We set productivity goals for each machine and we monitor these shift by shift and day by day.”

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The machines themselves are top of the range, from one of the world’s most respected equipment manufacturers. “Almost all our machinery is Starlinger,” says Arrate, “the Austrian specialist manufacturer of sack making machinery.” Starlinger is famous for developing the patented Adstar bag for carrying cement, which is now one of Coresa’s core products. “We have two machines in Chile producing Adstar sacks for cement,” says Arrate. “They are paper sacks, but without any sewing. We have the capacity to manufacture two million of these bags every month in Chile, but we are also planning to start producing them in Argentina soon. We were the first company

in Latin America to make this bag when we introduced it in 1998.”

In the thirty years that Coresa has been manufacturing bags and sacks, customer requirements have continued to evolve, so research and development has been an ongoing process. Innovation has been a constant preoccupation, and the company has successfully converted many new ideas into solutions for its customers. One of these is a type of tent used by cherry farmers to cover the trees when the fruit is maturing. Another solution has been developed to cover blueberry plants. “We also have new developments in sewing techniques for some of our customers.”

“ENVIRONMENTAL AWARENESS IS AN ISSUE ALL OVER THE WORLD, BUT WITH PLASTIC, IT’S MORE ABOUT FINAL DISPOSAL THAN MANUFACTURING”



Coresa container bags are designed to hold loads from 300-2500 kg

The company sells all over North and South America, and continues to look for opportunities to expand. “We are interested in Colombia, Mexico and Brazil,” says Arrate. “We are one of the biggest in our industry in South America, we have a lot of experience, a recognised quality in the market and a flexible capacity to answer anything that is asked of us in terms of productivity and quality. We also have a capacity in Chile that could be redirected to produce a final product somewhere else. It’s easy for us nowadays to start a factory anywhere, using our SAP platform. We have a lot of strengths which we can use to start a new business from scratch.”

Environmental awareness is an issue all over the world, but with plastic, it’s more about final disposal than manufacturing. “The manufacturing process from the extruder to the assembly of the product is actually a very clean process,” says Arrate. “We only need electricity to do it, and there’s a minimal amount of scrap that can’t be used again in another product.

“There is a lack of public perception in South America about plastics recycling, however,” he continues. “It’s not as far advanced as it is in North America or Europe. We are just beginning to think about it here. You could not imagine



modern life without plastic products, so I think we will soon see better technology for recycling plastics, and also more education to teach people how to handle plastic packaging after it has been used. That is a big opportunity in Latin America.”

On the social side of corporate social responsibility, Coresa is active in the areas in which it operates. “In San Antonio we have experience running soccer tournaments and other sporting activities, says Arrate, “and in Argentina the Christmas party for the whole town was held in our factory.” **BE**

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