



Robert and Jason Tillis

**EDITORS' NOTE** Robert Tillis, the Chief Executive Officer of Imperial Bag & Paper Company, LLC, was previously owner of Interstate Packaging Corp. and, prior to that, was an Executive Vice President of Ampac Packaging, LLC.

Robert's son, Jason, joined the company and became President in 2011 after completing the acquisition of Burke Supply.

**COMPANY BRIEF** Imperial Bag & Paper Co., LLC ([www.imperialbag.com](http://www.imperialbag.com)) is the largest independent distributor of food service products and janitorial supplies in the Northeast. Imperial Bag has grown its business more than 250 percent over the past five years and is an established 80-year-old business that was purchased by Robert Tillis in 2007. Since then, the New Jersey-based company has increased its client count to 5,000 and has acquired six companies. Some of their regional clients include Zabar's, Fairway Market, and Café Metro. About 15 percent of their clients are national and they include Modell's and Party City. Imperial Bag also offers a complete line of environmentally preferable alternatives for packaging and janitorial supplies that will satisfy any consumer.

### What is the heritage of Imperial Bag & Paper Company and how is the business positioned today?

Jason: People need packaging and cleaning supplies, and we make it easier to deal with this need. We sell service, which happens to be in the form of the provisioning of packaging and cleaning supplies. Service is our mission.

### Is it challenging to differentiate in this space?

Jason: Our differentiation comes more from what we do as opposed to the actual products. We have over 20,000 different quality products. We deliver six days a week, we deliver next day to all of Manhattan, and our fill rates are in the upper 90s. We're very reliable, we have a ton of knowledge, and our salespeople are very sophisticated. If they go into

# Selling Service



Imperial Bag & Paper Company's facility in Jersey City, New Jersey

## An Interview with Robert Tillis, Chief Executive Officer, and Jason Tillis, President, Imperial Bag & Paper Company, LLC

a deli, they can advise the owner on the best fit to pack out his shelves or have his products remain fresh longer – this is how we add value.

### Does your target market range in size and scale?

Robert: Our clients are behind basically anyplace you see a door. You can walk down any street in any city and find the butcher, the baker, the florist, the supermarket, or building maintenance using our chemicals to clean the floor. Any retail establishment that uses any sort of supply item is a potential client for us.

### Has your growth come from new clients or markets and how have you built the business?

Jason: We have had organic growth. We have had existing customers grow. We have taken on new business. We have made acquisitions. We have expanded our fleet and we have expanded where we go with our fleet.

So like most things, there is no magic bullet. It is many factors that contribute to the end result.

### How do you maintain the family feel and culture of the company as you grow?

Robert: Jason and I are very connected to the business. We believe that when we surround ourselves with excellent people, they surround themselves with excellent people. We are visible day-to-day with our vendors, our customers, with the people that work here – all of our employees know us. We don't sit with an ivory tower mindset. We run this as a hands-on, in-the-mix business.

### Has the product offering changed?

Jason: There has been a great deal of product extension, partially through acquisition. We greatly expanded our janitorial offering and a growing percentage of our business is custom items. When a client is a growing operation in New York City, they want printed specialty items to distinguish themselves from everybody else, and we're here to create these products with our customers.

### Has technology had a major impact on the business?

Jason: You have to invest in technology if you want to continue to grow. We recently upgraded our computer system – we built a Web platform. We're now fully RF – everything in and out is scanned in our facility. We're always upgrading our routing software. Wherever we can get better, we're willing to invest.

In Spring 2014, we will merge all our warehouses and offices into 535,000 square

feet of a newly designed space in the Pulaski Distribution Center in Jersey City, New Jersey. This state-of-the-art LEED certified facility is currently under construction.

### How can you measure the standards to make sure you're providing a consistent level of service?

Jason: Everyday, we see the previous night's shipping and we can look at our fill rate and our accuracy. We also have immediate feedback with our salespeople, who talk to their customers daily so there is real-time verbal communication in addition to the data.

Robert: We have 86 sales reps in the field every single day. Each rep sees 20 people a day – that's 1,700 live contacts a day.

We also run about 100 trucks and our drivers speak to the customers all the time. Many times, the driver takes the initiative. He will have been at a supermarket where they're making a new type of pie and will ask if we have a special pie container for the client. We'll make every attempt to have it to show to that customer the next day.

The big thing with us is speed. We are exceptionally accurate and have a short response time.

### Is the primary focus on the New York City market?

Robert: It is probably 30 percent of our business. We go in an arc from D.C. to Boston, but we were founded as a New York metropolitan company so that is our backbone.

### How do you offer this kind of service while remaining competitive in your pricing?

Jason: It would not be fair to our customers if we didn't put them in a competitive place to do business. It's our obligation to provide the most competitive price.

Along with our size comes buying power and that keeps us competitive.

### You have made a recent acquisition. How does it fit into the business plan?

Jason: Before the acquisition of Morton, Imperial was food service and janitorial supplies with a bit of retail. Morton is largely retail. It's a great complementary fit. So we're now strong in another category.

### What are you focused on to make sure you don't lose your leadership position?

Robert: We focus on continuing to look at opportunities for growth, be it acquisitions, organic, new customers or more product to existing customers. When we wake up each day, we pretend there is zero business and we have to grow it. ●