



ShepherdReport

VOLUME #2

ISSUE #3

Message from Todd Shepherd

Since our last newsletter highlighting the successful move into our own new office and manufacturing premises, a number of things have happened - at least one unforeseen at the time.

The unforeseen was that I was appointed President of Shepherd Thermoforming and Packaging in August by my father Barry Shepherd (founder of our business), and my brother Mark (V.P. Finance and Administration). I had always assumed that when dad decided to move into a role that was more consultative with less day-to-day involvement, that Mark and I would run the company jointly as a team. To a large degree that is still true, but it was also deemed essential to have one of the owners responsible for all the activities of our growing company. Needless to say I am both humbled and pleased to be appointed to this position by my peers and accept the responsibility to lead the growth of this company into the coming decades. My background of direct sales with Shepherd, a firsthand knowledge of the total production process and a day-to-day involvement with our formidable design team will serve me well in my new role.

As with many companies, strategic alliances play an important role in our future. A current example is PDR (Packaging Development Resources), who are specialists in specification development and maintenance, test services and program management. With representation on the East and West Coast of the U.S. and many

years of successful solutions for industry, and as part of our sales resource group, PDR has opened the door to many blue chip companies. We like to think that similar goals of integrity and putting the customer first attracted PDR to Shepherd. The unique ideas of both our companies will contribute to sustainability solutions so much in demand in today's world.

In closing, I look back on my 21 years with Shepherd with a great deal of pride. I started shortly after my dad and mother set up the business sharing a modest 10' x10' office. We have grown in scope each year since then, and today with our own facility, are a leading manufacturer of thermoformed products in the country. Thank you dad for leading the way for Mark and I and our great overall support team to this high point in our history.

Todd Shepherd
President



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From Offshore to Inshore

By Chris Cook, Sales Manager

An issue that has come sharply into focus over the past few months is the quality, consistency, and dependability of supply of offshore products. At Shepherd we see that customers who bought clamshell packaging from us in the past, then switched to offshore manufacturers for "greater economy", are now starting to come back to us as their major source of supply. So is the offshore bubble starting to burst? We know from observation that labour rates in developing countries are starting to rise, quality on many products is starting to fall and government subsidies are decreasing. All of this adds up to a renewed focus on North American manufactured products where quality control, just-in-time delivery and fair pricing are becoming top priority again. With Shepherd's reputation for outstanding quality design and manufacturing facilities, we are always ready to take on the world!

SHEPHERD



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Technology that Helps Form the Future of Thermoforming

Some of the latest prototyping projects from our blue chip customers are preparing us for the future of thermoforming.

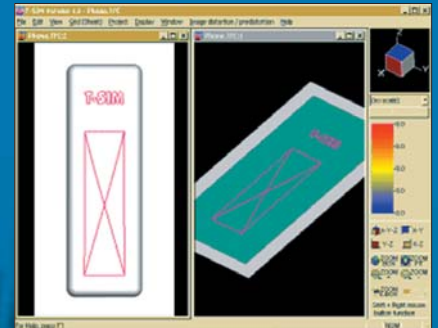
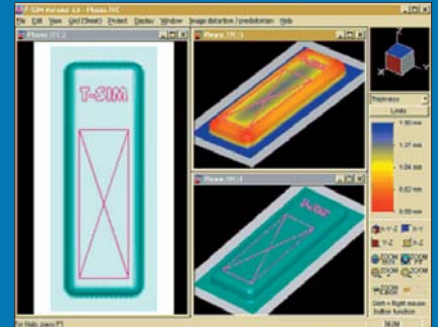
We received an award from V.I.P. over 12 years ago for the development of a pre-printed clamshell. This innovation meant that we could print directly on the clamshell - thus reducing the need for a printed insert. This technology is gaining momentum in Europe today. It has evolved from the early struggles of a decade or so ago when distortion print technologies and long lead times were a problem. With CAD and forming simulations like T-SIM from Accuform*, we are able to predict what the part will look like and exactly where the print will stretch as it forms.

This technology is now of serious interest to the blue chip companies of North America because of the issue of sustainability so up front in today's marketing approaches. It also gives us a

leg-up on offshore competitors, as we offer the highest quality and clarity for these products. The fact that we have the technical team to trial these products while working beside our customer's team, provides seamless communication not available offshore. In short, there is no substitute for being on-the-spot for the successful launch of new products.

Shepherd's strength is in staying ahead by creating the technologies to meet customer's needs in this fast growing science. With key suppliers of the technology within minutes of our plant, and a staff that loves challenge, it is easy to plot the future.

*Sold and supported in North America by Compuplast www.compuplast.net.



Materials Handling and Logistics Show and Conference

Cleveland, Ohio - April 21-24, 2008

Shepherd will have a display booth at the NA 08 show in Cleveland in April. If you plan to attend this important event, please make a point to visit us. We are located at booth 505 and will be happy to update you on how thermoforming can be your next big money-saving innovation.



Sustainability - Is it Truly Sustainable?

By Tom Preston PDR

In a very short period of time, Sustainability and Sustainable Packaging have grown from cottage industries and undercurrent to front of mind topics and global trends.

For those looking for a definition of Sustainability and how this applies to them, there is an excellent definition for our marketplace and products developed by the Sustainable Packaging Coalition. However the basic elements are the same. The key to the longevity of this new way of thinking is that it is beholden to a triple bottom line. That is, to be truly sustainable, products must:

- **Be economically viable**
- **Have intrinsic benefits to humans**
- **Not harm the environment**

Market leaders in food and consumer goods such as Aveda, Procter & Gamble and Kraft Foods have devoted Vice Presidential status to Sustainability Leaders and have committed a legion of human and capital resources in pursuit of a better sustainable answer for their existing product line and new product launches.

Retailers, most notably Wal-Mart, are

keeping score and those who do not comply with an improving record will be left behind.

The revolution to convert our homes and offices into more sustainable structures is well underway. An industry-wide push for standards and best practices is being led by organizations such as LEED and the U.S. Green Building Council.

PDR and Shepherd Thermoforming are testing post-consumer materials and investing in design and engineering resources to meet the demand for new applications in recycled content and biopolymer based components.

PDR is actively involved in the reclaim and return of materials to the close the loop between waste and new products with materials that recycled over and over.

Packaging is one of many industries being swept up into a new way of thinking about material and disposal. We are anxious to see what lies ahead and feel that sustainability is a going to be the cornerstone upon which we are going to build new capabilities and offerings to the market.

Meet Jose Ceron de los Angeles



Jose is one of our fine group of technical specialists with a multitude of interests that include a passion for the outdoor life so abundantly available in his adopted country, Canada.

Born in Bogota, Colombia, Jose is a Mechanical Engineer with extensive experience in heavy gauge thermoforming. He specializes in the fabrication of aluminium molds and their associated cooling systems.

An enthusiast of racquet sports and soccer, Jose is also returning to one of his earlier loves - playing the Spanish Guitar.

He and his wife Astrid live in Brampton, Ontario with their 13 year old daughter and 10 year old son.

From the Funny Bone

It's a pitch-black night on the water and the Captain sees a light straight ahead on a collision course with his ship. He signals "**change your course 10 degrees east.**"

The signal back is "**Change yours 10 degrees west.**"

The angry Captain sends "**I'm a Navy Captain! You change your course now!**"

"**I'm a Seaman Second Class**", is the reply "**Change your course, sir.**"

The furious Captain signals "**I'm a battleship! I'm not changing course.**"

The short reply is "**I'm a lighthouse. Your call.**"

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Shepherd Engineering Provides a Unique Solution to a Car Parts Manufacturers' Production Problem

Our client uses a number of different styles of metal/foam dunnage combined with cloth covers to handle large plastic bumper covers (fascias) throughout the molding and painting process. Parts must be held securely and protected while in various stages of completion (raw, work-in-process and finished goods). Management was seeking to replace the existing part-specific high density foam dunnage and metal carriers with a more cost effective dunnage, while eliminating the cloth covers altogether. The successful system must strike a balance between

- 1) being able to fit across several different styles of flat metal racks.
- 2) provide maximum part density.
- 3) allow easy loading and unloading for the operator.
- 4) provide maximum part protection, preferably without the use of any other temporary protective measures such as Mylar protective tapes or reusable fabric covers.
- 5) eliminate the need for swing-down holding devices/armatures or other manually applied locking devices to keep the parts in place on the rack.
- 6) require minimal capital investment.
- 7) Be robust enough to resist damage from wear and tear.
- 8) Provide provisions for colour specific dunnage to clearly identify various part styles.

Current dunnage designs often involve a costly and unwieldy swing-down metal arm to manage the top and wing tip areas of the part. The metal arms have the potential of causing both handling damage and operator injury, and require regular repairs and maintenance. Existing high density die cut foam systems can be expensive to design and build.

Shepherd's approach is unique in that a thermoformed floor strip is mounted directly to the existing rack floor, without the need for a metal carrier channel. The floor strip is formed in such a way that various features are present for each style of part, enabling multiple (up to 10) different fascias to be accommodated by

a single rack design. Only minor amounts of protective Mylar or foam tape are required to protect contact surfaces on the parts. No fabric covers or swing down devices are required. In some cases, part density was dramatically improved (doubled) over previous methods.

Shepherd's technical staff undertook a hands-on approach during each stage of the floor strip design. Samples of each fascia size and style were brought in-house, and multiple mock-ups and simulations were created. The team observed the overall shape and rigidity of each part to determine the best part orientation and contact surfaces to work with.

Based on the customer's initial approval, full scale prototype

racks were assembled for field testing. Revisions and improvements were later incorporated based on operator feedback and data from handling trials. Production quantities of some versions are now in full use by the customer, with the balance underway at Shepherd.



Standardized Dunnage and Reduced Investment = Big Savings

Response Corner

Can we be of help? Do you have a question about our technology or policies or require a quotation? If you do, please send your request to Chris Cook, Sales Manager, e-mail chris@shepherd.ca and you will get a prompt response.

Sign up for the seminar on thermoforming in Brampton on Feb 28/08

Shepherd Thermoforming & Packaging Inc.

CANADA: 5 Abacus Road, Brampton, Ontario L6T 5B7

U.S.A.: Fairport, New York & Santa Ana, CA

Toll Free: 1-866-898-8260

Tel: 905-459-4545

Fax: 905-459-6746

www.shepherdthermoforming.com

