



PACKAGED IN RUSSIA

Vladislav Yatsenko, CEO at Conflex, on becoming a leader in the flexible packaging market, import substitution and withstanding market shifts.

In 2001, Conflex launched production of flexible film packaging using flexographic printing technologies and in just five years became one of Russia's top 5 producers of flexible packaging. How did you soar to success?

We established a full-cycle company embracing a design studio, a modern platemaking facility, state-of-the-art printing equipment, high-capacity laminating and cutting machines. We employed customer-focused sales managers and professionals well-versed in printing and packaging technologies, and the relevant market segments.



Launched in 2001, Conflex manufactures flexible film packaging for food and FMCG segments. A top 10 flexible packaging company in Russia, it has been continuously improving its technologies and increasing the number of orders.

We participated in contests and exhibitions, placed ads in dedicated publications, and negotiated directly with packaging buyers to strengthen the company's position and increase brand awareness. Within the first three years, Conflex found its strategic partners – leaders in various FMCG market segments, both domestic and multinational companies with production facilities in Russia. We built our relations on transparency and trust. Eventually, this allowed us to overcome the crises of 2008 and 2014 without any serious loss.

What was the impact of the import substitution programme on your company?

Actually, we entered the flexible packaging market during the first stage of import substitution, when the process of phasing out foreign manufacturers was underway. It helped us offer high quality at best price due to logistics cost savings. All negotiations were driven by the convincing idea of “Russian packaging for Russian products”.

What segments use your packaging today?

We produce packaging for both food (confectionery, frozen food, snacks, granular products, ice cream, dairy products, freeze dried food, etc.) and non-food products (pet foods, hygiene and beauty products, consumer goods, building materials, etc.). From the very beginning, we built our order portfolio with a focus on seasonal trends to balance ups and downs in various segments.



Printing machine at Conflex.

“FROM THE VERY BEGINNING, WE BUILT OUR ORDER PORTFOLIO WITH A FOCUS ON SEASONAL TRENDS TO BALANCE UPS AND DOWNS IN VARIOUS SEGMENTS.”

How can you describe today's flexible packaging market? What trends and challenges will it face in the near future?

We see a shift to a buyers' market as major players continue to evolve. Packaging consumption is not growing as fast as printing and post-printing capacities, posing a risk of market distortions. We take it as a threat and do our best to counter it.

In what way?

We ramp up production. The higher it is, the easier it will be to survive. We invent new technological features and strive to integrate with our customers and suppliers as closely as possible. The changing market forces us to constantly develop and improve.



Conflex production site.

“SIBUR'S CONSOLIDATION OF ITS BOPP FILM PRODUCTION ASSETS IS PART OF A MAJOR EFFORT TO DEVELOP THE INDUSTRY BEYOND A SIMPLE SELLER-BUYER RELATIONSHIP.”

What innovative solutions do you offer to your customers?

Conflex engineers are in a permanent search for new solutions, including better visual effect and barrier properties. Our recent R&D achievements include strip lamination, reverse metallisation and new experiments (at the testing stage) with barrier adhesive in laminates. Pre-press processes also involve ongoing research to increase the quality of printing and plate run length, which is important for making package more attractive while maintaining and often improving its cost-effectiveness.

What is the share of Russian feedstock, in particular that of SIBUR, in your products?

The major components include rolls of film and paper, paints, varnishes and adhesives, with the share of domestic products accounting for around 80%. In our production, we use PP films from BIAXPLEN and PE films from various Russian suppliers that also purchase feedstock from SIBUR. Thus, a half of the roll materials we use are traced back to SIBUR.



Conflex relies on BIAXPLEN's PP films.

“THE UNDERSTANDING OF SIBUR'S PRODUCTION SYSTEM (SPS) STRENGTHENS THE COOPERATION, FACILITATES COMMUNICATION AND LIKE-MINDEDNESS TO THE ULTIMATE BENEFIT OF ALL STAKEHOLDERS.”

How would you rate SIBUR's customer policy in general?

At the very beginning of our cooperation, we could see that SIBUR's consolidation of its BOPP film production assets is part of a major effort to develop the industry beyond a simple seller-buyer relationship. First of all, our close cooperation allowed us to use various financial instruments, including factoring and logistics methods of inventory management to reduce the delivery time.

On a separate note, SIBUR runs seminars to share the experience. The understanding of SIBUR's Production System (SPS) strengthens the cooperation, facilitates communication and like-mindedness to the ultimate benefit of all stakeholders. We have successfully adopted and are already implementing much of this knowledge. We appreciate the openness of the colleagues we are working with and their focus on customer support.

In summer 2018, the company launched a regenerative thermal oxidiser for air pollution control. Why did you decide to invest in these technologies? What other pollution control efforts do you make?

It was not only the environmental laws that triggered our decision to invest in special equipment for minimising our impact on the environment. For us, environmental protection is not just a buzzword. It is a prerequisite for the well-being of the world we live in. In addition, we recycle our liquid waste to the fullest extent possible, with all waste solvents recycled by ROTO and then reused as a paint remover for the equipment. The approach to solid waste is the same – maximum possible recycling and reuse. We care about the air we breathe at our facility and our children breathe when they are nearby. Our corporate colour is green, the colour of a green and clean world.

