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Fresh Ideas For Growing Companies



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Beckett and investors buy out Chrystac partner

By Eric Decker, of SBT

William Beckett, president of Milwaukee-based Chrystac Packaging & Assembly Corp. (Chrystac), and a group of investors have bought out a former partner who held 44 percent of the company's privately held shares. The shares were purchased for about \$130,000, Beckett said. Chrystac is now owned by a group of 10 shareholders, three more than before the buyout. With the new ownership team, 73 percent of the company is owned by racial minorities, Beckett said. The buyout of the former majority shareholder was the completion of Beckett's original vision for Chrystac.

"It is the original mission," he said. "It's easier to manage now. And with our shareholders, there's great technical talent. It's no longer about how the business is run, but where the business should go. Everybody buys into the plan." In addition to packaging and assembly, Chrystac also handles inspections, bagging, labeling, quality inspection and other jobs for manufacturers - jobs that those firms want to have outsourced because they can be performed by a flexible work force that does not necessarily have the highest skill set, Beckett said. Beckett helped start the firm, located at South First and West Becher streets on Milwaukee's south side, in 2001. Chrystac has had a tumultuous first few years - with \$800,000 in revenues in 2001 and \$1.9 million in 2002. However, the events of Sept. 11, 2001, and the national economic slowdown that followed created some tough times for the firm.

The firm had about \$900,000 in revenues for both 2003 and 2004, but Beckett is predicting a \$1.3 million comeback for 2005. "2003 was terrible for us, and 2004 was sort of a comeback year for us," Beckett said. "We've been hanging on by our fingernails, but we've been able to weather the storm."

Beckett said Chrystac's financial troubles arose from having too many of its eggs in one basket. Before Sept. 11, about 70 percent of Chrystac's business was

with three customers. The firm has 30 clients now, and Beckett said its flexibility and ability to quickly change its assembly or inspection areas enable the company to adapt when customers want a different product or service. Even though the company has had some financial stumbles, its workforce has increased from about 25 full-time employees in 2003 to 35 today.

Beckett said Chryspac has another mission, aside from outsourced inspection, packaging and product assembling for its customers. Bringing steady jobs that include vacation, benefits and steady work to the inner city was one of his motivations when helping to establish the firm, and it makes him want to keep the plant located in the near south side.

Much of Chryspac's work force is Hispanic, many of whom live within just a few miles of the plant. "Our business mission is to make money and return the investment for our shareholders," Beckett said. "Our social mission is to create jobs for people who need them in the central city." Most of Chryspac's employees are contracted through an employment agency located near South 6th Street and West National Avenue, Beckett said, allowing the firm to tap into a workforce that doesn't have to travel far for employment.

Chrysalis Packaging & Assembly Corp. (Chryspac)

Address: 2107 S. First St., Milwaukee

Service: Packaging, assembly, inspection, bundling, inspection

Employees: 35

Revenues: More than \$900,000

Web site: www.chryspac.com

