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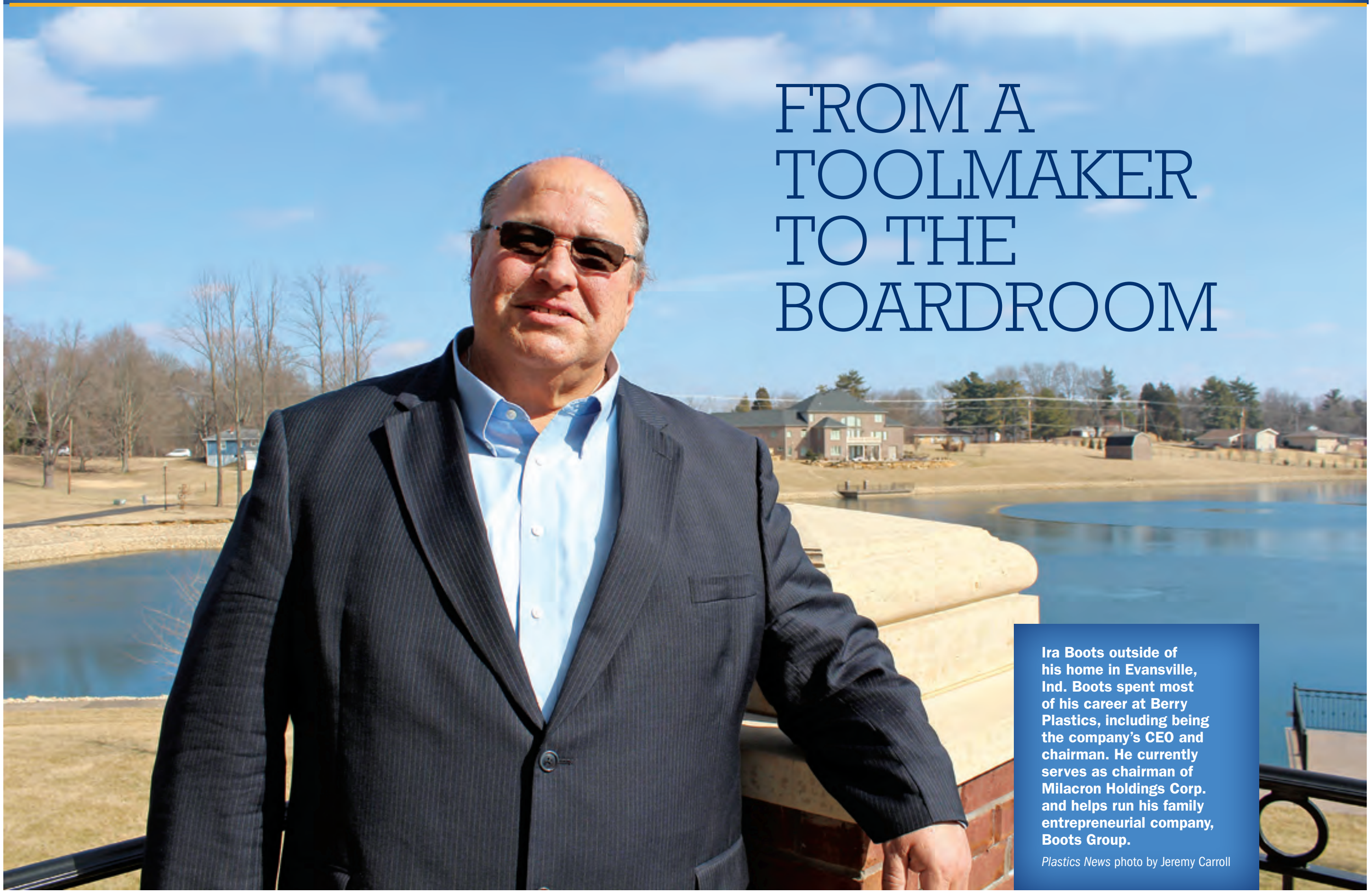

FROM A TOOLMAKER TO THE BOARDROOM

Ira Boots outside of his home in Evansville, Ind. Boots spent most of his career at Berry Plastics, including being the company's CEO and chairman. He currently serves as chairman of Milacron Holdings Corp. and helps run his family entrepreneurial company, Boots Group.
Plastics News photo by Jeremy Carroll

Ira Boots helped Berry Plastics soar and Milacron stage a comeback

By Bill Bregar
Plastics News Staff

Evansville, Ind. — Eight years ago, Ira Boots retired from Berry Plastics Corp., where he was chairman and CEO. He still regularly has lunch with Berry employees from the headquarters plant in his hometown of Evansville.

"We were bonded together," he said. "And I've said this a thousand times: It's a movie. Every movie you see, people have roles. It's not a movie unless you have all the people."

That says a lot about Boots as he enters the Plastics Hall of Fame. Boots, 64, is a people person — a toolmaker with a high school education who helped build Berry into one of the world's biggest plastics packaging makers in a 32-year career, worked with financial experts to set up deals and was tapped to be chairman of Milacron Holdings Corp.

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Ira Boots

He gets excited about U.S. manufacturing. Milacron, the only remaining broadline plastics equipment manufacturer in the United States, filed for Chapter 11 bankruptcy in 2009. In 2012, a connection from a private equity company that owned Milacron called to see if Boots would become chairman.

He said yes. Milacron staged a comeback and went public on the New York Stock Exchange, and today, the machinery maker is profitable. It employs more than 5,000 around the world.

"It's a great American story of a business. They were as close to death as death could be, and here it is, 10 years later, and things are good. Things are going well at Milacron. That's a huge source of pride to me," Boots said.

Ira Boots also is an American success story who has a working-class background. He began as a toolmaker at a shop in Evansville owned by his father, Joseph Boots. He moved to another local company, American Mold, then on to Windsor Plastics.

In 1978, Boots joined a local injection molding company, Imperial Plastics, the forerunner of Berry. Just 11 years earlier, in 1967, four men had left Sunbeam Plastics, a big molder in Evansville, to launch Imperial. The key early product: aerosol overcaps, which had been a Sunbeam specialty.

Boots supervised Imperial's toolmaking and product design departments. He was employee No. 40. Imperial Plastics generated $4 million in sales. The plant had 12 injection presses, but not all of them ran. There were about eight mold makers.

When Boots retired from Berry in 2010, annual sales were $4.5 billion. The company employed 18,000 people.

"One of our main machines at Imperial, it took eight hours to make four boxes of parts. And these weren't huge boxes," Boots said. "When I left Berry, we made four boxes in about 10 minutes."

Robert Morris owned Imperial Plastics when Boots joined the company. Morris, an entrepreneur, had stepped in to buy the company when the founders ran into financial trouble.

Boots said Morris was a colorful person whose holdings included grain elevators and a huge 16,0000-acre tract of land in Florida.

"He took his talents and could do many things with them," Boots said. Morris was humble and modest but had the ability to look at something and see value. Imperial was in financial straits. Morris knew nothing about plastics. "And he looked at it and said, 'I think there's something here,'" he said.

A pivotal moment happened when American Can, a maker of tin cans, had problems making large plastic containers. Boots said Imperial won a contract to mold them for American Can.

"And over time, American sold that line to Imperial. And that was really the foundation of the tub side of Berry," Boots said. Tubs are still a significant business.

By the end of the 1970s, injection molded tubs were a $3 million business.

Ira Boots discusses his career in his home in Evansville, Ind. Boots spent most of his career at Berry Plastics, including being the company's CEO and chairman. He currently serves as chairman of Milacron Holdings Corp. and helps run his family entrepreneurial company Boots Group.

From Berry to private equity

Jack Berry bought Imperial Plastics in 1983 and renamed it Berry Plastics. Berry was an orange grower in Florida. He connected with Morris when he bought his land in the Sunshine State for commercial development to diversify beyond oranges.

Berry only owned the molding company for six years before retiring and selling it to First Atlantic Capital. It marked the first in a string of private-equity owners.

"Our story really started in 1989," Boots said. "Mr. Berry was selling the business then, and private equity was in its infancy. Today, we know the world of private equity, but in 1989, it had just started, basically."

By then, Berry was a very successful niche molder, with sales around $60 million and high margins. Robert Schad, the charismatic founder of Husky Injection Molding Systems Ltd., had visited in the 1980s and made his famous comment, "Automate or die." Berry leaders took that to heart. (Schad himself is a member in the Plastics Hall of Fame.)

"But it was still a very small company," Boots said. "And if we did innovation, the big guys would just swoop in and take it away from us. We couldn't defend ourselves."

So, four Berry Plastics executives — Boots; President Brent Beeler; Doug Bell, the head of sales and marketing; and Jim Kratochvil, the chief financial officer — decided to do something about that.

"The four of us made that decision: We're going to be the largest in the world and not just the best niche molder out there. And we took our technologies and turned them into high-production areas. Then we went after markets," Boots said. "We created a nucleus that propelled that company."

Private equity backed up the plan and provided cash to build Berry into what would become a juggernaut packaging manufacturer.

The four leaders crafted an ambitious 100-year business plan in 1990. Boots said the plan called for growth equally divided between acquisitions and organic. The company would follow six core principles.

They studied the strategy and long-term vision used by Japanese equipment maker Komatsu, which pivoted quickly after World War II to compete head-on with established competitors like Caterpillar.

Boots said the leaders applied a Japanese principle that translates into "encircle the enemy with aggression." Adopting a laser focus, little Berry of Evansville took on huge global players like Alcoa and International Paper. Boots summed up the strategy: "If you're my competitor, I'm gonna build everything that you make. I'm gonna build every product that you make, and I'm gonna circle the wagons around you, and you cannot get away from me. Whenever you try to do something in the market, I'm going to do it faster, quicker and usually at a lower price."

Berry made large investments in Husky injection presses, automation, high-cavitation molds, high-speed thermoforming lines and printing. But even with advanced technology, people are the key, he said.

"We could go out and build a building. We could go buy machines. We could buy molds. We could do all the stuff that you'd want to do. The difference is the people. They have the ability to maximize those benefits from the building, the product line, the markets you're in. It's people. One hundred percent. Every time. All the time," he said.

Berry Plastics Executive Vice President Scott Farmer nominated Boots for the Plastics Hall of Fame.

"More important than all his success is his humble approach toward business and leadership. He is well-respected and revered by those who have had the privilege of working with him," Farmer wrote in the nomination.

And Boots does come across as unpretentious, a plain-talking man who looks like he could still machine and polish a mold.

Under private equity ownership, acquisitions came hot and heavy — 29 deals in 20 years, by the time Boots left Berry, after working up through several management levels, including executive vice president of operations and chief operating officer and president. Berry named Boots chairman and CEO in 2000. In his career at Berry, he led the company through three private equity owners.

He said that in some cases, Berry made the deals because competitors couldn't escape its circle of wagons closing in.

"They didn't have any place else to go. And we could just tighten and tighten and tighten," he said.

The company became an expert at integrating all the newly purchased companies, assembling teams of key employees to move quickly, especially on the important integration of information technology systems — typically a key operational problem area in mergers and acquisitions. A core group of IT people were dedicated to the task.

One of the deals brought diversification into thin-wall plastic cups — the purchase of Sterling Products Inc. in 1995. Sterling had developed a line of large injection molded drink cups for fast food to replace paper cups. They fit into cup holders in cars.

Berry had expanded into thermoforming, including through another major purchase, Landis Plastics Inc. in 2004, which brought, among other things, trim-in-place polypropylene thermoforming.

To compete against thermoformed polystyrene cups, Berry officials wanted to develop cups from deep-draw thermoformed polypropylene, a big technical challenge but one with a big cost advantage. Boots said while PS has a large processing window that is forgiving, PP is tricky to thermoform, with a "razor blade edge" window.

Boots said Berry introduced the PP cup at NPE 2000. It turned into a giant business.

From Main Street to Wall Street

Doing all those deals meant Boots got to know his way around the high-finance world of Wall Street, where he learned other skills. Berry became a darling of the investment world for its innovation and fast growth. The packaging sector is ripe for M&A, as larger companies can win lower resin prices in what can be cutthroat, high-volume business.

Private equity contacts turned to Boots to become Milacron's chairman about 18 months after he retired from Berry. CCMP Capital Advisors LLC had acquired Milacron from Avenue Capital, the firm that had provided debt refinancing to Milacron. CCMP leaders knew Boots from his days at Berry because an affiliate, Chase Capital Partners, had an ownership position in Berry.

They called Boots to gauge his interest. "They took a lot of pride in it. I remember when they called me, they said 'Ira, here's a company that's really struggling and we know how you feel about people, and we think if we get together, we can do something here,'" he said.

Boots praised two CCMP executives, Greg Brenneman, executive chairman, and Tim Walsh, president and CEO, for their work with Milacron. "These two guys took a personal interest, jumped on the board themselves, put me as a chairman. We worked together and within three years, took the company public in 2015."

CCMP sold its remaining shares of Milacron in November.

Boots Group and US industry

The investment community was a learning experience. And after Boots retired from Berry, he kept learning new things, teaching himself about internet marketing and social media, sitting for hours at his computer at home.

In 2012, Boots Group was formed, a "family equity fund." Its members are Ira Boots and his wife and high school sweetheart, Theresa, and their son and daughter, Brandon Boots and Andrea Baumann.

The holding company has made 13 acquisitions so far in areas such as agriculture cropland, development property and wireless communications.

"Family equity has a 100-year horizon, where private equity has a six-year horizon," he said.

And Boots seems as pumped up as when he was building Berry. One Boots Group unit remanufactures engines for ATVs and side-by-side UTVs. When people bring them back to the dealership for repairs, they get shipped to the shop. Boots explains that this means the dealership doesn't have to employ its own maintenance people.

The repair work comes with a warranty. But here's the beauty part: The engine company has 86,000 followers on social media.

"We took a hard-core garage shop business and put it into social media!" Boots said.