

By Caroline Martin
Specially for *O Papel*



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Grupo Bignardi celebrates Jandaia's achievement with spiral pads and now focuses on other segments in the paper industry

In January, Jandaia won the Fernando Pini Brazilian Printing Excellence Award. *The Little Prince* pad was elected Brazil's best in the Spiral School-Pad category, according to ABNT standard #157333. Created in 1991, the award stands as the main contest in Brazil's printing segment, with ISO 9001:2008 certification to ensure quality of the awarding process.

Happy about the achievement, Jandaia's industrial and marketing director, Ivan Bignardi, celebrates the feat as recognition of the company's innovation effort over the last years. He also credits part of the merit to the choice of the character. "The Little Prince is one of the most famous and dearest characters of all times, for both children and adults, as it provides unforgettable lessons. The story is remembered for the simplicity of its optimistic messages and love towards our planet."

Today, Grupo Bignardi's productive capacity is divided between Bignardi Papéis, which produces 60 thousand tons of paper per year, and Indústria Gráfica Jandaia, which produces approximately 30 thousand tons of end products per year. In an interview to *O Papel*, the executive addresses the commercial strategies behind its production and draws a scenario of the printing and writing paper segment. "We are not blind to the current threats of this market, we are producing studies and seeking new opportunities in other segments within our sector," he said.

O Papel – What aspects stood out in *The Little Prince* pad that made it win the Fernando Pini Brazilian Printing Excellence Award?

Ivan Bignardi – Over the last few years, we made constant investments to improve our production plants. Our machines today possess cutting-edge technology to produce the latest in printing applications worldwide. The award, recognized internationally for the level of works presented, broke the application milestone of 1,500 products and acknowledged the printing quality of processes applied in *The Little Prince* pad. We perceive this achievement as recognition for all the effort in making Jandaia an innovative company that seeks perfection in the production of superior quality school material.

O Papel – In addition to the printing applications you mentioned, is the quality of paper used to produce the cover and inside of the pad another competitive advantage? Does raw material quality influence, for example, the printing and finishing of the pad?

Bignardi – Yes, raw material quality is fundamental to allow applying high-performance printing processes. The paper of the cover, for example, must have a good bulk to absorb not only the offset ink load, but also the lamination adhesive, the BOPP film and silkscreen lacquer. Another essential characteristic for this type of paper is whiteness. With regards to the paper sheets inside the pad, it needs to be offset in order to ensure better quality in the offset and flexographic process, as well as better production performed. Whiteness and opacity are other requirements of this paper.

O Papel – How does Grupo Bignardi integrate the production of paper with that of Jandaia's pads?

Bignardi – We manage the group companies as independent business units. Bignardi Papéis, which is responsible for the production of paper, focuses on supplying practically its entire production to the market. The raw material used by Jandaia is also acquired in the market. Production verticalization only occurs in strategic moments for the operation. An efficient example of verticalization is the use of Eco Millennium recycled paper, produced at our own plant, which is used to produce pads and agendas that possess a sustainable appeal, such as the *Eco Linha*, *Eco Way* and *Coke Recicle* product lines. We opted for this business format as a commercial strategy.

O Papel – Over the last years, did Grupo Bignardi invest in its production units in order to optimize production and integrate its units? What improvements can you list as example and what positive results did they lend to the production process?

Bignardi – Yes, we made significant investments to the group's two production units. An example is the doubling of production capacity at Bignardi Papéis, with the purchase of a new paper machine in 2007. Today, the quality of our paper is equivalent to that of the best players in the market. In 2011 and 2013, we also boosted and qualified our cutting and folio size packaging by investing in a second Pemco cutter and a Wrapmatic wrapping machine, resulting in exceptional end product quality. At the printing unit, we made significant investments over the past five years and purchased new machines and equipment, which allowed increasing the company's production capacity, as well as substantially improve the quality of graphic resources used in the production process. In the last five years, we also invested in three Bielomatik machines to produce spiral pads, an Heidelberg offset printer and three Kolbus binder machines. Last September, we started up a biomass boiler, substituting the use of natural gas for renewable fuel to become the energy source of our new plant in Jundiá. It took almost 8 months to conclude the project

and comprised an investment of roughly R\$7 million. The decision to invest was made pursuant to the posture that the company assumes of propagating actions associated to the conscious consumption of natural resources, in view that recycled wood reduces greenhouse gas emissions by up to 67%.

O Papel – Does the company also prioritize innovation in its end products? Does it conduct surveys to boost this aspect in its portfolio?

Bignardi – We consider investments in research and innovation as being essential to keep us up to date in relation to the challenges of this highly competitive market. The improvement in production processes, increased productivity and product quality are the direct result of investments made in research and innovation. In terms of printing products, we conduct surveys every year on style and behavior trends for each product and target audience. It is important to point out that 100% of our printing products carry the FSC seal, providing end consumers products that satisfy their expectations in an ecologically sustainable manner.

O Papel – How did the company perform in 2013 and what are your expectations for 2014?

Bignardi – 2013 was a very good year, having posted a significant increase in all business units. In addition to boosting sales 20% in relation to last year, we were also able to improve the company's profitability through a better product mix. Our expectation is that 2014 will be a year of rising demand in our sector, benefited by the various events that will take place in the country. We want to take advantage of this context of opportunities to continue our trajectory of solid growth and further strengthen Grupo Bignardi's presence in the market.

O Papel – Focusing on expectations over the next few years, what are the main challenges in the printing and writing paper segment? How does Grupo Bignardi intend to master these challenges and remain competitive?

Bignardi – The increasing media-digitalization trend is the main challenge in the scenario that encompasses the segment over the medium and long-term. However, we still observe continuous growth in printing paper consumption, leveraged by higher printer sales in the home and corporate segments. We continue contemplating continuity of its growth over the next years, as long as the local economy continues growing and is not affected by external factors. In terms of strategies, we possess a comprehensive portfolio of products and a sales force with a nationwide presence. In addition to our own brands, we work with leading market brands, aimed at satisfying all customer expectations. However, we are not blind to the threats present in this market. We are conducting studies and seeking new opportunities in other segments within our sector. ■