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FLEXIBLE PACKAGING

Growth and flexibility make Reed-Lane a valuable packaging partner

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Flexible Packaging

Growth and flexibility make Reed-Lane a valuable packaging partner

■ **By Mike Auerbach, Editor-in Chief**

Packaging might seem like a rather straightforward process. You take a tablet, put it in a bottle, label the bottle, put on a cap, and put the whole thing in a box – and you're done.

The truth, however, is far from this simplistic view. Today's contract pharmaceutical packaging is a balancing act between clients, packaging equipment and components suppliers, and tooling suppliers. No two packaging projects are alike and in order to make it all work and to keep everything on track and everyone happy you need to have a flexible, responsive and quality-driven organizations.

Reed-Lane, a well-established pharmaceutical contract packager based in Wayne, NJ, has deftly combined these qualities along with recent investments to create a truly flexible contract packaging operation.

BACKGROUND

Since the company's start in 1959, when the company was located in South Hackensack, NJ until today – it has always been in the packaging business and has always been privately owned.

Joe Luke, Reed-Lane's Vice-President of Sales and Marketing explains that Fred Claus, the company's 91 year old Chairman of the Board, started the company in 1959 with five other people from another packaging company.

"They built their own packaging machines and focused on

healthcare strip packages and pouches," says Luke.

CURRENT OPERATIONS

Reed-Lane is primarily a packager of solid dosage products – tablets, capsules, softgels, etc. accomplished through high-speed blisterpackaging and bottle packaging lines.

Luke, who joined the company in 2007 when the company had only two bottling lines, has seen the company's capabilities expand to four bottling lines. "All the lines are new," says Luke, "we only have one original filler, which will be replaced later this year."

The blisterpackaging lines are also receiving upgrades. Earlier this year the company installed a new Uhlmann blistering machine integrated with an Uhlmann cartoner and just recently (see sidebar) installed a second Uhlmann blisterpackager.

With the company's investments in blisterpackaging equipment comes the inevitable questions whether the market for blisterpackaged products is as strong in the United States as it is in Europe.

"I don't see it exploding," says Luke, "although a lot of people would like it be. Our blister business has grown, but so has our bottling business. In fact, our bottling business has grown more than our blister business. A lot of our OTC business is in bottles and we are getting the OTC blister business as well – just more bottling – but both are growing."

He continues, "Blisterpackaging is an aid toward medical compliance – I believe it can and studies have shown that it does. I think it comes down to costs and the payers – the insurance companies – you have to sell the benefits to them. Putting tablets in a bottle is cheaper than putting tablets in an exotic blister pack."

"From a pure costs perspective you're paying more – but for the overall costs of providing healthcare, blisterpackaging is going to lower costs. Convincing the insurance companies is the hard thing to do – the message is out there – but it's hard to predict how healthcare will go in this country."

In addition to helping with healthcare compliance, blisterpackaging can also pro-



Product Launch

Reed-Lane just completed a new product launch on its recently installed Uhlmann Packaging Systems UPS4 MT Blister line. Reckitt Benkiser's Mucinex Allergy Tablets are packaged on the premium blister line, which can produce up to 600 blisters per minute and features a dedicated Aylward product feeder, an Uhlmann VisioTec vision system and an in-line Uhlmann cartoner.



Blisterpackaging for solid, semi-solid and liquids is a Reed-Lane specialty.



Reed-Lane can perform a variety of secondary packaging operations.

vide a better defense against moisture than bottles. Opening and closing a bottle can degrade products – blisterpackaging can help alleviate that problem.

Luke says that Reed-Lane’s business make-up right now is about 65% OTC and 35% Rx.

A BUSINESS EXTENSION

Reed-Lane has had the good fortune to have several long-term relationships with customers – both OTC and Rx - that has enabled them to build a strong foundation from which to grow. These relationships have allowed Reed-Lane to become in essence an extension of their customers business and a partner that can be relied upon.

“We also pick up business from companies that have a product that might be on the down side of the product’s lifecycle,” says Luke, “it might not have the same financial return for the company as it once did – but it certainly is lucrative enough for us.”

Reed-Lane’s customer base is primarily divided amongst four types: Branded Rx, Generic RX, Branded OTC and Private Label OTC.

For the private label OTC part of their business, Luke explains that the company will get tablets in bulk, sometimes millions upon millions of tablets and carve them up amongst companies like CVS, Rite-Aid, Wal-Mart and Walgreens.

“One run with a lot of sub-runs for various clients,” says Luke.

SERIALIZATION ON THE HORIZON

One of the biggest technical obstacles pharmaceutical companies are facing right now is the impending serialization mandates. As this is an operation that puts a lot of scrutiny on packaging operations, it’s good to hear that Reed-Lane has been working toward meeting serialization mandates for quite some time.

“We are in the midst of, and are investing quite a bit of money for serialization,” says Luke, “we will be ready for it.

He continues “It’s something we have been on top of for a number of years – we have partnered with Optel, they are going to be refining the line. We will be setting up a separate room

and bring all the packages into the room – the line is very flexible and will be able to do the item level serializations, the aggregations, the bundles and then the bundles into the shipper.”

“That’s our first foray into serialization, which will also be tied into our ERP system. Once we gain some experience with that we will then serialize one of our bottling lines.”

“We are farther ahead on serialization than many of our competitors and probably many of our customers as well,” says Luke.



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FLEXIBILITY IS THE KEY

As mentioned earlier Reed-Lane prides itself on being a flexible contract packaging organization.

“That is probably why we’ve been successful, says Luke, “we’ve been in business for 50 years and have grown a lot in the last 3 or 4 years. We have had some competitors that are bigger than us – but we can do everything they can do; where we excel is that we are flexible and easy to work with.”

“We are small and privately owned and can be more flexible. We don’t have a lot of management here. People report to our president and she meets with customers, they call her or me regarding projects. We are very hands on – we operate as a team.”

Patricia Galvin, the company’s president echoes Luke’s remarks, “We work very closely here, and everyone in the company knows exactly what’s going on. Someone can pick up for some else.”

ONE POINT OF CONTACT

To make packaging runs go as smoothly as possible project managers are assigned to each customer or project. As a project evolves and gets closer to production, the client’s QA, engineering, and shipping people are speaking to their counterparts at Reed-Lane – and it’s a systems that works well.

“We are very good at fast launches,” says Elvin. “We are flexible – our customers likes us – as Joe said we are an extension of their company. Customers come to us – the majority of our business comes from current customers who like our service and our flexibility.”

In addition to projects coming from existing customers, the company has landed new business as well. “We had to build some lines for this work – secondary packaging. We are doing things that are not common for this type of works and is unique in the packaging world,” says Luke.

EQUIPMENT, TOOLING & SUPPLIERS

Just as important as operational flexibility is the input and expertise from Reed-Lane’s equipment, material and tooling suppliers. For example, the company obviously has to rely on their packaging equipment suppliers, but just as importantly is the input and expertise of their material and tooling equipment suppliers.



Biotech packaging is another Reed-Lane service offering.

“If you had to rank them it’s your component suppliers and your tooling suppliers, and who is your service supplier versus the equipment manufacturer,” says Elvin, “because once you get the bottling line in here and get the feel and flow of how things are processing – you’re on your own road and ‘driving the car’. You do need help once in a while. But it tends to be help with the forming material or the sealing, or maybe a bottle is just not right. Sometimes if it’s something, for example, with the forming – we bring in the equipment manufacturer, the material supplier and the tooling provider to all fix the problems.

After awhile when you are running, for example, bottles – as long as everything is maintained you should be ok.”

PACKAGING TRENDS

As a contract packager, Reed-Lane sometimes gets request to package products in new ways.

“Customers come to us with products that have unique requirements,” says Luke,

■ Production Capabilities

- Solid dose bottle filling
- Thermoform blister packaging for solid dose or semi-solid and liquid products
- Cold form blister packaging
- Pouching for solid dose and semi-solid cremes and ointments
- Convenience vial filling and carded blistering
- Secondary packaging such as wallet cards, blister cards & cartonning
- Compliance packaging: Shellpak & Key-Pak
- Vial labeling, kitting and hand assembly

“maybe how it is dispensed and then we have to incorporate that in the package – at a couple of million units a year – and it has to be done efficiently.”

Recently, the company launched a product with a unique carton design.

“We had never see that before,” says Luke. “But we worked with the customer’s engineers, our engineers and the vendor that makes the change parts for the carton. Everyone needs to compromise a little to make everything work. Things need to be tweaked – that’s a collaborative effort.”

“In this business there is nothing cookie cutter – everything is custom. There are a lot of similarities – I can apply a lot of what I did yesterday – but it’s never exact.”

LOOKING FORWARD

Having established themselves as a premier contract packager for the pharma industry, Reed-Lane is now looking towards the future.

“Short – to mid-term – our plans include new warehouse space,” says Luke. “We recently converted some existing warehouse space at this site into a bottling line and a secondary packaging line. We are also looking at taking the remaining warehouse space here and converting it into packaging space – and moving our warehouse operations to an off-site location – just a few miles away.”

“Reed Lane is privately held,” says Galvin, and we want to stay privately held for the next 3 – 5 years – and continue to grow the business and capacity. With the new warehouse – we will be redesigning our finished goods warehouse and our bulk goods warehouse, which will allow us to continue to grow in this location. This location affords us better opportunity to manage the business - everyone is in one building. But with the signing of the new warehouse lease, that building is large enough to allow us to start secondary packaging in that building if we see the need to do that.”

“We have been on an upward trend since March 2010 – we have doubled our sales and put in around \$10M in equipment and infrastructure since then.”

“The future looks good for Reed-Lane,” says Luke. “We treat all our customers like they are a big fish in a small pond – we have their back.”