

Little tubes of lip balm are big business

Written by MARK JAEGER

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Saukville's Alliance Packaging Group finds a very flavorful niche

Although lip balm may come in small tubes, the product is big business for one Saukville company.

The deceptively named Alliance Packaging Group produces a tempting array of lip balms under its own The Cocoa Shoppe label, as well as for companies around the globe.

Located on the east end of a multi-tenant building on Technology Way in Saukville's business park, the company has grown into a leading manufacturer of lip balms as well as body and skin care products.



Co-owners Maher and Linda Kamel estimate as much as 90% of their business involves lip balm.

"A lot of people know me as the Lip Balm Queen," Linda Kamel joked.

Producing 15 million tubes of balm last year rightfully earned her that regal status.

The couple started the business in 2001 after years of experience in the personal products industry — Maher in distribution and Linda in manufacturing.

"We bought the division of the business from our previous employer and planned to move it to Saukville," Linda Kamel said.

Fate, however, got the enterprise off to a rocky start.

"We were packing on Sept. 11 (2001) when everything came to a halt as we watched the World Trade Center towers come down. It was supposed to be such a happy time for us, but suddenly the move was overshadowed. Nobody knew what the attacks meant. Were we at war?" Kamel said.

Gradually, an equilibrium was regained in the business world, and Alliance Packing Group was up and running.

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The Kamels started with four employees. Today, they have a full-time crew of 22, and another 20 part-time workers filling out two shifts.

The firm does a good business packaging personal care products such as moisturizers, lotions, sun screens and bath products for private labels — just about anything that could be sold in a tube or jar.

The company's lab is registered with the Food and Drug Administration and formulas are created under the guidelines of the Current Good Manufacturing Practices program.

At first, the company focused on the production end of the business, creating promotional products that are sold under other companies' labels.

"That way, marketing and distribution are someone else's problems," Linda Kamel said.

At the same time, Alliance developed a niche in the area of lip balms. With its own research and development department on site, Alliance was called on by companies and events that wanted signature balms under their own labels.

"We have had a number of orders from state fairs, including the Wisconsin fair that wanted a cream-puff flavored balm. We've also made balms flavored like maple-smoked bacon, beer, ketchup and mustard, and even buttered sweet corn," Kamel said.

A state pickle producer asked for a balm that smelled like pickles.

"It turned out to be a huge seller for them," Kamel said.

The company drew the line when it was asked to develop a lip balm that smelled like burnt rubber and motor oil for a NASCAR event.

"The lab wanted nothing to do with that order, so we passed," Kamel said.

Eventually a series of chocolate-based lip balms were developed by the company using beans from the Omanhene Cocoa Bean Co. in Milwaukee.

The Cocoa Shoppe menu of balms includes dark chocolate espresso bean, dark chocolate cocoa noir, milk chocolate mint leaf, milk chocolate orange truffle, white chocolate chai tea and white chocolate raspberry tart.

The specialty balms are sold online, and at select retailers including the Chocolate Chisel in Port Washington.

Kamel said the company was started with a vision of growing by 10 to 15% each year, and has generally met that objective.

"The bad economy posed a real challenge, especially in dealing with banking relationships and

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how customers were able to pay their bills, but we got through it," she said.

"The test of a strong company is how it handles difficult times."

Despite the challenges, Kamel said the last thing the company would have considered was laying people off.

"That was never seen as an option," she said.

"We chose the name Alliance for a reason. We believe in strong alliances — with our employees, customers and vendors."

In addition to clients based around the country, the company also has global customers in Canada, Germany and Japan.

The 26,000-square-foot plant already reflects two expansion projects, but the owners said there is still more room to grow it their present location.

While not a certified organic facility, the company does use organic ingredients in many of its products.

Image Information: ALLIANCE PACKAGING GROUP in Saukville produced 15 million tubes of lip balm last year. Heading the company's management team are (top photo, from left) general manager Jeff Larson and owners Linda and Maher Kamel. Lower left photo, Larson inspected a 2,600-pound blending vat. Chocolate-based lip balms have proven to be a big seller for the company.

Photos by Mark Jaeger