IPS blazes a co-pack trail

Strong backing by parent group Culina has given IPS the platform to build its huge growth, going from a £14m co-packer to a £120m national player. There's no idle talk with Andrew Dawson, CEO, finds *Waqas Qureshi.*

It's not very often that a company grows from £14m turnover to a £120m revenue business in the space of a decade; and highly likely not ever in the contract packing sector – unless it is IPS.

Driven by his experience at Unilever and Aunt Bessie's, Andrew Dawson (right), chief executive, joined IPS in 2005 and has spent the past 24 years building the largest food co-packing business in the UK.

It is a massive achievement to scale the dizzying heights of reaching a £120m turnover company – truly blowing away the competition in the contract packing sector.

The growth was in large part due to the 2014 acquisition, then investment by parent Culina Group.

IPS has heavily invested in many parts of the business, especially in data management.

Co-packing nationwide

Operating an incredible 31 sites in the UK is impressive, as is the strategy behind relocating equipment in order to minimise the movements and miles for customers, which, says Dawson, provides a sustainable platform that has 'enabled us to steal the march on our competitors and ensure we retain our customers'.

Parent company Culina Group has a £2.2bn turnover, with 100 UK sites, 22,000 employees and 1,000 customers.

But he points out how the sector differs from others: "In a business paying minimum wage – it's a penny business – we are working with things that don't fit in the supply chain. IPS is a low margin business paying just above minimum wage and therefore efficiency and flexibility are key. Co-packers tend to deliver those packs that do not necessarily fit in 'high speed' manufacturing sites but, look to help clients deliver lower volume SKUs.

"I am proud to say that all of our original customers remain with us today."

Growth and expansion

IPS has recorded 30% growth in the last three years.

It aims to embed across the vast Culina network to offer end-to-end solutions packing as close to the point of demand, both in terms of time and location.

"Our growth has been exponential, and we have expanded our services across food manufacturers in cereals, snacks, biscuits, confectionery; providing cartons, bags, pouches, tubs, pots, mixing and flow-wrapping. We also provide solutions in pet care and in household/healthcare and packing primary and secondary pack services for some of the world's biggest brands and customers, a small example being PZ Cussons, Reckitt Benckiser and Perfetti Van Melle."

He said customers have grown with the company, and increased its customer base significantly by giving them the right offering – agility: "We aim to be the best in performance, invest in our people and our systems and provide innovative and agile services such that we deliver best in class protecting the brands we pack for."

He said the firm knows its place in the supply chain and, with manufacturers producing and packing FMCG goods at high-speed automated facilities, co-packing can also offer flexibility, capacity relief and seasonal growth opportunities to the customers that do not necessarily fit well into their own manufacturing supply chain.

"Sometimes it can be right for a co-packer to pack in a more manual operation whilst we also have the opportunity to invest in further automation. We do operate and maintain several automated high-speed lines with robots where the volume warrants the investment."

Machinery investments

Over the years, Dawson said he put a strategic focus on buying different machinery to offer flexibility and agility to the point whereby IPS can now offer most packaging types – aiming often to move the machinery to the warehouse rather than the product on the road.

"We have also heavily invested in our 'Vision' system which is built by co-packers for co-packers and drives everything forward within our business. Vision works to manage the complexities of co-packing and co-manufacturing from forecast planning to direct dispatching whilst providing complete granular traceability and transparency of data. Interfacing with our customers ERP systems, reducing the burden of administration and improving information accuracy."

He said EPR is accelerating the shift away from single-use plastics and pushing the adoption of mono-material packaging, a change that's reshaping how its designs and engineers assets at IPS.

"By combining technical expertise with a collaborative approach across customers, equipment partners, and packaging providers, we're integrating these new materials without compromising quality or performance."

IPS has a vast array of packing equipment and is able to pack 'pretty much all types' of pack whether it be bag, pouch, flow-wrap, carton, case. Much of the equipment is 'shared user' and therefore, clients do not need to invest in their own equipment.

"If you wanted a certain snack bar in a carton, in a case, in a bag, pouch, bag flow wrap – we will do it and we have the capability to do it – we don't need capital equipment investment from the client."

In the last two years the company has invested £5m in kit, including an automated tub and carton packing line with three high speed multi-heads.

In addition, significant investment in a number of end-of-line robots alongside three filling and mixing lines.

"Most co packers have to be entrepreneurial with equipment purchase or providing a flexible/agile solution as the word contract packing is a bit of an anathema – there is often no real contractual volume commitment. However, we of course benefit from being part of a privately owned very large group with the ability to make decisions quickly. Couple this alongside specialist co-packers and the point of difference is very clear: IPS, co-packers first and foremost."

Downtime – no time for idling

The work strategy is to ensure as little downtime as possible – it's a red flag when machines are sitting idle and staff not doing anything. When stock does not arrive in time – a label missing even, which can stop the production/packing line.

"Often, we are collating and packing materials and products that are being brought together from many different locations or overseas manufacturing plants. Our MPS and MRP tools ensure that all materials are available before we commit to running our lines such that people and equipment are never stood idle."

The BCMPA says it is challenging if you are just in warehousing and distribution – more value added services are needed.

Dawson adds that increasingly added value services, not least co-packing, is being offered within the logistics supply chains: "Offering warehousing and distribution coupled with sophisticated co-packing, unlocks a long-term value proposition for the customer."

A successful 2025?

IPS will have again grown during 2025 by some 15% revenue, and expects to have implemented two new operations, renewed numerous contracts and continued investments in people, systems and equipment with a 'secure platform for growth 2026 and beyond'.

The company's growth agenda could soon turn to different markets such as further expansion into powders, supplements, healthcare, liquids.

"There is a lot of co-manufacturing and co-filling opportunities for us in the future and we are exploring other ways to grow vertically also either through joint ventures or further acquisition." ■