

Caps: Development, moulding, production and use

Thurgau is a key location for the globally active corvaglia Group



Dr. Michael Krueger, CEO Corvaglia Holding AG, Eschlikon

When owner Romeo Corvaglia established his sole proprietorship in 1991 he laid the cornerstone for today's technology leader, the corvaglia Group. It began as a one-person operation for the development and construction of moulds for cap solutions and quickly grew into a globally active firm with over 260 employees. Today, the corvaglia Group covers the entire process chain for caps, from development and mould construction to production and capping. The Group's headquarters are in Eschlikon, where 145 employees do their jobs. The canton of Thurgau offers an impressive combination of key location benefits as the perfect package.

It's all about caps

corvaglia's claim, 'IT'S ALL ABOUT CAPS'; perfectly describes the firm's mission. Everything revolves around caps. To be more precise: around the plastic caps for PET beverage bottles. The product might seem simple to a lay public, but lots more goes into a cap than one might suppose.

High quality standards must be met during the development process and the focus is on ensuring an efficient closure technique in bottling plants and safe, convenient handling by consumers. Caps must be adapted to a wide range of applications. Whether it's still water, fruit juices or carbonated beverages

corvaglia

IT'S ALL ABOUT CAPS

An owner-run firm, corvaglia is specialised in the development and manufacturing of cap solutions for beverage industry PET bottles. The firm was established in Steckborn, Switzerland in 1991 as a sole proprietorship. Today, the corvaglia sets global standards when it comes to plastic caps and has multinational corporations on its list of customers.

Within two decades a Group had evolved. With headquarters in Eschlikon, facilities in Mexico and a strong network of partners, the Group is active in 15 countries today. corvaglia employs 265 people, of whom 145 work in Switzerland and 120 in Mexico. Every fifth PET beverage bottle cap used around the world originated from an injection mould developed and produced by corvaglia. With the establishment of Corvaglia Closures USA, the Group took the next step toward expansion.

www.corvaglia.ch

and for hot, cold or aseptic filling – a good cap must be safe and easy to produce, apply and use. This requires plenty of development know-how and experience. corvaglia's strength is not innovation alone. Instead, the Group covers the fully integrated process chain ranging from concept development to capping, including cap design and development, mould construction, cap production and capping, as well as technical support.

The Group's headquarters are in Eschlikon in the Swiss canton of Thurgau, and all its departments are also at the location. Production volumes are high compared to the value of a cap and transport costs make up a large proportion of the price, therefore it pays to have a local presence in the market. In Mexico and the U.S.A., the company has already installed two cap production lines. corvaglia supplies the Central and Western European markets directly from Switzerland and has contracts with partners for 15 additional countries. The injection moulds themselves are exclusively produced in Thurgau and have an export share of 100%

Thurgau: A package with a perfect fit

According to CEO Michael Krueger, it is essential to have the entire Mould Engineering & Technology business unit concentrated at the Eschlikon location. One reason for this is the region's traditionally high density of mould makers and plastics processing firms. This goes hand in hand with the high availability of qualified personnel. 'This is how we ensure that we maintain our quality and technology on the world-class level,' said Krueger. 'We believe that we need human resources from this location; the mind set of the employees in particular.' Krueger also mentioned the flexible labour market as a further reason. In comparison to the labour laws of Europe, those of Switzerland are very liberal. From an entrepreneurial point of view, flexibility with regard to termination of employment should be emphasised.

In principle, both employers and employees can terminate an employment contract without cause if the periods and dates of notice are observed. The resulting low-risk hiring situation enables corvaglia to be more agile when taking advantage of growth opportunities. The firm has an easier time of selecting the best employees, which in turn means higher salaries or improved hiring conditions for excellent employees and the profiles that are in demand. This drives innovative power and employee motivation at the same time. And it may lead to high wages, but due to the firm's high level of automation, these costs do not play a major role. In conjunction with non-wage labour costs, which are low against Western European standards, moderate taxes and high productivity, the result is competitive labour costs. The strong dual education system is a further major advantage for Switzerland as a location. The Swiss population stands behind the apprenticeship system, which means that the firm has a pool of excellent, capable young talent to train to become the top specialists of the future. And the region also offers some of the lowest property costs and highest quality of life in Switzerland.

Investments

corvaglia believes in Thurgau as a business location. It supports this belief with the investments worth around CHF 63 million it has made at the Eschlikon headquarters since 2003. 'For a firm of our size, that is a significant amount and can indeed be considered a measure of our commitment to the location,' said CEO Michael Krueger.

Outlook for the future

The firm's history is characterised by an investment focus on mould construction. corvaglia will continue to invest in this sector in future, but with the aim of maintaining its technology leadership and not expanding capacity. The global strategy is now to continue the expansion of cap production in the existing facilities and establish additional locations.

Quick facts

Origin: Switzerland
Branch: Packaging/development and production of cap solutions for PET bottles

Main reasons for choice of location:

- qualified labour pool, dual education system
- moderate tax burden
- liberal labour law
- low property prices in national comparison