



Blue Valley Water: Success in a Bottle



Medium-Sized Bottler Finds All the Business It Can Handle

By Bruce Kucera

Blue Valley Water operates two Norland turnkey bottling plants for the company's distribution partner to place in over 300 convenience stores and super-markets in the region.



Summary: Water treatment dealers who have yet to enter the bottled water niche may want to follow the lead of an Oklahoma business. Still, this specific example shows that dealers should ask themselves a few questions before entering their own bottled water markets. While the rewards are great, it's not for the faint of heart.

Blue Valley Water Company is a thriving bottled water firm based in the small east central Oklahoma town of Hartshorne. Blue Valley's story provides an excellent start-up model for entrepreneurs interested in entering the rapidly expanding bottled water market. Hartshorne, about 90 miles south of Tulsa, is a town of 2,100 residents.

Blue Valley Water was founded in 2001 by Warren Lindley. A successful businessman with a local grocery store, he saw that bottled water could potentially be a great business. He started looking around for an equipment source. His research led him to the Internet, where he found a manufacturer of bottled water equipment designed specifically for companies serving small- to medium-sized markets.

"I was impressed by its product line, which seemed to include the type of equipment I needed to get started," Lindley said. "They understood the water business, and they knew that start-up businesses in small towns didn't need the large equipment that other companies were offering."

A turn(key) for the best

The first equipment Blue Valley Water bought was used to process 500 milliliter (ml) bottles for the private label business. The turnkey bottling plant includes a bottle feed table, automatic bottle rinser, a bottle filler/labeler/capper, cap tightener, ink jet date coder, accumulation conveyor and table. The system can process up to 85 round bottles per minute, and can be operated in several different configurations from straight line to right-angle to fit small, confined areas.

When Blue Valley started up, Lindley focused his business on supplying local food distributors and retail outlets as well as providing private label bottled water to businesses and organizations in the Hartshorne area. Needless to say, business went well.

As Lindley was getting ready to open his bottled water business, a Tulsa-based food distributor proposed to him that Blue Valley provide it with bottled water for its convenience store and supermarket clientele in Oklahoma. The opportunity was too good to pass up, Lindley says. "When you go into business, it's important to have a good feel for the size of your potential market," he says. "Our partnership with this distributor went a long way toward ensuring us sales volume for the bottled water market for PET plastic, also known as polyethylene terephthalate.

"Private label yields about 30 per-

cent more profit than retail," Lindley said. "We haven't had much time to fully develop this market yet. While we do some, our retail business has grown so quickly that our efforts have been directed there."

Delivering the home

Another year has brought another marketing idea from Lindley. Always keeping an eye out for new opportunities, he was ready to give home delivery a shot by the middle of this year. He added a distiller and a washer/filler/labeler to process 3-gallon and 5-gallon bottles for the new market niche.

The distiller can produce up to 6,000 gallons (22,712 liters, L) of water a day. The unit operates very efficiently, requiring as little as 0.10 kilowatts per hour (Kw/h) of electrical power to produce a gallon (3.78 L) of distilled water. Plus, while some competing distillation systems can use up to three gallons (11.34 L) of reject water for every gallon of purified water produced, this distiller produces nearly six gallons (22.7 L) of distilled water for every one gallon of reject water.

Easy to operate

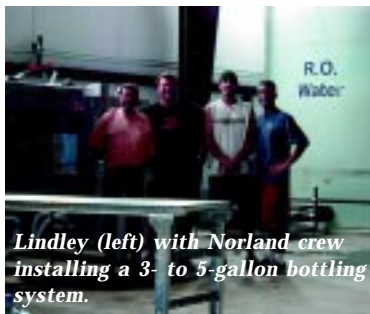
The new automatic bottle washers/filler/cappers, which Lindley bought, are ideal as a turnkey production line for 3- and 5-gallon bottles. The unit automatically washes, fills and caps up to 450 bottles an hour of most standard

sizes and styles with no manual adjustments. It's available in production rates of 450, 600 and 900 bottles an hour, and features stainless steel piping for longevity, durability and minimized maintenance. The multi-function programmable logic controller (PLC) provides immediate digital readout of system functions at a glance.

"We entered this market just this summer, and had 112 home delivery customers the first week. This market is growing so quickly," Lindley says. "At the rate we're signing up customers, we expect to have about 2,000 delivery customers by the end of the year."

It's not unusual for Blue Valley Water to ship 13 to 15 semi-truckloads of water per week of the 20-ounce and 1-gallon PET bottles, according to Lindley.

"We started small, but are always looking for opportunities to expand the business," he said. "When the arrange-



Lindley (left) with Norland crew installing a 3- to 5-gallon bottling system.



Norland crew working on ozonation equipment in Blue Valley's pre-treatment area.

ment with the dealer came up, we saw a promising opportunity and it certainly has developed into a highly profitable arrangement."

Conclusion

Lindley offers three key pieces of advice to entrepreneurs who may be looking at starting up a bottled water business:

- **Start slowly**—Buy only equipment you need when you need it. It's not a good idea to invest in equipment before your market is ready. Talk to your equipment supplier, be prepared and plan for what you may need when the time is right. But don't commit dollars until it's a must.

• **Look for opportunities to expand your business**—Know the choices that will be available to you when the timing is right. When you discover the opportunities, be ready to act quickly to take

advantage of the situation before someone else does.

- **Find a dependable equipment manufacturer to partner with**—"It's best to find a single source for your equipment," Lindley says. "That way, you know the equipment is compatible, you are familiar with the company's level of after-sale support and service, and you can build a partnership with them based on trust. I found the right supplier, one that was experienced in the bottled water industry, that could provide expert advice on my business development, and not just my equipment."

"The key to success is to be prepared and ready for an opportunity when it comes knocking," he said. "It doesn't always knock a second time."

About the author

◆ **Bruce Kucera is vice president of Norland International Inc., of Lincoln, Neb., a company that supplies complete bottled water operations to companies around the world. The company's products range from turnkey bottling plants to a variety of components for the bottled water industry including distillers, bottle washers, fillers and cappers, blow molders and packaging equipment. Kucera can be reached at (402) 441-3737, (402) 441-3736 (fax) or email: bk@norlandintl.com**

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