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The Spearhead Group – Revolutionizing Consumer Packaging for the Spirits Industry by Delivering More Sustainable Products



Heather Fritzsche
Cofounder and CEO

The Spearhead Group

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CEOCFO: *Ms. Fritzsche, according to your website, The Spearhead Group is "Revolutionizing the Consumer Packaging Industry." Would you tell us how you are doing this?*

Ms. Fritzsche: We're revolutionizing the consumer packaging industry by focusing on sustainability and manufacturability in partnership with our customers. We are not a company that's just trying to go out and sell a product — we're partnering with our customers to work together to deliver more sustainable products and results.

CEOCFO: *What does manufacturability mean?*

Ms. Fritzsche: We provide primary and secondary packaging components for the spirits industry – bottles, closures, cartons, etc. Spearhead focuses on processes behind manufacturing those products so that they run efficiently at every level from the manufacturing lines to the fulfilling lines. For our team, manufacturability is about how we can create brand products that are efficient and sustainable.

CEOCFO: *What have you figured out so far?*

Ms. Fritzsche: A lot of what we're trying to do can be difficult, both in terms of logistics and in ideation. Sometimes it takes an outside perspective to help provide creative ideas for a client's solution, and that's where we come in. For example: One of our brands is Templeton 10 Whiskey. They designed their last bottle with a metal label, and workers trained in whiskey production had to glue each label on the line. The staff didn't love doing it, and it slowed everything down.

Our proposal to them was to assume responsibility to glue the labels ahead of bottling. That way, by the time they got to the bottling line, things would run much faster. The day we tried this for the first time, we increased production speed by 100% — everyone who worked there just started clapping. A simple solution made the process so much easier.

CEOCFO: *Where does cost come into play?*

Ms. Fritzsche: For that particular client, they were essentially saving money on the actual components — but they also saved huge amounts of time by increasing the production speed. For each day they were running the plant, they were producing twice as much whiskey as before. The savings were compounded by efficiency.

CEOCFO: *Would you tell us about your Physical Brand Enhancements™ (PBE™)?*

Ms. Fritzsche: We created PBE™ (Physical Brand Enhancements™) when we first started the company. We found that packaging was too limited in addressing what brands really need. Essentially, through PBE, we're able to create all sorts

of different new-to-world items for clients. Many companies want to invent something for their branding that no one has thought of before, and we can help them figure out how to manufacture it. I call it the “engineering school of hard knocks.”

Spearhead engineers the packaging, as well as all the other elements that physically enhance a brand and its identity. For Crown Royal, it might be bags; for another brand, it might be a custom-made sticker. It’s not meant to be promotional items — it’s about manufacturing new-to-world items that enhance the brand and go far beyond traditional packaging.

CEOCFO: *What goes into the creative process and what have you learned over time to make it easier for you to get to a solution?*

Ms. Fritzsche: That is a fantastic question. The creative process always needs to start by dreaming big. It always needs to start with the intention of changing the world somehow. However, your aspirations need to be brought in line with opportunities. I would never tell anyone to dream small, but you must consider the client’s capabilities to roll things out; manufacturing and technology have to support the ideation process. The way we do it is to develop solutions that work much sooner in the process to make them achievable. Our team is extremely embedded in the Research & Development process for innovating and modifying products, so we bring that knowledge to the table from day one.

Sometimes, Spearhead leads the charge on the creative process, and sometimes our clients have their own creative team. When they have their own creatives, it works out well to partner with us early on so we can help them ensure that their vision can be done within budget, within the allotted timeframe, and in a sustainable way. Making a client’s dream a reality is where Spearhead truly excels.

“Making a client’s dream a reality is where Spearhead truly excels.” Heather Fritzsche

CEOCFO: *Do you find the companies in general are interested in sustainability and not just giving lip-service, and does it matter?*

Ms. Fritzsche: It absolutely matters. We are passionately dedicated to the idea that it matters. If you read the statistics, we’re all going to be overwhelmed by plastics by 2050. Packaging is such a critical place to start making change because it is disposable by nature. Consumers are spending more money and buying more stuff, so creating sustainable solutions that match consumerism absolutely matters. We’re finding that corporate leaderships are very passionate about sustainability, and they’re dedicated and driven about it; they’re elevating and publicizing the issue.

The next step that needs to happen is getting internal teams on board with sustainability. I’ve found that marketing teams think that making a bigger marketing splash means looking at what’s physically bigger. If you try to suggest to them to use less material to make something smaller, they feel that it may hold them back from meeting their objectives. Leadership is telling them to use less material. There’s an inherent conflict. I think they’re going to find a resolution soon though, because they cannot keep going the way it is going.

CEOCFO: *How do you reach out to potential clients or do people come to you? Is The Spearhead Group known in the industry as much as you would like to be?*

Ms. Fritzsche: We haven’t had to target anybody yet because so many have approached us first. Robert & I are very lucky to have built a name and reputation for ourselves in this industry, built on 20 years of experience. When we started Spearhead, we didn’t have to reach out to prospective clients — people came to us as soon as we opened the door. We were with customers within a month or two of opening. We’re very active on social media and LinkedIn. We’re trying many different initiatives, especially within sustainability.

We’re also active in women’s business ownership spaces, such as Women of the Vine & Spirits and Bourbon Women. We also like to meet with people to talk about their brands — we sit down and talk with them about how we can help them streamline their processes more efficiently so they can do what they want to do, which is grow their brand. And they love it.

CEOCFO: *Are you able to take on as much work as comes your way?*

Ms. Fritzsche: We're hiring in product development right now. It's a balance; I'd be more inclined to tell someone we cannot take them on than to tell them we can and then disappoint them. We're selective about what we take on. Because we've been turning away a few too many projects, we are hiring now.

CEOCFO: *How do you keep ahead of technology, on top of what might be available, and does your interest in sustainability groups lead you to learn new techniques?*

Ms. Fritzsche: We have a women-owned business in Mexico City led by Patricia Burguete, our Global Head of Sustainability. Patricia's entire focus is on new materials, new methods and new process. We also recently announced our global expansion to India and Italy to complement operations in the U.S. and Mexico, which has implemented strong new leadership and resources for Spearhead.

We're starting to resolve huge sustainability problems in the industry. We've partnered with the most sustainable paper company in the world: a company called Billerud, which is popular in Europe and is starting their growth in the U.S. They're 99% fossil-fuel free in their production. We've also partnered with Ecological Fibers, which was the first company in the world to produce coating that is 100% plastic-free and 100% organic for cover materials for packaging, publishing, labels and more.

Most of our customers are larger spirits companies and brands, so some materials are not appropriate. Therefore, we're somewhat limited in that we cannot do everything. What we can do is small things on a big scale to really drive sustainable impact.

CEOCFO: *What surprised you as the business has grown and evolved?*

Ms. Fritzsche: What's surprised me is how much personal responsibility I feel over my team and staff. I started the business because I felt so sure that I had the answers to everything, and I wanted to create this life for myself, my husband and my family. We were going to be rockstar entrepreneurs. And we have had massive growth. However, I didn't plan on how I would look at each member of my team as a person whose future I have a huge amount of responsibility for.

I think it's made me a better leader because my team chooses to spend their time with me, and they're choosing to support Spearhead and our mission. Because they have made that choice, I owe them a lot. I owe them security and growth opportunities. With every decision I make, I'm weighing the right option for people who look to me to help make their lives and careers better. I didn't expect it to be such a personal feeling to me. I think it's a good thing.

CEOCFO: *What, if anything, might people miss when they take a look at Spearhead?*

Ms. Fritzsche: A lot of companies claim this, but Spearhead is a company that truly does become a part of our customers' companies and cultures. I almost don't have the words to explain. For a client, we're a part of every team who in development. We're not a supplier or a third-party supplier. When you call us and want to launch a brand — or you want to revolutionize a package, or you need to make improvements in one of your processes — you're bringing us into your team. We're texting and on the phone at night. We learn about your business, even things you may not think are critical to the success of the project, so that holistically, we can do a better job.

I've had clients who have needed me to check inventory in their warehouses of things that weren't provided by us, but I do it because it's important to get the next package off the ground. I've had customers bring me in to look at their lines to figure out, even if we are providing only two of the components, how we can make it better.

What we get is that feeling of "stickiness," where we get stuck together as partners and so clients keep coming back. We may be outside of their company, but we are part of their team.

CEOCFO: *Would you tell us about recognition about your Inc. Regionals?*

Ms. Fritzsche: When I found out we had placed on the Inc. Regionals, I just sort of sat down and had to take a reflective moment - that was always part of the dream. I always had this whole mental vision board of what success looked like.

When we started, I thought five years was a long time, and now I realize how quickly it went. In five years, we made the Inc. list. We've had 118% growth in two years during the pandemic. It's just made me so proud that the everything we did to set Spearhead up for success was worth it.