



Greater La Porte Economic Development Corporation
Business Success Stories



American Licorice Co.

The American Licorice Co. has been in business since 1914, when it introduced licorice-type theater snacks to the US market. Over the years, it has developed new products such as sour licorice, super rope licorice, and snaps to its product line.

American Licorice has a new, major manufacturing operation in La Porte, Indiana. An existing, modern warehouse building was available as a potential manufacturing site for the company. The building was purchased in November 2004, and the manufacturing operations, employing 85 people, have been up and running since April 2005.

Up until recently, the company served the North American market from two plants, one in Union City, California, serving the western part of the continent, and another in Alsip (greater Chicago), Illinois, serving the eastern portion of the continent. The Alsip plant is being entirely relocated to La Porte.

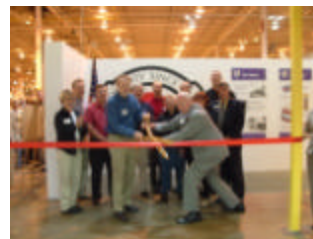


The relocation provided a number of opportunities for the company. According to Mr. Mark Cash, Director of Operations, the La Porte location offered a large manufacturing facility of 280,000 square feet that was immediately available for occupancy. This facility offered room for expansion as well. The Alsip facility was broken up into a number of buildings that prevented an integrated, "under one roof" approach that made it difficult to manage lean manufacturing methods.

In addition to plant layout, the La Porte location offers the same market access advantages as the Chicago region, but at lower cost. The possibility of rail service is available at the La Porte site as well. This would allow the opportunity to bring in bulk raw materials such as corn syrup by the lower cost Chicago South Shore rail spur located near the facility.

La Porte, and the region surrounding La Porte, has a tradition of manufacturing that provides a benefit to the company. The fast pace of production and rapid set-up times require a labor force that is accustomed to manufacturing operations. From a labor force perspective, the La Porte location meets this requirement.

The company's Personnel Director, Ms. Pat Waldo remarked recent job fair, used to recruit new employees, about 2,000 showed up to fill in applications for 85 positions. Many of these applicants came from surrounding communities. The other advantage is that many of the employees hired by American have worked together in other manufacturing plants. This a chemistry, which makes training, productivity, and morale better.



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American Licorice takes great pride in its employee relations and training programs. These are the foundation for a productive, lean manufacturing system. New employees are given intensive training to discover and remediate math, supervision, and team-building skills. The intent is to build a culture of teamwork, empowerment, and honesty that leads to open communication and problem solving. The company is actively involving the local high schools to make graduating seniors aware of local employment opportunities. This is also important to increase awareness about productive work habits that employers in general value--such as honesty, loyalty, the ability to work in a team, and punctuality.