



**200 YEARS  
OF HAPPY  
CUSTOMERS,  
FROM PAUL REVERE  
TO THE SAUDI  
GOVERNMENT**

# HOW WE DID IT CRANE & CO.

*Everyone knows we're moving toward a paperless world, right? Well, not so fast. One of the oldest names in papermaking, Crane & Co., best known for its high-end stationery, is literally printing money. The company, based in Dalton, Massachusetts, and run by the same family since its founding in 1801, has a lucrative contract to manufacture currency paper for the U.S. Treasury and print money for countries such as Sweden, Saudi Arabia, and India. And by adapting papermaking technology to create a range of new products, it has moved into markets as diverse as energy, environmental services, and office furnishings. CEO Charles Kittredge talks about Crane's 200 years of winning bets and his strategy for the next hundred.*

**AS TOLD TO ADAM BLUESTEIN  
PHOTOGRAPH BY MARK HEITHOFF**

**Our company was founded in 1801.** We've made U.S. currency paper for 130 years. Family lore has it that the father of our founder made paper for Paul Revere to print Colonial currency. In order to remain in business for over 200 years, we've had to continually change. We made paper for men's collars in the 19th century. That product is no longer. We made tracing paper, and that was made obsolete by the computer. The business is still, broadly, making the best paper in the world, but the product line has evolved.

**I'm the great-great-great-grandson** of the company's founder, Zenas Crane. I took over as CEO in 2007. The stationery business is no longer growing. People are not writing thank-you cards and letters on paper as much as before. But we do believe that getting something in the mail is more special than it used to be. A select but growing segment of the population will gravitate to a premium product, and we can fulfill that need and do it quite well.

**Stationery is more of a style product than it used to be,** so keeping our designs fresh and paying attention to what's happening in the fashion industry is important to us. Ten years ago, we didn't think a whole lot about that. Consumers also want to have products much more quickly than in the past, and we've focused a lot on speed of delivery. Delivery times that



## HOW WE DID IT

might have been 10 days years ago are now two or three days.

**The currency market** is divided among companies that print bank notes, companies that manufacture paper, and companies that manufacture and hold patents on security features embedded in the finished bank note. There are only three companies that do all three. Crane is one. The others are European—one English, one German.

**Today, we're the sole provider** for the U.S. Treasury. We supply the Bureau of Engraving and Printing with currency paper that contains security features—threads, watermarks, and special fibers—that we've developed in conjunction with the government. We also make currency paper, and in some cases also print the currency, for Sweden, Saudi Arabia, Egypt, India, Paraguay, and a number of African countries. Even with debit cards and credit cards, the global growth of cash is strong, particularly in developing economies. We also make the paper for passports for the U.S. and for some other countries.

**About seven years ago,** we got together with the Riksbank, the national bank of Sweden. They wanted to privatize their print plant and paper mill, and we were looking for a European base to expand our international business. We had to rebuild the paper mill and the print plant to make them capable of competing on a global level. We installed new state-of-the-art equipment, which was very expensive. This is now where we do a lot of our international currency manufacturing. The currency business accounts for about three-quarters of the company's revenue.

**In addition to our** stationery and currency business, we have a “nonwoven,” or technical materials, business. Back in the early '70s, my uncle and the people who ran the business before me could see that traditional papermaking in Massachusetts was not a growth business. They wanted to see how we could use our technology to make other products.

**We reconfigured equipment** and started experimenting with different materials—fiberglass instead of cotton, man-made products instead of natural materials. We could use a lot of the inspection systems we used for the currency business, a lot of

**“We'll buy fibers from Latvia, ship them to Manchuria to make the component, send it to Michigan, where it's assembled, and then it's sent to an office in Bangalore.”**



**MONEYMAKER** Crane workers packing up currency paper bound for the U.S. Treasury, around 1890. Today, the company prints money for countries around the globe.

the equipment for cutting and measuring, and the same kind of water treatment processes. It seemed like a logical thing.

**At first, we focused** on insulation and electrical circuit boards; a Crane product, a printed circuit board, went to the moon on one of the *Apollo* missions. Frankly, this business struggled for many years. Some years it made a small profit; many times it didn't. Trying to find markets for materials we could produce was hard.

**But over the past five years,** it's really gotten traction. We're seeing growth in energy and environmental—components for things such as smokestack scrubbers and desalinization plants. We also make office partitions and window shades. These are new areas. In this sector, we sell business to business, making components for people who might sell the end products. So, for example, we sell components for water filtration equipment to General Electric; we sell parts for Steelcase and Herman Miller office partitions.

**We buy raw materials from China,** Latvia, Japan, and India. We have a manufacturing facility in China. For something like an office partition, we'll buy fibers from Latvia, ship them to Manchuria to make the component, send it to Michigan, where it's

assembled into the finished product, and then it's sent to an office in Bangalore. It kind of makes you wonder if you can't make all of this closer to home, but that's how you compete right now in the world.

**Because the company** has been conservative in how much money we borrow, we have a very clean balance sheet and no debt to speak of. So when we see opportunities to expand the business, we can jump on them. As a family business, we don't need to see the return next quarter; we can invest longer term, where we think the markets will be in two or three years. We're looking for a good return, just like a public company, but I think our time frame is different.

**As CEO, I want to make** sure the business is as healthy as possible and positioned to last another 100 years. That means everything from investing in technology and being innovators going forward to investing in the work force and keeping it excited about working here. I think we're different than a lot of other companies, and I want to keep that culture intact while at the same time instilling the need to continually reinvent ourselves. **➔**

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