

PLANTS & PROCESSES



LABELTRONIX AT-A-GLANCE

- Digital printer turns to flexo, focuses on production of highest quality labels.
- Wins 15 FTA Excellence in Flexography Awards in 3 years.
- Technology serves as cornerstone of corporate vision.
- Standardization is critical strategy in delivering superior service at value prices.
- State-of-the-art plant to be completed this year (2011).

Louie Mendoza, production manager and Jill Sambol, marketing manager at Labeltronix, examine print results. Inset: Mendoza monitors a pressrun. Photos: Labeltronix.

Harnessing Technology

Labeltronix Delivers Quality, Sophisticated, Complex Print that Customer's Value

By Michele Molnar

To many in the flexo printing industry, Labeltronix may be an unknown name and a refreshing surprise to emerge as a narrow web leader in 2011. A relative newcomer to the world of flexo label printing, the company started its digital and flexo label printing and converting operation in 2004. Labeltronix' reputation as a customer-centric leader ratcheted up its success exponentially, given its pledge to create a better way to deliver both low-cost and high-quality labels at the same time.

This strategy is paying off. Since 2009—the first year it entered the Flexographic Technical Association's competition—Labeltronix, one of FTA's newer members, has won 15 awards: eight gold medals; four silver and three bronze, more than any other label printer.

"Our award-winning quality is no accident," says Labeltronix President John Trail. "It's a result of our commitment to a new way of thinking, and creating a new way of printing to wow our customers." Labeltronix' introduction of high-definition flexo in 2008 became a benchmark in its growth, allowing the company to produce photo-quality labels with up to 300-line screen quality on a UV flexo press. "Once we gained that capability, we added our commitment to provide offset quality at no extra cost—a promise we have maintained since the day we made it," explains Trail.

Beyond its adaptation of flexo, in 2006 Labeltronix introduced Lean Labeling®, simply a better way to create, buy and manage labels for its customers. Little wonder that clients respond well to the Labeltronix appeal: "just-in-time" ordering means they don't have to buy more labels than they need to get a great price. Less than a year after Lean Labeling® was rolled out, Labeltronix won the prestigious "Innovator of the Year" award from *Converting* magazine.

SATISFIED, CONFIDENT CUSTOMERS

"I was a little skeptical at first," says Jon McPherson, master winemaker at South Coast Winery in Temecula, CA. "When I heard that I didn't have to buy all my labels at once just to get the great price I was looking for, I could hardly believe it."

But then he tried Lean Labeling and saw South Coast's annual labeling costs decline by 20 percent, and the number of wasted labels drop by 90 percent. McPherson was impressed with quality, too. "At South Coast, we're very picky about how our labels look. The quality of labels produced by Labeltronix is excellent, and I can get them in just days—instead of having to wait weeks."

At Line Shack Winery in Paso Robles, CA, the results are remarkable, too. Bob and Daphne Balentine run the winery, and were stunned to receive annualized savings of 48 percent in their label printing costs, with the added bonus of a faster delivery time. Now, the labels they order arrive in seven to 10 business days; before, it was taking four to six weeks to receive delivery.

"It's amazing," says Bob Balentine. "Not only did we save money on our labels, but they look better, too. We see that the labels help impress the tasting room crowds and drive retail sales outside our store."

Impressing wineries with label quality demonstrates Labeltronix' ability to deliver high-end appeal in the look of its labels. Wine labels often require a level of sophistication that rivals the complexity of any product label on the market. But it certainly isn't the only place that Labeltronix shines with its flexo capabilities. Other industries that benefit from flexo are food, medical, and durable goods.

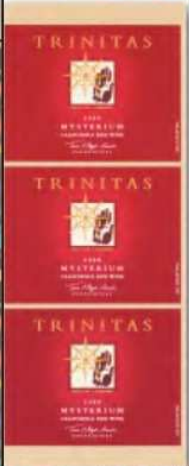
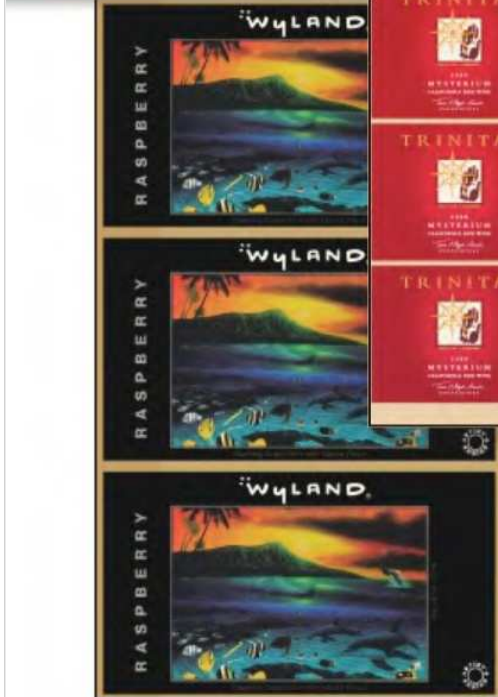
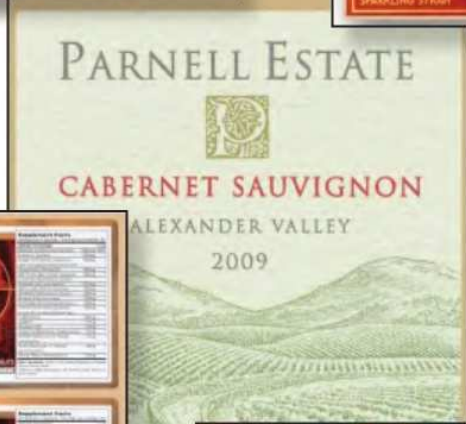
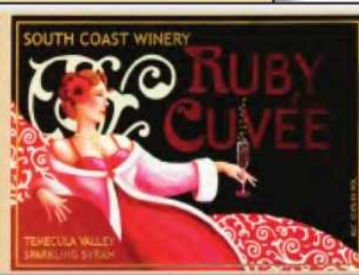
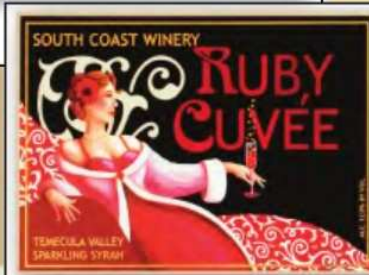
THE LABELTRONIX STORY

Technology is a cornerstone of the Labeltronix story, from the time the company was founded in 1993. Back then, the company sold technology—label and barcode printing systems—and it still does today, along with the labels, ink, technical service and supplies that are needed for "on-demand" business operations.

In 2004, Labeltronix entered the world of digital label printing and converting with a multimillion-dollar investment into two HP digital presses. Suddenly, the profile of the business expanded and customers were drawn to Labeltronix' ability to fulfill short runs and limited orders with a quality printer.

AWARD-WINNING WORK

In the last three years, Labeltronix work, pictured here, captured a total of 15 FTA Excellence in Flexography Awards—8 gold medals, 4 silver medals and 3 bronze medals.



Three years later, in 2007, the company expanded again, this time establishing a high-quality flexographic printing and converting operation. It took delivery of a Nilpeter FA-3 flexographic press—the first of its kind in the western U.S.—and state-of-the-art AB Graphic International finishing equipment.

“We’re utilizing the best technology on the market,” says Trail. “In digital printing, we’re the frontrunner. We have earned the highest classification among label printers across the country. We’re in the company of a select few.”

“As for flexo, we made a concerted effort to excel when we entered that most highly regarded part of the industry. From the printing press, to the latest plate technology in the industry and how we run the business with experienced employees, we are focused on producing the highest quality.”

Last year, Labeltronix took delivery on a new state-of-the-art finishing press, the first of its kind in North America. This press allows Labeltronix to emboss and hot stamp, twice in one pass, along with two flexo stations, die cutting, UV varnish and lamination. On-press video inspection is also used here for quality assurance.

QUALITY STANDARDS

Standardization is a large part of Labeltronix’ strategy for continuing to deliver superior quality at value pricing. Innovations in how Labeltronix has



designed its state-of-the-art facility, and how its equipment is configured, give the company that competitive claim.

Holding itself to the highest disciplines in the world of quality standards, Labeltronix pursued—and was granted—certification for the top international quality standard, the ISO 9001: 2008. Labeltronix earned the honor last year. “It’s one thing to say, ‘We’re all about quality.’ It’s another thing to prove it. I’m very proud that the Labeltronix team

has proven, to the highest standards authority in the world, that we have a quality-driven organization,” says Trail.

To qualify for this distinction, Labeltronix created a more formal control program to document practices it already had in place. The company added documentation for corrective actions, root cause analysis, receiving inspections and in-process controls. A commitment to continual quality improvement is a key component of the ISO 9001:2008 standard. The new

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TRADEMARKED SOLUTION

In 2008, Labeltronix earned a U.S. Trademark for Lean Labeling. That distinction hangs on a "Wall of Honors" at company headquarters, amidst a slew of other awards. If imitation is the sincerest form of flattery, then the company is being flattered repeatedly, as it hears mention of "Lean Labeling,"

from other camps. The "secret sauce" that Labeltronix developed after talking with potential customers back in 2000 and 2001 has become its hallmark. Trail found out what they wanted—and what they didn't want—from a label printer.

Prospective clients were weary of buying excess rolls of printed labels to gain a favorable price, nearly always receiving the industry standard of a 10 percent overage. This practice, while good for printers' volume sales, did not



add up from a customer's perspective. Thus, Lean Labeling was born.

Trail knows that the ease of buying via Lean Labeling is an advantage that larger customers will appreciate as the economies of scale apply. The larger the customer, the more money there is to be saved and the more flexibility there is available to the client. That means, the customer can avoid wasted and obsolete inventory.

"At Labeltronix, we pride ourselves on being really good at putting ourselves in our customers' shoes. We also excel at applying technology to meet their needs," Trail says. It's been a winning combination for flexographic awards, for innovation, and for Lean Labeling. "Best of all, we are working on many new ways to impress our customers even more, helping them gain attention and make even more sales."

The ongoing vote of confidence from Labeltronix' customers has contributed mightily to the company's evolution. Thanks to their support, Labeltronix is expanding its operations into a state-of-the-art, 50,000 sq.ft. facility later this year. The move will position Labeltronix to help more customers with its unique and valuable ways of doing business. ■

About the Author: Michele Molnar is an award-winning freelance writer and editor from Silver Spring, MD. She specializes in writing for and about businesses. Previously, she was director of communications for the CEO organization that is now called Vistage, and an editor at the San Diego Business Journal. She can be reached at mmolnar88@yahoo.com.

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