

Iconotech

Generic Case Printing Reduces Cost And Improves Sustainability

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As companies search for ways to achieve their priorities of reducing cost and improving sustainability, they are recognizing that switching from a pre-printed inventory to a Generic Case Printing Program results in substantial cost savings and leaner, less wasteful business practices. Examining organizational objectives and comparing the ability of pre-print and generic case printing (GCP) to meet them provides a dramatic illustration of the GCP's impact on the financial and environmental bottom line.

Motivation for change

Fueling the investigation of case printing options is the need to drive down costs and boost profits as well as implement more sustainable manufacturing practices.

Long time users of pre-printed corrugated are exploring other options because they understand that pre-print is an expensive, environmentally unfriendly practice that negatively impacts profitability. Not only does pre-printed corrugated take up more space than just about any raw material a company purchases, it also leads to severely bloated and wasteful inventories. Additionally, it is especially costly for companies that produce to customer order, rather than a forecast.

Pre-print users are becoming overwhelmed and frustrated with the complexity of ordering and warehousing shipping cases pre-printed by stock keeping unit (SKU). They see this as an obvious area to implement internal efficiencies and streamline their operations, as well as improving workplace safety for their employees and providing the flexibility that will enable them to be more responsive to customers' marketing and delivery needs.

Pre-print

Pre-printed cases are purchased for each SKU based on a sales forecast, which can be dramatically different from what will actually be needed. Since companies must ensure an adequate stock of cases to avoid risking a production line shut down, they often buy in excess. Not only does this increase expenses, but it also requires substantial amounts of time and manpower to manage. Inventory must be warehoused and often goes unused, thus it become scraps requiring disposal.

Since the corrugated supplier does the printing, the purchasing company incurs costs for photopolymer print dies. Graphics and die creation can cost from \$300 to \$3,000 per SKU and requires one to two weeks lead time. Being supplier dependent means that the company loses the flexibility to serve its customers and can suffer downtime when deliveries are not met or are inadequate.

Generic cases

With a generic case program, case orders are based on the average historical use of each generic size. Ordering a greater number of generic case sizes rather than a lesser number of a specific SKU drives unit costs down and reduces inventory. Case printing and usage is done on a just-in-time basis. Only what is necessary for immediate production needs is printed.

Removing excessive inventory also eliminates warehousing, scrap and waste thus making it a sustainable practice. Inventory costs, management and maintenance are dramatically reduced. Warehouse space, formerly used to store inventory, can be converted back to productive uses.

Iconotech's Case Printing process eliminates the cost of print dies and gives companies a quick, economical way to design and print graphics, logos, bar codes, ingredient statements and nutritional panels. Created on the PC, layouts can be developed or changed in minutes, stored, and can be recalled when needed for a production run.

The imaging film, which serves as a "printing plate," provides a large, 32" x 11" print area that expands marketing possibilities and replicates pre-print quality. Layouts are outputted to a thermal imager than burns images through the economical film, creating a stencil. The film is mounted on the print cylinder and ink passes through the stencil film to print blank cases as they make contact with the print cylinder.

Eliminating a resident inventory of photopolymer printing plates with the corrugated supplier allows a company to have a back-up supplier. Additionally, companies have the purchasing leverage to bid out case purchases to several suppliers, assuring them of getting the lowest cost.

Savings and sustainability

Over time, pre-printed SKUs are unmanageable and very costly. When manufacturers focus on packaging multiple SKUs into common case sizes and print generic cartons as close to production as possible, they regain control and their negotiating advantage. Significant cost savings can be immediate, but total impact may take 1-2 years. Sustainability and the ability to meet the customers' needs are dramatically enhanced.

With just-in-time generic case printing, no obsolete cartons accumulate from one-time promotions, changes to nutrition panels and ingredients statements, marketing changes, address changes or discontinued SKUs.

The efficiency gains from simplified operations can have a sustainable impact since fewer resources are required and fewer resources are wasted.

The cost savings principles and sustainability gains of using GCP are applicable across a wide range of industries. To fully understand the impact switching to GCP can have on cost reduction and sustainability goals, go to www.iconotech.com and read how Fresherized Foods made changes that are not only saving the company \$300,000 annually, but also accelerating its ability achieve its sustainability goals.

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