

## McCourt Label

After more than 100 years, this Pennsylvania label converter continues to adapt to an evolving industry.



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**M**ccourt Label is reinventing itself once again. After 118 years in business, this label converter in Lewis Run, PA has had to do it before, and the ability to both evolve and improve is a testament to McCourt's success and longevity.

The company got its start in 1896, in the back room of a grocery store, making holders for druggists' labels. Along with a group of investors and inventors, entrepreneur Newton W. McCourt founded the McCourt Label Cabinet Company in Bradford, PA. On a single press, the company printed labels for pharmacy cabinets, and patented "A Druggist's Label Cabinet," receiving Patent #767,233 on August 9, 1904. The concept involved not only a cabinet for holding druggist's or other labels, but the labels themselves, gummed and rolled into compact cylinders – at the time, a convenient and cleanly method of keeping labels where they were readily available.

An investment group paid the inventors \$4,000 to acquire the patent, with Newton McCourt receiving shares of stock for all rights to the patent and for using his name for the corporation. However, the immediate years that followed were marked by leadership and financial instability that is, until 1911, when bookkeeper Herbert Black, along with a new group of investors, put the company back on its feet. With Black serving as president, the company flourished.

For 47 years, Black ran McCourt Label until

his passing in 1959. John Egbert, Black's nephew, inherited stock in McCourt Label from his uncle, and would assume the role of president. Egbert guided the company through its adoption of flexographic printing technology, which would be paramount to McCourt's success in penetrating the pressure sensitive label market.

In the 1960s, with the development of more advanced systems, the label cabinets that were the backbone of the company became obsolete. So, McCourt purchased its first flexographic press in 1967 – a 4" wide, four-color Webtron with three diecutting stations. In addition to producing a variety of label products for drugstores and pharmacies, the company began printing labels for a host of other markets, including oil and gas, lumber, steel, automotive and other industries prevalent in the Western Pennsylvania region. The company also became active in producing governmental applications such as the US Postal return label.

John Egbert ran the company until 1981. His children succeeded him, with Jim Egbert serving as president from 1981 to 1987 and John C. Egbert serving as president from 1987 to 1998. John L. Egbert's two daughters, Jane Egbert Luzzi and Mary Egbert Reiley remain as majority owners of the company to this day.

It's a true family business, and current ownership can trace its lineage back over 100 years to McCourt pioneer Herbert Black. Today, Luzzi also serves as McCourt's human resources manager, while Reiley maintains the role of CFO. Dave Ferguson is also an owner, and serves as



From left, President Dave Ferguson, Customer Service Manager Jessica Whiteman, VP of Sales Sharon Zampogna, Print Production Manager Sal Luzzi, and Press Operator Jared Doriguzzi



**McCourt started out printing druggists' labels in the early 1900s.**

transfer and laser printers as the AIDC (automatic identification and capture) industry grew. McCourt developed a great reputation for expertise in this market, focusing on custom applications where the label is a critical factor in the end user's business process.

In 1978, the company became a member of The National Business Forms Association, and two years later, an investment in a 16" four-color Mark Andy press helped make McCourt a fixture in the data processing label market. Along with new growth, in 1980, the company relocated its sales and administration operations to Lewis Run.

Fast-forward to the turn of the century – the second turn of the century McCourt has experienced – and labels for coding and tracking remain a key component of the McCourt business model. In addition to manufacturing and distribution, McCourt also serves the food & beverage, direct mail, health & beauty and petrochemical markets, while making inroads in new markets such as craft beer and wine.

In order to differentiate itself from the competition and formalize its quality management system, the company became registered to ISO 9001 in 1998, which is maintained with bi-annual outside audits. The formalization of business processes and the regular measurement of key performance indicators have helped the company maintain a stellar reputation for quality and reliability.

With extensive flexo assets, focusing on longer runs became a natural fit for McCourt. In 2006, a Nilpeter FB, a servo-driven, 8-color press with all UV print stations was added. "We decided that we needed to dramatically improve our printing capability, so we made investments in UV flexo printing, digital plates, screen printing and added cold foil capabilities," says Sharon Zampogna, vice president of sales. "These new assets enabled us to expand into prime, promotional and durable labels that require high quality printing."

The company's flexo capability was further enhanced in 2010 with the addition of a Kodak digital platemaking system, allowing McCourt to grow its prime and promotional label business, and facilitated a move into several new markets.

company president. Sharon Zampogna spearheads the sales effort as vice president of sales.

### EMBRACING FLEXO

In order to stay relevant, McCourt Label in the late 1960s and into the 70s began making investments in flexographic technology, and it moved its flexo presses from Bradford, PA to what is now McCourt's current 50,000 square foot facility in Lewis Run. Today, there are a total of eight flexo presses at the plant – five Webtrons, two Mark Andy's, and one Nilpeter FB press.

During the 70s and 80s, McCourt capitalized on the advent of computerized processes in shipping, warehousing and office applications by moving into EDP label products for pin-feed fanfold printers, primarily selling through office products distributors. This led to the development of label capabilities for thermal

### DIGITAL WITH DOMINO

While medium to long run label printing has over the years been McCourt's sweet spot, the proliferation and advancements in digital printing technology has ushered in a new era. In 2014, McCourt made its initial leap into digital printing with the installation of a Domino N610i digital UV inkjet label press.

"Historically, people have thought of McCourt as specializing in medium to long runs, but now we are trying to change that perception, letting customers and prospects know that we can produce any label quantity, from short run to long run, from 1,000 feet to 1 million feet," Zampogna says. "And now we have the label printing equipment to accommodate that."

McCourt president Dave Ferguson emphasizes that the new press is just the beginning. He says, "The investment in the Domino N610i is the first step in our transition to digital printing technology. We do a lot of medium to long run jobs – that's really our niche – and we're also well-known for custom jobs and taking on the more difficult applications."

McCourt considers a medium run as 25K- 100K feet, with anything over 100K feet deemed a long run. Now equipped with both flexo and digital capability, McCourt has options. "What we have been doing is quoting jobs out both ways," Zampogna says. "We recently ran a 100K foot job through the Domino press. It worked out that it was more economical to do that versus running the job flexo. We have estimating software that we use to determine if it is better for us to run it flexo or digital," she explains. "On jobs where there are multiple lots, that tends to push us more towards the Domino, because of the expense of all of the flexo plates, and also the plate mounting and plate changes. It all plays a factor in determining on which press we run the jobs on."

An increasing number of SKU requests from customers factored heavily into McCourt's decision to go digital. "We have a new customer who has 228 SKUs of their product, and it's an example of a job where we would not have stood a chance of being competitive printing it flexo, but now with the Domino, it got us in the door," Zampogna says.

Ferguson adds, "If we had produced that same job using four-color process, it would have been at least 800 flexo plates."

Zampogna points out that there's more to it than the costs associated with plates. She explains, "There's countless hours of plate mounting, plus, all of the scrap. We are able to run this particular job on the Domino, with multiple copies across, as we ganged versions. It definitely gives us the flexibility we need. And I can tell you that I did run the numbers to quote it both ways – flexo vs. digital – and it wasn't even close. It was significantly less expensive to run it on the Domino."

The ability to print variable data inline is another benefit that McCourt now enjoys. "We have customers that we do consecutive numbering and bar coding for, but it was all being done offline, either on a Printronix laser printer or a thermal transfer printer, so we had to print on a flexo press then take it to our imprint room to be imprinted," Zampogna says. "But now with the Domino, we can print variable data inline. And we are very excited by that because it opens opportunities for us. Before, if someone wanted a varnish over the top of the bar code or numbering, we were imprinting offline, so it was not feasible for us

to do that. But now we can varnish on top of the consecutive numbering, we can overlaminate on a separate press afterwards and that was something that we didn't have the capability for before the Domino."

According to Ferguson, approximately 75% of McCourt's new business will be put on the Domino and 25% will run flexo. "We are now going after new business that we were not competitive in before getting the Domino," he says.

## A STORIED HISTORY, FAMILY AND INNOVATION

McCourt services its customers directly and, also through brokers. Management credits its staff, which stands at 73 employees, for maintaining both new and longstanding business.

"We have a long history working with brokers," Ferguson says. "And we have customers that have been with us for decades. All our staff is highly trained and technical, so brokers know they can call us with whatever label issue they are trying to solve and we can help them."

With regard to the sales and service effort, McCourt's customer service reps play a crucial role, as they are the primary inside contacts for customers. "They are the focal point for our existing customers and handle most of the order entry duties," says Ferguson. "We have an estimator and purchasing agent who handles all of the ordering of the components for each job. This is a critical position as there are a myriad of face sheets, liners and adhesives to deal with, along with boxes, cores and tooling."

The majority of McCourt's customers are within a 500-mile radius of Western PA, with a high concentration in New England, between Boston and DC. With longevity, comes a reputation, which McCourt leverages to gain new business. "A lot of our business comes through referrals, and we belong to the Print Services and Distribution Association organization where many so clients get our name from. We exhibit at their trade show annually," Ferguson says.

Being in business for more than a century, McCourt has experienced not only evolving technology, but also the changing demands of label customers. "Today, quality is an expectation, delivery times are compressed, and pricing has become very competitive, particularly due to all of the consolidations in the industry," Ferguson says. "The big converters are getting bigger and bigger and have advantages that can make it difficult for smaller companies to compete on price alone. We try to focus on solutions – we're willing to tackle label challenges that others might be hesitant to take. And our size is an asset when it comes to servicing our customers, who are very demanding, as they should be.

"They expect and require top notch quality backed by strong customer service and support. Our flexibility and ability to accommodate rush

requests has been a big help for us in terms of acquiring and keeping business. We are a small company, but big enough to serve the most demanding of clients," Ferguson adds.

Environmental sustainability is another area that sets the company apart. In 2008, McCourt Label achieved the prestigious ISO 14001 accreditation, illustrating its commitment to minimizing environmental impact. The international standard provides both a model for streamlining environmental management and guidelines to ensure environmental issues are considered within the decision-making process. In 2010 McCourt Label received the TLMI Environmental Leadership Award for Process Improvement, recognizing the company's commitment to progressive environmental practices. McCourt won the award for its overall environmental program and specifically for its employee team project – "Recycling Non-Contact Cooling Water from the Distiller."

When it comes to the company's workplace culture, the theme is family, quality and innovation. Ferguson says, "McCourt is a family business and all employees are treated as family members. We take a lot of pride in our storied history of innovation that goes back to our founder Newton McCourt. We love to work with our customer's difficult applications and help them succeed where others would fall short. McCourt stands for innovation, quality, environmental sustainability and reliability. This has been a successful formula for 118 years." **LNW**