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INTERVIEW with International Label & Printing

International Label & Printing in Elk Grove Village, IL prides their company on being a complete source for all business printing needs. "We understand that an investment in technology can actually save money by improving efficiencies. We strongly believe in balancing the "high-tech" with the "high-touch." We sat down with International Label & Printing to discuss their business and why they chose Domino and the N610i digital UV inkjet label press.

Interviewed:

Mark Turk, President/CEO Tony Dardano, EVP Sales & Marketing

"Being able to print at that speed with the white, the Domino was a game changer for us." – Tony Dardano, EVP Sales & Marketing

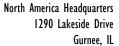
"The time savings, the quality. It has completely changed our business and capacity. The Domino has simplified our lives quite a bit and has given us a chance to compete, and even win awards." – Mark Turk, President & CEO





Tell me about International Label & Printing

Mark: The three of us...Bob (Bob Gorzynski – EVP/CFO), Tony and I came out of the newspaper business in Chicago. We worked for the Sun Times, back when it meant something to work for a newspaper. It had been taken over several times by different ownership and we loved the business very much, but we knew that to be promoted we would either have to go across the street to the Tribune or move to Boston or Dallas or New York to further our careers. But we liked Chicago. Bob was the Controller, Tony was the Sales executive, and I worked in Production. The bankers liked the combination and the three of us like to eat, so we decided to start our own business. We found a business in Wood Dale, IL not too far from here. It had flexo, and we were intrigued with flexo because that was an option to print the newspaper back in





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the day, and we were using direct letter press. So we knew the presses could be utilized to do other things, like print labels, and the plant had the revenue at the time to support the three of us.

The business had been owned since the 1940s by a family of Holocaust survivors who came over here from Europe. The husband had been the Principle and he passed away. His wife ended up running the business and she was at the point where she wanted to retire, so we bought the business from her in 1993. It had been going downhill, so it needed some TLC and some elbow grease. It took us about 18 months to complete the deal.

We didn't know the label business, so we learned along the way. Then in 2001, we moved here to Elk Grove Village, Illinois with the opportunity to own the building, our own business and make it into a production facility. The previous owners were focused on wholesale food labels, food service labels.

Tony: Yes, lots of can labels, paper labels. We had large format offset back then. So when we bought the building we had nine letter presses. The old platen letter presses, not roll to roll, the old platen letter presses producing cut-and-stack labels. Because it was food service, customers would order 2000 peas, 2000 corn, 2000 green peas and they would print those on the same masters, but on the letter press. We had lead type then, we had a Ludlow until the folks from our worker's comp insurance company came in and said 'if you want us to carry you, you will need to get rid of that press'. So we had to go to an alternative plating method.

How long have you been printing pressure sensitive labels?

Mark: Since 1993. When we bought the building, they had a Mark Andy 2100 (which we still have) 6-color press, and a Mark Andy 810 3-color impression cylinder press. They also had the 29-inch offset sheet-fed press that we were describing. So they were doing cut-and-stack labels as well as the pressure sensitive roll-to-roll labels.

We came in and we thought 'ok this is great, but the press is only 7 inches wide and we kept saying that if we could go a little bit wider, we could open up some new markets for ourselves'. In 1995, we bought an Aquaflex 13-inch 6-color press. And the Sun Times people were good to us. We left on good terms and as it turned out, they came to us. Back in those days they printed Zip cards, basically 8 ½" x 11" inserts, for the newspaper. So they asked if we would like to print those for them. They were four over four and we





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had a 6-color press. So we bought two extra units to make the Aquaflex an 8-color press and we ran those roll to sheet, off the press and onto the skid ready to go. And that was a nice business for quite some time. For a long time, that was our flagship press.

We then started to get new business that required the jobs to be run on that same press and we didn't have the capacity, so we bought a Nilpeter FB3300 8-color 13 inch, and made the tooling compatible, so we could run everything interchangeably between the Aquaflex and Nilpeter presses.

So today, you have three flexo presses?

Tony: Yes, that is correct. We have three true flexo presses.

Mark: And we have a Nilpeter Caslon, which is considered a hybrid press combining flexo and digital. We purchased that press in 2010. And we have the Domino N610i, which is our first true digital label press. The Domino was installed at the end of December 2014.

Tell me about the industries that you serve.

Tony: About 75% of our revenue and customers are from the food & beverage market. Of that, about 75% are prime labels.

Tell me about your customers.

Tony: We have a lot of longtime customers that we have had for 20 years.

Mark: Yes, and some that we inherited with the business.

Tony: The largest customer that the previous business had, is still our customer. They are no longer the largest customer, but they are still a great customer.





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Tell me about your customers' expectations and their labeling needs and requirements.

Mark: The three magic words are quality, price, and service. That's pretty much been it from our beginning.

What drove the need for your company to implement digital?

Tony: The driver was the need to run consistent labels, every time, and minimize the set-up time and the run time. We looked long and hard and finally the technology got to the point where we thought it finally made sense to us. We analyzed running a job digital vs. flexo and until you actually do it, and see it, and experience it, it doesn't always make sense in your head. You just need to do it.

And now, it's like 'this was a no brainer' because we can deliver the same label, the same colors without having to pull our hair out every time we run the job.

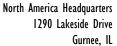
Tell me about that. What pains were you experiencing before?

Mark: Here's an example. We had a customer, a winery that's been a good customer for us, and they didn't like the idea that we were going to run their labels flexo. They had been having them printed digitally, and liked them that way. We were able to earn their business with the understanding that ultimately we were going to print them digital once we could afford it and get it set up. And these labels were tough to do flexo. There were five or six versions. So we had five or six plate changes, times four or five or six colors. It would take a couple days to complete the job running it flexo. In the meantime, we had a press that was tied up and we had other customers that wanted their labels. We managed to do it, but we knew we would have to pull the trigger and go digital.

All of the SKUs and versions that customers are requiring now, really are best run on digital. They might only have 30,000 labels they need but they might have 15 different versions, so it takes a long time to run it flexo. And it's funny, I was adamant that we could compete against digital when we didn't have it.

We had one job that was 64 versions of 4×6 labels. Only 1,000 to 2,000 of each. So that was 256 plates that we were changing. And we did it, we got it done, but it took us two or three days to complete it. But







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we got it done, and we were pretty proud of that. But to do that same job digital, we could get it done in two to three hours instead of two to three days. So, it was like 'what were we thinking?!'

It was out of habit. It was how we ran the jobs, so you become as proficient as you can with it. But when you step back and look at it, you realize 'there has to be a better way'. So that's what drove us to go digital. At the time, we still had a couple letter presses back there, so when we bought the digital, it was like we were walking through 'a time museum' in our facility. From the old to the new.

Talk about what the efficiencies of running digital have brought to your business.

Tony: We have some customers now that don't care how large or small the run is, they want their labels printed digitally because of the consistency it gives. There are no gear marks and it gives our customers the same product every time when run digitally. That is not easy to do printing it flexo, because of the human element. In digital, all of the human element comes in the pre-press, basically. So once it is set up, it's not going to change and the job runs the same every time. Whereas with flexo, each time you run the job there is the human element which can alter the end product. So digital removes the human element to the printing, providing labels with consistent color and quality every time.

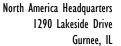
Mark: If a customer has six labeled products on the shelf, and one looks different than the others, it is going to stick out like a sore thumb. So it's very important to maintain consistency because that's their brand, that's their image. Customers will let you know if their labels are not consistent.

What feedback have you received on the Domino N610i printed labels in terms of color consistency, color gamut, etc?

Mark: Our customers are pleased with the way the labels look. The testament is the repeat order. The fact that they order again, and again, and again. And they are confident in us.

Tony: We haven't had any labels rejected due to print quality from the Domino.

Mark: And with flexo printing, customers rejecting labels is a universal occurrence, because with flexo





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colors can shift or something in the print will look different. Registration can shift. Lots of variables.

Talk about the vetting process you went through when considering digital.

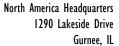
Mark: We took several years. And for some reason, we became a target. I don't know why, we are not a big company, but several digital printing companies would call us and say, 'we want you to fly to this city or that city and take a look at this machine'. For us it was a chance to learn something, but it was too expensive for us. Then at one of the label shows in 2008 we saw the Nilpeter Caslon but it wasn't ready yet. So we waited. Two years later in 2010, Nilpeter came back to us and we decided to buy it. It was the first one in North America. And of course, all of the clichés followed such as 'you lead, you bleed', etc. but it was a chance for us to get started with digital.

Tony: And the wine market in Illinois was booming. There were over 90 wineries and it was growing immensely. And craft beers were making an appearance. So both of those lend themselves to the digital printing because of how the labels have to look and the quantities that customers are going to order. Smaller quantities, many versions.

So how did that then progress to your company purchasing the Domino N610i?

Mark: The Caslon was a good machine, it still runs, we still run it today. It's a 4-color flexo/digital hybrid. But so much of what we are doing now is either white ink on metallic poly or paper or clear. And you've got to have white ink. And we could print white ink with the Caslon, but we printed it flexo then combined it with the digital. And as an example, with one of our customers there were 12 different labels. Sometimes with those 12 different labels, the art is not the same. You might have 12 white plates. And this may sound funny coming from a guy who changed 256 plates to complain about 12, but it was a case where 'wow, you could be running the job for 20,000 and each time you have to stop and change because you have 12 plates'. So we had to stop the press, re-register it. It wasn't the end of the world, but it was analog-to-digital. We got it to work. Small quantities, we were fine. 1,000 labels, no big deal. But you get into higher volumes and more SKUs, we were not able to get the same efficiencies we were getting as when we would run it without the white.







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It wasn't in the plan to add another press, but with the issues we were having...the registration issues, the make-ready time, etc. it just happened. I was looking at Domino for another project we were working on for one color. We knew Domino was the expert in ink jetting one color, whether it was on labels or beer bottles. Domino has been doing that for years. In talking with the Domino Account Manager, he showed me this clear label with a very opaque white ink printed on it, and I thought, 'Wow, this is as good as silk screen'. The white was very dense, very opaque and the print quality was excellent. So then Domino invited us to their facility. This was in November 2014. It was only 40 miles away, so I thought 'why not'? So a bunch of us drove up to Gurnee, Illinois and we saw the press. And the idea of Domino ink jetting color was natural, because they were already doing great with black. So we thought we'll go up for the morning, learn something, and then come back.

At the time we saw the press, it was 4-colors plus white. It was everything Domino said it was. And they were introducing a new press that had 6 colors plus white...a 7-color press with extended color gamut. So I got to thinking that maybe it would be good for us to make a deal on the 4-color plus white press. I told Domino that they could even use it for a demonstration if need be since we are only 40 miles away. It was a very impressive machine.

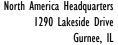
So then the Domino Account Manager, Gary Peterson called us and asked if we were serious. And so that's how it all started. Domino printed some jobs in Gurnee for us, so that we could see that the press would do what we wanted it to do. Everything looked great.

So then I said to my partners that I thought we should buy the Domino in order to save this type of work that we were starting to get. We couldn't afford to throw half of it away due to the registration issues we were having. The white is really what drove it.

And the other thing was, we were five years later in technology. We had some experience with UV inkjet with the Caslon, but the Domino was the latest and greatest. The Domino runs twice as fast, and it's half the cost. So once we started putting all the mathematics together, we said 'hey, there are some cost benefits here as well in to going with the Domino, besides just being able to print great looking labels'.

It was kind of funny when we first got the Domino, because the Caslon runs 75 feet/minute and the Domino runs over twice as fast as that, and as we were watching jobs being printed we said, 'we can't even see the labels', the press runs so fast. We weren't used to that type of label production.







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What did that do for your capacity, being able to run at that type of speed?

Mark: It was night and day.

Tony: And being able to print at that speed with the white, it was a game changer.

Mark: The time savings, the quality. It completely changed our business and our capacity.

Can you quantify what the Domino N610i has meant to your business?

Mark: Without question, it has saved a lot of our accounts. All of these accounts that require white ink on the labels.

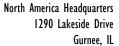
Tony: The Domino has allowed us to be competitive on new business that we have gained...on clears, and on silvers, etc.

Mark: The ink cost is half and the Domino runs twice as fast.

Has the Domino N610i opened the door for new business?

Mark: We have a winery customer that was commissioned by the 786 USS Illinois submarine on the East coast. Michelle Obama was going to break the wine bottle on the ship to christen it. They picked our customer's winery to do this. So he picked a special wine and he needed a special label for the bottle that Mrs. Obama was going to break open on the ship. He and his wife came here and the Domino was like a proof press. We ran 9-up on a sheet, white ink on a silver BOPP. We would show them the labels, and they would ask for this artwork or that artwork to be changed. What was great, is that we could run it at a moment's notice on the Domino. There is no way we could have run that, in that manner, on any other press. They would have had to come back tomorrow, wait three hours for a plate, etc. on any other press. We were able to get this done for them in one day. So the bottle that she christened the ship with had a Domino printed label from International Label & Printing...pretty cool! It was on CBS news and all of those news magazines.







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What determines which press you run your jobs on?

Tony: It becomes a math equation to a degree. Quantity. Total square inches. Cost. We run an analysis to see what makes the most sense. But as we said earlier, sometimes it's as simple as a customer's preference, such as the one who says they want their labels only run digitally, regardless of quantity.

Mark: We give our customers what they want. And we run jobs on the Domino that are tens of thousands of feet. Some jobs we just continue to run flexo because we already have the plates, they're 4-color jobs, etc. But any new business, 90% of it, we are putting on the Domino.

Tony: Typically anything 60,000 feet or less and/or multiple versions we are putting on the Domino.

What has been the overall level of satisfaction you have had with the Domino N610i?

Tony: We're very satisfied with the Domino.

Mark: The Domino has made my life a lot easier and it's made our people's lives easier. They're not fighting. You don't want to have to fight things when you're trying to produce them. The Domino has simplified our lives quite a bit and has given us a chance to compete and even win awards.

Speaking of awards, tell me about the award you just won from TLMI.

Mark: We just joined TLMI this year. We looked at several associations and determined TLMI would be the best fit for us. At first, we didn't think we would be big enough, but they have made us feel very welcome. It was Gary Peterson and Kent Wolford from Domino who told us about the TLMI Awards Competition and suggested that we should enter some labels. We picked five labels and submitted them. We received a letter from TLMI in July that we won, but they weren't going to tell us which label or any information until the TLMI Awards dinner in Colorado Springs, CO at the TLMI Annual Meeting in October...we hope you can join us. So we were kicking that around, spending money to go to the Annual Meeting. So we decided to go. And we ended up taking 2nd place in the category of Wine & Spirits – Digital Printing / Inkjet – Color Process Prime with a label printed by the Domino N610i. The Domino has been a great addition to our business.