



Manager of supply chain and information systems Norm McGlaughlin poses alongside an attention-grabbing display of high-quality flexible packaging and pressure-sensitive labels manufactured by Labelad at the company's Markham facility.

# SHRINK THE INK

Labelmaker saves big-time with reduced ink inventory

BY ANDREW JOSEPH, FEATURES EDITOR  
PHOTOS BY ANDREW JOSEPH

**K**eeping your costs in line is a key fundamental for any successful business enterprise aiming to stick around awhile, but finding your next cost-saving opportunities these days is not as simple as it used to be back in 1976, when Sandra and Lionel Waldman founded an upstart supplier of printing labels for the carpet industry under the **Labelad** banner.

Having grown exponentially over the years to

mature into one of Canada's leading suppliers and converters of pressure-sensitive labels and flexible packaging—nowadays employing 130 people at a 110,000-square-foot state-of-the-art production facility just north of Toronto in Markham, Ont.—the privately-owned company has long prided itself as one of the industry's most committed practitioners of 'lean manufacturing' methodologies such as *Six Sigma* and other leading continuous improvement and quality practices, according to Labelad's manager of supply chain and information systems Norm McGlaughlin.

"One of the things that this company has done consistently, since day one actually, is continually reinvest in its technologies and its people," McGlaughlin told *Canadian Packaging* on a recent visit to the lively Labelad plant staffed by a highly-motivated team of dedicated, cross-trained employees who are fully-committed to implementing the company's continuous improvement strategies on a daily basis.

"This is what has really allowed our company to become an industry leader in quality, innovation and delivery reliability."

Running the Markham facility at full capacity on a busy two-shift, five-days-a-week schedule throughout the year, Labelad operates an impressive selection of printing presses—including a dozen flexographic UV presses and a recently-added digital press—to produce a diverse range of high-quality pressure-sensitive labels and upscale flexible packaging for a vast client base of customers across North America's personal-care, food-and-beverage, pharmaceutical, healthcare and nutraceutical industries, including a growing volume of RFID (radio frequency identification) tags and labels being rapidly adopted across a wide spectrum of industry sectors.

"While we often do print runs of one million labels plus for customers, we are aware that the individual cost of each label is actually quite small," states McGlaughlin, "which is why we are constantly looking for ways to drive out more costs from our business."

"For us, achieving success is based on constant improvement of our key business processes."

According to McGlaughlin, the Labelad plant has recently achieved impressive savings in its ink costs by taking advantage of its long-standing, team-like relationship with the Brampton, Ont.-based **Sun Chemical Limited**—Canadian subsidiary of the globally-operating industrial inks, pigments and specialty chemicals conglomerate **Sun Chemical Group Cooperatief U.A.**, headquartered in The Netherlands—which has



Cordon Bleu-Tomasso, food processor, Anjou, Quebec

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Utilizing small canisters of ink paste, the new compact ink dispenser (*inset*) supplied via the Sun Chemical Dispenser Program will enable the Labelad plant to eliminate a vast inventory of massive 40-gallon ink drums stored at the facility.

actually maintained and staffed an on-site ink laboratory at the Markham plant over the last 12 years.

“We have had nothing but the best of relationships with Sun Chemical, who have always been able to supply us with all the high-quality inks we needed whenever we needed them,” notes McGlaughlin, “but until recently, we weren’t able to streamline their services into our production process.

“Whenever the plant needed to replenish a supply of a specific ink formulation,” he recalls, it would be mixed and stored in bulky, 40-gallon drums that would be kept on-site at the plant.

“And when you factor in the vast number of all the different inks we require to serve all of our customers, it would often result in a heck of a lot of inventory that we would have to maintain.”

So when Sun Chemical’s North American director of product management for narrow-web and label inks Percy Agboat visited the plant last September to discuss the company’s newly-launched *Sun Chemical Dispenser Program*, McGlaughlin jumped at the chance to hear all about the inventory and cost-savings promised by the new service.

“In these trying times, when the entire industry is faced with rising raw material costs, Sun Chemical felt it was necessary to offer its customers a value-added proposition,” recalls Agboat, explaining the company’s exclusive three-year program, whereby Sun Chemical provides its customers with free use of an advanced, on-demand ink-dispensing system in exchange for their continued exclusive use of inks supplied by Sun Chemical.

McGlaughlin says that signing up for the new service was a quintessential no-brainer, considering the significant benefits of lowered inventory costs enabled by the compact new ink dispensing unit—measuring only four-by-four feet—that replaced an expansive drum-based ink processing area occupying a good chunk of the plant floor measuring 30-feet-long and six-feet-wide, freeing up much-



## LABELING

needed extra floor space for more productive uses.

“I have already been able to get rid of all of these 40-gallon drums, which have essentially been displaced with 12-inch-tall canisters of ink paste,” says McGlaughlin, explaining that it takes only five such canisters of paste concentrate to produce the 10 gallons of ink required to handle an average print run.

“I now only need to bring in the amount of ink that I actually need for the job,” states McGlaughlin. “If I need five canisters, I bring in exactly five.

“This program really helps out with our inventory management, which has greatly improved our cash flow,” he states.

“Any time we had to open up a drum in the past,” he recalls, “Labelad would quickly get invoiced for it, even if it was just to sit there for a month or two before it’s all used up,” says McGlaughlin. “But with the canisters I only use what I need. Even if I may

have a few sitting in inventory the odd time, they really do not take up much space at all.

“Moreover, I no longer have to pay for the actual mixing of the inks; the ink dispensing system is doing that for me,” he adds. “I also love the cleanliness factor—there’s no handling of ink, as everything in the canister is automatically dispensed into small, easy-to-handle one-, two- or five-liter jugs.”

Sums up McGlaughlin: “While it is a fact that a company like ours often has to spend money to make more money by investing in the latest equipment and technology, it also often takes the help of a good supplier and partner, such as Sun Chemical, to help us get there faster and more cost-effectively.”

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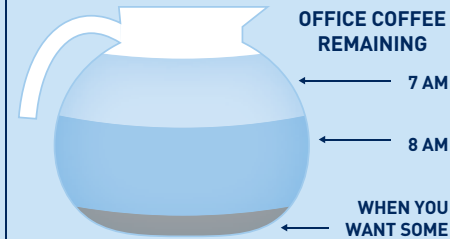
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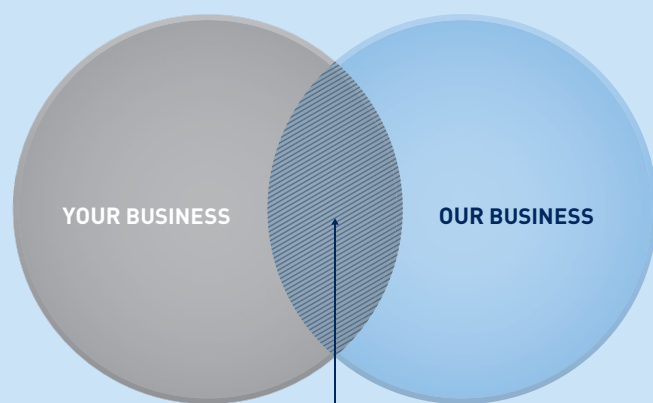


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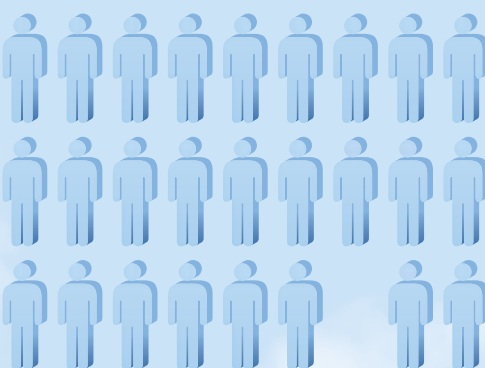
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