

Digital Label Solutions enjoys dramatic growth with HP Indigo



At a glance

Industry: Labels & Packaging

Business name: Digital Label Solutions

Headquarters: Yorba Linda, USA

Website: digitallabelsolutions.com



Challenge

- Digital Label Solutions saw an opportunity in the marketplace for low volume, high quality label printing. It wanted to offer label converters, brokers, and designers the ability to produce the highest quality, one-off labels.

Solution

- The company based its business on the HP Indigo WS4000 Series Digital Press, adding a second in 2008, and followed with an HP Indigo WS6000 Series Digital Press in 2010.

Results

- Digital Label Solutions can print labels in any quantity, opening up new opportunities for existing label converters and commercial printing companies.
- The company has grown from three founders to employ 30 people with sales growing tenfold during that time.
- It produces up to 100 jobs per day with an average value of US\$250 and offers three day turnaround time as the standard.
- The ability to print on a wide range of substrates has allowed it to offer more complex and creative print options.

“The HP Indigo digital presses have helped us grow the business from three people in a borrowed space to 30 people in a 30,000 square foot facility with revenues growing more than tenfold over the past seven years.”

– Sandy Petersen, vice president, Digital Label Solutions



Digital Label Solutions, Inc. was founded in 2007 by three colleagues who all worked at the same regional commercial and flexographic printing company. From starting in a borrowed workspace with a single digital press, the company has grown to employ 30 people and generates revenues more than 10 times its first year sales. It specialises in low quantity, high quality label production with 95 per cent of its business from local and national print brokers, label companies, and commercial printing companies.

Striking out alone

The inspiration for setting up the business came in the form of the HP Indigo WS4000 Series Press. This press convinced the founders that digital print was now a viable option for short run/multi SKU label production. The potential for new market opportunities seemed endless.

“I had been following the progression of HP Indigo in the digital press arena for years, and after witnessing the production capabilities of the 4000 at a national show, I realised it had come of age as a technology. I approached the board of the company we then worked for and presented an ROI study to purchase the press. Unfortunately for them, they had no interest at that time,” explains Joe Marks, CEO and president, Digital Label Solutions. “Over dinner that night with two colleagues, Sandy Petersen and Susie Dobyns, we decided to strike out on our own and thus our company was born.”

A former colleague of Joe’s financially backed the purchase of the first HP Indigo WS4000 Digital Press and provided them workspace within his own company’s offices and warehouse. This, combined with a Small Business Administration loan from the US government for a finishing press, and Digital Label Solutions began to take shape. The first item to come off the press was a marketing brochure targeting label and commercial printers, brokers and ad agencies.

“The flexo industry typically requests a minimum quantity per order, which may be higher than their customer’s requirements. This could mean high waste and obsolete inventory. And for some converters, the growing demand for customisation and personalisation just wasn’t possible,” remarks Sandy Petersen, vice president, Digital Label Solutions. “We were able to offer quantities as low as one label, variable data and graphics, and a quality level that can surpass traditional offset printing. We immediately saw significant interest. We mailed the brochures out on a Friday afternoon and the phone basically hasn’t stopped ringing since.”

Exponential expansion

In 2008, the company added a second HP Indigo WS4050 Digital Press followed by an HP Indigo WS6000 Series Press in 2010. This WS6000 press prints at twice the speed and allows for printing of unsupported films to produce both FlexPak cosmetic pouches and shrink sleeves. Despite the fact that the company was established at the beginning of the worst economic recession in generations, Digital Label Solutions has seen unparalleled success.

“By the end of the second year we had doubled our sales volume and grown to 12 employees. Today we have since doubled, and then doubled again, our sales volume and now employ 30 people,” adds Petersen. “This has been possible in a large part due to the speed, quality and flexibility of our Indigos. We have no sales people; it’s all word of mouth recommendation. And of course, good word of mouth depends on exceptional customer service and the quality level of the finished product.”

Quality and flexibility with quick turnaround

Rather than the usual 10 day turn-around offered by most traditional printers at that time, Digital Label Solutions began offering a three day turnaround on most orders. Today it handles up to 100 orders with an average value of US\$250 every single day.

While speed is an important differentiator, the quality of the print is also vital. “There is no comparison in quality – HP Indigo offers the best quality out there compared to any digital press on the market today, no question,” says Marks. “It is also easy to use. We don’t have to contend with chemicals, long make-ready times, or plates and there are no gear marks or poor registration. That makes production processes more streamlined.”

Another factor that bolsters the company’s reputation is the role of variable data and graphic programming in conjunction with challenging construction requests from its customers. When every single label on the roll is different, the “wow” factor increases dramatically. This has enabled the production of individually barcoded labels, personalised sporting event ticket books, contest and raffle tickets, real estate marketing labels and even wine labels of a specific vintage.

Adding to the challenges with a typical start-up company, in 2007 there was a limited supply of digitally top-coated materials available on the market. Digital Label Solutions researched and tested a multitude of coatings and proceeded to coat its own stock. This allowed an almost limitless choice of materials to offer its customers, from recyclable 100 per cent PCW material to the thicker NPS stocks used for clothing tags.

“Early on, a potential customer reviewed our sample media and was amazed we could print to vinyl. Apparently our competitors hadn’t yet mastered that stock. It definitely helped drive our business because we could essentially print on almost anything,” says Marks.

Award-winning labels

Perhaps the most impressive label construction in recent years was for KIA auto dealers, which won the World Label Contest’s first ever ‘Best of the Best’ award in the digital print category at Label Expo Europe in 2013.

“We produced customised tyre labels for 200 KIA dealerships to adhere to glass entry doors. They needed to be double-sided and 100 per cent opaque,” comments Petersen. “Using a proprietary stock, we were able to construct the label to the exact specifications. It is the HP Indigo’s flexibility that allows us to be creative and produce these very short run promotions that are now being recognised industry wide.”

To further enable the growth of the business, in 2014 the company purchased a 30,000 square foot facility with room for the new HP Indigo WS20000 Digital Press, which is currently being seriously contemplated.

“HP is a huge contributing factor for our company and we have a relationship that goes back years. No one else can match the sophistication and elegance of its technology and it will always be at the forefront of our business considerations,” concludes Marks.

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