



The Label Advantage adds value, expands customer base and builds profitability

The Label Advantage of Des Moines, Iowa, is a label converter with 11 employees, no sales staff, and loyal customers that stretch from southern California to Florida. The company is highly responsive to customer demands and actively invests in new technologies. With a well-focused strategy, The Label Advantage has used digital printing to complement its conventional operation, deliver outstanding customer service, improve margins and differentiate itself.



Industry sector: Labels & Packaging

Business name: The Label Advantage, Inc.

Headquarters: Des Moines, Iowa, USA

Testimonial from: Brian Patterson, president and co-owner
and Tom Weisner, co-owner

HP solution: HP Indigo WS6800 Digital Press

Website: labeladvantage.com



Challenge

"In 2007, we had a choice: To invest in digital platemaking for our flexo presses, or take a leap of faith and invest in digital printing. We decided we wanted to do something different that would benefit our existing customers and attract new ones."

Tom Weisner, co-owner, The Label Advantage



Market recognition is about knowing your market

Co-owners of The Label Advantage, Brian Patterson and Tom Weisner, share a business strategy that has seen their company grow in size, technological sophistication and in market. Established as a conventional label printer in 1996, the company grew to have three flexo presses by 2007. Then it faced the investment choice that took it into digital printing.

"We decided that we wanted to do something that our competitors weren't doing," says Patterson. "Companies our size weren't offering digital print, and smaller customers weren't buying digitally printed labels. We thought that could change."

The Label Advantage installed an HP Indigo ws4000 Digital Press which was later upgraded to an HP Indigo ws4050 Digital Press.

"The risk paid off, and our relationship with HP grew," Weisner says. "By 2014, the press was seven years old, digital printing technology had advanced, and we needed additional capacity. We recognized that if we wanted to keep our edge, it was time to invest again."

The Label Advantage's strategy was not to chase big fish, but to offer high quality print with first rate customer service to smaller companies, providing them a level of service they wouldn't get from larger label converters.

"The result is that we have a diversified customer base spread over a very wide geographical area," Weisner adds. "We are continually challenged by customer requirements."

Solution

"Our need for a new digital press coincided with HP's launch of the HP Indigo WS6800 Digital Press. HP wanted to demonstrate that smaller companies could operate this new press profitably, and with our experience with the HP Indigo ws4050 Digital Press, we thought we could do it."

Brian Patterson, co-owner, The Label Advantage



Increased versatility, quality and profitability

As part of the demonstration that a large, powerful digital press was suitable for a small company, HP chose The Label Advantage as a beta site for the HP Indigo WS6800 Digital Press. Patterson and Weisner's decades of experience contributed to the final development of the press, and the company became one of the first in the world to buy the press, and the first in North America.

"For a company of 11 people, that was something of a landmark," says Patterson. "There are features on the press that we really like and that have made significant contributions to productivity and improved margins."

The inline coater has enabled The Label Advantage to increase the number of substrates used by making it fast and cost-effective to treat stocks run on their conventional production lines for digital printing.

"The inline coater has reduced our substrate expense from 46 percent of production costs in 2008 to 28 percent in 2015," Patterson says. "The second big saving has been delivered by the inline spectrophotometer."

"We can accurately check colors on transparent and reflective materials without stopping the press. Previously, we'd stop the press, load and run a white substrate, measure it and then reload the original material," he says.

"The spectrophotometer also means we can confidently create gold, silver and bronze text and image effects by using silver substrates with tints," adds Patterson.

Result

"The higher press speed and greater image area as well as the inline spectrophotometer and inline coater give us advantages that directly translate to advantages for our customers. We are also in a position where we undertake digital label printing for converters without a digital capability."

Brian Patterson, co-owner, The Label Advantage



Benefits for a broad range of customers

The Label Advantage has attracted customers in a wide variety of markets including publishing, medical supplies, pharmaceuticals, chemicals, health and beauty, and food and drink.

"Printing wine labels in Iowa is surprising to a lot of people," says Weisner. "In fact, there are 72 wineries in Iowa and we print for about 80 percent of them, directly or indirectly."

The needs of this market, substrate versatility, crisp colors, variable data printing, frequent design or text changes, and varying run lengths all play to the strengths of digital.

"We can give our customers a real advantage in time to market," Weisner explains. "The wineries are required to have the alcohol content of their wines certified by the state, and until then, labels can't be printed."

"Some wineries had labels printed as far away as New York, so when the confirmation had been received, it could take four to six weeks to receive the labels. With digital printing, we can have those labels in two days."

For The Label Advantage, digital printing has been transformative. "Our digital production has grown significantly," Patterson says. "In 2008, it was 30 percent of our sales. Today, it's 73 percent."

"During that time, our digital sales have grown too, from \$518,000 in 2008 to \$1.8 million today. Digital printing has driven that growth," he concludes.



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