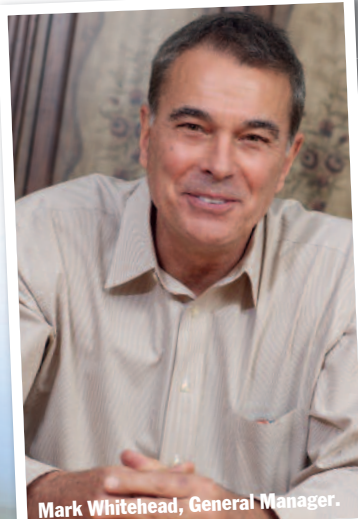


In the fall of 2014, we visited Cenveo Labels & Packaging in Charlotte, North Carolina. Charlotte is just one location of the company, a powerhouse in its multiple and diversified fields of packaging, labels, shrink sleeves, commercial printing, envelopes, fulfillment/warehousing, and other related services and offerings. Operating in over 100

facilities across the United States, Cenveo also stretches its global reach with operations in the Caribbean, Canada, India and Asia. Our goal during the visit was to understand their advances in folding carton production and to learn more about their rapidly growing position in the market.



Mark Whitehead, General Manager.

"Cenveo management has deemed folding cartons as one of the more attractive areas for growth," according to Mark Whitehead, General Manager. "Branching out in this area is a strategic initiative for the company." Charlotte's primary markets include pharmaceutical, tobacco, cosmetics, food & beverage and health & beauty products.

"We run a very diverse level of complex packaging within the facility here," he says. "This operation has differentiated itself by becoming a market leader in ink technology for sheet fed applications. In less than three years this has accelerated us from being a small player with a specialized capability into a big player with a clean process for manufacturing printed products." Whitehead explains that removing contaminants from inks and the production

TRANSITIONING INTO A **BIG PLAYER**

*CENVEO'S NEW FINISHING TECHNOLOGY FROM BOBST ADDS VALUE FOR THE END
USE CUSTOMER BY ENSURING QUALITY AND SPEED TO MARKET. BY NICK GRIFFIN.*

Cenveo's Charlotte, North Carolina, facility.

BIG PLAYER

process in general, “gives the end customer a greater level of integrity than what they would have with a conventional process.”

When asked to further clarify what that means, Whitehead replies, “We’ve developed a process which results in less than 50 parts per billion of potential contaminants from mineral oils or other oils. We are the leader in North America in this regard, as established through validation tests, gas chromatographic tests and spectral analysis tests, showing that the results we’ve achieved here can be reproduced time and time again. This is an enormous competitive edge because of our four years of experience and the substantial investment which we’ve applied, as well as the calibration and validation tests which we do on a regular basis on the equipment which runs this product.”

The company’s specialization in ink with low contaminants is credited with not only broadening their trading area but also taking them into new markets. “We’re being brought into new segments where there have been recalls because of product that has been tainted by ink or a component of that ink. So having a unique ink process gives us new opportunities in food and other highly sensitive items where risk avoidance is a paramount concern. In fact, some of our customers also use our ‘clean’ concept in their marketing,” Whitehead says.

Market Leader

When asked to describe the Charlotte plant, Whitehead says, “We have approximately 150 permanent employees in this plant and are supplemented with temporary employees in production based on demand. We have four offset printing presses and two web-fed flexo presses.” In addition, Cenvéo’s Charlotte facility has two Expertcut diecutters and six Bobst folder-glueers to make up the finishing equipment, including a new Expertfold.

“Looking at new equipment, whether it is for increased accuracy or verification or other advances, it is part of the corporate initiative of Cenvéo — investing in new equipment is one of the steps we take as a market leader. When I first came to this plant, we had a Bobst and another manufacturer’s diecutter. We conducted a detailed review of the capabilities we needed and the level of uptime and performance expectation we needed. It was from this evaluation that we decided the Bobst equipment offered our best option for the long-term and our strategy of being a state-of-the-art provider,” Whitehead says.

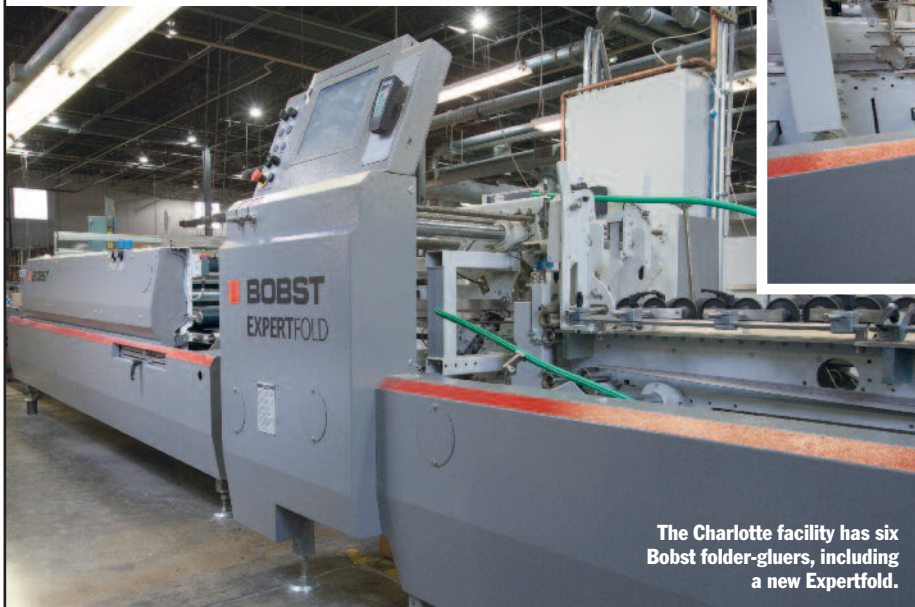
“We looked at historic data, uptime and downtime, the speed of makeready and the ability to get running at maximum speeds in a very short amount of time.” In addition to uptime and reliability,

Whitehead says the technical support and the quality of technicians, if they would need them, along with the simplicity of training the operators and the availability of remote support offered through the CUBE system, was also important.

“The setups are more efficient on Bobst machines than on the equipment they replaced. Service, spare parts and training also played into our decision with the availability of qualified engineers and the speed of their response was a key factor in our decision making process,” he continues.

“Once we validated the throughput and labor savings it would deliver, it was a very simple decision. Cenvéo is a very business-minded company and all decisions have to meet well defined and very aggressive criteria to make sure that the company’s resources are being used efficiently and effectively. It was determined that the R.O.I. on the Bobst equipment, in addition to meeting these goals, was one of the better ones,” he says. “Cenvéo, being a publicly-traded company, its primary responsibility is to the shareholders, so we’re always looking for capital equipment which has both longevity and proven returns.

“As our business grew, we transferred one of our (Bobst) CER 102 blanking



The Charlotte facility has six Bobst folder-glueers, including a new Expertfold.



Cenvéo management has deemed folding cartons as one of the more attractive areas for growth,” says Mark Whitehead.

diecutters to our plant in the Dominican Republic. That's actually the first, and to our knowledge, the only blanker on the island. So it was logical that as they grew their business, we had the ability to provide them with a better and more advanced tool to enhance the quality of their performance. This opened the way for the addition of a new Expertcut for our Charlotte facility. It was a win-win because by transferring some of our technology to them and replacing it here in the United States with an even more advanced Bobst, we were able to meet the strategic goals for both plants," he says.

Within a year of obtaining the Expertcut 106 in Cenvéo's Charlotte facility, the advantages it offered became increasingly obvious and a second Expertcut was purchased. "I think that both of those machines have taken us to an increased level of quality and professionalism, in addition to productivity, without over-complicating the operators' skill set. The output of the machines has certainly met the expectations set forth in our original evaluations and therefore in the capital request. We're seeing a very good return," Whitehead says.

"Having the value-added capability of the Expertcut, with plus or minus four thousandths of an inch in print-to-cut accuracy from a registration perspective, is certainly of value to our packaging customers, especially in the pharmaceutical market. Business is definitely trending up," he adds.

101 Years of Experience

Our conversations at Cenvéo also involved Roy Freeze, the plant's Continuous Improvement Engineer. When asked to explain his title Roy stated, "I'm in charge of quality — everything from manufacturing, structural design, printing, through to diecutting and folding/gluing. I direct and help implement Lean Initiatives and look for ways to eliminate waste. Basically, partnering and sharing some responsibilities with the Plant Manager, this job brings me into every department.

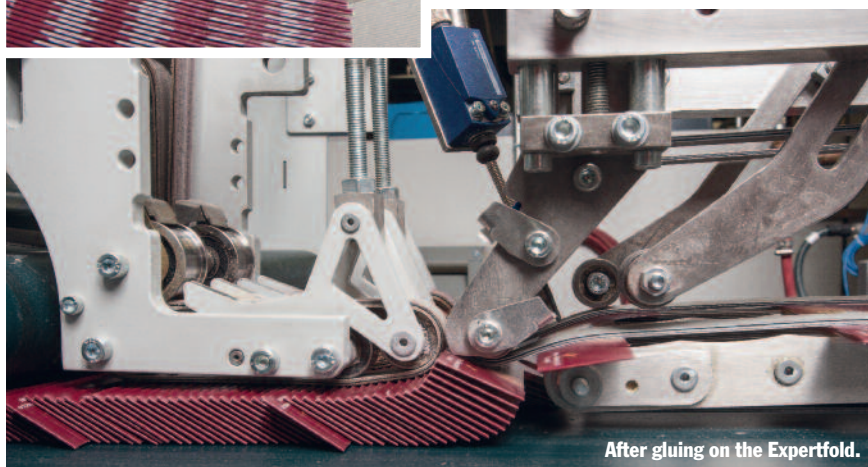


Roy Freeze, Continuous Improvement Engineer.



"It's challenging and that's what I like best. It's not mundane because every day there's something different. So yeah, we have a lot of diverse business and we're looking at everything that comes along. We're not just staying within one niche market, we're always looking outside as well."

Within a year of obtaining the Expertcut 106 in Cenvéo's Charlotte facility, the advantages it offered became increasingly obvious and a second Expertcut was purchased



After gluing on the Expertfold.

BIG PLAYER

Freeze describes the Bobst equipment as extremely beneficial to the Cenvéo Charlotte operation. "The best part of the 106 diecutter is how it handles any variations between printing and the intended diecut. Also, the run speeds on those machines improve our overall efficiency."

Referring to the new Expertfold, Freeze attests that, "Setup time is very quick because of the ability to easily recall where we are with all of our settings and quickly return to them for repeat orders. It's proven itself a very easy machine to learn. In a short amount of time our operators have gotten

really good at what they're doing. Also on that machine we installed the Wonderfold option for back-folding. We can do front fold, back fold and it can actually break nicks when we need that for a carton, such as a slit or something else out of the ordinary."

Experience and speed-to-market are cited by Freeze as other featured characteristics of the Charlotte facility. "How quickly we can bring products to the market is one thing that helps us out. We have a very diverse group of individuals here and a lot of experience within folding cartons. Among the three production managers, we bring about 101 years of experience to the table for this plant. We also have some operators with the same number of years and, with Mark leading the charge, I think our people make a big difference."

Bringing Value

A visit to an operation as multi-faceted and fast moving as Cenvéo's Charlotte facility wouldn't be complete without asking about challenges its key management sees going forward. Whitehead says, "That's a question we ask ourselves every week. Competing for the micro-cent on each carton is just not where we want to be. We see ourselves as an operation which brings added value. We're not integrated where we're measured by how many tons of board we convert because by bringing value to the end customer, we have a real differentiation."

Freeze says he sees a lot of change. "Our whole operation is changing and it has in the last six months. I consider myself to be a change agent and getting new things incorporated into this plant in a very timely manner improves how we do business with a market that's also changing."

Whitehead concludes, "We're growing both our top line and our bottom line. We will exceed our budget this year as we did last year and as we did the previous year. Charlotte and the entire Cenvéo organization are always looking at processes that can help us remain market leaders." ■

Pre-breaking on the Expertfold.



“I consider myself to be a change agent and getting new things incorporated into this plant in a very timely manner improves how we do business with a market that's also changing,” Roy Freeze says.