

Alain Paquette / President / Artcraft Label Inc. / Burlington, Ont. / Interviewed by Jon Robinson

Alain Paquette, together with a silent partner, purchased Artcraft Label three years ago and set out to modernize the operation, leveraging its experienced team and position as a producer of high-quality pressure-sensitive labels. Founded in 1977, Paquette took over the operation from John and Edna Robinson, who grew Artcraft from a sticker business to an award-winning prime-label manufacturer.

Stepping away from his established career with technology suppliers, Paquette saw huge potential in Artcraft's strong market position to institute significant operational changes to drive out costs. With his own background in lean manufacturing, investments were made to improve all aspects of the business, from the shop floor to the entire IT system.

Paquette focused heavily in establishing Artcraft's prepress department, through Esko's HD Flexo system, including a CDI imager and powerful new imaging software. The move adds more control over Artcraft's high-quality printing platform housed within a 20,000-square-foot facility. The plant is meticulous in its cleanliness and order and primed for the future, which is likely to include contracting out prepress work, which currently accounts for a very small percentage of Artcraft's revenue.

What potential did you see in Artcraft?

AP: I realized the market was changing so we came up with a plan to really optimize it... everything top to bottom... all of the software, computers, everything was all redone. We reinvented the whole ERP system. All of our stock is barcoded, for example.

How much cost have you driven out of Artcraft?

AP: We have managed to drop our operating costs substantially by optimizing. Of course, we now have a little less staff... and as a result, we crossed trained a lot of staff to be interchangeable.

How was Artcraft's print work when you bought it?

AP: The knowledge, the quality, everything was already in top shape. There was really not much work to do there. Those improvements come with time.

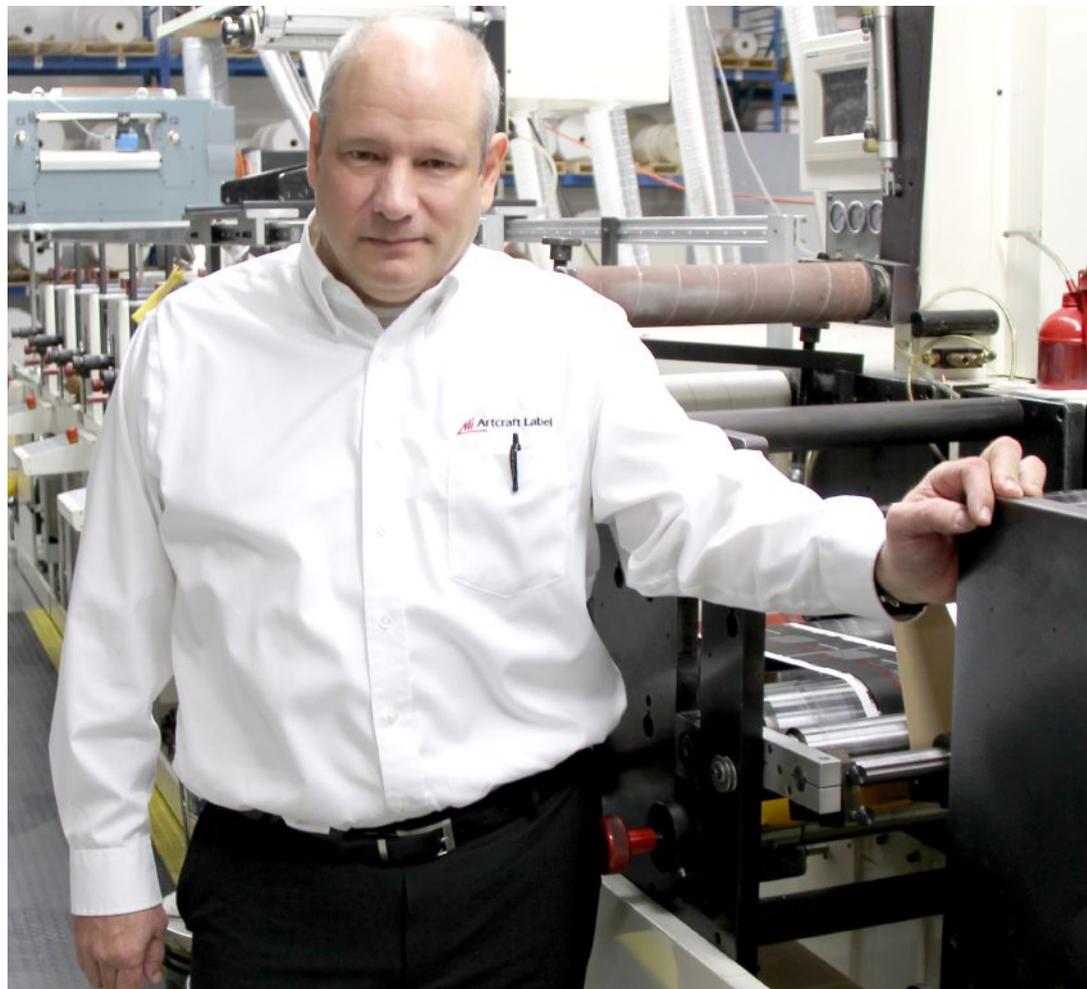
What has surprised you most getting into this market?

AP: I saw quality from a manufacturing eye, not from a printer's eye... there is a lot more that goes into this. [It] was a big eye opener.

Are prime label clients overly demanding?

AP: We search for the ones who are the most particular. It is not just for the margins, but you protect your space a lot better... where not many others can follow.

What is the shape of Canadian flexo?



Alain Paquette with Artcraft's Nilpeter press, which features a unique silk-screen station. In February, Artcraft moved deeper into high-end printing with Esko HD Flexo.

AP: The funnel comes down very, very fast and we are all sitting at that same size. I call them the single-owner type. There is going to have to be some consolidation at some point, if you want to get efficiencies up. We are at the point where we are starting to eye the market to see who can we work with to create growth.

What are your plans in terms of M&A?

AP: We are looking to acquire... We have set up Artcraft so you can take our installation, especially with what we have done in prepress, and easily double or triple it without that much strain.

How did you revamp prepress?

AP: We installed Esko Flexo HD. We are noticing with recent demands and SKUs that you really have to push the quality. We do not have offset presses, but you have to get yourself there and basically we are now.

Do you plan on offering prepress services?

AP: We actually do plates for a few other label printers, primarily out of province. With the locals, there is always [a] trust issue, but we are not out to take business.

What applications are you focused on?

AP: We are a good player in specialized high-quality segments. Our focus is local

and regional – a 200-kilometer radius.

Beyond prepress, where else have you invested in technology?

AP: In finishing – our flexo can run silk-screen inline, which not many can do in the area. We are present in health and beauty where there are a lot of the requirements to have more than one screen... We found with HD Flexo that we are eliminating some screens now.

Are you planning to invest in digital print?

AP: We have small digital capabilities right now. We call them our helpers. For us, we just really haven't seen the value. I know there is payback, but the volumes needed to sustain a million-dollar investment is no walk in the park. There are still a lot of limitations in digital technology.

What future goals do you have for Artcraft?

AP: We want to see growth as a good mid-level shop and we are going to get there. It does take time and we are probalby looking at anywhere between a 5- and 10-year window, but right now the architecture is done. We have a team in place that can transfer knowledge and we will start growing from there. **PA**

70

Percentage reduction in Artcraft's internal paper usage in three years, as Paquette moves toward a fully digital file system