

**A combination of strategy and sheer luck is helping Jay Packaging Group, Inc. target the high-end folding carton market.**

**By Jackie Schultz**

**F**or more than 30 years, Richard 'Dick' Kelly, Chief Executive Officer of Jay Packaging Group, Inc., watched the U.S. folding carton industry struggle with low margins and customers moving their operations overseas, causing many carton manufacturers to close their doors. He and his partner, Fernando Lemos, Executive Vice President, were determined not to let that happen to Jay Packaging.

Founded in 1945 by John 'Jay' Giacchi, Jay Packaging is a medium sized converter that manufactures blister and thermoformed packaging, folding cartons and blister cards from its 175,000-sq-ft facility in Warwick, Rhode Island. The company employs about 100 people.

"In almost 70 years we have gone through evolutionary stages from printing wedding invitations to commercial printing to packaging, thermoforming and fulfillment. Growth and expansion have been based upon opportunities in the

marketplace," says Dick, who began his folding carton career at Container Corporation of America.

About 65 percent of the product mix is folding carton. Focused markets include cosmetics, fragrance and beauty care, OTC pharmaceuticals, office products, home care, high-end sporting goods, pet care and nutraceuticals. Customers include a variety of high profile brands, such as Duracell, Maybelline, Sally Hansen, L'Oreal, Disney and Nexxus.

The current strategy is to expand the product mix into higher-end, highly decorative folding cartons, especially in the beauty and healthcare markets. A key component of that strategy is the installation of a Heidelberg Speedmaster CD 102 10-color Offset UV Duo press that has three fixed and five movable flexo coating units. The press had previously been installed at a leading commercial printing operation in Texas that suffered significant financial hardship after the recession.

## POSITIONING FOR **GROWTH**



**Fernando Lemos (left) and Dick Kelly in front of the Heidelberg Speedmaster CD 102 10-color Offset UV Duo press.**



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"It was one of those unfortunate things for the Williamson Brothers but a wonderful thing for us being able to get a press with tremendous capabilities and very low mileage," Dick says.

Initially, the plan was to purchase a different press directly from a machinery manufacturer, but the press did not live up to Jay Packaging's expectations so the company cancelled the order. Dick admits that this created some anxiety. "We were now a couple of years behind in getting a press. We had the choice of another year and a half waiting for a new press or purchasing the 10-color, which had only been run the equivalent of one year and had capabilities that we hadn't seen in any press before and certainly not in the packaging industry."

Indeed, the press can print a wide range of inks and coatings in one pass and its flexographic units can be positioned before and after offset printing units, allowing for even more customization. From end to end, the press is 2.8m (110ft) long.

### Game Changing Technology

Prior to installation, Jay Packaging had the press cleaned and brought to "like new" condition. It was raised to accommodate the throughput necessary in the folding carton industry, and it was fingerprinted so that it could handle orders that were previously run on the company's eight-color Heidelberg that also has offset and flexo capabilities. For energy savings it was tied into the heat exchanger on the eight-color, which cools both presses with outside ambient air.

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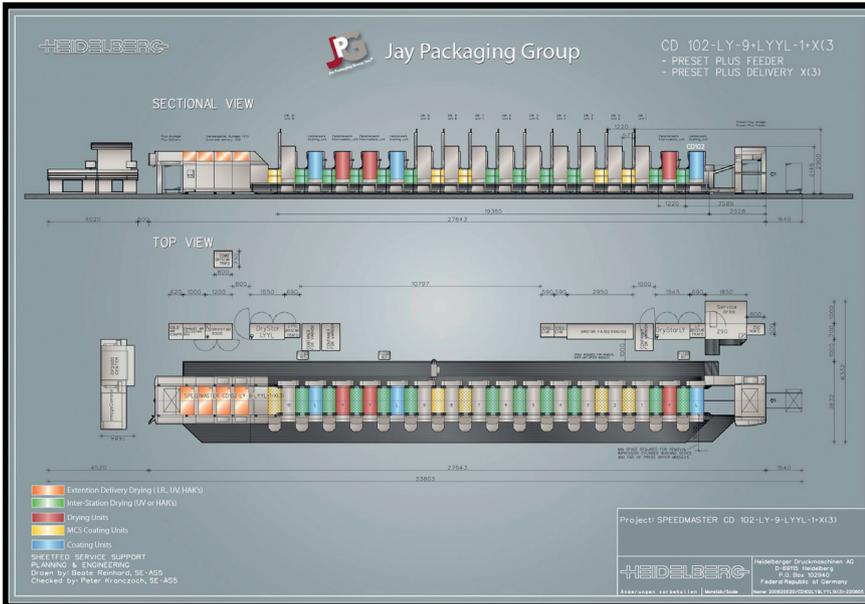
The sentinel ink system on the 10-color press.

The eight-color Heidelberg CD 102 has eight print units plus two coating units for UV and aqueous coatings. It is ideally suited for the blister card market. It can print one-color on the back and seven colors on the front. "It does a wonderful job, but we wanted to get into the folding carton market," Dick says. "We will still grow in the blister card market, but we will grow with two presses that can address the high-end of both of those markets."

The new 10-color can run the same thicknesses of substrates as the eight-color, however, its capabilities are vastly different beyond the obvious two additional printing stations. The press has 10 print units and eight coating units, which include three fixed coating units — one upfront and two prior to the delivery — and UV capabilities. The key benefits are inline production and flexibility, which yields affordability, Dick says. "Let's say I'm running private label OTC pharma and I've got all kinds of four-color process, but I've also got specific colors for CVS, Walgreens, and Walmart. The extra stations allow us to print more items on a sheet and allow us to pass a reduced price to our customers. We can combine the different brand colors without altering them, thereby saving money on plates."

Getting more colors on a sheet, however, is "the more mundane capability," Dick explains. "What I would call the value-added or sexy capability of the press are the specialized coatings." His daughter, Meghan, who is Marketing Coordinator, coined the name "Liquigenius™" for these specialized coatings.

Jay Packaging produced a promotional carton, Le Prix, a fictitious woman's age reducing formula, to showcase Liquigenius. The SBS carton maxes out the 10-color press's capabilities and features three proprietary processes: LiquiPalette™ — an eco-friendly and cost-effective alternative to foils and laminates that uses metallic inks in place of hot stamping, LiquiFeel™ — a recyclable alternative to embossing that uses raised inks to enhance tactile experience, and LiquiShimmer™ — which features design effects that create a variety of looks ranging from pearlescent finish to a glitter effect.



The cap on the Le Prix bottle is printed with a silver liquid ink. “There is a palette of colors that you can build on a silver base. You can build gold or all different kinds of colors,” Dick says. “That is to show an alternative or substitute for a foil laminate carton, which could cost 50 percent more.” The carton also features a green band with the words “Elégant” in silver. It looks like a hot foil stamp, but the words are printed in silver ink.

“This press isn’t about doubling our customer’s packaging costs. It’s about providing them the value of some really interesting and innovative decoration,” Dick says.

He points out that because of the number of IST drying units on the press, multiple coatings will not affect speed and all of the printing and coating processes will handle low volume, which is typical in the cosmetic industry — many SKUs and highly decorative. Jay Packaging handles more than 15,000 SKUs. Makeready on the press is about 15 minutes a printing unit.

## In-House Control

Jay Packaging makes both flexo and offset printing plates. It has an Esko CDI Spark and DuPont Cyrel Fast thermal platemaking system for flexo and a Heidelberg Creo

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Trendsetter for offset. “The real challenge on this press if you’re going to use it effectively is to be able to experiment and hone the techniques necessary with the flexo process,” Dick says. “The reason we are able to get 5 pt type is because we make our own plates and we know what type of Cyrel to use.”

Jay Packaging also makes its own tooling for their diecutters. “We are self sufficient with the exception of being able to laser the die board,” says Mark McCutcheon, Manager of Converting & Facilities.

The company has a wide range of converting and finishing equipment to handle folding cartons, blister cards and even PET cartons. On the production floor is a Bobst Speria 102 hot stamper; a Heidelberg Dymatrix diecutter; a Bobst 102 CER diecutter; International Paper Box

Speed King and Royal folder-gluer; a Bobst Expertfold 110 A2 folder-gluer with a Pack-Smart rigid window machine; a Media 100 III A2 folder-gluer; and a Staude Gladiator flexible window application machine. The folder-gluer are equipped with Baumer hhs high range cold adhesive extrusion systems and Nordson Pro Blue 10 hot melt adhesive application systems. They also have product quality scanners, which were manufactured in-house using Keyence BL-1300 high speed lasers.

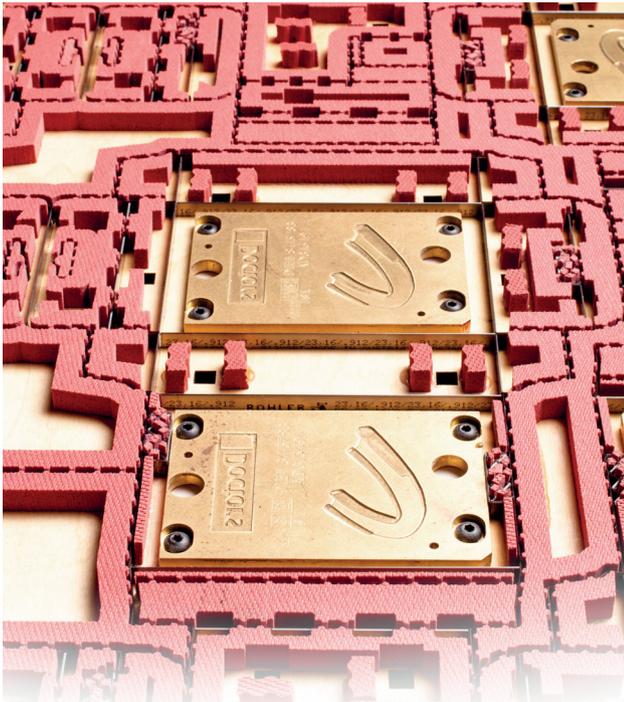
“We do something pretty special here. We run at extremely high rates of speed,” Mark says. The company produces blister cards for Duracell batteries. The cards run primarily on the Royal folder-gluer, which has the capability of handling two cards at once. “I run Duracell cards at a very high rate across that machine,” he says, adding that the Bobst gluers are his “workhorses” for folding cartons.

## ‘Unique Combination’

Jay Packaging’s stated mantra is “Faster to market through remarkable successful packaging solutions.” The company partners with customers to create innovative solutions. This includes eco-friendly packaging, 2D QR codes, custom managed inventory, fulfillment services and random coupon code imprinting.

“Jay continues to be a point of differentiation in the marketplace where customers can go to as a source that is small enough to be nimble but yet have the resources and capability to provide them with the latest in state of the art technology,” Fernando Lemos says. “We have a unique combination of flexibility, cost-effectiveness and creativity and the willingness to work with customers.”

The capabilities of the 10-color Heidelberg are an ideal match for growth in the high-end folding carton market. Meghan, who has a personal interest in the high-end beauty care and cosmetics industry, has been monitoring the market for opportunities. “We hadn’t been doing much high-end, primarily because we didn’t have the press. We were producing some nice



A cutting die with embossing plates.

packaging but nothing to the level that we are doing now," she says. "I always bring in a lot of cartons to my dad. They are products that I'm buying and am interested in the packaging. My sister (who also works at Jay) and I will show him packages and say, 'Dad, we really should be doing this.'"

When targeting a potential customer, Meghan says the objective is not necessarily to change the packaging. "If a company is in the process of restaging, we would talk to them about the direction they could go using some cost-effective design effects, such as the Liquigenius specialty decorations. The goal is to get as high-end of a package as possible at the lowest cost."

This is a far cry from the strategy 20 years ago when the company focused more on the hardware market and filling up a sheet. "We were thinking in terms of tonnage and throughput," Dick says. Much of that business has gone overseas. "The entire industry has downsized and reorganized. It's an industry that has been under distress and transition," he adds. "We've refocused and continue to work new markets. New business is our life blood."

Fernando agrees. "The Heidelberg press is the cornerstone to Jay's near-term growth opportunities. We really make significant investments that are game changers in their appropriate time. When you make an investment of this magnitude, that investment generally sets the direction of the company for years to come." ■



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