

## Executive Perspective

**Jeff Salisbury – Label Impressions Inc.  
President and CEO**

### at a glance Label Impressions Inc.

**Company:** Label Impressions Inc.

**Headquarters:** Orange, Calif.

**Primary products:**

Labels, flexible packaging

**Primary sectors:**

Personal care, food, natural products

**Employees:** 45

**Private company**

**Established:** 1985

**Web site:**

<http://www.labelimpressions.com>



*Label Impressions Inc. is a label printer based in Orange, Calif., that specializes in flexographic labels, foil stamped labels, screen printed labels, tree-free labels, biodegradable labels, hangtags, pouches, packettes and sachet printing. The company has six flexographic presses, one foil stamping press, three slitter rewinders, a full prepress and platemaking capabilities. The company can run as few as 1,000 labels to millions, with clients that cover a wide gamut from small natural personal care businesses to large food companies. Among its major clients are houseware retailer Williams-Sonoma Inc. and personal care products company Hain-Celestial Group.*

*According to Tag and Label Manufacturer's Institute (TLMI), Label Impressions is considered a medium-sized company, having operated as a very small business for years, said President and CEO Jeff Salisbury. The company broke its first \$1 million in sales about five years ago and has seen double-digit growth in sales year-over-year while quadrupling its profit margin. In recent years, the company has worked toward sustainability by gaining Forest Stewardship Council (FSC) certification and carbon neutral status from Carbonfund.org.*

*For Salisbury, the decision to offer eco-friendlier products and services was a personal one inspired by the birth of his daughter three years ago. Despite the economic downturn, Salisbury sees long-term opportunities and continuing interest in going green. Educating himself and his staff has taken top priority in order to guide clients in their sustainability endeavors and to avoid misinformation and greenwashing. Salisbury is also seeking to develop more sustainable products in the future that are sourced from eco-friendly materials like bioplastics and recycled PET.*

**Industry Intelligence: In recent years, your company has worked toward sustainability—was it self-initiated or did clients come to you asking for greener products and services?**

Jeff Salisbury: Honestly, it was personal. I made the decision to become "greener" three years ago when my daughter Shayna was born. We spent a week in the hospital, and I logged a lot of time in the neonatal intensive care unit with her. It happened to be Earth Week, and I had a lot of time to think. I remember thinking about the problems we're having right now—pollution, water shortages, deforestation—and realized that my company and my industry were contributors to these problems. I left the hospital that week wanting out of the business. I was

prepared to sell my shares and get into a different line of work. A month later, reality set in. I had a responsibility to support my family but wanted to do something to make the planet a better place for my little girl and for all of the babies just starting out in life. I set out to learn more about sustainability, which at that time seemed like a monumental task.

Months later, we ended up back in the hospital. This time Shayna had to undergo a major six-hour surgery on her skull. We were devastated, and, again, having a week to soul-search, I decided to get started on my green initiatives, which really went hand in hand with our lean manufacturing plans. We became FSC-certified and carbon neutral, and I, along with my VP/Sustainability, began aggressively researching and developing new green materials and options.

***IndustryIntel: How long have you been FSC-certified, and what is sourcing eco-friendly materials like for a flexographic label printer?***

JS: When we first started on this path three years ago, there wasn't a lot out there. There was a 30% post-consumer waste label paper and some suppliers were working on a 70% and another supplier was working on a 100%. They weren't there yet. Someone approached us with FSC and said, "Hey, we're working on this, and it's called Wausau Coated." They had all these FSC papers, and we learned a lot about FSC and decided to get our certification.

We were the first label printer in the U.S. to get that certification. We first got it a little more than a year and a half ago, and to my knowledge, we're one of three or four flexographic printers in North America that are FSC-certified, and so we're buying papers that come from responsibly managed forests. But the funny thing is, we got our certification before our suppliers did, so there were absolutely no FSC-certified label materials.

***IndustryIntel: So how were you able to source your materials?***

JS: We couldn't. We were certified for a good eight months before we were able to get a material and print it. So it was pretty wild.

***IndustryIntel: What materials do you work with the most?***

JS: Most of the materials are standard non-green materials. We do a lot of films and a lot of papers. Unfortunately, there aren't a lot of high-performing, eco-friendly films for labels, tags and flexible packaging yet. But in terms of eco-friendly, I have over two dozen materials that I work with. We source literally from around the globe—from Canada, U.K. We have some plant-based adhesives coming in from the U.K. We have some materials that are said to be biodegradable and compostable coming from overseas and Asia as well. From here, we have recycled papers. We're working on recycled PET film.

***IndustryIntel: How many of your clients have asked about sustainability?***

JS: Ninety-five percent easily—every single one of those clients wants to go green and they all know and recognize that we're a leader in green packaging. There are different motivating factors, but everyone is interested in it.

***IndustryIntel: Because so many clients are interested in sustainability – does that translate to profitability for your company?***

JS: Well, just because they're interested doesn't mean they're pulling the trigger and spending the money. What we're doing right now for the last three years is we've become free unpaid consultants to a lot of people. We spend a lot of time and money, driving here and flying here across the country educating people on green, and it gets expensive. Does it pay in terms of customer loyalty? Absolutely. In terms of hard dollars? So far, it's cost us a lot of money. I don't know about increased sales or increased margins, but it's a long-term commitment and we're sticking to it. And I think long-term, we'll be very profitable.

***IndustryIntel: Do you think it's viable to go green?***

JS: "Going green" is a fuzzy term, and I think it depends on what you're looking to do. I think the biggest part of going green means to educate yourself and all that costs is time ... that's the first step in going green. In the case of almost all of our customers, every single one of them that took the step to go green with greener materials, to do something better with the material, they profited from it every time.

I know a client who uses the [tree-free] Fiberstone paper for a holiday box, and it cost them 20% more, and they did it anyway. They sold out to Whole Foods in a matter of weeks, and they got on a cover of a magazine. They spent, say, a couple thousand dollars more, but the magazine cover was priceless. A full-page ad would have cost \$14,000. So in that case, they profited and they reduced costs in their marketing budget. We tell clients, "Put this in your marketing budget. Don't put this in your bill of materials, maybe put some of it, but call the extra cost marketing because your customers want to hear about this."

***IndustryIntel: Has sustainability become less of a concern because of the current economy, and, if so, has your company adjusted to that change?***

JS: We've certainly seen a slowdown in "green spending," which is unfortunate, but we're not seeing a decline in interest. On the contrary, it seems everyone is hungry for information on sustainability. The unfortunate part is that many are looking for an "easy way out," which really has caused the proliferation of greenwashing. It's just too easy for a company to make an untrue claim about biodegradability or recyclability without knowing the facts. We spend a great deal of our time educating both ourselves and our clients and prospects about sustainability myths and realities.

Though we spend more time answering questions and running quotes these days, it seems many brands are simply "preparing" themselves for a time when the economy improves. Many are in an "informational mode," gathering information on materials and options so that when things do get better they'll be in a position to pull the trigger and launch their green initiatives with the right packaging. We do expect green to remain strong, especially with the ambitious goals the White House has put forth.

***IndustryIntel: What does greenwashing mean to your sector?***

JS: It's making a false green claim, or more prevalently, making exaggerated claims. When people engage in greenwashing, it's usually pretty innocent. They do it because they don't know, and the truth is that people who want to know do their homework, work hard and do the deep digging, which is time consuming. Even people who do the hard work like us still get it wrong a lot because there's just so much misinformation out there. People are so eager to share, whether it's because they want to appear as an expert or they want to sell their product, they'll literally grab a piece of information and plug it to the Internet and get it out there through social networking sites like LinkedIn or green groups. What happens from there is that someone else picks it up or 1,000 other people pick it up, put their spin on it and they put it out to their groups. And the next thing you know, we've got what we call greenwashing.

***IndustryIntel: What are some of these greenwashing claims in your sector?***

JS: Biodegradability and recyclability are the biggest. People love to say that things are recycled or recyclable or that they're biodegradable, but the truth is it's anybody's guess as to a lot of products. Biodegradable is easier to figure out ... there are standards like ASTM 6400. People also use terms like biodegradability and compostability interchangeably, and that's no good either because they're very different. We hear people with compostable materials saying they're biodegradable,

and biodegradable means they break down on their own and compostable is not. It has to have the right environment for that. In Europe, you can't just make those claims because they have commercial composters. People have compost bins in front of their homes, and they get picked up and sent to commercial compost heaps.

It's an important designation in Europe. Here, not so much. Even if a product is compostable, it's not going to get composted because [of the lack of infrastructure], so to me, that's greenwashing. We try to limit the claims we make to what we know. We have a material that saves water, trees and energy. We know that it's recyclable, but so far, we have not made that claim. We go out to these recycling facilities. We dumped our products in to those facilities to see what happens, and in most cases they are recyclable. But we know that in most plants, it's difficult to recycle anything but the most obvious things like paper and certain plastics. So greenwashing to me is making a big claim that may be technically true, but not realistic.

***IndustryIntel: How do you decide on which sustainable products to bring to market?***

JS: Number one is performance. That's over cost, over eco-friendliness, and that's the toughest thing. I can say to somebody, "This is green, and it's really low-cost," but if it doesn't work or doesn't work to their expectations, it's worthless. Eco-pouch is a prime example of that. There are a lot of misses with eco-friendly pouches. But when I do an eco-pouch, it has to perform for its intended use. Secondly, it has to be at a reasonable cost. Understanding that eco-friendly materials will cost more in the beginning is OK, but it has to be in the range. It can't be twice as much as competing non-green products. And thirdly, it has to have a significant level of green.

An example is we had a product or material that was green on the outside and not green on the inside. From a marketing standpoint, I could see how a brand could get away with something like this, but I said I'm not comfortable with this. It's greenwashing, so we went back to the table, and it's been tough. We made some modifications to take out the non-green portions and green it up a little more. What I've come up with isn't perfect—it's not perfectly sustainable or recyclable, but it's pretty close and it's pretty good. When I get something that's 60% to 70% to 80% sustainable, recyclable or green, and it performs and the price is reasonable, I'm ready to take it to market, and that's where we are with a couple of products.

***IndustryIntel: How do you "green it up a little more?" Do you go to the supplier and say, "make this product or this material more sustainable"?***

JS: That's how I started, and it was unbelievably difficult. What I found is that I have to do all the work, and that means I have to find multiple suppliers for different things. So I have to find a guy who makes the base material, then I have to find a guy who makes the additive to make it biodegradable, then I have to find the guy to metalize it to give it a barrier property, so I'm literally going anywhere from two to eight suppliers to add their portion to the material or the product.

One of the pouches that I have has four suppliers and has four different components to it. So it's got four places that it has to go to be produced. The goal is obviously to slowly bring that in under one roof, and that's where we'll get someday. It's tough because I have to qualify new suppliers, and I have to meet them and make sure I trust them. I spend a good chunk of my time doing research and development all over the world, a lot of it in North America. My goal is to source locally. For the most part, I'm able to get most of this done in the U.S.

### **IndustryIntel: What do you think the future holds for sustainable packaging?**

JS: There are a lot of options on the horizon. Currently there are over 8,000 patents pending for bioplastics. The most exciting thing on our horizon is the development of several eco-friendly packette/sachet materials. We currently have three but are in development on a few other options. Our clients have all indicated that the biodegradable packette is the "holy grail" and are anxiously awaiting our results.

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