

ORGANIZATION:

World Kitchen is a manufacturer of bakeware, dinnerware, and related kitchen and household items based in Reston, Virginia.

APPLICATION:

PEAK provided World Kitchen with an integrated printing solution consisting of 15 label printers (including RFID printers), four print and apply printers, acrylic-based labels, ribbons, toner and maintenance.

ENVIRONMENT:

World Kitchen realized its glue-based labels were not adhering properly to boxes due to climate conditions and the ink on the labels was smudging as the boxes moved along the conveyor belt. As the company began experiencing chargebacks from its retailers due to unreadable labels, World Kitchen knew it needed to try a new solution to improve label quality and barcode readability.

KEY BENEFITS:

- Saved money with Integrated Printing Solution
- Eliminated chargebacks
- Reduced maintenance
- Increased production
- Decreased downtime

Printing Solution Eliminates Chargebacks for World Kitchen

Integrated printing solution keeps company running smoothly...while reducing costs

A Recipe for Supply Chain Success

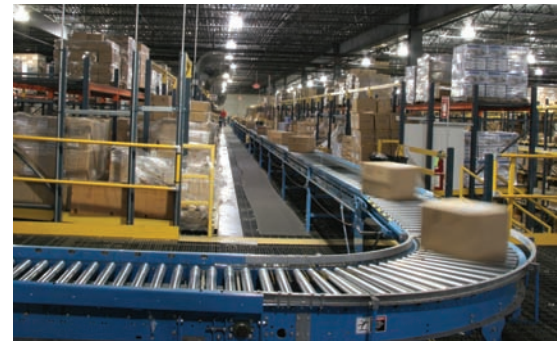
When an 850,000 square foot factory is printing 500,000 barcode labels per month, there is always room to improve production. For World Kitchen (www.worldkitchen.com), a manufacturer of bakeware, dinnerware, and related kitchen and household items based in Reston, Virginia, a new solution was just around the corner to improve label quality and barcode readability. And the results would prove successful in the form of increased production and profitability.

Since the company was experiencing chargebacks from its retailers due to unreadable labels, World Kitchen was eager to make a change and solve this profit-eating problem. The company turned to PEAK Technologies (www.peaktech.com), a systems integrator focused on supply chain automation and inventory management solutions and services, to help enhance its production line and to also help anticipate retailers' future needs. The new solution involved switching to acrylic-based labels and purchasing new printers with barcode verification.

In with the New, Out with the Glue

PEAK's first suggestion to World Kitchen was to switch from glue-based to acrylic-based labels. When PEAK provided a demonstration of the acrylic-based labels, it was evident these labels provided the adhesion and print quality that the company was looking for. World Kitchen discovered its previous glue-based labels often did not adhere properly due to climate conditions, which would cause the glue to deteriorate. In addition, the glue-based labels did not have a high level of smudge resistance. Therefore, if the label rubbed against the sidewalls of the conveyor system, the ink on the label would often smear and the label would be rendered unreadable.

Acrylic-based labels offer excellent adhesion without the sensitivity to temperature that glue-based labels demonstrate. These labels also offer exceptional print quality and smear resistance on corrugated packaging, and they are used for a wide variety of applications, including shipping, receiving, box, and work-in-process labels. Acrylic-based labels are produced from synthetic materials,



whereas glue-based labels are made from natural materials and can be removed with warm water. For World Kitchen, the switch to acrylic-based labels offered stronger adhesion to the company's packaging, relief from print smudging, and no temperature requirements. "We were really impressed with the performance of the acrylic-based labels and felt PEAK gave us the best overall labeling solution at a competitive price," said Terry Moore, a Level III systems administrator at World Kitchen.

A Clearly Superior Solution

Although the initial switch from glue-based to acrylic-based labels solved the problem of the labels adhering to the packages, chargebacks at \$3 per defective label were still an issue due to print quality and barcode verification. In order to remedy the entire problem, World Kitchen also needed a new printing solution, which PEAK addressed with eight new printers with verifiers and RFID upgradeability.

PEAK recommended a printing solution that allows World Kitchen to set a minimum barcode scan ability, ranging from A to E-an A grade is the best whereas E is almost unreadable. Most major retailers will not accept packages with labels that are below a B. For World Kitchen, grade levels are set at B, but most are printed at A quality. Once the level has been set, a laser reads and grades the barcode label as it exits the printer. If the label does not meet the set grade level, the printer backtracks and reprints the label. As for print quality, "We don't get a label on our floor that goes below a B. If it's under a B, it gets crossed out and reprinted. Generally, the labels are A's," explained Moore.

Printing Solution Eliminates Chargebacks for World Kitchen

Integrated printing solution keeps company running smoothly...while reducing costs

A Recipe for RFID

In addition to the eight printers with barcode verification, both PEAK and World Kitchen anticipated the impending rise of RFID mandates from major retailers. Therefore, the printers provided by PEAK were RFID compliant and only required an upgrade kit for the future incorporation of RFID into World Kitchen's production line. Since the initial installation, World Kitchen has upgraded two of its printers to RFID capability.

PEAK also added four print and apply printers to accommodate labeling the company's major bakeware product lines. The print and apply systems provide faster, more accurate label placement, resulting in reduced labor costs and faster production times.

An Integrated Printing Solution

When World Kitchen started implementing new printers into its production line, PEAK approached them with a multi-year contract that included the printers, labels and maintenance. The result was a cost savings of about \$45,000. "We were locked into one label price for three years, and considering the cost of labels goes up every year, there was a definite savings," said Moore. "Also, considering print heads wear out relatively fast, and at a cost of \$700 to \$800 each, the decision was an easy one."

World Kitchen took advantage of PEAK's Priority Gold program, which offers free print heads to any customer that signs a blanket consumables agreement and utilizes PEAK for their printer service contracts.

To date, PEAK has provided World Kitchen with an integrated solution that includes 15 label printers, two of which are RFID printers, four print and apply printers, labels, ribbons, toner, and maintenance. There was an added benefit of PEAK providing consumables to World Kitchen because not only did the company need labels of all sizes, but they also needed toner cartridges. "We have a blanket purchase order and PEAK keeps our inventory fully stocked at all times. The only maintenance we perform is routine tasks such as replacing print heads," said Moore.

Ready for Retailers' Changing Tastes

Both types of printers were able to meet World Kitchen's needs by boosting overall cost-savings, eliminating chargebacks from retailers, reducing maintenance, and anticipating retailers' needs by meeting RFID mandates. "The thermal printers with RFID capability were exactly what we wanted. It was important that our printers were upgradeable so that down the road we could anticipate retailers' changing needs and not have to spend extra money buying all new printers. The extra step was the overall savings by signing a multi-year contract with PEAK to be our exclusive supplier," said Moore.

"Not to mention, the old printers we were using used to break down, and we would constantly be changing print heads," explained Moore. "Today, we're able to maintain our production volume even if we only use half the printers. The new printers are faster, more user-friendly, and require no real maintenance because of their quality."

The partnership between World Kitchen and PEAK has been successful and continues to be promising. "We are reevaluating our need for additional RFID upgradeability. SKUs are getting larger, which means our volume is increasing," said Moore. "Our retailers are also adding more distribution centers, so at some point we are going to have to increase the number of printers with RFID capability. We'll definitely be looking to PEAK to help us grow."

To learn more about PEAK Technologies, visit: www.peaktech.com.

All products or company names listed are Registered Trademarks and Trademarks of their respective holders.

"The thermal printers with RFID capability were exactly what we wanted. It was important that our printers were upgradeable so that down the road we could anticipate retailers' changing needs and not have to spend extra money buying all new printers. The extra step was the overall savings by signing a multi-year contract with PEAK to be our exclusive supplier."

Terry Moore, Level III Systems Administrator at World Kitchen



PEAK Technologies, Inc.
10330 Old Columbia Road
Columbia, Maryland 21046 USA
Tel: 888-ASK-PEAK
Fax: 410-309-6219
E-mail: info@peaktech.com
www.peaktech.com