



Peter
Renton

Narrow Web Profile Lightning Labels

**Digital – and only digital – labels.
Very fast!**

By Jack Kenny

Peter Renton doesn't do flexo. Or screen, or offset or gravure. Most of his customers are those who'd most likely get turned away from a flexo shop, or get a price quote that they couldn't afford. After all, how much does it cost to print a thousand labels? Peter Renton does digital. He has one press, two diecutters, and he welcomes the customers who can't get their work done the old-fashioned way.

The company is called Lightning Labels, located in Denver, CO. This year sales will approach a half-million dollars, and Renton is confident that he'll surpass that number easily in 2004. Lightning Labels isn't even two years old, but already he employs six people. Peter Renton is president and handles all sales, but lately most of the business has come from word-of-mouth advertising.

Lightning Labels operates an HP Indigo ws2000 press, a digital offset rollfed printing machine that is commanding more and more attention in the label and packaging industry. Today the press is running five days a week.

"We have looked at upgrading to the ws4000," says Renton. Such an upgrade would double the output speed, from 24 to 48 feet per minute. "For now we're going to stay with the 2000, but we definitely will upgrade in the future."

No, Renton doesn't do flexo, and he claims to be making it up as he goes along, but he knows quite a lot about the industry. As president of Rentons.com, he's been in the business of selling labels for years. His father, Jack, started Renton's in Australia 35 years ago, a company that provides a large selection of labels for accounts receivable departments ("Just a friendly reminder that your account is past due" and "Thank you for your business.") Twelve years ago, Peter left his homeland and moved to the United States to launch a branch operation. He now owns the US Renton's; his brother, Ian, runs the Australian business, assisted by their sister, Robyn.

The printing for Renton's in the US was done on flexographic presses at a converting shop in the Denver area. "Over the past few years, four color process printing was becoming a big part of our work," Renton says, "and we had a big inventory that sometimes took about 18 months to turn over. And if an item didn't sell, we'd be left with a lot of labels we didn't want."

In 2001, Renton learned that his printer was going out of business. At that time the company was in an office building, but his lease on the space was due to expire. So he was able to move into 8,000 square feet of warehouse space and start his own printing operation.

"I looked at different presses," Renton says. "I looked at flexo, and decided early on that I didn't want to go in that direction. I wanted to do short run, four color economically, and I couldn't get that from the flexo market." He had attended Print '01 in Chicago and had seen the Indigo press in action. "My degree is in computer science, I've kept up to date on technologies, and I'd known of the Indigo presses for many years. I thought they were quite expensive, but I decided to take the plunge."

One advantage he had was the business from the Renton's operation, which takes up 15 percent of the print work. "That leaves a fair amount of business still to generate, but not such that I suddenly had to create a new market with no customers."

Starting from Scratch

Lightning Labels took delivery of the HP Indigo press in March 2002 after three or four months of shopping. A former employee of the defunct flexo printer worked with Renton to help establish the business. The person knew Denver well, and brought Renton up to date on print production. The company already had a prepress person in the other division, who was shipped off to Indigo training school. "That was one of the easier parts of the transition," Renton recalls.

An Indigo digital press is a stand-alone machine. Post-press converting equipment can be acquired and installed in-line, but most Indigo owners transfer the printed rolls to a separate diecutter/rewinder. "I knew nothing about that, and that was my biggest fear," Renton says. He chose Rotoflex for his diecutting equipment. "I went to Canada to take delivery of the machine, and I was afraid it wasn't going to work. But it worked just fine. Now I have two press operators with flexo experience who run the diecutter, and they are obviously very capable."

Lightning Labels makes use of flexible dies from RotoMetrics. He has a couple of magnetic cylinders for differing repeats, and will acquire a solid die only if a job requires a repeat he can't handle. "We now have about 110 dies," he says. "It's not a huge amount, and it never seems to be enough, but we have most of the normal sizes."

The company recently acquired an Allen Datagraph digital cutter to handle extremely small jobs. "With the rotary diecutter there's a lot of waste; 20 or 30 feet of waste is a lot for us, not for flexo."

The digital diecutter wastes five feet of material. It runs very slowly, but it's good for up to 100 feet of material." The machine will cut about a thousand 3"x2" labels in an hour. "That's very slow, but we're happy to spend an hour doing that rather than buying a die."

About 10 percent of customers come to Lightning with just an idea about how they want their label to look. "Some people have a Microsoft Word document with art drawn into it, and they want it done professionally. About 25 percent of people come in with Photoshop artwork that they've done themselves. And we can work with pdfs." About half of the company's work is for new labels never before created. Among the rest are labels that used to be printed flexo.

Renton sells the print quality of the Indigo press: "We can run at four different line screens, 230 being the highest. That's above most flexo jobs."

Indigo presses require label stocks that are specially coated. Lightning Labels offers about 10 different materials to its customers, mostly white gloss paper, and white and clear BOPP. A foil stock is available, but foil application and embossing are not. "There are all sorts of ways we can expand," Renton says, "but we're trying to keep it simple right now. A lot of people want a label for the first time. We're not planning to be all things to all people."

Hot Sauce

So who buys the services of Lightning Labels? "This is not your typical flexo customer base," Renton observes. "We go for the people everyone ignores — the ultra-short run customers. We look for people who want fewer than 5,000 labels; the typical order is 1,000 to 2,000 labels. No one is focusing on them, so that's what we do."

An example, Renton says, is the hot sauce market. "A huge number of people are making their own sauces, at home in their kitchens. They often have a full-time job during the day and do this at night. They want a nice label, printed in four color process, and they want 500 or 1,000 of them at a time. That's the sort of business we want. Most of the labels we print are hand-applied."

When he first started out, Renton made a lot of cold calls to drum up business. He seldom has to make calls today because the word is spreading by referrals — "a ton of referrals," he notes. Lightning Labels started as a regional operation, "but more and more companies from outside the state are calling."

The company has a web site — www.lightninglabels.com — and does some advertising on the Internet, in the Yellow Pages, and in a few vertical markets. "But we're finding that word of mouth is our best advertising."

Lightning's customers include nutraceutical and other firms launching new products. "They don't want to tie money up in a product that might bomb, and people don't want to inventory labels as much as they used to." Renton has one customer who places an order every week.

One of the advantages Renton is quick to point out is the fast product turnaround. Indeed, the name "Lightning Labels" underscores the point. "We guarantee a maximum of a five-day turnaround, and most orders are completed in 2-3 days," reads the web site's home page.

"Most label printers aren't interested in the market I'm interested in," Renton says. The company has had only one order over 100,000 labels. "We got that job because we could do it immediately, and they wanted a three-day turn."

In October Lightning Labels had an order for 81,000 labels, "but with 41 different versions, all the same size, every one of them four color process. If that went to a flexo shop they'd have to make 41 different plates. Our total price is less than the flexo plate cost."



The Lightning Labels staff: Peter Renton, founder and owner; Howard Jorgensen, press operator; Kelli Schriener, office manager/prepress; Garret Farmer, press operator; Darla Johnson, order processing; Becky Trotter, customer service rep; Duane Gaslin, Customer service manager; Jane Shanley, artist/prepress; Miguel Soriano, press operator

Enjoying the Challenge

The sudden success of Lightning Labels has come at a time when Renton's, the older of the two businesses, is feeling the strain of maturity.

"I could see that Renton's best years were behind it," says the president. "The market peaked in 2001, and I don't know if it will get back to where it was. It relies on paper-based communication — labels on invoices or letterhead that go into the mail. Today more people are using e-mail."

Giving birth to Lightning Labels has been a work-out for Peter Renton, but he's happy. "It's been extraordinarily challenging. It's the hardest thing I've done in my life, but I'm committed to it and I enjoy it. We have lots of loyal customers. I don't have any plans to be a billion dollar company, but we will get bigger than what we are now."