

PRINTER'S Edge

SPRING 2015

FLXON
INCORPORATED



Packaging The Sale

FLXON
Wields
the SWEDCUT
Blade
Effectively

(l to r)
Paul W. Sharkey
President and CEO
Ryan Sharkey
Business Development Manager
FLXON Inc.

Far beyond labels, companies now use the entire package to convey advertising messages on products we use - through words, images and appealing colors. Packaging, printing, and product branding have become multi-billion, multi-faceted industries that support each other.

The North American flexible packaging industry is growing at a rate of six percent per year, largely based on population growth. According to industry analyst Smithers Pira, the global flexible

packaging industry is set to reach \$231 billion by 2018.

Within the mammoth printing industry is FLXON, an innovative consultative sales, marketing, and distribution

company that, for the past 20 years, has serviced flexographic and rotogravure printers of consumer product packaging.

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“Our core purpose is to drive waste out of the flexo and gravure process. Doing so improves bottom line, productivity, and preserves our environment well beyond the pressroom.”

Wielding the Doctor Blade

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Rotogravure is a type of printing process which involves engraving the image onto an image carrier. In gravure printing, the image is engraved onto a cylinder because, like offset printing and flexography, it uses a rotary printing press.

Flexography is a form of printing process which uses a flexible relief plate. It is essentially a modern version of letterpress which can be used for printing on almost any type of substrate including plastic, metallic films, cellophane, and paper.

The rotogravure method has been in use since the 1850s. The newer flexographic method is applied to flexible substrates such as potato chip bags, frozen foods, and cartons for yogurt, just to name a few. Both methods are used for large runs.

The SWEDCUT® Doctor Blade

“When you go into a supermarket or retail store, almost everything you see is printed by either the flexographic or rotogravure methods,” says Paul Sharkey, President and CEO of FLXON Inc.

“Our business philosophy is deeply rooted in a commitment to establish relationships with printers and converters based on improving their process, and their bottom line,” Sharkey continues.

“FLXON’s purpose is to partner with them to drive waste from the process, thereby helping them to be more precise in their quality, improve sustainability, remain price competitive, and earn greater profits. Savings on waste can go to their bottom line or in next year’s price negotiations between the printer and their clients. Waste in printing consists of process-related print defects such as streaks, hazing or shifts in color that their customers would reject,” explains Sharkey. Waste can also mean loss of production time resulting from stopping a press mid-run to replace the ink metering blade, also known as the doctor blade. The doctor blade is at the heart of the printing unit, controlling the ink volume to be transferred. It is used



“ Our customers know that the smallest detail can affect a buyer’s choice. We constantly strive for excellence to meet their needs ”

to remove excess ink from the roller transferring ink to the substrate, which may be of a variety of materials from coated paper stock to film. “

This is where FLXON’s innovation and vision has helped to move the industry forward. Sharkey says he started his business by introducing a superior, high-performance steel metering blade called SWEDCUT to North America, Canada and Latin America.

The SWEDCUT brand of printing doctor blade is manufactured by Swedish Development Company (SWEDEV AB) in Munkfors, Sweden. SWEDCUT® blades are made of super refined steels that meter more precisely, lasting longer with less negative impact on the ink transfer roll or cylinder.

Printers using this type of doctor blade tend to have less waste and downtime. FLXON is the exclusive distributor of SWEDCUT® doctor blades within the North American Free Trade Agreement (NAFTA) area.

FLXON’s more than 500 customers are

spread out over the United States, Canada, Mexico and the Caribbean. “Our customers print wine and beverage labels, health and beauty packaging, food-related flexible packaging, folding cartons for cereal and ice cream, and much more.

The list includes everything seen in a supermarket or retail store plus pharmaceuticals, tobacco, gift wrap, envelopes, wall and floor coverings, and magazines,” says Sharkey.

Printers include companies such as Bemis Flexible Packaging, Sealed Air, Sonoco, Printpack, Bryce, Rock-Tenn, Georgia Pacific, CCL Labels, Multicolor, and MAC Papers.

“There are plus or minus 6,000 flexographic and rotogravure printers in our coverage area,” remarks Sharkey. “We consider our target audience to be wide and narrow web flexible package printers and high quality label printers who understand the value of our proposition.”

Printing is a precise, detailed and very

Products



DOCTOR BLADES



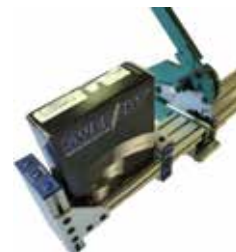
PUMPS



FILTERS



BLADE HOLDERS



BLADE CUTTERS



FLXON Inc. Headquarters - Charlotte, North Carolina



(l-r) Lance Pretorius, Business Manager
Paul Sharkey, President and CEO



(l-r) Ryan Sharkey, Efrain Martinez, Derek Parker, Mike Waddell
Business Development Team



(l-r) Isabel Almeida, Olma Echeverri, Efrain Martinez, Karla Wood, Paul Sharkey, Liliana Cedenó
Mexico Development and Support Team

technical industry which operates with expensive equipment. “Our customers know that the smallest detail can affect a buyer’s choice. You go into the supermarket and reach for the product you want. But, if you’re not sure, the packaging begins to assist you in your decision, and you might pick the one that has a higher quality printing and color appeal.”

Some industry segments, such as tobacco, have a zero tolerance for printing defects. Others, like the fast-food industry, can tolerate less than perfect printing on their packaging. “This is because with the fast-food industry, the product is already sold to the end-customer before they become engaged with the packaging,” says Sharkey.

Engagement with potential customers begins with the “pain discussion”. Trained FLXON staff sit down with printers and converters to determine if there is a problem with waste from print defects, frequent mid-run press stops, too slow press speeds, or excessive wear to ink transfer rolls or cylinders. “We’re very selective with our time. We want to make sure we are connecting with the people who truly understand our value proposition,” says Sharkey.

Addressing the Marketplace

FLXON is fully staffed with 14 direct and 6 indirect employees. “We are in growth mode and very proactive,” Sharkey says.

This past year they’ve hired a full-time marketing manager, an area business development manager, and two customer satisfaction team members. “We get high marks on service,” claims Sharkey. “Calling on customers before they are calling us helps us both.”

“At the same time, we don’t want our sales team (business development managers) focused just on maintaining customers. Rather, we want them to concentrate more on engaging new business opportunities.” The company has divided its business into six geographic territories, each one with a business development manager to build the business. Most sales staff live in and travel from Charlotte, N.C.; however plans are to shift to territory-based coverage.

More than half of FLXON’s staff are fluent in Spanish. “Mexico offers our greatest potential for growth,” explains Sharkey. “Many U.S. and Canadian companies have moved production there. It is extremely valuable to us to have staff that are bilingual in English and Spanish.”

“The Mexican market is the big opportunity for us,” says Sharkey. “Some factories there tend to be bigger and newer compared to those in the US and Canada. Some have eight to ten printing presses compared to pressrooms here having six to eight.” In some cases, multi-national companies have moved machines from the US to Mexico. European companies are also investing in Mexico, according to

Sharkey. FLXON maintains a sales team and office in Mexico City.

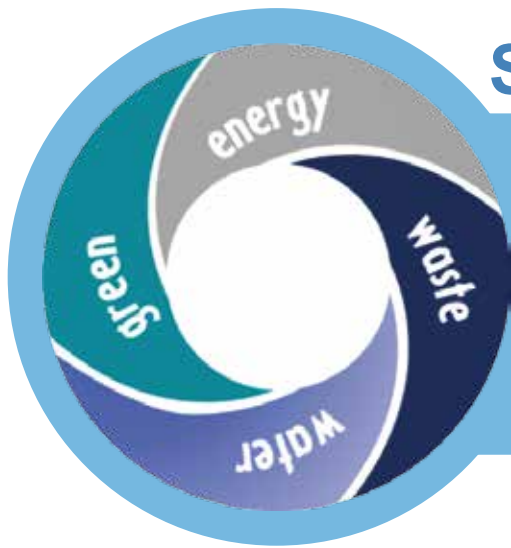
Also vital to FLXON’s growth is the state of Wisconsin. “It is the most significant state for us,” says Sharkey. “They have so much printing and packaging because of the amount of food processed there - dairy, cheese, potatoes, and cranberries.”

FLXON maintains a warehouse and assembly plant for technical support in Appleton, WI where customers can send used metering blades for detailed analysis and feedback about how they performed on press.

“This process helps us to develop new customized press components that perform better in a particular or unique application. These products include peristaltic pumps to transfer ink more efficiently, high capacity ink filters, and a variety of blade holders,” says Sharkey.

“Kansas, Missouri, Pennsylvania and Texas also offer good market potential; they are all big food producing states.”

Sharkey is satisfied that his company is located in the best place possible: “Many people do not know that Charlotte is one of the major hubs for flexographic and rotogravure printing technology. Many support companies are located in Charlotte. Flint Group, Sun Chemicals, and INX make ink here.



Sustainability

FLXON products are engineered to reduce the need for solvent additives at press, hasten solvent emissions into the atmosphere, allow for more efficient and shorter cleaning cycles and significantly decrease energy required.

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Harper Corporation of America, ARC and Ceramco make anilox rolls for flexo while Trident and WRE makes rotogravure cylinders in Charlotte, servicing the rest of the country.

“Part of the reason for this concentration is that the process to manufacture an anilox roll is very similar to that of rotary screens that were used in the textile industry, another industry that North Carolina played a large role”

FLXON expects 2015 to continue its current growth trends and anticipates doubling current levels within the next five years, according to Sharkey. “We have a clear path; we know where we’re going and what we must do to get there. There is already enough in the pipeline to carry us far,” shares Sharkey.

Their Competitive Edge

FLXON contracts with Specialized Warehouse Service - a Charlotte based warehouse and distribution service. Large container-sized shipments arrive by sea every other month. The company also places spot orders for materials to arrive by air. “SWS has three people dedicated to FLXON,” says Sharkey. “Using contract services allows our team to concentrate efforts on customer service and support.”

FLXON’s relationship with SWEDEV AB is critical to its mission and its guarantee. SWEDCUT doctor blades are always made from a single source that produces strip steel in-house from product development to steel smelting, to cold rolling and heat treatment. Its unique mechanical and metallurgical properties assure the extended life and high performance of our doctor blades. None of

these types of strip steel are manufactured in North America, according to Sharkey.

FLXON collaborates closely with SWEDEV to develop new products that better meet changing pressroom requirements. As an example, SWEDEV was able to develop a new grade of steel; one that wears slower while being less aggressive to an anilox roll. This product was developed at the request of flexographic printers who had invested in new high speed machines which need a blade to stay on press for a week. Being proactive and innovative has gained SWEDCUT the recognition of being TRUE HD FLEXO CERTIFIED.

Sharkey started FLXON in 1995, having spent 19 years serving the flexographic printing industry in the US and Canada. “It was a period of great technical advancements that remarkably improved the printing process,” says Sharkey.

“As the vice president of sales and marketing for an anilox roll manufacturer here in Charlotte, I had the opportunity to work with major printing and packaging companies to help them upgrade their process.” Sharkey traveled extensively, increasing his exposure in the industry. It was during this time that he discovered the steel ink metering blade being manufactured in Sweden, and used by printers in Europe, but not yet North America.

Sharkey is originally from Long Island, NY, and met his wife, Carol, who is from Charlotte, while attending college. He first worked in the D.C. area in sales, marketing, and advertising for General Electric Corporation. Then, he moved with his wife to Charlotte to work with Ron Harper &

Associates. Following that he worked with Consolidated Engravers and then Anilox Roll Company.

“I realized that I had done all that I could as an employee and that I really did want to start my own business,” he says frankly. Running a successful, growth-oriented business comes with a few challenges. Among them is constantly monitoring material and cash flow to optimize inventories. “We carefully manage operating expenses to assure we can provide excellent service and technical support to maintain our current customers and to allow us to reach our growth goals.”

Sharkey does not see the need for additional locations in the foreseeable future. “We can distribute out of Charlotte to anywhere. Many times the transit time to Monterrey, Mexico is faster from Charlotte than from Mexico City”.

Sharkey says that he is more excited than ever about FLXON’s position in the marketplace. “We’ve made good hiring choices that position the company to be able to better add value to printers. We know we can help customers every day to increase their competitive advantage.”

Although Sharkey has no plans to retire anytime soon; he admits to putting in too many hours and is working closely with his son, Ryan, to take on more responsibilities for running the business. Ryan currently serves as the company’s business development manager.

Each year, FLXON develops a very detailed plan identifying what each member of our team needs to do for us to be successful. Then it’s about staying focused on the individual daily activities that get us there,” says Sharkey. He added, “In addition, we develop an individual service program for each customer; one that ensures they always have material when they need it, as well as technical support.” Sharkey claims, “doing these things better than anybody else gives FLXON our competitive advantage.”

For additional information about FLXON and its full line of products and services, visit www.flxon.com or call (704) 844-2434.

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Affiliations: Flexographic Technical Association; Tag and Label Manufacturers Institute; Gravure Association of the Americas

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