

PMMI

# PACK EXPO Las Vegas 2011

**Upbeat & Setting Records**

A Report Produced for PMMI Members & Customers

Las Vegas

## PRODUCED FOR PMMI MEMBERS BY PMMI & “THE PACKAGING POSSE”

As a service to PMMI members and their customers, PMMI commissioned “The Packaging Posse,” a group of five packaging professionals led by packaging market & technology analyst Ben Miyares, Packaging Management Institute, to report on their impressions of PACK EXPO Las Vegas 2011 particularly what they found to be significant, interesting and/or innovative packaging products and technologies. Accordingly, The Packaging Posse has filed “PACK EXPO Las Vegas 2011: Upbeat & Breaking Records.”

PMMI presents this coverage of PACK EXPO Las Vegas 2011 as a service to its members and the packaging professionals they serve.

The Packaging Posse is:

- [Curtis Babb](#), packaging consultant, Babbpack, LLCC (Babb is retired from MillerCoors.)
- [Edward Bauer](#), senior associate, Packaging & Technology Integrated Solutions (PTIS). (Bauer retired as senior director, food & pharmaceutical packaging from PTIS,, and now works with PTIS as a consultant)
- [Hallie Forcinio](#), freelance packaging journalist
- [Jerry Meier](#), retired from Paper Machinery Co.
- [Ben Miyares](#), packaging market & technology analyst, Packaging Management Institute
- [Bill Zito](#), principal, Zito Induction Technology Options (ZITO) (Zito is retired from Enercon.)



## PACK EXPO LAS VEGAS 2011: UPBEAT & SETTING RECORDS

### PACK EXPO RESETS BAR FOR SUCCESS

Record-setting attendance at PACK EXPO Las Vegas 2011 (Sept. 26–28, at the Las Vegas Convention Center) was obvious — especially to anyone who has attended previous editions of this event:

- 26,084 visitors, up 14.8 percent from PACK EXPO 2009, the last time the show was in Las Vegas;
- 1,559 exhibiting companies, up 36.7 percent from 2009;
- 13,186 exhibitor personnel, up 17.2 percent from 2009;
- 4,755 international attendees, up 32.8 percent from 2009; and
- 627,853 net square feet, up 20.5 percent from 2009.

And it was a generally upbeat crowd, turning out to connect with suppliers who could help them cut costs, resolve issues, expand and streamline operations, and implement new technologies.

Exhibitors and attendees seemed, for the most part, pleased about business conditions year-to-date, delighted at the throngs attending the show, and cautiously optimistic about the coming year.

“Right now,” observed one seasoned exhibitor, “it is about the economy and jobs and government ‘help.’”



Another characterized his company’s show experience as “good, not great,” and added that he and his team were surprised to have met with several “A-list customers” whom they hadn’t expected to see at the show.

Stuart Shepherd, president of KUKA Robotics Corp., expressed a more positive assessment of current conditions: “Business is good. As a global company, we are having our best year.” Shepherd is

optimistic about 2012, and believes the new year will be stronger yet, especially in the Americas. He attributes the anticipated growth to the “acceptance of robotic automation,” the fact that “robots are living up to [performance] promises,” and the “availability of more targeted products” from many suppliers.

Some European manufacturers expressed concern over the Euro’s decline and feeling they had to drop prices to compete with U.S. suppliers — which cut into their margins. And among packagers, efficiencies were discussed many times as part of cost of goods sold.



“Competing materials may cause some switching to occur due to favorable pricing,” noted one packager, attesting to the continuing interest in and concern over running the most efficient, cost-effective operations.

## 9 TRENDS SPOTTED AT PACK EXPO LAS VEGAS 2011

Recognizing that everyone at PACK EXPO experiences a slightly different show, it is impossible to make definitive statements about the most “significant trends” seen at the show — this judgment varies from person to person. Nevertheless, The Packaging Posse reached a consensus about the following:

### TREND 1: Machines Your Grandmother Could Operate

A rising number of machines are engineered for ease of use, incorporating trends and technologies such as:

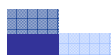
- The growing adoption of “open,” nonproprietary controls for robots;
- Increasing role and importance of automation software promoting ease of use, especially for robotics and machine vision, two functions perceived as challenging to set up and change over;
- Use of smart cameras with onboard lighting and image processing to facilitate root cause analysis and provide troubleshooting functionality;
- Greater use of dashboards and other graphics on operator interfaces;
- Operator interfaces that hold more information, including manuals, parts lists, schematics, recipes, production statistics and maintenance alerts;
- Increasingly automated changeover and fewer changeovers that require tools. Change parts are, to a great extent, being eliminated or minimized;
- Touch screen-operated systems — a legacy of Steve Jobs? — made their graphical user interface (GUI) presence felt in many booths, making it a lot more likely that your grandchild, if not your grandmother, could run these operator controls.



### TREND 2: No Machine is an Island

Machines that operate in isolation are becoming the exception, not the rule, as evidenced by:

- Greater machine-to-machine communication on the packaging line, between the packaging line and the plant, and between the plant and higher-level manufacturing execution and enterprise resource planning systems; and
- Lighter, smaller, faster-working machines and robots



### TREND 3: Fewer House Calls

There's an effort to reduce the need for in-person service calls. Instead, "machine doctors" check on their patients using remote operations, diagnostics and service channels to send and receive data, pictures and fixes.

- By making diagnoses and adjustments in real time, over secure digital lines, end users avoid lost productivity from breakdowns.
- In some cases, communication between machines/operators occurs via smart phones, iPads and even Skype. Glenn Seifert of CombiScale, which offers a Skype headset with its Primo 3360 weigher, said 90–95 percent of machine problems can be solved remotely and online.
- "Print me a spare part:" Stereolithography can put crucial machine components on operators' workbenches as needed, even in the remotest locations.

### TREND 4: The Increasing Primacy of Flexibles

Flexible packaging formats, including pillow and stand-up pouches, flow wraps and bag-in-box, are challenging cartons, metal cans and glass and plastic bottles for a growing share of primary packaging applications in virtually every market sector.

- Flexibles are noticeably advancing as "master packs" and multipacks, too;
- Lowering costs by reducing material use is a key growth driver of flexible;
- Rising metal, glass and resin prices — and the cost of transporting rigid containers from distant manufacturing locations to filling sites — are prompting more packagers to consider in-house manufactured flexible packaging for a wide variety of products;
- Features that appeal to consumers and retailers, such as flat bottoms, easy-open/close zippers, shaped contours and multi-gusseted walls, continue to expand applications;
- Contoured external support structures mimicking bottles — the molded fiber shells used by Ecologic™ for its pouches are a good example — lend variety and new meaning to the term "bag-in-box;"
- Pouches are becoming synonymous with refill packs.



### TREND 5: More Emphasis on Hygienic Design, Cleanability, Allergen Control

The outbreak of listeria-caused illnesses and resulting deaths in Summer 2011 seemed to boost attention and urgency in exchanges about machinery wash-down, clean-in-place design and hazard analysis critical control point (HAACP) procedures.

As part of the Food Safety Modernization Act (FSMA), the U.S. Food & Drug Administration (FDA) now mandates easy wash-down of equipment and laboratory tests and manufacturing procedures to prove processing and packaging equipment is clean and safe for producing food products.

“Almost every industry is looking for high sanitation,” says Ray Kondracki, marketing manager at Yamato Corp.

“FSMA could be a competitive advantage for machinery manufacturers who learn and adapt quickly,” said Greg Flickinger, vice president of Manufacturing and Corporate Engineering, Snyder’s Lance Inc., in a PACK EXPO presentation. However, he noted, that’s easier said than done, because the law’s requirements are still being finalized.

Flickinger predicts packaging line operators increasingly will be in charge of cleaning and maintenance as well as operations, and as a result, he said, machine adjustments “have to be tool-less.”

### **TREND 6: Continued Use of Modular Design**

Modular design enhances flexibility by allowing the same basic machine to handle a greater number of product/package variations.

- Machines can grow with needs. For example, a brand owner can start with one servo/fill liquid-filling module from Oden and add three more as volume increases.
- Modular design reduces downtime by allowing maintenance and service techs to simply replace a problem module with a good one instead of more extensive and time-consuming disassembly and on-or off-site repair.

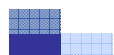
### **TREND 7: Digital Printing Marks Broader Territory**

Contract packagers and a growing number of product manufacturers are finding a growing array of color competent digital printers for ever-longer package print runs on substrates ranging from plain paper to corrugate and pressure-sensitive label stock.

- Reduced lead times, inventories and waste are all in the digital printing playbook.
- Digital printing’s ability to match the quality of traditional printing on a wide variety of substrates is impressive.
- Digital prints with “true-to-life” flesh tones, the hardest to reproduce accurately, were seen at several booths.
- Exhibitors were very aware of the “cost per image” or “cost per label” of digital and were prepared to compare digital to existing print methods.
- Digital may not be ready to replace standard offset or flexography across the board, but is ready to replace these older technologies in specific market niches that contain significant volume.
- Digital printing reduces or eliminates the need for air pollution control infrastructure due to the use of inks and/or processes that minimize the emission of volatile organic compounds.



This area of packaging graphics is set for a major transition in production machinery and methods. Producing art with a camera system is no longer commercially viable, as it was in the 1990s.



Likewise, over the next five to 10 years, fewer and fewer packaging graphics will use the older technologies.

### **TREND 8: Sustainability Practiced, Not Parroted**

Packaging machinery manufacturers may not tout their “sustainable” systems to customers and prospects, but it’s still a very relevant topic.

Practiced sustainability is standard procedure in any packaging operation — efforts focused on energy savings (cost reduction), waste minimization (cost reduction and ease of use) and solving handling problems related to adoption of source-reduced materials//containers.

Listen closer, and it’s clear that “streamlining operations,” “minimizing operational costs,” “total cost of ownership,” “reducing downtime, changeover time and labor,” “lowering use of water, compressed air and electricity,” “increasing throughput” and other commonly-used machinery descriptors speak to the essence of sustainability in a manufacturing environment: conserving and replenishing resources.

### **TREND 9: Smaller, Nimbler Quick-Change Pharma Machines**

There was a refreshing willingness of pharmaceutical equipment suppliers to develop and provide customized solutions to a wide variety of engineering problems. Past practice in this sector has been to try to suggest “off-the-shelf” or slightly modified units to deal with unique packaging challenges.



Notable in the show’s new Pharmaceutical Pavilion — a variety of blister packing machines engineered for short runs and quick changeover.

High speed changeover, reduced cost tooling and the ability to fit into a small area of a plant are features that give pharmacy packers more blister options for new and existing products.

Pharmaceutical manufacturing is undergoing a large amount of change. Blockbuster drugs are going off patent and moving to generic and over-the-counter status. Many of these drugs require better ways of communicating dosing instructions to consumers. A new generation of packaging machines enables manufacturers of all sizes to meet those needs.

Smaller volumes created by a wider variety of products and more overseas competition means the total volume of product being packaged at any one time has declined. This need for more flexible machines and equipment is evident in the smaller blister machines that were displayed at the show.