

CASE STUDY

Book Publishing Company Reduces Labeling Costs by More Than Half

Solution: LABEL MATRIX

Industry: Book Publishing

Partner: ID Technology

Background

A book publishing company in Tulsa, Oklahoma was a company with a problem brought on by its success. The publisher and distributor of evangelical books and gift items had seen its business grow tremendously over the last few years. The book publishing company provides books and gift items to well over 10,000 bookstores throughout the country and to large retailers, such as Sam's Club, Costco Wholesale, and Walden Books.

For the book publishing company, distributing books and gift items is not simply a matter of picking and packing the right items to fill orders. Many retailers, especially large retailers, require customized barcode labels that enable them to price and track sales in accordance with their internal systems. Some retailers require a custom label that identifies each book by title and assigns a price. Other retailers order a single barcode for each price point within the category. This requires the company to customize each label before it is packed and shipped. Adding to the complexity, retailers submit orders for specific mixes of titles and items that must be picked, labeled, packed, and shipped directly to individual stores. The number and mix of barcode labels must be produced in the exact quantities required to eliminate waste and confusion.

Challenges

- ✓ Customize each label before it's packaged and shipped out
- ✓ Barcode labels must be produced in exact quantities from specific orders
- ✓ Locate each label and manually apply the label to products, resulting in errors and packing slowdowns
- ✓ Getting the right labels and products to the right place at the right time

Results

- ✓ Reduced labeling costs by more than 50%
- ✓ Used smart label templates to create a simple scanning process
- ✓ Automated printing for barcode labels in a continuous loop belt
- ✓ Increased output from one million to three million items, and eliminated all outsourcing

Since the company has over 4,000 book titles and hundreds of gift items, this presents a tremendous challenge. The company was using a largely manual process and contracting out peak loads to handle the one million items it distributed each year. The company would print labels in batches and file them for future use. When processing an order, the correct labels for each item and customer had to be located and then manually applied to the products. This process opened the door to errors and packing slowdowns. Adding to the complexity, when book and gift items were to be filled by an outside vendor, there were additional coordination issues in getting the right labels and products to the right place and on time.

“We knew that we had to do something to automate the situation,” said Travis May, Special Project Manager for the book publishing company. “We were looking for a single system that would keep track of all of the special labeling requirements and automate the entire process.”

Solution

May researched several alternative solutions and through a local company, Master Packing, was introduced to ID Technology Corporation of Fort Worth, Texas. ID Technology developed an integrated system that includes labeling software — LABEL MATRIX label design software from TEKLYNX, and Willett America’s LabelJet printer and label applicator — and custom designed a conveyor system. For items that require special handling, there is also a SATO thermal transfer tabletop printer so operators can hand apply labels as necessary.

LABEL MATRIX is feature-rich label design software for companies looking for a trusted solution that is simple to install and easy to use. LABEL MATRIX is an intuitive application with an easy-to-navigate interface.

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Results

Now, all labels are controlled by the LABEL MATRIX software. Each title or gift item is entered into the LABEL MATRIX database. Special customer labeling requirements are entered so that item/customer combinations can be selected. When filling customer orders, operators call up a template for the customer which is standard across the account. Then, to process each order, the operators scan the barcode for the item from a master identifier sheet and scan in a quantity. The book publishing company generally runs a series of orders for each major customer, giving operators a simple scanning process to move from order to order.

The barcode labels are automatically printed and placed on a continuous loop belt. The books and items are fed onto a conveyor belt and aligned as they move down the belt. The labels are then applied as the items move down the belt. The labeling system handles all sizes of books and gift items, including T-shirts and other soft goods.

For custom mix orders, the labels can be produced in the exact quantities necessary and printed in the order that items move down the conveyor. A packer at the end of the line packs the items and then seals and labels the boxes for shipping. There is virtually no chance for picking and packing errors since the items are labeled immediately before they are boxed.

"This sounds like a simple solution," commented May. "But it is a major improvement in the way we do business. We have been able to increase our output from one million to three million items and eliminate all of our outsourcing."

The increased productivity has been achieved without adding staff. Three to four people can handle up to 5,000 items per hour. Before, it would have taken 12-15 workers to handle that volume. In addition, the whole labeling process has been simplified. System updates, such as adding book titles and new gift items, only take about an hour a month. The book publishing company normally runs a single shift per day but has run the labeling line around the clock for eight days straight.

"We've tripled our output and driven our labeling costs down from about five cents an item to under two cents. Furthermore, we fully recouped our costs in less than three months."

- Travis May, Book Publishing Company

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