

# Short runs, long opportunities

Short run business has a bad connotation in the pre-recorded optical media world, but when it comes to packaging, it is possible to make the challenges into money-makers. Elizabeth Toppin reports



There is money to be made in short run packaging, if duplicators and replicators approach it the right way

**“It’s like going back to the very early days of CD before automatic packaging machines existed.”**

Say ‘short runs’ to replicators and they are likely to say things like ‘downtime,’ ‘decreased margins’ and other terms of gloom and doom. Say ‘special packaging’ to replicators and there is likely to be grumbling about marketing departments who conceive of great packaging ideas without considering materials, costs and general feasibility of the realisation of the concept.

However, according to some people – content owners, replicators/duplicators and packaging providers alike – short runs can be the source of more opportunities than challenges, and provide a good income. In fact, some companies positively welcome short runs.

Multi-national Burgopak, with a package that features a unique sliding mechanism, is one. Rick Bluett, in the company’s German branch, says, “We really welcome short runs – that is a topic close to our hearts!” Short runs are a way of getting Burgopak products seen by many people, and gets the company a foot in the door with some of the world’s major blue chip companies, according to Bluett. It can also spell success for products that use the package as a marketing tool.

Short run projects very often need to be packaged by hand

One such tool was the press kit for the independent video *Arsène Lupin* – a movie about a jewel thief. The disc went out in a Burgopak with a pocket watch in a leather case. “It’s about making an impact,” says Bluett. “That created a huge amount of interest in the title and the DVD was sold out before it hit the shops. The video got to number three in the charts, which was something the studio had never achieved before.”

Another launch was that of TDK’s recordable Blue-ray media – the launch packaging for that consisted of a Burgopak in conjunction with Scanavo’s SteelBook. “The packaging has so many possibilities that are ideal for short runs – it can be used in an A4 format, which no-one would do in larger runs.”

However, short run packaging does mean virtually 100% hand packing. Nimbus Records in the UK is a company that enjoys the dual role of content owner and disc duplicator. It specialises

in short run classical music duplication, with print facilities that can be turned to non-disc work and, as director Adrian Farmer says, “Short run manufacturing, by its very definition, means hand packing everything. There simply isn’t enough volume for any particular title to justify buying automated machines.

“We have teams of people – it’s like going back to the very early days of CD before automatic packaging machines existed,” Farmer adds.

This in itself can cause challenges, as Brian Powell, president of Now Disc in the US, points out. Now Disc focuses primarily on quick turn disc duplication. “Virtually all of our business is based on short runs and we have quite a few customers who request unusual packaging,” offers Powell. “Ad agencies in particular want packaging that is unique and can stand out from the competition. Most of that is hand packaged: there are no machines that can assemble this kind of job.”

With extra work, Now Disc turns to temporary workers but often they have no experience and there can be some time-consuming training and

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rejects. "That's about the biggest challenge we face – bringing in inexperienced people for hand packaging," says Powell. "Unfortunately there are mistakes and the experienced production staff may have to do a lot of Q&A instead of assembly work."

Short runs tend to mean special packaging so there are also stock issues: duplicators can end up with unused (and possibly unusable) cases. Now Disc has solved that problem by moving the storage issues to the customer.

"If a customer wants a particular kind of clamshell or jewel case that we don't normally carry, we require them to buy the entire stock. If they want 700 units but the packages come in lots of 500 then we will have to buy 1,000 units. We will make 700 completed units and then they get the extra 300 packages." Although that will make the job a little more costly, it is not necessarily an issue, says Powell. "Customers, for the most part, understand that sometimes a little has to be added to the price for short runs."

Price. Price. Price. It is the three most important issues for the majority of replicators and duplicators these days. That's why some replicators view short runs as a problem, particularly as the industry is moving towards shorter runs, with studios and record labels using the replicator as an alternative to warehousing – frequent reorders of smaller amounts is better for them than having lots of discs taking up space and, perhaps, remaining unsold.

It is another reason short runs are best put out to a duplicator, particularly one with the right equipment. "Short run packaging is identical to long run packaging," states Farmer. "Don't reinvent the wheel, don't try to change the rules, or challenge the established expectations of the content owner, the distributor, the retailer or the consumer."

"Our feeling about it is that whether it's manufactured as a short run or a long run, the consumer should get exactly the same product in the store; the majority of the customers want things that look like traditionally manufactured and packaged product – colour labels, traditional jewel cases, booklets of all formats at very high-quality," continues Farmer. "If any part of your manufacturing operation cannot reach these standards, you will not get the best customers."

If people can't do it properly, Farmer believes, they're not going about it the right way. "People who laser print booklets or use discs that are not silver/silver discs are delivering something that looks like a CD-R with a booklet that's come off of someone's copier. They're giving short run a bad reputation."

## Better margins

In many cases, short runs are what Farmer refers to as 'full-price product.' "Short run manufacturing really doesn't work for budget product," he stresses. "The costs are too high if you're only selling the product in the stores at budget prices. Because virtually every short run that we do is higher margin product at retail, we feel that we have to deliver the quality that higher margin product requires." In fact, as he points out, though there are always price



Short run packaging requires a high level of quality just as a longer run would. One of the biggest challenges is finding qualified people to perform hand packaging

pressures, not only has Nimbus' prices held stable in the past year, some have even risen to a degree.

Special packaging has traditionally been one way in which duplicators and replicators can enjoy better than usual margins. First of all, as it is a premium product, customers expect to pay more. But, as Powell explains, they don't necessarily have a strong view as to how much more.

"Everyone knows what the price of a disc is, within about five cents, and everyone knows what the cost of printing is for the print on the disc," says Powell. With unique packaging not everyone knows what the costs are and that's where people can make some extra money. "If someone wants a printed chipboard piece with the disc on a foam [hub] in the middle, shrink-wrapped, with stickers applied to it to go into another kit, what is that going to cost? They don't know."

That allows for a reasonable margin on the price that the customer will accept quite happily, whereas, he points out, "If you were to say the disc was going to cost 80 cents they would probably object and say they could get it done for 30 cents."

In the Burgopak model, short runs are premium product as they are advance copies of something that will be coming along later in larger quantities and at cheaper prices. "The bottom line with doing a short run is that the unit cost may be more, but you're not doing many pieces so it's not a huge sum of money in total," says Bluett. "It doesn't cost that much to do something you couldn't do any other way."

So, is there an optimum package for short runs, or can there be an innovative special package for short runs that will be eye-catching but cost-

effective? Content owner Universal Music is not convinced but would like to be: "The quickest and most cost effective packaging is Slimline jewel cases," says Christine Atkins, director of Release Operations in the UK, "although the marketing companies tend to prefer cardboard wallets for short runs such as promos in order to differentiate them from the commercial single."

However, she adds, "We are quite often shown new styles of packaging but they are nowhere near cost-effective for these short runs. If someone can come up with a unique and innovative packaging idea for short runs I'm sure the industry would grab it as long as the turn-around time was as good as the cost."

Such innovation is possible, according to both Farmer and Bluett – and not necessarily fancy or expensive. "Simple innovation is possible," says Farmer. "A good example would be the short-run wallets we make. Traditionally, these types of packaging – used for promo or white-label releases – would have to be printed in thousands. We can make two copies."

Not only does packaging not have to be complicated to make it catchy, agrees Bluett, simplest is often best. "It doesn't have to be intricate to make it attractive, in fact, complicated packages don't always work as well," says Bluett. "Burgopak costs a little more but most of the things that make our packages different and special are simple. For instance, we've done one with a window where, because of the movement, a golf ball appears to roll across the cover of the packaging and disappear into a hole. It's print on a window and costs virtually nothing. But it's very catchy." ●