

Are New Card Designs a Blessing or a Curse?

By Bill Knotts, Spartanics

See-through cards, key chain cards, and irregular shapes like the recent kidney-shaped Discover Card – are these hot market opportunities for card manufacturers or hurdles to jump that imperil profitability? A poll of all ICMA members would probably demonstrate a wide range of opinions weighing in on all sides of this question. On the one hand, new products are by definition new opportunities to pick up business. On the other hand, card issuers' demands to create new types of cards may not be matched by intent to pay for the re-tooling of equipment and changes in procedures that may be required.

Objectively, some ICMA members DO have clear advantages in pursuing hot trends in card design because their prior technology investments are inherently well matched with so-called irregular card design. From the perspective of a manufacturer of die cutting systems, those card manufacturers that have purchased the same tooling typically used in the nameplate industry are most likely to succeed in a changing marketplace with a succession of trendy products with relatively short life spans compared to the standard CR 80 card.

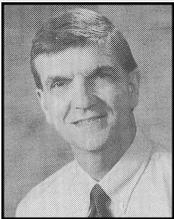
Unlike many card manufacturers that have geared production for a single design—the standard CR80 card—nameplate manufacturers are likely to have to re-tool or adapt their procedures for nearly every job they take on. First and foremost, nameplate manufacturers' operations and tooling need to be flexible. Secondly, nameplate designs are typically far more complicated than a standard CR80 card, and require very tight tolerances. Consider what it takes, for example, to manufacture a nameplate

for a palm-sized cell phone or for the typical automobile dashboard.

Irregular card designs, like nameplate designs, are likely to have tight tolerances for print-to-cut registration. As long as die cutting equipment registers in the X, Y planes AND rotation (theta-axis) with each stroke of the die cutting or punching press, delivering the tight tolerances needed for irregularly shaped cards is not a problem.

However, many card manufacturers might find that their prior investments in die cutting equipment are not adequate. If the die cutting and punching systems only correct for cut to print registration in the Y and rotation axis once per sheet, they will generally not be able to create the new irregular shapes with consistent precision. These systems that only adjust sheets once assume that ideal sheets exist with columns having exactly the same Y and rotation correction. However, this is frequently not the case. Printing errors and lamination defects among other

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FEATURE

problems are two reasons why Y and rotation corrections are needed for each column of cards with each press stroke.

The most successful nameplate manufacturers also know to invest in modular designed equipment that can readily interchange add-on modules tailored for particular jobs. Most material handling mechanisms used in the manufacture of standard CR80 cards are configured for cards of that size and shape. Irregular shapes in new cards often make the previous handling systems for feeding raw materials, punching or die cutting steps, and removal of punched cards potentially obsolete.

Modular designed equipment for die cutting/punching is the easiest to modify for these new shapes. Modular designs allow engineers to remove and replace only the parts of the machines that are critically affected by the new

configurations. These modular systems are readily modified to handle not only longer cards, but also wider cards and cards with varying irregular shapes.

Similarly, systems that can accommodate the widest range of dies are most adaptable to changing job requirements. In fact, systems that only allow one to use proprietary dies are unnecessarily antiquated, as are systems that cannot use the compound die setups that can be critical to irregular shapes and other special features whether cards, nameplates or other die cut products.

If an opportunity to create a new card design comes your way, you are certain to find ready assistance from equipment manufacturers to help you determine the most effective way to tackle these novel jobs. Even if a new type of card design has not yet come your way, it is timely to consider your

plant's readiness for these new types of jobs when you are planning new equipment acquisitions.

Why now? Consider that while the 2002 Holiday Season retail sales were reported as low across the U.S., gift card sales during that same time period were up 64% from the prior year and approaching \$250 million, according to statistics published by comScore Networks, an Internet research firm. Five years ago gift cards were not yet on the radar screen of most retailers. Those ICMA members that seized upon this new type of card as a way to leverage their prior investments in equipment have bottom lines that reflect this success story. You too can be ready for the next type of "new" card and get in on the ground floor – be ready! 🎯