

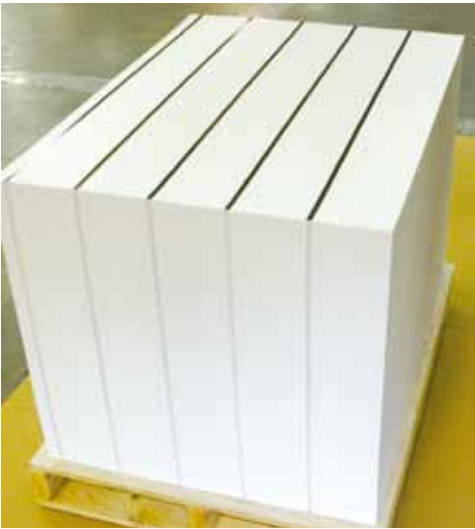
NEW PRODUCT!

GOEX 'Pre-Mag[®]' Plastic Sheet Streamlines Path To Profitability for Card Printers and Producers

CHANCES ARE GOOD that your wallet contains more plastic than cash these days. Count 'em: credit, debit, gift, loyalty, calling cards, key cards, subway and bus cards, membership cards: The ubiquitous plastic card has become a staple of global commerce, thanks to the presence of a magnetic stripe capable of storing data and of being read when swiped through the reading heads of ATMs, identification devices and point-of-sale hardware to retrieve secure information stored on the card itself or in a remote database.

What If?

The virtually endless uses of magnetic striping supply the momentum, in part, to a booming market for plastic card printing, and that's good news for print providers everywhere. What's not so obvious is that the cost to apply mag stripes by conventional methods is significant, even for the most effective card producers. To a high-volume card printer, the process of applying mag stripes



can amount to hundreds of thousands of dollars or more annually, without even taking into account the knowledge, capital or personnel necessary to enter this promising and profitable market.

But what if printers could buy plastic sheet with the mag stripe already ap-

plied, and reap the benefits in terms of material cost savings and increased throughput? Enter GOEX, the developer and only supplier of Pre-Mag[®] plastic sheet.

 "GOEX is driven to find ways to add value to our products, and Pre-Mag[®] plastic sheet is another example of this."

Mag tape lanes traditionally are applied by means of overlaminating film that is temporarily applied directly to plastic sheets. These multi-sheet "books" are fed into a laminating press that bonds the sheets together under heat and pressure. An alternate method involves using tape machines to apply a mag stripe on individual cards. Neither is an efficient or cost-effective option, given the additional time, space, equip-

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GOEX Demonstrates That Workplace Safety Is No Accident

IT'S ONLY A SLIGHT EXAGGERATION to state that when it comes to matters of workplace safety and health, the plastic sheet industry wears a bull's eye on its collective back. Based on its history and inherent potential for injury, the plastic sheet industry is among those industries most closely monitored by the Occupational, Safety and Health Administration (OSHA). That said, a plastics manufacturer that avoids OSHA scrutiny for a period of 15 years and more must be doing a great many things right. GOEX, which last underwent an OSHA inspection in 1992 and recently completed three years without a loss time injury, has compiled an enviable workplace safety record. The company works hard to address safety on several levels, resulting in a total commitment to plant and facility main-

tenance that emphasizes cooperation and shared responsibility.

"Our approach to plant safety is a natural progression of the proactive way we run our business," says GOEX President Josh Gray.

 "We don't wait for OSHA to show up at the door."

"We don't wait for OSHA to show up at the door. We don't tolerate an unsafe environment with debris all over the floor, leaky pipes, or unkempt areas. We want to provide a safe working environment. We all have

a responsibility to protect ourselves and the person working next to us."

GOEX rewards the employees who help the company maintain its outstanding safety record by putting its money where its mouth is. For each quarter it successfully completes without a loss time injury, the company throws a cookout, weather permitting, or holds a drawing for \$700. After zero inju-

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President's Message



"GOEX takes pride in helping our customers use the best-engineered, highest-quality materials."

We all realize how challenging it is to stay ahead of the competition in a market environment that expects and demands new ideas, faster production, and compressed delivery schedules - all at a lower price. Companies that become and remain successful depend on their ability to innovate.

But what does it really mean to be innovative? At GOEX, we have some definite ideas on the topic. Those ideas shape not only our ability to deliver products and services of benefit to our customers, but also the way we choose to run our business.

Innovation can be internally focused to drive down costs or customer-focused to differentiate your products and services. If you've had an opportunity to review the first couple of issues of this newsletter (available online at www.goex.com), you already know that GOEX Corporation takes pride in helping our customers use the best-engineered, highest-quality materials to achieve one-of-a-kind and custom effects that can set them apart from the competition. If this is your introduction to the GOEX Sheetline, the articles in this issue provide further evidence of our top-down commitment to the plastic printing market.

On Page One, read about our new extruded plastic sheet with the magnetic stripe already incorporated. GOEX "Pre-Mag" plastic PVC sheet

offers gift, loyalty, membership, promotional and phone card printers a material alternative that eliminates significant labor and equipment-intensive processing, comes ready-to-print, and introduces a lower-cost card alternative to the market. Developed and supplied solely by GOEX, extruded Pre-Mag® plastic represents a major product innovation for card printers.

Inside, we highlight our internal safety program, which takes an innovative approach toward motivating everyone at GOEX to work safely and take personal responsibility for correcting events that could jeopardize our excellent safety record.

Finally the use of innovation as a customer-focused business model is demonstrated by K&R Plastics of Austin, Texas, whose exceptional service comes from the core value of providing speed and flexibility to its customers.

We hope you enjoy all of the articles in this issue of the GOEX Sheetline. As always, your comments are welcome.

Sincerely,

Joshua D. Gray,
President

Pre-Mag® Plastic, continued from page 1

ment and personnel needed to carry out these additional processes.

"The traditional processes of applying magnetic tape typically are the constraining operations of a card producer," says Bob Waddell, Vice President of Sales, GOEX. "We eliminate a card producer's bottleneck by applying the mag onto a continuous web of plastic within the extrusion process, to tolerances established by ISO card standards. Depending on sheet size, Pre-Mag® plastic sheet can be produced in configurations from one lane to 12 lanes per sheet. "Continuous processes are more efficient than intermittent ones," Waddell adds. "GOEX is driven to find ways to add value to our products, and Pre-Mag® sheet is another example of this."

Do the Math

The card printer with no space to spare has a real issue with adding equipment. The printer trying to do more with fewer employees faces a similar dilemma when he attempts to expand into the potentially lucrative card market. Manufacturing efficiency is about subtracting processes, not adding them. GOEX Pre-Mag® plastic sheet carries a slightly higher price tag compared to normal card sheet-stock. However, the customer will save money because the total cost to produce a printed mag stripe sheet is actually lower, compared with the overall cost of tape-laying and laminating equipment.

For most card applications, "You have fairly complex



and slow manufacturing processes to incorporate the addition of a magnetic stripe. For the vast majority of applications (gift, membership, loyalty and other limited-use cards), the requirements are a high-quality plastic card with the mag stripe incorporated," Waddell says. "By dispensing with the laminating film and extra process steps of lamination, we produce a much simpler card construction, whose finished cost will be significantly less." 📌

GOEX produces .024-.030-gauge Pre-Mag® plastic sheet in CAROM® 45 white PVC.

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Customer Focus: K&R Plastics

K&R Plastics Caters To Printers' Needs with Expert Help from GOEX

K&R Plastics, Austin, Texas, is a family owned and operated Master Distributor with one of the largest stock inventories of print grade plastics in the United States. Established in 1991, the company boasts a tradition of exceptional service to its graphic arts customers throughout North America, from the smallest print shops to the most highly industrialized commercial and packaging operations. The company purchases virtually all of its screen-grade and litho-grade Polystyrene and Polycarbonate annually from GOEX Corp., one of its primary suppliers and a company whose customer-focused business model mirrors K&R's own.

"As a niche-focused player, our highly knowledgeable employees excel at getting things done quickly for our time-sensitive graphic arts customers, who need what they need when they need it, in the quantity needed," says K&R President Roger Kitowski. "Speed and flexibility are critical for us and for our customers. GOEX understands this and works to meet our specifications." For example, K&R receives orders by the truckload, and often has to break up and repackage the material for shipment into smaller, saleable lots, adding extra time, labor and converting costs to the distributor's internal handling costs. "Packaging is a major concern for us," Kitowski says. "GOEX will ship us a truckload that we can break up and ship out LTL in smaller lots without repackaging. GOEX is very cooperative and accommodating in this regard. Not every



plastic manufacturer is."

Over the years, GOEX's reputation for top-flight customer service and customization has earned it an increasing share of K&R's business. Positive feedback from K&R's customers certainly hasn't hurt. "Our screen and offset customers tell us they find the quality of GOEX plastic to be superior with respect to both the consistent squareness of the cut sheets and the quality of the printed image," Kitowski says. "GOEX makes some of the finest plastic sheet available. That the company has steadily broadened the range of gauges it supplies is great news for us and for our customers. We also find their pricing to be the most competitive in the industry, allowing us to compete head-to-head with most other distributors."

Not content to rest on its laurels, GOEX further distinguishes itself by remaining interested, flexible, and open to finding new ways to improve its service. "At K&R we remain competitive by working very closely with our suppliers—consistent, quality product keeps our forklifts moving, and GOEX has been one of our most engaging vendors. K&R and GOEX work together constantly to find better solutions to our customers' needs," Kitowski observes. "It would be more than fair to say that this is not the case with many other plastic manufacturers. Fast and effective communication, coupled with high quality, intelligent results defines our relationship with GOEX." ❖

Workplace Safety Is No Accident, continued from page 1

ries for one full year, GOEX holds a drawing for a \$5,000 ATV, garden tractor or snowmobile. "When we get to three years," says Gray, "we give away a \$25,000 car, for which we also cover the tax liability – no strings attached." GOEX's total financial commitment to incentives like these amounts to more than \$60,000 over six years. Talk about putting your money where your mouth is!

It's No Accident

Results like these don't just happen. Rather, they are the result of careful attention to safety concerns throughout the GOEX facility. The company's Safety Committee, made up of facilities engineering, human resources, manufacturing supervision and manufacturing personnel, is set up to address immediate concerns, as well as to look for bigger issues. The 11-member group meets on the first Thursday of every month to discuss

and, if necessary, take action on ideas and concerns raised by other GOEX employees. "It could be anything – a cord that needs a new end or plumbing that sweats such that there's condensate on the floor," Gray says. "Any employee with a concern or

"Any employee with a concern or suggestion can fill out an action card and bring it to the attention of those on the Safety Committee."

suggestion can fill out an action card and bring it to the attention of those on the Safety Committee."

The committee also conducts

monthly inspections of the entire facility, making and posting general housekeeping and safety notes for all employees to read. Participation on the Safety Committee is voluntary and the membership is rotated every year to keep the duties from consuming too much of employees' time and energy. "We try for a higher concentration of manufacturing people because, in our experience, we get a higher concentration of ideas from personnel directly involved in the manufacturing process," Gray says. "The Safety Committee is an attempt to drive improvement from the manufacturing areas of the plant, where safety concerns loom the largest."

Risky Business

Plastics processing machines, such as those in use at GOEX, are complex pieces of equipment that require guards or "fail-safe" devices to protect employees from "nip" or

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“pinch” points, moving parts, and exposure to high voltage and high temperatures. Equipment used to cut the plastic can be equally hazardous. At GOEX, some machinery is equipped with light curtains or mechanically guarded to prevent access to a dangerous pinch point. Other equipment is set to de-energize when an employee gets too close. To further protect its workers, GOEX requires that earmuffs or earplugs, safety glasses and hair covering also be worn on the manufacturing floor.



Clockwise, from top left: 2006 Safety Award winners Gary Carlson (\$700), Shanon Clark (\$5,000), and Richard Sykes (new car).

Gray notes a growing willingness among OEMs to work with OSHA on compliance issues, and with plastic converters on the design of new equipment. “My sense is that the OEMs are genuinely interested in soliciting user input and getting them to weigh in on design concepts before they’re implemented.” In some cases, he adds, equipment manufacturers have modified the design of production machinery, based on feedback from the producers. “We’ve also seen more of a willingness among OEMs to share in the cost of accident prevention by supplying materials necessary to maintain safety features. Industry-wide, these are positive developments.”

Safety First

Investment in workplace safety and health will result in cost savings in a number of areas, such as Workers’ Compensation claims, medical and legal expenses, OSHA penalties, lower costs to train replacement employees, and so on. Improvements in workplace safety and health can result in significant improvements to an organization’s productivity and financial performance, Gray confirms. “We’re self-insured, so keeping our insurance costs in line is extremely important. However, our primary motivation is the welfare of our employees. We’re trying to bring the cost of accidents back to a point where everybody understands that it’s in their own best interest to pay attention to plant safety.”

Health and Safety: Let Me Count the Ways

Process and other changes made to improve workplace safety and healthy can reduce absenteeism and significantly boost employee morale, along with company productivity and profitability. Here are just a few of the measures GOEX has taken to create a secure, healthy environment for its employees:

Air Quality: The GOEX plant manufacturing area is enclosed and positively pressurized to keep outside contaminants out of the production environment. An efficient climate control and ventilation system exchanges the total interior air (over one million cubic feet) every hour.

Fire safety: The GOEX facility is fully equipped with sprinklers and local fire protection equipment, including fire extinguishers on every production line and throughout the plant.

First aid: GOEX recently installed an AED defibrillator and held training for its first responders, a group of three employees on every shift who also are trained in blood-borne pathogens and cardio-pulmonary resuscitation.

Housekeeping: GOEX washes every square inch of its 80,000-square-foot production floor every day to mitigate the accumulation of dust and other airborne contaminants.

Traffic: GOEX permits only unmanned, battery-operated vehicles on the plant floor. Gas-powered lift trucks are not permitted.

*How many safety engineers does it take to change a light bulb?
None. Safety engineers do not change light bulbs; they search for the root cause as to why the last one went out.*