

▶ INTERVIEW — SMI GROUP, ITALY

“Our customers are asking us for machinery with lower consumption rates”

The SMI Group, specialized in the production of packaging machines, adopted the innovation strategy about 30 years ago in a tiny little town in the northern Italian region of Lombardy and never abandoned it since. Founded in the middle of the 1970s in a tiny town called San Pellegrino Terme close to the small city of Bergamo as a machine shop, within a few more than thirty years the Italian SMI Group grew to one of the world's biggest producers of packaging machines.

Today the group has installed units in over 130 nations all over the world and runs local branches in the United States, Mexico, Brazil, Russia, Romania, Poland and Australia and operates with direct representations in China, France, the United Kingdom and Malaysia. Manager Global spoke to System Logistic's Pietro Volpi, Marketing Manager about the industry.

Beverage Manager Global (BMG): What is the SMI Group focusing on when it comes to packaging machines for the beverage industry?

Pietro Volpi (PV): With a strong commitment to innovation over the past 25 years, SMI has focused on research and innovation in developing a wide range of high-tech solutions - both for the

end of the line and for the blowing-filling process - and made headway in its market segment.

SMI successfully combines technology and culture, design and innovation, efficiency and social responsibility: A mix of factors which, together with a flexible approach to the customer's needs, has allowed the company to set new standards in the packaging world and to establish long-lasting business relationships with many top players in the food and beverage industry.

ences rapidly change, food & beverage companies look for innovative packaging solutions with a particular focus on flexibility.

In fact, the significant increase in the variety of products launched on the market requires an equal increase in high quality, visually appealing packages. When looking to better serve their customers, packaging professionals must devise top-of-the-line solutions in terms of efficiency and operational versatility, while keeping an eye on costs. Such objectives can be only achieved by

“Our customers are asking us for machinery with lower consumption rates, that respects the environment and does not lose its initial investment value, and SMI has responded with innovative solutions like a new methane gas-powered thermo-retraction tunnel.” Pietro Volpi, System Logistics



BMG: In terms of packaging (PET) equipment - Where do you see growth opportunities in your own backyard and worldwide?

PV: The relentless engagement in Research & Development activities at the SMI laboratories led to the launch of innovative integrated systems for the stretch-blow moulding, filling and capping of PET containers in the EcoblocPlus series.

The integrated systems for stretch blowing, filling/capping and labeling boast several benefits in terms of cutbacks on costs, efficient use of space, and reduced maintenance requirements. The direct connection between the machine modules by means of transfer wheels reduces the overall number of installed machines, as there is no need for a rinsing, accumulation conveyors or for conveyors between the blower, the filler/capper and the labeler.

The camera-controlled technology featured in the stretch-blowing module ensures high precision and reliability. The direct control of each blowing station from the main operator control

panel allows for the stopping of the relevant stations alone without requiring all machine operations to come to a halt in case of failure.

The compact frame and ergonomic design of the entire system are the result of high-tech engineering solutions; “baseless” building technology applied on the filling and capping module leaves the area underneath the bottles completely clear, so as to ease the operator's access to the machine for maintenance and cleaning operations.

The electronic filling process used with Ecobloc-Plus prevents any contact between the bottle and the filling valve, thus reducing the number moving mechanical parts and preserving the integrity and quality of the product.

BMG: Is the market saturated in terms of packaging technology? Are there still opportunities in terms of advanced technology?

PV: The packaging market is continually evolving and pays great attention to requests coming from markets every country. As consumer pref-

choosing flexible systems designed to handle different products and to switch quickly from one format to the other.

In order to quickly meet these constant changes in the packaging market, SMI invests a large amount of resources in research & development activities connected to innovative projects every year. SMI developed the new HS series of SK shrink wrappers to satisfy clients' ever-growing interest for “higher efficiency solutions in the production line.”

Furthermore, the new LWP 25 wrap-around case packer was introduced to the Smiflexi division's portfolio due to an increase in the demand for medium/low speed machines, especially from emerging countries.

SMI also introduced the new Smiflexi CM series of combo-packers that combines the functions of a wrap-around packer, of a tray packer and of a shrink wrapper in one machine and can process a wide range of high quality packs in film only, tray+film, pad+film, tray only, closed or semi-closed boxes. ▶21

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20►BMG: Energy costs for the beverage industry have risen considerably. How is the SMI Group dealing with this, especially with regards to packaging (and filling) machines?

PV: Many of our recent innovations support sustainable development. Among these are the EcoblocPlus series, which features integrated systems for stretch blowing, filling/capping and labeling PET containers with a capacity from 0.2 to 3 l. The Ecobloc series, which is not equipped with an integrated labeler, can handle containers with a capacity of up to 10 liters.

The EcoblocPlus and Ecobloc systems, which are suitable for bottling lines of still and carbonated drinks, milk and edible oil, stand out with their compact, modular frame and use of state-of-the-art technologies to ensure perfect synchronization between the dry environment of the stretch-blowing module and the wet environment of the filling/capping module.

An excellent quality/price ratio, environmental performance, low TCO (total cost of ownership) and reduced maintenance make EcoblocPlus the ideal solution to blow, fill, cap and label PET containers with a capacity of up to 3 liters, and can run up to 36,000 bph (depending on the machine model and product features).

The EcoblocPlus system displayed at Interpack 2011 features a 8-cavity stretch-blow moulder for the production of 0.5 l PET bottles from 11 g pre-forms; the bottles are filled and capped by a 42-valve electronic filler and then labeled with adhesive sleeves. The integrated labeling unit uses "Adhesleeve" technology from P.E.Labelers, an adhesive sleeve that does not require the use of hot glue; this system ensures a high level of hygiene and cleanliness and also makes cleaning and maintenance operations easier, which drives down the risk of product contamination. All EcoblocPlus models are equipped with an air recovery system, an eco-friendly technology, which allows consistent cutbacks on energy costs and provides air consumption to be reduced by up to 40%.

Thanks to the recovery system, part of the air in the blowing circuit (40 bar) is recovered and recycled for the pre-blowing circuit (4-16 bar) and for the machine service air. The pre-blowing circuit pressure is controlled by an electronic adjusting device, whereas the service air circuit is controlled by manual reducers. If the pre-blowing circuit or the service air circuit do not need the recycled air, it is possible to use it for low-pressure circuits of other external systems.

BMG: Are the Asian and South American markets more attractive in terms of packaging technology for the beverage industry?

PV: Asian and South American countries are dynamic markets in constant evolution, where bottling companies are continuously seeking high-tech solutions, such as those found in the machines manufactured by SMI.

SMI's participation at the major international trade fairs for these markets confirmed the importance of the Asian and South American economies. SMI will also attend Propack Asia (Bangkok, Thailand) and CBST, or China International Beverage Industry Exhibition on Science & Technology (Shanghai, China), in 2011, as well as Fispal (Sao Paulo - Brazil) and Expo-Pack (Mexico City) in South America.

SMI will be displaying its latest development in the packaging machines segment at these important events.

BMG: What economic and innovative potential can be seen in the area of packaging technology today?

PV: SMI's keyword is: innovation. For us innovation is the ability to think ahead and anticipate the ever-changing demands and needs in the food & beverage industry and to translate these changes into high-tech solutions offered to the market, such as, for instance, the Ecobloc integrated system and the APS automatic palletizing systems. **22 ►**

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21 Innovation also means saving energy and ongoing research. Since the beginning of our activities, we have invested heavily in technological innovation and this attitude has led us to improve our production efficiency, to pay more attention while choosing raw materials, and to design energy-saving equipment to make packaging ever more environmentally friendly. Such technological efforts led us to integrate this "energy-saving" philosophy into our strategy for driving our R&D activities and to re-focus our product and process development activities on environmentally sustainable principles.

BMG: What alternative range of products could the packaging industry offer the beverage industry in the coming year?

PV: The beverage industry is in a state of constant evolution and SMI, as a global manufacturer of packaging machines, plays an important role in meeting the industry's latest requirements by proposing high technology equipment and systems that can effectively satisfy the expectations of each individual customer.

The packaging industry will still be offering advanced technology equipment and systems capable of meeting the future needs of the beverage industry.

The Ecobloc series, which is not equipped with an integrated labeler, can handle containers with a capacity of up to 10 liters.

try in the coming year. That's why SMI's investment plans for research & innovation are going to be even greater in the near future, as we are well aware that we will only be able to grow and develop in the years ahead by designing ever more customer-oriented solutions. Currently, the SMI Group companies invest about 6% of their sales volume in R&D projects, well over the Italian industrial average (1.5%) and European industrial average (3% > Lisbon Treaty objective).

BMG: Speaking of beverages: If you think ahead to the next five or ten years, what role will sustainability play for this industry?

PV: There's no doubt that sensitivity among people and companies with regards to the environment and eco-compatible solutions is growing very quickly. Solutions require ongoing innovative technological development. Recently, the SMI Group concentrated all efforts on creating new products with two predominant features: saving energy and advanced technology.

The entire group has been concentrating on creating machines and systems with a reduced environmental impact, effectively responding to the new requests coming from a continually evolving market. The SMI Group has always given careful consideration flexibility, safety and ease of use, and the quality/price ratio. Our Research and Innovation Centre, SMILAB, has launched several development projects focused on innovative technological solutions to reduce the energy consumption of machines and systems and to increase production efficiency and flexible operations.

Our customers are asking us for machinery with lower consumption rates, that respects the environment and does not lose its initial investment value, and SMI has responded with innovative solutions like a new methane gas-powered thermo-retraction tunnel. This a truly "eco-friendly" solution from all points of view, as the eco-

nomic and environmental advantages of methane over oil are innumerable and harmonize perfectly with environmental and energy saving principles, especially in those countries where the price of methane gas is much lower than that of fossil fuels.

Product and process innovation will be playing a fundamental role in the growth of manufacturing companies, effectively becoming that divider between who will go on growing and who, sadly, will be slowly marginalized by the market. For years now, the SMI Group has placed research and development at the core of all its activities and has adequately equipped itself to be ready to face those future market challenges.

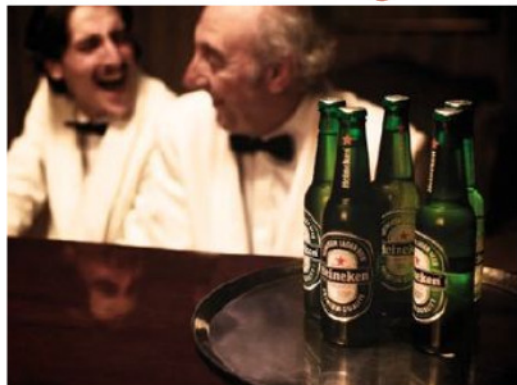
BMG: Which market situation (global) will companies in the beverage industry have to adapt to in the next few years?

PV: Beverage industries will have to face growing competition between sector operators and have to adopt product diversification strategies based on market demand. The main challenge for the beverage industry is, and will be, maintaining their leadership position in offering high quality products at a reasonable price.

Packaging also plays a fundamental role for these industries, as it is how products reach consumers. It is essential for maintaining beverage characteristics and must also fully comply with quality and safety standards. The beverage industry will need to cooperate with the suppliers' chain in order to adopt more and more efficient manufacturing processes, to improve energy savings and to minimize consumption and costs. ● (bmg)

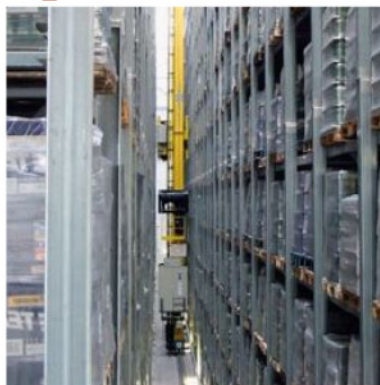


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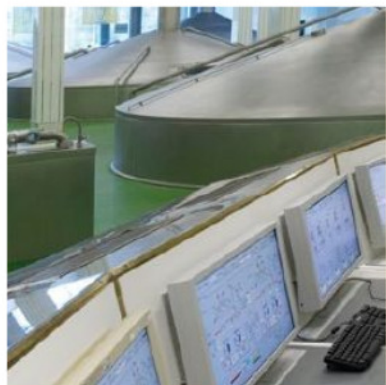
Global sales incentives and advertising budgets
The international beer market is feeling the crunch. Finding the right concepts is crucial in order to attract people to the product. But how much should one invest in marketing? TV advertising, billboard advertising or point of sale events - which campaigns reach which target group?

MARKETING



The future of packaging in the beverage industry
For several years, suppliers have been producing "bioplastics" such as polyactic acid (PLA), a starch made from corn and other high starch plants, using sugars, plant oils and bio-waste. What will come next?

SUPPLIER



Great ideas, competent partners
The ability to automate all business processes from day one is a strategy that certainly plays a major role in the success of any enterprise. In order to be successful, transparency in a company's sales figures is essential, as the beverage market is characterized by its many points of sale.

STRATEGISTS