

**FYI**

# ***Label Making Machines***

## ***Should We ?***

***or***

## ***Shouldn't We ?***

The question of should we or shouldn't we buy a label making machine, applies to both Brimar as the manufacturer of pipe markers and the contractors to whom we sell.

Should Brimar market a label making machine to it's contractor customers and should a contractor buy one??

Brimar's opinion is.....NO! That opinion is based on the attached analysis. We encourage contractors to review the numbers, and form their own opinion.

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## **Things to Consider:**

### **1. Who can you purchase supplies from?**

Typically each labeling machine offered on the market today requires proprietary supplies, so once you buy a machine you're locked into that vendor. The lack of competition has never been a good thing for any customer. Try to remember back fifteen years ago, there wasn't any competition in the pipe marker business. You paid top dollar, and waited forever to receive the product.

### **2. Is it realistic to sit a person down to make pipe markers?**

What happens when you have no pipe markers to make? What happens when you need pipe markers but the person that makes them on your new machine is not in, or has other work to do? What happens to those expensive supplies for the machine when there are no pipes marker to make? Employees can make all kinds of great stuff.

### **3. Are you sure that the purchase of a machine is going to fulfill your needs?**

**SAVE MONEY? Brimar says NO!**

See the attached analysis. It's more expensive to make your own pipe markers than it is to buy them.

**SAVE TIME? The machine will undoubtedly save someone's time. The person that orders markers will save time. The person that will run the machine will lose time, and more importantly, Brimar believes the job site waiting for pipe markers will lose a lot of time.**

### **4. How will the labels that come out of your new label machine perform ?**

Brimar pipe markers are UV screen printed on 4 mil Vinyl with a heavy coat weight of an aggressive adhesive. Most label making machines handle 2 mil Vinyl with a half mil of adhesive, and the legend is applied via thermal transfer. Brimar does not believe that a label making machine can produce a product that is as durable as ours. We also don't believe that a half mil of adhesive is sufficient enough to get the job done on many of the insulation surfaces in the field today.

### **5. What does Brimar believe the use for a labeling machine is?**

Very simply, one of a kind markings (bin labels, drum labels, etc...)

The labels should be used indoors, on smooth surfaces. Production should be limited to short runs. It is not practical to use a short run machine to produce a large volume of product.

**6. Label making machines will only make labels. Manufactures of pipe markers solicit engineers, and building owners to specify wrap around and high temperature markers. Label making machines will not meet these specifications.**

### **7. Have you ever ordered from Brimar?**

If not, then you don't know how easy, fast and inexpensive it can be to buy a pipe marker. Consider Brimar @ [www.pipemarker.com](http://www.pipemarker.com) or call us @ 800-274-6271, before you purchase a label making machine.

Ask Brimar for a sample, compare the sample to what you can produce on a labeling machine and we believe you'll agree, the machines are nice, but not for pipe marker production.

**8. Before you make your final decision ask for references. Brimar suggests checking with at least three contractors that have owned the machine for at least 6 months to a year. Many of the contractors Brimar has spoken with are no longer impressed.**

# COMPARE THE DIFFERENCE FOR YOURSELF

## AMORTIZATION OF MACHINE

Machine Cost: \$2,495.00

Assumption: contractor produces 5000 markers per year.

Depreciation: 7 years

Amortization: 7 years x 5000 = 35,000 markers  
 $\$2,495.00 \div 35,000 = .072 \text{ ¢ per marker}$

Production of less than 5,000 markers  
 Per year would increase the marker cost

## MATERIAL COST TO PRODUCE A LABEL

Pipe Size	Marker Size	Roll Size	Markers /Roll	Price /Roll	Cost/ Marker
½ - 2-1/4"	1-1/8 x 8"	1-1/8 x 200'	300	244.85	0.82
2-1/2 - 6"	2-1/4 x 12"	2-1/4 x 200'	200	324.85	1.63
8 - 10"	4 x 24"	4 x 200'	100	444.85	4.45
Over 10"	4 x 32"	4 x 200'	75	444.85	5.93

Material cost shown includes (2) 100' rolls of vinyl + (1) 200' roll of ribbon and does not consider waste, or mistakes. Brimar conservatively estimates waste at 5 - 10 %

## LABOR COST TO PRODUCE A LABEL

Production Speed: 6 per minute (6 x 60 = 360 per hour)

Hourly Rate: \$ 12.00

Labor Cost: \$ 12.00 ÷ 360 pieces = .033 C each

Production speed is optimistic, and the hourly rate is conservative.  
 No overhead or profit was factored into the prices.

## TOTAL COST TO PRODUCE A LABEL WITH LABEL MACHINE

Pipe size:	1/2 - 2-1/4"	2-1/2 - 6"	8 - 10"	Over 10"
Amortization of mach.:	.07	.07	.07	.07
Material cost:	.82	1.63	4.45	5.93
Labor cost:	.03	.03	.03	.03
Total estimated cost:	.92	1.73	4.55	6.03

Cost shown above does not include overhead or profit.

## PRICE COMPARISON PURCHASING VS MAKING PIPE MARKERS

pipe size	Marker Size	Brimar Stock List Price			Brimar Custom List Price			Label Machine Estimated Cost
		1-249	250 - 499	500 plus	1 - 249	250 - 499	500 plus	
½ - 2"	1-1/8 x 8"	.33	.30	.28	.72	.59	.50	.92
2-1/2 - 6"	2-1/4 x 14"	1.13	.99	.81	1.39	1.25	1.10	1.73
8 - 10"	4 x 24"	2.58	2.32	2.09	2.80	2.45	2.15	4.55
Over 10"	4 x 32"	3.83	3.54	3.29	3.83	3.54	3.29	6.03

The custom list prices above do not include any set up charges. Brimar often reduces or eliminates set up charges, and we always eliminate set up charges when 10 identical markers are ordered of a custom legend.

Brimar allows for custom legends to be combined for the best price column, and offers three more extended columns.