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EUROPEAN DIRECTOR AT GRAVOTECH

Permanent marking combines durability and nobleness

THE FRENCH MANUFACTURER OF ENGRAVING MACHINES BORN IN 1950 UNDER THE NAME GRAVOGRAPH HAS BECOME AN INTERNATIONAL GROUP OF NEARLY 1,000 PEOPLE: BEYOND THE "SIMPLE" ENGRAVING, GRAVOTECH OFFERS PERMANENT MARKING SOLUTIONS. DISCUSSION WITH FRANCK MARÉCHAL, MANAGING DIRECTOR EUROPE, ON THEIR VISION OF THE MARKETS AND RESPONSES TO GLOBAL ISSUES RELATED TO THEIR BUSINESS.



You are a member of the Executive Committee and have been with Gravotech for 24 years, a company that has a peculiar history. What is Gravotech's positioning today?

Our mission is to create innovative solutions in the field of permanent marking, which are both easy to use and very economical in their functioning, and to support our customers in their own development.

You are known on the market of engraving, and today you talk about permanent marking... What distinction do you make between the two?

The market of engraving does not exist: engraving is a marking technology among many others, which combines durability and aesthetics.

What led you to this positioning? It seems there have been several successive turns, connected to the company's history?

We evolved from Gravograph, manufacturing engraving machines, to Gravotech, offering permanent marking solutions via various technologies. First of all, engraving (which involves removing material), can either be achieved mechanically (with a

**Franck Maréchal,
European Director,
Gravotech: "Our business
is structured around
three strategic areas:
personalisation,
identification
and signage".**



cutter), or with a laser beam. The laser can be of various kinds: for our applications, it may be CO2 laser (used for organic materials such as plastics, wood, rubber), or fibre laser (for marking metals).

The other marking technologies are micro-percussion and scribing (with a diamond tip driven by an xyz axes machine), which allows to "write" a chain of alphanumeric characters, in 1D or 2D (barcodes or Datamatrix).

When describing your positioning, you insist on

the notion of support. Is it to emphasize the importance of services in your activities?

Yes: accompany customers is a very important dimension, associated with the idea of solutions. For us, selling a machine is the start of the commercial story with the customer. Because half of our machines are sold to existing customers. This is a differentiating factor against our challengers. In addition, a significant portion of our turnover comes from consumables, engraving materials and services (software, upgrades, training,

etc.). A customer who is satisfied with his equipment is more likely to buy consumables from us.

What does this type of sales revenue represent in your turnover?

About 40%. This shows how much is at stake. This is why customer feedback is considered important. Hence the need to privilege a direct approach on the market, through 27 subsidiaries, including 10 in Europe.

What are the main applications for your technologies?

We have structured our business around three main areas of strategic applications: personalisation, identification and signage. The first area addresses the very important issue of personalisation. This is topical of our society: nowadays, people look for customized solutions to their image.

This goes far beyond the customisation of pens dating back from the beginnings of our company. My definition of personalisation is something that makes an object unique, by differentiating it from the mass, by providing additional affectivity, to ultimately give it



Engraving, i.e. writing in the material, not on it, defies times and answers certain market segments looking for durability, in particular for luxury products. It is also associated to this sector for another reason: nobleness.

added value.

This concerns luxury goods (the first of our markets is jewellery) as well as consumer goods ("mass market). For example, Procter & Gamble bought our machines to make POS campaigns, customizing toothbrushes for children. Another example is the cell phone market, which is booming and draws with it the need for personalisation

PERSONALISATION, IDENTIFICATION AND SIGNAGE

Our second strategic area is identification. This concerns part marking (e.g., in cars, where each part is marked). We talk about "Direct Part Marking", mainly alphanumeric or coded marking. The 3rd strategic area is signalling. It is referred to as signage, to avoid confusion with the road signs, as they are signs located inside buildings that meet needs for direction, information (guidance). In our jargon, we talk of GDI: Guide, Direct, Inform, which are three functions fulfilled by our solutions, in buildings open to the public and in large company offices (banks, etc.). We distinguish two major application areas: on the one hand, architectural signage, which is installed in museums, schools, etc., and on the other hand, safety signage. For the first one, which uses colour schemes to direct and is increasingly required to fit in with the building, quality is particularly important. For safety signage, it concerns tracking and identification, such as in hospitals (to identify pipes conveying various fluids:



Permanent marking "makes its marks" in signage.

CO2, nitrogen, etc.), for safety purposes in dangerous sites (nuclear power plants, production and storage sites, power or toxic products distribution), or for electrical identification...

constraints but also an opportunity.

"SOLUTIONS ENABLING BOTH CUTTING AND ENGRAVING WILL BE PART OF A DEMOCRATISATION OF THE MARKET."

There is a notion of critical size and volume, which gives us the means to offer our own software rather than be content with off-the-shelf software,

Are these target markets, which seem to be niches, all developing or mature?

These are niche markets at national level, but worldwide, they represent a huge market. We are in high-growth markets and application areas, and it is a strategic choice to be in these markets. A concrete example is the development of luxury brands, which has been registering 2-digit growth for several years in Asia (in particular). Another example: for an industrial company that has the means to innovate, offer solutions to meet the standards that are increasing everywhere, present some

to have our own control electronics instead of working with general electronic circuits, etc.

Do you experience, particularly in signage, competition from digital printing, more dynamic, more flexible?

Digital printing is certainly a competitor, but above all it is an extremely dynamic element to boost our business. It is an opportunity rather than a threat. Because when we engrave, we remove material, and when engrave a little deeper, we are closer to cutting. This means that our

engraving machines can cut, both with mechanical or laser engraving.

Over the last 5 or 10 years, cutting has become an increasingly crucial function, because the advent of digital printing has generated cutting needs. Every time you mark an object or a hard surface, for instance when you print on a plate, 9 times out of 10 you then need to cut it.

The need for cutting helps us sell laser machines. This evolution of the market is a "booster" for 3 or 4 axes CNC machines, also designed to cut. Solutions enabling both cutting and engraving will be part of a democratisation of the engraving and cutting market.

ENGRAVING AND CUTTING MACHINES

How is the interface issue handled between the tools



concerned by these different applications?

The bridge between digital printing and cutting is done with the software. When you send a shape for printing, you can retrieve its outline to cut it. So you will use the same file to print and then cut. The two technologies and two machines will be managed by the same software on the same computer.

This approach has several advantages: the quality of the cut; the flexibility (or versatility) of the equipment (one machine can handle both functions); the integration of the solutions, as the customer who owns a printing machine controlled by a software will not have to buy another computer or software to drive the machine, as we know how to use the shape's outline, insert crop marks and set automatic cutting. This is what we call the "Print & Cut"

solution, developed to integrate all functions required by professionals for this kind of applications.

Is demand changing? Is this an important issue for you today?

Yes, we are moving towards more communication (we talk about connected objects), integration, interfacing with customers and technologies. This is a key issue on which we need to be innovative, proactive, almost anticipating the needs. Another interesting



Braille marking. Braille is admittedly based on political will and numerous norms, but it remains an important part of the engraving market.

trend that should be stressed is the demand for simplicity. This is a very strong point for us. Our DNA is: democratise a technology and open it to as many as possible, by simplifying it and making it accessible, not only in terms of cost but also in terms of use. It is therefore a question of opening up to new markets, while keeping as close as possible to customers' needs, current and future ones, with customized solutions: the interface between the user and his machine will be fully customized.

There is also the growing versatility of the equipment, especially for those working in the personalisation sector. Behind all this, there is a great deal of technology: presetting of the solutions, software development operating with "templates" (models that we choose from libraries)... All this so that there is less technicality in machines at the user's level. ■