



Sustainability and NGPs are high on this machine maker's list

ITM EVOLVES

Netherlands-headquartered ITMGroup is changing with the times. On a recent visit to the Group's home-base in Kampen, TJI learned of a surprising recent acquisition, a new focus for the global machine maker, and new extremes in crossover innovation. **"Hello future"**, as the company says.

Most TJI readers are familiar with ITMGroup. With roots in the Netherlands' long cigar tradition, the heart of the global machine maker may be its historic De Olifant cigar factory in Kampen's old town, where the smell of cedar and Sumatra tobacco leaf permeate crooked walls and narrow staircases. But the company has always moved with the times and De Olifant is just one address in a growing list of 12 companies that now belong to the Group, including UK-based Gemba, which specialises in data-harnessing solutions for improving production efficiency, and Netherlands-based industrial design lab, Tricas. Nowadays, moving with the times in tobacco means new technologies and new business strategies for the family-run company, and some of these took TJI's journalist by surprise.

"Last year, we made some changes at ITMGroup," Jolanda de Vries, marketing manager at the Group, told TJI. She explained that the company for example has reorganized the primary portfolio for the tobacco industry, by focussing on reclaiming machinery, and has become more selective in engaging in projects within the make-pack sector.

EXPANDING AND REFINING

"There are two reasons for this," de Vries said. "We looked at combustible tobacco and the declines there, and we also asked ourselves, 'What are the new developments in the industry that we can focus on?' The answer was Next Generation tobacco Products [NGPs]. We have some modular platforms that are popular among NGP manu-

facturers and we are now working with these customers to develop machine solutions for them in the tobacco heating and vaping sectors."

The company developed the Genesis in 2016, a modular machinery platform for capping, filling and testing e-vaping cartridges. Its work in this sector, based on this modular concept, is now customer-focused. "This has become the platform for our customised development," de Vries explained. "Customers can come to us and ask whether we can produce a certain product at high volumes. We work with them to adjust, or add to the modular platforms to get the customer what he needs."

De Vries said that customers see ITM as an innovative partner with the in-house expertise to develop and implement new technologies. This expertise also extends to product development, with the industrial expert, Tricas, enabling the Group to ►



ITM's Innovation Center is located in Kampen

offer cutting-edge product development and solutions for mass production at the same time. "This style of development also helps us to achieve a shorter time-to-market," de Vries said; adding that some recent projects undertaken for the NGP sector have been completed in six to eight months.

EVOLVING WITH TOBACCO

ITMGroup's new and refined operations are spread over the various operational locations of the companies in the group. ITM Poland, based in Radom, Poland, is the largest production site in the Group and an expert in filter technology, reclaiming and logistics. Development and production at the Kampen site is dedicated to e-vaping, machines for handling and packing other tobacco products and tax stampers. Touring the production sites of these and other ITMGroup companies – like that of its Dominican Republic-based RNT Machinery, parts-manufacturer PMP in Poland or booklet machine developer Imatec in Luxembourg – means surveying the tobacco industry of today: where is demand still growing?

EVALUATING AND FOCUSING

Machinery for packing, logistics and reclaiming are still being developed, the company told TJI, because these are areas where

customers are still very much interested in what ITM has to offer. The company will also remain active in the make-pack sector to a certain degree, with controls revisions, after sales services and customer support still available to customers with ITMG make-pack machines.

"We have stopped some activities in make-pack," Frits van der Horst, business developer and area sales manager at the company, confirmed. "We are now concentrating largely on NGPs and so we are using our resources to focus on this. We are still able, however, to look at and evaluate each pro-



Packs stamped by the Ceres stamper

ject a customer may have in the make-pack area – if it makes sense for us, *and* the customer, then we can take it from there," van der Horst said.

CERES STAMPER

As TJI visited in April, engineers on the factory floor were busy assembling and doing final quality testing on a suite of Ceres Tax Stampers. The TPD2-ready tax stamper was launched in late 2015. The European Union's revised Tobacco Products Directive hiked the size of health warnings and manufacturers were given a period of grace to relocate the humble, yet crucially important proof of tax paid. As was evident on the shop floor in Kampen, the end of the grace period is approaching. It expires in May next year and manufacturers now have less than 12 months to ensure that stamps don't obscure health warnings on their packs.

Since the Ceres tax stamper was launched, ITM engineers have been busy meeting demand for the standalone unit which can be integrated into both GD and Focke packaging platforms.

"When we started with Ceres, the goal for installation was one week. Now we can do it in three days," van der Horst told TJI. "We always wanted it to be an add-on machine, with flexibility. This has worked, and now we are in a phase where we simply want to keep on improving it." He continues: "Our way of working makes us a flexible partner for our customers. That is one of the reasons all main tobacco companies like to order with us."

Van der Horst said that most customers are not yet using the machine but are ready and waiting to "push the button" in May 2019. "Main feature of the Ceres is its ability for positioning the stamp anywhere on the lateral side of a cigarette package", van der Horst explains. "The technique enables to fold the stamp around the corners, without the limitation of a minimum overlap. On a slim package, for example, the stamp can be placed on the lateral side, with an overlap on the front and back of the package."

"Orders are still coming in for the Ceres," van der Horst confirmed. "We see that smaller companies, in particular, are still waiting with their decision, until they no longer have a choice. They are being more careful. Some companies have ordered ▶

the machines, but they are waiting to order the format parts, which equip the machine to apply stamps of different sizes”, van der Horst said.

Van der Horst said delivery time for an ordered Ceres unit is six months.

CROSSING OVER, AND BACK AGAIN

To establish and strengthen its position of an innovative partner for customers, ITMGroup is diversifying and also stepping boldly outside of tobacco, TJI heard in Kampen.

SUSTAINABILITY AT ITMGROUP

On the roofing of the Group’s Kampen headquarters, 1800 solar panels are positioned and a network of beehives was installed last year. The beehives support biodiversity in the area – some staff members are now busy acquiring bee-keeping experience – while the solar panels not only keep the on-site production facility sustainable, but may be the beginning of an all new venture for ITMGroup. In May, these solar panels have been connected to a new, affordable, locally-developed HBR-based storage system for electricity, the Elestor Solution. Installed at the premises, this pilot project could revolutionise storage capabilities in the renewable energies sector. For ITM it is a new step in becoming self-supporting in energy use. By proving a machine builder can be self-supporting, ITM aims to contribute to the energy transition which is needed to comply to the worldwide climate agreement.

This trend at the Group began when it acquired Tricas in 2013 and Gemba in 2015, to strengthen its interdisciplinary approach to innovation in machine building and product development. The tobacco industry is inching closer to a newer generation of nicotine-delivery products and, as Tricas Commercial Director Dennis Freie showed TJI at the time (TJI April/May 2016), crossover innovation is a key strategy in raising this new generation of products to the satisfaction of both consumers and regulators. With Tricas part of the group, ITM began experimenting with materials and technologies common in other industries but revolutionary in tobacco. Now, in the case of

ITMGroup’s acquisition – Dutch detergent packaging company, EME-Engel – crossover is crossing back.

EME-Engel became part of the ITMGroup in 2016. The company is a specialist in machine platforms for the PVOH industry and develops solutions for producing pouches and capsules for powder, fluid and gel detergents. (PVOH, or polyvinyl alcohol, is the water-soluble synthetic resin that has revolutionised the detergents industry, with an estimated 1124 kilo tonnes produced in 2016.)

“EME-Engel is a small, innovative company with great technology and this acquisition has stimulated some crossover innovation,” de Vries said. Engineers from ITM’s OTP machinery wing, TDC, joined forces with engineers from EME-Engel and that company’s latest pouch maker for detergents is now equipped with proven tobacco packing technology.

“TDC was always focused on packing tobacco, but now it has used its experience from that sector to develop pouch packing for detergents,” de Vries said. Specifically, know-how from TDC’s Doysis platform for the horizontal forming, filling and sealing of stand-up pouches was used. “These cross-over innovations go both ways”, de Vries mentioned. “We can imagine some of EME-Engel’s technologies will appear in our tobacco oriented platforms as well.”

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