



Imagine this scenario: a customer on the hunt for a new pair of jeans enters a major high street clothing retailer and finds a pair that seem, at first glance, to suit him. He buys them, heads home and after a day or so of wearing them round the house realises that they aren't quite for him. So they are returned to the store, where they sit for several days on a pile of other returned items waiting to be sorted. When they are eventually seen to, the wrong label is attached. This greatly slows the process of getting them back onto the shop floor, and by the time they are ready, it's too late to catch this season. Instead they are sold to a discount store at a lower price, causing a loss in revenue for the retailer.

Now imagine this happens to around one percent of all sold items. If the retailer's annual revenue is £20 billion, then around £200 million in possible sales is affected. This is where NiceLabel comes in. The Slovenia-based company offers solutions to problems such as these by creating software that allows companies to dramatically reduce the risk of labeling mishaps that could, as they accumulate, substantially eat into their profits.

"If a distributor makes an error and ships the wrong fresh produce to Tesco then they'll send it back," explains Chris Walsh, CEO of NiceLabel. Certain goods have a sell-by date, and if the delay makes it unlikely that it will get onto the shelf and then into a shopping trolley by that date then it won't be worth the supermarket's time to purchase it. Instead, they'll fine the distributor, causing it a loss in revenue.

For Chris and the team at NiceLabel, this is nonsensical. If the end user is able to directly manage the labeling system then it will help to mitigate any risk and ensure that any financial loss is limited. "The indirect cost of the error can be much higher than the direct cost of training people to properly manage this labeling system," he says.

Part of the secret to NiceLabel's success is its development of modular, easily configurable and scalable design, print and management solutions. It has designed its label management systems to include all the tools required for a company to produce and manage its labeling, and the knock-on effect this has on enabling best practice labeling

WE HAVE DESIGNED OUR LABEL MANAGEMENT SYSTEMS TO INCLUDE ALL THE TOOLS REQUIRED FOR A COMPANY TO MODERNISE ITS LABELING

**CHRIS WALSH**  
CHIEF EXECUTIVE OFFICER



## OVERVIEW

**SECTOR**  
IT technology

**FOUNDED**  
1993

**EMPLOYEES**  
80 (Parent company)  
115 (Group)

**IN A NUTSHELL**  
Slovenia-based global company providing labeling and marking productivity software solutions

**TURNOVER (PARENT COMPANY)**

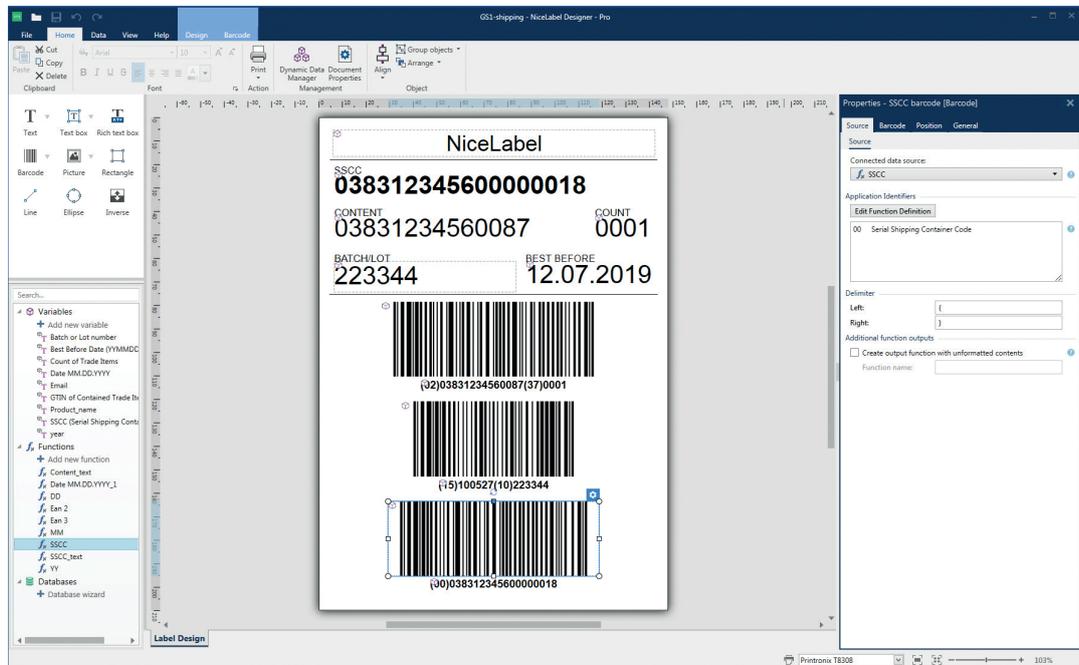
2015  
€7,700,000  
2016  
€8,675,000  
2017 (forecast)  
€10,200,000

processes to be implemented quickly ensures greater returns on investment. As a result, it has won partnerships with industry leaders, including Microsoft and Zebra Technologies, and has offices across the world. The realisation among these companies that the cost-benefit calculation of buying a label management system results in a bit of a no-brainer has been a chief driver of NiceLabel's growth.

"We started 23 years ago with a few developers and our first customer in Japan, one of the major printer manufacturers there," says Chris. Up until five years ago, growth was steady, but then the company took off. Now it has 115 staff across 11 countries. Its core operations are in Slovenia, where it is headquartered, as well as Germany and the US.

"Business has always been international," Chris says. "From the very beginning the company provided software to major international printer manufacturers. "Almost by default if you are participating in our market you have to deal with different parts of world."

The product was therefore internationalised early on; now it comes in 27 languages and is distributed in more than 100 countries. Its rapid growth over the past five years is evidenced by the raft of awards it has now boasts: in 2016 it received the Golden Gazelle, presented by Slovenia's Prime Minister, which honours the best examples of fast growing companies. In the same year it also joined the London Stock Exchange ELITE program for ambitious high growth businesses. →



Year after year, its software packages are consistently ranked among the best in the market. And as a result, in the past year alone, revenue soared by 39 percent.

“Only five years ago we were largely an engineering software development team,” Chris recalls. “We didn’t have much of a sales force and we lacked a substantial international presence. Since then we’ve invested both in strengthening our development team in Slovenia and investing globally.”

Part of the reason for its success is its ability to retain both staff and clients. The Japanese printer manufacturer that came on board 23 years ago has never left, while the company’s core technical team has been together for more than two decades. Over that time its expertise has developed. The fact that it is now partnering with ever larger organisations globally means that its employees, particularly the software engineers, have developed a discipline that ensures the company consistently delivers high-quality products.

Yet there is more to it than just the superiority of the product.

“The product alone drives less than half of our success,” Chris explains. “Growth has come from combining good technology with more effective sales and marketing – covering various countries, integrating activities in countries, and creating one global team. Our staff across the world all work the same way, which for a small company is not too easy.”

NiceLabel’s international expansion shows few signs of letting up. The company has entered 10 new countries in a little over a year and a half. It has also seen a change in how it generates interest in its products. No longer does it need to seek out new clients, but instead sees major projects coming to it. Where it again distinguishes itself from competitors is in the fact that, beyond just selling software, it sells project management services so that the end user knows how to achieve best value from the product over its lifetime.



“John Lewis might have Black Friday sales of around £200 million. If they can’t ship products because the labeling is wrong then they can’t sell. Our product matters: it has to be reliable, it has to be configured to meet specific needs, and it then requires support so that any problems can be addressed.”

With more than 300,000 companies now using NiceLabel’s software, it continues to grow, to develop and to innovate. “We employ 115 people who are well paid and motivated – they are high class staff,” Chris says. “For me that is a fantastic achievement.”

What’s more, the market is wide open. Chris estimates that only five percent of end users who would benefit from a label management system are using one. This means that 95 percent have less productivity than they could have, and therein lies an opportunity for NiceLabel.

“In that process it’s good for us, and good for the customer,” he says. For NiceLabel, the stars seem to be aligned. “We’ve got momentum in people, and the technology is moving with us.”



## LEARNING POINTS

Efficiency is key to a well-functioning company. If your products can help guarantee this then you are likely to attract great interest.

If you have a good team then do everything possible to keep it intact. Retention of staff helps build the broader expertise of a company.