

Growth Strategies



Mike Kasun, who founded K-Sun Corp. in 1978 stands by a display of some of his Somerset company's products. Business News photo by Brenda K. Bredahl

K-Sun had to shrink, end product line to grow

Founded as a manufacturer of replacement cartridges, it refocused on industrial label printing

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When Mike Kasun founded K-Sun Corp. in 1978, he never imagined the profound impact that competition from overseas manufacturing coupled with rapid advances in digital technology would have K-Sun's main product.

For almost two decades, K-Sun manufactured and distributed replacement cartridges for the Kroy labeling machine. At one time the company had more than 500 employees making the cartridges in Stillwater, Minn.

"I've never seen a product last that long; it's the end of an era," says Kasun of the Kroy machines and supplies. "At one point we were

making hundreds of thousands of cartridges a year."

In 1987, the Stillwater plant closed and K-Sun moved to a smaller plant in Somerset, Wis., as manufacturing of the cartridges began to be done overseas. While this summer K-Sun's final replacement cartridges have been boxed, labeled and shipped, for more than a decade the industrial labeling and marking solutions products of K-Sun Corp. have been strong and growing.

In the early 1990s, the company launched its LABELShop line of industrial labeling printers and supplies, which are a mainstay of industrial, hospital and laboratory markets and industries that require OSHA or other labeling standards. This fall, K-Sun's newest LABELShop product

marks the company's first product specifically for consumer, small business and school markets.

"We're really excited about getting a buzz going with the new LABELShop BEE3, and have launched several national "free bee" promotions to introduce the product to various markets," Kasun said "It's a sweet deal. If you buy the bundle, which includes two supply cartridges, a power adapter, batteries and a wrist strap, we include the printer, which is backed by a three-year unconditional warranty, for free."

The kit including the printer, valued at \$75, and accessories, valued at \$95, retails at around



K-Sun's news product, the BEE3 label maker.

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Ad goes here

K-Sun/New products keep company moving forward

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\$94 for a limited time. "The free BEE3 is not some cheap little label maker we're giving away free, but another in the line of our industrial K-Sun LABELShop brand printers," K-Sun said.

The new labeler had been in development, but when Kasun watched a television program on bee colony collapse disorder (BCCD), he was inspired for both the name of the new product and a limited-time promotion that will help beekeepers and research into BCCD, a little understood phenomenon in which the number of wild honeybees and cultured colonies is rapidly decreasing.

"We've partnered with a Wisconsin honey producer to include a free jar of honey with the purchase of each kit," Kasun said. "We also plan on donating a portion of the sale of each kit to a national apiary organization for research into bee colony collapse disorder and other issues."

An accomplished painter who studied economics at St. Olaf College in Northfield, Minn., after college Kasun ended up working for Adm. John Hyland Jr., commander of the U.S. Pacific Fleet during the Vietnam War.

"It was a fluke; I was reassigned to Admiral Hyland as his public affairs officer, which was an anomaly in the Navy back then," Kasun said.

As a public affairs officer, he was in contact with everyone from Elvis and President Lyndon Johnson to national media and company executives including Burt Cross, chairman of 3M's board, and 3M President Ray Herzog.

That chance meeting with 3M executives put Kasun, who joined the U.S. Naval Reserve after discharge, on the path to business. "I had dated Mr. Cross's daughter, Nancy, in college, and the Admiral gave me permission to take them out in his gig [yacht] when they requested a tour of Pearl Harbor," Kasun said. "I greeted them in my whites, and Cross asked, 'This isn't your normal tour is it?' and I answered, 'No, and how's your daughter Nancy by the way?'"

Both 3M executives were pleased to meet a fellow Minnesotan, and so taken with the tour that Kasun was invited to apply with the company upon discharge. In 1969, he joined 3M, and then joined UFE Corp. in Stillwater and helped form a division called Pierce, named after the Wisconsin county in which the division was located.

As vice president of UFE's Pierce division, Kasun, with his colleagues, changed the name to Kroy Corp., named after the St. Croix River, and launched the Kroy labeling machine and supplies.

Kasun saw Kroy up through the company's public stock offering in the early 1970s, and having been bitten by the entrepreneurial bug, he launched K-Sun Corp. to compete with Kroy in the supply cartridge business.

In 1987, K-Sun branched out from the manufacture and distribution of the Kroy replacement cartridges to include computer-compatible and stand-alone portable and desk-top industrial

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— Mike Kasun, founder of K-Sun Corp., Somerset

labeling printers as well as software and supplies. It partnered with Brother International, and for a time K-Sun was the exclusive distributor of Brother's P-Touch labeling machines.

Kasun, however, was eager to develop his own brand. "Around 1993, I was at a trade show when another company approached me with an exclusive deal under the K-Sun brand. It's really the best of both worlds."

The K-Sun LABELShop products were the result of that partnership. In addition to the new BEE3, one of K-Sun's newer products is the LABELShop 2011XLB, a portable industrial labeling and bar code printer and the 2011XLB-PC, which includes MaxiLabel Pro Windows Software works with a PC. Other new models, the 2012XLST and the 2012XLST-PC, can also print on heat shrink tubes for wires and cables. Costs range from \$349 to \$499.

In 1997, K-Sun acquired Reno, Nevada-based MaxiSoft, which has a line of industrial identification software and Scottsdale, Ariz.-based AzCoat Inc., which manufactures specialty coated supplies and adhesive technology suitable for ink-jet, laser, thermal transfer and other printing technologies.

"One of the advantages of our newest printers is that they can also trim the tape so that the corners of the label are round," Kasun said

"That might not sound like much, but every time a label peels off it is because the corner catches. When you round the corners, it produces a radius so you can't catch the corners. We call this trademarked feature 'PeelGuard.'"

Another feature is that the printer power adapters do not draw energy from an outlet unless the machine is turned on. "This complies with the new California Energy Conservation Requirements that went into effect this July," Kasun said.

Staying abreast of changes and challenges is essential to survive, he said. "We are the only company to have put the new Homeland Security Symbols into our labeling software," Kasun said

Today, some 29 employees are committed to diversification, lean principles as well as cross-training in various operations among the business divisions. "Most of our current employees have been with us for an average of 16 years," Kasun said "That's pretty impressive."