

Production Print

Dealerships pursuing page volumes in a big way

by: Brent Hoskins, Office Technology Magazine

Like your fellow office technology dealers, you are undoubtedly seeking ways to ramp up the number of clicks you capture in light of the plummet in page volumes during the COVID-19 pandemic. The challenge will ultimately turn your thinking to the pinnacle of page volumes — production print. Is it time for you to take another look?

There are several vendors that include production print as part of their portfolios in a big way — ranging from light production to industrial print. Following are brief profiles of three BTA member dealerships that likewise focus on production print with fervor. Perhaps the insight they share will be of help to you as you consider the opportunity.

ARTICLE EXCERPT

Allfax

Its name reveals its origins. Based in St. Rose, Louisiana, and serving the New Orleans metro, the dealership was founded in 1988. Initially, it only sold fax machines, a viable business strategy at the time. So, naturally, the company name, Allfax, made perfect sense.

Today, the Allfax name endures. “We have had a few ‘marketing geniuses’ come in and talk about changing our name and we’ve thought seriously about doing that; we even have a couple of different names registered,” says Steve Collura, vice president of sales. “But we just never could get around the fact that everyone in our area knows us so well. So, for now, we’ve just decided to stick with Allfax.”

It was in the late 1990s and early 2000s that Allfax began to transition away from focusing on fax only to selling copiers as well. While the dealership does occasionally sell HP and Lexmark imaging devices, “for the most part, we’re Sharp only,” Collura says. He notes that only in recent years has Allfax been selling Sharp light-production devices — for two reasons. “One, we have a demand for it. And two, Sharp provides great products for that.”



Collura emphasizes that Allfax strives to avoid what many may view as the mainstay of the production print world — print-for-pay environments. “I would say that my experience with print for pay is that it has just not been something that works for us; we now stay away from that,” he says. “Those companies always wanted me to give the absolutely lowest price. So, we were always treading on a fine line in terms of whether we were making money or not. Plus, a company like that requires a lot of your resources.”

Instead, Allfax has found the greatest success selling light production into “school districts, large law firms, local municipalities and places that have production print departments,” Collura says. “We also have placed production devices in a couple of marketing companies, not so much for

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 — Steve Collura
 Allfax



direct mail on a giant scale, but companies doing pieces for the real estate market and other verticals like that.”

Collura adds that the products have opened doors to the placement of other Sharp products offered by Allfax. “Production devices have helped us get into some school districts,” he says. “So, we start there, but end up getting other opportunities in those school districts.”

Sharp’s product lineup and support have helped to ensure Allfax’s success in the product category, Collura says. “If we can’t sell a lot of something, we don’t want to sell it because it’s not worth it to only sell 10 of something; it’s not enough for us to effectively manage, maintain, etc.,” he says. “Sharp has made its products so that we can sell a lot of them. Plus, they have the people to aid us in the event that we run across something out of the ordinary. I can just reach out to my Sharp director of service support or solutions specialist and say, ‘Hey, have you seen this before? How do we make this work?’ They always make such situations work out for us.”

In addition, Collura says, Sharp has a sales-focused support person who can be called on for assistance. “They provide a production print color specialist who will come to our office and make calls with our salespeople if we are in a situation where we feel we need that specialist,” he says. “He is particularly good at closing sales.”

For those dealers only now pursuing production environments, Collura advises them to be diligent in maintaining the desired aftermarket revenue. “All of the money for us is made in the aftermarket,” he says. “A lot of times with production print — in competitive situations or when you are trying to get into a business for the first time — the margins aren’t going to be great on the hardware. So, we try to maintain our aftermarket integrity, because we know that’s long term.” ■

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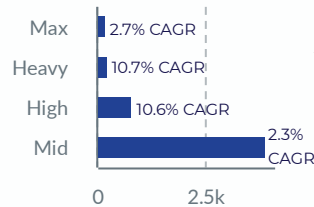


U.S. PRODUCTION PRINT GROWTH AREAS

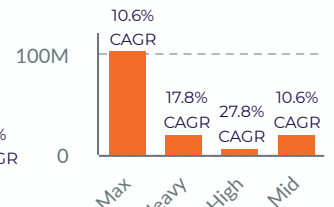


HIGHER-END COLOR PRINT

2020 COLOR DEVICE UNIT SALES

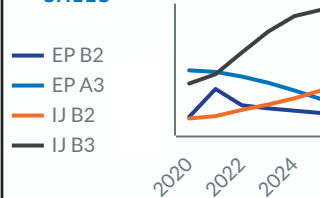


2020 ANNUAL COLOR DEVICE PRINT VOLUME



HIGHER-END INKJET

HEAVY CATEGORY UNIT SALES



B3 AND B2 INKJET DEVICES RIPE FOR GROWTH

Unit sales of B3 inkjet devices are expected to grow at a 24.8% CAGR, from 67 in 2020 to 162 in 2025. Unit sales of B2 inkjet are similarly predicted to grow at a 24.6% CAGR during this period, from 22 to 58.

B3 AND B2 INKJET PAGE VOLUMES TO JUMP

A4 print volumes from B3 inkjet devices are projected to grow at a 47.2% CAGR (to 26.5 billion in 2025), while those from B2 inkjet devices are expected to increase at a 38.0% CAGR (to 7.6 billion in 2025).

47.2%
CAGR

KEY TRENDS DRIVING CHANGE

MOVE TO HIGHER-END COLOR DEVICES

- COVID has fueled a move from local print purchasing to online purchasing from big retailers
- This has meant fewer lower-end products are being purchased
- At the same time, unit growth is occurring in the high, heavy and max product categories

SHIFT TO INKJET WITH ITS LOWER TCO

- Inkjet placements are growing versus toner due to high productivity, lower costs and, now, commercial print quality
- Move to inkjet aligns with growing market for larger print devices
- Strong competitive battle expected within cut-sheet inkjet (B3 vs. B2)

SOME SELLING ADVICE

- ✓ Understand the market trends and adjust your print hardware portfolios accordingly
- ✓ When selling inkjet technology, emphasize the cost and productivity benefits
- ✓ When selling EP technology, sell the differential value via creativity, strategy and special printing

