

# MPS – Vulnerabilities, Problems and Solutions

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## MPS – Vulnerabilities, Problems and Solutions

- Elements of a sound MPS program
  - ✓ Value proposition
  - ✓ Assessment
  - ✓ Fleet monitoring
  - ✓ Strategy review
  - ✓ Proposal
  - ✓ Continuous improvement
  - ✓ Blended CPP Rate

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# Vulnerabilities

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## Vulnerabilities

- Assessments
  - ✓ No walk thru
  - ✓ No competitive prices
  - ✓ Prospect uses data to RFP

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# Vulnerabilities

- Agreements

- ✓ Limited Ts & Cs
- ✓ Include refresh from the start
- ✓ CPP plus transactional billing
- ✓ Cost per cartridge
- ✓ Continuous improvement process missing
- ✓ Local printers
- ✓ Inkjet printers

# Vulnerabilities

- Quarterly business review

- ✓ Rarely done
- ✓ High volume and low volume printers
- ✓ Refresh plans
- ✓ No goal
- ✓ Non-HP laser printers

# Problems

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# Problems

- CPP Blended Rate
  - ✓ Not used
  - ✓ Color billed transitionally
  - ✓ Hardware sales exposure

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# Problems

- Control of Color Toner & Consumables
  - ✓ Mix of OEM and remanufactured
  - ✓ All OEM
  - ✓ All remanufactured

# Problems

- OEM and Color Strategy
  - ✓ Flood market with inexpensive color devices
  - ✓ Introduce high cost OEM toners
  - ✓ Negative remanufactured toner campaign
  - ✓ Remanufacturing industry plays catch-up

# Problems

- Non-HP Laser Printers in Fleet
  - ✓ Dell, Lexmark, Samsung, and Brother
  - ✓ Xerox
  - ✓ CPP rate higher than HP devices

# Problems

- Service Needed Across State Lines
  - ✓ Non-HP dilemma
  - ✓ Quality of service questionable
    - Hunting service providers
    - Communication problems
    - Customer conflicts
    - No invoice control whatsoever

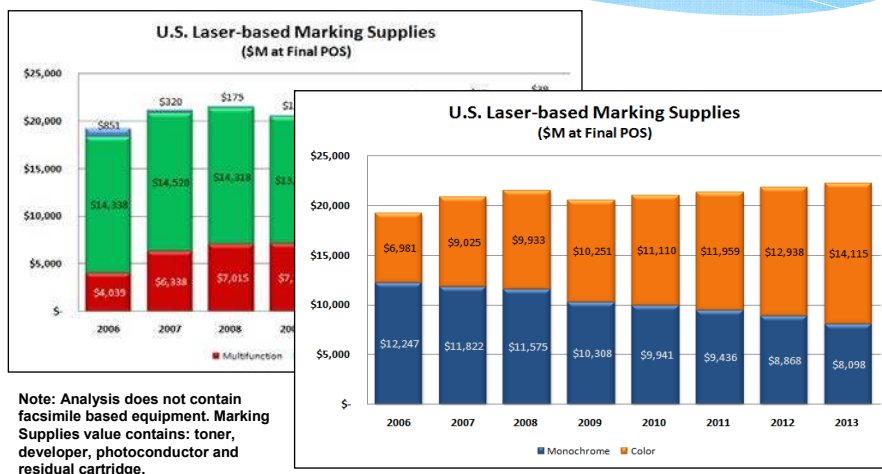
# Solutions for Color Problems

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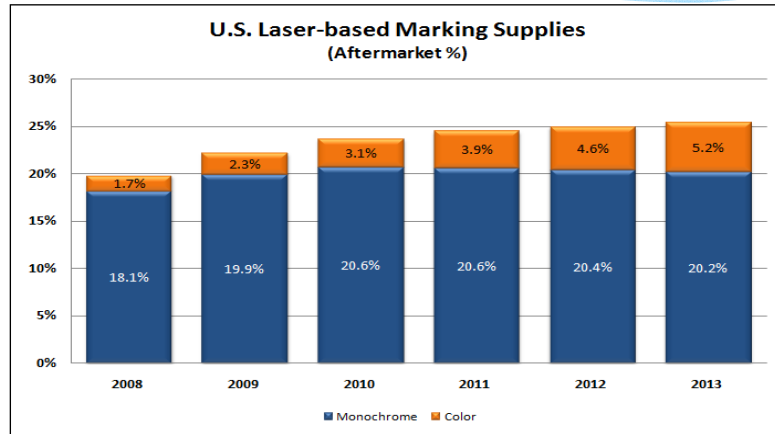
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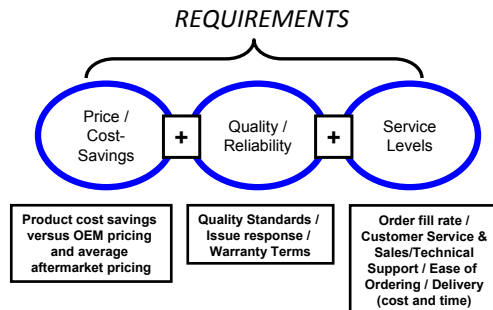
## US Market



# US Aftermarket Penetration



## The Value Formula: Aftermarket Supplies



Most aftermarket companies have a capability in one or two of these "requirements" (typically price, sometimes service), yet often sacrifice overall value in the other areas ~ especially quality and reliability.



# **Quality and Reliability MUST Be a Requirement for a Truly Valuable Aftermarket Partner**

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# **The Importance of Chemical Toner COLOR**

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## BENEFITS OF CHEMICAL TONER

Attribute	Description	Equal to OEM
Color Reproduction	Hue, saturation, density are all on par with OEM toner	✓
Yields	Modified conventional toners often yield <u>20%</u> less than chemical	✓
Color Space	The ability to create thousands of colors precisely	✓
Compatibility	Mix and match OEM and Aftermarket toner cartridges to maximize print environment efficiencies with confidence	✓
Components	Component in cartridge being rebuilt to work together, not just a compilation of the cheapest parts	✓

**Not all chemical toner is created equal**

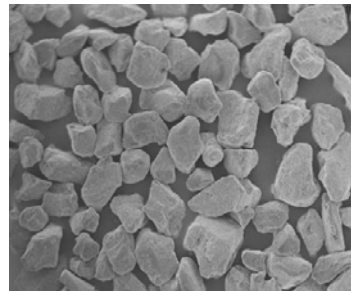
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## Conventional Toner

- \* Pulverization
  - \* Strong Points:
    - \* Inexpensive
    - \* Well understood technology
  - \* Weak Points:
    - \* Large particle size distribution
    - \* Non-uniform shapes
    - \* Higher pile heights
    - \* Poor interaction with OEM HP color
    - \* Poor fusing
    - \* Wax is not encapsulated
    - \* Poor toner flow
- \* Spheridising
  - \* Conventional toner is produced and then smoothed by heat and mechanical process.
  - \* Strong Points
    - \* Less expensive than chemical
  - \* Weak Points vs Chemical
    - \* Wider particle size distribution
    - \* Higher pile heights
    - \* Interaction with HP OEM
    - \* Poorer fusing
    - \* Non-uniform shape
    - \* Wax on surface – poor flow



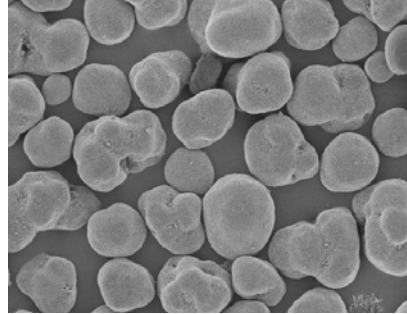
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# Chemical Manufacturing Methods

- \* Emulsion Aggregation
  - \* Coagulation
  - \* Strong Points:
    - \* Tight particle size distribution
    - \* Better control of particle shape
    - \* Good fusing
    - \* It's a smooth potato shaped
    - \* Cleans easier
    - \* Wider colour gamut
    - \* Glossy or matte finish
  - \* Weak Points:
    - \* Complex process
- \* Suspension Polymerisation
  - High-speed Dispersion
  - Strong Points:
    - \* Round
    - \* Good Charge Control, Flow and Transfer
    - \* Perfect match with the OEM
  - Weak Points:
    - \* Difficult Cleaning
    - \* Heavily Patented
    - \* Limited to Spherical Shapes

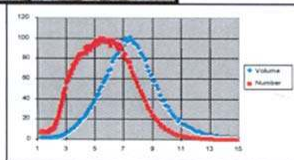


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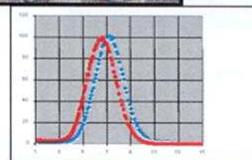
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# Toner Manufacturing Process

Conventional



Chemical



Chemical Processing produces rounded particles with narrower particle size distribution

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## Performance Comparisons Printed on an HP4600

CHEMICAL

4-point

CONVENTIONAL

1-point

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## Why Chemical in HP Color Products?

- \* Quality Performance Can Not Be Matched By Conventional Systems
- \* HP Color Printers are Designed to Use Chemical Toner
- \* True Cost Benefit to Chemical Toner
- \* Smaller Particle Size = Superior Image
- \* Superior Performance on Alternative Media
- \* Matched Toner / OPC System 100%

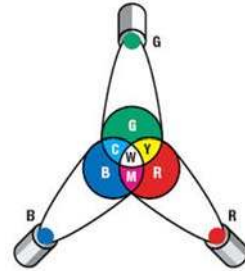
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## Remanufactured HP Color Cartridges

- True Polymerized (Chemical) Toner for vibrant color print
- Superior component combinations that deliver consistent performance
- Stringent testing standards resulting in superior quality
- Premium compatible color cartridges compatible with OEM cartridges



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## ~ Key Differentiator ~ Quality and Reliability

- ✓ A wide selection of color laser printer products
  - ✓ Katun color toners offer significantly better quality than the rest of the aftermarket
    - ✓ 10+ Years of color toner expertise
    - ✓ Katun has cracked the color code
    - ✓ 360 Degree Quality Certification
  - ✓ Katun lets you separate yourself from the crowd
    - ✓ More margin on color clicks
  - ✓ *"Katun takes the fear out of color"*



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# Solutions for Color Repairs

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## Solutions

- The National Printer Repair Network
  - ✓ A unique multi-vendor partnership of qualified, independent dealers and resellers who share resources and expertise to manage and repair printers across the country.

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# Solutions

- The National Printer Repair Network
  - ✓ History
  - ✓ Mission statement
  - ✓ Pricing strategy
  - ✓ Current market coverage
    - 42 members
    - All major markets
    - Laser printer devices
    - Service provider category of membership

# Solutions

- Membership benefits
  - ✓ Position your company as a national provider
  - ✓ Strengthens position for MPS
  - ✓ Fixed pricing
  - ✓ Move to profitability on national accounts
  - ✓ Known high quality service providers
  - ✓ Access to service operations best practices
  - ✓ Additional service revenue opportunities
  - ✓ Parts discounts
  - ✓ Learn from other dealers as you transition to solution selling
  - ✓ High support, high customer touch

## Solutions

- Marketing Support
  - ✓ [www.nprn.net/members](http://www.nprn.net/members)
  - ✓ [www.nprn.net](http://www.nprn.net)
  - ✓ Flyers and value proposition collaterals

## Solutions

- Getting Started
  - ✓ Application for membership
  - ✓ Agreement
  - ✓ Scope of work
  - ✓ Annual dues requirements





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