

# Turn Up the Volume

## Dealers address the production print opportunity

by: Brent Hoskins, Office Technology Magazine

The decline in print volumes in the workplace and otherwise has led many office technology dealers to pursue product and services diversification opportunities, including some within the printing domain. Many dealers have sought to “turn up the volume” in printed pages by pursuing production print. Perhaps the insight shared in the three dealership profiles below will encourage you to take another look at this opportunity.



customers are interested in bringing production in-house to have more control over color.”

In fact, the desire for “control over color” is predominant among DOCUmatation’s production print customers, Vroegh says. “Realtors, banks, hospitals, finance companies — their marketing teams want more control over what is going out,” he says. “We’re finding that we can bring production in-house by offering customers more control over the process and brand color conformance.”

Is production print used as a door opener for other DOCUmatation products and services? Yes, Vroegh says. “We do get net new through production,” he says. “We have a sales cycle going on right now for two color Xerox production machines with the intent of gaining access to that customer’s fleet. However, I would say a customer’s existing printer fleet with us brings more production opportunities than the other way around. We build trust and confidence with a customer by handling their printer fleet and IT service. So, [eventually], they are willing to bring production in-house because they know we can support them.”

Vroegh advises other dealers only now entering the production space to make sure they have production specialists and the technical expertise to ensure success with the product category. “The importance of the production specialist can’t be overstated and your technical team needs to be able to provide confidence to your customer — and even to your sales team — that if the equipment is placed, your dealership can support it,” he says. “You don’t want to lose a customer’s fleet because you added production and couldn’t handle it.”

That is not to say that a production print specialist ever replaces what DOCUmatation refers to as a “core” sales rep in the selling process, Vroegh says. “We never want to hand off a customer to a production specialist from the rep who has been nurturing the relationship,” he says. “For us, the production specialist is there to support and be the expertise.”

Vroegh says more dealers may want to consider production print. “It is a great opportunity in the environment of declining clicks; there is so much volume in production

### DOCUmatation

Production print is nothing new at San Antonio, Texas-based, DOCUmatation. Founded in 1990, the dealership offers production print products primarily from Ricoh and Xerox, but also from Kyocera. “We’ve been selling production for more than 25 years,” says Doug Vroegh, vice president of operations. “We started with our own print shop, which we still have, and that helped us to master production before we got into selling it.”

The reason for embracing production print is simple, Vroegh says. “It makes you stickier with your clients,” he says. “You get more ingrained in their businesses and in their processes when you are solutioning production for them. That is why we decided to get into it so long ago — to not only evolve beyond [workgroup] print and copy, but also to partner with our customers and be a part of their business processes.”

DOCUmatation leads with Ricoh production print products. “We have done so much with Ricoh over the years; the company has been a phenomenal partner of ours,” Vroegh says. “We took on Xerox production just under two years ago and so we are still growing that ... We’re doing high speed and fifth color, and everything in between. There is nothing in production print from Ricoh and Xerox that we are not providing.”

In terms of the Kyocera inkjet production product offered by DOCUmatation, “that’s a little more of a niche product,” Vroegh says, noting that it is a “great” product. “We are seeing the opportunities, but it’s not sizeable for us ... It’s for environments with a lot more volume. On the Ricoh and Xerox sides,

print,” he says. “Plus, it is more specialized; if you sell production as a solution, you are not just moving a box. It is a longer sales cycle, but you get paid for that. Because it is specialized, there can be more margin in production aftermarket ... Even though we’re seeing profitability under the microscope in our industry, there’s still plenty of margin in production.”

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DOCuMation

verticals. In addition, “there is a lot of oil industry-related manufacturing here in Texas, which means a lot of catalogs and safety information that has to be printed,” he says. “Some companies outsource it, but many have brought it in-house for cost savings. If they are running 50,000 to 100,000 pages a month or more, production print makes all the sense in the world.”

## Function4

About 15 years ago, Function4, based in Sugar Land, Texas, “truly committed” to production print, says Bill Patsouras, a co-owner of the dealership, founded in 1998. “At that time, we decided we needed a dedicated sales rep and service team for the products we were offering,” he says. “We didn’t want our folks having to open up a manual each time because they didn’t see the products that often.”

Function4 customers made it clear dedicated personnel were needed, Patsouras says. As compared to workgroup MFPs, a production product is “part of a business process for them,” he says. “Either they are making money off of the unit or using it for all of the communications they generate. If it’s down, it’s a problem.”

In contrast, if a workgroup MFP is “down a couple of days awaiting a part, you can go someplace else in the office to copy or print,” Patsouras continues. “[With production print] you have got to be willing to have a tech at a customer location until, say, 7 p.m. or to send someone out on the weekend ... We had one customer [working on a mission-critical project] call for service at 2 a.m. on a Saturday morning. You have to be committed to the idea that you are going to have those types of customers.”

Today, Function4 offers both Konica Minolta and Xerox production print products. “Probably 85% of that business is with Konica Minolta,” Patsouras says. “We are also starting to look at Kyocera’s inkjet product and the new production presses from Sharp.”

Konica Minolta deserves credit for much of Function4’s production print success, Patsouras says. “They have dedicated salespeople who work with us and dedicated technicians on the training side; their support is fantastic,” he says. “We have really solid engineers, but if one of our guys gets stumped, Konica Minolta will dedicate the energy, resources and time to help solve the problem.”

Patsouras says the best prospects for production print include the health-care, education, insurance and finance

That 50,000-pages-per-month count is essentially the minimum where a production print product makes sense, Patsouras says. “If it’s much below 50,000, you have to take a very close look at the rates,” he says. “Here in Houston, you’ll see 3.5 cents for color. That’s a tough number if the customer is not running at least 50,000 pages a month.”

It is important to understand the customer’s projected monthly volumes, Patsouras continues. If a customer is interested in the product but is clearly not going to achieve the minimum monthly volume, “we’re not selling that production unit; they can buy it from somebody else,” he says. “We would never turn a profit on the aftermarket side. You have to have the ‘right horse for the right course.’”

In addition to projections of monthly print volumes that are too low, there is a second common reason to dissuade certain customers expressing an interest in production print, Patsouras says. “They don’t have the bandwidth and skill set to operate the product,” he says, noting that Function4 will often say “no” to a church, for example. “The admin person and/or the volunteer helping to build weekly bulletins does not have an understanding of the paper catalog, Adobe or all the other tools you need for the equipment to work properly.”

Patsouras advises dealers entering the production print space to “take the time to define your target market” and “know where you should play.” It is not replacing an office MFP “running 10,000 to 15,000 a month” with a production print product, he says. “If you do that, you will never make a penny.”

## Smile Business Products

Founded in 1997, Smile Business Products, based in Sacramento, California, has been a Sharp-only dealership since day one. For that reason, Smile’s founder and president, Joe Reeves, was pleased when Sharp expanded its product lineup in 2024, launching two color and two monochrome digital production presses. He was particularly pleased with the availability of the 120-page-per-minute 1200S six-color production press. “No one else has that,” he says. “There are [competitive] machines

## Print Service Providers (PSPs) and Dealerships Work Great Together

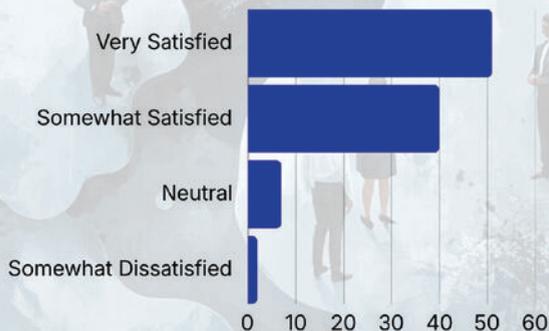
61%

of PSPs buy printing equipment from dealerships

PSPs are happy buying from dealerships and here's why:

- Dealerships offer a full range of products and services, while also being easy to contact
- Dealerships focus on customer satisfaction and have flexibility in negotiations
- Dealerships have local, interpersonal networks that are helpful for business promotion
- Dealerships have local presences and faster response times

### PSP satisfaction from dealerships is high:



Source: Keypoint Intelligence 2025 ODS Primary Research

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Function4

that will do five colors, but the problem is, with five colors, you can't do an overlay and an underlay."

Overlay? Underlay? Reeves — noting that "adding that fifth and sixth color is a game changer" — shares a recent example where an overlay of clear specialty toner was used. "We printed some wine bottle labels," he explains. "We created an image with deep purple grapes on a vine and put clear over the grapes only. When you turn the bottle in the light, [because of the glossy appearance] it looks three-dimensional."

In terms of an underlay, white toner is often used, Reeves says. "If you want to print something but you don't want the color to bleed into the paper or other colors, you lay down white toner first," he says, noting that at \$1,900 a bottle, white toner is the most expensive available. "A good example would be when printing labels for water bottles. Do you want to see through the logo, or do you want the logo to stand out? You have got to have white behind it."

The other specialty toners for the 1200S are gold, silver, pink and textured. Pink? "CMYK can't really produce colors like orange and pink; pink looks more magenta. But if you add [specialty color] pink to the color gamut, you greatly expand your Pantone color options. It's amazing; just by adding pink."

To date, Smile has placed four production products. "I expect production print to grow into a \$5-million-a-year business — half service, half hardware," Reeves says. "If you do the math, that's 10 machines a year, each with a quarter-million dollars in service revenue. We'll blow that out of the water easily. It's going to fill a gap, making up for the loss of A3 volume in the workplace."

Selling one "1200S is probably equivalent to selling a fleet of 70 traditional A3 MFPs, and it's a good way to replace the volume we've lost on A3s due to COVID and the transition to digital workflows," Reeves says. "The one area that has been growing consistently is production print, and I don't necessarily mean embellishment [printing with five or six colors]. I just mean that because of digital presses, corporations can

now do short-run jobs [unlike commercial offset printing, which is not cost effective for short runs]; that still may be 100,000 prints.”

When dealers enter the production print space, it is crucial they install production products in their dealerships’ showrooms, Reeves says. “It provides a proof of concept for customers and the best way to train your production staff is to have one in-house and require employees to learn how to use it. At Smile, I wanted people to walk into our showroom and say, ‘Wow, you guys are big, offering this diverse of a product offering’ ... We did a rebranding last year and I wanted everything that we designed to be run on a 1200, indicating on those marketing pieces that they were printed in-house at Smile on a production machine.”

Reeves notes that it was the decision to host several

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machines as well as Duplo Plockmatics and wide-format devices, making it more of a learning experience rather than just demos.” ■

*Brent Hoskins, executive director of the Business Technology Association, is editor of Office Technology magazine. He can be reached at (816) 303-4040 or [brent@bta.org](mailto:brent@bta.org).*



production print open houses at Smile that kick-started the dealership’s pursuit of high-end imaging opportunities. “They went phenomenally well,” he says, noting that among the invitees were representatives of the education, medical, local government and manufacturing verticals, which are particularly well-suited for production print. “We have a big enough facility that we had production