

Production Print

Dealers share high-volume wisdom & insight

by: Brent Hoskins, Office Technology Magazine

Increasingly, office technology dealers are turning to production print as a means to capture more pages. Is this a good strategy for your dealership? The following profiles of three BTA member dealerships highlight their history and experiences in the production space. Perhaps the comments they share will provide some welcome guidance.

Gray & Creech Office Solutions

In 1974, Alec Bean's father-in-law purchased Gray & Creech, which was an A.B. Dick dealership headquartered in Raleigh, North Carolina. Twenty years later, the imaging business, but not the company name, was sold to Alco Standard. After that, Gray & Creech became a water systems dealership. Fast forward to the recession of 2009. "My brother and I had been running a Sir Speedy franchise in Charlotte for about 16 years," Bean says. "I decided to divest myself from the franchise and talked to my father-in-law about getting back into what had been the imaging side of his business."

The Gray & Creech imaging business was resurrected with three employees. "I sold machines, I fixed machines," Bean says. "I did everything, which was great for me because I really got to learn the business and understand it." Today, Bean is president of Gray & Creech Office Solutions, now headquartered in Greensboro, North Carolina, with around 30 employees. The dealership, which has a second location in Raleigh, sells HP, Sharp and Xerox imaging devices.

It was in about 2016 that Gray & Creech placed its first Sharp light-production devices (and continues to place the devices today), but it wasn't until 2021 that the dealership ramped up its game in the product category. "We really didn't go all in with production print until our partnership with Xerox began," Bean says. "We immediately took on its PrimeLink entry-level production systems. Later we also moved up to the Xerox Versant, the 280 and the 4100. We prefer these units. When you get up to the 4100 it's a real digital press. There's no copier, glass or document feeder. It is straight print."

Bean is quick to praise Xerox for its role in ensuring Gray



& Creech's success in production print. "Xerox has an incredible program," he says. "They have trained our team at the company's Webster campus in Rochester, New York, where they provide deep dives into the technology. Plus, Xerox offers tremendous advantages over a lot of its competitors when it comes to quality, such as 10-bit processing and very high-quality 2,400-dpi print resolution. Plus, they do a lot with spot color printing — gold, silver, white, clear and neon colors."

In advising dealers only now looking at production print, "it is paramount that you talk to your manufacturer about the types of support they offer," Bean says. "That's critical as you start to move into this realm." It is equally important, he says, to have the right personnel in place. "You have to have a support team to handle the products. For us, that's two technicians who are factory-trained. You also have to have an analyst — someone on your team who is going to handle the (Electronics for Imaging [EFI]) Fierys, hooking them up and giving clients the support they need to operate these devices."

In addition, Bean says, it is important to have a production print specialist. "Your general-line reps are there to provide leads to your specialist, since it is a longer sales cycle and much more complex," he says. "In almost every case where we've sold a production device, there is a point where the customer comes into our office and we print out a lot of their files on our showroom model. They want to test it and see it in action. This is not a brochure sale."

Bean also emphasizes the importance of thoroughly understanding the cost of operating production print devices and what to charge customers. "For any dealership, your number-one goal is to ensure profits are meeting expectations; that it is a profitable transaction each and every month," he says. "We do not give away the product. We hold our margins very high. If the client has to have an extremely low rate, it's probably not a good fit for us."

Production print can open doors for other product placements, Bean adds. "Our most recent Versant placement was

in a manufacturing facility,” he says. “Not only did we sell the production system, but we also sold six other office machines with the product. That was music to my ears.”

Plus Inc.

Like many office technology dealerships founded in the 1950s, Plus Inc. began as a typewriter and adding machine dealership. Today, the Greenville, South Carolina-based company is a Konica Minolta and Ricoh dealership, and also offers managed IT and software solutions.

Included in its imaging MIF are around 40 to 50 production print devices. That was not always the case. “I would say we probably started looking at the Konica Minolta production side of things in about 2007,” says Frank Gonzalez, vice president of sales. “By 2010, we maybe had sold two or three units. And while we brought Ricoh on in 2005, they really didn’t have a production line at that point. So, when it came to production — when a customer would tell us they needed a heavy-duty production machine — we defaulted to Konica Minolta, but we weren’t really going after the production business.”

That changed when Plus hired someone to manage its solutions offerings. “I was trying to juggle a lot of things,” Gonzalez says. “So, when he arrived last year, I set down with him and said, ‘OK, you’re going to manage anything that isn’t hardware related and I’ll do the hardware side of things.’”

As a result, “I found myself with time to actually learn about and focus on the actual ins and outs of production,” Gonzalez says, noting that the new focus aligns with the vision at Plus to grow, in part, by way of bigger deals and bigger accounts. “With production print, your sales are definitely bigger and so is the back end.”

Gonzalez happily reports the numbers he has been seeing. “Our production units account for 19% of our total maintenance billing; that billing includes the 2,500 or so A3s we have out there,” he says. “Today, production print accounts for about 16% of our total equipment sales. I don’t want to put a limit on it, but I would say that could easily grow to 25% or more of our total sales.”

So far in 2024, Plus has placed four production devices. “Two of them were Ricoh and two were Konica Minolta — all four went into churches,” Gonzalez says. “Each church had a different need. For example, one of the churches was spending too much outsourcing the printing of its prayer booklets to a bigger megachurch and so we upgraded their current machine. Another church was a recaptured customer we had lost

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— Alec Bean
Gray & Creech Office Solutions

about five years ago. Along with the production device, we also replaced all of their office machines; that was another eight or so machines.”

Despite the preponderance of church placements as of late, Plus has certainly found success with production print elsewhere, Gonzalez says. For example, a company doing transactional printing of statements for utility companies “looked at

us and couple of other vendors, and we won them over with some Ricoh monochrome devices,” he says. He also cites, in particular, print-for-pay stores and commercial printers, “where old presses are dying,” as the locations of several Plus production print installations.

Gonzalez shares some insight into one of the verticals he cites. “What chases a lot of dealers away — and with good reason — is print for pay,” he says. “You have to use all of your tools to evaluate, ‘Are you making money on those machines after they are in there and running?’ Because they will kill you if you are not careful. So, we just go in and say, ‘Look, if you’re just looking for a rate, just tell us what it is, and we’ll walk away if we know we’re not going to make any money.’ If they are reasonable, they say, ‘I get it. We both need to be profitable in our businesses.’”

Dealers who are considering taking on production print should recognize they will have the advantage over manufacturers’ direct operations, Gonzalez says. “A lot of service techs from the direct operations come from another city, killing the response time; that’s not a good experience for the customer,” he says. “Plus, dealers often have product flexibility, since we have multiple brands that we can go in with and represent.”

Shore Business Solutions

After working at Ricoh Corp. for 16 years, followed by roles at two office technology dealerships, Chris Wolowitz was ready to embrace the entrepreneurial spirit, purchasing Shore Business Solutions, based in Farmingdale, New Jersey, in 2019. Of course, the COVID-19 pandemic emerged shortly thereafter. “To grow through the two-and-a-half years of COVID, we kind of just put our heads down and went for it,” he says. “We trained, educated and brought people on who fit our culture so that when the restrictions were lifted, we hit the ground faster than anybody.”

When Wolowitz acquired the dealership, it had nine employees and primarily served one county. Today, Shore serves the entire state and has 34 employees. The dealership has sold

Ch-Ch-Changes in the Production Print Market

The color digital printing market is consolidating due to:



Print buyers purchasing online **and** buying more from large online printers that use larger production devices.

Print franchises and copy centers (when possible) are centralizing print volumes to large production centers that use larger equipment.



Some PSPs outsource more to printers for the trade-off of reducing costs/risks.

Another trend is the shift from offset to digital printing due to:



Larger crossover points in favor of digital printing (rising costs of plates/paper waste) and reducing TCO in digital print.

Shorter runs and ascending demand for customization.



Shortage of skilled offset operators.

The offset to digital shift is so strong that **28%** of PSPs said they will not buy offset again.

Besides short runs, PSPs use digital printing to differentiate themselves against competitors through **specialty printing**.

Source: Keypoint Intelligence 2024 Pre-drupa Survey

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— Frank Gonzalez
Plus Inc.

Sharp products since 1983 and Kyocera products since 2016; about a year-and-a-half ago it partnered with Konica Minolta. “We brought on Konica Minolta to fill the production print need, something I wanted to get into and grow,” he says. “I had a background in production print and felt that we needed to jump into this market.”

While Shore continues to sell Sharp light production devices, with the addition of higher-end Konica Minolta models, the dealership has hit its stride. “We just delivered our 10th machine in the last 12 months,” Wolowitz says. “We are factory trained with the Sharp light production and they perform well in the field, but there is a certain point where you do need to go to the bigger iron.”

The “bigger iron” is crucial when responding to bids, Wolowitz says. “Usually, larger bids include one or two of these devices; so, if you can’t provide the product, you’re out,” he says. “Place one or two of these devices in the field and your top-line revenue will jump. We had a transaction about seven months ago where one machine is going to equate to almost \$700,000 in revenue over a four-year period.”

Wolowitz is complimentary of Konica Minolta for its support in helping Shore achieve a high level of success with production print. “Because Konica Minolta is here in New Jersey, we have the advantage of the company’s CEC [Client Engagement Center] that we have utilized for customer demonstrations,” he says. “When you walk customers into the facility — where Konica Minolta has everything from entry-level production to the high-end products — their eyes light up. We’ve had several different customers that we’ve taken to the CEC and we’ve closed over 80% already. They [Konica Minolta] have all of their people there and really wow the customer. They will do everything possible and will usually upsell your customer.”

Konica Minolta personnel also help to facilitate Shore’s dedicated “production days” held for the dealership’s sales team twice a month, Wolowitz says. “Every other week, they will work directly with our reps, such as a going on a ride

along to current customers, talking to them about what more they can do with their current devices,” he says. “On alternating weeks, they will host a half-hour webinar. It could be on something as simple as a discussion on an inline cutter.”

At Shore, the “down-the-street sales reps are educated on production print enough to have the conversations and find the prospects, but it’s our ‘pre-sales/postsales’ person who is the most important part of the puzzle,” Wolowitz says, also noting that Shore has several factory-trained production print service techs. “That individual is the person who walks into the CRD, print for pay or whatever, and understands the market. It is very important for a dealer to have someone who can bring immediate

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Shore Business Solutions

credibility about what can be done for the customer ... When you can understand the customer’s workflow and then back that up with performance, you’ve got a customer for life.”

Wolowitz has high expectations for production print in the years to come. “Right now about 15% of our revenue is from production print hardware, service, professional services — everything,” he says. “There is no doubt that will continue to grow. I plan for

Shore to be a very large provider of production equipment in our area. That’s my goal.” ■

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