

Inkjet Printing

Dealers enthusiastic about this adjacent opportunity

by: Brent Hoskins, Office Technology Magazine

One does not need to look beyond the home office to see inkjet printing technology in action (see the infographic on page 15 for confirmation). Might that reality ultimately drive greater demand and acceptance of inkjet in the workplace?

Below are profiles of three dealerships focused on their inkjet offerings. The first dealership sells inkjet exclusively, the second nearly exclusively. The third predominately sells laser devices but sees the promise of inkjet — now and in the future.

Boston Business Technology

Todd Deluca's career includes a long tenure with a manufacturer solely focused on inkjet technology. From 1998 to 2011 he worked in various management positions for RISO Inc. During his final six years of service, he was president and COO of the company, a wholly owned subsidiary of RISO Kagaku Corp., a manufacturer of high-speed inkjet printers and digital duplicators.

Today, Deluca is owner, president and CEO of Boston Business Technology, based in Plymouth, Massachusetts, and remains solely focused on inkjet. He established the dealership in 2020, having acquired a Boston-area customer base from RISO. Soon thereafter he added the Epson America Inc. line of inkjet printers and "all-in-one" products. "We wanted to expand the line, because I felt that RISO was moving upstream to transactional print houses, print for profit, etc., and I wanted inkjet products for the general office that could also replace duplicators in schools [nevertheless, the dealership continues to sell between 100 to 150 RISO duplicators annually]," Deluca says. "So, I partnered with Epson."

There is a strategic reason for the sole focus on inkjet. "We only sell inkjet because we feel like we need to differentiate ourselves," Deluca says. "There are a lot of great dealers out there selling a lot of great [laser] products, but they're all very similar, so we have to be something different."



Deluca says he has "always been intrigued by the simplicity of the inkjet process" and, looking at the Epson line in particular, is pleased to have a lower-cost option. "RISO has always sold piezo inkjet, but its printers are more expensive," he says. "Somehow, Epson has brought that technology into products that are more affordable, allowing us to give customers a choice other than laser."

The "simplicity of the inkjet process" is a part of the talk track with prospective customers, Deluca says. "We talk about how ink-

jet replaces the need for photoreceptors, corona wires, the fuser unit, the laser — all of those things," he says. "That's a pile of parts. It is easy for prospects to see how reliable and simple the process is with inkjet when you show them that."

There is more to the talk track, including the lack of heat generation by both the Epson and RISO products. "We always talk about the lack of heat in terms of the energy savings, but also how inkjet eliminates the degradation of paper," Deluca says. "When you put a piece of paper through a fuser unit, it takes all of the moisture out of the paper, which makes it difficult to handle, whether it's being folded, printed on again or whatever the case may be. With inkjet, the paper can be used again. It can be folded and printed on again; it can be put through a laser printer if you want."

Regarding the energy savings, "we tell prospects that inkjet uses up to 75% less energy than laser, depending on the print speed of laser, since the fuser doesn't have to be as hot at slower speeds," Deluca says. "We also talk about reduced landfill waste. Post-consumer waste is much less on inkjet, because you are not throwing away all of those parts I mentioned."

There is a downside to some inkjet units, Deluca acknowledges. "The only issue that we run into with piezo printheads, at least on production machines, is they really can't print on glossy or matte paper," he says. "For situations where glossy or matte are required, we just throw in one of our tabletop inkjet devices with the production machine."

Given their simplicity, is there any service revenue with

inkjet devices? “There is no PM to speak of; I think the only thing we do is replace the feed tires once in a while,” Deluca says. “However, my per-copy profit is probably the same as the dealer who is selling laser. When you think about photoreceptors, fuser units and those kinds of things for laser, I don’t have those costs.”

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Boston Business Technology

on many substrates] and low cost of operation that really makes inkjet stand out,” Craig says. He illustrates inkjet’s appeal by citing a quick example of a RISO product used in a print-for-pay environment. “You can top load envelopes for printing, which exit onto a conveyor to be scooped up. You’re printing envelopes for a third of a cent or a half cent in full color. That’s \$3 to \$5 for 1,000 envelopes. Print for pays

ONYS Business Solutions of Florida

Anyone who has been in the office technology industry for any length of time has heard industry veterans say something like: “I have toner in my blood.” Stephen Craig, president and owner of ONYS Business Solutions of Florida, based in Tampa, Florida, shares a variation of the industry veteran’s common claim: “Ink runs through my veins.”

It’s no wonder. Prior to acquiring his dealership, he worked at RISO Inc. for 25 years, starting as a service technician, later moving into sales and, ultimately, working as a regional manager. While ONYS does sell Xerox toner-based imaging devices, inkjet remains Craig’s passion. The dealership carries Epson, Formax and RISO inkjet products.

Craig’s enthusiasm and optimism for inkjet is crystal clear. Will we see a day when inkjet imaging devices are more predominant than they are today in the workplace? “Yes, we are just seeing a fraction of what they can do,” he says. “Looking back to the Epson dealer meeting in California earlier this year, when you consider their resources, what they are pushing and where they want to go with inkjet, I can see that it’s just the beginning. It’s going to explode.”

While there is now a new focus at ONYS to more aggressively sell Epson products into the general office, Craig notes that, until this year, the objective has been to sell into existing inkjet accounts. “Our focus with Epson placements has been in our traditional customers who identify with the advantage of proven ink-on-paper applications including verticals — education, faith-based organizations, print for pay and government,” Craig says. “We try to keep them with RISO, but the acquisition cost is a lot less with an Epson, which recently introduced 40-, 50- and 60-pages-per-minute models for the office. With RISO you must have the volume to justify the acquisition cost; Epson gives you more flexibility with lower volumes.”

The message is the same to prospective customers no matter the inkjet brand. “In terms of the differentials between toner and inkjet, it’s speed, versatility [with the ability to print

are selling those envelopes for \$30 to \$100. There’s good money to be made, and the RISO printer is fast and reliable.”

In terms of other benefits of inkjet over toner, Craig is particularly adept at explaining the appeal of the lack of heat with inkjet. “It gets warm almost everywhere in the United States, but would you put a space heater in your office in July or August?” he asks. “That’s what you do with a toner-based copier, because it’s a fire breathing dragon. So, not only do you pay for more electricity to cook toner pages like a turkey in an oven, but you are emitting heat; so, then you have to cool down the room.”

Craig is pleased with the profitability of inkjet. “We make very little off of a [toner-based] copier, whereas there is margin with inkjet, and the recurring revenue is what you need to make some money, keep the lights on and pay the bills,” he says. “The margins with inkjet are very, very beneficial.”

Why aren’t more dealers selling inkjet? Craig recalls from his days working at RISO that some dealerships would take on the product, but sales reps, fully comfortable selling toner-based products, would not learn how to sell inkjet. “Then it just sits there and the dealer says, ‘I’ve got this inventory and I can’t move it,’” he says. “It’s not that they can’t move it; they just don’t know how to move it. That’s why I benefit from Epson and RISO, because I know where they fit. Our experience with ink on paper allows us to demonstrate the benefits of inkjet while qualifying if this technology is best for the customer so as not to put a square peg in a round hole.”

Pacific Office Automation

Industry powerhouse Pacific Office Automation (POA), headquartered in Beaverton, Oregon, has 35 locations across 10 states. Founded in 1976, the dealership offers a broad range of imaging devices, including those from Canon, Brother, HP, Konica Minolta, Lexmark and Ricoh. POA has also expanded into such technologies as unified communications, security cameras and EV charging stations.

5 Things to Know About Inkjet In the United States

98% of printing devices used in the home are inkjet.

~80 million inkjet devices are installed in U.S. homes.

70% of U.S. households have an inkjet device — the world's highest A4 penetration rate.

46% of the inkjet market share belongs to HP, while Canon has 31%.

50 pages per month are produced, on average, by inkjet printers and MFPs in the home.

Source: Keypoint Intelligence Office Group Research

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Among the dealership's broad range of product offerings are inkjet imaging devices from RISO and Kyocera. In fact, the two vendor partners are among the newest for POA. In 2020, the company acquired RISO of Sacramento along with RISO's San Francisco direct sales MIF. Then, in 2021, POA began selling the Kyocera TASKalfa Pro 15000c inkjet production printer, the only product it sells from the manufacturer.

Tom Kucharski, director of production at POA, provides insight into the ideal environments for the two vendors' inkjet products. Regarding the Kyocera 15000c: "The product is very, very good in the transactional print environment where invoices are being produced or where they are printing something with a little bit of spot color on it. That's the application for the 15000c in a nutshell." Regarding RISO, he provides a specific example of the type of print job where the vendor's products prevail: "Consider NCR three-part forms. Traditional laser technology struggles with these forms, due to the heat. In contrast, the inkjet technology easily prints on NCR forms and many other substrates that would melt in a laser device or not feed through the device."

There are three primary reasons that customers opt for inkjet, Kucharski says. "First is cost," he says. "With laser, color prints would be 5 cents per page; with inkjet they are ½ to 2 cents per page. That's a huge factor. Second is speed. You generally get a very high speed with inkjet because the paper doesn't have to go through a fuser, etc. Third is reliability; that's a main factor for inkjet, because you are not generating the heat ... We're finding that the number of prints between service calls are vastly lower with inkjet as compared to laser."

Higher per-page costs on laser devices equate to "higher actual dollar margins," but while there is lower revenue on the pages produced on inkjet devices, "our pricing model for the percentage of profits is the same, so, there is lower revenue, but the margins are good," says Doug Pitassi, president of POA. "At 2 cents a page versus 5 or 6 cents a page, yes, I'd like more revenue because there are more dollars in the profit, but we are going for that high-volume hit with inkjet."

Our reps find high volumes and convert those to a lower cost per page; the wins that we have had show that is exactly what is happening. That gives the customer an economic benefit and our margin on the total revenue is the same.”

It is surprising that more dealers are not selling inkjet, Pitassi says. “It has such a good quality; it’s good enough,” he says. “It is never going to be the quality that some picky graphics people expect in marketing companies and advertising, but in a lot of what we do out there, inkjet has a great quality. I’m just shocked that our people [in the dealer channel] don’t sell more of it.”

Kucharski offers a similar perspective, citing a specific example. “It’s funny to me that people are stuck on the fact that

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inkjet looks different in terms of quality when labeling envelopes,” he says. “I ask all the time, ‘Do you really think that people are looking at the quality of the address on the envelope?’ Ninety percent of the time they respond, ‘You know what, that’s a good point.’”

Pitassi advises dealers to consider offering inkjet if they are not already doing so. “In the right applications, it has its niche — and there is plenty