



# What is a **QUICK** PRINTER?

Print shops on the front line are making the switch from walk-in work to commercial jobs. It's part of the evolution of the quick printer

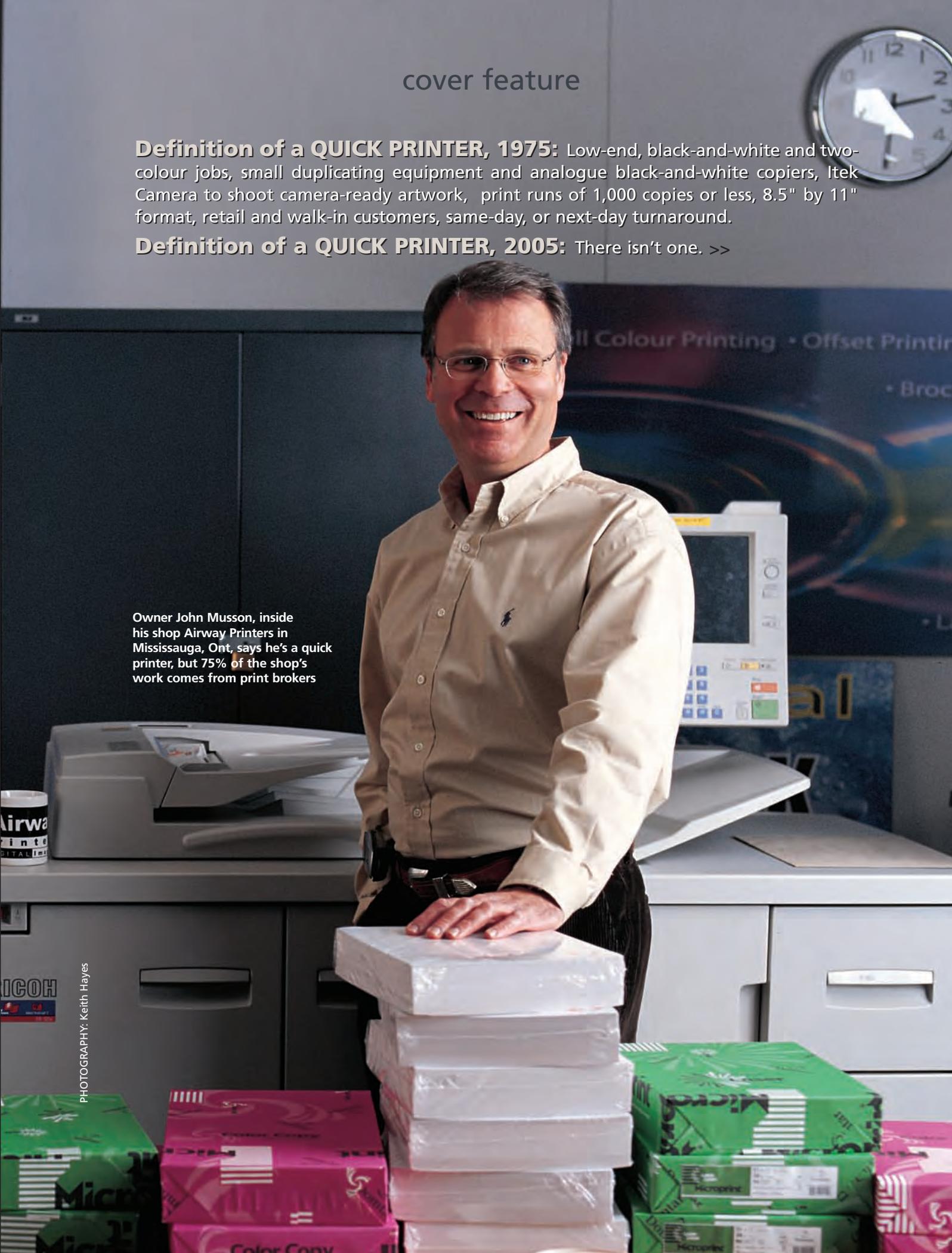
By Nancy Clark

## cover feature

**Definition of a QUICK PRINTER, 1975:** Low-end, black-and-white and two-colour jobs, small duplicating equipment and analogue black-and-white copiers, Itek Camera to shoot camera-ready artwork, print runs of 1,000 copies or less, 8.5" by 11" format, retail and walk-in customers, same-day, or next-day turnaround.

**Definition of a QUICK PRINTER, 2005:** There isn't one. >>

Owner John Musson, inside his shop Airway Printers in Mississauga, Ont, says he's a quick printer, but 75% of the shop's work comes from print brokers



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All the companies contacted for this article are classified in *Graphic Monthly's* database as quick printers. And yet all describe the work they do, the equipment they have and the customers they serve differently. Each has decided on a different business strategy to remain profitable in a changing market. Their success—or lack of—will determine the future of the traditional quick printing sector. Is there still a need for storefront copy centres serving walk-ins? Or will these shops morph into short-run, digital print specialists serving retail, or even trade customers? Only time will tell. In the interim, here are a few indicators to help you decide for yourself.

### Is the market disappearing?

In the fall of 2003, Henry Armstrong Quick Printing, a veteran player with 15 locations around Winnipeg, went bankrupt. Some of its locations were bought and merged with other companies, while the remaining shops were closed down entirely. Just a momentary blip in the market economy? Perhaps, but Sandy Kellett, owner of Kellett Copy Centres Ltd., with two locations in Winnipeg, sees the demise of the Armstrong chain as an omen.

"That company was older than we are. And we've been in the business 35 years," he says. "They were spread too thin. There's no doubt that the business is eroding. There's lots of capacity, but not enough work to go around. Whatever new business I have, I've taken from other printers. I don't see any new growth." With 28 employees, and annual sales of between \$1 and \$3 million,

Kellett's business has been declining by two to three percent each year.

And it's not just the Winnipeg market that looks gloomy. "There will be 10% less instant printers around by the end of 2005," predicts Dean Baxendale, president of the Ontario Association of Quick Printers, which numbers about 100 members.

"We're just not seeing the levels of volume we saw in the '80s and '90s." And though Baxendale says there will always be a market for cheap commodity printing, the question is can you still make a profit serving that market alone?

### Everyone is quick these days

In 1975, the "quick" in quick printer meant something. It clearly defined a benefit for customers. "Back then commercial printers had a three- to four-week turnaround," says Derek Allan, president of Fotoprint Ltd. in Victoria, B.C., which has 35 employees and annual sales of \$3.5 million. So quick printers had an edge, offering same-day or next-day turnaround on simple, black-and-white jobs. And as early adopters of new technology, like those new-fangled colour copiers, quick printers could continually offer their customers a wider variety of capabilities at faster and faster speeds. Customers came to expect such speedy service and demand it of their commercial printers as well. "So now that fast turnaround is generic to the industry, quick has lost its meaning," says Allan. The quick printers' association in the U.S. concurs. A few years ago, it changed its name from the National Association of Quick Printers to Print Image International.

Of course, its members still sell on their quick turnaround—pride themselves on it, in fact—but it isn't the big competitive edge it used to be.

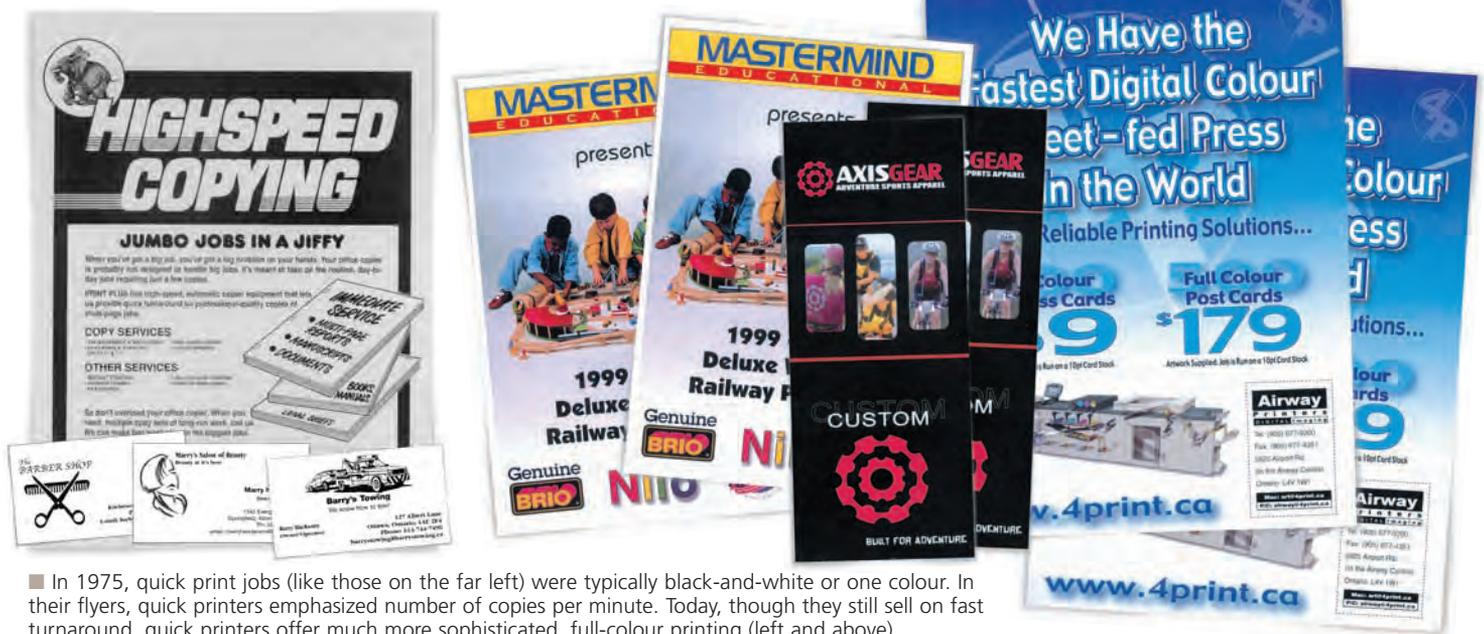
### Everyone's doing short runs

Another weapon in a traditional quick printer's marketing arsenal was his expertise in short runs. He had the set-up and the equipment to handle short jobs efficiently and profitably. Quantities of 1,000 and under were his specialty. But that was before just-in-time inventory, corporate downsizing and budget slashing, the Internet, print on demand, and versioning. Gone are the days when corporations printed hundreds of thousands of brochures at one time. Gone are the days when large commercial printers could specialize solely in such large print runs. Now big, medium and small commercial printers are looking to get into or maintain their share of the short-run market. And quick printers, having perhaps made the decision to get out of the storefront copy business and by necessity expand their definition of short runs to 5,000 or less, now find themselves competing with printers they would have never come up against before.

All of a sudden the short-run field is crowded, but some quick printers are gaining the advantage by realizing they're already halfway there and that the big printers are playing catch up. "We've always been set up for small jobs. The big guys haven't. Most educated print customers understand this," says Allan. Fotoprint has found a niche between the low-end commodity copying and the high-

Before: QUICK PRINTER, 1975

After: QUICK PRINTER, 2005



■ In 1975, quick print jobs (like those on the far left) were typically black-and-white or one colour. In their flyers, quick printers emphasized number of copies per minute. Today, though they still sell on fast turnaround, quick printers offer much more sophisticated, full-colour printing (left and above)

## cover feature

end, full-colour complicated jobs. It sticks to 11" by 17" format size or smaller. "Our average order is for \$350. We do lots and lots and lots of small jobs."

### Black-and-white to colour

So it seems everyone's doing short-runs. But what type of short-run work? Is all the black-and-white work of 20 years ago now being done in digital colour? Yes and no. "Printers are producing a lot of digital colour work, but it's not necessarily work that used to be black-and-white," says Larry Hunt, who publishes Larry Hunt's Color Copy News, out of Florida. "It's work that used to be done four-colour or two-colour on a small offset." The black-and-white work "is still there, but I can't say the segment is growing."

Another significant change, says Hunt, is how the jobs arrive at the shop. In a recent survey he conducted in the U.S., quick printers reported 74% of the work they produced on colour copiers was from digital originals—not off the glass. "And I expect that figure to keep on growing. It could easily reach 85% to 95%," says Hunt.

### Competing with big box stores

If commercial printers are adopting the mantra of fast turnaround and short runs in ever increasing numbers, what's left for the quick printers? What else are they known for? The answer is cheap, simple, black-and-white copying jobs. Twenty years ago city copy centres were bursting with students and other walk-ins with jobs of one to 100 copies. Now those types of customers are walking right into Staples Business Depot. "Big box stores treat copy services as a loss leader," says Allan from Fotoprint. "So they can afford to charge 2¢ per copy." It's a price many print shops can't match because of their higher equipment costs and employees that earn more than just minimum wage.

So if you can't compete with stores like Staples, what are the options? "Concentrate on the stuff super stores can't do," says Allan, who adds that his company walked away from copiers 12 to 15 years ago. Fotoprint has gone 100% digital, doing small-format, short-run work. Kellet says something similar: "We're getting away from the storefront, walk-in business, and trying to focus on short-run commercial print jobs."

In other words, they are concentrating on jobs, whether done on a copier, digital press or by traditional litho, that the stores really cannot handle—jobs that are a little more complicated than just pressing a button. The key, says John Musson, is customer service. The super stores are notorious for having frequent staff turnover and hiring people with little knowledge of print production or management. The advantage of quick printers is their better paid, more experienced and knowledgeable staff, "who can latch onto customers and keep them coming back," says Musson, who heads up 4Print.ca and Focus Printing, both in Willowdale, Ont., and Airway Printers in Mississauga, Ont.

### Competing against in-plants

The Xeroxes of the world not only sell their equipment to you, but also to your retail and corporate customers. "A lot of your customers become your competitors," says Troy Mackenzie, who co-owns a Kwik Kopy franchise in Charlottetown, P.E.I. His franchise has 16 employees and annual sales of between \$1 million and \$3 million. An in-plant's capability could be as sophisticated as small-format offset and digital presses or as simple as a colour copier that also sorts, collates and staples. Again, competing and winning these clients comes down to customer service. "We make it easier for them to send the job to us, than

to do it in-house," says Mackenzie. There are different ways of doing this. Mackenzie says that in such a small market as P.E.I. it's important to be flexible and offer a variety of services. His Kwik Kopy has a mail shop and does single-colour to full-colour work. Being part of a national franchise network also has its advantages. "We send each other jobs. You know, services they have that I don't. Sometimes I send something to another location if I'm overbooked."

OAQP president Dean Baxendale, owner of First Impressions Communications in Toronto, says his strategy when dealing with customers with some in-plant capabilities is to make sure they realize the real costs, in employee time and money, of printing in-house. He tries to get them to see that printing is not their core competency and thus not worth the trouble of doing themselves. Of course, it also helps if you take the hassle out of ordering print. Baxendale's customers can order repeat jobs, review their accounts, proofread and edit their copy and art online. "What you're trying to do is be your customer's outsourced in-plant," says Baxendale. First Impressions has 14 employees and annual sales of \$1.5 million.

Part of being an in-plant to customers is not charging them for every little item. Musson allows customers to come in, sit down beside one of his people in front of a computer screen and prepare their files—and he doesn't charge for checking files. "My customers believe they are part of the printing process," he says, so they know they aren't losing any control by outsourcing their work. Musson's customers become his partners and begin to rely on the expertise Musson's people bring to the table.

### The customers are changing

Quick printers traditionally serve two types of customers: storefront walk-ins and retail (small business end users). Some printers



■ Though most quick printers still maintain a storefront look, like this Kwik Kopy franchise in Charlottetown (left) and independent Fotoprint in Victoria (below), many are veering away from walk-in customers



still find it worthwhile to maintain a storefront presence. All of the 49 Sure Print & Copy Centre franchise locations in Canada have storefront operations. And that is not about to change. “There’s still a market for it. And it’s exposure for our stores,” says Par Amlani, Sure Print’s franchise manager for Eastern Canada. However, the type of walk-in customers visiting a print shop is changing. Someone who wants 30 copies of his resume will go to Staples or the photocopier at the library or even print the resumes as he needs them off his home printer. But a local area business person may want to check out a store and staff in person before giving over her business. In that case, a friendly, storefront presence could be an asset.

But many other printers interviewed for this article are winding down their storefront operations. Some are even going further than that. Baxendall says his company, First Impressions Communications, “got rid of retail six years ago. We made a decision to market digital print solutions to corporations.” Others are supplementing their retail business with work for the trade. Fotoprint’s Allan says his customer base “has shifted. Most of our customers are designers not end-users.” And Musson says that it’s trade work that fuels his three companies. Seventy-five percent of Musson’s jobs come from print brokers; the rest from retail. “The trade business pulls up our volumes, which allows us to offer trade prices to our retail customers,” explains Musson.

### Location, location

Traditionally quick printers have relied heavily on word-of-mouth and storefront signage to lure in business. Their retail customers were most often the companies and businesses within a few square miles of the shop’s location. In this regard, things haven’t changed too much. Even for shops that don’t accept walk-ins anymore, local-

area retail customers are still important and thus the choice of location is paramount. Sometimes geographic boundaries are enough to keep customers captive. “There’s only so many players on Vancouver Island,” says Allan, from Fotoprint. “And most small jobs are not going off island.”

Some quick printers are carving out their own territory even in a large, sprawling urban area. Working within the GTA, for example, Musson was able to create an island of his own. His Airway Printers was one of the first tenants in a three-building, low-rise office complex on Toronto’s airport strip. Airway is on the ground floor of one of the buildings and pulls the majority of its retail customers from the tenants in all three buildings. In a sense, the three-building complex creates a kind of island mentality. Why go to the trouble and hassle of getting in your car and braving traffic snarls to pick up your print job “off island,” when you can just ride the elevator down or walk across a courtyard?

### Selling services

Musson admits that his three companies still rely heavily on word-of-mouth to bring in not only retail but trade jobs. Though occasionally the shops do print up some full-colour, glossy flyers and distribute them to local businesses. “The print brokers really act as an outside sales force for us,” says Musson, who employs no dedicated sales people and keeps his staff numbers as lean as possible. A total of nine employees operate all three shops, which grouped together earn \$3 million sales per year.

But for quick printers who find themselves competing against larger commercial printers or venturing into new markets or services, word-of-mouth, though valuable, may not be enough to sustain their business. Quick printers may have to as well. If nothing else, it will show that they

### Pricing pressures

Overcapacity in the traditional quick print market leads to lower prices and slimmer profit margins. Pricing pressure, of course, is nothing new, but how are quick printers coping today? Well there’s no magic bullet.

“We let everyone in on our costs,” says Musson. He says he and his employees talk very candidly with both retail clients and print brokers about job costs, so they know the mark-up is reasonable. He also keeps a close eye on his suppliers, spending a considerable amount of time researching better pricing and deals. “This is where having three locations helps. It’s cheaper to buy paper in bulk for all three shops.” He’s also an advocate of short equipment leases. His leases are usually 36 months and he often moves the equipment around between his three shops to get the best use and volume out of each expensive technological marvel.

One of the ways in which Allan at Fotoprint in Victoria keeps prices down is by never subcontracting anything out (and never accepting jobs that the shop can’t handle in-house). This way, there’s only one mark-up that customers have to deal with. “And I don’t do special pricing. I offer best pricing every day and I try not to penalize the small-size customers for being small,” says Allan.

### What’s on the horizon?

There is no consensus on the future of quick printing. The printers themselves have very different takes on the situation. Some like Musson are optimistic and see an upward trend in their annual sales. Others like Kellett see a downward spiral. Most are somewhere in the middle, reinventing themselves as they go along, trying to keep abreast of market changes. It seems the new definition of “quick” in quick printer is “quick on your feet.” ■



■ Quick printers, such as independent Kellett Copy Centres in Winnipeg (above), rely on traditional ways of attracting and retaining clients like storefront signage and word-of-mouth, as well as newer methods like on-line print ordering offered (left) by Toronto’s First Impressions Communications