



Buying toner should be a very simple thing, you call your local supply store and it shows up. However, there are many companies who prey on unsuspecting clients making thousands if not hundreds of thousands of dollars by employing less than ethical sales methods. This little booklet is geared for those who want to avoid getting ripped off by companies who are in business by simply fleecing unsuspecting people out of their money. In the industry, these nefarious individuals are called “Toner Pirates” – this little booklet is designed to help you avoid these people together or to at least deal with the problems caused by working with them in the first place.

We must be clear and say just because you’re not working with us doesn’t mean you’re working with the Toner Pirate. There are many reputable companies that you can buy supplies from and be getting a fair deal. So as we go through some of the tips and tricks in this industry, we hope you don’t get the impression we are slandering our competitors who are trying to do this the right way. There are many things you must know if you’re responsible for purchasing toner for your company and then there are some interesting things you should know. This is what we will spend our time on, to make sure your reading of this material is financially beneficial to your company make it worthwhile to your bottom line.

We have been dealing with toner and printer supplies in one form or another for over a decade. In this time we

have seen many scams and also have an understanding of approved market practices. Our hope is that you can glean some of the best information we have come across over the last decade without having to sell do with toner yourself. Some of the items listed here will simply help you save money, other items will help you avoid being scammed in then we'll go over a few things to give you an effective toner buying strategy for your company.

So, grab a cup of coffee or your favorite beverage and take a few minutes to find out how to save your company thousands of dollars in avoiding the "Toner Pirate"

THE TONER PIRATE

By Jesse Harwell

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Pahoda Image Products

7475 W 5th Ave Suite 316

Lakewood, CO 80226

www.denvercopier.com

www.laserprintercenter.com

www.tonerdenver.com

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Avoiding the “Our Last Toner Special”

One thing you must know about a “Toner Pirate” is their use of fear and greed is the primary selling object. Selling based on facts and real cost savings is rarely in their arsenal. One of the most common tricks they like to use is this:

“You need to buy this toner now because everyone is out of stock, and we would hate for you not to be able to print”

First of all, it is quite rare for everyone to be out of stock for anything. There is almost always a supplier who has a specific toner if your vendor is simply willing to do some basic research. *This particular trick is primarily aimed at someone in the office that is not typically buying printer supplies*, but may have a credit card they can use at their discretion.

The person doing the purchasing from the Toner Pirate thinks they are helping the company, but in most cases are buying *substandard quality cartridges* from an out of state vendor who their company has never purchased from before. If this “last toner” deal is from a vendor you never worked with before, don’t buy the cartridge! Under these conditions, it is basically impossible for there to be any real quality control.

So what can you do? The best thing to do is to make sure the purchasing department or the IT Dept are the only ones who have any purchasing authority over printer supplies. **No one else** in the organization should be allowed to order toner, and especially from a simple phone solicitation. If there is an emergency and someone else calls a toner company, you'll likely be OK, even if you're aren't getting the very best pricing.

The key to avoiding the Toner Pirate is to never order supplies for your printer or your copier on the basis of an incoming telemarketing call, and making sure everyone understands this is a company policy.

Purchasing agreements should be set up with qualified vendors your company has qualified and who can take the time to assess your company's particular set of needs and offer pricing which gives you the biggest bang for the buck.

Shortcutting the standard methodology can lead to expensive printer repairs and frustrating bill collections where you paid five times more than you should have due to a rogue purchase.



Out of State Suppliers

You'd be shocked at how many toners are sold because a telemarketer simply calls in to a company and asks about what printers or copiers that company has on site. Once the person who answers the phone gives away this information, your company has become susceptible to the Toner Pirate.

The Toner Pirate normally works in phases. The first phase is to gather information such as printer or copier model numbers as well as who the purchasing agent at a given company might be.

The second phase of the scam by the Toner Pirate is to call back and speak with the receptionist pretending that the purchasing manager specifically asked for a toner to be sent to be "tested." If the person who answers the phone says that it is OK to send this cartridge, it is likely the Toner Pirate will try to get the credit card number in order to "cover shipping."

When the purchasing manager or the accountant gets the credit card statement, they will see a bill from a vendor they are not accustomed to seeing. They will ask questions, but everyone may have forgotten that this called occurred in the first place. If they call the company who sent the toner they will say that "Suzie Receptionist" ordered the toner a week ago.

Now the purchasing manager or the accountant is stuck in a pickle. They overpaid for a cartridge they never ordered, but now it will take hours to prove they didn't order the cartridge. At this particular point, most companies will just eat the loss. This makes sense because **time is valuable**.

What is the right thing to do? The best practice for purchasing printer and copier supplies is to work with an approved vendor with negotiated pricing and make sure people are set up to order from this vendor if the purchasing manager doesn't happen to be around. It is never good idea to buy from a company you've never heard of without validating their credentials and being sure they are able to support you as a business relationship moves forward.

We would recommend a “no purchasing” policy for your employees who are not involved in the negotiation of a print management system. This will help avoid the Toner Pirate and ensure you are always getting the best price possible from a vendor you trust to treat you well.



Basic Common Sense A or X Cartridges

There are two basic cartridges for many printer models out there. One is the lower capacity, or “A” cartridge, while the other is the high capacity, or “X” cartridge. The basic difference between these two is the number pages the cartridges will print and the cost point of the cartridges.

If we look at an example such as the 42A (10k yield) or the 42X (20k yield), the difference between the cartridge yields is 10,000 pages. If you're buying compatibles, you likely pay about \$109 for the 42A and \$129 for the 42X.

So if we look at this in terms of cost of a print:

$$42A = \$109/10,000 = \$.0109 \text{ per print}$$

$$42X = \$129/20,000 = \$.0065 \text{ per print.}$$

So what's the big deal? A ½ a penny per page differential doesn't seem like that much money. Let's do the math. If you print 5000 pages a month (a box of paper) on the printer, what will this mean to your bottom line over 36 months?

$$\text{Buying 42A} - 5,000 * 36 * .0109 = \$1,962$$

$$\text{Buying 42X} - 5,000 * 36 * .0065 = \$1,170$$

So it appears purchasing the 42A rather than the 42X would cost a company \$792 over three years. And this is just

one printer! If you multiply this out it can be a huge differential without any performance downside. In fact, there's less intervention with the printer if you choose the higher capacity cartridge because the cartridge only needs to be changed 1/2 as often. You'll be dealing with the printer less and saving money by buying the high capacity cartridges.

What makes sense to do right now? Go to your supply closet and see how many cartridges you have with the "A" notation. You may look like C5942A and then take the last two digits plus the letter "X" and put that into Google to see if there's a higher capacity version available (i.e. 42X). If all of your cartridges are "A" when they could be "X" – we hate to tell you this, but you're either working with the Toner Pirate or someone who doesn't understand basic cost savings.



Information Regarding **Shelf Life**

Most companies have a closet they fill up with all of the back-up supplies they feel they need so they aren't stuck being unable to print. One common thing they overlook is the consumable shelf life. Most manufacturers will give you 1 year of "no defect" supply items. However, there are some who only give a 90 day warranty. What does this mean for you?

Manufacturers assume that the supplies you purchase are going to be placed in the machine in a "reasonable" timeframe. What this means is that if you get one extra toner for every machine, you will likely have some that pass this warranty period, if they are defective you are out of luck. This can be especially costly on the color side as some of these cartridges run over \$300 a piece.

When you purchase supplies, you should remember it is your suppliers job to get you toner and not your job to be a toner warehouse. Stocking toner makes sense for critical devices, but buying 3 years worth of toner because there is "an amazing deal" is not a prudent strategy. It is not like milk where it spoils, but it's also not like gold and rare... Betting on savings by filling a closet full of toner is a risky strategy at best!

Manufacturers don't want to be financially responsible for cartridges they sold 3 years ago when they have no control over climate conditions, etc. Humidity

changes, altitude, etc affect cartridge life, so they want you to use the toner shortly after you purchase it for maximum cost efficiency.

It is expensive and annoying to pay \$329 on a cartridge that doesn't work, so do what you can to avoid this costly mistake!

Call the manufacturer and ask what the warranty is on their consumable items, if you are buying OEM (Manufacturer cartridges) ... If you are purchasing compatibles, make sure your compatible supplier gives you something in writing that outlines their "non-defective" policy. Don't buy a cartridge if it will not be put in the printer before the warranty expires!

Here is a typical toner shelf we see... the scary part is there is almost \$9,000 in toner risking to be wasted!

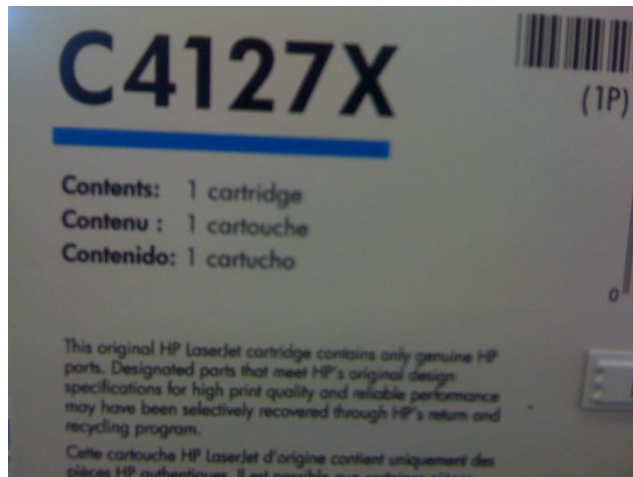


PIC PROVIDED BY WESTPOINT



Dark Secrets About New Cartridges, Used Parts

Many companies who buy OEM (Original Equipment Manufacturer) toner do so because they want to make sure they are using new components and not used components. The problem with this logic occurs when the new cartridges actually use remanufactured parts.



Here is how the fine print reads exactly: “This original HP Laserjet cartridge contains only genuine HP parts. Designated parts that meet HP’s original design specifications for high quality and reliable performance may have been selectively recovered through HP’s return and recycling

program.” -- In other words, there are some used parts in “new” cartridges.

So, one must ask the question, if the manufacturer even uses some used parts, what makes “compatibles” bad? Why do manufacturers go to such lengths to say you should only buy OEM cartridges, when they do some of the things they warn you against?

Their answer would be twofold.

One, is they selectively choose what should be re-usable and what should not. Items they know have an extremely long life could be reused without impacting quality. This is a valid argument as the quality of parts the original manufacturer or a remanufacturer uses certainly impacts the quality of the product you receive. Who would know better than the company who developed the engine what could be re-used and what should not be? We all acknowledge substandard quality cartridges (and there are tons of these) cause many printer problems.

Their second reason deals with cost. If you buy 3rd party ink, you are not buying their ink, and therefore they are not making as much money. We can all appreciate this interest. After all, trying to make money is why we are all in business. If they can look at the market as a whole and demonstrate there are a lot of substandard cartridges on the market, they can let you, as their customer, know that in general compatibles are a bad idea.

Are there any good compatible cartridges out there? The basic answer is yes. Compatible manufacturers such as Clover, WestPoint, LMI, NER, MSE and others all have a good

industry reputation for building reasonably good cartridges. The problem occurs when people start selling the cheapest made Chinese cartridges.... These generally have used drums and are just “drilled and filled.” Very bad for long term quality!

The key here is actually more about knowing who you are buying from and what they do to ensure you get the highest quality cartridge. OEM will pretty much always be the very best quality. Remanufacturers have to compete with one another, so at some point they will let a few parts slip in that an OEM wouldn't. The bigger question is whether or not you are OK with a compatible. We generally recommend that you use the OEM cartridges, all things being equal (including cost).

However, if you are really cost conscious, it is good to keep an open mind regarding compatibles, assuming you indeed have a quality toner provider!



Dark Secrets About Page Yields

Most consumers, when buying a toner cartridge, don't realize how critically important page yield of a toner cartridge is to the cost of their printer. Most manufacturers will say their expected "average coverage" is 5% for black and 20% for color. This means for Black and white prints, 5% of the page will be covered by toner. One of the pages in this book which is full of text will give you a good idea of what approx 5% look like on a page.

For color the number is 20%, or 5% of each color. 5% of the page is covered in Cyan, 5% in Yellow, 5% in Magenta and 5% in Black. If there is a mixed color, like orange, the Magenta and the Yellow need to be mixed. A page can have up to 400% coverage.

So, how does this affect the bottom line? If you are doing high volumes of heavy coverage (like real estate flyers), you may see that HP or Lexmark says you'll get 6,000 pages on a cartridge – This is only true if the cartridge prints EXACTLY 5% of that color on the page. Fold a piece of regular paper 4 times and the amount of color which can be on the page is less than that!

Manufacturers are using statistical averages for ordinary customers. If you have an unordinary circumstance, then you simply must make sure you accounted for the differential before you come up with a cost per print! If the

6,000 page cartridge does 10% coverage rather than 5%, then you would expect only 3,000 pages to be able to come out before the cartridge was expended.

The best analogy we can use is a gallon of milk (cartridge) will yield 16 glasses (8oz). If you started to drink from 16oz glasses, you should only expect to get 8 glasses of milk then.

If you have any questions on toner yields, please feel free to give us a call!!



Questions Answered About Managed Print

Welcome to the latest fad when it comes to selling toner. More substantial than the common fads that come along, every major manufacturer is pushing their reps to embrace selling via “managed print.” What is managed print?

Simply put, managed print is a vendor process which manages the assessment, acquisition, and allocation of printing devices and supplies with the intent of improving efficiency and lowering cost all at a fixed cost per print.

Do you need managed print, probably. Most customers have done such a poor job managing their own fleets of printers, they desperately need to get this area of their business under control. The basic pitch from someone selling “managed print” is this: We can manage your printers and take away the headache of support and maintenance all at about the same cost you are paying for your supplies.

One must ask the question, if they can do this at the same price, what prevented them from doing it sooner. The answer is generally one of the following 3

1. You weren't interested in assessments
2. They weren't good at assessments
3. They didn't care

So, what changed? Did you start wanting these assessments? Probably not, at least until the concept was pitched several

times. Did they get good? Definitely not! I recently went to a show where I was teaching some printer and copier reps some new methods to analyze and assess fleet costs and fleet savings and most of the reps lacked a rudimentary understanding of the basic math required to properly assess a client facility. Do they care? YES! This is what has changed. Since some are indeed getting better at assessments and getting customers under long term contracts, this threatens their well-being.

What should you do? When presented with a “Managed Print offer, how can you make sure you aren’t working with a “Toner Pirate?”

1. Make sure if you sign a contract there is a clause which addressed poor service or poor quality in toner. If you sign up and don’t worry about this, you will likely have many broken printers.
2. Don’t just believe the numbers they show you, most reps are still quite bad at this kind of math. Validate all numerical assumptions with your accounting department
3. Find out their level of experience in composing these contracts and doing assessments. Ask for copies of their work or real life testimonials you can call.

The last thing you need is to go from paying way too much for your toner to paying way too much and being stuck in a bad contract!



Another View

Free Printers – Why to Avoid!

One of the most common tricks used by manufacturers and resellers is that a printer is offered to a customer “for free” under the condition the customer will get all of their toner from this vendor for 2 or 3 years. **Sounds great to get free stuff.**

I’m sure you have heard the axiom, “what sounds too good to be true, is too good to be true...” No one in their right mind will give you a printer in order to sell you supplies ***unless they expect to make a lot more on the contract than your printer.***

What should you check on? First of all, knowing the buying price of the printer is always a good start. You can check online and see if they are offering you a good deal or not. If they are not, you are likely dealing with a Toner Pirate who is wanting to get your money over time rather than ribbing you off at once. The long drawn out expenses are a lot more than a simple printer.

A “free printer” is often twice as expensive to run as one you’d pay for. Ultimately, you will want to do a total cost of ownership comparison between the printer and the most cost effective. If you want to see how your “free printer” does on the open market when people purchase supplies, try going to the [Printer Challenge](http://printerchallenge.com) (<http://printerchallenge.com>) and

you'll see if you have the best long term solution for your particular situation.



Some Useful Tips

Most offices waste a lot of money, toner, and time with their printing. We try to save our clients money (by being consistently priced at 10% - 15% or more lower than major office supply stores) and help them print greener (less waste, energy, and printing emissions). So, here are five printing tips you can use today to begin saving money now.

- 1. Run longer printing/copying jobs whenever possible.** This will save you toner, energy, and prolong the life of your color imaging unit if you're printing in color.
- 2. Print with your most cost efficient printer.** If your office prints most jobs on larger laser printers, you will save hundreds in monthly costs compared to small inkjets. Unless you print under 100 pages per month, you shouldn't have an inkjet in your office due to the high cost per print (average is \$.11 cpp compared to \$.03 cpp for laser printers).
- 3. Set your default mode to print in "Draft" for black and white.** Most monochrome documents can be printed in draft mode, and it will prolong your toner life.
- 4. Buy high-quality compatible cartridges unless you need graphic design quality color prints.** Compatible cartridges can save you generally around 25-35 percent per cartridge. This is especially attractive in color printing. Make sure you are buying compatible cartridges that are fully warranted and

STMC/ISO9001:2000 certified. If you've bought cheap toner before, you know it hurts your bottom line. You could also be on a manufacturer's cost per print plan which gives the best of both worlds, high quality and low costs!

5. Print a black and white test page before you print in color. This will help you figure out design issues without wasting color toner.

We do managed print solutions as well (a full diagnostic run-down of your current printing, and alternative plans to help you save money). Give us a call at Pahoda Image Products, and ask about a free analysis of your current printing situation.

In fact, one service we offer is to allow you to continue purchasing from your current supplier, we'll work with your purchasing department and just split the savings (75% to you and 25% to us). These can be our most profitable deals because it is in both of our best interest to save your company money!



Misunderstandings Concerning “Going Green”

I was thinking this afternoon about business and environmental responsibility. Why it is people are so resistant to “being green?” The problem, I concluded, is that most business people who consider environmental stewardship (from *any* generation) equate being “environmental” with being extreme or expensive. So, I’m making it my mission to convince people that being green (at least in their printing) actually SAVES money and doesn’t require you to stop shaving or live in trees!

While taking more extreme measures to minimize your impact on the Earth is noble and encouraged, I completely realize most people aren’t going to do it unless it’s painless. So, what I have been doing (and am going to continue doing) is giving you ways to save money AND help minimize your impact on our landfills and petroleum reserves. Here are some examples so far:

1. By printing with the most efficient printers, you **reduce your cost per print** and use of petroleum based products, which saves you money.
2. By doing more duplex printing, you save paper...you got it, AND money.
3. By switching from OEM cartridges to compatibles, you save several pounds of petroleum based toner, AND around 40% on the cost. (Assuming you get a quality compatible, of course!) If you desire to continue using the OEM cartridges, which is better if you can afford it, at least take the call tags they send

with the toner and have them recycled responsibly. Maybe that wouldn't save money, but it will if you pay by the pound for electronics recycling!

4. By maximizing your work flow use to the most efficient printer, you save energy, toner, AND money!

You get the idea. Being green isn't expensive, it's not any more time consuming, and it will actually help you profit. In addition to the benefits I've just mentioned, you are able to feel good about doing something for future generations (here and abroad). You will be saving energy costs, and reducing our nation's dependence on foreign oil. It just makes sense. Feel free to pass this article around...the more people understand being green is profitable, the more likely they are to try it. Feel free to call me about printing green!

We can even do an on-site assessment and give you the most "financially efficient configuration" as well as the most "ecologically friendly configuration."



Some Compatible Manufacturing Methods

I was looking around online at “refilled” cartridges this morning. In this economy it’s easy to look for the cheapest toner cartridge to do your printing. However, you often get what you pay for. If you are looking at “refilled” cartridges, what you are probably going to get are what we in the industry call “drill and fill.” They are pretty much exactly what they sound like.

With the “drill and fill” method, a hole is drilled into a common cartridge (like the HP Q1338A, Q1339A, Q5942X, or the Q5945A). Dry toner powder is then poured in the drilled hole (often drilled or melted), and the hole gets patched up with a rubber plug. This method is NOT recommended.

First, the chances of getting plastic shavings in your toner are very high.

Second, the toner available online is NOT the same as the manufacturer’s toner (generally far inferior). Third, if the plug comes out, it will damage your machine and create a huge mess!

Fourth, if your cartridge does explode, it is not covered under warranty, and you are going to either lose every penny you saved by having your printer cleaned and/or replaced.

Fifth, If you do purchase “drill and fill” cartridges, the components of the cartridge, may last for one “fill,” but after more than once, print quality will suffer noticeably.

So, the basic theme here is this: if you are looking for a cheaper way to print, make sure it is with a cartridge that has unused quality parts, quality toner, and a good warranty. If you are buying random compatibles and gambling on a cheap cartridge to save you money, this is like betting at a casino...over the long haul, you just won't win.

I understand this may sound like I am talking out of both sides of my mouth, buy compatibles, don't buy compatibles... What we are arguing is there are SOME reliable compatibles and many more INFERIOR ones. If you have the choice between a random compatible and a manufacturer's produced toner (OEM) take the OEM. If you can be sure you are working with a supplier who will support you if a compatible dumps toner in your printer (warranty)... a compatible can be more cost effective. Again, to be clear, OEM cartridges are better than compatibles for quality. An OEM cartridge will generally be faulty out of the box about 1 in 500 times. A high quality compatible about 5 to 7 times and a bad compatible over 20 times. Tracking failure rates is critical to the success of any toner buying strategy!



School of Hard Knocks

Going back to my first months of selling printers and toners, I lucked out and I had the opportunity to fly to Oregon and meet up with Hollywood Video (Movie Gallery) and talk to them about their printer needs. I met with their CIO and we talked about their impact printers, my old specialty, and how they deal with having 4,800 stores across the nation with these cheap devices.

It turned out there was an opportunity to start selling them 500 toner cartridges a month at a pretty decent profit each. We had a “supplies rep” at the company I worked for that was responsible for vendor relations on the toner cartridges. I was tasked with searching out new business and he was tasked to find a supplier who could help us maximize profits and minimize headaches. **This deal taught me a great deal about the importance of quality control and asking for quality reports from compatible companies.**

Month one went well, no major problems. About 5 defectives out of 500, nothing alarming. Our company made about \$8,000 on these 500 cartridges. Pretty good profit for taking an order. However month 2 was BRUTAL. It started small, and then it was a full blown mess. A cartridge failure here, another there, a printer ruined here, another there. By the time this month was tallied, there were over 60 defective cartridges and 10 destroyed printers! (From just 500 cartridges).

We had to call around to all the suppliers again, and quick, as these sorts of problems are not acceptable. I ended up finding there was a vast difference in quality and defectives.

When we pressed for their internal reports, they showed more than 7% failures on this cartridge where other suppliers on the same cartridge were at 1.5%, 2.3%, 2.6%, 3.1% and 3.4%

Of the supplies manufacturer's we dealt with, our supplies guy picked the one with the worst quality for our biggest account (they were normally good, they just happened to be bad at the cartridge we needed to have the best results with!).

I was not as experienced as I am now, so I didn't realize fighting for this data is critical! I made a huge error by not questioning why we chose this company over the others **(the answer was we made \$2 more per cartridge – or \$1,000 more per month)** What did this \$1,000 “extra” we made cost us?

10 new printers at \$199 each

60 new cartridges at \$60 ea

Flight out to Dothan, AL to try and save face – Approx \$1,000

Loss of a month's sales due to failures -- \$8,000 profit

Really, the loss was about \$14,600 – for a \$2 difference in cartridge costs!

At this point, I learned saving a few bucks often costs a lot more! This is why I caution against buying cartridges when you don't get toner quality reports (which you can track your own cartridges against to validate consistency) if you ask for them.

Most of us in the business will find a supplier who gives good quality and excellent pricing rather than perfect quality and bad pricing because we can make more this way and you save a lot of cash this way. The thing that matters is

making sure you are covered in case you get that new rep like I was or an out of state group who is just trying to rip you off rather than giving you a solid value!

There is always a relationship between cost and quality. The interesting thing in this particular example was the second cheapest option had the highest quality. A toner supplier must ask these questions of their suppliers if you are going to get the best deal!





A Brutal Necessity Warranties

Here is some of the wording we provide in the warranties we give to our customer from our supplier. **You should always have quality warranties in writing before you start purchasing from a vendor!** So what does ours mention (from WPP)?

- Every product has a one-year satisfaction guarantee from date of purchase. If you are not satisfied, Pahoda Image Products will promptly resolve the problem or refund your money.
- Our products are guaranteed not to cause damage, abnormal wear, or deterioration to equipment (under normal use). In the unlikely event that something would happen, we will replace or refund the cost of the faulty supply item and repair, or reimburse you for charges necessary to repair your equipment.
- In 1975, the Magnuson-Moss Warranty Improvement Act was created to forbid tie-ins between the use of OEM consumables and the warranty of hardware. You can use our products without fear of the manufacturer not honoring your warranty and we will provide flyers which convey this message and stand behind you if such a situation were to arise.
- ARS tags are provided free of charge for all warranty returns.
- ARS tags will be tagged for expedited analysis by WPP's quality assurance team.

- **Replacement cartridges will have expedited delivery at no charge upon request**

- All warranty returns undergo extensive testing to help identify the cause of defect. A minimum of 40 test prints are run on every return followed by inspection of all internal components. All findings are documented and compiled for QA review.

- A hard copy credit memo will be emailed upon completion of the warranty inquiry detailing the amount credited and the disposition of each cartridge returned. Credits can be posted to your account or refunded upon request.

- QA technicians are available for consultation. We take RMA's very seriously and welcome any feedback.

If you are not getting something along these lines from your local toner supplier, something is not quite right.



Believe it or Not Paper is a Consumable

Not everyone can duplex print, but if you can, you should. To find out if your printer supports duplex printing, look at your printer manual or look for the Two-sided (Duplex printing) or Print on both sides drop-down menu in the Printer Properties dialog box on your PC (sometimes found in the Printer Shortcuts tab).

By doing the duplex printing automatically, you will cut your paper costs substantially. Here are the steps:

Step One: Go to your PC's Printer dialog box right click and then click on Properties.

Step Two: Click on the Printing Shortcuts tab, and select Two-sided (Duplex) Printing from the drop-down menu. Sometimes this is in the "general" tab

Step Three: Select Automatic from the drop-down menu asking what kind of two sided printing you are looking for.

Step Four: Flip on the long edge means flip the page along the 11" side like a newspaper or book...(This way you don't have to turn the page around if it were a two page letter, just flip it over). Flip in short edge means flip the page on the 8.5" edge (PowerPoint will typically be flipped this way).

Why should I duplex, you may ask?

- 1) It saves the environment by using less paper
- 2) It saves cash by using less paper that you have to buy. (approx \$2.00 a ream)
- 3) It saves time if you need the pages printed on both sides (a duplex print normally takes longer than 2 single sided prints to

come out as it takes a more complicated engine path). If you do not need it on both sides, technically it will not save any time...

4) It saves engine and roller life. Printing duplex is easier on the engine than picking 2 separate pages and the fact is the rollers will also last longer meaning less maintenance

What does all of this have to do with toner? Nothing really, we just thought it would be helpful to give you some other tools for printing that might help!! **Your toner rep should be looking for ways like this to help you save money on consumables, and yes... paper is a consumable!**



Another “Consumable” Time

When you are computing your costs in terms of toner, time must be considered as a crucial part of this evaluation. If your process takes 20 minutes to order a cartridge and this can be cut down to 2 or 3 minutes, the time savings make the dollar or two difference we all fight for fairly inconsequential. Let me give you some practical numbers you can evaluate so you can see hard costs and soft costs on the same page and see what you are actually paying....

Here is a BEST CASE of a toner ordering process for most companies out there...

Stage	Time	Hourly Rate	Labor Cost
End user realizes they're out of toner (checks printer, goes back and forth from desk to make sure they pressed print, etc...)	5 min	20	\$1.67
User Calls IT to order	5 min	20	\$1.67
IT takes call	5 min	30	\$2.50
IT Forwards Order to Purchasing	3 min	30	\$1.50
Purchasing Places PO	5 min	20	\$1.67
Toner Comes in, Warehouse sends to user	5 min	15	\$1.25
User Replaces cartridge	3 min	20	\$1.00

Purchasing gets invoice and processes	5 min	20	\$1.67
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Best Case per Cartridge Cost in LABOR ---
\$12.93

50 Cartridges per Year X 12.93 = \$646.50

Now what happens when the printer is down for a few days and all the users have to walk further (and get more distractions?) What if the PO doesn't match and there is research that needs to be done? What if the cartridge gets stuck in the warehouse for a few days because they didn't realize it was urgent. Really, we used as conservative of numbers as we possibly could justify.

If one supplier is \$5 more per cartridge, this may not be a big deal if they can cut down process time on each order. Try and not just look at the cost of the cartridge, but break down the process too. The bigger the organization, the more this matters!

Using your own numbers in the chart is critical... ask a user to order a toner and see how long it takes to do. Ultimately, we want you to be aware there is value in a better system. Our most advanced system will look more like this

Stage	Time	Hourly Rate	Labor Cost
We track printers for you and let you know when you need to order a toner via E mail	1 min	20	\$.33
User orders and purchasing is sent a approve/don't approve	1 min	20	\$.33

message			
Toner Comes in, Warehouse sends to user	5 min	15	\$1.25
User Replaces cartridge	3 min	20	\$1.00
Purchasing gets invoice at end of month for all toners (at once)and processes	5 min	20	\$1.67

**TOTAL "Soft Cost" (worst case) per cartridge ---
\$4.58**

Now if multiple cartridges are ordered this will go below \$4 and the good part is you aren't sent a separate invoice for every transaction. We can utilize the other method, but there is an efficiency we strive for in all of our business dealings. If your toner dealer only talks about cartridge prices, you have a problem. They don't understand the value of time.

If Company A charged \$69 and Company B charged \$74, we'd argue that you're better off with company B as they do more for you to make everything efficient. If you asked Company B to match Company A's pricing, they probably would, giving you the best of both worlds!



About Tracking Tools

One interesting thing in the toner market is the lack of the proper usage of reporting tools. We have tools, for instance that will tell you at what % left every cartridge that gets replaced was at when it was taken out of the machine. We can follow coverage, current toner levels, current meters and ultimately all these tools should serve one purpose – It gives us the information we need to make your printer fleet as efficient as possible.

Companies who are just selling toner miss the value of being able to give you reports. It is hard to let you know the color printer in accounting which was only supposed to get use once a year when the annual reports come out is being used to do over 1,000 color pages a month and is actually costing more than your Marketing printer....

Having the proper software set up is absolutely critical to an effective cost management strategy.

We are no different than you... our time is pulled 1,000 directions every day. If we simply rely on free time and not on technology that companies (including our own) have invested tons of money into, then your likelihood of saving much is severely hampered. Our ambition is to automate as much as we can so all of our time with you is not managing a process, but implementing sound cost saving measures!



The More You Know

Lots of people use laser printers, but if you asked them how printers and toner work, they'd look at you like you asked them to explain quantum mechanics. So, here's a brief overview of how the toner goes from those plastic cases to the full-color spreads your advertising team loves.

With most models (Kyocera and a couple others are different because they use a positive charge rather than a neg charge which means their printers don't produce ozone...) a laser beam projects an image of the page you want onto an electrically charged rotating drum coated with a chemical (usually selenium).

The light causes the selenium to react, and it removes charge from the areas exposed to light. Dry ink (the toner) particles are picked up by the drum's charged areas due to the electro-negativity of the toner. The drum then prints the image onto paper by direct contact, and heat (from the fuser) adheres the ink to the paper.

This is important to understand when your prints are looking funky. **If your print has lots of lines through it, the problem is probably your drum** (especially if the patterns are predictable and similar). **If the toner is flaking off the page, the problem is probably your fuser** (not heating the toner enough to cause it to stick to the paper).

People can waste money buying the wrong parts and still having the same printer issue. Like the NBC ads used to say "The More You Know." If you have questions about toner or printing needs, give us a call!



About Simple Buying Procedures

When you are buying toner, consider these simple toner buying secrets. Why SALT — Because salt is one of the most basic compounds in the world. When you are buying toner, you need to stick with the basics too!

S — **Survey** — You need to see what your people are doing and how they are doing it. It is important to know what people are currently doing before your toner rep in starts telling you what he/she thinks you need!

A — **Assess** — Once you see what your people are doing, you can assess what the *current needs* of your organization are. Does everyone print color, but it's not really needed because it's just internet maps? Assess what is happening and if it is what should be happening. You need to decide if the scans or the color or the finishing is actually worth the price it costs to have those nice features.

L — **Leverage** — Leverage your current provider with the knowledge you will be getting more than just their quote. Get these quotes **itemized** to make sure you are getting a fair price as well as all the extras you need in terms of reporting. Don't be afraid to ask questions and make them spell out what they are going to do and what happens if they don't get that done.

T — **Try and Buy** — Every process needs an end. You will need to purchase toner at some point. Don't drag it on forever. See what people are doing, decide if that's necessary, leverage your business contacts and buy the toner.

By employing this methodology, you will make your toner buying experience much more satisfactory and you'll get a lot better deal than if you just take what your Toner Pirate suggests that you have. You want what will work for your company, not just their bottom line.



Secrets About Gratefulness

This Chapter will seem out of place given all that I have already written. Yet, I think it is important to consider the concept of gratefulness. As a customer, if you find a rep who is fair and responsive, you have found something pretty rare in this dirty business. It behooves you to be thankful for their hard work. Are they building real spreadsheets for you to be able to consider the real financial impacts of your decisions? Are they open with you in letting you know when you are making a decision which is not the best for your organization?

If this describes your toner rep, he is not a Toner Pirate, why not send a quick thank you note. Even the most fair toner rep can proactively help you save money by making sure you get the first call on demos or sales, or working with you to ensure that your people are trained for free. They have tools and programs which they are not obligated to give you, and we do reserve for our most valued customers.

This book is not written so you can go to war over pricing, but to ensure you are getting a fair deal. Once you are sure you have gotten a fair deal, why not say thanks? These small tokens are remembered by most reps who are used to being treated slightly better than refuse. You may find that by being educated AND being grateful, you will find a strong advocate in the company you are buying your toner products from. This is really the way it should be. A mutually beneficial

relationship where they can make an honest living and you get a fair price for equipment and service delivered.

I know my best customers have made it so I can stay in this industry, and even though it does feel dirty from time to time, their small notes or gestures of gratitude remind me this really is about relationships and people and not just the bottom line. Because of my best customers, I have started a new company and I have been finding growth has happened.

Being available and fair has done far more for my company than being tricky ever does for a rep. I want to say thank you to those customers who have made me understand my job is to serve and inform and my pleasure is gaining new friendships and associates who I can have a glass of wine with or enjoy a game with. My business associates have created a lot of Pahoda for me and I remain grateful for this fact!



Secrets About Pahoda

Pahoda is a Czech word essentially meaning “It’s All Good.” I was on a Mission trip to the Czech Republic, kind of bummed because my church had a strange view that said it was better not to tour the Pilsner factory because of what it might say about us. I didn’t agree with this perspective, but not wanting to fight over having a simple brew, it seemed better to go with the flow.

As we were doing some service work for a family with rudimentary accommodations, I saw this word, Pahoda, above an outhouse. I was curious as to its meaning and was told it would translate essentially as this:

A beautiful woman at my left hand
A beer in my right hand
Lots of money in the bank
And lots of free time –
-It’s All Good-

I liked this simple picture and the word has stayed with me since. I have the desire to create this feeling of peace, of calm, with those I do business with. I want them to know as I work on their projects – It’s All Good. This is why I write and why I work so hard for my customers. My hope as I write is you will find Pahoda in your days and work to bring Pahoda to others!



A Visual Necessity – Sample Reports

There are a myriad of slick tools available in the marketplace these days and if you are not getting consistent reports as far as volume of prints, toner levels, last cartridge re-order, top dogs in your fleet (devices with the most problems), efficiency calculations, etc... you are missing out on ways to save a lot of money. I thought it would be prudent to end this little book with some sample reports which you can see (albeit very small) which will give you an idea of what's out there... This report will show current toner levels

Toner Re-Order Report for techservonline Starting on 2010-05-01 00:00:00

Device	Asset Number	Mono Pages	Color Pages	Supply	Current Level	Last Ordered
TOSHIBA e-STUDIO2500c 01F7		1,024	1,142	Black Toner	n/a	
TOSHIBA e-STUDIO2330C 0196		1,924	201	Black Toner	n/a	
OfficeJet Pro K8600 0598		17	35	Black Toner	8.6%	
				Cyan Toner	51%	
				Magenta Toner	52%	
				Yellow Toner	94.7%	
KONICA MINOLTA bizhub C360 01F0		2,208	625	Black Toner	14%	
				Cyan Toner	86%	
				Magenta Toner	88%	
				Yellow Toner	88%	

Device	Asset Number	Mono Pages	Color Pages	Supply	Current Level	Last Ordered
TOSHIBA e-STUDIO180CP 5803912 891.004 --- Part Num		0	0	Black Toner	80%	
				Cyan Toner	100%	

This one tells us exactly how many prints every device has done over a defined period of time.

Device Name	Group	Serial #	IP Address	Asset #	Start Pagecount	End Pagecount	Page Total	B&W Total	Color Total	Copier Mono	Copier Color	Print Mono	Print Color	Fax Count	Last Active
TOSHIBA e-STUDIO2330C 019	Pahoda Image > techservonline > Customer A	CI1927800	192.168.1.150		23,713	25,838	2,125	1,924	201	1,729	0	195	201		5/17/2010 8:43:39 PM
TOSHIBA e-STUDIO280 0196	Pahoda Image > techservonline > Customer A	CTC520618	192.168.1.150		308,510	308,510									2/1/2010 1:08:28 PM
TOSHIBA e-STUDIO180CP 580	Pahoda Image > techservonline > Customer A	5803312	192.168.1.165		32,885	32,885									1/28/2010 2:46:53 PM
KONICA MINOLTA bizhub C36	Pahoda Image > techservonline > Customer B	AOED011000031	10.1.1.240		29,630	32,463	2,833	2,208	625	545	54	1,539	571	124	5/17/2010 8:45:44 PM
TOSHIBA e-STUDIO2500c 01F	Pahoda Image > techservonline > Customer B	CB730017	10.1.1.247		132,122	134,288	2,166	1,024	1,142	1,024	104	0	1,038		5/17/2010 8:45:43 PM
hp LaserJet 9050 01F2	Pahoda Image > techservonline > Customer B	CNR1P06860	10.1.1.242		14,365	15,429	1,064	1,064				1,064			5/17/2010 8:45:44 PM
hp LaserJet 9050 01F3	Pahoda Image > techservonline > Customer B	JPRL86100X	10.1.1.243		36,046	36,731	685	685				685			5/17/2010 8:45:44 PM
hp color LaserJet 2550 se	Pahoda Image > techservonline > Customer B	CNGHD05276	10.1.1.249		39,454	39,702	218	82	136			82	136		5/17/2010 8:45:45 PM
HP LaserJet	Pahoda Image >														5/17/2010

Top 10 Problem Devices

Device Name	Errors	Warnings
hp color LaserJet 2500 FE7D	21	1
Officejet Pro K8600 0598	20	5
TOSHIBA e-STUDIO2500c 01F7	18	43
TOSHIBA e-STUDIO2330C 0196	17	7
KONICA MINOLTA bizhub C360 01F0	14	196
hp color LaserJet 2550 series 01F9	14	17
RICOH Aficio MP C5000 FE5A	8	71
hp LaserJet 9050 01F3	6	26
TOSHIBA e-STUDIO180CP 5803312 891.004 --- Part Num	4	6

We have over 30 such reports we can offer you, but it is difficult to show you all of the reports that are available. The point is you should be getting reports and get them consistently!

Thanks for taking the time to read our little book, we hope it helps you save a bunch of money and get better quality service!

ACTION ITEMS FOR SAVINGS:

