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Feature article reprinted from *Imaging Spectrum* magazine.

ImagingSpectrum
Magazine

January 2005

Sell Like the OEMs—Use “Green” Marketing

Some office-equipment and imaging supplies companies succeed with “green,” environment-friendly marketing, but in general the practice has taken a backseat to more bottom-line focused marketing strategies involving price and overall value.

Yet Trends May Be Shifting

Environmental concerns may take on a more prominent role with current economic and environmental trends such as OEM activities, electronic waste (e-waste) and the rising cost of electricity.

The OEMs have decided to refocus their energies on the environmental issues of “new” versus remanufactured to win back market share. And remanufacturers now must compete with OEMs that are using bogus reports (that they commissioned) and skewed data to confuse and mislead consumers. Hewlett-Packard recently touted a new report assessing the environmental impact of its cartridges with remanufactured products. *(For more information on this practice see the article on page 22 in this issue.)*

Electronic waste (e-waste) is the most rapidly increasing landfill component. And as oil prices increase, renewable-energy alternatives such as plant oils may become viable substitutes for making the plastic cores for toner cartridges (see the sidebar about e-waste).

Since remanufacturing and recycling also save electricity consumption, the effort to become more environmentally friendly with office products not only may continue to save consumers money, but also may help to gain energy independence from foreign oil.

In the Beginning “Green” Mattered

Eco-friendliness was more prominent in the office equipment and imaging supplies remanufacturing/recycling industry in its early years, but now has been drowned out by the frenzy over prices. The environment-friendly aspect of remanufacturing and recycling once was used as a marketing tool to differentiate remanufactured/recycled products, according to Ronelle Ingram, director of technical service for FKM, an office-equipment company in Irvine, Calif. “In the beginning, the marketing tool had to be something other than ‘It’s better,’ because nobody believed them,” said Ingram. The industry matured and personal comfort and meeting payroll came to the forefront, so the environment diminished as a marketing tool for remanufactured or recycled products. According to Ingram, “It’s just business.”

Just as recycled paper usually costs more because of the processes used, eco-friendliness has not always translated to savings in the remanufactured-cartridge market. “The clients I talk with seem to be concerned about the environment somewhat, but generally are not willing to pay more money to lessen the impact,” said Rod Davis, president of CopierExpert, Boise, Idaho. “There are exceptions, of course, but until the true cost of the environmental impact can be associated as a cost to the bottom line, progress in this area may be slow.”

It is not easy being green. If recycled and remanufactured equipment and parts are not of sufficient quality, no amount of eco-friendliness will help sell it. Tom Heinsinger, Jr., president of Rapid Copier Service Co., Feasterville, Pa., said, “A better price far supersedes any environmental issues in our market.”



Still Environmental Marketing Can Pay

It is not uncommon to find remanufacturers of toner and inkjet cartridges and components or sellers of aftermarket imaging supplies who are environmentally conscious. It is the same with many who refurbish copiers or printers, too.

An example of a cartridge remanufacturing company is the Rapid Refill store Dan White, a biologist and former California Academy of Sciences member, founded two years ago in Eugene, Ore. There are now 40 environment-conscious Rapid Refill franchise stores that refill inkjet cartridges and retail new and compatible ink cartridges. “I think that people can make money by paying attention to environmental issues,” White said.

White explained: “I have a tremendous love for the environment and I am also an entrepreneur. I have spent the last two years of my life dealing in technology.”

Barely two years old and with 40 stores, Rapid Refill is poised for growth. White expects that by the end of 2007, Rapid Refill will have

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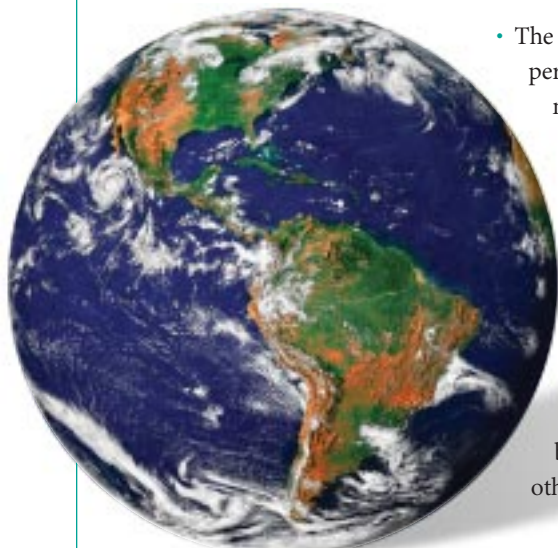




350 to 500 stores throughout the country. According to White, the businesses make “tremendous margins” on the cartridges, and consumers save anywhere from 40 to 70 percent off the retail price of the cartridge. Rapid Refill has stores that will have revenue in seven figures this year.

One of the first indications of these stores’ environmental commitment is the use of eco-materials in their décor. For example, the stores’ countertops are a burl-like, dark green with brown streaks running through it. They have a very hard surface made from sunflower seeds. There is other evidence of environmentally friendly efforts at all the stores from the materials used on the floors and walls to the miniscule amount of waste thrown into dumpsters:

- The stores’ carpets are 52-percent post-consumer content, such as milk cartons. White commented that it is “attractive and resilient” and is being used more frequently in commercial environments.



- The slat walls are 100-percent wheat stock made into a pressed board. “This is a product that until a few years ago was burned, allowing pollutants into the air, which emitted dust particles and caused problems for people with breathing or vision or other things,” White said.

- All the materials used for furnishings in the back production area—from the flooring to the countertops—are reclaimed materials. The tile flooring costs 60 cents per square foot.
- Invoices, receipts and all paper and cardboard are recycled.
- Toner powder containers are recycled, and reconditioned parts, if possible, are used to remanufacture cartridges.
- “We take in the Canon and Epson cartridges that many remanufacturers do not want, and if we can not remanufacture them, we recycle the plastic,” White said. The cartridges are ground up to be recycled into other products, such as artificial wood decking.
- Fleet automobiles used by the company make 50 miles per gallon.
- Drop boxes for collection of empty inkjet cartridges are made with recycled plastic. These boxes are similar to film drop boxes. One box in use provides over 500 empty cartridges per month.

When people come into the store, they expect an electronics-store franchised look, White explained, but instead they see a warm environment.

“I think that people can make money by paying attention to environmental issues.”

Dan White, Rapid Refill

“I do think for us it has been a monumental impact,” White said. The Eugene Chamber of Commerce gave them a “Trash buster” award for 2004. “We have gone out of our way not to put things into the garbage.”

The environmentally conscious marketing he does is “all about education,” White said. “When I make a presentation and I can say it takes 3 1/2 gallons of petroleum to manufacture one toner cartridge, and there could be potentially 1.8 billion cartridges in the landfills, think about how much petroleum we throw away for no reason.”

A Canadian Eco-friend

Outside the United States, others are flying the “green,” environment-friendly banner. Teckn-O-Laser, Sainte-Julie, Quebec, Canada, is a cartridge remanufacturer with a zero-waste corporate objective. “As a company, we have the best behavior possible towards the environment,” said Yvon Léveillé, Teckn-O-Laser president.

Since being founded, Teckn-O-Laser has invested heavily in cartridge-component science to be able to reuse as much as possible



without compromising quality, Léveillé said. "Reusing is better than recycling because it saves initial energy investment in component developments." The objective: OEM equivalency.

Packaging materials are mostly new, "because the market judges the quality of a product by its look," Léveillé said. But the company favors recyclable packaging materials.

"Finally, to help our customers achieve zero waste objective, we have put in place a reclaiming infrastructure to promote recycling of our products," Léveillé said. "This will be an area where Teckn-O-Laser will be more active in the future."

Steps to Becoming "Greener"

As Léveillé and White prove, to be effective, the commitment to the environment must be more than printing the three-armed "recycle" symbol everywhere. Companies can choose to become eco-friendly in a number of ways, but here are some tips:

Talk to other companies about what they do. There are numerous examples of people and companies within the printer and copier industry who recycle parts, machines and also make an effort to reduce waste and energy use.

Make it part of your business plan and objectives. Before he started his company, White made environmental consciousness



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part of a business plan he pored over for several days. Consider some eco-friendly alternatives when undertaking expansions or other ventures.

Start small. Recycling of office paper, one of the most sought-after papers for recycling, is a way any company can become environmentally proactive.

Make sure people know it. White has a mural in the Eugene office with 60 endangered species on it, and says he tours schoolchildren through and explains the benefits of being environmentally sensitive, such as not polluting water where the animals live. “We have taken strong measures to make sure that we are part of an environmental solution,” White said, “not only in remanufacturing cartridges, but in the other things.”

Gone “Green”

People can choose to put a piece of trash in the car waste sack instead of throwing it out the window. In much the same way, consumers and sellers have the choice to go “green.”

As oil prices move upward, plastics in the office-equipment industry move toward recycling or renewable energy alternatives. As more companies in the printer and printer-supplies markets recognize the value of recycling and remanufacturing to save energy and

Companies, Governments Seek Control of “E-waste”

By Neal McChristy, WFP Co.

Office equipment and supplies are part of a growing concern among governments, corporations and environmentalists dealing with billions of tons of “e-waste,” or electronic waste.

Some governments, including individual state governments in the United States, are trying to either contain the dumping of e-waste or make sure it is recycled. For example, there is a process used to tackle the contamination problem caused by lead found in the platen glass of some older copiers. If water leaches through the glass on these copiers, it could cause contamination.

While billions of tons of e-waste are thrown away annually, there is technology called “de-manufacturing,” or component recovery, that exists to make leaded glass from copiers, computer monitors and televisions into slag for recycling.

Environmental Awareness Growing

There are other trends that show the environment is attracting government and corporate attention:

E-waste is worldwide. Cartridge plastic is estimated to take 1,000 years to decompose. Dumping of e-waste offshore, including printer and copier products, has resulted in a recent discovery by British scientists that microscopic particles of plastic debris exist in all

of the Earth’s oceans. Dumped cartridges and e-waste have polluted villages in southeastern China as described in the August 2002 and January 2004 issues of *Imaging Spectrum*.

Governments are reacting. A growing concern about the hazards of e-waste has sparked proposed governmental controls in some Asian countries, the United States and the European Union, including the WEEE Directive (Waste Electrical and Electronic Equipment). California passed legislation in September 2003, called the “California Electronics Waste Recycling Act of 2003,” and 28 other states have similar legislation pending. The encouragement toward eco-friendliness extends to U.S. public agencies, encouraged to use “...products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose....”

Technology is working to make office equipment eco-friendly. Thirty engineers from Hewlett-Packard (HP), Palo Alto, Calif., made the working prototype of an inkjet printer that biodegrades in three months. The printer case was made from polylactic acid polymer (using a type of corn starch developed in 2002), and the metal parts in the engine of the printer are made from parts that can be easily de-manufactured, or separated into metals for recycling.

HP also developed a process in 2003 in which plastic from recycled drinking bottles and recycled print cartridges are made into RPET plastic, a blended material that is being used in the carriage cover for the HP Scan Jet 4500 and 5550. Larger machines using RPET will soon be introduced.

Other eco-friendly methods for making plastic include polylactic acid (PLA) plastics, made from polyol, a derivative of plant oils such as soy, castor or other oils that is mixed

landfill space, it will spark similar competition. Teckn-O-Laser will emphasize the “green” part of its products, Léveillé said, “as we have a lot in place and more to come.”

Environment-mindedness has paid for Rapid Refill and more office-equipment companies may join. Said White: “They need more entrepreneurs like who have a heart for the environment—a heart for humanity—who will say, ‘You know what? I can make money off of this recycling stuff.’” ❄



with other chemicals to make a plastic that can be combined with fiber to make an ultra-hard plastic. While not yet economically competitive with petroleum, these renewable-energy plastics have been used in computer notebook casings, CDs and soft polyurethane foam.

Manufacturers are showing “green.” Check the “environment” Web pages of just about any manufacturer and there are stories showing how the manufacturer is conscientious about reuse, waste, remanufacturing and recycling. For example, Xerox has reused parts and machines since 1991 at savings of several hundred million dollars per year, an estimated cumulative amount of 1.5 billion pounds and energy savings of 1.5 million megawatt-hours in 2003. Machines are designed with modular parts for easy disassembly and easy reuse of machines and parts. Canon and Konica Minolta also remanufacture machines, and Ricoh has won awards for its major initiatives to recycle.

Retail companies are helping to reduce e-waste. Companies such as Best Buy and Office Depot have programs to take electronics for recycling in conjunction with manufacturers such as Hewlett-Packard, which has indicated its intent to recycle one billion pounds of e-waste by 2007.

Strong Position for Remanufacturers

The cartridge remanufacturing industry is well-positioned to promote the environmental benefits of remanufacturing as the highest form of recycling. Government environmental policies and consumer awareness are shifting toward those priorities that this industry is best suited to address. ❄





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