

# The MultiCopy Story

**The MultiCopy story is a story that reflects with near perfection the nature of the 21st century printing industry. It's a story not of how technology has changed a business, but of how partnership has helped reinvent a tried and trusted business model for the digital age. It's a story to demonstrate why partnerships are the foundation for enduring commercial success.**

MultiCopy is a global network of printing companies servicing a vast array of print applications with over 1000 affiliated print centres worldwide. It is part of Franchise Services Inc (FSI), the largest franchise operation in the printing industry, and which includes Sir Speedy, PIP Printing, Copies Now and Digital QuickColor. MultiCopy originated in the Netherlands which is where its operations are most entrenched, with its hub in Amsterdam. MultiCopy has printing facilities at over 80 locations throughout the country, 30 of which are ISO 9001 (the quality management one) certified with ten more expected next year. Worldwide, MultiCopy has 70 outlets.

MultiCopy's head office in Amsterdam is to be the site of Canon's first installation of its 70 colour-page-per-minute Imagepress 7000. The Imagepress 7000 was introduced at the last Ipex, the result of many years intense research and development. With its CLC technology for light to mid range production (105 pages per minute mono and 51ppm colour) Canon arguably had had an early lead in the digital printing industry. But despite the success of this machine, particularly in combination with Efi's Fiery front end, the CLC technology was not the basis from which to compete with the likes of Xerox, Kodak, Xeikon or HP Indigo for high end applications.

The Imagepress is an entirely new proposition and it includes a number of innovations that suggest Canon is well aware of the professional print industry's needs. For example the Imagepress 7000 uses highly accurate twin red lasers to print true 1200 dpi with 256 grey levels. The newly developed Advanced Image Transfer Belt which is partly elastic, can compensate for variations in the media surface and ensure that toner is laid down evenly and consistently regardless of the substrate characteristics. The technology works in tandem with Canon's V-Toner which combines the best characteristics of traditional toners. Toners are generally either pulverised or polymerised but Canon's V-toner is a mix of the two, giving it the wide colour gamut of pulverised toners, but without their excessive shininess and the matt qualities of polymerised toner without its gamut limitations.

The Imagepress 7000's drum has a special coating for stability and image sharpness and during printing the engine automatically measures and

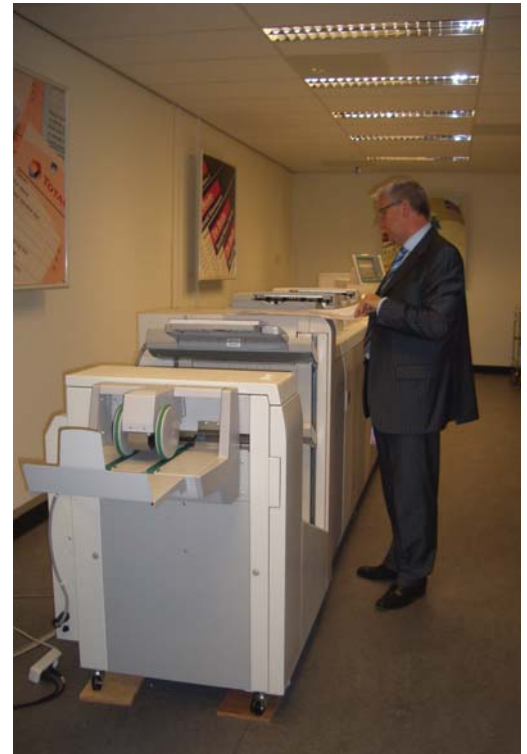
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▼ corrects page-to-page density. Intelligent Registration Technology (IRT) ensures front-to-back and side-to-side registration accuracy by measuring the front side of a page and then aligning it with the back, fine-tuning the image size if there has been paper shrinkage during fusing.

And that's just the start. In conjunction with X-Rite Canon has co-developed Process Control technology to provide tools for specific device profiling, in addition to the generic Imagepress 7000 device profile. There are also tools for creating and saving spot colour palettes based on Pantone libraries, and seven pre-set halftone screens. Other quality controls have impressed MultiCopy, including gloss optimisation which controls gloss, without compromising speed. The Imagepress 7000 produces print with high gloss on coated media and matt on low gloss media using a new tandem fusing method to fix and transport media via two different paths, depending on the characteristics of the media - there are 2,000 media pre-set in the Imagepress 7000's library. By the end of this year, Canon expects to have over 250 of these machines installed in Europe and there is every indication that it will meet this target. Canon is also working hard to gain customers, like MultiCopy, which is a Xerox Premier Partner and iGen3 user.

MultiCopy chose Canon based on what it saw at Ipex, becoming the machine's first test site shortly thereafter. This original beta machine was a hit with MultiCopy and was replaced with a new one in June. The Imagepress suits the MultiCopy environment because it has the flexibility to handle lots of small jobs with relatively simple set up, which is ideal for MultiCopy. The Imagepress Server A3000 has twin CPUs for concurrent processing of static and variable data and provides detailed pre-and-post flight reporting. It also has controls for suspending, prioritising or advance job scheduling so it meets MultiCopy's need for production flexibility. For output quality control Canon's proprietary Advanced Smoothing Technology (AST) eliminates banding and the Effective Resolution System adjusts image appearance based on document content. It prioritises resolution or tint graduation processing, depending on whether the data describes text and line art or images and graphics.

MultiCopy produces a lot of high quality finished work on heavier substrates including coated stocks, so it was also won over by the Imagepress 7000's inline finishing for trimmed booklets and inline holepunching. The machine supports a wide range of stocks (64 to 300gsm) with 10,000 sheets online for over two hours of uninterrupted production and at 70ppm the press also has the speed, stability and quality MultiCopy needs. The company hasn't thrown out its iGen3 but according to managing director Gerard Slot "to make money with the iGen3 you need many applications". For the high quality work, especially jobs on heavier stocks, MultiCopy is now using the Imagepress 7000, using the iGen3 for additional high quality capacity when needed. MultiCopy is also continuing to work with Xerox 2060s, however these are due to be replaced with a second Imagepress 7000 later this year.



*Gerard Slot, managing director of MultiCopy, tends to his Imagepress 7000.*

## ▼ The Beginnings

MultiCopy has its origins in 1972 when, with quite remarkable prescience, if not the best of timing, the Bijenkorf department store set up MultiCopy operations in stores in various European cities. The idea was to sell print as a retail commodity using 200 AB Dick presses to produce it. Four years later when it was clear that on-demand/ quick printing was not yet a retail product, the company divested its print locations. Several operations were acquired as part of an MBO with outside investment, most significantly from Moore Corporation, the Canadian forms printer. Moore sold its shares in 1996 and FSI is now entirely self-financed with a presence in 30 countries and 1000 locations worldwide offering more or less same day service.

The MultiCopy part of this empire rapidly grew to a network of 34 locations throughout Holland. In 1981 and at the bank's behest MultiCopy had switched to a franchise model, offering employees the chance to either be closed down or to take on their businesses under franchise agreements. Of 34 outlets, 22 chose the franchise option overnight and today MultiCopy has pretty much a quick print monopoly in Holland, with a dedicated sales force set to grow to around 100 sales people in the next couple of years. The association with FSI continues because as Gerard Slot explains "the advantage [for franchisees] is that we are part of an international company".

## The Franchise Model

MultiCopy is a classic franchise model, with franchisees starting either from scratch or from the basis of an existing printing company. Companies without a clue about the printing business are good for MultiCopy, because the company can add value to that business. Franchisees pay a general fee to a maximum of 5.5% net sales and an additional marketing and promotional fee to a maximum of 3% and this annual percentage drops with the growth in digital print volumes. A franchise committee of seven owners represents the franchisees and liaises with the MultiCopy board, to share and develop ideas about future business development and technologies.

MultiCopy does a lot to help its franchisees, especially with staff training. As Slot says "we are strong believers that sales training is the most important part of the future". He also believes that printers have to spread their capacity and technology investments across a range of applications: "Colour and large format you have to do and direct mail." MultiCopy puts its money where its mouth is and there are sales training opportunities to help its franchisees, along with marketing and technology assistance.

MultiCopy's nurturing extends to technology innovations and support as well. The company has, for instance, translated into Dutch EFI Printsmith which is used at 80 MultiCopy outlets. The company is working with Interlink which provides web-based software tools to help service providers get more involved with marketing services on behalf of their clients, specifically for print, fulfilment and mailing services. ►

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▼ Interlink is helping MultiCopy franchisees to provide personal URLs for their customers, so that they can take advantage of MultiCopy's web-to-print solution, Mydocs.

Mydocs is MultiCopy's own development and it has been less expensive to implement and support than XMPie, its closest rival. It is now in version 2.0 and there are over 5000 MyDocs customers sending files monthly. Franchisees are not obliged to use MyDocs and MultiCopy also offers Printsmith and Digital Storefront for those centres that would prefer an alternative. Web-to-print is a key part of the future for MultiCopy as Slot explains "Web-to-print is so important and our sales people are doing projects with customers to build up the web-to-print market. Web-to-print changes everything. If you don't do it, do it!"

MultiCopy also has an agreement with DHL/Deutsche Post. This is the second largest postal company in the Netherlands. MultiCopy centres are centres for Selektmail direct mail, the post office's bulk mailing service which provides a 20% advantage in postage costs. The deal with Selektmail has given MultiCopy the knowledge and experience it needs with distribution and database management to develop further services. For example, many franchisees use the Objectif Lune Printshop Mail software which Canon supplies for personalising print, although according to Slot: "Only a small percentage is personalised".

To help improve matters, MultiCopy has put together database guidance and recommendations for how to check and clean up databases. Since there is no clear code of practice for databases, providing printers with prescribed procedures for data management makes a lot of sense, particularly as the guidelines are based on experience gained in print fulfilment.

In 2008/09 MultiCopy is launching MultiCopy Creative Services for franchisees to provide bespoke services helping them handle special projects and sales support. Expert consultants will be introduced at the MultiCopy annual convention in January 2008. This event promotes new technologies, shares ideas, and introduces new services for franchisees, such as the photo printing services which will initially rely on the Imagepress 7000 for output.

As part of this concept, franchisees can sell photo album services to, for example, sports clubs. Working with Albummaker.nl, developers of web based photo album creation and ordering software, MultiCopy can offer clubs and schools access to the images on a website, with the option to create and print albums. In return for providing the web access, the franchisees and MultiCopy take a cut of the order value. In the UK Bonusprint uses the same software, however Bonusprint is only about printing the albums and lacks this rather special social dimension. MultiCopy offers customers the chance to share pictures, plus the option but not the obligation to create prints and albums. The cost price is split between the customer, the franchisee and the production centre based on the post-▶



MultiCopy's managing director Gerard Slot.

code of the delivery address. Currently all printing is done in Amsterdam on the Imagepress 7000, but MultiCopy is looking at letting franchisees print at their own locations, subject to them meeting a set of performance criteria.

The FSI group has its own digital research centre in the US, and this can be used to test new technologies on behalf of its franchisees. MultiCopy has access to this and at the local level MultiCopy relies on cooperation between its board and the franchisee board. Today the concentration is on improving workflow between franchisees, particularly to share capacity and to exploit cooperative activities.

In addition to its basic membership, MultiCopy set up an internal network in Holland in 2005 for its franchisees along with a new membership programme, MultiCopy One. This programme includes a software development, backup facilities, DSL lines, mail servers, general IT acquisition and other services. It is expected to provide more comprehensive services to the membership such as Voice Over IP (VOIP) which is due by the end of the year, plus security and digital commerce support. To be part of MultiCopy One, franchisees pay between €4000 and €5000 depending on the services needed and in return pay minimal amounts for production technology software updates, with access to additional technology support and recommended practice.

MultiCopy spends a great deal of time, effort and money to develop programmes such as this on behalf of its franchisees. This involves working with suppliers and developers to get the most out of what the technology could offer. It also involves considerable support for the franchisees to help them apply the technology to new business ideas. New ideas are what MultiCopy is all about, whether it's sending franchisees little pamphlets with ten ideas for how to improve profitability, or substrate testing at the US test plant. MultiCopy also has some new ideas about how suppliers can help accelerate the development of the digital printing industry.

## Time for a Change

This is about how printers function and their incentive to exploit digital technology. According to Slot the digital press manufacturers could do a lot more, and Canon is already looking into ways of breaking the current model. Slot says: "We started twenty years ago with copying so we are familiar with clicks and selling digital print. We have learned that the vendors are not doing it the right way for our industry". Slot believes that long term five year contracts are strangling the digital printing industry. Such contracts lock printers into a technology for too long, and printers are stuck either without the means to develop capacity for the device, or they are rendered uncompetitive as technology changes.

In defence of suppliers, there is ample opportunity for printers to work with suppliers to develop their digital businesses: Canon has its Business Builder programme, Xerox has the Profit Accelerator programme, Kodak ▶



The MyDocs service has proved to be popular with MultiCopy's web to print customers.

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its Market Mover programme and HP has a business development initiative. However the five year purchase contract still constrains many printers to a model that does not reflect the nature of application change, the speed of technological advances, nor the competitive landscape, which is only getting harsher.

Slot believes that the “click price must be lower because that’s the only way to build volume” and that the five year leasing model has to change so that printers can change their technology more easily. Slot would like to see a write-off over three years, options for outright purchase plus separate maintenance arrangements. This of course could be extremely difficult to do, because of the complexities of financing and local commercial expectations. However Slot wants suppliers to move away from expecting customers to just pay depreciation; maybe it’s an argument for companies to provide their own financing, as Canon does. Canon claims to be the only company selling digital presses that currently offers its own financing. The organisation has the scope and flexibility to write its own contracts, contracts written to suit the customer and supplier, rather than the finance company.

Gerard Slot rightly points out that “our industry is changing and drupa is fully sold out, and it’s an industry in turmoil so you cannot continue with what you have today.” That applies to everyone involved in the printing business, not just suppliers, because print is no longer about smearing grease on dead trees. It’s about multichannel communications and helping to deliver complex messages in a noisy and chaotic information landscape. It’s about sharing ideas, leveraging technology and creativity for customers. This is the age of the Internet where open, shared access is the foundation of new business models. That is the ethos that shapes success, and it’s the ethos shaping MultiCopy. It is also part of the Kyosei ethos which means living and working together for the common good and which incidentally is Canon’s motto.

– **Laurel Brunner**

