XEROX MAGAZINE

MARCH 2006

THE FUTURE ON DEMAND

How Xerox on-demand technology revolutionised book publishing

MASTERS OF INVENTION

A glimpse into the secret world of the Xerox Research Centre

Your exclusive guide to IPEX 06 is inside >>>

SURE-FIRE TIPS FOR SUCCESSFUL SALES

Easy ways to grow your digital business

SPOTLIGHT ON THE 495

We put Xerox's new continuous feed star through its paces

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IN THIS ISSUE...

WELCOME

… to the latest issue of *Xerox Magazine* – packed with the latest news, views and developments in the world of digital print.

The subject on everyone's lips is IPEX 2006 – and what better way to plan your trip to this unmissable event than with the help of our **XEROX Guide to IPEX**, included with this issue. IPEX 2006 will be bigger and better than ever – and Xerox will have the biggest presence of all the companies there. Our guide will make planning your trip easier, and the experience itself rewarding and enjoyable.

This issue, we show what goes on behind the scenes at Xerox, from software support at our Neuss customer service centre, to developments at the **Xerox Research Centre Europe** in Grenoble. I'm sure you'll agree it makes compelling reading.

And if you're looking for new business opportunities for 2006, you'll find plenty of inspiration right here. We speak to two of the pioneers of **on-demand publishing** on page 10, and meet two Dutch entrepreneurs who've made a success of their personalised greetings card business on page 24.

For more information on any of the products mentioned, visit **www.xerox.com/magazine**. You can also let us know what you think of *Xerox Magazine*. Email **magazine@xerox.com** to post a query to our experts, or suggest a great case study for a future issue – we're always on the lookout for inspiring stories.

I hope you enjoy your read.

Anthony Hyde

Anthony Hyde
Editor-in-Chief



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Contributors



Jurgen Franck is a Swiss print journalist with a particular interest in advances in digital technology



Des King is a freelance journalist who specialises in how digital technology impacts the print and packaging sector



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Susan Wright is the editor of *Print & Paper Monthly*, the UK's leading monthly print magazine



Edward Russell-Walling is a writer and editor who specialises in business and financial affairs

GETTY; ARSENE SAHEURS

How to sell digital print

You've bought the kit. You've sized up the prospect market. You've got the best available **digital technology**. Now what happens? Here are three sure-win lines for successful selling...

1 **"It's solutions, solutions, solutions"** Your manufacturing expertise goes without saying. And unless it's of interest to your prospective customer, that's how it should stay. Digital print is a marketing solution first, and an engineering tool second. The hardwiring of the iGen3 or Nuvera 144 might fascinate your production team, but for the customer it's what it can do for them that counts. So, give them a customised solution, not a technical tutorial. The technology has put you in contention for new business, but it's how you apply it that will maintain a profitable commercial relationship.

2 **"There's more to digital than short-run"** Print to the power of one might suggest a long-haul route to profitability, but it's a far better platform on which to grow your business than raising the start-point to 10, 100 or even 1,000 copies. On-demand print solutions should never be pre-conditioned by volume. A thousand individual single-sheet orders delivered on time equates to a thousand satisfied customers. For a quicker and more effective service, use Press-Sense iWay software, part of the Freeflow suite of workflow solutions, available at www.xerox.com. This allows a client to upload and edit their personal details on your server – perfect, say, for business cards. They can also place an order online and expect to see, say, the business cards at their office by first post. That way, you avoid having to send a client an order preview and reduce the risk of making a mistake in the order.

3 **"We're not just suppliers. We're partners"** From receipt of a pdf file to finished print in one seamless operation, on-demand print is a service with no surprises. Providing a product that delivers what it says on the can doesn't exclude added value. It's simply how you evaluate it. Delivery at the right time and the right price builds trust. Anybody seeking to improve their business armoury should consider attending one of the eight training courses that Xerox runs on how to sell digital print. The courses run over one or two days. For details, contact your local Xerox representative. ■



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* THE PRINT HINT

Become your technology's extra customer. Digitally print your own sales and marketing collateral, personalised greetings cards, and packaging and labels for corporate gifts. Make sure everything is slick, sexy and has the all important 'wow' factor. Every opportunity taken to show off your technology's capabilities is a positive step taken towards growing your on-demand business.

Paperback writer

They say that everyone has one book in them. With the help of Xerox digital on-demand technology, US online publisher Lulu is turning that literary dream into a printed reality for as little as €9, reports **Des King**



Over 200,000 new book titles are published by conventional means each year in the US. A relative handful of them go on to bestseller status: their film rights snapped up and the author's future selling-power secured for as long as the words keep flowing. For every Stephen King or Harlan Coben, however, countless other manuscripts head straight to the slush pile: a repository of work dismissed at the very first hurdle on the path to publication. It's salutary to wonder just how many potential masterpieces have never seen the light of day.

Whilst the publishing industry might be concerned with eroding margins, risk on investment and excessive retail and distribution demands, the one thing in plentiful supply is raw feedstock. Volume out, however, doesn't equate to volume in. If the text doesn't merit a reasonable print-run in the publisher's opinion, then it'll be lucky to even elicit a rejection slip. J K Rowling received 15 rejections before Bloomsbury in the UK and Scholastic in the US took a chance on Harry Potter.

Online alternative

Happily for authors and readers alike, the correlation of the internet and Xerox digital print technology is dramatically changing how the book trade works.

Whilst a number of recent digital technology start-ups have opted to provide short-run services – invariably for scientific and technical publishers – North Carolina-based Bob Young has gone straight to the heart of the matter. For the past two years, his online publishing business www.lulu.com has provided budding authors with a direct, no-frills medium through which to transpose digitally-filed text and images into a finished book format available for print and despatch on demand.

THE AVERAGE PRODUCTION TIME FOR A BOOK FROM RECEIVED FILE TO FINISHED PRODUCT IS JUST FOUR MINUTES

Better still, 80 per cent of the sales revenue achieved over and above the cost of production goes direct to the author, with Lulu only picking up the smaller balance; the antithesis of how the conventional publishing industry operates.

The premise is simple: authors are provided with a comprehensive online step-by-step guide to uploading their manuscript and can select from a range of formats, the most popular being 6in x 9in. The final cost will depend upon pagination, use of colour and inclusion of images, but is unlikely to exceed €10 per copy.

The Lulu print-on-demand operation is akin to eBay in facilitating trading on a one-to-one basis, with the decision to buy ungoverned by the dictates of volume production/distribution market rules.

"It's the customer's right to decide what is good and not good; it shouldn't be the supplier's," says Young. "We have a book on Lulu on quantum physics written by a professor at the Los Alamos national laboratory. In his view, it had a limited audience of maybe two or three hundred: all other quantum physicists. That book would never have been published but for Lulu, because no traditional publisher would want a book that would only sell so small a quantity.

"They need to sell 10,000 copies of any given book to make money on it. So anyone who has a really valuable book that might have an audience of only a couple of >

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LULU'S BEST BOOKS

1. HOW TO START A WEDDING PLANNING BUSINESS
2. FINDING THE CAN IN CANCER
3. LUCIFERIAN WITCHCRAFT
4. THE ULTIMATE TATTOO GUIDE
5. ACTING FOR IDIOTS
6. THE 21 MINUTE BIBLE
7. HOW TO BECOME AN ALPHA MALE
8. THE GOLDEN GIRLS TRIVIA BOOK
9. LISTEN TO WHAT YOUR KIDS AREN'T TELLING YOU
10. JFK IS STILL ALIVE

thousand people on the planet will never get published."

Lulu is the perfect home for books aimed at extremely niche markets, such as Richard Brown's *Replica Watch Report*, on how to spot a fake Omega or Rolex watch. In championing the cause of under-serviced authors and readers, Bob Young has tapped into a lucrative vein with minimal risk. Lulu now has over 25,000 different titles on file. The website is visited daily by over 30,000 prospective purchasers and the online publisher's printing partner, ColorCentric – based in Rochester, New York State – has three Xerox iGen3 and four DocuTech 6180 presses producing Lulu titles at a rate of 40,000 units per month.

ColorCentric is installing additional Xerox equipment to keep up with demand. Meanwhile, Lulu's turnover is growing by 10 per cent month-on-month. If current rates are maintained, total sales of around €1.7m achieved during 2004 will have soared to €8.5m by the end of this financial year.

The four-minute book

The average initial print run for a Lulu title is less than two. At no point in the process – from the initial uploading of the manuscript onto the Lulu website, the transfer of the file to ColorCentric and its passage through the Xerox iGen3 digital press to finished format – is the book touched by human hand.

The average production time for any book from receipt of file to finished product is four minutes.

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LULU IS THE PERFECT HOME FOR BOOKS AIMED AT EXTREMELY NICHE MARKETS, SUCH AS 'REPLICA WATCH REPORT'

In reality, the popularity of Lulu books is such that a 48-hour queue is the norm. ColorCentric plans to cut that by half with the new Xerox machines.

Just as with the internet and digital print technology, Lulu and ColorCentric are a natural fit. "In business, you're always looking for partners who get it; suppliers you don't have to convince to do things the way you want because they already know better than you could ever have explained," says Bob Young. "We spoke to a lot of print shops who had Xerox equipment. ColorCentric were the ones who said if you're committed to giving us a file that we can plug into our system, and that can go straight through the production process without us getting involved until it's ready for distribution, then we can do that for exactly the same price for one book as for 100. The printing engine doesn't care."

According to ColorCentric CEO John Lacagnina, many offset printers extending into digital still fall into a habitual mind-set of thinking in terms of print runs.

"On-demand printing requires a totally different internal process. If you're talking hardware, forget it – because if you're not talking bits, bytes and bandwidth, you're not talking on-demand printing. Anyone can buy the equipment; our value is the process."

It's a difference that's paying dividends. Lulu's 40,000 books represent only 50 per cent of ColorCentric's monthly production on behalf of the book trade; the balance going to publisher-requested short-run reprints. The company also applies its one-as-standard approach to printing a range of photographic material and customised business cards.

And the next step? Lulu is actively looking for other Xerox users across Europe and Asia – next stop, the world! ■



ON-DEMAND THE SPANISH WAY

Said to be the largest digital printing centre in Europe, Publidisa S.A. provided digitally printed short-run services for book publishers in Spain and Mexico for over five years. Equipped with two iGen3 presses, ten DocuTech 6180 and two DocuPrint 850 continuous feed machines, the Spanish company prints millions of A3 sheets a month.

Once a text has been digitally stored, publishers can call off quantities specifically printed to meet distribution requirements, thus minimising initial investment levels and inventory charges.

"The quality of books produced by Publidisa is a recognised benchmark across Europe," says Alfonso Garcia Laiz, Xerox's publishing manager for Spain. "By integrating online services with the latest digital technology, they're providing a short-run on-demand service for hundreds of customers and have plans to expand their business to other countries. Irrespective of location, the Publidisa service can get the precise number of books required printed and delivered to distributors within days."

10 simple ways to impress customers

1 WELCOME THEM WITH OPEN ARMS

A welcome sign in reception will make customers feel valued from the second they arrive. To elicit that extra warm, fuzzy feeling, tell your team who is coming so they can greet them by name.

2 DELIVER EARLY

Under-promise and over-deliver. If a job will take a week then allow extra time and amaze your customer by delivering it early.

3 MAKE IT PERSONAL

Talk to your customers about their interests – even if they're not related to your business. Maybe a car show, a rock concert or a business event.

4 GIVE THEM A GUARANTEE

Guarantee what you do. If your customer is not happy with your work, you would probably move heaven and earth to put things right. So why not guarantee it?

5 KEEP IT CLEAN

Think about your workplace – chipped cups, a scruffy reception area or dirty windows all tell the customer that you don't care.

6 USE ANY COMPLAINTS TO YOUR ADVANTAGE

Don't moan: accept complaints graciously and treat them as nuggets of pure gold. Think of them as free customer feedback – and a real opportunity to improve service and increase loyalty. And make sure you fix, and follow-up on, any complaints.

7 BE HAPPY

Always smile when you greet a customer either in person or on the phone. The customer can sense if you are not pleased to see them. And don't forget to make eye contact.

8 CAUSE A STIR

Have a menu of drinks. Tea and coffee are expected. But it doesn't cost much to provide something a little more interesting. And instead of just biscuits, go for fruit and sweets – retro favourites like lemon sherberts will bring back misty-eyed childhood memories.

9 MAKE IT FUN

Make your shop or office a fun place to visit. It has to be fun for you, fun for your team and fun for your customers. If you're enjoying yourself, your customers will too.

10 A THOUSAND THANK YOUS

Understand the power of "thank you". Thank your customers. Thank your team. Thank your referral sources. And try sending a "thank you" note to customers that pay you promptly – it can have an amazing effect!



CUSTOMER SERVICE EXPERT: DEREK WILLIAMS

Derek Williams is an international speaker, author and the UK guru of customer service. He is the creator of the WOW! Awards™ for outstanding customer service and has created a customer service network spanning 34 countries. Derek is also Chief Executive for the Society of Consumer Affairs Professionals in Europe.



The House of Cards

Des King speaks to Johan van Vulpen and Simen Schimmel, Dutch entrepreneurs who created a thriving personalised greetings card business using the iGen3

There are greetings cards for every conceivable occasion: from passing an exam to moving house. So why is it so difficult to find the one that's right for the person you have in mind? It seems that the wider the selection, the greater the frustration at being unable to find quite what you're looking for.

Well, not any longer. Thanks to an inspired marketing idea dreamt up by a couple of young Dutch entrepreneurs and made possible by the practical assistance of Xerox digital technology, the personalised greetings card is now an on-demand reality. And not only does it convey precisely the right message for whom it's intended, chances are it'll cost the same, if not less, than anything to be found in a card shop.

Johan van Vulpen and Simen Schimmel formed their company Venspro five years ago as students looking for a way of raising some extra spending money to tide them over the final few months of their college business administration course. Their original idea was to tap into public sentimentality for the redundant Dutch guilder as it made way for the Euro, and the reality sparked consumer attention sufficiently for them to temporarily defer completing their course.

Identifying the opportunity

In searching for a longer life cycle product on which to build their fledgling business, they next came up with a novel way of presenting a greetings card: inside a tin can.

That too was fine as far as it went. However, Venspro really took off when it dispensed with the packaging to focus exclusively on content instead. Harnessing a shrewd grasp of dot.com logistics and the customisation possibilities achievable through digital print, Greetz was launched as Europe's first personalised greetings card online service in late 2004.

Its arrival has revolutionised thinking in the 'greet and gift' retail sector. Hallmark rapidly came on board as one of a number of major distributors – other partners include Microsoft and Sony – and the company is now responsible for generating over 100,000 different

orders each month, ranging from one-off cards for that special occasion to short-run individually customised invitations.

Pushing the envelope

The service has already extended beyond the Netherlands to Belgium, Switzerland, Germany, France and the UK. Demand has grown at such a pace that Venspro's exclusive print partner The Finishing Touch has added an iGen3 to its DocuColor 2045.

In addition to being able to create an individualised design and text online or adapt, say, an existing Hallmark one, the Greetz service includes print, production and onward postage.

Customers are guaranteed next-day delivery on all orders uploaded by 3pm, and that will be extended to 6pm within the next few months. For distribution within the Netherlands, the total cost can be as little as €2 per card.

"A greetings card should be a mirror of the relationship between sender and recipient," says Simen Schimmel. "If you went to a store, you could find a really great design, but maybe the caption isn't quite what you want it to say. We give you the tools to create something unique so you'll always score a hit."

While old favourites like Christmas and Valentine's Day have fuelled individual consumer demand, Schimmel sees further growth opportunities within the corporate sector. "We haven't had time to fully develop the B2B market yet, but what if a HR manager could upload an Excel file with their employees' birthdays so they automatically receive a card tailor-made just for them each year?"

In addition to directing a rapidly expanding level of business towards The Finishing Touch, Venspro has also invested in its print partner to assist in developing its technology base.

As the Greetz operation becomes increasingly international, Schimmel confirms that there will be a need for additional Xerox iGen3 users based in key countries.

Future innovations

In the meantime, whilst an extended range of customised greetings formats is being actively assessed, cards will remain the core product for at least the next 12 months. "We have one mission for the coming year, and that's to become the world's best online greetings card company, so we'll keep on focusing upon quality, product development, and innovation, aided by our partners like Xerox and Hallmark," says Simen Schimmel. "There are still many more people who have to get used to this way of sending greetings cards." ■

DEMAND HAS GROWN AT SUCH A PACE THAT VENSPRO'S EXCLUSIVE PRINT PARTNER HAS ADDED AN IGEN3 TO ITS DOCUCOLOR 2045



THE GREETZ EFFECT



A CARD'S NOT JUST FOR CHRISTMAS...

IT'S A GREAT WAY TO MARK A WHOLE HOST OF EVENTS FOR STAFF AND CLIENTS ALIKE:

- Promotions
- Personal achievements, eg running a marathon
- Birthdays
- New business wins
- Invitations
- Announcements

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Our cover photo shows the *Xerox Magazine* paper stock in its virgin form – before the iGen3 works its magic!
Photograph: Paul Taylor; Getty

There's a new way to look at things.

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Printed using the Xerox iGen3 on Colotech plus Silk 120gsm and 210gsm

Prize draw terms & conditions

By entering the competition on page 21, the entrant will be deemed to have read and understood these Terms and Conditions and to be bound by them. 1. The prize draw is open to all recipients of *Xerox Magazine* who are over the age of 16 and residents of the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK. 2. Employees of Xerox Limited ("Xerox") together with the judges and their respective subsidiaries, affiliates, advertising and promotional agencies, their immediate family members and persons living in the same household as such persons are not eligible to enter this competition 3. Only one entry per person is allowed. 4. The winner will be the first drawn entry (by an independent person) after the closing date of 21 April 2006. 5. Proof of posting is not proof of delivery. Entries that are lost, mislaid, damaged or delayed due to the post will be disqualified. 6. The winner will be drawn on 25 April 2006 and notified in writing by 16 May 2006. 7. There is one prize of a digital Pantone book. 8. There is no cash alternative. 9. No purchase necessary. 10. This is a UK-based prize draw and governed by the laws of England. This draw is void where prohibited by law. Promoter: Xerox Ltd

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