

NISO UPDATE NEWSLETTER

National Independent Service Organization

IS NISO Viable?

By: Claudia J. Betzner

Special points of interest:

- NISO Meeting in Jan reviewed
- Food for Thought
- Variable Data article—Richard Sand
- John Parker resigns from Board

The January meeting was certainly the smallest we have had in many years but the content was excellent. A question we keep asking ourselves as the Board”Is NISO Viable?” Most continue to believe it is important to have a network in place to deal with the major challenges when they arise. Sometimes, there is no glaring issue and it is during that time we can learn our greatest lessons. Recharge for the next big issue such as the transfer fees.

I am sure most of you know by now the issues with the Transfer fees. I am also sure you know by now their has been a major reorganization within Xerox and your contact has changed. Bob Muise is no longer our point person and aftermarket service has transferred from the Service organization to the Sales organization. John Ducett is the point person now. Some of the issues covered in the meeting also included such things as “Does the unused portion of licensing credit back?” The answer is no. Some of our newer members

such as Anacomp discussed what their objective is for NISO....They want to know how to gain marketshare—national exposure without hiring in every location. They are seeking partners within NISO. Just another reason for NISO. Within the SIA organization after every conference we see new partnering. People networking, making friends, developing business partners. That is another major purpose of having an Association. It is not always fighting the OEM, even though we still share the objective of a level playing field, promoting customer choices, we also partner with other members.

So what are the new opportunities within the industry: Adam shared with the group information on the Digimaster E Series. He said he is highly pleased with the product; it protects the base; superior product to Nuvera; service costs are about the same; parts—can’t resell but readily available and costs about 25% more than 6000 series; Software support—restricted but digipath files are compatible.

The E125—150 is High Quality. The only downside—no sales force in place. Adam also indicated the Xerox Nuvera is not ready, has high costs, plastic and currently costs are more. It is a Fuji Xerox Machine. The entire group agreed Xerox is focusing on Color.

Lee Carr provided the group with many handouts on pricing and new product releases plus Richard Sand of Service Technologies provided an excellent presentation on Variable Data. He has penned an article in this newsletter you may want to consider.

A very special thank you to Lee Carr for Chairing the entire meeting and providing all the handouts along with the publication of the Book.





The Four Agreements by Don Miguel Ruiz

Thousands of years ago the Toltec Indians were known throughout Mexico as men and women of knowledge. Anthropologists have spoken of the Toltec as a nation or a race, but, in fact the Toltec were scientists and artists who formed a society to explore and conserve the spiritual knowledge and practices of the ancient ones. They came together as masters and students and left four guiding principles for mankind:

- (1) **BE IMPECCABLE WITH YOUR WORD.** Speak with integrity. Say only what you mean. Avoid using the word to speak against yourself or to gossip about others. Use the power of your word in the direction of truth and love.*
 - (2) **DON'T TAKE ANYTHING PERSONALLY.** Nothing others do is because of you. What others say and do is a projection of their own reality, their own dream. When you are immune to the opinions and actions of others, you won't be the victim of needless suffering.*
 - (3) **DON'T MAKE ASSUMPTIONS.** Find the courage to ask questions and to express what you really want. Communicate with others as clearly as you can to avoid misunderstandings, sadness, and drama. With just this one agreement, you can completely transform your life.*
 - (4) **ALWAYS DO YOUR BEST.** Your best is going to change from moment to moment. It will be different when you are healthy as opposed to sick. Under any circumstance, simply do your best, and you will avoid self-judgment, self-abuse, and regret.*
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Did Your Mother Name You - Dear Occupant? *By. Richard Sand, Service Technologies*

In today's competitive business climate, companies are looking to gain any competitive edge they can over their competition. Moreover, as consumers, we want to feel important and that our business is valued and not taken for granted. Good customer service goes a long way to retaining a growing the share of customers. Getting the attention of the consumer is paramount to earning their business. Not all consumers are the same. Consumers have various demographic distinctions and requirements. Because not all consumers are the same, using variable information, that targets certain demographics or individuals, is utilized more each day as an effective communications tool. Variable data adds the ability to "speak" to one individual or an entire demographic group. Variable data allows for flexible messages, which resonate with the recipient, that are sent with personalized offers and promotions that match my interests or demographic.



Getting started in using variable data requires some basic planning:

Have a Plan: Marketing, in general, needs a detailed plan that outlines the various marketing methods, timelines and activities to support the identified sales goals. Marketing, with variable data, should be one element of your overall marketing plan. Today, a cross-media marketing approach has proven more effective in achieving higher sales activity. As consumers, we all prefer and respond differently to TV, radio ads, direct mail, telesales or direct sales. The more relevant the message more successful it will be.

What are you actually selling? : For many already using VDP it is viewed as a communications tool rather than just a print job. VDP can help increase response rates, reduce lead generation costs and build customer loyalty. Printing with variable data is the process, but what you are selling, is actually a new way of communicating through the use of key information that is more relevant to the recipient and therefore viewed as more value.

Who is a target to sell VDP? : In my opinion, most companies can use VDP. In the past, printing was sold to print buyers. Today, print buyers still buy print, but we are now talking about marketing and sales that are more effective, easily measured and highly profitable. Therefore, the best person or department to call on is the sales and marketing department. Be prepared to talk about cost per sales, cost per lead, customer retention and customer loyalty. Speak about a new communications vehicle that will help impact the items mentioned above. There will be plenty of time later in the sales cycle to discuss how the VDP job will be produced in the plant.

Data Drives the Creative: In the past, a creative idea drove the design of a direct mail piece. Today, having the right data will influence the design and creative aspects of a marketing piece. In addition, each campaign needs to be relevant to the recipient. In addition, each piece needs to have a call to action once the recipient receives the direct mail piece. After all, the goal should be to get the piece opened and be directed to take some course of action. The call to action might be to visit a website, come to a store for a promotional offering or just to communicate some important information.

Do not Boil the Ocean: A mistake often made by new comers to VDP is trying to do the biggest, most complicated job to start. Think about starting small; also think about using the marketing concept for your business before you start selling and promoting the capability to your customers and prospects.

Finally, get started today! Begin formulating how your company can use VDP as part of your overall marketing plan. Demonstrate it by using it in your own business by "walking the walk." Identify those accounts that might be the most receptive to learning about this new communication process. Lastly, talk to others that are doing VDP today. Read about marketing and consumer buying habits to truly appreciate the effectiveness of marketing with variable data.

Richard Sand
VP of Strategic Development

Lexmark—Static Control Legal Update

There was a resounding victory for Static Control on October 26, 2004...The Sixth Circuit U.S. Court of Appeals overturned the decision of a judge in Lexington, Ky., in the case of Lexmark v. Static Control and vacated the preliminary injunction against the sale of Smartek chips. You will recall SIA was very active on the DMCA and had introduced and wrote the portion of the bill "Right to Repair Act" discussing the legality of loading software into RAM when the system is turned on. This case was again in court the end of February on an appeal with another victory for Static Control.

The 32-page decision, including a scathing rebuke of Lexmark's monopolistic misuse of the Digital Millennium Copyright Act (DMCA) in a concurring opinion, is an utter repudiation of the lower court's decision rendered by Judge Karl Forrester. The decision refutes each conclusion made by Judge Forrester and found to the contrary that Lexmark's toner loading and printer engine programs are most likely not subject to copyright protection, or if copyright protected, then Static Control's circumvention or reverse engineering is permissible and does not violate the DMCA.

"This is a finding that Lexmark had no right to invoke the DMCA. It is not just a victory for Static Control," said Static Control CEO Ed Swartz, "it is a victory for the entire remanufacturing industry, American businesses and the American consumer."

It was the American consumer that was featured in Judge Merritt's concurrence. "We should make clear that in the future companies like Lexmark cannot use the DMCA in conjunction with copyright law to create monopolies of manufactured goods for themselves just by tweaking the facts of this case..." "The great thing about this and the Chamberlain decision is that no one is going to be able to use the DMCA-chip argument to close out an aftermarket," said Skip London, vice president and general counsel for Static Control. The case will be remanded for reconsideration of the issues and law as outlined by the Court of Appeals.

This is a very positive decision for the Service Industry and helps to undo some of the negative decisions of the last few years regarding the DMCA and hopefully will keep other monopolistic manufacturers from practices that prohibit a free and open market for service.

Sun to Give Out Operating System for Free

SAN JOSE, Calif. (AP) - After investing roughly \$500 million and spending years of development time on its next-generation operating system, Sun Microsystems Inc. on Monday will announce an aggressive price for the software - free. Sun, which has never completely rebounded from the tech collapse in 2001, hopes the no-cost of Solaris 10 will not only attract customers but also expand the number of developers who write programs that work on computers running the operating system. The result, Sun believes, will be renewed demand for its servers and services. The company also will charge subscription fees for Solaris support and service programs that are typically sought by the businesses and organizations that Sun targets.

"Hewlett Packard sells a printer at a low price and makes a lot of money on printer cartridges. Gillette gives you the razor and makes a lot of money on the blades," said Scott McNealy, Sun's chief executive. "There are different ways to drive market penetration." Solaris 10 will be unveiled Monday at an event in San Jose, though it won't be formally released until the end of January. It will work on more than 270 computer platforms running on chips from Sun, Intel Corp. or Advanced Micro Devices Inc.

Letter from John Parker

Thank you for one of the greatest experiences of my professional career. NISO has been awesome for SunTone Ind. and my career.

I regretfully announce my resignation from National Independent Service Organization as President.

The dynamics of the organization and our industry has changed dramatically.

Thank you for a great experience. I, for one, will really miss the vendors participation in the meetings. They, the Vendor members, have been the life line for NISO for a long time and keep up your great support.

Thank you,

John Parker
Former President of the NISO

Vendor Profiles—What they offer to NISO Members

Reprographic Technology USA Inc

New Products

As the NISO association investigates various options to suit the emerging market requirements of new digital equipment, we have been researching what we can offer to support the equipment you are identifying. Typically we source the original part, rather than reverse engineer a generic look alike that may well be made of different specification materials to those laid down by the OEM. RTI has been ISO 9000 certified for 6 years now and we are the only parts supplier in the aftermarket with this accreditation and registration to ISO 9000 ensures that you receive the quality parts that you need and expect.

At the May 14th meeting 2004 AB Dick gave a presentation on their version of the Konica 8050 color machine, and the request came for parts etc for this machine. RTI now has available the Konica 7075, and AB DICK CXP 3000, which is the Konica 8050, color fuser and pressure rollers. These parts are available as a direct result of our meetings.

We have a range of parts for the Xerox 5760, DC12 DC 40, 2045/2060/6060. All our fuser and pressure rollers are OEM product which are in stock and have been available since 2002. Check out our web site www.reprographic-intl.com under Xerox DC 12 for a list of all the parts available by part number and we also have items under investigation to see if there is a demand, especially for the 2060/6060

RTI has been sourcing parts from Japan for over 20 years and we are well connected with many of the manufacturers and distributors of most of the well known brands. We are able to supply original parts and only need the machine type from you to identify the required part number.

We have successfully worked with many of you in finding original parts in the past and look forward to continuing that relationship in the future. If you are able to supply part numbers and usage we are able to negotiate with our suppliers to meet your needs and with the changing focus of the NISO organization it is becoming ever more important that we, as parts suppliers be kept informed as to the direction the machine base is going to proactively adjust our inventory as required. Most certainly the trend is to digital and color, and we recognized the digital needs 4 years ago when we equipped our re-build centre with technology that enables us to re-build lasers and measure their output, as well as to repair mirror motors, both of which are part of the ROS assembly. This work is done in house for our OEM customers, and we would be pleased to extend this repair facility to our NISO customers. We are also currently developing parts support for many color machines and we welcome your enquiries.

We appreciate the past support of your NISO membership and we look forward to our relationship continuing to develop through this year and into the future.

A new product we have is the pressure roller for the Xerox 6180, developed especially to meet the demands of 180cpm as opposed to the old 5090 roller 22K6941 which will fall apart in the 6180 very early in its life. Use what Xerox use, and increase the life of the roller, at a marginal price increase. Quality costs.

59K35340 XEROX 6180 pressure roller \$ 145.00 (NISO PRICE)

XEROX COLOR FUSER AND PRESSURE ROLLERS

59K92772 XEROX 5760 fuser roller \$ 225.00

59K03380 XEROX 5760 pressure roller \$ 225.00

22K26040 XEROX DC40 Fuser roller \$ 235.00

59K03540 XEROX DC40 Pressure roller \$ 235.00

59K08360 XEROX DC12 Fuser roller \$ 240.00

59K08370 XEROX DC12 Pressure roller \$ 240.00

59K10680 XEROX 2060 Fuser roller \$ 285.00

5K82830 XEROX 2060 Cleaning web \$ 27.50

5K6261 XEROX 6060 Cleaning web \$ 29.50

Many other parts are available, so please call us for a quotation.

Nashua offering

Peter Saks confirmed their has been a price increase primarily a result from the supplier and the rising costs of oil. He also indicated the product they are highlighting is a cleaner product; 800K making it better product; focus on high speed production printers; compatible Océ's product; \$210 per carton for NISO; \$255 is lowest price from WalMart and \$2180—350 is the norm.

Our compatible toner for the Océ' pagestream 2.7: Reliable performance at great savings!

ST-466 delivers guaranteed high quality performance without the premium cost of the original brand.

ST-466 Toner

Superior print quality; Nashua 100% quality guarantee; Proven performance that meets or exceeds the OEM brand; over 30 years of quality product manufacturing; specialized in high-speed output consumables; OEM quality at substantial savings.

D & R makes commitment

I did not receive a product review from D & R but Mike was at the NISO meeting and made the following commitment: D & R Products agreed it will contact any NISO member when they are within 100 miles of a NISO member if they are negotiating with a customer in their area. NISO wishes to thank Mike Midkiff for all his work with NISO since he has retired from D & R effective 2/28/05. We wish him the best of luck in his new career.

*National Independent Service
Organization*

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Have you visited our website lately—we need your help to make sure all your information is correctly listed. Please go to the website at www.niso.net and verify your information—then email cbetzner@aol.com with corrections. I will make sure we have you listed correctly. Of course, Only members in good standing!

**The Service Independents for Business
Equipment**

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Where would you like to see the next meeting?

We are discussing if and when we should have the next NISO meeting. Certainly we may want to consider a once a year meeting. Some considerations include Las Vegas, Atlanta or somewhere East. Please let us know where and when you would like the next meeting.

