Just Press Print:

How to Get In-House Color Printing for Less Money and Fewer Hassles

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FreePrinters.com
Executive Summary

Many small businesses and organizations realize the benefits of color printers: among other things it boosts your profile, your sales, and your professionalism. But until recently, color printing options have been costly.

With the recent decrease in color printer costs, more and more organizations are bringing their printing in-house. Those who already have color printing are looking for ways to reduce their costs. And they are starting to realize that calculating the Total Cost of Ownership (TCO) will give them a better idea of what their real costs of owning a color printer will be.

Unfortunately, precisely calculating your TCO is almost impossible. Not only do many printer manufacturers make it difficult with inaccurate Cost Per Page (CPP) predictions and hidden costs, but companies themselves have a hard time gauging their own printing needs.

There is a program on the market today designed to give you hassle-free printing and TCO calculation. By giving the consumer everything they need to bring their color printing in-house, the program offers an easy and cost-effective solution. Better yet there are no up-front costs, free tech support and on-site repair service – and you get a brand-new, top quality laser-class color printer for free!
Yes, Color Works

Most small businesses understand the advantages of printing in color. Posters look slicker, brochures look more professional, and even internal memos grab more attention when printed in color.

In fact printed material is 80% more likely to be read if it is color than black and white. Color also boost sales, improves document sorting, improves the speed and likelihood that your invoices will be paid, and increases motivation to act on your message.1

A survey of small businesses across the United States found 78% of owners reported that color documents were easier to read, 83% feel that color enhances employee creativity, 90% feel that color helps attract new customers, and that 92% feel that color presents an image of superior quality.2

These facts are reassuring, but deep down we all understand the inherent value of color (all things being equal). The real problem though is managing the cost of color.

Cost of Color Printing Decreasing

Anyone who has watched the costs of photocopying costs at national copy shops over the last few years knows that the cost of color printing has decreased significantly. Whereas even five years ago, color photocopying was $1 or more per one-sided page, that price has dropped to as low as $0.29 per copy today.3

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1 Xerox Corporation. “20 Ways to Share the Color Knowledge.”
2 Xerox Corporation. “Small Businesses Work Better with Color.”
However even this rate of price reduction doesn’t seem to match the rate that color printing technology costs are falling, meaning that consumers may not be seeing the full effect.

It’s a completely different story for office printers. In-house printing is not nearly as cost-prohibitive for small and medium-sized businesses as it used to be. The vision of “a color printer on every desktop” may not be here quite yet, but it certainly could be. Printers are faster, provide higher quality, and are much more inexpensive than they ever used to be.

Today’s latest printers boast color pages below $0.10 per page, speeds of 30 ppm or more, and with quality that for most practical purposes are on par with commercial-grade digital printers.

Not only is this great news for those small businesses who are deciding to finally enter the color printer market, but for those who already rely on color printing and want to replace or upgrade their aging equipment, this is an excellent time to move on savings.

**So What Is the Real Cost of Buying a Printer?**

If you are one of the many small business owners who already use in-house color printing on a regular basis, you understand that there is more to buying a color printer than simply the cost of the printer. Ink is one of the biggest expenses after you purchase. It pays to nail down the how much your ink you will use and what it costs before you make your final decision.4

Ink may be the biggest cost, but it is not the only cost. Most printers have moving parts that need to be replaced after a certain amount of printing, so this and other maintenance costs need to be factored in. And what happens if your printer breaks down? How much will that cost to fix or replace?

Reliability and duty load are other factors to consider. An entry-level laser printer, for example, might have a duty load of about 40k pages per month. A solid ink printer is closer to around 85k. At the low end, an ink jet printer might be only 4-5k pages per month. The lower the duty load, the more likely you are to run into expensive repairs and/or replacement costs down the road.

If you really want to do a detailed cost-analysis, you should also consider ease of use. Many business class color printers are notorious for the fact that toner cartridges are not easy to replace. How much will it cost you in human resources to have a designated person in the office to replace toner and do maintenance? What about lost productivity if that person is sick that day?

Comparing Printers
This is where things quickly become very complicated. You would think that comparing laser-class printers with each other would be like comparing apples to apples. It is really more like comparing apples to oranges to grapes to mangoes. There are so many different choices out there, all with their unique features, benefits, and costs – it is overwhelming for the average business owner.

To make things even more complicated, costs are often inaccurate. Printer vendors typically quote their cost per page based on just 5% coverage. They also do not list all the expenses you can expect during the lifetime of your printer (unless you dig for this information). And then there is the fine print of the warranty. Does it include on-site service? Does it include all parts and labor? How long are you covered for? What extra benefits are you getting from your extended warranty?

The bottom line is that although in-house color printing has finally become cost effective, it is difficult to predict exactly what those costs will be. One study found that 71% of companies don’t even know what their current printing costs are right now.

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Purchase Price vs. Total Cost of Ownership (TCO)

Almost all business owners will tell you that cost is one of the most important considerations to buying a color printer – or any other office equipment for that matter. However it seems that in the past, the question of cost got pushed to the side. Maybe with all the features to consider, cost became secondary as long as the perceived cost fell within the budget.

After that, costs like repairs, ink replacement, and consumables simply fell under the heading “operating expenses” and were forgotten. Companies may be shocked to find out how much they are spending.

But today, consumers are becoming savvier and want to know the bottom line, the Total Cost of Ownership (TCO) of the printer they buy. Manufacturers are not exactly giving out that information, most likely because they want to compete on features instead of price. As mentioned above, the prices they do quote are often slanted so that operating costs are viewed in the best light.

And, of course, if the “real” cost of printing is higher than the “perceived” cost of printing – which it most certainly would be – printer companies would simply have less sales.

Finding Out Your TCO

Most shoppers are now aware of the razor/razorblade concept when it comes to selling printers – you give away the printer and make your money on the consumables. The reason for this is quite simple: manufacturers know that many of the decisions are based on the up-front cost. Operating costs are considered secondary (if they are considered at all).

The fact that shoppers now understand this means that more and more are looking deeper into the Total Cost of Ownership. As covered above, finding out your precise TCO before you purchase your printer

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can be difficult. When it comes down to it, the best you can do is use the estimate each company provides and work from there.

But even here you will have to make decisions before you make assumptions:

- What time period are you assuming in your calculations (i.e. how many years until you replace/upgrade your printer)?
- How many pages do you print per month?
- Are you worried about your costs per page, or simply the bottom line after your determined time period?
- Do you take into consideration the human resources needed to maintain the printer?
- How do you predict repair costs?

You will also have to factor in “extra” consumables and maintenance costs that your printer will require within your determined time period, special paper you may require, and any other associated costs.

**Ink Costs** – This will be your largest cost. To calculate this, find out the cost of the ink and how many printed pages this will yield. Divide this by the number of pages you print per month, and multiply by the number of years of your determined time period. If you are comparing cost per page, then simply divide the page yield of the ink into the cost. Note: be conservative here. Manufacturers base their page yields on just 5% coverage, so you may get a more accurate numbers if you cut their quoted number of pages in half.

**Other Consumables** – These can represent hefty “hidden” costs. Most printers, especially high-volume, heavy-duty printers, require some sort of part replacement or maintenance kit during its lifespan. Make sure you identify these items, learn when you will need to implement them, and how much they will cost. Then calculate per month or per page using the same methods used to determine ink costs.

**Extended Warranty and Service Plans** – You may have the opportunity to invest in an extended warranty or service plan. If you decide this is the right option for you, make sure you understand exactly what is covered with these plans, whether or not labor is covered, and what you may have to pay for that is not covered in the plan you choose. Calculate monthly and/or per-page costs as above.

**Paper** – This isn’t a necessary step when comparing different printers (unless for some reason the choice of printer you make will affect your
choice of paper) but it is an important consideration when calculating your total printing costs.

**Price of Printer** – The price of the printer is certainly important as well. Calculate in the same manner as if it were a consumable.

**Repair Costs** – This is the real dark horse. Unless you have a service plan, there is no way to predict how much your costs will be\(^8\) (and even if you do, some things may not be covered…!) You may get lucky and have no problems, or you may get a lemon and have nothing but problems. Not only does this impact your operating costs, but also your productivity.

**One Last Important Note** – Although almost all printers come with ink included, quite often this is not a full supply. This “starter supply” is designed to help you test your printer and learn how to use it, but usually you have used up this ink before you have gotten any actual work done! Find out how much ink ships with the printer, and if it is a starter amount, factor in an ink purchase right off the bat. You may find that your $400 printer will actually cost you over $1,000 very quickly!

Trying to calculate all of these variables adds a lot of legwork for the typical small business owner. It’s confusing, it’s frustrating, and it breeds suspicion about what the printer companies actually want from you.

In the end, you may also discover that this exercise takes a lot of time, that the numbers that you are using may be way off, and that there is still a big question mark in the “Repairs” category.

You’ll be pleased to know there might be a better way…

\(^8\) Actually, there is one way, which this paper will explore next.
A Faster and Easier to Bring Your Color Printing In-House

There is another option that is hassle-free and worry-free AND allows you to precisely calculate what your monthly costs will be. There is an all-in-one program\(^9\) that covers almost everything you need including:

- A fixed supply of ink, predetermined to meet your needs
- Free delivery of printer and ink supplies
- On-site maintenance and repair including all defective parts and labor
- One fixed monthly price with no hidden costs

Best of all, the actual printer itself is free so you have absolutely no start-up costs. Your only commitment once you enter the program is to purchase a fixed amount of ink supplies over a two-year period. And with this program you actually save even more money on your ink supplies because it is treated as a “bulk” order.

For example if you chose the $99 per month program, then you know that except for paper and periodic maintenance kits, that is your monthly printing costs – $99. That works out to less than $0.05 per page based on 500 color pages printed per month. You immediately save $0.24 over a leading national copy shop’s best rate\(^10\) – and you get the printer!

Since this is set up as a lease program, you also get substantial tax benefits. Rather than have to depreciate your printer over a number of years, you can subtract the full amount of each monthly payment. Talk to your bookkeeper or accountant for complete tax deduction details in your state.

All-in-One Printer Program Your Best Bet

All things considered, FreePrinters.com really does offer the best of all worlds:

- Free printer – no up-front costs like straight purchases
- Free delivery of printer and ink supplies anywhere in the United States
- Free on-site repair service including all labor and defective part replacement

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Free tech support
Substantial savings on bulk ink with contract (see graph, next page)
Fixed monthly costs for all your printing (except paper and maintenance kits)
Easy to calculate TCO

After your two-year contract expires, the printer is yours to keep with no closing or transfer fees (though you just want to upgrade to another free printer to take advantage of the newest technology!)

Solid Ink Printing: High Quality, Low Price, and No Technical Expertise Needed

One last thing to mention about the FreePrinters.com program is that although their Xerox Phaser printers are laser-class printers, they are actually solid ink printers. We are not going to get into all the technical details here, but there are some tremendous benefits to this system.

For example, the solid ink process is cleaner and easier to use. All four of the colors (cyan, magenta, yellow, and black) come in cube-like form that simply pop into the loader at the top of the printer. No more messing with toner cartridges or relying on one person to maintain the printer. These are truly executive-proof with color-coded, uniquely shaped, numbered blocks that only fit into their corresponding trays.

Even more convenient is the fact that you can easily top off your solid ink by adding before or even during a large print run. This is certainly not the case with laser printers!

Solid ink printers also offer:
- More vibrant colors
- Faster print times (on average)
- Water-resistant copies
In fact the solid ink stick system is so much easier to use, industry experts wonder out loud why more small businesses haven’t picked up on it.¹¹

Find out more about the FreePrinters.com programs on the following pages, or go directly to the Program Details page:

http://www.freeprinters.com

About the FreePrinters.com Program

Each Free Printer Program option is structured as a 24-month lease including your ink supplies. **Every three months (quarterly) FreePrinters.com will ship you solid ink sticks** that correspond to your Xerox color printer package. Every month, we will invoice you between $99 and $199, depending on which package you have selected.

And that’s it! And once your lease term is complete, you own your printer free and clear with no closing costs, no transfer fees, or any other obligations. Or sell your used printer and upgrade to a new FreePrinters.com color printer – again, completely FREE!

**So What’s the Catch?**

There is no catch. Companies do not make money on selling printers and copiers, they make it on ink supplies. For high-volume ink users like yourself, it just makes good business sense for these companies to give away a printer to secure your ink supply contract.

All you have to do is agree to purchase a fixed amount of ink supplies over the next two years from FreePrinters.com – ink you would normally purchase anyway – and they will ship you one of three Xerox printers, depending on the package you choose and your ink supply needs.

Plus, you actually save up to 30% on your ink supplies, so you reduce your color printing costs both ways!

**Find Out More About FreePrinters.com**

Whether you are exploring how in-house printing of your own color documents can save you time and money, or you are wondering how upgrading to today’s new printing technology can improve your business efficiencies, FreePrinters.com can help. Visit the FreePrinters.com website and **Find Out More**!
"We cannot believe the difference it makes for our agency. Being able to present our own brochures, in color, WOW!"

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www.literacycoalition.com