

# LARRY HUNT'S WIDE FORMAT NEWS

WIDE FORMAT REPRODUCTION INDUSTRY UPDATE • VOL. 1, NO. 1 • APRIL 2010

**Enclosed with this newsletter ...** is a special report with good advice from many of our readers and others on the wide format copy business. Whether you got started in wide format simply as a way to use your proof printer to earn a few extra dollars, or have dedicated much time and many dollars to the reprographics business, you will find this information very useful.

**The need for a Wide Format ...** newsletter was the subject of a very interesting comment received with the survey responses. This printer wrote: "We had been talking about getting into wide format for the last couple of years. About a year ago, we saw a Mimaki JV3 printer go up for auction. It is a 60" solvent printer. Solvent means the inks need to be vented but can last a long time (even outside) and easily adhere to vinyl.

It also means that if not shut down properly, the heads dry up and are ruined. Well, I got what I thought was a great deal. I paid about \$3,000 compared to a new one at about \$18,000. You know where this is going. Of course, the heads were dried up. I wish I had someone who could have told me about the potential problem with the heads.

The repair bill was \$6,000. Now, the machine cost is up to \$9,000. Everything went fine for about 9 months. Beautiful quality, easy to use, etc. Then, a head crash; blows a board and ruins 3 heads – another \$5,000. Ouch! I was assured that this rarely happens. And, I didn't know it would be \$5,000 until they finished replacing stuff. Now, I'm up to \$14,000 cost.

All went well for another three months and then another head crash. This time it was \$3,000 to replace two heads. I'm up to \$17,000 cost or almost the price of a new machine. I finally called "time out" and got some sales people in to look at new machines.

While I understand that the Mimaki is still a good brand, I decided to go with an Epson GS6000. The Epson has 6 colors and is eco-solvent and doesn't need to be vented. It carries a one-year warranty.

When I bought the used Mimaki JV3 printer about a year ago, I didn't have anyone to call for advice on machine prices, performance and potential problems.

**And, that's why we need a Larry Hunt's Wide Format Newsletter!"**

*Editor comments: A big thank you to this printer for his thoughts. While I'm sorry to hear about his problems, I'm looking forward to providing the information about Wide Format machines so that these situations will be minimized in the future.*

**Please provide us with your price quotes ...** so that we can help you negotiate a lower price on your next wide format machine purchase. We're gathering machine and accessory pricing data, but we need your help to determine current street prices on equipment and financing. Send us your quotes so we can help you get a good deal on your next wide format equipment purchase.

**DEMO units offer a chance at good discounts ...** Besides a number of show special discounts at the recent Graphics of the Americas show, there were several steep discounts offered on "Demo" units. These units are normally used in dealer showrooms or at trade shows, and get light use and are very well maintained. After all, they must present the machine in the very best light possible. Demo machines often come with a full warranty, since they have never officially been sold to a third party.

One example from the Miami Beach show was a Roland AdvancedJet 104' printer that the exhibitor normally sells for \$62,995. The demo unit of this model (presumably off the show floor) was available for \$40,000, or approximately 64% of list price. Another place to look for demo unit savings is on dealer web sites. One mid-Atlantic dealer is advertising a Mutoh ValueJet 1608 Hybrid 64 inch printer demo unit for \$33,500. The MSRP for this hybrid printer, which handles both roll and rigid substrates, is \$46,495. This price is about 72% of list, another substantial savings.

Since most dealers have to keep demo units on the floor for their best selling products, it is always worth offering to take one off their hands if the price is right.

**The newly introduced SEPIAX ink . . .** is billed as a “direct-to-anything indoor/outdoor environmentally friendly ink” by Graphics One, the company distributing this European developed ink in the U.S. This ink is designed for use on printers using Epson piezo printheads, which includes many machines from Mutoh, Mimaki, Roland and EPSON.

SEPIAX ink prints on virtually any substrate whether coated or uncoated. The manufacturer calls it the first “direct-to-anything” ink”. Graphics One notes that “the ink is water based and environmentally friendly, yet can be used for both indoor and outdoor imaging. Lasting up to three years outdoors without any lamination, SEPIAX ink offers a color gamut nearly identical to OEM eco-solvent inks with pigments which provide excellent light fastness.”

Graphics One adds that “SEPIAX ink adhesion rivals that of eco-solvent ink and since the ink cures on the substrate surface in a manner similar to UV-curable ink, ink usage is typically between 30-50% less than standard OEM inks.”

Graphics One had an impressive array of samples on a wide variety of substrates available at their booth. A Graphics One fact sheet states that “the ink works with virtually any material in which the substrate surface can be heated to 55 degrees C. Whether it is rigid, flexible, porous, non-porous, non coated or coated.” We are interested in comments from readers who have had experience with this ink.

**Hewlett Packard has introduced . . .** two more wide format printers that can use its relatively new latex ink. Latex ink was previously available on only one rather large and expensive machine; the new models are the DesignJet L 25500 that comes in 42 inch and 60 inch versions. One dealer on the floor was offering the 42” version for \$18,995 and the 60” version for \$23,995. The print resolution is 1200 x 1200 dots per inch. Print speed is rated up to 246 square feet per hour.

Substrates include banner material, vinyls, films, fabrics, papers and mesh with liner. HP claims that these units will produce “outdoor signage with durability comparable to eco-solvent inks.” HP notes that their new latex based ink provides several advantages. The units produce “odorless prints that allow placement in areas where odor is a concern.”, and HP notes that “no special air cleaning equipment or external dryer” is

required, which helps to reduce energy costs. Hewlett Packard adds that their water based HP latex inks have “no hazard warning labels, and “no HAP’s” (hazardous air pollutants).

**The IRGA Convention . . .** and trade show is coming to Palm Springs, California from May 19 to May 21. Sponsored by the International Reprographics Association, the show features exhibits of wide format equipment, as well as an extensive educational program. IRGA membership is worth considering, both for the show discounts as well as access to a wealth of industry information. You can get more information at [www.irga.com](http://www.irga.com).

**A printer who is currently producing wide-format color prints . . .** wrote us about his recent experience with the Roland SC545EX, which was installed in 2005. The average size of the copy sold is 6 feet and the average number of square feet sold per month is 800-1000. He reports that he has averaged only about one service call per year. His average per square foot selling price is approximately \$8.00 a square foot.

He would describe both the growth rate of his wide-format color department as well as the current success of his wide-format color business as “good”. He reports that his Roland SC545EX rates a 9 out of 10 in overall quality, ability to run on various types of material and vendor service. He adds that in terms of ease of operation it rates an 8 out of 10.

The best features of this wide format color system are “the eco-solvent, which is good three to four years outside, low odor, fast drying” and the ability to “print and cut on one machine”. The only possible drawback reported was the machine “may be outside of its’ life expectancy”, considering that it was installed in 2005. Overall, this printer was pleased with his decision to install this unit. He rates it as a 9 out of 10 overall.

When asked about overall comments, he suggests getting equipment that can print and cut if you plan to offer vinyl products such as short run decals.

---

*Copyright 2010 by Larry Hunt Publications. No part of this report may be copied or reproduced in any form without the expressed written consent of Larry Hunt Publications. Material presented in this publication is based on the best information available, but cannot be guaranteed for completeness or accuracy. For information about subscribing, contact Larry Hunt at P. O. Box 6082, Palm Harbor, FL 34684 – Phone: 727-781-7825, Fax: 813-854-4005, E-mail: [larryhunt@aol.com](mailto:larryhunt@aol.com), web: [www.larryhunt.com](http://www.larryhunt.com). To contact Dirck Holscher, call 540-336-3360 or e-mail [dirck@larryhunt.com](mailto:dirck@larryhunt.com).*

# SPECIAL REPORT

Larry Hunt's Wide Format News- April 2010

## Wide Format Survey Provides Good Advice from other Printers

*By Dirck Holscher*

Commenting on the 2005 Wide Format survey, Larry Hunt wrote in the November, 2005 Color Copy News that “production of wide format color is the easy part. In general, these machines perform very well and deliver high quality. The challenges involve: deciding which wide format products you want to sell; finding the customers for those products; getting the right machine and ink system for your needs; determining your costs and developing a good profit and loss forecast for this department; setting up realistic selling prices; figuring out how you will handle laminating and mounting; etc.;etc.” This remains a good summary of items to consider before taking the plunge into wide format, though there are even more choices confronting printers than there were a few years ago. This article will take a close look at the results of the 2010 Wide Format Survey, and discuss many of the comments gleaned from the record number of responses.

Opinions about the success of the wide format department were positive. The vast majority of respondents (97%) were pleased with their decision to install wide format equipment. When asked about the current success of wide format, 66% of replies were either “excellent” or “good”. One reason the other 34% may not be satisfied with their wide format operations is the relatively low volume of prints produced per month. A substantial number of shops average less than 500 square feet per month. At an average price of about \$6.00 per foot, that amounts to about \$36,000 of sales per year. This would typically be less than 5 percent of an average shop’s revenue. And unless you can produce enough volume, this is not a business for a high rent retail space.

**Equipment reliability and support** - The good news is that equipment performance is generally good, and machines are simple and quite reliable. The overall machine performance rating is 8.7, and service calls are infrequent. Of course, machine reliability may decrease with the number of additional “bells and whistles” added. Most users seemed satisfied with available software options, though software is becoming more complex as machine features are enhanced. On the other hand, lack of vendor or dealer support was noted in a number of responses. It is clear that the level of support for most large format printers is not the same compared to our high speed copiers and production printers.

**Supplies** - A number of survey responses noted the high cost of supply items, especially if the equipment manufacturer was the sole source of supply. In some cases, this is an example of the old business model (pioneered by Gillette) of “give away the razor, and then sell the blades”. Part of the supply cost issue is no doubt related to the relatively low quantities purchased by most printers.

**Choice of inks** - The decision of which type of ink your printer will use is critical to which markets you will be able to service. Is the machine capable of running material and inks suitable for outdoor use? This was a big issue in many printers’ minds. At least 15 respondents mentioned lack of solvent or outdoor capability as a drawback of their current printer. At the same time, many others mentioned solvent or outdoor capability as a major plus of their machines. One of the big disadvantages of solvent printers in the past has been the strong odors and solvent fumes that needed to be vented. The advent of “eco-solvent”, latex and other durable inks that have little or no odor has made it easier to offer durable output in a retail space.

**Market segments** - There are many different uses for large format output. There is the traditional “blueprint” market, catering to architects and engineers. With the increasing use of CAD systems, the requirements of this market have become more complex. Another large market is indoor display materials such as trade show displays and point of purchase retail displays. Large format printers are also used extensively in the sign business, which includes banners, billboards, car wraps and other materials that have to be able to stand up to the outdoors. There is also a market for printing directly onto solid materials, which will require a large flatbed printer.

It is important to have a clear idea which markets you are going after before choosing equipment. If you're going after work that needs to last outdoors, you must have a machine that will print with solvent, eco-solvent, latex or other durable inks. An aggressive and well defined sales effort is required. As one printer noted, "if you are going into wide format you need to go full force into it with a dedicated operator and real volume need. If you build it they will not come". In addition, the cost of stocking many different types of substrates can be considerable. Mounting material inventory can also add up. There are a number of different mounting materials commonly in use, including foamboard, styrene, coroplast, gatorboard, dibond, and coated plywood. "Consider what substrates you'll use most in selecting a machine. It's very easy to own a lot of different papers of which only a few really sell" noted one survey response. Another printer added that the "only real drawback to having a versatile printer is the amount of left over media we have accumulated".

**Market growth** – One sentiment shared by a number of survey respondents was the strength and growth opportunities in the wide format market. As one reader noted "even when the printing slows down this keeps growing. It's easy and fast." Another printer added "if you are not in this business you are missing out on a bunch of sales. More profitable than printing. Sell to existing customers." Yet another commented that there is a "steep learning curve but nice value added services". This optimism was not universal, however. One respondent commented that "there is a lot of competition and everything takes longer than you think it will."

**Trend toward more full featured machines** - Printers are installing more machines with in-line finishing capabilities, for example print and cut on one machine. As one reader noted, "overall quality when using a wide variety of media combined with contour cutting capability has enabled us to grow our sign making business to an acceptable level in two years." Of course, the increased production capabilities usually result in a larger capital investment.

**Space requirements** - As one printer noted, "The equipment and finishing requirements need a lot of room". One factor that makes large format printing different from copying or offset is the large amount of floor space required for equipment. And the wide format printer is just the beginning. Laminators, cutters, coaters and other ancillary equipment tend to be bulky too. This can result in lower sales per square foot than we may be used to with printing and high speed and color copying. The equipment simply takes up a lot of space, driving down sales per foot. This is especially true if the equipment is used infrequently, and volumes are low. Bulky materials and possible odors also limit where this type of work can be done.

**Low volume of many operations** - "We don't make this a main selling point, and thus is just extra service when asked for". Many printers seem to share this attitude, judging from the number of shops in the survey with low square foot counts. But there are problems with this approach. Employees forget how to use the equipment. Productivity suffers from infrequent equipment use. Equipment that is run infrequently needs more maintenance. And this unproductive equipment can take up a lot of floor space.

**Additional services** - Additional services are an important part of wide format printing success. Finishing requirements are varied, and can require expensive equipment. But finishing margins are often better, since the focus of most customers is on the square foot reproduction price and not on the cost of finishing services. "This business is as much about the support materials as it is the printer i.e. mounting, laminating, grommeting, media". Another printer commented that "you will need material handling equipment and hand cutting systems to support what these printers can do."

A number of companies have decided to get started in large format by taking in the work but farming it out to other companies. Brokering large format work is a good way to "test the waters", and find out what volume of work is really out there. At the other end of the spectrum, some printers are considering jumping into the deep end by buying a reprographics or sign shop. All of these topics and more will be covered in detail in the Wide Format News in the months ahead.