

The people behind the machines

Who are your key people for minilab distribution and servicing, and what do they offer? We get the lowdown from those working for you in this competitive business.

When you make as big an investment as a digital minilab, you want to make sure you are aligned with the right supplier for your after-sales and training needs. And as the lab environment changes, there is a variety you can choose from. The culture is changing, with some smaller players forming alliances with larger entities and some choosing to stay small and differentiate in the market. **We took a look at three companies going places – Photo Direct, Kodak/ Noritsu and Independent Photographic Supplies.**

A profitable partnership

Tracy Lints, formerly of AgfaPhoto, is sales director of Photo Direct, which recently took over the distribution of KIS minilabs from elab digital. The former distributor now concentrates just on the installation, training and service of labs.

"We are responsible for delivery of that service but outsource that to them. They are technicians, so it's a good partnership," says Lints.

"We can offer the e-station kiosk with a choice of software [KIS, Lucidion, Axiom or d-scope]. Agfa had to offer Agfa hardware so now it's good to be able to offer lots of other options."

Lints says the partnership works well as Photo Direct is able to offer elab digital's post-installation help.

"It's no good putting in a machine if there's no-one there after that to help you," she says. "elab comes in, sets up and follows up – that's what they do. Because we don't have our own stores it's up to us to make sure stores are successful."

She can see so many opportunities for retailers in the current environment. "The industry has heaps more legs and there are so many more people expecting to do more with their images. That's why we need to keep educating customers [on their options]. Now we can do things like put images onto calendars and postcards, jewellery and magnets – anything. These features are not necessarily found in minilab equipment but in peripheral gear that can hang off it. You can get images from mobile phones and put them on coffee cups – consumers just need to become aware."

She says retailers need to focus on adding to the 6x4. "There's no point only using 10 per cent of the market's potential."



"In terms of selling brand new machines the market's smaller, so the bigger investment is in software."

Tracy Lints, Photo Direct

For her the biggest investment you can make is time. "There's new stuff they can do [but] you have to keep up-to-date with software. Regarding minilabs, there's no need for hundreds of thousands in investment anymore – unless you were one of the ones who got in early and need to upgrade. Most of the investment is time, and marketing."

Lints views the teen market as a major growth area, with most enjoying the novelty of taking pictures of each other on their camera phones. "They need to know that when they are walking past a retailer they can go in and get their pictures printed or stick them onto things."

She says most of the industry should have gone digital already, but for those with five-year-old machines an upgrade might be timely due to the need for greater capacity.

"In terms of selling brand new machines the market's smaller, so the bigger investment is in software. You've got to go digital – film is not dead but there's less to go round. It's about kiosks, online printing and software solutions that will be the bulk of the investment required."



Ian McEllister is the IPS Queensland representative.

Lints believes photo retailers are currently very fortunate due to the recent drop in price of paper and chemistry. "It came down 40 to 50 per cent last October. If retailers are not under contract they're in a good position," she explains. "The end of Agfa kicked it off – no-one was under contract. Other contractors were left to scramble to pick up that business. When Konica Minolta exited there was another feeding frenzy for distributors and wholesalers. Contracts are really not a happening thing. You don't need a contract. So wholesalers and distributors' emphasis has been on price."

Now, she says, you have the flexibility to choose who you want to go with, and the margins are actually better in terms of retail prices per print. Up till now, Australian paper and chemistry prices have been high compared to the rest of the world.

"It was a neat and tidy market – now it's not," Lints continues. "We might see more downward pressure as people jockey for a position. Now that Konica and Agfa are out – as key paper and chemistry suppliers – there is an evening up of demand and supply. The best advice is to make hay while the sun shines if you're not locked in a contract. Ex-Agfa people are lucky in that sense."

Kodak and Noritsu

Kodak has helped enhance the Noritsu minilab range while launching the new G4 kiosks.

Kodak's consumer output business development manager Shane Kealley says the company has nearly 75,000 of the kiosks at retail locations worldwide, linked up to the Noritsu labs.

"We have shown that repeat printing from digital images rises by over 70 per cent when consumers see how easy it is to get digital photos at retail," he says.

Kodak and Noritsu together offer the

QSS32, 33 and 34 Series of digital minilabs, with output options such as large format prints, add-on services and the possibility of instant prints via connectivity to Kodak Picture Kiosks G4.

Kodak has more than 1200 installed Noritsu machines throughout its retail network in Australia and New Zealand. The company acts as the agent for Noritsu Koki Pty. Ltd in Australia and New Zealand.

"Digital picture printing at retail is the fastest growing printing solution in the industry," says Kealley.

Connectivity between Kodak Picture Kiosks and digital minilabs means consumers can preview and place their order at the station, then print to the retailer's onsite digital lab system.

All these Noritsu labs provide a networking option, including the Print@Kodak web service.

"It's pointless having a great lab at the back of the store if you have no presence to convey the services on offer," he continues. "The key to driving profitable digital print growth is creating a comprehensive front-of-store customer digital environment. You need the opportunity to showcase your digital services."

The independent era

Minilab paper and chemistry supplier Independent Photographic Supplies Pty Ltd (IPS) is currently celebrating its fourth year of trading. The company has experienced significant growth in recent months, which has seen the closure of Agfafoto and the withdrawal of Konica Minolta from the photo channel.

The company has sought to differentiate with quality products, service, and good value pricing.

"[This] has been our platform since our beginning and has proved to be a winning formula for us," said IPS managing director Stuart Holmes.

"These closures have shown the market that exclusive supply contracts and service agreements with large multinationals can be worthless.

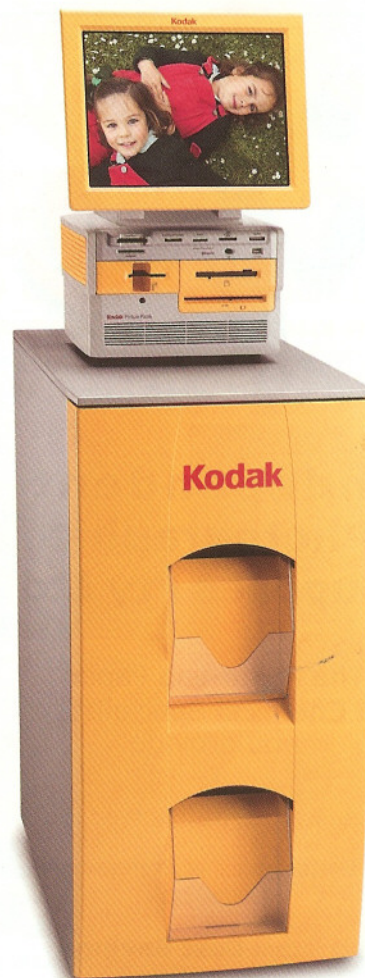
"The backbone of Australian photographic industry is the 'mum and dad' independent businesses. It is our view that major suppliers have turned their backs on these people and used the profits made from them over the years to fund their push into the photo channel with the consumer electronic companies today."

Establishing itself as the independent minilab support specialist, IPS has three technical sales agents in NSW with additional representation in every state.

Rob Voysey is the sales and technical director, Mark Sotheran, David Dubois and Doug Plant work on NSW operations, Ian McEllister covers Queensland, David Tracy on Victoria, James Tovo - South Australia, John Mullavey - Tasmania and John Hayes - Western Australia.

Voysey said many labs had converted to Tura paper and CPAC chemistry, and IPS had worked on demonstrating vast quality improvements and passing on cost savings as a result of optimising chemical performance in customers' labs.

In addition to the field support team, IPS has two technicians working on a daily basis to provide technical QC help. "Our customers' control strips are professionally assessed with graphs plotted and emailed back to the lab. Phone follow-up calls keep the lab operators informed of emerging trends and ensure technical recommendations are communicated simply and clearly."



One of Kodak's latest kiosks.

Holmes added that it was possible to improve print quality output while saving the lab further time and money by improving process consistency.

"We are truly seeing the dawn of a new era where the 'independent way' is the new and viable alternative."

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The brains of printing

We compared the features of key machinery in the fast-growing digital minilab arena.

Many of you will have already made an expensive investment in a new lab to meet the growing demand for digital prints. But if you converted early, you might now be looking at an upgrade. If you haven't yet made the shift, there are also plenty of short-term or inexpensive solutions to help you switch your analogue machinery to digital. Follow our guide to who's doing what, as well as a minilab price and feature comparison.

APE offers options

Australian Photographic Engineering (APE) has two models in the Doli digital minilab range.

The 1210 has all the digital printer functions in a compact, easy-to-use package for around \$70,000. Its low cost and small size allows an easy entry into the market. The larger 2300 has a speed of 780 prints per hour and a maximum print size of 12x18 inches. Its versatility means the entrepreneur can diversify their services.

APE supplies products to suit any brand of minilab, including the low-cost Mitsubishi paper which can be used on digital and analogue machinery. It is available in sizes from 4" to 50" in gloss and lustre. Russell chemistry can be used in all minilabs and prolabs and can usually be added without the need to remove existing chemicals.

Australian Photographic Engineering
Tel: 1300 727 906



The Doli 2300

Another new Frontier

The new Frontier 500 digital minilab is Fujifilm's most compact system, with a footprint of 1.34m².

It delivers up to 800 4R (4x6) prints per hour and is designed as a dedicated system for digital prints, including a standalone printer processor (LP5000). But it may also be expanded to accommodate film with the addition of a matched tabletop scanner (SP500).



The Frontier 500

The Frontier 500 also incorporates Image Intelligence – an integrated system of digital image processing software technologies – for better prints.

The LP5000 includes 8" paper handling for print sizes up to 8x12", a footprint of just 0.84m², CP49E cartridge chemistry and a dry-to-dry time of 87 seconds.

The optional scanner includes a tabletop unit with a footprint of just over 0.5m². It accommodates APS, 135 rolls, 135 strip and 135 mounted films and includes an automated 135 carrier with optional manual carriers for 135 and APS films.

The Frontier 500 is available in Australia from May.

Fujifilm Tel: 1800 226 355
Web: www.fujifilm.com.au

Print solution rivals labs

Sony's standalone 'lab' can produce prints in 13 seconds. Known as Snap Lab, the unit combines a Sony dye-sublimation printer with an eight-inch colour LCD with Graphical User Interface.

Weighing 11 kilograms and with a footprint of only 275x380mm, it has professional and business applications for parties and events, weddings, hospitality, legal, education and rental.



The Snap Lab