

- Unexpected because it always happens when a customer least expects it, Murphy makes sure of that.
- Poorly timed because it tends to happen when a customer is relying most on the printer to finish that super important client print job.
- Inexplicably expensive because most manufacturers today favour component assembly swap out rather than discreet component swap or repair. Not too many printer engineers move around with an oscilloscope to diagnose errors to the individual components. It is quicker and easier to change an entire component assembly and unfortunately the customer bears that cost.

First time HP Latex printer owners tended to see a different value chain in the PPU programme. Midcomp's Innovation Hub has an enviable array of equipment, including a range of 1.6m wide HP Latex printers and HP Latex

print and cut solutions; 3.2m wide roll to roll printers; flatbed printers; dye sublimation printers and heat presses; pigment ink printers for cotton printing; an industrial digital Zünd cutter for cutting flexible and rigid media, laminating equipment and an object printer. This facility and the equipment therein is used primarily as a demonstration and testing environment but also acts as a disaster recovery and an excess capacity service to their PPU and PPUGRO customers. So an investment in an HP Latex printer on PPU or PPUGRO with Midcomp, or conversion of an existing HP Latex printer onto PPU, grants customers access to this R15 million facility.

When starting a new printing venture or deciding to in-source print work, it is comforting to know that a customer can start small and rely on Midcomp to plug the gap for them when they either incur machine downtime or they run out of capacity to finish the last minute rush jobs that tend to rule their lives.



INTRODUCING PPUGRO

The most frequently asked question from Midcomp's existing, and potential, PPU customers is somewhat obvious: 'Can your PPU programme also include the printing system?'

Fair question, but think about it. Midcomp's existing PPU system does not impose any minimum printing volume. If a user doesn't print, they are not using printer consumables or services, so it is a no win, no lose situation for both Midcomp and the customer. Under this programme, it is OK to have some very low volume print months. At the end of the day, a user only pays for the print they actually produce.

Now try including the cost of a printing system into that equation. How does Midcomp achieve a recovery on the cost of the printing system if a user prints minimal, or no quantity even if just for one month? The inevitable discussion of minimum print volumes arises. From Midcomp's extensive research and discussions with customers, minimum print volumes per se are inherently unpopular. The pressure on Midcomp was to find another way to recover the capital cost into a PPU structure.

This led to the launch of the world-first PPUGRO. In this way, Midcomp is taking things to the next level as part of their aim to always innovate to make their customers' lives simpler and better. How did they achieve this? Instead of a fixed minimum charge, they now offer a tiered, or variable, cost per square metre based on the volume actually printed in the month to be billed or invoiced.

The more a user prints, the less they pay per square metre. The less they print, the more they pay per square metre. But now a customer's printer (and cutter/heat press if applicable) and RIP software plus all printer consumable and service costs are covered under this tiered rate system.

An example: an HP Latex 315 print and cut system, which includes an HP Latex 315 printer (1.37m wide), an HP 1.4m vinyl cutter, SAI RIP software, all printer consumables, spare parts, labour and travel as well as production access to Midcomp's Innovation Hub, is as little as R44 per square metre.

The PPUGRO solution means Midcomp will install a printing system at a customer's premises and simply charge them a predetermined variable rate per square metre that the customer prints. At the end of every month, a customer

will be sent a spreadsheet detailing the jobs they have printed in that month as well as the total square metres printed. Midcomp applies the variable rate per square metre and sends a customer one invoice.

For a customer to qualify for this programme, certain criteria apply. A customer's geographical location, their company size and turnover and their financial position will all affect their eligibility. The application would be subject to credit approval. Their partner in this venture, like Midcomp, see the profit generating potential for the printing equipment in the right hands, so approvals of applications for PPUGRO would inevitably be more likely than in the case of a straight rental application.

Welcome to the new world. Think about this: iTunes and CD sales are dead but Apple Music is thriving. Why should users be limited to the selection of music they happen to have in their library? Apple Music allows users to listen to what they want, when they want. Shifting to a 'usage' model is a global and cross generational trend. Research reveals that in the USA, 70% of adults use subscription services, up from 50% a few years ago. One also needs to quickly realise that when one's revenue, and therefore profitability, is tied to usage and uptimes, one cannot afford downtime. Midcomp's Innovation Hub should significantly enhance a customer's uptimes.

Now customers have a printer supplier in Midcomp that uniquely understands how they can focus on maximising profitability. While others will pay lip service to that, Midcomp puts their money where their mouth is by maintaining a fully staffed R15 million production facility that is available to their PPU and PPUGRO customers to ensure every job a customer undertakes gets done right and on time. Midcomp employs 13 factory trained engineers across the country and they are the leaders in colour management and the ability to work with customers to perfect their output.



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