

TallyGenicom Offers Free Service as Part of Supplies Program

On December 7, TallyGenicom introduced a new supplies program that provides one year of free on-site printer service for consumers willing to purchase the firm's remanufactured LaserJet toner cartridges. The Service for Supplies program is targeted at businesses and other organizations with high-volume printing requirements. Customers who sign up for the program can receive free service on more than 120 different monochrome HP LaserJet printers as long as they agree to purchase at least two remanufactured toner cartridges for each printer covered under the agreement along with additional supplies for those machines for at least one year.

Although Steve Mosek, TallyGenicom vice president of marketing services and consumables, says, "As long as you are buying TG [TallyGenicom] toner, I will fix your printer for free," the program does have a few requirements. In addition to the minimal toner cartridge purchase requirements outlined above, there are geographic requirements, and the machines must qualify for service. Businesses must be located within a 100-mile radius of one of the firm's contracted service technicians, and each machine must be certified by the technician as being functional at the start of the contract period.

Some 17 families of monochrome LaserJet machines are covered under the Service for Supplies program, and Mosek says he expects more devices will be added in the first quarter of next year. The machines include the LaserJet 4 and 5 series of printers along with the LaserJet 1000, 1100, 1200, 1300, 2100, 2300, 4000, 4100, 4200, 4300, 5000, 5100, 8000, 8100, and 9000 families. According to Mosek, TallyGenicom sources its remanufactured cartridges from several different providers, which he declined to name, and the company now offers

between 150 and 200 toner SKUs as well as ribbons and ink cartridges. Mosek says that TallyGenicom's supplies business accounted for about 35 percent of its total revenue of \$200 million in 2005, and he expects the new program will help the firm achieve its goal of doubling its compatible supplies business in 2006. "We are looking for strong growth in 06 in our compatible consumables business," he says.

Pitney Bowes Technicians

Mosek says that TallyGenicom has contracted with Pitney Bowes to provide on-site printer service. He explains that Pitney Bowes has technicians located strategically so they can service most customers within the United States. "If you locate each Pitney Bowes tech and you draw a circle 100 miles wide from there, you'll see we cover most of the U.S." Mosek does concede that there are some geographies that are not covered, but he points out that service can be obtained in those regions by paying a travel fee.

Within seven business days of signing the Service for Supplies contract, a free on-site inspection is performed for each printer specified in the agreement. Printers in need of repair are returned to what Mosek calls "good working condition" at the user's expense. After all machines are determined to be operating properly, all future repairs will be free of charge for one year. In addition to the stipulation that only fully functional printers are covered, there are other restrictions on which individual printers qualify. For example, if a unit is beyond its rated engine life, it will not be covered.

Approximately 1,800 certified service technicians for Pitney Bowes will support the TallyGenicom Service for Supplies program. After a service call is received, a technician is dispatched to the site by the second

business day, where repairs are made using genuine HP parts. Coverage includes labor, parts, and travel (except in geographies that are not covered); however, preventive-maintenance kits and fuser units are not included.

Mosek says that businesses will benefit from the program whether their machines are old or new. For owners of older printers, the main benefit—free service—is obvious. Mosek points out that costs associated with servicing an aging printer fleet can eat into an office's operational budget. Meanwhile, he insists that new printer owners will also be interested. "It's attractive to new printer owners because normally they'd have to send their printer in for depot service if there is a problem. We provide on-site service."

TallyGenicom has offered scaled-down versions of the Service for Supplies program in Europe for the last 12 months. Mosek says that the firm has learned from these programs and is confident that its expanded program for the United States is ready to go. He says he is reasonably certain that the firm's U.S. program will attract clients with high print volumes almost exclusively. "SOHO users won't really be interested in these contracts since their print volumes are usually very low," Mosek explains, "but it is available to them if they want it. These users typically don't really need a lot of service."

Although the service is promoted as being "free," customers must pay more for cartridges under the program. Cartridges used in the Services for Supplies program have their own SKUs and higher price points than the other remanufactured LaserJet cartridges that TallyGenicom sells. Mosek contends that the Services for Supplies cartridges offer consumers a discount over OEM SKUs that is comparable with that of other remanufactured cartridges, but the program features the added benefit of free service. ☐