

Autumn 2010

realbusiness

The Xerox magazine for real business results

Winning with Photo Publishing

Get – Print – Finish – Grow

Turning pictures
into profit - Adlis SAS

Positive imaging -
Fitzlab Digital

H&H Colour Lab Uses
Photo Applications to
Increase Revenue

AMB generates new business
opportunities with digital
printing

XEROX

700



Welcome to Photokina 2010.....

What a wonderful opportunity this is - to come together as an industry and generate new plans and ideas for the future. 2009 was a challenging year for all industries, but we feel there is a spirit of renewed optimism in the air. At Xerox, we see Photo Speciality and Photo Publishing as key drivers to growing revenue opportunities and real enablers for industry growth.

At this year's Photokina, we want to bring together all the ideas and opportunities the photo publishing business has to offer. We call it Real Business Live! and it's our best effort to share our real world learning across photo applications new and old – from photo books to cards, calendars to promotional items.

The Photo Publishing category continues to expand and charge forward like no other segment in the photo business. The only question is, how can you reap the benefits? From our vantage point the secret is to invest in opportunities and solutions that are matched to your exact needs and place in the market – find the perfect fit, in which you find just the right balance of demand, capacity and efficiency. We can help you find that perfect fit. We can help you find the opportunities and the solutions in line with your business today and tomorrow. For some, that might mean having the ability to produce ultra high-quality, high-volume photo books at high-margins. For others, it may simply mean finding an inexpensive, entry-level solution that allows you to test the waters and start out slow.

So please stop and see us on the FujiFilm stand and let's talk. We've assembled our best market development and solutions folks to demonstrate how it all comes together across the value chain (get – print – finish & grow your business.) Again, welcome to Photokina and welcome to Real Business Live! We're looking forward to a great show and to spending time with you and learning more about your business.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philippe Laude', written in a cursive style.

Philippe Laude

Vice President

Photo and Packaging

Xerox Graphic Communications Business Group



Table of Contents

Features

- | | | | |
|-----------|--|-----------|--|
| 02 | Letter from Philippe Laude
Vice President, Photo and Packaging
Xerox Graphic Communications
Business Group | 12 | H&H Colour Lab - Daring to be different |
| 04 | Xerox at PhotoKina | 14 | AMB - generates new business
opportunities with digital printing |
| 06 | Fitzlab Digital - Positive imaging | 16 | Winning with Photo Publishing
Get – Print – Finish – Grow |
| 10 | Adlis SAS - Turning pictures into profit | | |



Printed on a Xerox Digital Production Press using genuine Xerox supplies.

Xerox at Photokina



At this year's Photokina our featured partner is FUJIFILM Imaging with who we are sharing a stand. FUJIFILM are a key Xerox partner in the photo lab and photo speciality market. The Xerox theme is Real Business Live – we are focusing on demonstrating a wide range of photo and imaging applications and opportunities that are real, available and profitable for our customers, from photo books through to personalised gifts.

Xerox 700

Starting with the Xerox 700 Digital Colour Press – the high-volume production printer packs robust features such as coated paper handling, heavyweight media support, and feeding and finishing options into a smaller footprint press at an affordable price. This solution is ideal for the smaller photo lab user or larger retailer who requires high quality photo prints and wants to produce a multitude of photo related gift products from mug boxes to greeting cards and posters. The printer runs at 70 pages per minute and combined with a photo kiosk pre-loaded with an array of templates provides an affordable way to start building a digital photo printing business.

Xerox Colour 1000 Press

For the larger photo wholesale lab & Print Service providers looking to expand their digital businesses, Xerox now has a new option to produce sophisticated, full-colour photo books and publishing products – the Xerox Colour 1000 Press.

The system – printing 100 pages per minute – can produce high definition image quality on a wide range of standard paper stocks making it an ideal solution for the serious photo book producer. An optional clear dry ink station, a feature exclusive to these devices within the Xerox colour portfolio, amplifies full-colour prints.

This clear, dry ink allows for images and text to be highlighted for visual impact, or digital watermarks applied for artistic effect. Seeing is really believing on this technology so make sure you see some of the extraordinary photo-enhancing effects that can be created with this technology.

With a broad range of stocks to 350gsm and sheet sizes up to 521mm, it allows for printing heavyweight photo keepsake applications like personalised pictorial chocolate boxes and confectionary.



Entry Level Printing

The solution we are showing at Photokina is an ideal engine to start in the digital photo print business, providing a high quality production device for photo and other business applications together with a small footprint, fitting neatly into your shop. For low-volume photo book production and photo speciality gifts this, again combined with a photo kiosk, is an ideal set up for the smaller retail or B2B environment.

All Xerox print solutions mentioned are available with an impressive array of finishing options for folding and booklet making, to ensure you create the most productive workflow.

These Xerox print solutions use EA Toner - Xerox's patented chemically-grown toner – its miniscule particles help ensure high-quality halftones, smooth transitions and rich shadow detail as well as being more environmentally friendly. Printing on standard papers adds to the green credentials as well as significant cost reductions over traditional photo papers.

Kiosks

We are demonstrating two different kiosk solutions at the show. One is the Xerox photokiosk running software from Xerox and FujiFilm with over 150 templates with everything from photo books, posters and any manner of personalised greeting cards. The second kiosk is a solution from FUJIFILM (UK) where again it is driving many different applications as well as an exciting link from the kiosk to FaceBook, driving further new applications.

The ability to produce profitable revenue has never been more important to our customers and we have the winning applications, equipment, workflow and business development to help our customers achieve Real Business Results.

Positive imaging



Fitzlab Digital Imaging

Running a successful photo lab service on an island is a challenge – one that Guernsey-based Fitzlab is meeting, thanks to a forward-thinking owner and high levels of quality and service made possible by Xerox® digital printing technology.

John Fitzgerald, owner of Fitzlab Digital Imaging and Fitzgeralds Photographic Services, welcomes change. When digital technology arrived, the professional photographer turned lab services provider was one of the first in the UK to convert totally to the new workflow. He has also taken the next logical step and embraced photo publishing applications using a Xerox® digital press.

His calculated risk is paying off. It is allowing him to expand his market beyond his island base of Guernsey, located between the coast of southern England and northern France. Orders from consumers visiting his facility now account for 15 per cent of his business. The predominant professional share comes from long-standing local customers, together with a growing list

of photographers and media markets requiring photo greeting cards, photo books and more.

Cards



Photo Book



Cards



Ahead of the curve

As a professional photographer, Fitzgerald aimed to print his own work. The high-quality results he achieved quickly attracted additional business – from other local photographers; their customers ordering prints and reprints via customised Web portals linked to the business; and magazines and newspapers fulfilling orders for photo reprints, greetings cards and calendars. After a move to new premises, the retail side was growing too.

“I wanted to create an ‘imaging bureau’ where I could produce press-printed packages from customer images, along with traditional photo printing, to capitalise on the demand for these products. And I needed to do it early so I could explore the market, discover its potential, and not be left behind,” he says.

Fitzgerald acted quickly to install a solution that would satisfy his quality standards, and provide the flexibility to expand his photo printing applications. Aware that his supplier, Fujifilm had a relationship with Xerox, he found that the Xerox® 700 Digital Colour Press met

his criteria. *“I was impressed with the results it produced using new Xerox® toner technology,”* he says. *“And I liked that we could add features, such as the professional finisher, to meet our needs.”*

As well as fitting into Fitzlab’s physical space, the low-maintenance Xerox® 700 would also help to maintain high productivity levels.

High-margin applications

Today, Fitzgerald’s business is more about using photographs than capturing them. *“People want and expect more photo products,”* he says. *“We’re showing photographers how they can promote their businesses and encourage more orders from their customers, by using our services.”*

These applications include proof books for wedding photographers; customised photo books created in-store, or with one of Fitzlab Digital Imaging’s available online services; and greeting cards for graduations, engagements, birthdays, retirements, and more that are ordered in-store or through newspaper and magazine services. *“We don’t do long runs, but the margins on these products*

are much higher,” Fitzgerald says. *“The revenue we achieve is really, really good.”*

Stand-out service

He admits that despite the Internet, it’s still a challenge being on an island. *“Those few miles of water can be a barrier but we’re breaking that down with our level of service.”* Fitzlab’s small team is seen to offer professional care with a personal touch, compared with their larger mainland competitors. The Xerox® 700 also helps them achieve quick turnaround. *“We get an order in the morning, print it that day, and get it out,”* says Fitzgerald.

To keep abreast of new opportunities and developments Fitzgerald talks to others in the industry and visits trade shows. He is already considering how to upgrade his Xerox® digital press to handle larger volumes, an increased range of stocks, and additional finishing options. With his positive attitude and forward-thinking approach, he is ready to take his business to the next level.

Xerox Virtual Photokina

Join us and see how to grow
your digital photo business

Register today for Virtual Photokina to
review the Xerox highlights from the show

Xerox Virtual Photokina launches on Friday 24th September at 12pm GMT
Please register at www.xerox.com/virtualphotokina

Catch up on all the action from the event at any time:

- Join the Xerox highlights tour on the Fujifilm booth
- Be the first to see demonstrations of brand-new Xerox technologies
- Meet real customers explaining how Xerox applications helped them to grow their photo business and boost profitability
- View our exciting panel session featuring industry experts discussing upcoming digital opportunities in the photo market

Register today at www.xerox.com/virtualphotokina and never miss a Xerox Virtual Event again. Xerox brings all the action from international shows and events directly to your screen!

Turning pictures into profit

Adlis SAS

Located in one of the world's great art capitals, digital print company Adlis is creating its own art forms. Installing Xerox's iGen4 technology has provided the superior image quality it needed to take advantage of the burgeoning photo book market.

For a decade, Paris-based Adlis SAS ran a profitable commercial print operation, excelling particularly in direct mail and digital book printing. It was founded by its President, Philippe Hourdain: *"Soon after I took over a small offset printing company I had the idea of adding digital printing. So we designed this offset-digital combination for advertisers, and the business started to kick in right away."*

While Adlis produced outstanding work for creative services organisations and advertising agencies, it was missing out on new sources of revenue.

Photo books represent a tremendous business opportunity for printers. Each year millions of people take billions of photographs. What is more, they are prepared to pay a premium to have their digital photos brought to life in print. However, Adlis lacked the higher level of image quality necessary to fulfil the growing demand for this service and realised that it must address the issue to expand and continue to excel.

After extensive research, Adlis concluded that the Xerox iGen4 solution would provide all the functionality required to pursue and satisfy these high-value market opportunities. Philip Swierk, Adlis Sales and Marketing Strategy Manager, comments: *"Our objective was to find a real partner for the business we wanted to develop. Xerox appeared to be the ideal choice to help us move forward and work alongside us in our projects."*

Dependable image quality

Adlis can now target this market thanks to iGen4's ability to print the blue skies that are in 60 per cent of these images. The combination of image quality, superior colour, and wide choice of media allow them to bring photos to life as unforgettable photo books and business applications. Image quality is enhanced by innovative features such as auto carrier dispense, auto density control, and the inline spectrophotometer. And with up to 12 different stocks in the feeder, Adlis is able to print photo books that call for a variety of mixed stocks at rated speed.

With orders exceeding 20,000 photo books some months, Adlis is also benefiting from iGen4's inline finishing capabilities, which enable high throughput with very short turnaround times.

As a result, the company has increased productivity while maintaining the quality customers expect, according to Philip Swierk. *"For Adlis, quality is more than a statement; it is a true objective. We needed to offer solutions that could really establish this tradition of quality so we can show the best responsiveness possible. The productivity and automation solutions offered by Xerox with the iGen4 allow us to address these various criteria."*

Driving business growth

Market intelligence shows that with good profit margins and strong growth predicted, photo books and other photo merchandise offer an excellent potential source of revenue and profit for the digital photofinishing industry. The trend is particularly welcome given the continuing market decline in traditional prints.

Adlis' diverse customer base can now easily create high-quality photo books by logging on to its website. The company has also opened a shop near the Louvre museum – the ideal location to showcase its artistic photo books. Its success in attracting new business underlines the tremendous opportunities offered by digital printing. With the image quality of iGen4, Adlis has excelled in turning pictures into profit.

"Since we're located in the heart of the art world, it's only natural that we turned digital printing into our own art form," says Philippe Hourdain. *"Productivity and high quality are imperative for us. When looking for a digital printing solution we knew the Xerox iGen4 press would deliver."*



H&H Colour Lab

Daring to be different

The latest photo application technology has helped professional photo lab H&H Colour Lab to stem a continuing decline in business, and turn things around with dramatic results.

Using Xerox's digital colour presses to produce short-run and customised products, the company has gained thousands of new customers in traditional and new markets.

H&H Colour Lab, a family-owned photo lab based in the Kansas City area, serves professional photographers across the USA. It has seen significant industry change in recent years, with traditional photographic print declining, and demand for innovative photo applications and online services increasing.

Rising to the challenge, the company invested in digital press technology and changed the way it does business. Around 90 per cent of orders now come via the Internet. As well as supplying direct customers, H&H is the 'back end' for online businesses selling photo-printing services. David Drum, H&H Colour Lab's Business Development Manager, explains the business impact of digital press technology: *"It's now not just about the photos you frame or keep*

in your wallet. It's about the hundreds of new products that we can offer in short runs, with fast turnaround, that help our customers to differentiate themselves."

Reversing falling revenues

With professional studios buying fewer prints, H&H realised it had to offer new products and attract different types of customer. It needed to find a way to accommodate short-run printing using lots of variable data, enabling the company, for example, to fulfil orders for a single photo book or small quantities of greeting cards. Investing in a digital press was the answer.

A bright future

While traditional photographic printing remains H&H's core business, it plans to keep growing the press side and help customers package and sell their services. "We continually ask our customers how they are using these products, and we are continually surprised by their ingenuity," adds Drum.



Impressive output quality

David and his colleagues had previously been concerned that digital press output quality wouldn't live up to the high standards the company had become known for. Their concerns were quickly dismissed when they looked at Xerox®. "When we saw the output, we knew it would give us high marks every time," says David.

H&H started with a Xerox DocuColor® 242/252 Digital Colour Printer, adding a Xerox 700 Printer a year later to expand the company's inline finishing capability. Most recently, it has invested in the Xerox Colour 1000 Press which allows images and text to be highlighted for visual impact, and enables digital watermarks to be added.

According to Drum, their use of Xerox presses has set the bar for others to compete with: "The image quality is fantastic, which is critical for replicating skin tones and blue skies with precision. Our customers are particularly impressed by the colour saturation and consistency of output."

Growth through new customers, products and markets

Between 2007 and 2008, H&H doubled 'press' product sales, and grew them by more than 30 per cent the following year. The company acquires around 1,000 new customers each year.

Photo applications produced on Xerox digital presses is allowing H&H

and its customers to be bold, daring and different. Today, the company offers an extensive range of products, including coffee table books, greeting cards, newsletters, brochures, booklets, invitations, proof books and notepads. It can deliver these in a variety of paper types and finishing options, and all with fast turnaround.

By applying the technology and workflow it uses for photo products to non-photo products, H&H is also doing businesses outside its usual sphere, producing portfolio books for homebuilders and personalised gift cards for car dealerships, for example. "We didn't set out to be a variable data, short-run printer," says Drum, "but with our Xerox digital presses, we've successfully extended our business beyond professional lab work."



AMB

Set up in the Barcelona town of Mataró (Spain) four years ago, AMB Imágenes is currently a printing centre specialising in photographic production which markets its products not only through distribution chains, shops or photo-finishing laboratories but also via such new channels as Internet portals. In just three years the company has become one of the leaders in its field in Spain and now serves over 1,000 shops, 15 wholesale photo-finishing laboratories and 10 online sites.

Until 2009, AMB focused its business activity on personalising to the utmost a catalogue made up of 400 types of articles, ranging from key fobs, purses or wallets to cushions. A business in which it was fully consolidated in the Spanish market, but the company set growth as its objective. *“As a reference, we had achieved what could be done with photograph albums, so we realised that digital printing was a good way of supplementing our business and when Xerox showed us their solutions for the photography market we saw that it had a lot of possibilities”*, explained Antonio López, the Company’s founder and CEO.

When AMB made the decision to become committed to digital printing in 2009, it acquired its first Xerox machine, a Xerox DocuColor 7000AP, with a view to extending its business to photo albums, calendars, cards, etc. On 1 April 2010 this was updated with a Xerox iGen4 digital press in order to meet an increase in the volume of production and improve the quality and format of the products offered to customers.

In the photography business the company uses Imaxel software for managing orders and receipts and personalising jobs. With Imaxel iDESK it works in local mode with 30 white labels, which include some of the leading retail chains and online vendors in Spain. It uses 300 Imaxel iCOUNTER kiosks installed in stores to generate demand. As orders are sent from them directly to AMB in many cases the actual photo laboratories use them for forwarding specific orders to the company. In addition, the online sites use Imaxel iWeb to access AMB’s wide supply range and edit their products directly online.



Quality and personalisation

With this commitment to Xerox photographic solutions, the company has extended its technological possibilities. Since the installation of the iGen4 digital press, it has doubled the volume of production. As Antonio López explains, *“the iGen4 is the only digital printing press available on the market that allows printing in 37x57 format. We are able to offer a size much larger than that of our competitors, with both quality and reliability, and this is extremely important for us as it marks a differential value. With this machine we also offer the public the largest album on the market, 28x36. Nobody else can offer this in a shop in Spain”*.

Furthermore, Xerox’s technology, by incorporating XMPie, the Xerox personalisation software, enables the company to produce large personalised runs, which provides customers with value added. *“When customers ask us for 5,000 prints we assure them that we are going to produce them in compliance with the delivery times and with the same quality irrespective of whether they are all the same or different. All we need is the original file and data sheet with the items to be personalised”*, he continues. For instance, last December AMB was able to deliver to a logistics company 5,000 personalised mugs, with the name of each one of its employees, in a short period of time.

Digital printing, which has allowed the company to slot 100 new product references into its catalogue, is having a positive impact on its business results. *“We expect to quadruple our production in four years, doubling our output each year. We are a company which currently invoices 1.2 million euro and we are talking of increasing our turnover next year by around 65%. We calculate that this will mean a market share of 3-4% in digital photo albums and this, along with the 35% of personalised gifts, makes us a reference in the Spanish market”*, he concludes.

Xerox Photo Solutions - Key Focus



Winning with Photo Publishing

Get - Print - Finish - Grow

By providing a range of scalable, end-to-end solutions, we enable you to take advantage of the growing demands for photo publishing applications. Our solutions deliver a winning combination of image quality, speed and versatility that helps customers get, print, finish -and ultimately, grow.

Get - with integrated photo application partners.

Our partnerships with industry leaders make it easy to “get” pictures out of cameras and into cards, books, calendars and more. Business partners such as DigiLabs in the U.S., Fujifilm and Imaxel in Europe offer intuitive interfaces suitable for all proficiency levels - allowing almost anyone to create well-designed photo products in seconds, while offering feature-rich interfaces that empower advanced users.

Print - with high-quality digital printing and automated workflow solutions.

Start with photo-ready print engines. We offer an unparalleled breadth of digital presses that excel at producing photographic-quality pages. From the Phaser® 7760 Colour Laser Printer to the Xerox® 700 Digital Colour Press to the Xerox iGen4® Press, there's a Xerox digital print solution to fit every size print operation and equipment budget.

Add productivity-building automation. Our automated solutions help you take the work out of your workflow to enhance productivity with photo applications - and build print volumes in the process.



Minimise labour - intensive prepress.

Automatic Image Enhancement (AIE) enabled through the FreeFlow Print Server or FreeFlow Process Manager®, puts more life into less-than-perfect images. It's ideal for jobs featuring amateur or candid photography.



Before AIE



After AIE

Print - with high-quality digital printing and automated workflow solutions.

- The Xerox FreeFlow® Digital Workflow Collection helps you connect with your customers, reduce costs and enable new applications like never before.
- The Xerox FreeFlow Print Server with ConfidentColor Technology optimises the performance of Xerox digital print engines, delivering superior results with an automated RGB workflow.
- The FreeFlow Photo Automation Tool, enabled through the FreeFlow Print Server, reduces operator steps and offers a simple, affordable workflow with more than 50 templates for common photo-speciality jobs.
- Automatic Image Enhancement (AIE), enabled through the FreeFlow Print Server or FreeFlow Process Manager, automatically evaluates photos and adjusts for exposure, contrast, colour, sharpness and shadow detail, helping to improve and repair photos without time-consuming prepress.



Xerox SportsPix®:

a letter-sized, pre-cut sheet that simplifies the process of printing on-demand trading cards. Once assembled, it provides two double-sided, traditional trading cards of matching size and thickness.



Xerox PhotoPix:

a pre-cut, tabloid-sized sheet that creates one 8" x 10", one 5" x 7", and four wallet-size high-gloss photos. No additional pre- or post-printing finishing required.



Xerox® FunFlip™:

starts as a letter-sized sheet that folds into a 3" x 3" square, and then can unfold almost like origami to display four different images.



Xerox AccordianPix®:

a letter-sized sheet that folds into a freestanding panorama of eight images. No additional finishing required.



Xerox EverFlat™ Paper:

allows the pages in an open book to lay completely flat, rather than bowing or arcing up toward the spine. It has an 118gsm. cover weight that provides a thicker, premium feel over traditional paper.

Innovative and wide-ranging media. Our digital presses can produce photo-quality output at rated speeds on the industry's widest range of coated and uncoated papers - including translucent and textured stocks, transfer paper, greeting cards and even magnetic stock and vinyl signage. Plus, we offer exciting media options that use pre-cut or easy-fold sheets that provide an innovative way to create anything from party invitations to unique sales pieces.

Finish - with an array of options.

We provide near-line, in-line, and pre-made finishing options for production efficiency and flexibility to create products at price points that meet your demands. Through partnerships with finishing providers, we offer a system for creating elegant hard- or soft-cover photo books - even ones with customisable covers - production runs of folded greeting cards, and more.

Grow - with customer resources.

Xerox ProfitAccelerator® Digital Business Resources. This collection of over 100 tools, kits and templates is built on our years of experience in the industry. It's designed to help you grow business by providing assistance in these critical areas: Financial Resources, Sales & Marketing Resources, Agency & Design Resources and Application Development Resources. The Picture Me Profitable Kit is part of this collection, providing photo resources that can help you enter this lucrative market. It also provides additional information that can help expand your understanding of this opportunity.



Take your business to new heights.

Demand for colour is up. To turn this growing demand into profit, you may want to expand your digital capabilities and surpass your customers' expectations. We've already helped countless print service providers do just that—and we can help you, too. How? By offering you the broadest portfolio of digital colour presses along with integrated workflow and business development tools and support. Everything you need to soar above the competition.

xerox.com



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