



## International Conference Two Views on Office Equipment Consumables Procurement and Usage

On May 25<sup>th</sup>, within the framework of BUSINESS-INFORM 2016 Office Equipment Supplies and Parts International Exhibition, the second Conference named: **Two Views on Office Equipment Consumables Procurement and Usage. Myths Destroyed by the Crisis**, took place. The Conference was visited by more than 150 specialists in administrative activities from state and commercial structures, and by more than 100 specialists from supplier-companies, office equipment, toner and inkjet cartridges, office paper, and components manufacturers. The Conference sponsors were: Komus, Veneta System, CommPass, Ramis, Delacamp, Sindoh. All Conference visitors were greeted by fragrant morning coffee (provided by **CommPass company**) and by the BUSINESS-INFORM 2016 exhibitors booths .

The Conference complimentary address was given by **Bagmanyay Olesya Valerjevna**, President of Administrative Specialists Union Association. In her speech she touched upon the lack of profile education for administrative specialist. “According to our view the reason for this lies in the fact that with transitions of our country towards market economy necessary attention hadn’t been paid to formation of unified specialists cores responsible for corporate economic-administrative activities. The expertise of former soviet “superintendents” hadn’t been in demand in the new economic circumstances. Starting from the end of the 90s, Russian companies have unassistedly began to adopt European or American experience for executing of administrative activities trying to adopt it to Russian conditions. This in turn led to emergence of varied position names within organizations’ official curriculums, and to the absence of universal duty instructions for this type of speciality. Our Association aims to assist the emergence of the profile education within state educational establishments. It has developed professional standard "Administrative Operations Specialist" and took part in forming programs for additional education. The Association implements the projects of expertise exchange in the administrative sphere. Today's Conference will allow the audience to receive additional knowledge in the field of consumables procurement and receive colleagues positive experience”, - told Olesya.

In his report **Malinskiy Stanislav Valterovich**, General Director of the Information Agency "Business-Inform" (Russia), demonstrated the scheme of the office laser printing supplies market and analyzed the role and behavior of its various participants: buyers, sellers, manufacturers, and their various distributors, informational field, and legislation. The main resume made by the speaker is that on today's market no one explains the economic benefits of using quality products to the buyer. The discussion regarding economic benefits is usually done on professional exhibitions and conferences with either manufacturer or distributor-companies present. And so the buyer remains outside this field of discussions and



explanations! As a result in the procurement process the Russian buyer targets products of medium quality and mild price. According to the speaker already today within the framework of events dedicated to the vocational retraining of state, municipal, and corporative procurement specialists, it is absolutely necessary to pay attention to obvious demonstration of quality products procurement economic appropriateness.



**Malakhova Ekaterina Evgenievna**, General Director of ALIANCE-ENERGO-CONSULT Educational Center, the expert in the field of state and corporative procurements, presented the report called “The Systematization of Procurement Methods and Their Legislative Control”, which introduced the audience to the summary of regulatory-legal regulation of procurement system in Russian Federation, as well as to the competitive and non-competitive methods of procurement. The report also showed the main

differences between the Federal Law 44-ФЗ “Regarding the Contractual System in the Sphere of Product, Works, and Services Procurements for Public and Municipal Needs” and the Federal Law 223-ФЗ “Regarding Product, Works, and Services Procurements by Several Types of Legal Bodies” and the changes planned within them. This will allow the Conference participants to be lead by this knowledge in their commercial activities.

The speaker on behalf of Komus was **Zalozniy Vladimir Anatolievich**, the specialist in the field of printing supplies. He shared his expertise regarding the alternative ways of reducing costs during cartridges procurement. Besides popular and well-known ways of budget saving through buying ProMEGA Print compatible cartridges, their refilling and remanufacturing, there are also ways of cutting costs buying OEM cartridges. The speaker specially underlined the necessity to correctly compile the requirements specifications, which must indicate the supplies with high yield and double packages. It allows saving up to 15-20% during OEM cartridges procurement. Komus takes on the responsibility of compiling of requirements specifications together with its partners, it also gives the recommendations on self-reliant requirements specifications compilation by the partners.



The speaker also noted that a serious procurement costs reduction can be achieved in the field of OEM HP cartridges. Using Komus as an example the speaker review SBD-contract working scheme. To take part a partner needs to reconcile with Komus its annual HP cartridges



requirement. After that Komus makes contract with HP on supplying cartridges to the partner on special supplying conditions. Thanks to this working scheme, Komus helps its partners to get the prices much lower than on the market. Partner using HP cartridges form more than 100,000 USD gets to the next level of cooperation and can get the right to buy contractual HP cartridges. Contractual HP cartridges are the ones supplied by HP only for large and key partners. The discount (compared with price of regular cartridges) can reach 25-35%.



**Kirillov Maxim Vladimirovich**, Administrative Director of Renaissance Credit Bank, told about the particular moments of office equipment usage by example of his bank, which has a large network of the offices across the whole Russia. He marked the challenges arising when the equipment gets out of order and shared variants of solutions, which not only allow to overcome the arising issues but also to optimize the costs of office equipment usage.

Veneta Sytem Holding presented its views regarding myths of ecomic printing with compatible and refilled cartridges.

**Loginov Igor Alexandrovich**, General Director of Veneta System Holding told about the consequences, which might arise because of the decision to use compatible clone cartridges in search of savings in the times of the Crisis. Searching for alternative economic printing siolution one must take thought regarding long-term results: savings, undisturbed business processess, one's own company reputation, and (what is no less important) the ecologic balance. Compatible cartridges are not the solution, the issues must be solved only via correct approach towards equipment choice and organizing of undisturbed economic and green printing, starting with printing equipment procurement ending with its disposing. "And if business (including our customers) already made their choice towards optimization of printing process based on the remanufactured cartridges, public organizations are still tying themselves to the price not to the quality. How can the public organizations solve this problem? They must make bids not for buying cartridges, but for organizing undirsturbed paper workflow, only all services in a bundle." So said Loginov Igor.



**Egmenova Natalia Alexeevna**, the head of "Administrative Operations Specialist" professional standard developers, the inspector of AEPP Association, underlined the role that must be played by the above professional standard in the future within the framework of building the relationships between the employee and the employer, and the goals that must be achieved after development and approval of the professional standard.

The AEPP Association and Information Agency "Business-Inform" were approached by Archpriest **Ivanov Dmitry Ivanovich**, the headmaster of the Holy Duke Alexander Nevsky Orthodox School in the town of Kineshma (Ivanovskaya region) with recourse. For the first time within the framework of professional industrial conference words were spoken about spirituality, mercy, morality restoration among students. Father Dmitry told about the achievements and current problems of the orthodox school. They cannot expect help from anyone except from kind hearted people willing to help.

After the break **Malinskiy Stanislav Valterovich** in his report "Price Is More Important than Quality! What next?" demonstrated the statistics of sales of office laser printing supplies in 2015 in Russia. The lack of funds forced Russian consumers to turn towards cheap products of dubious quality in their procurements. As a result in 2015 among Russian consumers the amount of people dissatisfied with the quality of compatible supplies has grown. Regardless of whether it was low quality newly made cartridges of quality remanufactured OEM cartridges. Mr. Malinskiy showed that further growth of low quality cheap cartridges supplying into Russia will lead to the loss of credit towards the whole range of



compatible products among Russian consumers, which in turn would lead to harsh declining of compatible products procurements should the economic condition improve in Russia.

In his speech **Thomas Spiker**, Commercial Director of Delacamp AG (Germany), turned to cartridge remanufacturing as a necessary part of resource saving and a part of circular economy conception. The only thing that is ecologically reasonable is remanufacturing of cartridges, however it can be of different levels: from simple refills (with the use of cheap materials) to high level remanufacturing with the use of matched components and high quality toner. German remanufacturing industry companies are striving to re-use as much OEM components as possible, and in case of replacement necessity they use high quality materials, specially matched for better interaction with other components. A special attention is paid to multi-step input and output quality control. Unlike manufacturers of low price segment, German remanufacturers are thinking not only about the selling price, but also about various reputation expenditures, logistics and service costs, and delay compensations. They are trying to offer the highest possible level of quality with the reasonable price. Having told about the German remanufacturers, the speaker expressed his support for Russian remanufacturing industry companies, striving to comply with the level of quality and technologies.



**Belikov Evgeny Petrovich**, General Director of Ramis began his report with the comparison. In the 90s on the market of compatible materials for dot-matrix printers the same process (constant emergence of cheaper alternatives) took place. It was accompanied with the decline of quality and ended only with disappearance (except for specialized areas) of matrix printers from the market. In the industry of laser cartridges remanufacturing it can also be seen, how the high quality Japanese manufacturers, having fortified themselves in certain areas, gradually gave away their market share first to the Korean and later to the Chinese companies. However it would be shortsighted to identify the level of Chinese manufacturers as low. During the last ten years they made a serious dash and are able to offer products of different quality level, up to the very high one but at a corresponding price. For instance, Mito, one of the leading Chinese manufacturers, while selling on US market, uses Japanese OPCs in its cartridges, and while selling on the Russian market, uses Chinese ones. Therefore the quality level depends not only on manufacturer but also on the level of price Russian consumers are ready to pay (and they often chose the low price category). There is a method of defining cartridge quality with 0 to 1 scale. According to Business-Inform agency the peak of procurements is at 0.43, while the borderline for “acceptable” quality lies at 0.67. Ramis supplies cartridges of various price and quality levels: Uniton Premium – the highest quality level, Uniton Eco – quite high, ATM – “text” quality. However even ATM cartridges are well above 0.67, and Uniton Premium cartridges have the highest performance on the market.



**Evzhenko Sergei Vladimirovich**, Chairman of Oktanika, thinks that savings on the printing are not only possible, but necessary as well! The main thing is to decide on the optimal quality of prints depending on business





specificities and working processes structure in the company. And real savings need a right choice of:

- equipment for quality solving of existing tasks (taking into consideration the price, usage and maintenance specificity, other equipment parameters, and printing technologies);
- responsible consumables and office fleet maintenance or outsourcing suppliers (depending on the range, amount and complicity of office equipment);
- printing supplies: new OEM or compatibles/remanufactured (taking into consideration the possibility to refill).



**Kuznetsova Irina Alekseevna**, a well-known specialist in the field of administrative activity with 30 years spent in Sovintel, Shell, PriceWaterhouseCoopers, and VTB Bank, added to the words of Mr. Malinsky. “The compiling of the specification requirements for tenders and the description of necessary characteristics of a product being bought is the most important part of the procurement process. Those responsible for procurements cannot be in-depth all-markets specialists. Due

to this she recommended to contact several sources for creating tender specification requirements:

- Specialists of manufacturer-companies or their dealers. However the offside here is that they speak in depth regarding only one product, and that is theirs. One must contact several/many manufacturers/dealers to get the information
- Specialists of your own organization working with those products or professionals in this field. The offset here is that they may not know the whole market of such products, but they surely know the characteristics of products they need.
- Colleagues working in the same-sized organizations. One can find out what they are using and what positive and negative sides such products have.

“Such multi-sided approach will help you to identify the necessary product and chose it from the ones offered during the tender”, - told Irina.

**Korchagin Mikhail**, the representative from Canon, thinks that the organizations firstly look at the quality criteria of printing equipment fleet optimization. It is a collection of measures that include the reduction of equipment amount, the management of consumables, etc. However the quantity criteria are no less important. Quality approach towards reducing the amount of printing doesn't only allow optimizing printing costs but also optimizes working processes within various departments. The best way to achieve such performance is to introduce software tools for collection of personalized



statistics on printing and forming reports on different criteria for those interested within the organization.

Quite friendly atmosphere, as well as a chance of visiting BUSINESS-INFORM 2016 expo (and to directly review the preferences of the printing equipment and supplies presented by the exhibitors), added to the success of the Conference.

