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InkTec Zone Opens Flagship Store, Begins Franchise Operations in U.S.

On March 24, InkTec Zone America announced the opening of its flagship store in Cambridge, MA. The walk-in refill store will serve as a base for InkTec Zone's franchising operations. The company says that it expects to aggressively expand its presence across New England and throughout the United States through franchising.

According to InkTec Zone America CEO and President Bill McKenney, the company is launching its franchise-development program simultaneously with the opening of the Cambridge store. Although InkTec Zone wants to eventually build stores throughout the United States, it is deliberately starting out slowly. "We hope to establish seven or eight stores by the end of the year," says McKenney, pointing out that it takes time to get a sustainable network of franchises in place with the appropriate level of support and training. He asserts, "We are committed to doing this ethically by being a true partner with our franchisees." McKenney claims that the firm is in the process of discussing deals with numerous potential franchisees throughout the northeastern and mid-Atlantic states. "We are looking for people with experience in remanufacturing and in retail businesses."

InkTec Zone America was jointly founded by McKenney and InkTec Company, Ltd., a publicly traded Korean company with a long history in the ink and toner market. We have written extensively in the past about InkTec and its franchised retail stores in Korea, South Africa, and other countries (*Journal*, 12/01 and 5/03). As far as we know, InkTec was the first company to develop the concept of retail walk-in cartridge refill shops with its franchised "Inky" stores that can be found throughout South Korea. InkTec is also major manufacturer of ink and



InkTec Zone's store in Cambridge, MA, is a joint venture with Korean ink vendor InkTec Company, Ltd.

a coater and converter of paper and films.

McKenney says that InkTec Zone plans to differentiate itself from other franchise refill operations in three ways. "First of all, InkTec is a very advanced ink company with great pricing. Secondly, to say we have a partnership with InkTec [Company, Ltd.] understates the case. They are more than a partner; they have tremendous resources to support us. The third thing would be the knowledge and experience of our franchisees. We won't be selling franchises to just anyone," he says, adding that the firm's potential franchisees are all very experienced.

According to McKenney, InkTec Zone stores will use proprietary refilling machines that were developed by the parent company in Korea. McKenney says the machines are designed to ensure the correct amount of ink

is added and that air pressures are balanced for each type of cartridge. "Each time a new cartridge SKU is introduced by the OEMs, [InkTec Company Ltd.] does the research to determine exactly how to refill it and ... provide[s] the processes," says McKenney. The stores will also remanufacture toner cartridges. McKenney says that the stores will have the ability to remanufacture the most popular toner cartridges, but some of the more difficult or less popular cartridges will be outsourced.

According to McKenney, the fee to obtain an InkTec Zone franchise will range from \$80,000 to \$150,000, depending on several factors. There is also a royalty based on revenue. The franchisees will be required to use InkTec ink, but toner and other supplies will be sourced from a third-party toner company. ☐