

# **R&R News**

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## ***The Laser Group: Training Thousands Of Cartridge Remanufacturers***



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# The Laser Group: Training Thousands Of Cartridge Remanufacturers

by Art Diamond, Editor & Publisher

## Romance on the CBOE

Duane Siehert and Annette Sills found each other in 1979. They met as stockbrokers when both were employed by Merrill Lynch in Chicago. Back then, Duane wore a three-piece suit every day. He was a customer's man, trading retail securities and dealing with the stresses of a ruthless market, a demanding client base and hard driving management.

Annette was also a top producer, winning awards and setting achievement records with Merrill Lynch, having joined the firm in 1978.

Duane went on to become a trader on the floor of the CBOE (Chicago Board Options Exchange). He morphed himself into one of those nervous guys in the options pit who shakes and nods his head a lot, sweats profusely and frantically gesticulates with those cryptic hand signals.

"I had a \$7,000 a month nut to crack, just to lease my seat on the Exchange," recalls Duane. "It cost me another \$400 a month to park my car near the floor of the Exchange. It was a competitive, high pressure life. Each day when the opening bell rang, I was \$350 in the hole before I even made lunch

money. The only good thing that came out of that period was finding Annette."

Together, they dreamed of a gentler, more rewarding life. They would read *Entrepreneur* magazine each month, from cover-

to-cover, searching for a promising business venture, a vehicle they could both pilot, charting a course of their own choosing. Their dream was no different than millions of working couples everywhere. They found a place in Westmont.

## Taking The Plunge

Duane was fascinated by spent laser printer cartridges. At the brokerage, he began to use a laser printer and found the firm was throwing away at least one cartridge a week. "Just out of curiosity," he said, "I took one home and yanked it apart! I couldn't fathom throwing away a machine part that cost as much as \$100. After all, it was just empty. . . it wasn't broken!" After reading some magazine ads and talking with a few people in the industry, he learned that he could pay a company in New York City as much as \$5,000 for formal training as a cartridge recharger, or as little as \$600 for instruction by "some guy in Minneapolis." Duane went to Minneapolis. He spent one day with an ex-high school guidance counselor

turned recharger.

Armed with this fundamental knowledge, and more confident than ever, Duane, the carpenter, hand-crafted a massive



*Left: Video Department Manager, Chris Curtain, is responsible for producing The Laser Group's training videotapes. The production equipment shown in this photo is used to mass produce duplicates.*

*Below: Chris Curtain is shown creating a new video from raw footage. The process involves editing, cutting and removing footage, splicing in titles and other snippets that together form the finished videotape.*



*Above: Kim Cantrell, Office Manager, displays a binder containing 4 of the 12 tapes normally comprising a complete videotape training set. These tapes are also available individually (A II photos in this article by Art Diamond)*

*Right: Kim Cantrell, is shown loading another "Business-in-a-Box" carton. This is The Laser Group's answer to the most common question being asked by prospects "How do I get started in toner cartridge recharging?"*



worktable. It became his operations center, enabling him to remanufacture cartridges in his basement at the rate of 40 or 50 a month. Before long, spent cartridges were coming in from local businesses, from out-of-state companies, and from major corporations like Baxter Travenol and Merrill Lynch.

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The first full year, the business grossed \$30,000. Not bad after only \$600 worth of training. For the second full year, revenues were just shy of \$200,000. At that point, Annette asked, “Duane, do you think there’ll ever be a time when I can come to work for us full time?”

“I’m sure that someday you probably could,” he mused, “Sure.. .that would be fun.”

The next day Annette came home and proudly announced, “I did it Honey!”

“You did what?”

“I quit,” she giggled.

“Yeah, that’s funny,” Duane laughed nervously.

“No, I really did,” Annette said.

“Effective when? Three months from now? Thirty days?”

“Immediately,” Annette got serious. “I’m not going back there!”

“Oh-oh,” recalls Duane, “The recharging business suddenly got real.”

With Annette’s income, it was all academic. But, when she quit her high paying job at the brokerage firm, Duane’s world of cartridge recharging suddenly went from a subsidized experiment to the family’s sole source of income. It had to work.

It did. With Annette on board, the business took off like a rocket ship. From 50 cartridges a month, the Sieberts pumped the volume up to several hundred, more than could be handled in a 400 square foot basement operation. That’s when they moved to DeKaib and formed The Laser Group (TLG).

What’s important about this personal odyssey is the Sieberts have been through the growing pains of the cartridge business, once on their own, and thousands of times on behalf of their trainees. Together, they built a thriving recharging business using both marketing and

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technical skills. With what they learned running that business on a day-to-day basis, they have been able to produce the most authoritative series of videotapes available for beginners. Since 1992, those tapes have been frequently updated to reflect the

latest information on the technology, the tools and the materials of the trade.

## **The Force That Launched 2,000 Shops**

At 41, Duane Siebert is not a national celebrity, but his cherubic face is well known to rechargers worldwide. Duane and partner Annette have trained close to 2,000 rechargers, giving each of them a heads-up headstart, and helping to get their businesses smoothly underway. Together, this talented couple has become a major force in the R&R industry, one that has launched thou sands on a journey to fulfill their entrepreneurial dreams.

A frugal approach, coupled with the killer marketing instincts of two stock and options traders, has worked for the Sieberts as it has for many of their trainees. This couple from DeKalb has put together a stunning record of success, one that has earned them the respect and deep appreciation of many entrepreneurs. At the same time, for those addicted to the humorous column he writes for *Recharger Magazine*, Duane Siebert has practically become an R&R industry icon.

The recognition is warm and most welcome, although regrettably misplaced, in my view. Too many industry figures recognize Duane Siebert more for his wit than for his wisdom as an instructor, and more for his gags than for his *Go Get ‘Em* drive.

That’s an injustice this company profile seeks to correct. True, Duane Siebert writes great comedy and has given the R&R industry a generous helping of belly laughs. But, there’s more force than folly in The Laser Group and its contribution to the R&R industry.

What most of us don’t know is that the Sieberts have also given the industry a no-strings, no-frills, affordable training program that’s top notch. We’re well aware of other cartridge training gurus who tied their training course to the sale of supplies, or to long term royalty payments. Some have made franchisees out of their clients, or charged pricey instructional fees.

The Laser Group still offers hands-on, personalized instruction, but as Duane Siebert puts it “Our videotapes are detailed and easy to follow; they are accompanied by clearly written manuals; and we’ve got three different levels of technical support to back up our clients. We have live support, which means customers can get me on the phone from 8 to 5. They can talk to me and I’ll tell them what to do. We also have voice mail and fax-on-demand.”

After years of successfully getting new businesses off the ground, The Laser Group learned that it doesn’t make sense for anyone to travel to DeKalb, Illinois for the same training they can

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obtain in the privacy of their own home, shop or office.

The Sieberts view their clients fraternally, watching out for every dollar that's spent to make certain it's the right investment. They reveal sources of tools, parts, equipment and consumables and steer their clients toward reputable suppliers. "Perhaps the most valuable lesson we can teach our students," says Duane, "is the necessity for ensuring compatibility between toner, photore-

ceptor, mag roller, PCR and other key consumables. We instruct them to view each cartridge-SX, NX, EX, etc.-as a system in which the components must match."

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### **A Business-in-a-Box**

If The Laser Group has a flagship product, it's their *Business-in-a-Box*. Packed in a plain brown carton, it contains all of the tools and equipment needed for a recharger to get

going right now. It contains a small Atrix vacuum cleaner, two sample cartridges and enough supplies to remanufacture 30 cartridges. It's got all the tools and equipment necessary to set up a workstation, with the exception of a test printer. This starter kit has supplies for a variety of cartridges: 18 SX, 3 EX, 4 NX, 1 PX, 1 CX, 3LX. In addition there are SX and NX practice cartridges, toner, seals, felts, pliers, screwdrivers, rubber mallets, pin pullers, torque drivers—everything down to cotton swabs, cotton balls, dust masks, corona cleaner, and funnels.

Annette said, "We made it as complete as we possibly could so that customers would literally be up and running as soon as they opened the box."

"We tell people, if you open up this box, you're in business," says Duane, adding that "It sells for \$595. The training tapes are sold separately. Some people buy the tapes after they've already started up in business and realize that they really don't know what they are doing."

"The problem I had when I entered the business," Duane continued, "was dealing with a list of six different vendors that my instructor gave to me. I'd be calling people all over. You get your vacuum cleaner from here, your toner from there-it took about three weeks for all the stuff to show up. Plus, there were separate C.O.D. charges and shipping charges on each item. When we started training folks we tried to avoid these charges. We told people that we don't sell supplies. They said, wait a minute, if you're doing cartridges, can't you put this stuff in a box and send it to us? We know you've got them in your shop!"

Purchasing *Business-in-a-Box*, plus the videotapes, costs a beginner \$595 plus \$795-that's \$1,390. To that total, add a

used laser printer as a test bed. TLG typically sells LaserJet II printers for about \$695, plus or minus, depending upon what they have to pay for it.

According to Duane, "We don't use the printer as a profit center; we just try to cover our costs. The bottom line is that for a total cost of from \$2,000 to \$2,500 anyone can get going immediately and remanufacture the majority of cartridges that are out there. If they get stuck, we've got the technical support to back them up.

### **A Foolproof Business Opportunity**

That's the amazing part of this business. Working with the right people, it's a cheaper buy-in than almost any other new business opportunity. The capital investment required is minimal. What's more is that it carries a very low risk. The demand for replacement cartridges is strong and will continue to be so. Anyone who can read, use a screwdriver, and make telephone calls, is eligible.

Competitors are offering training for bigger bucks, in some cases the cost is as high as \$20,000, including "a demographically protected territory." Of course, that doesn't guarantee against one of TLG's start-ups coming in to that same territory.

"We can train just about anyone to remanufacture three cartridges an hour," says Duane. "That's more than 20 per day, or 400 a month, without working weekends. For most people, that would bring in more money than their doctors make. They don't have to see patients, they don't have to deal with people's personal tragedies."

Take a look through a business opportunities magazine, such as *Entrepreneur*, *New Business Opportunities*, *Income Opportunities*, or *Success* magazine and you'll see what it costs to get into your own business outside the R&R industry. Some store franchises, people, that would like a video game shop, require an upfront payment of at least \$65,000, in some cases over \$100,000 as the capital investment required. That puts the cost of owning your own business out of reach for most individuals.

Toner cartridge repair is the first choice for the callers who contact TLG. It's interesting that the second most popular venture has been windshield repair. A \$15,000 to \$18,000 investment gets you everything you need to fix broken windshields in the victim's driveway. What's neat about that business is you can go out in the evening and create your own market!

After all is said and done, toner cartridge remanufacturing

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**The Laser Group** - *continued from page 6*

is one of the most foolproof business ventures anyone can get into today. If you follow instructions, you can't lose. Barring that, it's the safest kind of business anyone can enter with no prior knowledge of toner, OPCs, PCRs, or who Chester Carlson was.

"I'm sure that the success rate is higher than most ventures," says Annette, "but, that's only true among people that give it a serious shot. There are many who get into it because of the low entry fee. They think they've got what it takes to go out there and discipline themselves to do what is necessary to succeed. They'll spend \$2,000, get all of the manuals and materials. After a while, they'll stare at it all and ask:

You mean you're not going to give me the customers? I've got to go out to get customers? They may make 20 phone calls and then give it up. They are the tire kickers that try it and very quickly decide it's not their cup of tea."

People call TLG in response to their business opportunity ads. One of the most frequently asked questions is, "Where do we get empty cartridges from?" They are told that the best approach is to ask, during the initial phone call to a prospective customer, "Do you have extra cartridges you're not using?" That's where everyone gets spent cartridges from. The only place you can get an empty is from someone who has used up a cartridge. Many callers think there is some secret supplier of empty cartridges. There are. They are called *cartridge brokers*, but where do the brokers go to get empties? To the end user!

Duane explains to trainees, 'Why in the world should you pay somebody else's telemarketing people to find empties for pennies on the dollar? Then, you're going to buy them at full price, feeding their sales effort off of your bank account. That's what it boils down to. Granted, there are some specialty cartridges like the LaserJet 4-you can't find enough of them no matter where you go, so you have to see if somebody else has them. But, we tell people, somebody has their little private landfill in their office somewhere, because they can't bear to part with an \$80 or \$100 piece of plastic that



up until yesterday was working fine!"

**Corn, Cindy & Cartridges**

It's difficult to visit the Sieberts in DeKalb, Illinois without getting into local history. DeKalb is situated in the midst of some of the richest farmland in the world. In addition to its growing notoriety as Duane's home town, the city is famous as the birthplace of hybrid seed corn, barbed wire and Cindy Crawford. Barbed wire was born in this small farming town when, in 1873, Isaac Ellwood, a hardware merchant, Joseph Glidden, a farmer, and Jacob Haish, a lumber dealer, got together with a plan and a patent that created "the wire that fenced the West."

Ellwood soon became known as the barbed wire baron. The infant industry leaped forward in 1876 when Glidden's interest was purchased by the Washburn & Moen Company of Worcester, Massachusetts, one of America's largest wire manufacturers. In 1878 more than 26 million pounds of barbed wire were made and sold! In the 1870s and 1880s large wire mills were built on the east side of the city of DeKalb.

The prosperous business enabled Isaac Ellwood to amass a fortune estimated at \$30 million. He built a mansion in 1879, an opulent symbol of his success. The "Little House" pictured in the photograph of Duane and Annette on this page was completed in 1891. It was used as a playhouse by Ellwood's grandchildren. He remained active in the business until 1898. In that year, the I. L. Ellwood Manufacturing Company was absorbed into American Steel & Wire Company and subsequently merged into U.S. Steel Corporation by J. P. Morgan.



**Some Case Histories**

The Sieberts recall some of their more interesting trainees. There was an attractive, petite blonde, for example who decided she wanted to start her own business. She drove out in a little convertible all the way from Detroit with her mom. She left DeKalb with a set of videotapes and a *Business-in-a-Box*. "I have no doubt that through our instruction," said Annette, "she will be able to take a cartridge apart and put it back together. We told her which materials to use and if she complies with these recommendations and

follows our instructions without trying to reinvent the wheel, she'll do fine."

But, the technical side of recharging is only about one-quarter of the business. A strong sales effort and the right product mix make up the rest. This really hit home for the Sieberts about two-and-a-half years ago when a customer called in February of 1993. He said, "Okay Duane, I'm down here in Florida. I want to do cartridge remanufacturing. I hate the business I'm in right now. I don't know anything about the remanufacturing industry, but I understand that you're the experts. You're the ones that I should talk to. I'll buy your materials- whatever you tell me I need. But, the most important thing, I think, is that my success is going to depend on my sales ability."

The caller then said, "In the next five minutes, I want you to tell me, if you were going back into this business today, after doing it for as long as you have, what would you do? I know that your answer is not going to take more than five minutes, it can't be that difficult."

Duane told the caller, "Number One. If I was a one-person shop, I would only make phone calls during the day. I wouldn't work on cartridges in the daytime. I wouldn't do anything during the day but stay on the telephone from 8 o'clock in the morning to 5 o'clock at night-making 20 or 30 calls per hour."

Duane also advised him not to do his own pick-up and delivery, but to let small package delivery services do this road work, and cautioned him to focus on HP cartridges, "Skip the IBMs, skip the Okidata, skip the Ricoh fax machine, skip all the exotic printers, just go for the bread-and-butter cartridges. Go for the SX, NX, LX and EX units."

The caller expressed his gratitude and followed these instructions to the letter. Within eight months he was doing 300 cartridges a month which netted him roughly \$6,000 in clear profit, or a \$72,000 annual income. Not too shabby.

There's this other guy in South Carolina who is building a 10,000 square foot garage, doing about 250 cartridges a month. He called Duane just the other day and said, "Hey, buddy, I want to thank you. This is fantastic. We're building a garage that we could never afford before when both my wife and I were working for someone else. Now we're putting in a garage with a second floor. The cars go in the bottom of this huge garage, but the second floor will be toner cartridge remanufacturing and that's it, and it's all possible because I'm doing cartridges one-by-one. There's no production lineup of dozens of cartridges. No tote boxes full of just toner hoppers, waste hoppers or PCRs. I'm only doing about one cartridge per half hour, but I'm making money and having a ball."

## Hamburgers or Filet?

Why doesn't TLG advise callers to work on the really expensive cartridges? Aren't they much more profitable? The answer is, sure they are more profitable, but they are also more work, more complex and harder to find. Putting it in simple terms, Duane said, "Look, would you want to own the Five Star restaurant in town-the one that's in the Michelin Guide-or would you rather have a MacDonald's franchise?" I knew the answer to that one, it came in the form of one of those homespun quotations from Ed Swartz, CEO of S.C.C., "The guy that sells hamburger eats *filet mignon*," says Swartz, "but the guy that sells *filet mignon* eats hamburger."

**"The guy that sells hamburger eats *filet mignon*," says Swartz, "but the guy that sells *filet mignon* eats hamburger."**

What The Laser Group is doing in their own shop to prove to trainees that they practice what they preach-is to get rid of those customers who have the Ricoh fax machines, the IBM 4039s, the Okidata 400/800, even though they are the biggest profit margin items.

"We are not talking about physicists here, we are talking about people who don't have a clue about the science of the electrophotographic process," says Annette. "The other element in that equation is that if you have an SX cartridge, somebody has broken their back researching and developing SX toner." The toners are at least as good or better than the OEM product.

"But, if you get into the Ricoh fax machines, who if anyone is funding an equally extensive R&D effort to emulate that product to produce the world's best toner for Ricoh fax machines, when they might represent less than 1 percent of the replacement cartridge market?"

## TLG On the Internet

The Laser Group is in the process of putting a home page on the Internet. It will be at [www.lasergroup.com](http://www.lasergroup.com). The idea is to generate worldwide technical support via a forum for the recharging industry. People that log on will be able to ask questions in an open forum. The internet is quite obviously the best and most economical way to provide this type of service, setting up files of general interest and helping subscribers communicate. With nearly 2,000 trainees and articles for magazines that go to tens of thousands of people, TLG is seeking a forum for laser printer cartridge remanufacturing.

Others in the R&R industry have tried bulletin board services, but they have not been successful. One of the prob-



lems is that a bulletin board based in one state is not an 800 call for out of state callers. It's not a local call, so if you want to make use of it, say to rummage around exploring different file options, it will get expensive. The internet, by comparison, is almost always a local call.

When Annette and Duane were in Germany, they kept in touch with their office. Kim would log on in DeKaib with the local number and retrieve mail that they sent to her all day. "By making a local call from our computer in Dusseldorf, we could talk back and forth for very little money," Duane noted~

Take as an example a recharger in California who poses the following question to the forum, "What's anybody doing on the NX that works? Somebody from Maine says, "Here's what I'm doing-I have found that ABC Company's PCR is working just fine."

In fact, Duane posted a question on a different topic in broadcast editing. The first person that answered was from Manchester, England, writing, "Oh, here's what we do in a case like that. . ." Fantastic! To be able to exchange information and get real, practical answers that quickly! "I'll bet that person couldn't find DeKalb, Illinois on a map if he had to," Duane laughed, "and yet here's an expert who works for Channel 2 over there and he's got my answer.

## Broadcast Quality Videos

Those instructions are included in the most complete and coherent collections of video tapes detailing cartridge disassembly, cleaning and remanufacturing. These videos are high resolution, broadcast quality tapes filmed at the company's in-house recording studio.

This is broadcast quality video. It is computer-based with a desktop editing capability. What desktop publishing is for documents, desktop editing is for videos. The computer software provides what amounts to an entire editing studio.

That editing capability is essential, as it enables TLG to keep updating its videotapes. It's necessary to change the videos frequently in order to keep up with the latest in materials and techniques. TLG can also do PAL and SECAM, the overseas TV formats, for its foreign customers. How many other companies are producing training videos for cartridge remanufacturing? Probably three or four at this point. Some of these are just marketing video training tapes out of a mail order catalog. TLG doesn't view them as the same type of competition with which we would see another training center," says Duane. "Also, we don't compete in the field of laser printer service and repair. Cartridge remanufacturing is an entirely separate kind of expertise."

If TLG has driven several training companies off the market it's for three good reasons: 1) they've been successful in greatly reducing the cost of training, 2) they do not bundle training with long term supply contracts or royalty fees, and 3)

they have a three tiered technical support available to trainees.

## A Video To Train Collectors

The Laser Group is working on a new training tape, called an *Empty Collector* video. It's based upon an idea Duane had when he pondered, "Who sees more empty toner cartridges than anybody?" The answer came back: Janitors. Turning his attention to a major office building, like the Sears Tower, he came up with a plan to advertise for empty cartridges in janitorial service magazines. "We now have what we call our *Empty Collector* video in which we explain: Tell us what cartridges you have and we'll tell you what they are worth. We hope to have these guys collecting trash for us."

There are many charities, shelters, handicapped workshops and other social organizations who would also benefit from this video, because it teaches them how to earn money by collecting empties within their own geographical area.

## The Joys of Rejuvenation

Duane Siebert finds a certain joy in cartridge remanufacturing. "One thing I never had in the brokerage business was total satisfaction. Let's say you just consummated a big sale. You feel good for about ten minutes. The next day, your back down to ground zero. But, with toner cartridges it's all different. A half hour ago, the thing didn't work. In the customer's mind it was trash. A half hour later, you've worked your elfin magic on this black box. You put it back in the machine and you can see that you've witnessed a resurrection. Repeat this 20 or 30 times a day and it feels real good! You get this sense of accomplishment. Before, you had 20 empty boxes that were bad to begin with. Now, you've got 20 full boxes that are good. That's why I think it was a good idea to get the shelters, handicapped workshops~ven prisoners~into the recharging business. At least we can get them to feel the joy in doing something of value.

## Duane 'n' Annette

DNA-the analogy holds true-a substance recognized as the fingerprint of a living cell, structured as a double helix. It's two chains are spirally entwined, each carrying the unique series of compounds that constitute the genetic code-one which differentiates one living cell from every other organism.

If DNA is a model for life, Duane 'n' Annette are a model for a lifestyle. Working together to build The Laser Group, husband and wife have their lives entwined in a unique business and personal relationship. In its highest sense, this joint venture serves as a model, a code for thousands of family-owned businesses in the cartridge remanufacturing industry everywhere.

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