

The Inside Track

Greenman AB

The Recycler spoke to Greenman AB's Jorgen Wonisch about the company, its time in the industry, the challenges and successes it has experienced, and the future of the industry.

I had been working as an air traffic controller (ATC) for 10 years and wanted a change in my life, that could give me some extra money. I kept on working as an ATC and formed a company on the side that was selling ergonomic supplies like screen filters and mouse pads. Me and my wife at that time decided that this business should not be built on borrowed money that could endanger our economy – so we had no loan from the banks at all.

How did you get started in the industry?



Jorgen Wonisch

But then we had a drop in the Swedish economy in 1990 to 1991, where companies cut all costs they could. So what to do now? We had to find some products that companies need to buy even if the economy is down. So I started out selling stationery supplies via telephone, and had a partner that drop-shipped everything directly to the end users, so we did not need any inventory.

After just a few months that partner went into bankruptcy. But in their catalogue they had ONE remanufactured toner cartridge. I was fascinated about this product. Who does not want to buy it?

Environmentally friendly and cheaper than the original. Still today I wonder the same – and don't understand those who buy from the OEM. I called the manufacturer in the Netherlands (Ecotone BV) and came to an agreement to be their distributor in Sweden.

The first six months I continued to sell remanufactured cartridges when I was not working as an ATC in the tower, and had the stock in our living room. But as the customer base grew, it was impossible for me to provide a good customer service while I was in the tower, so I had a telemarketing company do the selling and support for me, still with the stock in our living room.

After a year the business had grown so

much that I employed two of the salespersons from that company, and rented a small facility where they could work and where we also could have our stock.

At that time we were only selling to end users, and my two sales staff were only telesales-trained. If there were to be any visits to the customers I had to do that, but I did not have that time because of my work in the tower.

We kept on going like this until spring 1998, when the margin had shrunk too much, and we had to choose which road to take into the future - or if we should simply shut the company down. We decided to start selling to resellers instead.

We were making less money per cartridge, but the volumes grew – and everything is about volume, even more so today.

We also introduced remanufactured inkjets at that time: we had a new product in the market; we were unknown as a company; we did not have any money for advertising; and we also changed our toner supplier to Greenman Plc in the UK. We nearly went into bankruptcy. But we managed to ride it out. Over the years to come, we kept on growing the business and started to collect empties as well.

Then on a Friday in April 2007 I got a call from a friend in the industry, who told me to look for another supplier, because Greenman in UK had financial problems - and so did their daughter company K2 Supplies, to whom we were selling all our empties. How urgent is this, I asked.

Start looking for new supplier YESTERDAY, he said. Three days later on Monday I signed a deal with XPS.

Greenman UK were not allowed to ship any more cartridges because of the bankruptcy - and XPS' capacity was not adjusted for our volumes, which were approximately 40,000 cartridges annually. And on top of that we were selling three brands where we and XPS had no boxes. A lot of people within Greenman and XPS did a fantastic job changing designs and providing the artwork in an extremely short time.



This was the second time that we nearly went into bankruptcy. I learned my lesson - and since that day we have had more than one supplier on toner cartridges. In the following 10 years we introduced copier toner, franking cartridges, ribbons and cleaning products. This year we introduced Greenman SAMS (Supplies and Management System). It's an MPS service based upon the PrintFleet software.

Ever since the beginning we focused on selling environmentally-friendly products and also being a green company, like CO2 compensating all our freight in the Nordic countries TWICE. Even the freight returns of empties are CO2 compensated. I am not any longer working in the tower; my last shift was in summer 2005. We are now a company of 20 employees and the estimated 2016 turnover is €5.3 million (\$).

There are basically no European manufacturers anymore. There is something called the internet, which has helped drive the prices down into the basement. And now we have the clones to deal with.

How has the industry changed since you began working in it?

We have always been selling high-quality products. We have by far the widest range of products.

We have highly motivated staff that are very, very competent and loyal. They also provide the best customer service - by far. This is not just me saying this - but all our customers - in the regularly questionnaires that we have every second year. All this together has made us the biggest distributor in the Nordic countries for remanufactured toner cartridges. We will sell around 110,000 remanufactured laser toner cartridges in 2016.

The price erosion, partly driven by the clones. If a private person sees a Rolex for sale on the internet for €50, they know something is not right. But when the same person sees a 12A cartridge for sale at €5 including freight - they think it's a good bargain. This means that we continuously have to try to be even more effective and grow our volumes to get the economy of scales, to be cost efficient and fight the war against clones.

To get the same market share in the other Nordic countries that we have in Sweden. To really have the citizens in the Nordic countries understand what a remanufactured cartridge is, and how outstanding it is for the environment compared with an OEM

How do you see Greenman developing in the next few years?

Our biggest growth factor will definitely be SAMS (our MPS system), and a continued growth in the other Nordic countries. We have formed a Norwegian company to make the trade easier since they are not in the EU.

What have been the biggest challenges? What opportunities and challenges lie ahead?



What opportunities and challenges do you think lie ahead for the industry?

Prices and clones. Maybe in the longer run the decrease in print volumes, but in the short term perspective our industry can make up for it by taking business from the OEMs.

What are your thoughts on becoming a board member of ETIRA?

I am really grateful to get an opportunity to do something about our industry's future. These are challenging times for our industry. Then of course the nomination gives a great credibility to not only me, but my whole team at Greenman. Another clear message to the resellers in the Nordic countries that Greenman is to be trusted - and we will not be selling clones. **R**

What have been the biggest successes for Greenman?

