

United Color Lab gains immediate quality and business benefits by moving from silver halide to HP Indigo digital printing



At a glance

Industry: Photo Specialty

Business name: United Color Lab

Headquarters: Memphis, Tennessee, USA

Website: unitedcolorlab.com



Challenge

- Overcome declining market for traditional professional photo finishing lab services.
- Generate new business and meet requests from existing customers for new types of applications, such as layflat photo books, wedding announcements, and duplex proofing and keepsake booklets.

Solution

- One HP Indigo 5600 Digital Press with the heavy substrate option and Enhanced Productivity Mode (EPM) replaced six silver halide printers. The digital press is now used for all photography jobs and new applications such as personalized invitations and commercial printing.
- HP SmartStream Production Pro Print Server enables easy and efficient imposition and job ticket creation.

Results

- Within two weeks of installing the digital press, United Color Lab had stopped all silver halide production – without customers noticing a change in their photo prints.
- UCL is seeing dramatic savings across multiple parameters: 45 percent lower electricity costs; about 25 percent lower materials costs for its mainstay product; and significantly reduced labor costs achieved by replacing six silver halide operators with one digital press operator.
- Following three years of constantly declining revenues, UCL stabilized its photography revenues within a few months. It captured \$400,000 in additional photography-based revenues from one trade show and expects a substantial increase in new business from non-photography jobs in 2014.
- Fast job processing and printing enables more time for prepress, improving accuracy and reducing stress.

“The beauty is that we installed the HP Indigo press on the eve of the busiest time of the year for us, and yet, within weeks, we were done with silver halide. All gone.”

– Bill Strain, general manager, United Color Lab

In any business, careful planning is key to success. But, sometimes, having the best-laid plans go awry can be the best possible thing. That was the experience of United Color Lab when it made the switch from silver halide processing to HP Indigo digital printing.

As a professional volume photo finishing lab, United Color Lab specializes in the school day photos market. When installation of its first – and so far only – digital press was scheduled to coincide with its busiest production season, United Color Lab knew it could not take any chances. Accordingly, it carefully planned a months-long phase-out of its six silver halide printers. But, learning and working with the HP Indigo technology turned out to be so easy, and the results so good, it stopped all silver halide production within just two weeks of installing the HP Indigo 5600 Digital Press.

Bill Strain, general manager, United Color Lab, recalls: “We noticed the print quality of the HP Indigo press surpassed what we were producing on the silver halide machines, and it was taking less time, so we just flipped the switch and took all the work to HP Indigo.”

Strain’s team noticed a difference, but United Color Lab’s professional photographer customers apparently did not. “We showed a few customers prints done on both machines and they didn’t seem to know which was which,” says Strain. “It’s a real success that all the way through the Fall season we produced standard photo prints on the HP Indigo press and the clients did not know the difference. Although, some did call to say their prints are great and the color is spot-on.”

Digital printing helps business turn around

In moving to HP Indigo digital printing, United Color Lab has essentially re-invented itself. Established in 1992, the Memphis, Tennessee-based company had built a strong business providing traditional photo finishing services to professional photographers nationwide, focusing on the school photography segment. However, with the advent of high-end digital cameras, sales to professional photographers began declining. By 2013, the company had seen revenues shrink by 15 percent in the previous three years alone.

“I’d go to tradeshow and have hardly any success getting new business. And my customers wanted things I couldn’t produce with our equipment,” says Strain. He mentions layflat books, wedding announcements, duplex proofing books and photo session keepsake booklets as frequent requests that were beyond United Color Lab’s capabilities.

New applications, new orders

Fast-forward to early 2014, and the picture looks quite different. Those types of applications, and others, such as high-end coffee table books, are now part of United Color Lab’s standard offering. Alongside the traditional school day photo packages, it now offers many enhanced services, such as photographer-specific watermarks. “At our last show, because we showed press-printed products, we have booked almost \$400,000 in additional revenue, all from new customers, all in the first four months of the year.”



In addition to new business from its traditional professional photographer market, United Color Lab is also getting orders from new segments, including local businesses, contract work from other commercial printers, and sales through its new online store.

“It’s too early for us to measure real growth, but we can already see that our revenues have stopped declining and business is on the upswing,” says Strain. “We’re expecting some pretty rapid and aggressive growth. Just from non-photography business, which is entirely new to us, we expect a substantial increase of about \$300,000 – \$350,000 in revenues in 2014.”

Savings in multiple areas

Beyond stabilizing revenues and opening the door to new business, switching from silver halide to digital printing has netted United Color Lab significant savings. “We have eliminated six halide printer operator positions, replacing them with one digital press operator. And we need only about half the production space we used to fill. Our monthly electricity consumption has shrunk from just over \$4,000 to about \$2,200, and our actual cost of materials is also much lower.” Strain explains that the company counts everything according to units of 8 x 10-inch photos. “Our substrate and ink costs with digital printing are about three cents lower than the cost of silver halide paper and chemistry. Over several million units a year, that’s a substantial saving!”

More quality, more benefits

United Color Lab is also reaping the benefits of digital printing in other ways. Strain notes: “We notice a lot more range from highlight to shadow areas, with a lot more detail. Skin tone and overall color quality is a bit more vibrant and very fine details like eyelashes and hair are more dominant.”

The switch to HP Indigo digital printing has benefited the prepress department, even though the prepress workflow has not changed. “Some of our school jobs can be quite complex and data sensitive so everything has to be just right,” explains Strain. “Because printing is so quick, we can take longer in prepress. We can be more accurate in aligning data, so we have reduced errors and stress.”

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