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Indian Toners & Developers Ltd's
Father and Son Enterprise Wins the Day

Issue 47 (US\$10.00)

ISSN 2050 6449



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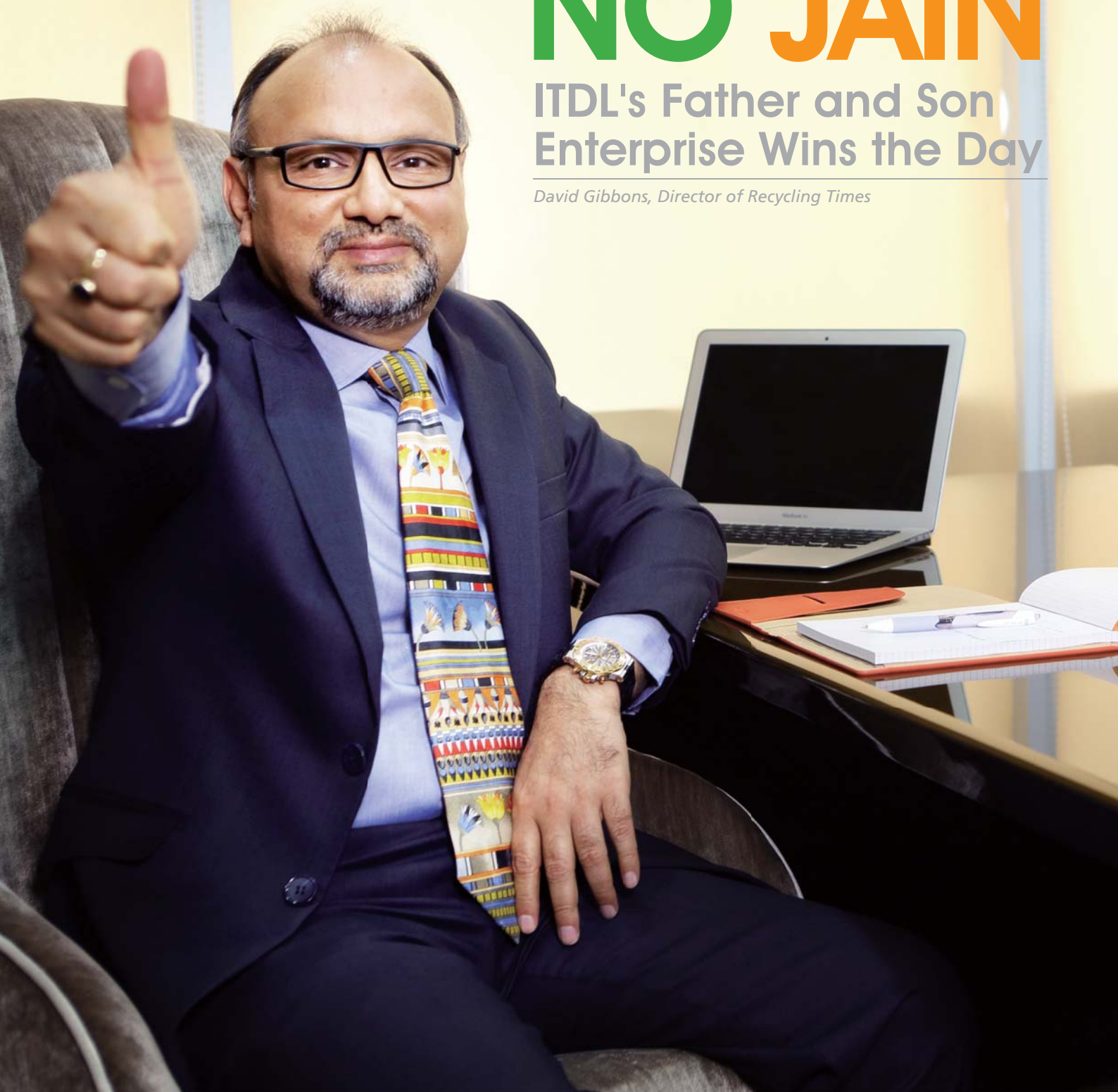
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NO PAIN NO JAIN

ITDL's Father and Son
Enterprise Wins the Day

David Gibbons, Director of Recycling Times





In spite of being in a tough, hard fought, price driven market, one company has become not just a national, but an international pioneer and leader in the production of toner for the global aftermarket industry.

It has only been possible for Indian Toners & Developers Ltd (ITDL) to do so, because of the entrepreneurial spirit that flows through the blood of successive generations of the Jain family. Today Sushil Jain, and his son Akshat Jain, celebrate 22 successful years of business in India. They were the first aftermarket toner company to be established and today they continue to be the undisputed market leaders.

Father and Son

Sushil did not stray too far from his birthplace in New Delhi. He went to school and secured his graduate engineering qualifications there. “I have always had an inclination towards highly technical products,” Sushil explains, “My goal was to become the leader in whatever industry I would get myself into.”

Being from a family of industrialists, Sushil drew from an existing infrastructure and team to identify the project he would get started. “My education, together with the grooming given to me by my own father over 10 years, prepared me well to take up the challenge of developing a strong toner business—something my son Akshat has also quickly learned.” Sushil incorporated ITDL in 1990 as a public limited company—he was just 33. The company continues to this day as a public company listed on the Bombay Stock Exchange (BSE). By 1992, ITDL was into commercial production at its first facility based in Rampur (in the state of Uttar Pradesh) in India.

“India was very scarce in foreign exchange in those days,” Sushil continues. “When we started production in 1992, others were importing toner products into India, so the Indian Government was encouraging projects, which could save moneys flowing out of the country.” According to Sushil the industry was also very disorganized, so he introduced



a strong management model with full transparency. The company was set up to manufacture 330 metric tonnes of toner per year with an initial workforce of about 70 people.

However, Sushil did not find it all easy going. “The first 5 years were very challenging and full of hardships,” he reminisces. “It took quite a while to fine tune the products to meet the needs of the local market.” His first customers in Northern India purchased aftermarket toners for Canon, Mita and Toshiba analogue copiers. Within two years, he was selling his perfected toners to international customers in Singapore and other south Asian countries.

Sushil’s son, Akshat, had to be part of it too. “I belong to a business family and it’s in my blood to be entrepreneurial. My father started working with my grandfather before he set up ITDL on his own. So I am simply following a strong family tradition.”

These days, they run ITDL together. Even though it is publicly listed company on the Bombay Stock exchange, Sushil and Akshat, as the promoters, have the majority share holding, running the company professionally with Sushil as Chairman and Managing Director while Akshat is the CEO. Akshat says of his father: “He is the heart and soul of the company so I always consult with him and seek his

approval. Like his father, Akshat, was born and grew up in New Delhi. Sushil wanted his son to have an international graduate education, so Akshat went to the US to gain a Bachelor of Science in Business Administration degree. “My father is the engineer, but my focus is on international marketing,” Akshat says. “I enjoy meeting people from different backgrounds and cultures, and my job at ITDL allows me

This is a technology-driven industry where R&D is a prerequisite to success

to work with people from other countries with different work ethics. I’ve learned to keep their work culture in mind while doing business with them.”

How else are these two Indian entrepreneurs different? Akshat is quick to respond. “I think all fathers and sons have their own set of working styles.” Being from a younger generation, Akshat says he is more aggressive than his father. “But,” he adds, “I always try to follow in his foot steps and to further grow this company from strength to strength.”

As the first years were tough for his father, Akshat says it is still tough to be

successful, although he is not surprised. “My father taught me one golden rule—there are no shortcuts to success in work and in life.” Akshat attributes ITDL’s success to these foundations. “You have to be diligent, honest and transparent in everything you do. We always follow the rulebook and are proud to be ethical businessmen—the main reason for our 22 year existence, and steady growth.”

Akshat and his father Sushil nod in agreement. The aftermarket print consumables industry is not “everyone’s cup of tea”. Customers want to know about your R&D—something many in this industry claim to do, but don’t actually do. “This is a technology-driven industry where R&D is a pre-requisite to success. We can, honestly answer their questions based on the thorough R&D we conduct.”

Capacity

Currently ITDL has the capacity to manufacture 2,400 metric tonnes of toner per year. However, Akshat is quick to add, this continues to grow and the plan is to enhance the capacity to 3,000 metric tonnes of toner per year by the end of the 2014 financial year. They operate four production lines, capable of producing 600 metric tonnes each. “They are Swiss-German state-of-the-art plants,” Akshat



boasts, “and an additional, fifth line is used exclusively for R&D and has been recognized by the Department of Science and Industrial Research, the Ministry of Science and Technology, Government of India.” They manufacture compatible toners for use in laser printers, the new age digital machines, multifunction printers, as well as the older analogue copiers. They also manufacture specialty toners for use in wide-format printers and copiers, as well as compatible MICR printer toners.

In India, they are the undisputed market leaders. The international market has been stagnant, due to the slow world market economy. “However, we expect the growth for the international market to kick in again during the next financial year. In fact 2013 ended on an upswing and we have registered good numbers.” The reason, Akshat explains, is that a lot of “seed work” has been done to tap into newer global markets. “We are already strong in a number of Asian countries, Eastern Europe and Africa, but our current focus is on the emerging markets in Asia as well as the CIS (mostly former Soviet Union) countries.

Pricing and Quality

India continues to be a price sensitive market that does not pay much attention

to product quality. Some consumers do insist on quality products but many others will take inferior quality for a cheaper price. As market pioneers and leaders they promote responsible pricing—something Sushil instilled into the business 22 years ago. They strongly encourage quality remanufacturing methods and processes and educate their customers to use quality toners which give higher cartridge yields

We ultimately win the race because of the ethical trade practices and the good business relationships we have with our customers

while prolonging the life of the various components—in laser printers as well as copiers.

The biggest challenge they face internationally is to prove that Indian made products are at par with anything made elsewhere in the world, in terms of quality. Akshat boasts ITDL compatible toners, can proudly stand side by side the best compatible toners manufactured in Japan, or any other developed country.

Price wars are also a challenge, particularly if you are doing your R&D and want to be innovative. According to

Akshat, those vendors which supply cheap quality toners are damaging the market and consumers often question aftermarket products after having had a bad experience where cheaper toners or components were used.

“There are plenty of opportunities too,” Akshat responds. “We still have a very small share of the total worldwide market, and there are enormous opportunities to capture a larger share. The niche products segment is one example. We have also started to offer chemically produced toners for color printers and copiers.”

Their dream is to become one of the largest compatible toner manufacturing companies in the world. The production capacity of 3,000 metric tonnes per year is another step towards that goal.

I ask what he tells friends and customers about ITDL over the dinner table? “It’s quite simple,” Akshat responds. “I tell them how ITDL has stayed put in the market, how we are the ‘Slow and Steady Wins the Race’ company. Other cheap, quick products enter the race with us by flooding the market, but we have seen them come and go. We ultimately win the race because of the ethical trade practices and the good business relationships we have with our customers. ■