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XEROX

Xerox WorkCentre M15®
Xerox WorkCentre M15i®
16ppm/multifunctional



Sum-up: Exciting new multifunctional models with attractive pricing and features.

In theory, the WorkCentre M15 and M15i are the first low-volume models to use Xerox's new product brand name. While the company has had WorkCentre models previously, this time around the name is associated with a large-scale branding campaign. Interestingly, the new series lacks CopyCentre and WorkCentre Pro versions, an integral part of the strategy further up the product line.

The new 16ppm models are based on the same Samsung engine that is used in the WorkCentre Pro 412, a model that they replace. Like their predecessor, the M15 and M15i are the least expensive copiers sold through Xerox's direct/agents channel. The machines are also sold through distributors, dealers, and over the Xerox Website.

In one of the many changes introduced with the new branding initiative, Xerox has begun publishing prices on its Website. Rather than publishing list prices, the company has posted estimated retail prices (ERP). Depending on the level of the copier market, ERP is between 10 and 40% below list price. In the cases of the M15 and M15i, the ERP is very close to being a street price. Further upmarket, ERP is clearly not the best you can do on a given model.

The M15 lists for \$1,149 and has an ERP of \$899, which is very competitive. The M15i lists for \$1,599 and has an ERP of \$1,299, which is especially attractive. In fact, these two models are some of the most aggressively priced machines sold through the direct and dealer channels.

Features on the new machines are also exceptionally robust. They both come standard with a 550-sheet paper tray, 100-sheet bypass, and automatic duplex, and have scan-once/print-many copying and electronic collation (i.e., the ability to produce multiple copies of a multipage document without the need for a sorter). The machines also have standard PCL 6 printing, a capability not available from

other vendors at these price levels. (Only in the retail channel can models be found with PCL printing for less.) A 30-sheet-capacity document feeder is optional on the M15 (it goes for just \$100) and standard on the M15i. The M15i has standard 33,600bps faxing and scanning (including color scanning capabilities), functions which are not available on the M15.

The M15 and M15i, given their 16ppm engine speeds, inevitably invite comparison with the digital copiers that are sold in the retail channel. For example, Hewlett-Packard's 14ppm LaserJet 3330mfp goes for a street price of \$699, which is well below the best price you'll pay on an M15i. While the HP model has both PCL and PostScript printing, the M15i has a few advantages of its own. Its 550-sheet standard paper supply and 100-sheet bypass are much larger, and it has automatic duplex.

Another retail-channel vendor to consider is Brother. Its 17ppm MFC-8820D has a street price of \$649 and comes standard with support for both PCL 6 and PostScript 3 printing. However, the MFC-8820D's standard paper capacity is only 250 sheets (there is an optional, low-cost 250-sheet paper tray if you need more capacity), and its bypass is only 50 sheets.

While retail-channel models continue to have a price advantage over direct- and dealer-channel offerings, the M15 and M15i have reduced the spread considerably. The machines are solid values — you really can't



Xerox WorkCentre M15 — At \$899, this new 16ppm copier-printer is a solid value.

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Vendor Profile

Xerox pioneered the office copier and remains a dominant force in the industry. Traditionally, its main strength has been the high-volume sector of the market. Its low- and mid-volume machines tended to be pricey without always offering performance advantages over the Japanese competition. These days, its low-volume models are a far more tempting proposition, and the company is showing signs that it wants to expand its presence at this level of the market.

Retail channel: Ironically, Xerox grasped the changing realities of the low-volume copier market sooner than most vendors, recognizing early the importance of establishing retail distribution. Its sub-20ppm copier presence peaked in that channel in 2000, and it led the industry with a broad range of models, the best warranties, and the largest market share. But Xerox's financial woes at the time brought about the company's exit from the retail-channel copier business before it could achieve profitability.

An announcement terminating its ink jet business was widely anticipated; this money-losing venture was causing extensive damage to Xerox's balance sheet at a time when the company could least afford it. To make matters worse, the bottom fell out of prices in the ink jet market, making it even more difficult to justify keeping the operation going. Interestingly, the laser side of Xerox's retail-channel copier business, though profitable, was not spared the surgeon's knife.

Direct/dealer channel: Historically, Xerox has not sold its machines through copier dealers in the usual sense. It has relied instead mainly on its own direct-sales force, which covers most of the country with a network of branches. It supports this with what it calls "agents" — a Xerox agent is a self-employed person or a small business that sells copiers but does not stock, resell, or service them (the agent simply wins the orders and is rewarded on commission). Keep in mind that all of the Xerox machines in this guide

can also be ordered from Xerox's Website, with delivery by courier.

Recently, however, Xerox has broadened its distribution to include traditional copier dealers and distributors (firms that buy directly from Xerox and then sell to dealers and resellers). To minimize channel conflict within its organization, this strategy involves distributing only a handful of models through the dealers. The current list of models includes members of the WorkCentre digital copier family. In a critical difference with the agents program, Xerox dealers are able to stock, resell, and service the machines.

Product sourcing: All of Xerox's current sub-20ppm models sold in the United States are made by other vendors. The product line includes two 16ppm models based on a Samsung engine and a family of four 16ppm models that come from Toshiba TEC. Xerox has a history of sourcing fax machines from Toshiba TEC, but this is the first copier platform to come out of the relationship.

Changing brands: Up until now, Xerox's mid- and high-volume digital copiers have carried the Document Centre name (Xerox spells "Centre" the British way). Its low-volume copiers and fax machines have used WorkCentre and WorkCentre Pro, and a small number of copiers have used Digital Copier. This is all about to change.

In spring 2003 Xerox announced the most comprehensive brand update it has done in almost a decade. For copiers, the new brand strategy makes use of two existing names (WorkCentre and WorkCentre Pro) and adds a third (CopyCentre). The company's fax machines will use FaxCentre. The machines also feature an entirely new appearance.

In Xerox's low-volume line, the WorkCentre M15 and M15i are the first to use the new naming system. The WorkCentre Pro 416 series predates the new branding initiative.

Guarantee: Xerox offers an exceptionally good satisfaction guarantee on all of its products (this is in addition to any warranties that may apply). The bottom line is that the company will replace a machine at any time during the first three years if you're dissatisfied for any reason. What's more, you — the user — are the arbiter of whether a replacement is called for. This guarantee applies to all Xerox copiers, regardless of their size, build status, and distribution channel. The only requirement is that the machine is covered under a warranty or Xerox contract. However, keep in mind that the replacement the company sends may be a refurbished model.

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