

Toner Recycling Service Czech - Conservatism? Or May Be Youth?

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We arranged with the president of the Czech firm "Toner Recycling Service Ltd." to pick me up from the hotel at 11 o'clock to visit his plant. At 11:00 sharp a car stopped in front of the hotel and Mr. Prochazka's smiling face peeped from it. At 11:37AM we were in the small town of Podebrady which is 50 km away from Prague.

We entered a beautiful 2-storey corner building which was the seat of the firm Toner Recycling Service Ltd. On entering the building you pass through a neat and tidy Show-room where the products of the company are exhibited - remanufactured toner and ink cartridges, Mita Xerox machines and printers, and also OEM consumables. But the end of the room is also the end of the tidiness. On all the rest of the premises, and in the corridors, boxes with ready to transport and sell goods can be seen. Surprised to see all this I asked my hosts why they kept their ready products in such disorder, to which they answered with a confused smile that all the ware-houses were full and for 2 or 3 more months the situation would be the same since the building was becoming rather small for their activity.

The offices of the directors were on the second floor where Mr. Pavel Prochazka, Mr. Rene Prokop, Director of "Toner Recycling Service Ltd. - Slovakia" and I had our talk.

My first question was about the company's history. It turned out that the firm was the first cartridge remanufacturing company in the Czech Republic, established in 1990. In the beginning they had a small premise, and in 1997 they bought their big, 2-storey building. They had gone through hell with the industry and only through error and trial did they get to know the price of success and failure.

I could not restrain from asking Mr. Prochazka:

"You were already a Swiss citizen in 1990. Why did you have to come back to the Czech Republic and invest money in a business which was totally unknown here at that time, nor was there a market for it?"

Here is Mr. Prochazka's frank reply:

"Three years after my marriage, at the age of 25, I emigrated abroad with no significant capital at all. The first 5 years of my life as an emigrant were a real nightmare for me. I began work as an electrician and I mainly worked out there in the open. Then I was promoted and began working inside buildings and thus year after year I gathered experience and knowledge and was promoted from one employment to another. But all that time I dreamt of my native town Podebrady. And when the changes in the ex-socialist countries began I had already made my decision, I had the necessary experience and also the money to return to the Czech Republic and to establish a new kind of business here. At that time I had already made friends with people from Western Europe who were engaged in that business and I knew it was a thing to prosper and that was the right time to invest money in it.

We began on a small scale and step by step the business grew by 15-20% annually. It is not easy to believe that, but the biggest company in the Czech Republic, used to be our client until 1996 and we supplied them all the necessary cartridges. They are a good company and I have had no problems with them even to this present day. They had a good system of distribution even then and they are still better today. I often travel from the Czech Republic to Switzerland and we have established centers for the distribution of our company's products in Switzerland, Germany and also in Austria. The rest of our production is meant for the Czech Republic and for Slovakia, where Rene has organized his own distribution net and staff".





While I was listening to him a thought was bothering me and I finally asked the question: "How come you, being the first in this business, have allowed a client of yours to overcome you in the course of 5 years and now their production is bigger than yours?" And I again received a frank and calm reply: "You know, we are a conservative company and our principle is: "Step by step!" It did not escape your notice how that building was filled to the brim with products and how short of room we are. It is only now that we are investing in a new building, which I am going to show you in the afternoon. Until we are totally convinced that we have done everything possible for the respective stage, we don't rush to invest in new enterprises, but even if we do that, we try to make the most of our investments. Besides we do not like to work with loans and we are trying to work on our own funding as much as possible. The building we are located in now is our property. 7 years ago I bought the land where our new building would be situated and I was convinced that it was the place where my dream would come true. Every company has its own principles and ours are: "Rush slowly and Step by step." That is why we are convinced that we shall prosper. For the past 14 years we have established



reliable distribution nets in several countries, we have excellent-trained technical personnel at our disposal, and we are also equipped according to the latest fashion by leading companies such as CBR, Perfil, Oliser, etc. And as I have already told you, the growth of the company is 15-20% annually. This is a healthy rate of growth and when a company has a growth of 50-100% annually it is like a nuclear burst, which in most of the cases has an unhappy ending for the company's owners. I like to have things balanced and with not many loans!"

I noticed on the boxes of their products that they have ISO certification and I asked the standard question: "Did you really need that certification and was it not a waste of time and money?" "It took us a really a long time and the money was not insignificant, either, but we are convinced that it was not a waste of time and it was not a useless investment. We even have a DIN certificate to guarantee the quality of our production! The ISO certificate guarantees the process management, and the DIN standard is responsible for the quality. Owing to those two certifications we can export our production to the countries of Western Europe."

Here are some more questions and answers from our interesting conversation:

Everybody is complaining of the small companies that spoil the reputation of our industry. Are they an obstacle for you or not?

It is true that there exist a lot of lone companies and the sale of their poor quality goods has a harmful effect on us all. That is why we have established our association and we sincerely hope that sooner or later we'll find a way to convince them to become members and to observe the standards of the association in order to start producing quality goods. The Toner Recycling Service Company is one of the constitutors of the rechargers' association in the Czech Republic and we are



ready to support it with all the means available. We are in the process of preparing a whole set of proposals that will convince the most incredulous of our colleagues that they belong to us. We are even considering our presentation at the exhibition in Turkey under the auspices of the association and our participation in all the seminars and discussions on the most pressing problems with our colleagues from the other countries.

To what amounts are your present production?

For the time being we produce over 6,000 toner cartridges and over 3,000 ink cartridges per month and later on we'll present to you detailed information giving the percent of the most popular items. When we move to the new premises we expect to double our production in the course of a year or two and should the need arise we can start working in shifts and then the production will be three- or even four-fold that of today.

Will the supply of empty cartridges be enough?

I hope so. We have established a reliable system of collecting the empty cartridges not only from the Czech Republic, but also from abroad. Besides we collaborate with reliable suppliers and based mainly on our conservatism we will not increase our production unless we are convinced that we have all the necessary prerequisites for that increase. At this stage we have a surplus of empty cartridges and we even sell some of them to our rivals in the Czech Republic.



Toner Recycling Service 2003 - overall selling statistics

	Item	Czech rep.	Slovakia	Swiss	Germany	Total
1	Remanufactured cartridges sold in 2003 in pcs	43 926	10 271	434	228	54 859
2	Remanufactured toner cartridges sold in 2003 in pcs	34 663	6 452	434	228	41 777
3	Remanufactured ink cartridges sold in 2003 in pcs	9 263	3 819	-	-	13 082
4	Remanufactured HP cartridges sold in 2003 in pcs	39 975	8 648	346	134	49 103
5	Remanufactured HP toner cartridges sold in 2003 in pcs	31 246	6 213	346	134	37 939
6	Remanufactured HP ink cartridges sold in 2003 in pcs	8 729	2 435	-	-	11 164
7	Remanufactured non HP cartridges sold in 2003 in pcs	3 951	1 623	88	94	5 756
8	TOP 5 selling cartridges in 2003	HP LJ 1200	HP LJ 1200	HP LJ 4000	HP LJ 1200	
		HP LJ 1100	HP LJ 1100	HP LJ 4100	HP LJ 4	
		HP LJ 5L	HP LJ 5L	HP LJ 5000	HP LJ 4L	
		HP LJ 2100	HP c6615	HP LJ 5Si	HP LJ II	
		HP 51645A	HP 51645A	HP LJ 4	Canon FC	



You mentioned you were building new premises. How big will they be and what do you intend to locate in them?

As I already told you the piece of land was bought 7 years ago and it is big enough to house even two such premises. The first one will be a two-story building with a total surface of about 1,500 sq. m. On the ground floor there will be a show-room in the front part of the building, followed by production halls and ware-houses. On the second floor will be the office-rooms, the special project premises and at the back of the premises there will be a flat for the company's guests to live in. The architect of the premises is a famous Swiss and the front part will be built with Italian building materials which will show from a distance that the premises are meant for environmental production with a recycling method of work. Here are some pictures and you will understand what it is all about and then we'll go to the building site and I will show it to you personally".

There were spread in front of me a pile of drawings, pictures and models. Oh, it did look impressive! I was quite eager to go to the building site and when in the afternoon we did go there I became aware that the drawings did not show the real dimensions and the beauty of that building. Everything there was being built in a style unknown in the US. The word is not about a tumbledown building which the first storm in the Czech

Republic will carry away, but about a building which will stand to all possible storms for at least 100 years. We climbed some unstable stairs to the second floor and I was shown room by room what was being built. "This has been a lifelong dream of mine and now it is coming true." - Pavel admitted quietly to me on my departure. "This building is reflecting everything nice that I have seen during my emigration and I want everything to be in its place, necessary and useful." "I watched him and was glad, because I knew the price of the emigrants' dreams. Most of the emigrants have dreams (more often they are disappointed), but only few of them are lucky, like Pavel, to see their dreams come true: Calm, steady, aware of what he wants from this life, aware of how to achieve it. This is the owner of the Czech company Toner Recycling Service Mr. Pavel Prochazka. I was listening to him and thinking: "Conservatism in this case is probably wisdom and not a fault. For 24 years this man has lived through what is not in order to come to this moment of quiet happiness and to a dream come true." Sail free, Mr. Prochazka!!!

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