

# Extending Mgi's market Impact

A **White Paper by InfoTrends** to help to position the company among the range of offerings in the digital production color space

Last June, Mgi announced a new member of the Meteor family, the Meteor DP8700 XL. Capable of speeds of 71 A4/letter pages per minute and supporting up to a 13" x 40" format as a standard feature, the Meteor DP8700 XL joins a product family that includes existing 35- and 65 ppm members. This announcement makes the Meteor product line even more competitive versus other production color print products. Other Mgi offerings include spot and flood UV coating units, finishers, and plastic card printers/finishers.

## About Mgi

Mgi Digital Graphic Technology is a publicly-traded company with headquarters outside of Paris and offices in Melbourne, Florida (Mgi Usa) and Singapore (Mgi Asia Pacific). Founded in 1982, Mgi's digital printing and finishing solutions are targeted at markets such as commercial printers, plastic card manufacturers, government agencies, packaging firms, in-plant printers, newspaper printers, photo printers/labs, and book printers. In the past three years, Mgi has unleashed an impressive number of product announcements, including seven new digital printing and finishing devices. These new offerings leverage innovative product designs using electrophotographic, inkjet, and finishing technologies.

The company's engineers leverage developments in electronics, information technology (IT), micro-me-



chanics, colorimetry, chemistry, and inkjet imaging to an extent that the company invests 20% of its global turnover back into research and development.

For the imaging components of its products (whether electrophotographic or inkjet), Mgi has sourced some print engine technology from third parties for its toner-based products, which it has then enhanced with many patented features to meet the requirements of its product specifications. One of the most notable enhancements includes the ability to handle non-paper substrates, heavy stocks, and sheets much longer than

typically possible with digital print processes. The ability of Mgi products to handle standard stocks (rather than requiring special digital sheets) is also a plus since it allows users to source familiar local stocks. Another important Mgi development is a "pilot" system for the print engine. This pilot leverages a management system that includes a user-expandable substrate library. This system adjusts the imaging process for specific substrates and allows the Meteor products to change between substrates quickly.

A good example of Mgi's focus on production features is the **Meteor** line and its robust feeding and imaging capabilities. These products can run a broad range of paper weights (70 to 350 gsm) and envelopes, while also handling plastic sheets from 100 to 400 microns thick. This is facilitated by an air feed system and a double-feed detection capability. Mgi's Vibration Reduction System (Vrs) is a proprietary feature that was developed to enhance print quality on the Meteor line across its broad range of substrates. Another key feature is Mgi's Infrared Lamp System (Irls), which preheats substrates to prepare the print surface and facilitate high print quality. Most recently, with the introduction of Jetvarnish and Jetcard, Mgi has extended into inkjet-based products, which use 100% Mgi technology (with the sole exception of the inkjet heads).

## A little bit of history

Mgi first came to InfoTrends' attention at On Demand 1995, where the company exhibited its Digital Carte Master 12000. Looking at the company's product announcements since then, it stands out how advanced feeding, imaging, and finishing technology (over a range of substrates) has been a hallmark of the company starting with products like the Digital Carte Master 12000 and 2400 in the mid to late 1990s. In 2001, Mgi brought out advanced finishing capability in a standalone device with the UFA3. That same

year, Mgi expanded the application set of its product line with the introduction of the evolutiv A330, a forerunner of today's Meteor product line. More plastic card product introductions followed. In 2004, the first of the Meteor products, the DP30, was announced at drupa. This was Mgi's first product that spanned the range of paper, plastics, and envelopes, bringing these digital print capabilities to the commercial print market. Additional products in the Meteor DP series came in 2006 (the DP40) and 2008 (the DP60 Pro). Now with the announcement of the DP8700 XL, Mgi is providing Meteor capabilities at even higher speed.

The 2009 marked the beginning of another new product era for Mgi with the launch of JETvarnish, its first inkjet offering, followed in 2011 by JETcard. This is certainly an indication that Mgi will be making additional use of inkjet as an imaging technology in future product.

In 2010, Mgi announced its next generation standalone finisher, the DF360, which with a maximum format size of 14.2" by 29" underlines another key Mgi trait: products that go beyond the typical 12" by 18" format. This extended format was brought to the Meteor series in the DP60, which has an optional maximum format of 13" x 40.15" and can handle up to 47" manually through the bypass tray. The Meteor DP8700 XL continues this heritage of extended format.

### The Meteor family

There are now three models in the Meteor product line: the DP40 Pro, the DP60 Pro, and the new DP8700 XL. They share some key features in common but are differentiated by factors such as speed, format, substrate support, technology features, and options.

There are a number of features that are common to all of the Meteor products:

- All of the Meteor products support a broad substrate range.

| Strengths                                                                                                                                                                                                                                                                                                                                                                                                                    | Weaknesses                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The ability to handle a very broad application set<br>High resolution image output<br>Flexibility to print on a wide range of papers, envelopes, and plastic<br>Support of extended sheet lengths (DP 60 Pro and DP 8700 XL)<br>Robust feeding capability<br>Broad substrate range (weight and thickness)<br>Laser safe technology<br>Envelope feeding via EnvelopExpress and EnvelopExpress Pro options<br>No click charges | Lack of an upgrade path<br>No fifth color capability                                                                                                                      |
| Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                | Threats                                                                                                                                                                   |
| Leveraging its expanded distribution channel<br>Improving the visibility of MGI products in the market<br>Promoting other MGI products, such as finishing and plastic card printing to Meteor<br>Expanded product offerings for toner and inkjet lines                                                                                                                                                                       | Expanded format on some higher-end products (the Kodak NexPress SX platform and the Xerox iGen4 EXP)<br>Highspeed and capable low digital printers for paper applications |

**When looking at any new device, InfoTrends discerns the product's strengths, weaknesses, opportunities, and threats (SWOT). These factors are summarized in the Table above.**

- Mgi's laser-safe printing ensures that the printed output can be run through a digital printer or photocopier (for applications such as letterhead or envelopes) without melting, ghosting, or otherwise ruining the image on the page
- The feed systems, though they vary to some extent across the product line, all build on common Mgi technologies that use air-feed systems
- Mgi's service policy is based on consumption of consumables.

### The difference in Meteor family

As you move up to the DP8700 XL, what stands out are the larger standard format and the higher print speed and resolution. To a great extent, the DP8700 XL builds on core capabilities of its predecessor, the DP60 Pro. These include VRS, IRLS, the climate control system, 4,500-sheet maximum paper capacity, the high capacity stacker, and 600,000 A4/letter impression monthly duty cycle. Both devices have EFI's Fiery Pro 80 front end and benefit from EFI's Fiery Command Workstation.

At 4,260 A4/letter pages per hour (the equivalent to 71 A4/letter pages per minute) the Meteor DP8700 XL is now Mgi's flagship product. The "8" in the product name is also symbolic. It represents the 8-bit capability and

thereby underscores the higher resolution and halftone screen ruling.

### Market Competition

In a sense, because of the ability to handle plastic, envelopes, and paper substrates equally well, the Meteor products have no direct competitors since most other products focus almost exclusively on paper substrates. This is one of the reasons why making a direct comparison between the Meteor family and other products in the 30 to 80 page per minute speed band can be deceiving.

There are plenty of color copier/printers in that speed range with prices below \$100,000. Typically, though, they lack the duty cycle, format capability, and substrate support of the Meteor series. As you move up to more robust color digital print engines, such as Canon's imagePress, Konica Minolta's bizhub Press, Ricoh's Pro C720 and C901, Xerox's DocuColor 7002 and 8002, and the Xerox 800, the duty cycle and list prices become more comparable.

The next level of digital cut-sheet print engines, products such as HP's Indigo, Kodak's NexPress, and Xerox's iGen provide higher volume capability, but at a higher price tag. Yet even for this class of device the ability to print on plastic, paper, and envelopes is a differentiator, as is the extended length substrate support of the DP60 Pro and the DP8700 XL. For those who are focused more exclusively on paper output only, the speed of the DP60 Pro is a little slow in comparison to other offerings.

This is why the increased speed of the DP8700 XL significantly improves Mgi's competitive positioning. Mgi makes the point, and it is a strong one, that its digital print products provide a good complement to offset for a variety reasons, including the substrate flexibility, the extended format, and the robust duty cycle. The fact that they also provide economic short runs, quick turnarounds, and personalization only adds to the value.



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