

AQC – Dreams do come true

Considering they change the palm trees every three years in Miami, because they start to look tatty, AQC is doing well to not only survive, but positively blossom in Pompano Beach, about 15 miles north of Miami.

AQC started out in 1986, and was initially known as Accutone. Today the AQC group reaches worldwide, employing 85 people in Pompano Beach and around 110 across the globe. The seed of an idea was planted in Allen J Howard's head when the Boeing Aircraft Co., which had over 200 CX laser printers running non-stop, noticed that their supply costs were rather high! Someone suggested Allen as a possible lead, and he agreed to provide them with a few test cartridges. From that acorn, the oak of AQC was born.

Allen and Thea Howard founded Accutone, and their partnership – which began as childhood sweethearts – made the company what it is today – one of the top four independent toner manufacturers in the US, covering the globe (with 3,000 customers worldwide), with European distribution handled by their UK subsidiary, AQC Group (UK).

I wondered about the name change, from Accutone to AQC.

“When we wanted to become global and trademark the name, we found it was taken.” Explains Mitch Howard, Thea and Allen's son. “We were asked if we wanted to buy our name back! We said no, and we changed our name to AQC. The A is synonymous with Accutone, and would be listed first in alphabetical lists, and then QC is synonymous with quality control. Also, we were in kind of a rush to get it trademarked, and if you trademark letters instead of words, it's a much quicker process, and less expensive!”

Although Allen sadly died in May of last year, his imprint is all over the company, and his influence remains strong. You can tell he is greatly missed by all in the worldwide AQC family, and beyond. Allen J Howard would be proud of what they

have achieved over the past 12 months. “Allen made everyone important.” Says

opportunities, you find out new things about them.

“It is now one year

since Allen has been out of the company, and we've had record production, record sales, record profits, so I feel he is with us.

“We had to show everybody that we were still around, that we were going to produce a consistent product and that we were going to manufacture new products. Patrick Harris worked with my father every day for about

four years, and a lot of my father rubbed off on him. We didn't miss a beat really.

We're getting ready to introduce the LJ4200/4300 toner, and we have other



Mitch (left) and Marcus

Thea. “It's more than just a working relationship. We care about each other.”

Losing such a strong leader would be a massive setback for any company, but the employees at AQC have marched forward under the guidance of Thea and Mitch, so much so, that when I visited in March, they were celebrating record days, weeks and months.

“The last 12 months have been a transition period.” says Mitch, who assumed the role of AQC Group president. “If there was any one person that you would say we couldn't continue without it was Allen. These are Allen's formulas, this is his company, his life, his dream, his passion.

“There was shock at first, but a lot of people depend on this company, and we had to go forward. We asked everyone for their input, to step up to the plate, and maybe fulfill some of their dreams, some of their goals. Everyone has done a fantastic job. When you give people new



Patrick Harris

projects on the go.

“The structure is that there is no CEO. I don't feel that there's anyone that could fill Allen's shoes. I miss Allen. I miss his guidance, being able to lean on him, just being able to talk to him.”

“It was like my right arm had been cut off.” says Marcus Wingate, managing director of AQC UK. “We used to talk every day at five in the morning, and it was a good symbiotic exchange of information flowing in two directions. After Allen died we had to find our feet again and build new relationships.”



Thea and Mitch

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AQC UK began in 1995, as the company made the decision to globalize their product

Marcus faced reluctance at first, with some in Europe seeing AQC as a purely "American" Company.



Marcus, Carol and Chris Rouse, UK Production manager

offering.

"We were doing no business in Europe," says Mitch "so I would take my fax machine home every night - this was before emails - and I would handwrite notes. Before I knew it we were doing close to \$3m a year overseas, just through this fax machine! But as competition started to seep in, we started to lose that business. A gentleman named Tony Salvo, who was with us from the beginning, and helped us build our first toner plant, introduced us to his step-son, Marcus. We got along well. There was always that trust there."

The bond is a strong one, and goes deep, as Marcus explains. "We shared the same core philosophies and the relationship blossomed. If deep down, your core values are the same, you can work together."

Although there have been many other offers to take AQC onto other stages, the company has preferred to retain control over their quality with just the two facilities.

"We have the UK, that's pretty much all we want right now. We feel if we set up a toner plant in another country and we're not there to watch it ourselves, we might be in danger of putting our rejection rate - which we are very proud of - at risk

~"That's why the UK also tests every shipment they receive from us. We know it leaves here OK, but they want to make sure it's received OK."

It's the attention to detail, the consistency, that makes AQC stand out from the crowd.

"In Europe, we have proved we have longevity, and our product slacks up. People see that we are delivering a quality product day in day out. For many customers, we have been the second source, now we've come to the stage where the companies who were their primary source have dropped the

ball, and it's nice to be in the position where the first call they make is to us.

"As the Industry has grown, we have grown with the Industry, but I'd like to think that we've also grown exponentially ahead of the Industry. We've been good at formulating new products, we've been good at maintaining customer relationships. Basically, reliability is everything.

"The differences between the US and the UK are becoming less and less. The actions of the OEMs have brought the industry together on a worldwide basis."

Carol Scott who purchases the raw materials and handles scheduling, has been with AQC for 24 years, moving to Florida when the original company moved from its first base in New Jersey. Thea calls Carol Allen's shadow.

"When Allen passed, I knew what I had to do. I think I'm doing what he would have wanted me to do. Allen was our teacher, our leader, he was the one that kept us all going. Our business is growing tremendously, and our products are great. This was Allen's baby, and we're going to keep his dream going."

In her time at AQC, Carol has done many jobs. "I started off answering the phone 24 years ago. Occasionally Allen let me type out a packing slip. We didn't have an intercom system, so I would stand in the hallway and shout." Thea assures me this is not a joke!

Carol is far from being the only longstayer at AQC. When I toured the facility, I met people who had been there 25 and 26 years, and mere youngsters who were only approaching their 10th year of service.

"When you care about your people, you take the extra time. Instead of me being able to say good morning to everyone in five minutes, it may take a half hour - it still gets done. Instead of fifty turkeys at Christmas, you have to order a hundred.

"We have pulled together as a close-knit family, and have had the best year from a production and sales point of view in the company's history." States Mitch proudly.

"AQC America is doing exceptionally well. We do business with companies who are healthy. We choose our customers carefully, we like long-term relationships."

It's been a big step up for Mitch, but one which he has taken in his stride. He freely admits that he is not a "technical" person, having been involved in the sales side of the business, but adds that the people at AQC have taught him the technical side. "Also, there has been many supportive people who have called rife and said if I needed anything just to call them. They've taken the time to educate me because they had liking and respect for my father.

"I was going to become a tax attorney. I got my degree in accounting and finance and was about to go to law school." Then fate stepped in and Allen founded Accutone.

"There are a lot of exciting plans for the AQC Group over the next 18 months. We are currently scaling up our facility to manufacture toner 24 hours a day, seven days a week. And by years end, we plan to add two more toner lines, which will increase our toner manufacturing capabilities by 80 percent. Each step finances the next step."



Mitch Howard

A recently completed expansion gave AQC's 62,000 sq ft worldwide headquarters the capacity to produce



Agnes Tausehek

3,500,000 pounds of toner every year. A far cry from the early days.

"One day Boeing phoned," reveals Mitch "They had a bunch of CX cartridges and they didn't know what to do with them. I was young, so I said we don't have toner for this. My father happened to be sitting next to me, so he grabbed the phone and said what is this? They sent him a cartridge and he took it home and brought out his favourite tool, his hammer, and he started to smash into the cartridge until he found that the cartridge could be recycled. That was basically our introduction to the Industry.

"We saw there was a need to have educated recyclers, we saw that this was going to be a viable business. So we opened up a company, and we started to train recyclers. Between 1986 and 1990, we trained a couple of thousand recyclers."

The training programme enabled Allen to raise enough capital to expand toner production facilities, but, perhaps more importantly, established a loyal customer base for his products. Allen's technical expertise was well matched by Thea's flair for the financial and administrative side of the fledgling business. It was during this time that Accutone learned the nitty-gritty of toner.

"Back then there were very few remanufacturing companies, and only a few cartridges on the market – the CX, the SX – they were all similar – it was the same basic process. There weren't as many replacement parts available.

Now every part is available, it's become very high tech.

Originally, while they trained and learned, AQC sold a full range of remanufacturing supplies, but as the Industry grew and developed, and the company kept pace with those changes, it was decided to concentrate on toner manufacturing and development.

"Allen was one of the first to introduce the copier machine to the US." Says Michael J Glickman AQC's vice president and Thea's son-in-law!

"Always being on the edge of technology, innovating through technology, always looking to assist and teach the industry, and working closely with people, having the staff that allows the company to really address new projects in a strong, orderly fashion and bring new products to market quickly. Those are the things that bring a certain type of company to AQC. Companies choose us, which is a tribute to the standards we've set and the products we've manufactured over the years.

"My own role has changed considerably and is constantly changing, I started in 1985, running the company that did the cartridges for Accutone, and got involved in training companies worldwide. I started in domestic sales and moved into International sales. I've been involved in many new programmes and projects over the years – and I've labelled my own boxes!~"

Agnes Tauschek holds the position of Marketing manager, and has been with AQC for nine years. Like the others, has performed a wide variety of tasks to ensure the smooth running of the company.

"It's a family. We all work very well together. We all pull through together in tough times. We've all worn many different hats, and many of us know the complete workings of the plant and what goes on here. We roll with the punches.

In her (main) role, Agnes ensures that the image portrayed in the media of AQC, is one

the company is comfortable with.

"We went solely to manufacturing and selling quality Loners that could stand comparison tests with the OEM products. The addition to our stall of highly educated, OEM-trained scientists and professionals has really positioned us as one of the leading independent toner manufacturers."

When a customer visits AQC, the quality control lab will be open to them, and together, they will work to decipher the best toners for customers' specific needs. More and more, AQC are finding that when a company's regular supplier can't fulfil an order, that company will turn to AQC. Positioning yourself as No. 2 to those companies who are already catered for is a smart move, and demonstrates the longevity inherent in AQC's strategy.

Alan Kronstat, US and International sales manager handles US office sales, domestic and International. The care he demonstrates for his customers is obvious, down to the fact that he often finds himself buying items such as toilet paper and pool cues for some of them!

"Keeping organised is the key. I target different areas depending on the growth. China is going to be the next big explosion. In fact the whole of the Far East is growing, and South America has a tremendous amount of untapped business.

"I've been here eight years now, and I enjoy it very much. They let me do what I do best, romancing the Customer. They see that what I do works, so they let me go with it, and that helps. We take



Michael J Glickman

AQC Dreams do come true

Tremendous care of our customers. Although we are very pressed for time, I make sure that the customer has all his questions answered, all the bases covered. The relationship we've built, the trust we've formed, most of the customers we have stay for years."

Over the years, Allen Howard was a strong voice in the remanufacturing industry, and he saw many changes as the Industry matured. Today, as smart chips and killer chips are to be found on more and more cartridges, and lawsuits against remanufactures are being brought by the OEMs, it seems obvious that the OEMs are feeling the heat, as remanufacturers penetrate their market. "We are seeing cartridges that are sonically welded, making it very difficult for these cartridges to be remanufactured. The OEMs will do anything to get a head start on the consumable market. The OEMs are filing suits against any manufacturer that interferes with their plans.

"The recycling industry must band together and fight the OEMs who are trying to discourage the growth of the remanufacturing industry." Says Mitch.

Marcus agrees, and AQC UK has been at the forefront of recent European successes. "We were proud to be cosponsors of the IF conference and be at the forefront of moving the Industry forward and being a catalyst for forming the European Industry Association. The European Association depends on adequate funding. It's time for the Industry to be grown up enough to fund it properly."

As the Industry grew and matured, so AQC have developed in tandem.

"In order to accommodate the large



Marcus win front of plaque honoring Ton; Salvo increase in worldwide toner business each year, we have substantially increased our inventory position, both in the US and Europe." Says Mitch. "AQC has grown to meet the ever changing market through the addition of highly experienced and qualified personnel in the R&D and QC departments, as well as adding specialized equipment, enhancing our capabilities to analyze and develop new products much quicker than in years past.

"In addition, we have cultivated strategic alliances with many of the companies who manufacture of provide aftermarket components for the sole purpose of qualifying compatibility with our toner products. Currently, AQC is running less than two-tenths of one percent return rate from the field.

"Now that I've had a year to dig into all the different departments, I am extremely

impressed at the company my mother and father put together. I wish my father was around now to see the large increases in business. I am very proud of the way they built this company."

The company's philosophy was set in stone by Allen and Thea Howard, and comes across strongly to the visitor to either of AQC's two facilities. "We work hand in hand with our customers in an effort to ensure total success. We strive to be recognized worldwide by the industries we serve as the manufacturer and supplier of superior quality toner products and services with on-time delivery and unmatched value." Mitch sums up. "The AQC Group has developed a family type atmosphere which is evidenced by

how many members of the organization have been here for many years. We each hold a position of importance, and we are all dependent upon each other for the company's total success."

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