

Business Services: Mail Centers & Copy Shops:

An Industry Analysis

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<p>Highlights of all study chapters: nature of the business, definition/services of copy shops and mail/packing centers, major issues/trends affecting the business, key demand indicators (small business formation, self-employment, the economy), market size/growth (\$ receipts: 1997-2018 Forecast), key operating ratios for each industry segment (no. of establishments, receipts by: \$ size, single/multi-unit firms, state, mkt. share top 50 firms – industry snapshot for 1997, 2002, 2007, 2012), list of key competitors/franchises and their revenues.</p>	
<u>Industry Nature & Definition</u> (\$50)	19-23
<p>Description of the industry's major segments, services provided, NAICS codes for private mail centers and copy shops/all other business services. How these services operate, products, technology, competitive landscape, industry size and structure, number of facilities, receipts, payroll costs, market share/concentration, Part-time vs. full-time operations, owner's compensation, who their main customers are. History/snapshot of the quick copy shops industry and its leading competitors.</p>	
<u>Industry Size, Growth, Market Segments</u> (\$150)	24-37
<ul style="list-style-type: none">• <u>Summary and analysis of Census Bureau data/receipts</u> and comments from AMBC (private mail centers trade assn.): growth from 1997-2007 and since then, effect of the last recession, effects of FedEx Office and The UPS Store on the competitors.• <u>Who are the customers?</u> Census Bureau tables with breakdown of % of sales to: individuals, banks, retailers, hospitals, state & local & federal government, non-profits, etc. – 2007, private mail centers vs. copy shops/all other services.• <u>Industry demand indicators:</u> discussion of new business formations, self-employment, overall economy, outsourcing, upswing in entrepreneurship and sale of franchises, positive trends in the industry's favor.• <u>Self-employment trends:</u> IRS data vs. Bureau of labor Statistics data, Kaufmann Foundation report/findings regarding self-employment. Key self-employment stats.	

Table: Total U.S. self-employed workers: unincorporated, incorporated, total: 1967-2014

- Discussion of rising popularity of multi-level marketing (MLM) distributors in the U.S., why profession is popular today, worker characteristics.

Table: Estimated Number of Active Direct Salespeople (multi-level marketers) in the United States: 1992-2012.

Market Size: 1997 – 2018 Forecast: Marketdata discussion of industry growth

Table: Business Center Industry Receipts, by Segment & Annual % Change: 1997-2018 F, private mail centers & copy shops/all other business services

- **2013 Performance:** Discussion of industry growth, performance of Office Depot in-store copy shops and Staples in-store copy shops (sales, division results) as barometer for growth.
- **2014 Outlook:** Marketdata outlook and forecast, rationale.
- **2018 Forecast:** Marketdata outlook and forecast, rationale.

Industry Structure & Operating Ratios of the Industry (\$350) 38-70

Discussion/Text

* Explanation of how to interpret Census data, how the data is arranged/classified by NAICS codes, and major market segments, status of new 2012 Census

Industry Snapshot: Private Mail Centers: 1997, 2002, 1997

* Summary & analysis: no. of firms, establishments in U.S., firms; \$ receipts; avg. receipts per estab., no. of employees, payroll as % sales, avg. receipts/payroll per employee, % single-unit firms, % corporations/proprietorships/partnerships, mkt. share for top 4, 8, 20, 50 firms.

Discussion and analysis: major findings related to above

Industry Snapshot: Copy Shops/All Other Business Services: 1997, 2002, 1997

* Summary & analysis: no. of firms, establishments in U.S., firms; \$ receipts; avg. receipts per estab., no. of employees, payroll as % sales, avg. receipts/payroll per employee, % single-unit firms, % corporations/proprietorships/partnerships, mkt. share for top 4, 8, 20, 50 firms.

Discussion and analysis: major findings related to above

Summary & Analysis of Major Ratios

No. of **establishments**, receipts, avg. receipts per estab. – 2011, 2007: private mail centers, copy shops

Labor ratios/productivity: 2007 vs. 2002, avg. receipts per employee/payroll per employee - private mail centers, copy shops

Legal form of organization of firms: 2007, by: corps., sole proprietorships, partner-ships: share of industry receipts, avg. receipts per estab., private mail centers, copy shops.

Ratios by single-unit vs. multi-unit firms: number, share of receipts: private mail centers, copy shops – 2007 vs. 2002

Ratios by receipts size of establishment: most common \$ size estab., share of industry receipts by size estab. 2007 vs. 2002, private mail centers, copy shops

Geographic analysis – top 5 states, share of national receipts in 2011

Industry Financial Health: Findings of Bizminer report for private mail centers: composite income statement ratios, avg. sales per facility, gross margin, pre-tax profit, officer's compensation, payroll SG&A expenses as % sales, select balance sheet measures (Current ratio, EBIDTA, days receivables, return on assets: 2010-2013).

Table: 4-year Income, expense and profit margin ratios statement for private mail centers: 2010-2013

Statistical Census Bureau Tables

- Sales to payroll labor productivity ratios: 1997, 2002, 2007: private mail centers
- Sales to payroll labor productivity ratios: 1997, 2002, 2007: copy shops
- Estabs. & receipts, by legal form of organization of firms: 2007, 2002, 1997 – private mail centers
- Estabs. & receipts, by legal form of organization of firms: 2007, 2002, 1997 – copy shops
- Market Share (Concentration Ratios): top 4, 8, 20, 50 firms: receipts, payroll as % sales, 2007, 2002, 1997 – private mail centers
- Market Share (Concentration Ratios): top 4, 8, 20, 50 firms: receipts, payroll as % sales, 2007, 2002, 1997 – copy shops.
- Ratios by single-unit vs. multi-unit firms: no. of firms, estabs., receipts for firms with 1, 2, 3-4, 5-9, 10+ estabs.: 2007, 2002, 1997 – private mail ctrs.
- Ratios by single-unit vs. multi-unit firms: no. of firms, estabs., receipts for firms with 1, 2, 3-4, 5-9, 10+ estabs.: 2007, 2002, 1997 – copy shops.
- Ratios by receipts size of estab., no. of estabs. Receipts, as % total (estabs. with less than \$10K receipts per year to \$10+ million): 2007, 2002, 1997 – private mail centers.
- Ratios by receipts size of estab., no. of estabs. Receipts, as % total (estabs. with less than \$10K receipts per year to \$10+ million): 2007, 2002, 1997 – copy shops.
- Number of Private Mail Centers by state, receipts per state, avg. receipts per estab. – 2011, alphabetical by state.
- Number of Copy Shops by state, receipts per state, avg. receipts per estab. – 2011, alphabetical by state.
- Number of Private Mail Centers & Copy Shops Combined, by state, receipts per state – 2011, alphabetical by state.

- Top 15 states, ranked by state receipts: 2011 – All business services combined.
- Private Mail Centers – States with above U.S. average receipts per estab. – 2011
- Copy Shops – States with above U.S. average receipts per estab. - 2011

Competitor Profiles: The Major Mail Center & Copy

Shops Franchises (\$250)

71-92

(For each company: headquarters address, company history, description, services, revenues when available – actual or estimated, initial franchise fees/royalty rates/start-up costs, history & recent developments; acquisitions, number of U.S./foreign franchises in 2010-2013).

* Summary/Table – number of U.S. franchises, estimated or actual revenues, for the major copy shop franchises and mailing/packaging franchises

* Census Bureau Franchise Information: 2007: No. of franchisee-owned vs. franchisor-owned franchises, percent of industry receipts, avg. receipts per establishment. Separate tables for private mail centers and copy shops

Profiles Provided For These Companies:

Mail & Packing Centers

- The UPS Store (acquired Mail Boxes ETC.)
- FedEx Office (acquired Kinkos Copy Shops)
- Pak Mail
- Postal Annex (see Annex Brands, AIM Mail Centers)
- PostNet Neighborhood Centers
- Aim Mail Centers (Annex Brands)
- Safe Ship

Copy Shops

- Alphagraphics
- InXpress
- Kwik Copy Business Centers
- Minuteman Press
- PIP Printing
- Sir Speedy
- ARC Document Solutions, Inc.
- Office Depot – In-store Copy Centers
- Staples – In-store Copy Centers

Reference Directory of Industry Information Sources

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* Addresses, phones, contacts at major industry trade associations, trade journals, reports, industry analysts, etc.