Chapter VIII

Workcenter SGD:
A Technology-Based Revolution in the Retail Reprography Sector

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Abstract

In 1999 Alfonso de Senillosa, Spanish entrepreneur, after finishing his studies in the United States, decided to create Workcenter SGD. The company was born on the basis of following the same idea and services that Kinko’s® created successfully in the United States, with nearly 1,300 retail stores devoted to reprographic services. Nevertheless, in four years the company went far ahead of the original idea, developing new technologies that helped manage the growth, control operations, and reduce costs. By 2005 the company had grown up to 20 stores all over Spain and Senillosa was celebrating his 38th birthday while deciding his next step in the company’s future leveraging on the technology and operations already designed.
The Birth of Workcenter

In the early 1990s, while a student at the University of California (Los Angeles), Alfonso was surprised to discover centers that not only provided reprography and office services based on the latest technology for use by both professionals and students but that were open round the clock. They caught his interest because at the time such technologies were not widely available in Spain.

Once he had completed his studies and had achieved a curriculum vitae that he described as “a headache, even for staff at the employment office,” he decided to take this idea to Spain to see if he could make a living out of it. He understood that it was a risk but, as he stated, he was “at the age when you don’t mind taking risks.”

Together with two friends who had a more technical background and greater professional experience, Alfonso drew up a business plan, which was essential for making the project credible and obtaining the 60,000 euros needed to open a small reprography business on Guzmán el Bueno Street in Madrid. Senillosa stated:

*The market study we based the business plan on is probably the most complex one we’ve ever done. We interviewed all sorts of people, visiting universities, offices, and so forth, to find out exactly what the demand was for this sort of service. Since then, with the growth of the company, the process has become simpler because we’ve learned a lot about the concept and we now know much better what sort of products and services we should offer.*

Alfonso and his friends provided 30,000 euros (5 million of the former pesetas) and the rest came from a bank loan. Senillosa was quick to understand the hardships involved in being an entrepreneur because his contribution came partly from the sale of his motorbike and his car, his most important belongings at the time. But the sacrifice was worthwhile. In January 1998, after two years running the small establishment on Guzmán el Bueno Street, they sold it and used the funds, in combination with financing from some Business Angels, to open the first Workcenter in Madrid on San Bernardo Street.

Alfonso was clear about it from the outset. “I always thought that if a business is to be successful, it’s not so much a question of having a completely new idea as of creating sound foundations. The concept worked wonderfully in the U.S., and all we did was to adapt that business model to the specific needs of Spain.” This was why by the end of February in the year it was created, the center was already offering its services 24 hours a day. The result was a total of 200,000 customers the first year and break-even in the fourth month.

At that time, the reprography sector in Spain was comprised of family-run companies with very limited potential for growth and management. Most of them worked
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