

BY KATHRYN WOESTENDIEK

golden color strikes digital gold



The owner of Golden Color Engineering didn't wait for others to test the water when digital systems for photo labs came available. He jumped right in, and watched his business grow by 10 percent

Ali Khosrvi, the owner and president of Golden Color Engineering, a Beverly Hills photofinishing business that is often still working at 2 a.m. on Oscar night, knew that digital photography was headed for the limelight when Kodak told him about PictureVision's PhotoNet Digital System (PDS).

"I was the first in the United States to buy this product," he said. "It gave us the ability to offer new services that bring in new customers. Other labs don't have it. So, when people want digital pictures and find out we're the only ones who can do this, the next time they think twice about taking their film to the other lab. They just go ahead and bring it here."

With the PhotoNet Digital System, Golden Color Engineering can translate the photos his customers have taken with traditional film into digital pictures on a Kodak CD or floppy disk that can be shared through the Internet.

The PhotoNet Digital System includes a PC based workstation with a high resolution color monitor, scanner, CD Writer, HP 2000C color inkjet printer, integrated 56K modem and/or network card. It also has a Smart Media, Compact Flash and PCMCIA card reader. The scanner will scan up to 12 rolls of film per hour at high resolution and accepts 35mm and APS film, cut negatives, slides and prints without requiring a change of film carriers. The system sells for \$8,495.

Khosrvi, a Kodak dealer, first heard about the PDS through Kodak, which has taken PictureVision under its wing as a fully owned subsidiary since Golden Color Engineering purchased its own system in 1999. "I think it cost me about \$15,000 less than a year ago," he said. "The price has probably dropped some since then." Even still it has been a worthwhile investment, Khosrvi says. "Our bottom line has

increased 10 percent because of the PDS. It brings in more foot traffic."

Fifty percent of the business at Golden Color Engineering consists of developing pictures for professional photographers, while 30 percent is walk-in customers and 20 percent is mail order.

Golden Color is also a little out of the ordinary in its mix of customers. The business develops and prints a lot of film pictures for celebrities ("sometimes they don't want us to use their names or put their pictures on our wall") as well as a lot of zedcards ("the big 5x7 business cards that celebrities use").

"People who are celebrities are selling pictures," Khosrvi said. "That is their love.

We have to make them look good. All the celebrities sell their photos. They want to look professional, as opposed to the person who is having a baby shower or a party and just wants a picture of their life to keep as history or something. The person in the movie industry — or the politician — is looking for the high

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quality picture."

Khosrvi, a native of Iran, received his master's degree in photofinishing from the University of Minnesota. After school he returned to Iran. He taught photosensitometry and operated the motion picture film laboratory at the School of Cinema and TV in Tehran, before deciding to return to the U.S. He opened his own photofinishing lab in Los Angeles in 1985. About five years later he moved his business to Beverly Hills.

"I don't know about where you are," Khosrvi said, "but digital is getting very popular out here. Many people already have the digital cameras. But the Kodak CDs are used by many of our professionals as well as the regular people, who are

continued on page 20

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beginning to use it even more. The whole world is getting so small now. The Internet is keeping us really busy. Business is unlimited.

"People can take that Kodak CD we make for them with our PhotoNet Digital System and send their pictures anywhere in the world. If you have a wedding in L.A., you can send your pictures to relatives on the other side of the world within a few minutes. And it costs nothing more than \$15 for one regular roll of film."

He said when a customer asks for a Kodak CD along with his or her pictures, he develops the film and prints the pictures in about 15 minutes, then scans the roll of film and follows the instructions on the computer to make the Kodak CD within about five minutes. "In one hour we can easily do it all," he said.

The ease with which the PhotoNet Digital System can be integrated into other photofinishing operations was a major objective when the system was being developed, said Cliff Whitney, the senior vice president of technology development for Wolfe Camera.

Wolfe was involved in the development of PictureVision's PhotoNet Digital System. From the early stages of product development, he said, the goal was to enable customers to have their pictures digitized within the same time it took to have their photos developed.

"We didn't want consumers to have to change their behavior," Whitney said. "So much technology requires that consumers change their behaviors and we knew that consumers are slow in changing."

Whitney said Wolfe's Camera scanned film in its wholesale lab for two years, all the while conducting consumer focus groups in an effort to see what it would take to get consumers to use the service the PhotoNet Digital System would provide.

"The number one thing the consumer focus groups told us was that they wanted it now. They didn't want to have to wait for digital pictures, but wanted to be able to get them at the same time they picked up their other photos. So that's when we all decided to move forward to develop this product."

He said every Wolfe Camera Store has its

own PhotoNet Digital System today. "It has added substantial revenue to our photofinishing offerings," he said.

Khosrvi says that in addition to putting images on CDs or floppy disks, the PhotoNet system also makes it easy to access the Internet.

"Sometimes the customers ask us to put the pictures on the Internet for them, which costs an additional \$15," he said. "In one hour we can do it all. No matter if you need to send pictures to China, the North Pole, the South Pole or North Carolina, you can send your pictures anywhere in the world in one hour if you bring them here. And the price is low. It's cheaper than Federal Express."

Khosrvi added that photos shared through the Kodak CD are good only for viewing. "If the sender wants the same people to have a good copy of the photo to keep, they need to get that from a negative."

Khosrvi is proud of the services he provides, not only to celebrities, politicians and professionals, but also for everyday people.

"The professional photographer may be asked to shoot the celebrity for the magazine cover, but we often help that photographer make the picture. You can go out and buy yeast, but the way you knead your bread is also important." ■

entrepreneur's network

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