

From A-minus at CSUN to \$20 million

By [Kevin Modesti, Staff Writer](#), Updated: 08/21/2009 08:52:12 PM PDT



Mike Zaya, left, Seth Staszower are former Cal State Northridge students from Simi Valley who teamed up to write a term paper laying out the business model for an online company. They followed their plan and built 123injets.com into a company they wound up selling for nearly \$20 million. Then they bought an online printing business in Chatsworth and have multiplied its value. (David Crane/Staff Photographer)

It all started a decade ago at Cal State Northridge with a marketing-class project for which student Mike Zaya got an A-minus. Not an A. An A-minus. The assignment: Create a business plan and marketing strategy for a start-up company. Zaya's plan: Sell ink cartridges and other printer peripherals through the Internet, permitting deep discounts and creating a wide customer base.

The professor was not thoroughly impressed with the kid's e-commerce concept. "(He said) the idea was too aggressive," Zaya said. "He told me to be realistic."

Undaunted, Zaya put his plan into action, spending an initial \$500 to found a company called 123Inkjets.com and running it out of his parents' garage and spare bedroom in Simi Valley. Six years later, after Zaya teamed with his friend Seth Staszower to build 123Inkjets.com into 18 related on-line retailers of computer-printer products, he sold them to Westlake Village-based ValueClick, Inc., for nearly \$20 million.

In a winning parlay, Zaya and Staszower then purchased the on-line printing service PrintRunner.com, and Zaya said they've grown the company's annual revenue from \$3 million in 2006 to more than \$12 million now. If Zaya could tell that old CSUN professor how his plan turned out, does he think the man might bump up the A-minus?

"I'd hope so," Zaya said with a laugh this week. If there's a secret beyond hard work and treating people right, he said, it's this: "I was in the right place and the right time with the right idea." Zaya, 30, who lives in Simi Valley, and Staszower, 29, of Encino, sat in Zaya's tidy office at PrintRunner's 20,000-square-foot building in Chatsworth, where a staff of 72 keeps printing presses clattering virtually around the clock.

Zaya sports a dark goatee, Staszower has spiked hair, and both wear striped dress shirts open at the collar. They're bright-eyed and talk excitedly about their business exploits without sounding boastful. Zaya (whom Staszower calls Mikey) said he was a little nervous, being new to interviews. Zaya, the CEO, and Staszower, the company president, said they've thrived in the recession by attracting cash-strapped and understaffed small-business clients to PrintRunner's lower prices and on-line design services.

They said they've reduced paper waste and inefficiency through measures like printing several different projects on the same big sheet and then separating them. PrintRunner claims to have a database of 30,000 customers. It's a long way from their beginnings with 123Inkjets, which made one sale in its first month, to a customer named Betty White (not the actress).

"We didn't even know how to bill her," Zaya said. The two men's All-American success story has foreign roots. Zaya, who is married and expecting his first child in March, was born in Tehran to a family of Iranian Christians who fled the Islamic revolution when Mike was 2. His father, a petrochemical executive in Iran, took a \$13-an-hour job with an airplane valve manufacturer here.

Staszower, who dates an insurance broker, said his parents came from Eastern Europe and lived in Israel before moving to California. His father was a barber and cab driver before buying a gas station in Oxnard.

"First-generation Americans," Zaya said of himself and Staszower, "are very hungry and driven." They already had the gleam of business whiz kids when they met while attending Moorpark College. Zaya earned a financial-planner's license at 18. "I'd never met somebody my age who I could talk with so in-depth about the stock market," Staszower said.

Staszower traces their success to Zaya's sheer will. "He said, 'This company's going to be doing \$5 million a year.' We'd sold a few cartridges at the time. That belief drove him to overcome a lot of obstacles," Staszower said. With millions in the bank after selling the first company, Zaya considered himself retired at age 26. But within months, he was was looking for a new venture.

"Artists have canvases, I have business," Zaya said. "You can put all your beliefs into your business." Despite what you might assume about a profitable printing company in Chatsworth, Zaya and Staszower said they won't print pornography.

Larry Steven Londre, a marketing consultant who teaches at CSUN and USC, likened Zaya's story to FedEx founder Fred Smith's. Legend has it that Smith received a C for a Yale term paper describing an overnight delivery service.

"You either have this in your DNA or you don't," Londre said.

Londre, by the way, was not the CSUN instructor who gave Zaya his A-minus. Zaya said he forgets that professor's name; maybe that's lucky for the prof.

In the business world, Zaya and Staszower have more than made the grade.