The office technology industry has experienced its fair share of change and transformation over the past 25 years, with a whirlwind of significant changes in the last 10. This includes the shift from analog to digital, as well as the move toward selling software and solutions and, eventually, services. These shifts have not been without challenges, however. For instance, the introduction of managed print services (MPS) merged traditional A4 devices and A3 devices into a single managed engagement — sparking a fierce battle between these two platforms that would upend business models, pricing and margins.

Concurrently, solutions, verticals, business process improvement and even managed IT services became a new hope for additional revenue and higher margins. Nevertheless, it became clear that new solutions strategies were not easy, took time to implement and produced revenues and margins that were still a fraction of the core print business. With significant diversification of OEM vendor strategies, there was optimism that customers and channels would see some differentiation in an often-standardized office equipment world. Vendors believed these new offerings could lead to the stickiness that would ensure an ever-coveted renewal. At the same time, some manufacturers diversified so far away from the box they lost their focus along the way. This would eventually lead to a day of reckoning in which they reaffirmed their roots, realigned and reset once again.

Compounding the situation, the market conditions of print had not aligned with growth in other businesses. Worldwide GDP increased over a six-year period but, overall, office equipment sales remained stagnant during that same time frame. Print volumes, meanwhile, showed a decline. While it was clear that print was not going away any time soon, it seemed there were still too many players to share the entire pie. Manufacturers had difficulties maintaining business volumes, revenues and margins over time.

In the past two to three years, these tensions came to a head. Keypoint Intelligence has termed this convergence of factors and its impact as the “The Great Industry Reboot.” During this period, almost every manufacturer has realized the need for change, realigned its strategy, reset its business and, in some cases, undergone its most significant transformation in decades. Each vendor is strengthening its strategy with the hope of being one of the last industry players standing.

“The Great Industry Reboot” is a two-part analysis. In this issue of Office Technology, part one features interviews with manufacturers’ senior management executives to understand their “reboot” initiatives. The second part (to appear in the February issue) highlights a web survey of channel players to help understand the challenges they are experiencing and how the new manufacturing strategies impact their businesses.

**Brother International Corp.**
Don Cummins, Senior Vice President of Marketing

Brother’s journey to move upmarket and target larger organizations may very well have to begin with its name. Widely known as a leader in consumer and SOHO offerings, Brother has experienced much success and a significant share of this consumer market.

“There had to be a different approach than most others due to our large SOHO brand presence” said Don Cummins, senior vice president of marketing at Brother International Corp. “Our task was to acknowledge that mid- and large-
sized businesses would look for proof points to justify Brother as a solution for their workgroup printing and document management needs. At the same time, there was a significant shift in how business (B2B) collaborated and moved documents.”

When asked about Brother’s presence in Fortune 1000 companies, Cummins commented: “Yes, we are already there, but our printing solutions are mostly deployed with remote workforces and branch establishments like banks, real estate offices and retail store operations.”

He noted that for Brother to attract new customers and capture a wider share of print volume, the company has made investments in developing new, more robust hardware and software, hired people with a B2B focus and has considered channel expansion programs.

When Keypoint Intelligence challenged the fact that other vendors may have an advantage since they are already there, Cummins replied: “This may be true, but once a business customer or reseller starts to do business with us, they quickly realize the benefits and almost always become a long-term, loyal partner.”

In 2016, Brother announced a new line of devices in the United States specifically designed for business called the Brother Workhorse series. This line of monochrome printers and MFPs achieved Buyers Lab’s prestigious 2017 Monochrome Line of the Year recognition for its business high-end design, as well as standard solutions. Since then, Brother has introduced a complementary color line of printers and MFPs with the same robust features — giving its portfolio a full line of B2B hardware devices. Additionally, Brother has been ramping up the solutions, security and services capabilities of its devices to meet the expectations of business users.

To further demonstrate its commitment to this new strategy, Brother has invested in the BTA Channel (traditionally Brother has been stronger in the retail and IT channels), hired resources where needed and expanded its messaging to business and IT decision makers and influencers.

Cummins further explained how Brother’s approach differs from other manufacturers. While some of them seem to focus on vying for A3 position in the B2B market, Brother is instead focusing on deeper relationships with both customers and channels. “Brother understands that it is not here to replace competitive A3 products, but to be able to complement its (customers’ and channels’) current portfolio with a robust line of A4 B2B solutions,” he said. “We also believe we are working harder to demonstrate commitment to these new (and existing) channel partners by providing them with a deeper level of dedicated support and personalized services to earn their partnership and, ultimately, their business.”

For the past year, Brother has been on the road with its “Rolling Thunder” roadshow, visiting major cities to showcase new products and solutions to B2B customers and office technology dealers. Through these roadshows, Brother is hoping to change perceptions and prove it is not just a reliable brand for consumers/SOHOs, but for business customers and solutions providers as well. “Hopefully business customers and channel partners will see us as being end-user- and partner-centric and that we have evolved to meet the demands of our customers first,” Cummins said. “We believe that we are the industry’s best-kept secret.”

With a tagline of “At Your Side,” Brother may very well be a good fit for many business customers and channel partners alike.

### Canon U.S.A. Inc.

**Hiro Imamura, Senior Vice President & General Manager, Business Imaging Solutions Group**

In August 2016, Canon U.S.A. Inc. announced a plan to the analyst community that combined several business organizations, creating a more holistic approach within the company, called the “One Canon” strategy. “Although ‘One Canon’ was the combining of several B2B business groups within Canon U.S.A. that creates efficiencies within the company, the strategy was established more for our customers — the biggest benefit is for customers,” said Hiro Imamura, senior vice president and general manager of the Business Imaging Solutions Group (BISG) at Canon U.S.A. Inc. “We wanted to be a more seamless organization under one umbrella. This Canon unification strategy allows customers to be able to take advantage of Canon’s full portfolio of products, from office to production, regardless of whether they come from our partners or directly from Canon.”

Canon’s office equipment businesses had a long history of having separate organizations between its direct sales and marketing group and its indirect office equipment dealer channel. Several decades ago, Canon even had several direct organizations, such as MCS Business Solutions (headquartered in New York, New York), Ambassador Business Solutions (Chicago, Illinois) and Astro Business Solutions (Gardena, California), that were created from acquisitions and the aggregation of independent organizations that came together.

These organizations traditionally operated as separate companies, each with its own building and P&L sales, marketing, support and services organizations that ran independently from Canon U.S.A.’s headquarters office group. When Canon U.S.A. moved its corporate headquarters to Melville, New York, in 2013, Canon brought these two disparate business groups into the new headquarters, which was the start of initial coordinated communications and collaboration to become more of a unified organization.

It wasn’t until the beginning of 2016 that Toyo Kawamura, executive vice president and general manager of BISG at Canon U.S.A. and president of Canon Solutions America (CSA), took the wheel of both BISG and CSA and put together “One Canon.” Although the “One Canon” theme is mostly promoted in the United States, the culture and philosophy are communicated globally throughout the organization. The vision also resonates beyond the office group, where Canon’s products become more connected; this “One Canon” approach connects several groups to provide seamless integrated solutions through a single organization.

“Initially, the B2B areas are coming together as ‘one,’” however, the ‘One Canon’ long-term strategy is for the entire organization to become more as one,” Imamura said. “We can use these synergies as products come together to reach new opportunities. Additionally, and more importantly for the channels and for our customers, we want them to see us as one company and they also want us to provide this holistic offering and approach.

“Our new channel approach is also very transparent and our direct and indirect channels coming together has led to better communications between them,” Imamura continued. “This strategy now offers us the ability to communicate more effectively and hold very open conversations where we can have more synergy based on each other’s strengths. Dealers can now go to CSA for services and, at the same time, customers can now take advantage of broader services through their traditional dealers. There are also many new resources available to the dealers through this shared services organization, as well as a new Customer Solutions Center. Designed to elevate Canon’s end-to-end service and support capabilities needed in today’s connected world, the center provides Canon’s dealer partners with the necessary tools, systems and resources to help resolve customer concerns quickly and efficiently.

“Our goal is for our customers and partners to want to work with us and for us; it is to be a company that is easier to do business with,” Imamura said. “We are more open, supporting our customers and dealer environments with best-in-class solutions and, at the same time, we want to set the stage and raise the bar; a new benchmark for the industry. Lastly, if we can provide solutions to our customers that are seamless and effortless and help them drive more efficiencies and productivity, we have done a good job. We want our customers to know they can count on us and we have a strong commitment to them.”

... HP now has access to more than 6,500 print patents from Samsung and a workforce of nearly 1,300 researchers and engineers in laser technology ...

HP Inc.
Tuan Tran, General Manager & Global Head of Office Printing Solutions

In 2015, under the leadership of Meg Whitman, the board and senior executives, HP officially split into two companies, enabling each company to have a greater focus and invest in its own future. One of the companies remains HP Inc., which is a combination of HP’s PC and imaging businesses. The other company is HP Enterprise, which is a combination of HP’s server and enterprise services businesses. This separation, which HP claims to be one of the industry’s cleanest and seamless, allowed HP’s PC and imaging business (now led by Dion Weisler, CEO, HP Inc.) to operate under its own profit and loss statement (P&L). This helps guarantee its own profits are used to reinvest in its own business and provides greater focus. This was essentially a rebirth for the HP PC and imaging business today.

Fast forward a year later. HP Inc.’s investment promises came true when it announced plans to purchase Samsung’s printing business in a deal worth $1.05 billion. According to a company statement: “This acquisition would expand HP’s portfolio and help to disrupt the $55-billion A3 copier market with multifunction laser printers that are simple to use but have the same high performance level as copiers.”

With this deal, which closed in November 2017, HP now has access to more than 6,500 print patents from Samsung and a workforce of nearly 1,300 researchers and engineers in laser technology, imaging electronics, and supplies and accessories. Additionally, HP had been expanding its inkjet-based PageWide print technology — offering an A3 version would provide the market with an affordable color ledger output device. Combined, this could really help HP further attack in the huge A3 market — a market that had been largely untapped by HP.
Despite the challenges of an already crowded market with huge industry players, HP maintains that it has the brand strength, capabilities and differentiation to be successful. While HP has made two previous attempts to enter the A3 device and office equipment channel space with limited success, Tuan Tran, general manager and global head of office printing solutions at HP, believes this time will be different. “We have been on this journey for the past three years and see less of a difference between A4 and A3, and more of a difference between transactional and contractual changes,” he said. “We see the shift to more of a services and contractual model. However, HP has traditionally had expertise in the transactional A4 business. We see the opportunities for us as: (1) to move faster into the contractual side with our expertise in areas like managed print services; and (2) shore up our investments in A3.

“The partnership and acquisition with Samsung allowed us to double down on the A3 business and come out with a totally different value proposition,” Tuan continued. “Along with our PageWide devices and the print-centric design of Samsung devices, we can provide a more reliable, high-quality, less-serviceable product that benefits both the end customer and the channel. Furthermore, we have a much broader lineup with both A4 and A3, EP and ink with fast speeds and favorable operating costs. Lastly, we have been investing in solutions and, more specifically, in security, and have made the claim to have the most secure print devices on the market.”

HP has been working on this strategy for several years to “get it right” this time. The company has studied the markets worldwide and looked into the different routes to market, as well as pricing, service and support models to ensure success. For the U.S. market, HP is working with the BTA Channel and giving dealers the tools and confidence to partner with HP, as well as quality, reliable products they can offer their customers. From a BTA perspective, Keypoint Intelligence has heard from dealers who see the potential HP can have on the market and recognize the potential impact of partnering with HP.

Out of all the manufacturers, HP has certainly undergone the most transformation with splits, acquisitions and remodeling. One might think that with all these changes there could be internal disruption within the organization slowing it down. However, it seems like HP is taking this energy and moving swiftly to the next phase of its evolution. As Tran put it: “We are moving forward quickly, and my goal and strategy is to disrupt the office.”

“Print in the office is going to evolve and we have proven that a services approach to customers delivers growth, net-new customers and new revenue sources.”

“Konica Minolta has been promoting and selling solutions and services since we first began the transition from analog copiers to digital MFPs,” said Kevin Kern, senior vice president of business intelligence services and product planning at Konica Minolta Business Solutions U.S.A. Inc. “As the MFP was evolving into a powerful workflow-integrated platform, we began studying how we could provide added value beyond the MFPs and solutions available at the time. This led to the acquisition of All Covered seven years ago and, 21 acquisitions later, we have a national organization with close to 1,000 employees offering enterprise-class cloud services, help desk, managed voice and much more.

“Two years after we acquired All Covered, we made a strategic acquisition to enter the enterprise content management (ECM) space, consulting, managing and reselling Hyland and Square 9 software, as well as providing scanning services, which is one of our fastest growing businesses,” Kern continued. “In total, our solutions and services business amounts to more than 15 percent of our total revenue. Print in the office is going to evolve and we have proven that a services approach to the customer delivers growth, net-new customers and new revenue sources. The business world is undergoing rapid digital transformation. Artificial intelligence and cognitive computing will change decision making, workflow and how people work in the office, and we need to be part of driving that change.”

Earlier this year, Konica Minolta held a worldwide event in Berlin, Germany (during the CeBIT time period), where it unveiled a new product/strategy to the press. The product is called the Workplace Hub, an all-in-one, IT server/application services platform designed to make IT “smartphone simple” for small- and medium-sized businesses. Available in server-only versions as well, Workplace Hub will evolve to provide AI functionality over time and, eventually, a cognitive hub computing platform. The strategy is to enter the managed IT industry with a disruptive blend of hardware, solutions and services through the Workplace Hub.

In the United States, during Konica Minolta’s dealer meeting in October, the company emphasized the theme “FutuREady.” This message encouraged dealers to invest
in Konica Minolta’s bigger diversification strategy, leveraging Konica Minolta investments to provide deeper relationships with customers beyond print to remain relevant in the greater IT industry. Besides unveiling the Workplace Hub to dealers, Konica Minolta continued to talk about other diversification areas, such as ECM, business process automation, telephony services, production print, packaging and labeling, and the workplace of the future. The company’s Workplace of the Future™ portfolio includes adjacent (but very different) office technologies, such as virtual assistants, conference room planning solutions and security camera technologies, to name a few.

“We have taken our expertise in managed print and assessment services and have been able to use those same techniques in adjacent services around IT,” Kern said. “We have hired experts in all these new areas to help our channels because we want them to be successful; we want to show them how they can expand into these new areas to grow their businesses. We know the investments involved to get into these new businesses are huge. We have created an infrastructure platform and tools, and built a model that allows them to get into these new markets more quickly and with less cost than they could do on their own. All we need is a commitment from them and that they want to join us on this journey. The power and differentiation of our dealers is their ability to have close and consultative relationships, because they are local and closer to their customer’s environments and needs.”

Konica Minolta has stuck to its guns, continuing to invest in one of the most varied diversification strategies among manufacturers. At the same time, it has been one of the few OEMs to maintain its revenues while transforming its business. “Leading with the most value-added services, we don’t want to own the universe, but we do want to have a strategy where our dealers can grow revenue and margin, which will, in turn, also allow us to grow,” Kern said.

“Business processes are different from industry to industry, and we have always been able to build and deliver solutions specific to those markets.”

Lexmark International Inc.
Matt Dollus, Vice President of Global Marketing & Sales Enablement

Lexmark has undergone a tremendous amount of transformation over the past 10 years. For a good chunk of that time, the company was on a fast track and acquisition frenzy to become a solutions/services organization. A little more than seven years ago, in 2010, Lexmark completed its first of many large software acquisitions by purchasing Perceptive Software, a developer of enterprise content management and document output management applications. Since then, the company has acquired an additional 10 software or services organizations, including Brainware, a provider of intelligent data capture solutions; Actuo Technologies, a medical imaging document management software company; and two of the top process automation software companies, Readsoft and Kofax.

About a year after the Kofax acquisition, in April 2016, Lexmark reported it would be acquired by the China-based consortium of Apex Technology and PAG Asia Capital for $3.6 billion. This deal ended up closing later that year. Under the new management structure, Lexmark spun off and sold its enterprise software group in early 2017 to Thoma Bravo, an American private equity and growth capital firm that also owns the Hyland subsidiary. Lexmark maintains its headquarters in Lexington, Kentucky, and operates as an autonomous organization. It now, however, has the strength and investment power of a new parent company that can help expand the brand in the Asia Pacific market.

Although Lexmark has sold its enterprise software assets, the heritage and roots of the organization have always been solutions-oriented (even from the early IBM spinoff days). Lexmark consistently differentiated its hardware by delivering “solutions” (typically a combination of hardware, software and services) to specific vertical markets. From the early days of its “best-of-breed” strategy that focused on specifically designed hardware for vertical markets, to its “education station” that was an MFP and testing, grading and student management solution for the education market, Lexmark had a sense for delivering products that helped solve customers’ needs in very specific economic sectors.

“We approach the market with industry expertise,” said Matt Dollus, vice president of global marketing and sales enablement at Lexmark. “Business processes are different from industry to industry, and we have always been able to build and deliver solutions specific to those markets. Through this journey, we also found that many of our customers have already invested heavily in their core systems. Rather than replace these systems with Lexmark software, they want Lexmark to help them find ways to better leverage their investments. Therefore, Lexmark needs to better integrate with the systems that they have already deployed.
“Now we can focus on our core imaging business, and our current solutions are designed to integrate at the edge of our customers’ environments,” Dollus continued. “With that, we are improving the way we capture information and integrate with the required workflow solutions, and publish digital information from their core system back to printed material. We do this while ensuring the network, device and document remains secure. Lastly, we can leverage our strengths in MPS to ensure that our customers can maintain visibility and control. There are new areas of technology, such as artificial intelligence and predictive analytics, to deliver an accurate, holistic view of your fleet and seamlessly take action to reduce or eliminate disruption and remotely address customers’ environments and needs.”

As it relates to channels, Lexmark has always considered them partners and is delivering new value to a shared customer. “We have changed our philosophy to have more of a flexible approach to working with partners,” Dollus said. “We used to offer an end-to-end solution approach and, of course, that did not always work well with customers that have already invested in key systems within their IT infrastructures — like trying to force a square peg into a round hole. Since then, we have now adopted a new approach and have the flexibility to help our partners with customers that have more diverse sets of requirements and environments. This was a fresh approach to many of our partners and has been very well-received.”

For Lexmark, it has been a wild ride. The company was able to switch course with the help of a new parent company, which has allowed it to be strategically centered around its roots. In a closing statement, Dollus said: “Lexmark is now better positioned to grow, growing globally with innovative products and solutions.”

“As our strategy at our Convergence dealer meetings. Now, with our new dealer approach, this has become more of a collaborative strategy and the results with our dealers so far has been very good.”

Transition and transformation for Ricoh is not all that new. In the late 1990s through early 2000s, Ricoh grew to become one of the largest copier/MFP manufacturers in the world. During this time, Ricoh acquired Savin, Gestetner, Lanier, Rex-Rotary, Monroe, Nashuatec, IBM’s Printing Systems Division and IKON. Ricoh kept most of the brand names and respective channels, though there has been some restructuring to alleviate confusion and overlap. Having so many companies and cultures to integrate in a short period of time was not an easy task; conversion and integration had to occur quickly as a way to survive. In addition, in 2014, Ricoh purchased a U.S. national IT service provider organization, mindSHIFT, allowing Ricoh to enter the managed IT services space and become more of a services company.

Earlier this year, Yoshinori Yamashita, president and CEO of Ricoh Co. Ltd. Japan, spoke about “Ricoh Resurgent,” which describes Ricoh’s commitment to breaking from past practices and embarking on new beginnings under its 19th midterm management plan. There were three main pillars to this plan: (1) reform cost structure to match the business climate and Ricoh’s capabilities; (2) prioritize growth businesses centered on Ricoh’s strengths; and (3) implement this plan in a way that delivers results and has clear accountability.

These pillars aligned with Ricoh Americas’ strategy this year to optimize the dealer and direct sales structure for North American small- and medium-sized businesses. On April 1, Ricoh announced the sale of its SMB MFP machines in field (MIF) from its branches to selected dealers across the country. “These changes were a testament to Ricoh’s commitment to the Ricoh Family Group of dealers and their proven results of providing superior customer service to the industry,” said Jim Coriddi, vice president of the Dealer Division at Ricoh USA Inc. “The bottom line is this move has had an overall benefit to the overall greater channel.”

Laverty further explained: “And for Ricoh, this should help further alleviate channel conflict between the direct and indirect organizations, as well as allow the company to focus on strategic initiatives to transform and position its organization for the future.”

Ricoh is continuing this transformation journey and wants to be recognized as more than just a print company. For example, with its partnerships with IBM, it is transforming the customer conferencing experience with intelligent

Ricoh

Glenn Laverty, Senior Vice President of Marketing at Ricoh Americas, and President & CEO, Ricoh Canada Inc.

“We feel like we are leading the ‘Great Industry Reboot’,” said Glenn Laverty, senior vice president of marketing at Ricoh Americas, and president and CEO of Ricoh Canada Inc. “Ricoh’s transition strategy has been happening for several years now and this shift for the company to ‘services’ began a few years ago, which we have been talking about in our strategy at our Convergence dealer meetings. Now, with our new dealer approach, this has become more of a collaborative strategy and the results with our dealers so far has been very good.”

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“Channels are also part of this new journey into the future office and services vision,” Laverty said. “We also look to our dealers to adopt services, and we very much want to partner with those that show high willingness and capability to invest. We can also provide services for those dealers that may not have the infrastructure by partnering with them to provide those services on their behalf. We have also invested in a huge inside sales infrastructure that can help support the channel in developing leads or just supporting them [dealers] throughout the sales process.”

This partnering approach has become an integral and impactful part of Ricoh’s new strategy. Ricoh is very committed to making it work, as it is not only better for the company, but also the channels and, ultimately, the customer, becoming a win-win-win situation. “We are demonstrating the courage to change and believe that others (manufacturers) will also eventually take these steps as we lead the great industry reboot,” Laverty said.

Sharp Imaging and Information Company of America (SIICA)
Mike Marusic, COO, Sharp Electronics Corp., and Executive Vice President, SIICA

Five years ago, industry observers may have thought Sharp would not be able to survive as a major office equipment brand. With a challenged consumer business marked with fierce competition and plagued margins, Sharp underwent a shaky period that could have resulted in its demise. Thankfully for the company, Taiwan-based Foxconn, the world’s top contract manufacturer, came to the rescue, infusing the organization with new life and investments. In 2016, Foxconn agreed to pay $3.5 billion (revised 88 yen per Sharp share) for two-thirds stake of Sharp’s worldwide organization.

“Even before the Foxconn acquisition, we were beginning to transform our business with a Phase 1 strategy to shift our distribution to TechData, one of the country’s leading IT logistics organizations,” said Mike Marusic, COO of Sharp Electronics Corp. and executive vice president of SIICA. “Partnering with one of the country’s top IT logistics companies not only allowed us to focus on our core capabilities, but, more importantly, it became a base layer to our strategy to become a stronger player in the overall IT space, with a partner that could deliver the other components that would be vital to our future strategy.”

At its 2017 dealer conference (interestingly called “Pulse,” considering Sharp’s near-death experience), Sharp revealed a new direction and next phase for the company to become a leading IT technology player for the “smart office.” Marusic provided some context for this strategy shift: “With a parent company that closely partners with the world’s leading IT tech organizations, such as Apple, Amazon, Intel, Google and Microsoft, Foxconn knows the aggregated strategic direction of the future of technology, having the ‘pulse’ of where it needs to be with its own investments. Not that specific detailed information is shared with us — that would violate NDAs with its partners — but having this access to insight provides us with guidance and direction that no other competitor could ever have.”

Sharp’s new direction is quite interesting, yet different than that of other players that have focused on the “office of the future.” Instead of acquiring hardware technologies, its partnerships and solutions expertise would allow it to be more of an integrator of disparate technologies — essentially being the glue that brings these technologies together. “Imagine walking into a conference room and it knows who you are, and your content and files automatically load on one of our Sharp smart boards (AQUOS BOARDS),” Marusic explained. “Better yet, the room can identify all the people in that conference room and knows (through analytics and prior experiences) exactly what the meeting is about and specific content for that meeting appears on everyone’s tablets. ‘Smart meetings’ are just one example that we will be able to put together. By understanding what the future of technology can be, with a parent company that has technology expertise beyond any of our industry players, we can put the pieces together to provide that seamless integration of IT solutions technologies to our customers.”

Sharp core technologies would not be forgotten, however, as they would become integral and, in some cases, central to the strategy. Office technology dealers and current BTA partners would also be vital parts of delivering these solutions to their customers. Sharp had already been well on its pathway of diversification, introducing adjacent office products such as intelligent white boards that have Sharp LCD technology. “These diverse products, solutions and services...”
will allow our partners to differentiate their offerings, providing a new level to the customer/partner relationship that will be extremely sticky,” Marusic said.

Although this new strategy and direction has yet to be officially launched to customers, the vision, capability and credibility enabled by the new parent company appear to make it an achievable goal.

“Xerox ... transforms user productivity with new workplace assistants and apps that allow businesses of all sizes to modernize the way they work ...”

Xerox Corp.
Mike Feldman, Corporate Executive Vice President & President, North America Operations

Xerox has had many reinventions in its long history, from being the standard for making copies as a document company, to becoming a services and BPO (business process outsourcing) organization, to its most recent reboot that once again focuses the organization on its technology roots. The latest shift represented a risk for Xerox, but also a great opportunity, considering challenges faced by the services-led strategy. On Jan. 1 of this year, Xerox set a new course with new CEO Jeff Jacobson at the helm — leading the “new” Xerox back to recovery, as well as the great document technology company it used to be.

“Xerox has set its course with four growth areas in mind: One, the SMB (small and medium business),” said Mike Feldman, corporate executive vice president and president of North America operations at Xerox Corp. “The SMB market is the largest and has the most growth potential in our industry; our focus on the BTA [dealer] and office equipment channel is an integral part of that strategy since they [dealers] are the best suited with strong relationships with these customers.

“Two, A4 expansion,” Feldman continued. “With 29 new products, many of them being A4, it is one of the largest and most significant launches to complement our new strategy. For the first time, we have launched a line that has a common controller; [all of the models] are ConnectKey-enabled — also a critical part of this new strategy.

“Three, MDS,” Feldman said. “We are leading with managed document services and the most expansive set of offerings. MDS and its services have been very successful through our direct organization and we continue to expand and grow them through our channel programs. The SMB MPS market is growing at around 6 percent and Xerox’s SMB MDS revenues, which include GIS (Global Imaging Systems) and XPPS (Xerox Partner Print Services), grew twice as fast as the market at 12 percent. Along with these managed document services is our ‘workflow automation’ strategy. With our partners, such as Hyland and, also, our own DocuShare solutions, we have shown and continue to demonstrate our capabilities in solving customers’ business processes with automation solutions to help streamline workflows and create efficiencies.

“Four, graphics communications and production color,” Feldman continued. “Xerox has been known as a leader in the production space and, with our investments in inkjet, as well as our acquisition of IMPIKA five years ago, we continue to be a pioneer in this space with new functional and industrial products and new technologies.”

In addition to the introduction of these new products, Xerox launched a new marketing campaign called “Set the Page Free.” According to Feldman, this campaign reflects Xerox’s focus on changing the way the world communicates, connects and works. Xerox sees the workplace transforming in the areas of cloud and mobility, for instance, allowing people to perform work anywhere and anytime. Xerox wants to be a part of this new cultural change and plans to shift its organization and technologies to be a part of the new style of work. At the same time, Xerox’s internal culture has improved, according to Feldman; that positive change is resonating with its channels and customers.

“Xerox eliminated a whole corporate layer and this led to enhanced collaboration across the company,” Feldman said. “It is results-driven. This new culture allows individuals to become empowered to make a difference and the discipline to stay focused. With channels and customers, everyone from Jeff [Jacobsen] to myself are out in front of our clients and channels to demonstrate our new culture, the positive change and focus on our strategy, and our commitment to our new beginnings.

“Xerox sets the page free and transforms user productivity with new workplace assistants and apps that allow businesses of all sizes to modernize the way they work, connect and communicate,” Feldman continued. “And a subheadline is that our 111-year-old company reinvented itself into a growth business. Our value proposition is wide, but clear. That is what gets everyone up in the morning at Xerox — our position of strength in office and production, and enterprise managed print services. Layer on top of that the incredible opportunities of SMB, A4, production inkjet and workflow automation based on a new platform of apps to modernize the workplace. The reaction to our value proposition by our customers and partners has been overwhelmingly positive.”

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Concluding Thoughts

The “Great Industry Reboot” button has been pressed by the breadth of manufacturers in the office technology industry. It may be too early to make any rash predictions, as the market is just beginning to acknowledge, comprehend and react to these changes. For some customers, there may be little impact from any of these new strategies — especially during the initial phase. But for the manufacturers, the battle continues; execution (through acquisition and/or superior performance) may be the factor that allows a winner (or winners) to emerge from the group.

The good news is that no one strategy will turn the industry on its head, and channels will continue to play a vitally important role in how strategies are implemented. These strategies will be accepted or rejected by the channels and their customers. At the end of the day, these actions could very well directly impact the fate or future of these manufacturers and the industry.

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