

2023 Industry Forecast

Manufacturers look to the year ahead

Compiled by: Brent Hoskins, Office Technology Magazine

The perils and challenges of office technology dealers faced during the intense throes of the COVID-19 pandemic are mainly in the past. However, that's not to say that there were no lasting effects. The decline of printed pages was accelerated, the remote worker trend became mainstream and, it appears, end users are increasingly embracing A4 MFPs. With such realities in mind, what will be the greatest opportunities in the year ahead? To find the answers, Office Technology magazine asked 12 MFP and printer manufacturers to share their expectations for 2023. Perhaps the insight shared in this year's industry forecast will help you better position your dealership for continued success.

Each of the contributors was asked to address four questions in essay form. The questions focused on: the primary market and product opportunities, and best strategies for success in the new year; the most significant challenges dealers will face in 2023 and how can they best address them; anticipated changes in demand/needs/expectations for office technology among end users in 2023; and the characteristics of the office technology dealership that is best positioned for success in 2023. Following are their responses.



Brother International Corp.
Fernando Maroniene, Senior Director of Product Marketing

As employees return to the office, they will return to a hybrid work concept, which means that office technology companies and dealers must consider the unique needs of a workforce caught between fully remote and entirely in-person. With the acceleration of digital



transformation, decentralized and distributed print solutions will continue to play critical roles in office technology, such as a surge in demand for A4 sheets and the concept of everything as a service. We predict that in 2023, companies will continue outsourcing printing services for their flexibility while creating demand for print and scan devices that are affordable, easy to use and secure.

One big printing trend for 2023 is the shift from A3 to A4 sheets, particularly on color machines. Despite an ongoing demand for A3 printing, we see an increased demand for smaller (A4), yet enterprise-level, products. With a decentralized workforce and everything

online, companies only see the need to overspend on large machines or large paper sizes for special needs. Future printing consists of a mixed fleet of A3 and A4 products, with some acceleration on A4 due to distributed offices. Although a diverse fleet of brands will continue, we also see some concentration on fewer brands to make fleet management an easier task. Dealers will also work with brands to create streamlined experiences for companies looking to outsource their printing needs.

From a business perspective, as companies learn that they do not need to focus on acquiring and managing technology, but instead on their core business and more strategic projects, they will continue and expand their use of outsourcing for their technology needs. This outsourcing will evolve into a business model that makes more sense for them. For example, in the printing arena, we see customers who value flexibility due to a variable print volume need (and all controls IT needs to operate in this model). On the other hand, we also see customers who have a more constant print volume who value the simplicity of their outsourced business models, which usually translates into flat rates and hassle-free, easy-to-manage business models.

At Brother, we mainly focus on providing the technology

and the resources for dealerships to implement their models that make sense. Our goal is to enable them to support the contractual business with tools that go from infrastructure needs, such as hardware and a supplies program designed exclusively for contractual business, to solutions that help them access, design and implement managed print services. A team of presales consultants that allows them to maximize the contractual business offer is also necessary. We take the “At your side” brand promise very seriously.

Aside from providing technology and resources, we also encourage dealers to leverage the Value Subscription Plan (VSP). The VSP is a program created for our dealer partners who see an opportunity for a simple-to-sell, flat-rate contractual business model that addresses some customers’ needs, but is only sometimes easy for them to implement.

As companies continue to migrate toward a hybrid workforce, collaboration becomes more complicated and IT administrators must adjust to manage and secure many growing devices. As a result, it is more important than ever for dealers to standardize their offerings to ensure they will be secure and remain nimble. A dealership that is flexible, focused, innovative, truly comprehends their customers’ atmospheres and is willing to go the distance for their accounts will be poised for success in 2023.



Canon U.S.A. Inc.
Karin Harrington, Senior Sales
Director, Dealer Sales Division

The upcoming year can present new opportunities for dealer communities. Production print services remains a business that relies on relationship building. In-person activities can help strengthen ties with dealers and can lend some assurance that together we are well prepared to address the challenges ahead, such as the continuing chip shortage and product back orders. Maintaining a strong logistics group and having consistent conversations with dealers can help to optimize the business relationship and work toward a more prosperous future.

Customers are looking for solution providers who can help them expand within existing clientele. Focusing on technology — both hardware and software that can support the hybrid business style — can help those striving to build a prosperous future. Collaboration tools that can assist in more unified communication, such as the AMLOS (Activate My Line of Sight) solution from Canon, as well as cloud solutions offered

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by Canon that can enhance day-to-day operations in hybrid setups thanks to flexible workflow options that include security features, can be important offerings for dealers working to address changing customer needs.

Expanding into new markets can be an avenue for growth. The current climate has seen some competitors weakened, which can provide an opportunity to pick up additional customers.

For Canon, continued expansion into the production print space remains promising. Complementing this strong effort, which started during an earlier phase of the COVID-19 pandemic, are continued inroads in the large-format sector, providing new growth opportunities.

Focusing on verticals such as health care and education remains important, as they are both growing segments of our business. Many end users are returning to the office either full-time or on a hybrid schedule. After a couple of years of remote assistance, end users are now needing more in-person support, and it will be up to dealers to anticipate that need and plan accordingly. Adding value for hybrid work styles is important, but hybrid working has not replaced all facets of previous working conditions. Dealers can be well served by being able to pivot to meet the various needs of their customers.

To be well positioned for success in 2023, it is important to retain flexibility. Supporting hybrid environments will be important for office technology dealerships for the coming year. Investments in production, large format and display graphics are examples of key areas to target for the upcoming year.

While there have been many changes from 2020 to now, the importance of dealers prioritizing delivering high-quality and reliable customer service remains. But dealers can also attempt to position themselves as solution providers and can be well served by being willing to expand into new markets. A strong goal could be netting new customers while driving out the competition.

Focusing on and investing in the business of print has been a reliable way to help meet the demands and expectations for office technology. Canon’s commitment to technology can help



print service providers increase print production efficiency while working to lower their operating costs, with the goal of growing their businesses.

Epson America Inc.
Elliot Williams, Director of Product
Marketing, Business Imaging

Over the past year, we have seen the

market demand for A4 devices increase. However, sales did not fully reflect this due to supply-chain challenges. Moving into 2023, product availability will gradually improve, but we still see the demand for

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A4 continuing to grow. Dealers can take advantage of this opportunity through strategic planning and open communication with both customers and OEMs to understand business needs, product availability and develop a realistic approach to meeting customer requirements.

It is no surprise that building and establishing a rapport with customers is a key element to a successful relationship. However, the art of face-to-face, in-person communication with customers has fallen to the wayside due to circumstances beyond our control. We had to adapt and grow accustomed to living in a virtual world. A lot of time has been spent meeting with customers on Zoom calls and communicating through emails. Additionally, with turnover within sales teams, some dealers have lost veteran staff members and the relationships they held prior to the COVID-19 pandemic.

As we exit 2022, we are seeing the world change again. Dealers will be challenged to learn or relearn the skills to get in front of customers because they may have been lost. It will be critical to reestablish customer relationships to regain their confidence and trust by listening and understanding. Whether cold calling, scheduling in-person meetings or attending open houses, being physically present is very important, because in this space, people purchase from those they know and can depend on.

Dealers can also build rapport with customers by fully understanding how their businesses operate, as well as their future goals and challenges. They may need other hardware technologies beyond printing to help employees operate more efficiently. Dealers can develop additional revenue opportunities by expanding the portfolio of solutions offered. Partnering with a trusted OEM that offers a range of technology solutions beyond MFPs, such as projection and scanning, can increase value to the customer. While it may be an adjustment to sell outside of the printer space, dealers can advance their skill sets and further build that customer trust by addressing these needs.

Anticipating any issues that may arise and proactively offering solutions before they happen is another way dealers can gain confidence from their customers. While it may

2023 Predictions

1 A3 placements are forecasted to decline at 8.2% CAGR to 2026. Hybrid working and the continued acceleration of digital transformation.



2 A4 placements are expected to grow at 6.2% CAGR to 2026. Facilitating decentralization of workspaces.



3 Cloud-based document solutions are expected to rise at 18.2% CAGR to 2026. At the expense of on-prem software.



4 Office page volumes are rebounding to a level around 20% below pre-pandemic numbers. The COVID years caused a seismic disruption.



5 Nine out of 10 IT decision makers expect investment in scanners and document workflow technologies to increase. DX projects that automate processes are only going to increase.



not be the most immediate topic addressed, security is a growing concern. More businesses have become victims of hacking and phishing. This is an area where dealers can be more proficient and proactive, not only in security, but in preemptively articulating how the products they offer are secure in anticipation of potential threats.

Approaching 2023, dealerships will see success by putting in the work to build a knowledgeable and experienced sales team, whether that consists of seasoned professionals or new hires. It is a team that is willing to get in front of customers and fully understand their needs. It does not wait for a customer complaint, but strategically plans and offers preventative options. Businesses are looking for reassurance as opposed to the latest and greatest tools. They want to feel their money and time are being well spent, and that the solutions they offer enable customers and employees to be productive. Dealerships that can convey and exemplify these characteristics will be strongly positioned for success in the coming year.

For dealers who have well-articulated value propositions, unexpected opportunities can be found in ... the opportunity ... that stems from sustainability.

leadership found that companies with high ESG [environmental, social and corporate governance] performance ratings enjoyed average operating margins 3.7 times higher than those of lower ESG performers. Additionally, HP's commitment to sustainable impact helped it win more than \$3.5 billion in new sales in fiscal year 2021, representing a more than three-times annual increase. While there are headwinds, dealers can find

growth by reshaping the way companies enable agile and sustainable work.

Leveraging Data — Unlocking value in 2023 will require dealers to sharpen the tools in their toolboxes — the most important being data. In times of uncertainty, data underpins a resilient strategy and can offer cues even when things feel unpredictable. Data can pinpoint need and enable prioritization of resources. It also creates stronger touchpoints when the relationship between customer and dealer is critical. And data enables accountability — by showing how more sustainable solutions are impacting customers' long-term goals.

We are finding that partners who opt into HP Amplify Data Insights — our industry-first channel intelligence platform — are growing two times faster than average. Accessing this intelligence platform provides more business opportunities than relying on proprietary data alone. In fact, in 2023, 30% of organizations that harness the collective intelligence of their analytics communities will outperform competitors that rely solely on centralized analytics or self-service. Leveraging data has helped identify opportunities for device upgrades and renewals for more than 30 million PCs and 10 million printers across 900,000 customer offices.

Driving Change — Few places have seen a bigger shift in the value conversation than the office in recent years — how we work, where we work and what we get out of work. Technology will continue to play a pivotal role in redefining the value of the workforce built for the world today. Dealers will be key in driving that change in the year ahead.



HP Inc.

Mary Beth Walker, Head of Global Channel Strategy

In 2023, our greatest challenge will also be our greatest opportunity: how we unlock value in the face of an ever-evolving macroeconomic environment. Within that, the largest opportunities will be found through hybrid work, sustainability and data. But the value imperative looks different for customers and dealers.

Hybrid Work & Collaboration — The office is no longer one place. 2023 will continue to see tech solutions nudge workers closer to a reality where they are their own IT hubs. From printers to PCs, people want solutions that are both integrated — helping them connect and collaborate — but also independent — enabling their unique needs and making them available in the places where they work best. Current research indicates that as many as 61% of hybrid workers waste an hour or more per week due to tech issues. Moreover, half of employees feel their companies are not using the right tools for hybrid work. Customers will also continue to emphasize more sustainable operations and corporate agendas. These are opportunities for dealers to fulfill needs in the market.

Sustainability — For dealers who have well-articulated value propositions, unexpected opportunities can be found in customers' more focused mindsets or the opportunity for dealers that stems from sustainability. A study on responsible



Konica Minolta Business Solutions U.S.A. Inc.

Laura Blackmer, President, Dealer Sales,

& Dino Pagliarello, Senior Vice President, Product Management & Planning

2023 will be about getting back on track. The industry should be mostly out of inventory backlog after taking a step back due to supply-chain issues. Dealers can now focus on normalizing their businesses. This means getting current customers equipment they have been waiting for and getting lease renewals going again. Our production print business did very well last year, and there are many product opportunities in different growth segments such as label, wide format and packaging. These are relatively new for many dealers, but we have many training and marketing resources available to support them.

2023 is projected to be a growth year, with some analysts predicting up to 10% growth in unit volume, creating a tremendous opportunity to place devices. As we look even further into 2024 and 2025 — and a forecasted unit and page downturn by IDC — placing as many units as possible next year will be key to mitigate challenges we could face down the road.

While 2023 will be a catch-up year, filling backlogs, extending leases, etc., dealers should also take time to assess their preparedness for a potential downturn. This means evaluating current resources, skill sets, and exploring and developing the right diversification strategies. They should carefully prepare their marketing strategies, explore e-commerce options and consider how their websites are performing. Dealers who are ready for real growth beyond the MFP can begin to branch out into production and industrial print in addition to other services (e.g., MITS). Any diversification can add to your resilience during the continual changes in the industry.

Digitizing workflow is a customer need that was accelerated in the last two years and will continue to be a priority. Customers are also looking to be more cost effective when it comes to overall print needs. Dealers need to be creative in their overall offerings to customers with an appropriate mix of solutions for their needs, combining A3 and A4 devices, all while keeping costs down.

Dealers will not be successful just replacing existing machines. They need to be able to have conversations with customers about their true needs — whether they are security, workflow or managed services — and help them uncover ways to optimize their businesses using technology. Any dealer only thinking about replacing leases is missing what customers are asking for and, therefore, missing opportunities.

Dealers have been trusted advisors to their customers, offering support before, during and after the COVID-19 pandemic through constant change and the evolution of print. This continued support is a very unique characteristic of the office technology dealership that will always be good for its customer base.

In an ever-changing marketplace, there are many

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advantages for a vendor that can offer different solutions. Office technology dealers who have expanded into IT, security, intelligent information management, software and other solutions, and who are up to speed on technology and know their customers' needs, can tie everything together and offer the best — and most competitive — solutions.

Having sales and technical teams with skill sets in verticals will also position

dealers for success. These teams need to be able to have business-level discussions with customers about trends in verticals, which will only become more prevalent. At Konica Minolta, we have built out rich certification programs for sales reps in both the health-care and education verticals so they can be better versed to sell into them than they have been in the past.



Don Duvall, Vice President, Channel Sales



KYOCERA Document Solutions America Inc.
José Estébanez,
Vice President,
Corporate Marketing Group (left) &

Uncertainty and economic instability will continue to condition the market for dealers in 2023. Inflation and supply-chain issues are making business leaders increasingly cautious, and the news of cost cuts continues to grab the headlines. Recruitment is another major challenge in our industry — there is a shortage of technicians, warehouse and administrative staff members. Despite these challenges, we at Kyocera see many reasons to be optimistic in 2023.

First, to successfully navigate supply-chain issues, a fluid relationship between dealers and OEMs is essential; one based on transparency and regular communication. Dealers should be looking to combat this period of disruption by controlling the controllable and becoming even better at what they do. With companies seeking ways to reduce expenses, dealerships can position themselves not only as value-added solutions providers, but also as partners that help optimize every customer dollar. Portfolio diversification will be fundamental to this.

With hybrid work here to stay and the stock of A4 printers continuing to rise, dealers must identify which customers are moving to A4 and they should be looking to OEMs with proven pedigrees in this space. They need manufacturers with quality lineups coupled with the value-added features that you would expect from A3 devices. Moreover, with teams now

handling physical and digital documents across offices and remote workspaces, the need for solutions that drive automation, accelerate digitalization and ensure strong collaboration between colleagues has never been greater. This increased mobility has also propelled cybersecurity into the spotlight, and customers will be looking for solutions that allow their teams to become more agile without sacrificing data security. The demand for cloud-based content and print management solutions continues to increase, and dealers can add a new dimension to their portfolios with cutting-edge ECM and DMS products. By giving businesses greater control over their digital and physical documents, as well as enhanced visibility over their printing ecosystems, there is huge potential for smarter working and cost savings.

Customers are placing a premium on convenience — the demand for one provider for multiple services is increasing. With the wide-scale outsourcing of basic functions like help-desk support becoming the norm, those who can complement their services with ICT solutions will reap the rewards. Beyond convenience, IT teams can instead dedicate their expertise to other value-added areas. For dealers, this will require a considerable investment in terms of infrastructure. Luckily, there are OEMs that have the capacity to build out ICT platforms for managed services to help dealers bridge technology gaps.

Nowadays, customer experience matters. Amazon Prime and the likes have redefined and elevated customer expectations. They expect next-day delivery for their toners. They want a quick response when there is an issue. A great customer experience is paramount — there are no second chances to make a first impression. The modern office technology dealership needs to be an agile organization that proactively offers outstanding service throughout the entire process, from the point of sale to servicing and customer support.

This brings us back to people. To address knowledge gaps, dealers must invest in ongoing education while creating a lucrative strategy to attract new talent. It is about investing in the strong foundations needed for sustainable success. For dealers, 2023 will be about making themselves

indispensable business partners — achieving this will require the best people and the best technologies working together.

**Lexmark
International Inc.**
Clark Bugg, Director,
North American Channel Sales



With the wide-scale outsourcing of basic functions like help-desk support ... those who can complement their services with ICT solutions will reap the rewards.

We have seen much change over the past two-plus years and dealers have continued to adapt and grow to find new revenue streams and offerings to engage their customers and keep the lines of communication open. Innovative technology and programs have been a bridge to help dealers communicate and differentiate. There are several areas Lexmark will continue to focus on in 2023 to support our dealer community to grow and thrive.

Lexmark has always focused on vertical markets and in 2023 vertical differentiation will continue to be a key play for us in helping dealers change the game when they are in line-of-business conversations. Rather than just talking with IT and procurement, dealers are talking to customers about how a device or process could help speed up a time-consuming manual process. These conversations result in a more significant financial gain because value usually equals added margin. With our Lexmark Industry Advantage Program (LIA), Lexmark is poised to help our customers optimize their successes in pursuing vertical markets. A team of industry experts around the globe maintain strong relationships with customers in their areas of expertise, staying on top of trends and best practices. LIA is designed to share that valuable knowledge with Lexmark partners, equipping them with the vertical-industry expertise needed to better serve their customers and grow their businesses. Partners can gain a competitive advantage through educational resources and opportunities to engage with seasoned industry consultants and positively impact their organizations' bottom lines.

Another area where we have seen technology address communication problems and help our dealers grow is cloud services. With staff shortages and copier/MFP technicians retiring at a very high rate, there is a desire to improve customer service and experience with technology. Because of this, many dealers are turning to cloud services to provide an easier way to manage and maintain customer fleets. They also allow you to integrate your office systems into one cohesive strategy that improves efficiency and productivity in the workplace.

Cloud services give you access to powerful software that allows you to manage your devices from anywhere, at any time. This helps you monitor usage patterns on each machine to better plan for future needs or make necessary adjustments. It also makes it easy for technicians to perform remote repairs when necessary — saving time and money.

To be positioned for success in 2023, dealers need to differentiate themselves with industry-specific knowledge that quickly and efficiently addresses the mission-critical needs of today's customers. They also need to choose an

OEM that can be a trusted advisor. It is essential to consider whether a company has the necessary industry expertise, the efficiency in identifying and solving the many challenges that arise each day, and the flexibility to help manage problems that occur in these challenging times. Dealers should arm themselves with diverse portfolios of devices and solutions to fit a broad spectrum of needs to win in 2023.

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security, cloud, in-plant, hybrid work, and talent acquisition and retention.

In a market that continues to evolve and change rapidly due to the accelerated adoption of digital technology, the new hybrid and remote workforce is completely changing the definition of “workplace.” Dealers with in-depth understanding of hybrid workers and what helps them stay productive — at any time, from any place — will be ahead



Ricoh USA Inc.
Jim Coriddi, Senior Vice President,
Dealer Division

Businesses are changing at a break-neck pace, embracing new, more effective ways to manage information. The dealer’s challenge, in the midst of such unprecedented change, is to offer solutions that make his (or her) customers more efficient and lay the groundwork for their success. That starts with truly knowing his customers.

As customers span a wide spectrum of stages in their digital transformation journeys, staying in tune with each customer’s progress, industry, challenges and goals will be more important than ever. Dealers can offer tremendous value by fully understanding their customers’ information management needs to unlock the value of their data, offer relevant workflow solutions, and leverage technology to improve efficiencies. And, through these relationships, dealers can continue to evolve their roles from being technology providers to trusted information management partners as they help customers embrace digitization to lay the foundation for success.

Dealers have many exciting opportunities to tap new routes to revenue and increased profit potential by expanding their offerings and diversifying into adjacent, new and growing areas. There has been considerable growth in automation into the cloud, amplified demand for XaaS, more interest in e-commerce-enabled solutions, and increased engagement with customers in finance, insurance, health care and government looking to streamline their operations through production — an area that has grown significantly in recent years with major growth in print volume. All of these trends present excellent opportunities for dealers to pursue new business and expand their own.

Dealers will also continue to benefit from being well-acquainted with the nuances of horizontal and vertical markets. This expertise will enable their end users to employ effective digital strategies and anticipate key trends across a range of areas, including document management, workflows,

of the curve. Additionally, dealers who invest in digital experiences, such as digital enablement and web updates to capture well-informed buyers, will be well-positioned to expand their reach to multiple buyers.

One of the most significant challenges dealers will face in 2023 will be shifting conversations with customers toward a deeper understanding of workflow and solutions that help improve operational efficiency, and how these elements can advance business. Anticipating changes in customer demand and expectations for office technology — and accelerating their own go-to-market strategies in advance of the changing dynamics — will help dealers successfully differentiate themselves in the market.

Dealers who invest in the customer experience and prioritize business conversations that address the highly personalized goals and challenges specific to each customer will cultivate long-term, trusted relationships. Honest, open and fully transparent communication will continue to be key to maintaining and growing customer relationships that deliver true value.



RISO Inc.
Andre D’Urbano, Executive Director

Do you ever get the feeling that the past three years have been one long two-minute drill? In fact, dealers in our community deserve some type of Heisman Award of their own given the manner in which they have had to pivot, cut back and stay nimble.

As they duck and weave through the many growth options available to them, dealers will have to settle on a growth equation in 2023 that involves two equal parts: (1) solidifying legacy services and products that they have built their businesses on; and (2) identifying market segments with emerging niche opportunities.

Much has been said and written about production print as a means of replacing lost meter clicks. And while this is certainly a path to growth, dealers need to clearly identify the emerging segment of the production market.

Start with production toner devices and put yourself in the shoes of an owner or manager of a reprographics entity (commercial or in-plant). Does the purchase of new mono or color toner production print devices introduce new revenue streams to the business? Will an investment into toner-based printers help carve out a profitable niche, or are they simply injecting capital into a commoditized segment of the market? From a customer's perspective, if the sale is an upgrade, then they are simply modernizing an existing revenue stream. This is not the definition of an emerging segment.

Alternatively, the offset press has, in large part, been pushed to the side, which leaves one-third of the print shop dedicated to the digital production print of monochrome jobs, another third set up for digital color work, and the remaining floor space for finishing devices. Print customers on tight budgets will, on a daily basis, engage the print shop with black-and-white jobs where color is being considered. The question is often posed, "How much to add some color?" The shop manager will do the math and offer a price for color that is all too regularly deemed as unaffordable. It is 2023 and print buyers still view color printing as a luxury. If that does not scream "opportunity," then nothing does.

Enter cut-sheet inkjet, a solution that will allow print consumers on a limited budget a chance to move out of the monochrome world and into the color arena at a price that can fit inside most operating budgets. The print shop itself benefits as well, given that color inkjet jobs are three times more profitable than monochrome toner jobs. For every black-and-white job that is converted to inkjet color, a print shop will increase its profits from \$.02 per copy to about \$.06. And you wonder why so many print shops are tripping all over themselves investing in production cut-sheet inkjet printers. Again, this screams opportunity for any dealer.

The conversion from monochrome toner to color inkjet will turn into a runaway locomotive in 2023. Those dealers who offer cut-sheet inkjet to their production accounts will help their production customers introduce a newfound ability to offer color printing at a price that sits in between mono and color toner — an emerging third level of pricing that print customers have been demanding for years. This emerging opportunity will continue to develop in 2023 with print shops investing in more inkjet printers that fill the "gap" between black-and-white and color toner. That "gap" is a mystery to many customers (and dealers). But where there is mystery, there is margin.

Those dealers who offer cut-sheet inkjet to their production accounts will help their production customers introduce ... an emerging third level of pricing ...



Sharp Imaging and Information Company of America (SIICA)

**Mike Marusic,
President & CEO**

I look forward to 2023 as the year we begin to return to some normalcy. I am extremely optimistic

about the industry's prospects in the coming year, which is why we recently themed our 2022 roadshows around "opportunity." Why am I so optimistic? Well, for one, you are reading this. That means you and your fellow dealers have weathered some of the toughest challenges this industry has seen and have come out on the other end more resilient than ever.

The ramp back will not be smooth, and we will face some sort of economic slowdown in the coming months, but I do believe we can recover, see supply chains improve and have more people back in the office in the second half of the year. As with any times of change, you also have great opportunity. Business owners are reconsidering everything they do and the creative and aggressive among the dealer community stand to gain significant business by addressing their customers' needs. At the most simplistic level, those needs revolve around ease of doing business and maximizing the productivity of their people. Dealers who can offer a broader menu of offerings will succeed versus those who remain complacent with their portfolios.

I often joke that I sound like a broken record when I discuss diversifying your offerings, but I prefer to believe it is this consistency in direction and messaging that has served Sharp and its dealers well. During our roadshows, I shared very specific data on the growth and revenue size of the dealerships that are buying a diverse offering from Sharp versus those that are not. The numbers are overwhelming, with double the revenue and revenue growth for those dealerships buying the wider variety of products we offer. It simply works.

Now, of course this sounds self-serving. Sharp not only makes MFPs and printers, but also laptops and displays. So, naturally, we promote selling them all. But we got here by design, through product enhancements and acquisitions, as well as by understanding the needs of the customer.

From the customer perspective, we are all in the information business, not the printed paper business. We always have been. We make our money on the printed page, but the service we provide is making sure customers can share information via that printed page. It is time for us to offer the

other ways we can share information behind glass — either through laptops, desktop displays or conference room collaboration displays. The BTA Channel can provide a higher level of support and bring all those technologies together under a managed IT services contract to drive that recurring revenue and create that stickiness with the customer. More importantly, we block the entry of traditional IT VAR suppliers by not allowing them to take over the managed print part of the business by becoming the one supplier that fills all of a customer's needs in a comprehensive approach.

As a side benefit, this type of approach helps address a significant challenge for our industry, bringing new talent into our space. We all struggle to bring new entrants into the business and offer open positions. Today's new workers grew up in a digital world and are more tech savvy. By offering a variety of technology products and services, dealerships can become more enticing places to work. They can experience multiple paths to success with the ability to move with the product needs of their customers. This is good for the dealer and his (or her) team members.

As we enter 2023, we can be proud of what we achieved in making it through such turbulent times. That well-earned confidence in the ability to adapt can now be put to work in adjusting other aspects of office technology dealerships and growing in new areas to position them for long-term growth. Those customer relationships are your golden ticket. Use them to enter new opportunities for growth in supporting more of their businesses.

2023 will be a great year for the dealer channel. Embrace the opportunities in front of you.

It is time for us to offer the other ways we can share information behind glass — either through laptops, desktop displays or conference room collaboration displays.

Opportunities abound for our valued dealers. We and our dealers have seen pent-up product demand to upgrade existing Toshiba systems. Our 12 next-gen e-STUDIO multifunction printers (MFPs) unveiled in late September are especially popular. Also, because we manufacture our MFP toner in the United States, our authorized dealer partners have been pleased with the continuous availability of toner to service existing

and new accounts as they ramped back up post-COVID-19 pandemic.

Working as partners, our sales leadership meets regularly with dealers to discuss important topics relating to their businesses. Employee retention, recruitment, productivity and, of course, supply chain are always top of mind in these discussions. And, while supply-chain constraints continue to improve dramatically, we expect the employee aspects to remain a challenge into 2023 as top talent continues to ebb and flow.

Employee retention is one subject we continually address. Dealers are losing some of their best personnel. Investing in your people will separate your company from others. This includes assisting support staff members, bolstering their work skills by allowing them to attend online and in-person seminars, lectures and other educational events.

Our team is continually creating live training and educational sessions for dealers surrounding the benefits of Toshiba's hardware, solutions and service offerings. Training for technical service best practices is also highly popular with our authorized dealer community.

The sessions highlighting Toshiba and third-party solutions emphasize how these offerings specifically improve workflow as well as organizational operations for customers. Most importantly, the training workshops have proven impactful for dealers. Sessions addressing the benefits of Toshiba's hardware, managed print as a service (MPaaS), and solutions for individual vertical markets such as health care, education, nonprofit and governmental organizations are well received.

We are also shifting to more on-site, in-person training. Opening a service training facility near Memphis, Tennessee, to supplement our California center allows us to train increasingly more authorized dealer partners. Such training was challenging to say the least during the previous two years.

Furthermore, dealers need to properly recognize as well as incentivize their sales forces, particularly when they secure net-new accounts. We additionally encourage dealership principals to further empower their sales professionals



**Toshiba
America
Business
Solutions
Inc.**

Dan Garner,
Vice President
of Regional
Sales, Western

Cary Butler, Vice President of Regional Sales, Eastern United States

Team Toshiba approaches 2023 with much anticipation and optimism. Successfully introducing signature hardware and solutions was a theme for us in 2022. And we are looking forward to continuing that momentum into the new year.

by granting them more responsibility and decision-making authority.

Toshiba now helps dealers secure more talent by collaborating with Sevenstep, a talent recruitment organization. This allows us to assist dealers with everything from helping design the job description and vetting candidates to supporting the interview process.

When it comes to growing share of wallet in new and existing accounts, dealers will also require innovative solutions capable of making life easier for 2023 workforces. Two recent Toshiba offerings achieve this objective:

- Our e-BRIDGE Global Print enables end users to print anywhere at any time and place. Whether working from home, the office, a coffee shop or a hotel lobby, Global Print comprehensively simplifies the printing process.

- Toshiba's Sky Suite for Service is another such solution meeting a definitive need for authorized dealer customers. The platform reduces support and service costs while managing these elements in the cloud.

We also strive to make it easier for dealers to expand their reach into accounts. Toshiba's partnerships with 15 consortiums further facilitate the purchase of our systems and services in virtually every vertical, particularly within the health-care, education, government and nonprofit markets.

Beyond offering end users ultracompetitive pricing, these alliances enable them to purchase our systems and solutions while bypassing the bid process, thereby saving time and money. Such contracts further help seal deals with many state, county and local entities, including large school districts and universities.

Whether it is growing into new accounts, expanding new revenue opportunities through cloud and software offerings, or assisting with key business challenges like sales team rollover, Toshiba is deeply dedicated to helping dealers succeed in 2023 and beyond.



Xerox Corp.
Mike Pietrunti, Senior Vice President,
U.S. Multi-Brand Dealer Channel

As all businesses face changing market conditions, dealers must remain increasingly flexible and laser-focused on delivering workplace solutions that meet today's dynamic and evolving demands.

Heading into 2023, there are three significant areas of opportunity for dealers. First is expanding their presence in the production market's color and mono segments; second

When it comes to growing share of wallet in new and existing accounts, dealers will also require innovative solutions capable of making life easier ...

is capitalizing on the power of apps and other digital solutions to solve common — but critical — workflow issues; third is advancing their business agility in the market by aggressively accelerating their digital transformation strategies.

Placing a focus on the color and mono production market is important as page volume continues to migrate from offset to digital press. Additionally, customers are looking to save money

any way they can. In many cases, that means moving outsourced jobs in-house to deliver dramatic savings to users. Today's customers are also looking to differentiate their messaging with eye-catching media. This includes specialized inks like vivid and fluorescent toner, and the ability to print on specialized media. This is particularly attractive for dealers since customers are more willing to pay higher prices for special applications for higher margins.

Beyond the actual output, a streamlined and efficient process is increasingly critical for end users. As customers face staffing issues, higher costs and delayed schedules, workflow apps can help ease their pain by streamlining the way information moves and how jobs get done, saving time and money. For example, Xerox offers workflow apps that can translate right from the multifunction printer or make the redaction process simple with minimal degrees of manual human interaction.

End users are also looking for business continuity assurances and more efficient work environments. Those dealers who invest in robust digital transformation strategies can increase their wallet share with new and existing customers by helping them automate routine tasks, optimizing their print infrastructures, and managing data and information capture more effectively. Taking it a step further, integrating augmented reality (AR) technology, such as CareAR, will dramatically improve the speed and efficiency of their technical service and post-sale support delivery, leading to higher customer satisfaction and reduced delivery costs.

When it comes to the challenges dealers will face in the new year, they are not dissimilar to those of their customers. Staffing and retention will remain key limiting factors when it comes to maximizing growth and opportunity. The tight labor market makes it more difficult to find strong sales talent, with industry competition from recruiters becoming evermore present. As such, dealers will need to better determine what their employees require beyond compensation to stay on board, such as flexible hours and more training.

Another challenge will be product availability due to ongoing supply-chain constraints. While this has improved

and is expected to continue in the short term, lingering effects from the ongoing shortages will persist in some capacity. Related to broader macroeconomic trends, rising costs are creating margin pressures, which means dealers must enforce the automatic cost-per-copy (CPC) price escalation clauses in their contracts to maintain profitability. Paired with tighter availability of business loans and higher interest rates, dealers must challenge every plan they consider and weed out those that are “nice to have” versus “mission critical” to evaluate the best short- and long-term growth strategies.

Despite the challenges dealers face today, there is also an inordinate amount of opportunity for those willing to go

... Dealers must embrace new ways of thinking and look for opportunities to implement creative solutions and technologies for their customers.

out and take it. To be successful, dealers must embrace new ways of thinking and look for opportunities to implement creative solutions and technologies for their customers. Dealers who can adapt to these new demands and ways of working, and continue to differentiate their market offerings — versus simply selling one commodity — will come out on top in 2023 and beyond. ■

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