

Diversify Your Offerings

Talk to customers & discover new revenue sources

by: Chip Miceli, Pulse Technology

When I got my start in this industry many years ago as a new employee in our family business, the instructions that my father, Vince Miceli, imparted to me were pretty general: “Go sell things.”

In the early days, our company sold typewriters, calculators and some office furniture. As I met with prospective customers, I’d attempt to dig a little deeper and ask them what they needed for their businesses. As a result, I came back to the office with orders for products that the company didn’t carry — at least not until I brought in the order.

Early on, I learned that it is important to think outside the box when it comes to customer needs. It’s something that I’ve discussed and shared with many of my fellow office technology dealers across the country through the various groups and associations to which I have belonged.

For most of us, a business plan proves to be a work in progress. What our business looks like today is often very different than what we envisioned at its beginning. In today’s challenging and competitive environment, it is more important than ever for office technology dealers to diversify their products and offerings.

Those of us who have been in this industry for a while have seen the ups and downs of the economy (2008-2009 comes to mind, as one example). We all understand that the economy goes through cycles and most of us are prepared to weather those particular storms. But it’s the storms that we can’t see coming that we need to be prepared for, and it’s important not to “put all of our eggs in one basket,” so to speak.

Our industry has faced a specific challenge in declining print volumes, which has impacted us all and has led to a greater consolidation in the industry where smaller dealerships have been acquired by larger ones. While print volumes have declined due to a variety of factors, the unanticipated arrival of the COVID-19 pandemic in 2020 greatly accelerated an already existing problem.

Consider the added challenges of remote work environments, many of our client businesses being closed or operating on restricted hours, and the ripple effect of lower print volumes and reduced technician hours. Fortunately,



we are seeing somewhat of a return to a more normal work environment, but it may not be enough to offset the revenue losses that came from that segment of our businesses.

What’s the lesson learned here? Structuring an office technology company around MPS and heavily relying on print volumes alone may not be enough for dealerships to sustain themselves in the future.

In our case, we began diversifying long before “COVID-19” was a household word. Our first area of expansion was managed network services/IT. A number of dealerships have done this and it makes perfect sense as an add-on service. With the heightened awareness of the damage that hackers can do to a company’s network and the desire for businesses to operate free from interruption or downtime, what better way to provide a needed service to customers than including IT?

Much of our plan for expansion of services has been strategic: that is to say, the expansions are part of a long-term plan. But there are also opportunities that present themselves that a nimble dealer can and should consider.

Case in point: We developed an e-commerce site prior to the pandemic because one of our strategic add-ons is office products. These products include toner, cartridges, paper and literally hundreds of other items that help our customers

stock their offices. As COVID-19 became a part of our daily lives, we saw the opportunity to enhance our e-commerce offerings with masks, gloves, cleaning supplies and other pandemic-related products. We had the opportunity to partner with a manufacturer in the Midwest to create a hand-sanitizing product that was great for internal use, but also a needed and valued product for our business customers.

In analyzing the changes going on in our industry and taking some educated guesses at where things might go, we also invested in video walls and videoconferencing. While we had offered this service for some time prior to the pandemic, the increase in the number of online meetings helped propel this product to the forefront of our offerings. With the right technology, the clarity and resolution of wall-sized screens can literally make you feel like you're in the same room with people who may be thousands of miles away. As with most newer products and services, it makes sense to "think bigger picture" and see where else a service such as this can go and, in our case, we have expanded to outdoor signage. In our hometown of Schaumburg, Illinois, we recently completed an outdoor sign for the Schaumburg Boomers baseball team, which we believe will lead to other similar jobs.

With the anticipated continued decline in print volume, it made sense for us — as it does for other dealers — to consider related services, such as document management software and archiving services. Another service that we brought on board was office furniture, with the acquisition of several businesses in Indiana.

The common thread to all of these diversification efforts on our part is that each one is at least in some way related to our common goal — to find a way to be as close to a "one-stop-shop" for customers as we can be.

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Each dealership is different, but here are a few suggestions that dealers could consider if they haven't already:

(1) Managed network services/IT is a natural expansion of what dealerships that specialize in MPS currently offer. Whether this occurs through the acquisition of an IT firm or by forming a team to provide this much-needed service, this is a solid growth strategy.

(2) Develop an e-commerce website for your business and provide office products and related items for your customers. You know they must be purchasing these products somewhere, so why not from you?

(3) Look at related products to copier/MFPs and printers, which could include LED walls, laptops and touch screens.

(4) Most importantly, talk to your customers. Ask them what they really need related to office technology and services. Do some research and see which of their needs may be feasible for you to bring under your umbrella.

(5) Even seemingly small add-ons (such as office products) can turn into door-openers for larger opportunities. The business that orders reams of printing paper or toner may need a printer upgrade or be looking for an IT provider.

The most important thing that I have learned over the years is that when I talk to a customer about what he (or she) needs, I may discover another source of revenue. It's important to be open to what our customers need. It may prove to be the most important (and possibly profitable) research we ever do. ■

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