Q&A: Tami Beach
HP channel executive addresses dealer questions

Compiled by: Brent Hoskins, Office Technology Magazine

On Oct. 20, Office Technology magazine interviewed Tami Beach, head of MPS channel sales for HP Inc. The questions she addressed were requested from and submitted by BTA member dealers selling HP products.

Beach is responsible for spearheading the development of HP's Power Services Channel and delivering growth in HP's office printing category. Previously, she served in several other roles at HP, including senior director of software solutions and strategic alliances; senior director of HP Personal Systems Lifecycle Services; and director of the print services category and office software solutions. She joined HP in 1997.

The following are some of the questions (edited for length, clarity, etc.) dealers submitted to Office Technology and Beach's responses.

Dealer: What can you share about product availability for HP hardware, parts and supplies, given the supply-chain challenges? What can dealers expect in the months ahead?

Beach: Pandemic-driven macroeconomics created a variety of supply-chain challenges across the IT industry and many other industries. What we have learned about the supply chain from the pandemic can be used to reduce potential points of failure starting with designing for supply-chain initiatives across sourcing, manufacturing and logistics. Electronic hardware companies like HP have taken actions such as: shifting from single-sourced components in our designs to multisourced where feasible; long-term agreements in all logistics modes to optimize the mix; and robust BCP planning to enable rapid response to disruptions.

Building the world's most resilient supply chain is our top priority. Today, with a better view of our supply chain, HP is driving greater flexibility and resilience while making significant investments in this area, including new operational capabilities for better E2E visibility. We have made a lot of progress in these areas and strive to do more, together with our partners.

Dealer: What steps is HP taking to make it easier for BTA Channel dealers to do business with the company?

Beach: We are always looking for ways to make it easier for our partners to do business with us. We are always listening and we are always working to make improvements. HP is a huge, global company. We have a broad product portfolio, and we have a vast and diverse channel globally. Add to that multiple different business models between transactional and managed, and routes to market that we are trying to manage. So, with that comes complexity. And while some things make zero sense to some, they make all the sense in the world to others. So, we are trying to balance the needs of that very vast and diverse channel. The more business that we generate in this particular channel, the louder our voices become. We are getting there. We are making great progress and we have a seat at the table and the voices are being heard.

We are now two years into Amplify, and the objective going forward is to stabilize and refine. So, stabilize the program that we have put out there in the marketplace and try not to make a lot of changes to that. That should make things easier for partners. And refine what we are doing with some of the unique parts of the channel, and the pockets where we did not do so well because we tried to put out this mass platform — global consistency, channel consistency. Now is our opportunity to really look at independent parts of the channel and refine what we are doing with them to make working with us easier for that particular pocket of the channel. So, I think that we are through the bulk of the change and partners are starting to see the benefit of the new programs, and I think things are going to start to feel easier in general going forward.

Dealer: What can you share about HP+, given that it appears to be in competition with your dealer channel? (HP+ is a free upgrade available with many HP printers. It links an HP smart printer with smart ink and a smart app in a single, cloud-connected system. It allows users to print from any device, anywhere, anytime.)

Beach: Let me emphatically state that HP+ is not in competition with our dealer channel. This is an offer to our smallest of business and home-office customers. It encompasses a very small number of low-end devices that are typically acquired in retail or online, and the customers pay a slightly lower price for the hardware if they commit to using HP OEM [toner]. They can acquire that OEM toner through an HP subscription or via their standard purchasing processes from partners. So, partners absolutely can participate if some of these devices find their way into environments that partners are managing. But this program is not sold on a CPP or as a service. And if it were, the pricing would not be anywhere near what our dealer channel could price out as a solution on a CPP basis. So, while these devices may make it into our partners' customers' environments, there is no reason that our partners couldn't add these devices to their blended rates, add them to their contracts, and supply the toner and service to them.

Dealers: The HP Amplify Partner Program has been challenging and concerning for many dealers. What is the intended benefit for HP and your dealers? Do you see this program continuing into the future and, if so, do you have any plans for creating an automated system for the dealers to grab the required data? In addition, what types of information will be sent back to dealers to help them increase their revenues? How soon will it be available? Dealers had understood that was one of the selling features for requesting the data from dealers. (Questions from several dealers combined.)

Beach: So, first, the answer is "yes," this program will continue, and it will continue to evolve to best meet the needs of our channel. I should also add that HP is a channel-driven company. Our success relies heavily on the strength of our channel. Over the past year, we have estimated that partners have helped drive more than $6 billion in revenue growth for HP. So, it goes without saying that we are highly interested in making sure that this program works for all of our partners. It is also important to point out that it is a first-of-its-kind

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program of this type in this industry. So, of course, that is going to require time to understand; patience will be needed through the change management process.

I would also add that the program is completely optional, so partners are free to participate or not, but those who do participate have access to an extraordinary array of benefits. These benefits include things like exclusive access to our managed hardware and supplies portfolio, financial incentives in terms of best-in-class, upfront pricing, back-end rebates and sales spiffs. We also have high-touch sales coverage and technical support for our power services partners and, of course, sales tools, collateral training and market development funds that we provide to partners.

I also do not want to miss the fact that we have a war chest of resources for adopting and building a sustainability plan. Through our own efforts in driving sustainability initiatives, we have found that a real, tangible effort and planning here drives real economic return for a company. So, while some partners may or may not want to use those resources, there is real economic value in having a sustainability plan and HP brings to the table a lot of resources to help our partners do that.

In terms of the data and reporting requirements, I think it is important to point out that the value of data and actionable insights from that data is very clear. We have research that tells us that data-driven organizations are growing much faster than non-data-driven organizations. I think the statistic was greater than 30% annual growth. But the majority of businesses — I think the number is around 84% of businesses — do not have the data platform that they need to really harness the potential. So that is what we are trying to put in place for our partners. What we are doing is combining the partner data with third-party data in this platform to make it easier for partners to understand a number of different things.

We gather more than 14 billion data points weekly to give access to these insights in three very specific ways for our partners. One of those ways is descriptive insights. This is data that helps our partners understand their performance versus their peers across the industry, and see how they are stacking up in certain verticals, customer segments and different product categories. So that is what their sales growth looks like, what their product performance looks like, what their inventory looks like. That is all part of that body of descriptive insights.

The second body of insights is the predictive insights. And this is for partners who want future-looking information about their customers' purchasing probabilities — where they are in those purchasing cycles — helping them to uncover opportunities for growth as they look to the future with their customers.

We also offer prescriptive insights, which is really taking the data and saying, "Let's provide recommendations for specific sales and marketing actions for an individual partner to initiate upgrade conversations and cross-sell conversations." I think we have estimated that the platform has identified opportunities for upgrades and renewals of more than 30 million PCs and 100 million printers across almost 900,000 to a million customer offices. So, it is pretty meaningful in terms of the real impact that partners are getting from the data.

Where we have work to do is getting consistent, accurate, quality data from partners so we can turn it into these business insights, because "garbage in, garbage out." So, if partners want to take advantage of those insights, we really do need that consistent and quality reporting from them. We are showing partners great value with the insights we are returning.

One last thing regarding the automation of the data collection: Yes, we are absolutely making investments to automate the data collection so that we have direct flows of information between partners and HP. That is rolling out at different times over the course of the year to different parts of the channel, but it will reach our partners and I do believe that is going to make this a much easier process.

Dealer: Why does HP require managed devices to be sold on a service contract?

Beach: A lot of partners do not understand this, but we have created and invested in what we call our managed portfolio. That managed portfolio is both hardware and supplies; it is a system. It is meant and designed 100% for this channel and for managed environments; everything from the cost of the system to actual features and functionality on the devices, the management capabilities, the security, the serviceability — all of those things have been designed to make our partners who are invested in a managed space more competitive and more successful. So, given that we are making investments in that unique part of our portfolio, and we know our partners are making investments in business models that deliver a service experience to customers, we want to protect that. So, we make that portfolio available exclusively to partners who are selling as a service. Again, it is designed to not only function in a managed environment, but is priced in a way that makes it easier for a partner to get it to a cost per page that makes sense to a customer. If customers do not want a service contract or partners do not want to sell on a service contract, they can most certainly buy and sell within our transactional product line, but that is open to the masses, so the competition and environment

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is very, very different. We are just trying to protect the investments that our partners are making in service-oriented experiences for our customers.

Dealer: How is HP combatting compatible toners in the open market versus its OEM toner?

Beach: We are investing a lot in technology to make that experience better for customers. Compatible toners do present an inherent security risk, because they do have reprogrammable microcontroller chips on them. This would be like finding a USB drive on a busy street and plugging it into your laptop to see what is on the drive. We have Bug Bounty research that proves that a non-HP cartridge can be reprogrammed with malware and introduced to the printer and gain access and control of the data going to and from the device. From a technology perspective and a quality perspective, we are making huge investments to make sure that our system is the most secure, is the most reliable and is the best print in the market. Customers will ultimately make a choice, but those are tangible reasons that they should not choose a compatible.

Dealer: Why did HP discontinue PageWide?

Beach: It was a business decision. Business decisions like that are never easy. It was necessary to evaluate that business in context of our other businesses, both print and non-print, to ensure that we are prioritizing and putting our resources in the best places possible to drive the most return for our customers, for our partners and for HP. So, again, PageWide did not make the cut in that type of process. The technology is still a very valuable part of our toolkit, but as a business, we had to discontinue that to make sure that our resources were going to the right places.

HP's strategy is to invest in innovation that serves the evolving needs of the office print market, drive the hybrid work environment of the future and lead the industry as one of the world's most sustainable companies. With this in mind, HP has made the decision to focus our attention and future investments on our LaserJet portfolio of A4 and A3 hardware and to discontinue sales of PageWide A3 and A4 office print portfolio products.

HP is making this decision based on advances in the overall performance, improved quality and reduced total cost of ownership in our HP LaserJet portfolio. HP's LaserJet portfolio delivers world-class security, seamless productivity and manageability while maintaining our commitment to sustainability. The portfolio is designed to support organizations with distributed workforces that are seeking services

and solutions to securely manage their digital transformation needs. When HP introduced PageWide technology in 2012, it was to address a need for a lower-cost-per-page, sustainable printer for small office environments. However, over the course of the last decade, HP innovations have driven significant improvement in LaserJet technology from a price, quality, size, service and energy consumption standpoint.

Dealer: How is HP providing authorized dealers inbound lead traffic?

Beach: Over the years, we have done multiple different things to try and drive the best, most valuable lead programs for our partners. There are [several] reasons why those have not been successful in the past, to have kind of a macro-level lead generation program. But what we do now with our qualified Amplify partners is we provide market development funds so they can drive local lead generation

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Dealer: What programs does HP have available for the majority of its HP authorized dealers to help them optimize their levels of success selling HP imaging devices?

Beach: Amplify is our global partner program. There are different levels and tiers that partners can participate in depending on their size, their breadth of product, their breadth of product line and what they are selling; their volume of sales. So, we have a number of different opportunities for them within the Amplify structure to participate with us, regardless of the size of business that they are doing with us. That gives them access to a variety of different benefits. ∎

Brent Hoskins, executive director of the Business Technology Association, is editor of Office Technology magazine. He can be reached at brent@bta.org or (816) 303-4040.