

SHARP

State of the Market An OEM Perspective

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Market is Ripe for Change

- Supply Chain impacts will remain.
- OEM Communication & Investment Strategies will be closely watched.
- Companies who can deliver a solution in the office will gain momentum.
- “Sales / Commerce” model will change.



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Status of Supply Chain

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Commitment to Supplying the Channel

- Industry's most consistent supply of product.
- Open Communication to Channel Partners.
- Clear comparison of shipments so small and large dealers can determine if they received a fair allocation.

		T/O over 1.0			T/O over 1.0
		T/O 0.5 - 0.9			T/O 0.5 - 0.9
		T/O less than 0.5			T/O less than 0.5
		T/O below zero			T/O below zero
		No inventory available			No inventory available
Model	Oct	Nov	Model	Oct	Nov
DXB351PL			MXM2651		
DXB352P			MXM3051		
MXC250			MXM3551		
MXC300P			MXM4051		
MXC303W			MXM4551		
MXC304W			MXM6051		
MXB427PW			MXM3071		
MXB427W			MXM3571		
MXB467F			MXM4071		
MXB467P			MXM5071		
MXB557F			MXM6071		
MXB557P			MXM7570		
MXB707P			MXM905		
MXC157F			MXM1056		
MXC407F			MXM1206		
MXC407P			MXC651		
MXC507F			MXC3051		
MXC507P			MXC551		
MXC607P			MXC4051		
MXB350P			MXC5051		
MXB450P			MXC551		
MXB450W			MXC571		
MXB376W			MXC4071		
MXB476W			MXC5071		
			MXC571		
			MXC7090N		
			MXC8090N		
			MXC7081		
			MXC8081		

vs 2019	April	May	June	July	August	September
A3	121.7%	108.7%	74.1%	179.9%	144.2%	92.4%
A4	261.5%	302.2%	208.6%	213.9%	177.2%	141.3%



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2022 Supply Chain Challenges

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Jan 2022

May 2022

July 2022

Sept 2022



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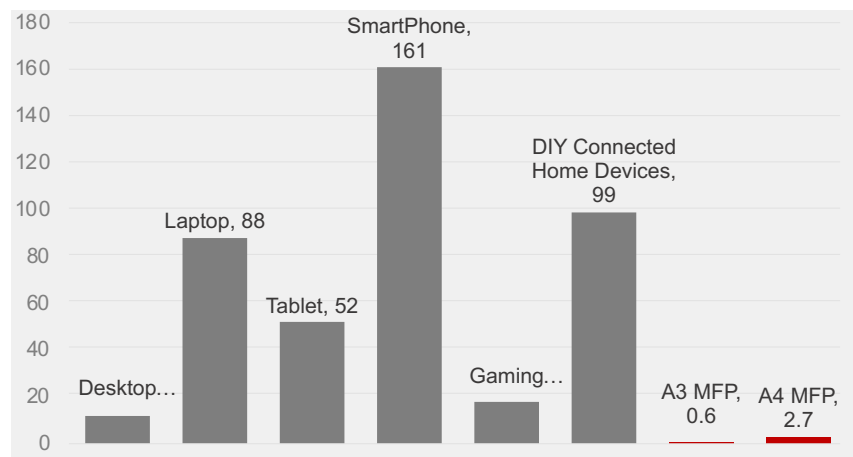
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Chip and Supply Chain Issues Will Remain

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- MFP Market will be among the last to recover on the Chip Shortage Issue.
- Supply Chain / Logistics will further delay recovery.
- "Backlog" will create longer term delay in recovery as production ramps up, it only fills the past.
- 2023 before full recovery.

Annual Shipments in the U.S. (million units)



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Consumer Electronics Holiday Forecasts

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MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV INVESTING

RETAIL

Holiday shopping season expected to be muted as inflation squeezes shoppers

PUBLISHED TUE, SEP 13 2022 11:10 AM EDT | UPDATED TUE, SEP 13 2022 11:40 AM EDT

Business

3 minute read · October 7, 2022 2:30 PM EDT · Last Updated 2 days ago

EXCLUSIVE FedEx Ground to lower holiday volume forecasts -internal memo

By Lisa Baertlein

TECH & INTERNET

Samsung Electronics forecasts 31.7% fall in Q3 profit

Last Updated: Oct 07, 2022, 12:09 PM IST

Samsung Electronics expects operating profits in the third quarter to fall 31.7%, the South Korean tech giant said in a statement Friday, after a global economic downturn hit demand for consumer electronics. The latest forecast is the company's first projection of a year-on-year decline in profit for nearly three years.

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Auto Industry Predicting Longer Impact

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The chip shortage claims another victim as Honda cuts 40% of vehicle production in Japan

By TRISTAN BOWE
September 22, 2022 at 5:21 PM EDT

Autos & Transportation

2 minute read · September 22, 2022 5:51 AM EDT · Last Updated 17 days ago

Toyota's October vehicle output to be weighed down by chip shortage

Reuters

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FINANCE - SEMICONDUCTOR CHIPS

Volkswagen says the chip shortage will last past 2023, and the company is preparing for a 'new normal' in supply-chain crisis

By TRISTAN BOWE
September 16, 2022 at 3:07 PM EDT

Kelley Blue Book THE TRUSTED RESOURCE Home Car Values

Home / General / Microchip Shortage Still Limiting Car Production

Microchip Shortage Still Limiting Car Production

By Sean Tucker 09/16/2022 10:45am

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So What Happened In The Supply Chain?

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April 2022

June 2022

September 2022

Nov / Dec 2022



- Access to Chips over Summer Increased
- Economic Forecasts Reduced CE Forecasts.
- Lull / Changeover in Car Models.
- Improvement Temporary?



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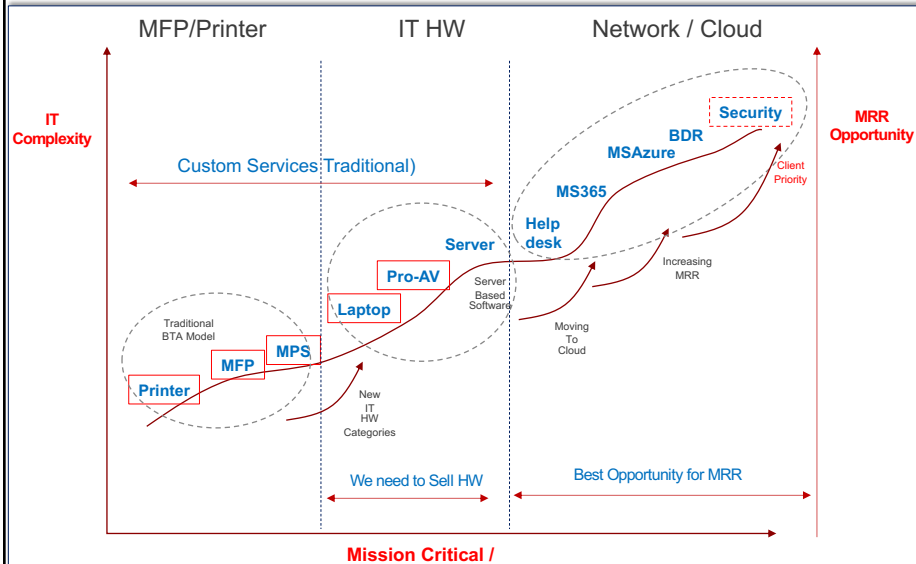
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In Chaos is Opportunity

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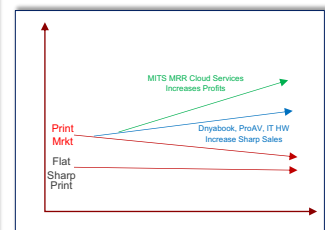
Print, Hardware & MRR Business

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- Print Industry is Declining
- Sharp is growing market share
 - But growth is flat
- New IT HW Sales can grow
 - Pro AV
 - Dynabook
- But IT HW is low margin
 - Need more profit to support
 - Leverage Existing Costs
- Cloud Based MRR via MITS can Provide Higher Margins (50%)

Revenue Shift



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We Provide the Devices to View Information

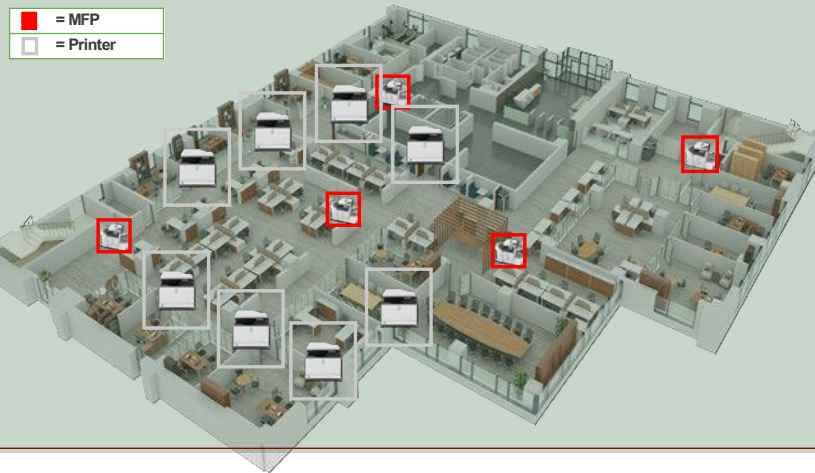
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Own The Office

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Hardware Profit (GP)

MFP: BP-70C31
\$3,500 X 4 = \$14,000

MFP: MX-7090
\$20,000 X 1 = \$20,000

Printer: MX-B427W
\$303 x 8 = \$2,428

Total: \$36,428

Service Profit (60 Months)

MFP: BP-70C31
MFP: MX-7090

Printer: MX-B427W
\$1,980

Total: \$34,980

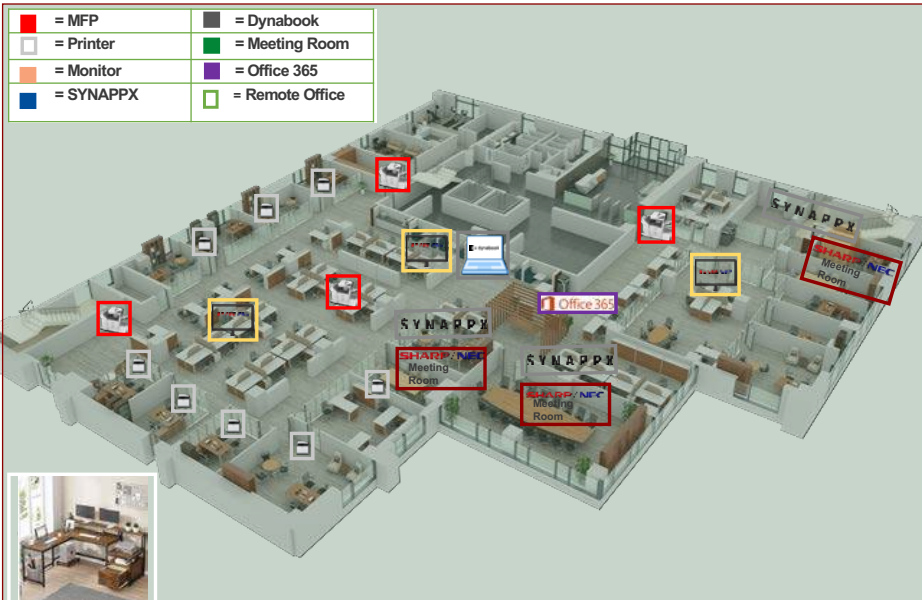
Grand total: \$71,408



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50 Desktops – Aftermarket, Hardware, and Software

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H/W Profit (gp)

■ BP-70C31 x 4 = \$14,000

■ MX-7090 x 1 = \$20,000

■ MX-B427W x 8 = \$2,428

■ Monitor \$40 x 100 = \$4,000

■ Dynabook \$164 x 50 = \$8,190

■ Meeting Room \$1,069 x 3 = \$3,206

■ Remote Office \$194 x 50 = \$9,700

Total: \$61,924

Services Profit (60 Months)

■ BP-70C31 & MX-7090 = \$33,000

■ MX-B427W = \$1,980

■ SYNAPPX Licenses = \$49,291

■ Microsoft 365 Licenses = \$81,000

Remote Management Service = \$18,000

Helpdesk = \$108,000

Cloud backup = \$48,000

Security = \$28,800

Total: \$368,071

Grand total: \$429,995

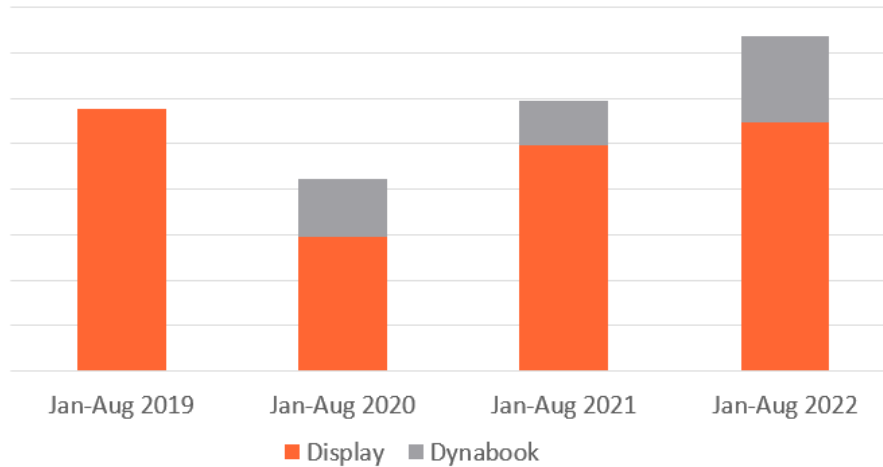


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New Product and Diversification

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Dealer Revenues by Product Category



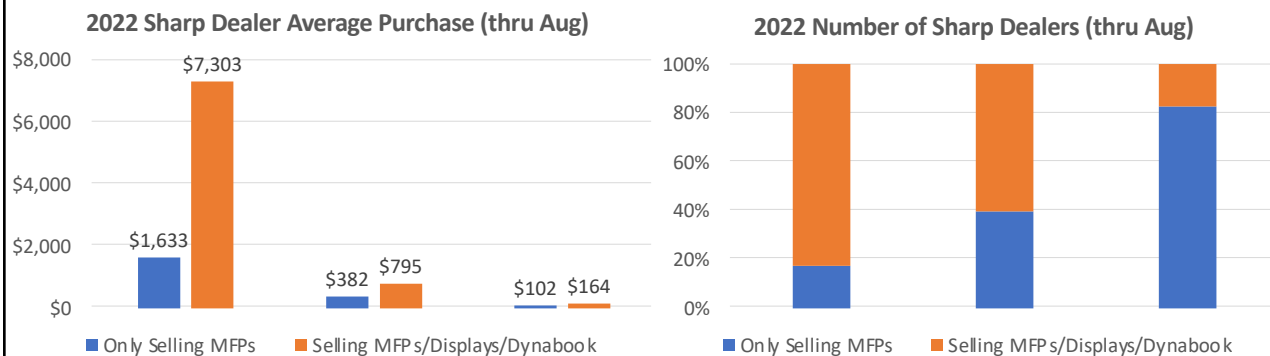
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Diversification Helps Our Dealers Grow

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Diversified Dealers have better sales volume and growth



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Putting The Pieces Together

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Built Differently – Diversified IN the Office

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What Can A Dealer Do?

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You have the Golden Tickets – Use It!

- You have more data than any other IT Channel provider – Leverage It!
- Your Relationships and Service are the Key!
- Transition from “Pages” to “Information” Mindset.

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Leverage The Data You Have

- Existing Headcount can lead the way into new business.
- Take Pre-Install Report and add a few steps:
 - What Type of laptop?
 - How Many Conference Rooms? AV?
 - Any MNS or Network Management?
- “Follow Up Call” Confirm satisfaction. Have Customer Service Warm up a future sale.
 - Drip Marketing Campaign. Target based on info you have.
- Can you Leverage a Part Time or Remote Person?
- Assign someone to review what worked – what was Leading Indicator?

The image shows a 'SHARP PRE-INSTALL NETWORK SURVEY' form. It is a detailed questionnaire for network installation, organized into several sections with checkboxes and text input fields. The sections include: 'GENERAL INFORMATION', 'NETWORK INFORMATION', 'SECURITY INFORMATION', 'AV INFORMATION', 'MNS INFORMATION', 'NETWORK MANAGEMENT', 'CUSTOMER INFORMATION', and 'OTHER INFORMATION'. The form is designed to gather comprehensive data before a network installation project.



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Steps to Take

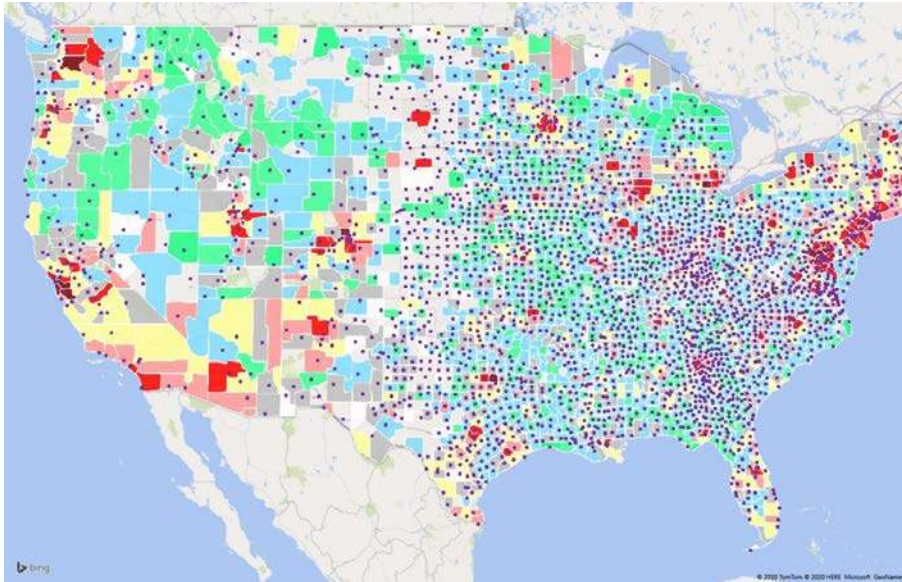
1. Review core capabilities and see what skills you can truly leverage.
2. Analyze customer base. Where can new products easily fit?
 - Education, Medical, Legal?
3. Develop an action plan on where you can enact change.
 - What percentage of business should be serving more than one category.
4. Take on one goal at a time. Measurable steps.



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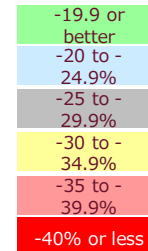
Impact of Remote Work

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Map as of
June 19 , 2020

Gap from January 2020

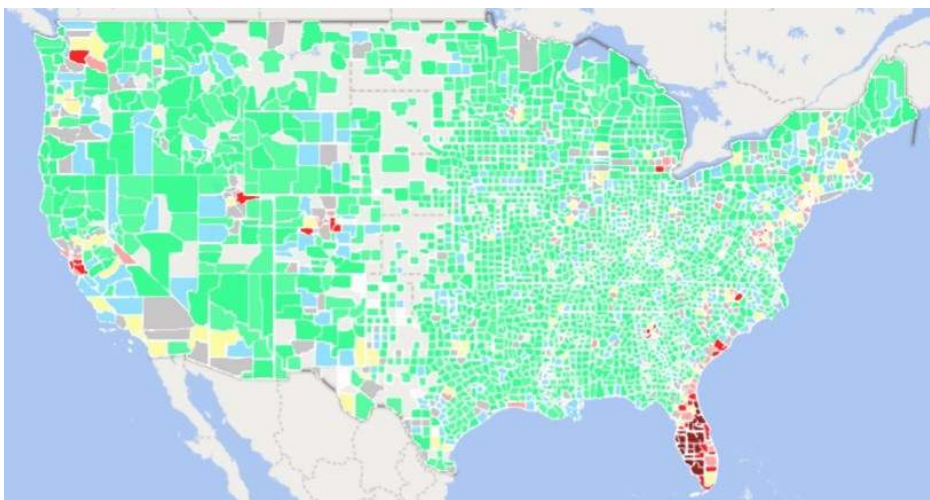


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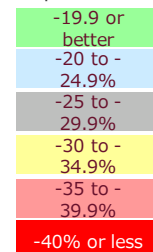
People are Back in Office

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Map as of
October 9, 2022

Gap from January 2020



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