

# Parlaying MPS and Mobility

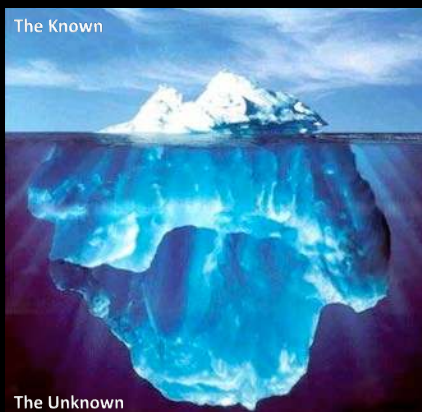
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## What is Parlaying?

Using one's money, talent, or other assets to achieve a desired objective, as spectacular wealth or success.



# Challenge



## What We See (10%)

Labor  
Hardware/Software  
Maintenance, Parts and Consumables

## What We Don't See (90%)

Volume of Storage  
End user productivity  
Help Desk Resolution  
IT support / Infrastructure  
Administrative costs  
Environmental costs

 An iceberg floating in the ocean, with a semi-transparent text box overlaid on the submerged portion. The text box contains information about the mobile revolution, including sales figures for tablet computers and smartphones.
 

### The Mobile Revolution

**Tablet Computers:**

- 2012 tablet computers 107.4 million units sold worldwide
- 2013 tablet computers 142.8 million units sold worldwide

Source: IDC

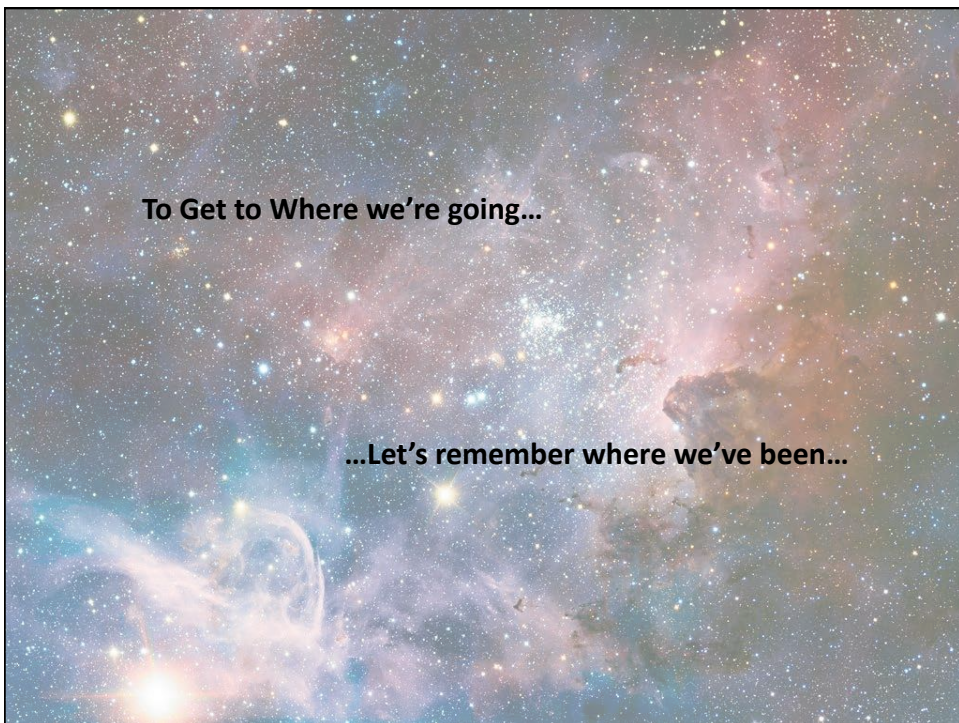
**Smartphones:**

- 2012 smartphones 687.9 million units sold worldwide
- 2014 smartphones 1.05 billion units sold worldwide

Source: Credit Suisse







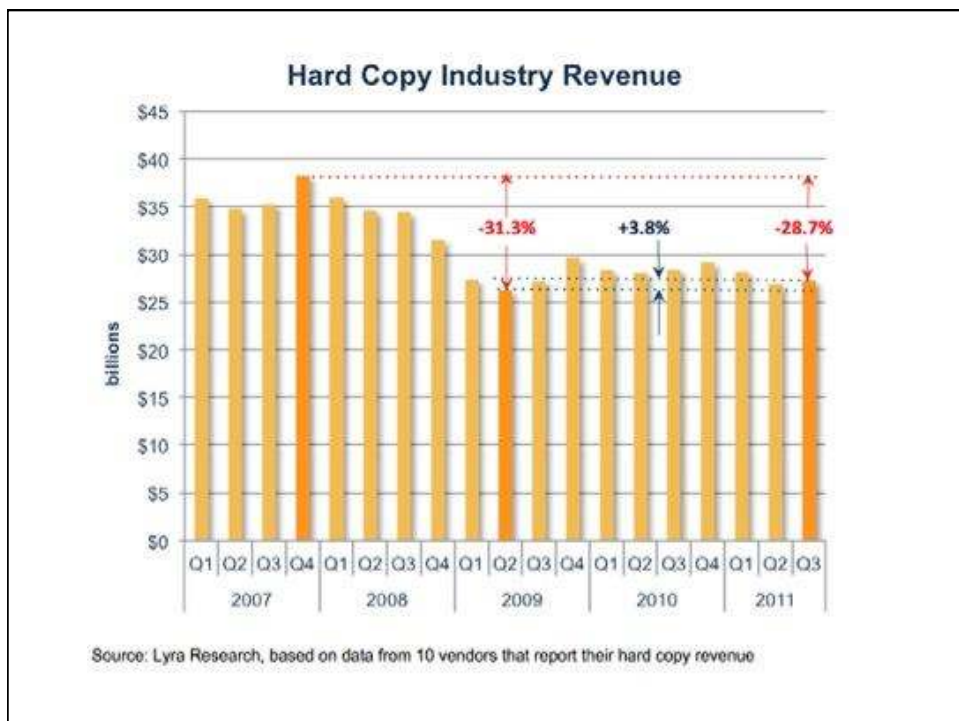
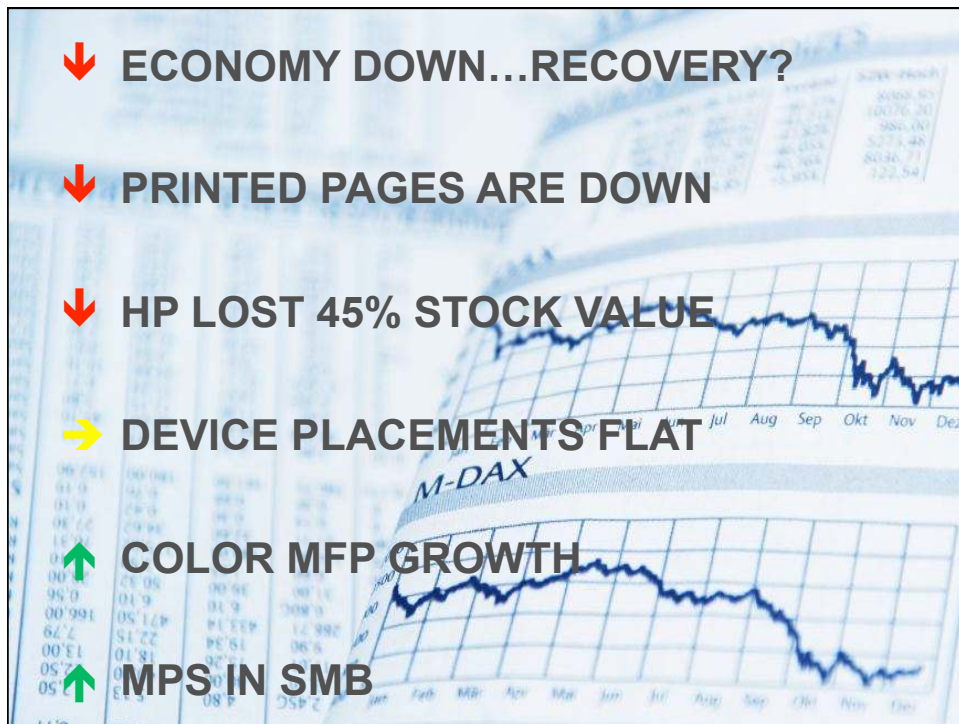




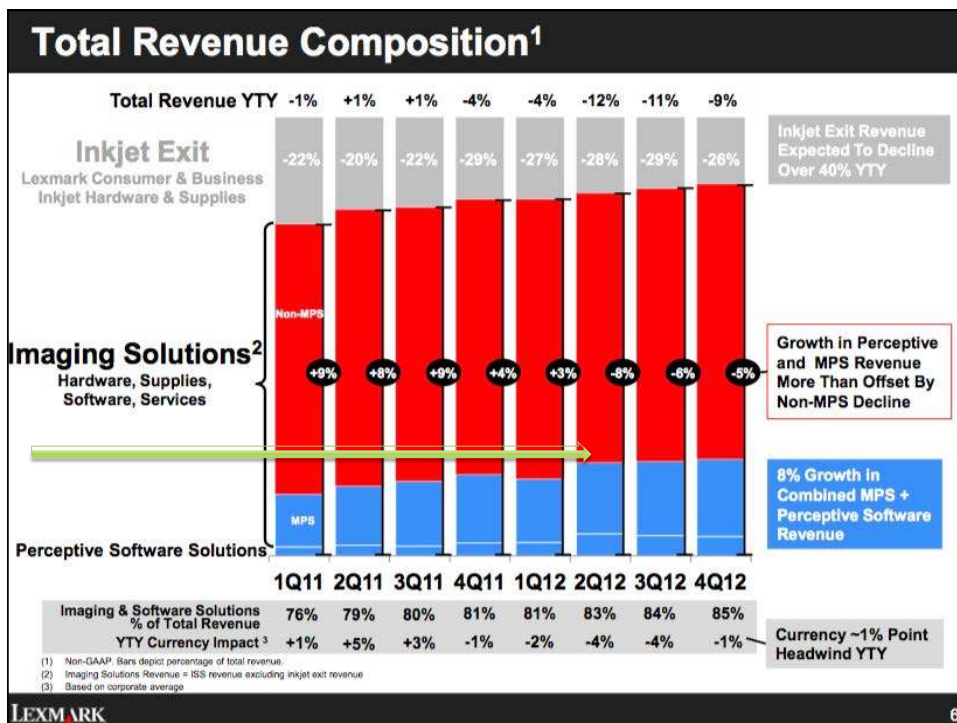
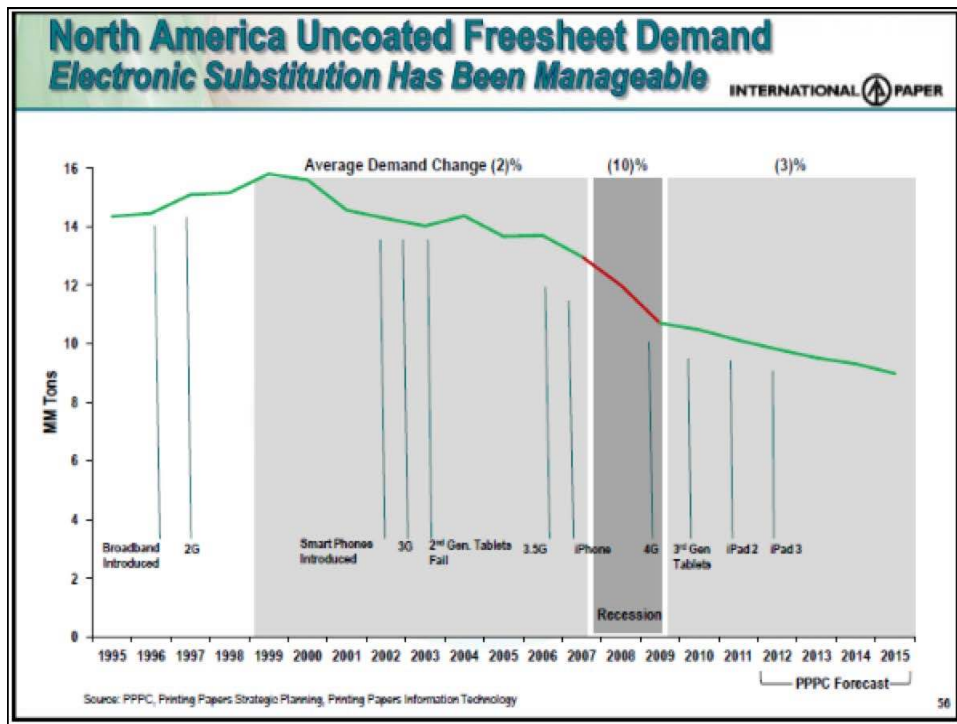












## Key Metrics

### Signings and Renewal Rate

	<u>Q4</u>	<u>FY</u>
Business Process Outsourcing	\$1.4	\$6.1
Information Technology Outsourcing	\$0.4	\$1.5
Document Outsourcing	\$1.1	\$3.3
<b>Total</b>	<b>\$2.9B</b>	<b>\$10.9B</b>
Signings Growth TTM	(25)%	(25)%
	<u>Q4</u>	<u>FY</u>
Renewal Rate (BPO and ITO)	79%	85%

- Total signings impacted by shorter contract lengths, fewer mega deals and some decision delays
- Highest ARR\* signings quarter of the year
  - Added over \$2B in new business in 2012

### Install, MIF and Page Growth

<b>Entry Installs</b>	<u>Q4</u>	<u>FY</u>
A4 Mono MFDs	24%	23%
A4 Color MFDs	34%	39%
Color Printers	(28)%	(7)%
<b>Mid-Range Installs</b>		
Mid-Range B&W MFDs	(19)%	(10)%
Mid-Range Color MFDs	(13)%	(2)%
<b>High-End Installs</b>		
High-End B&W	(36)%	(26)%
High-End Color	15%	34%
	<u>Q4</u>	<u>FY</u>
Digital MIF	4%	3%
Color MIF	14%	14%
Digital Pages	(3)%	(2)%
Color Pages	7%	9%
Color Revenue (CC)	(7)%	(4)%

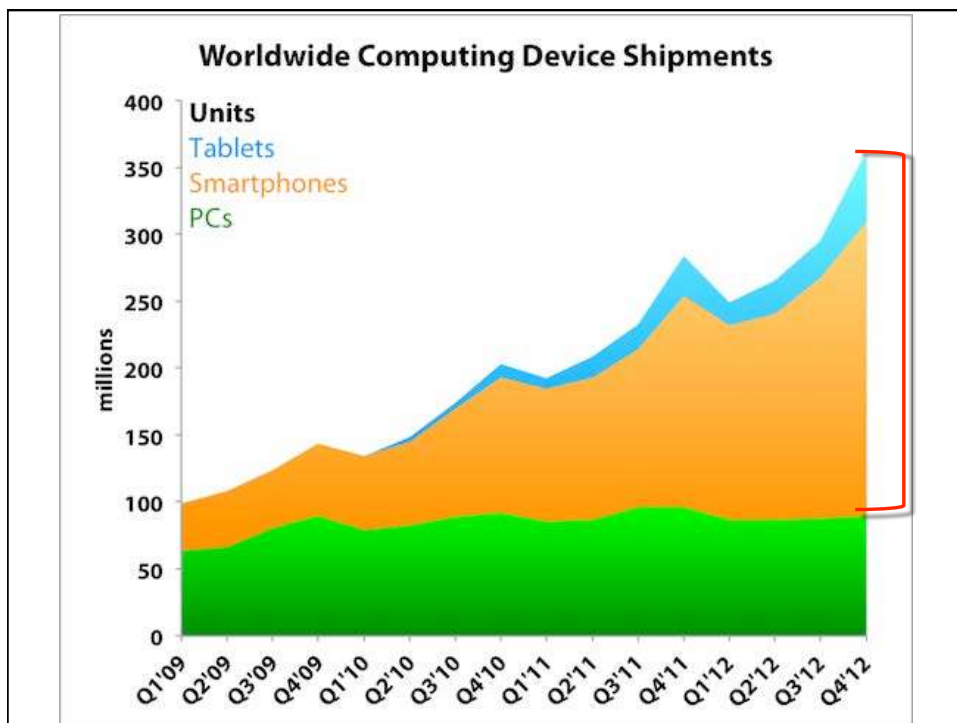
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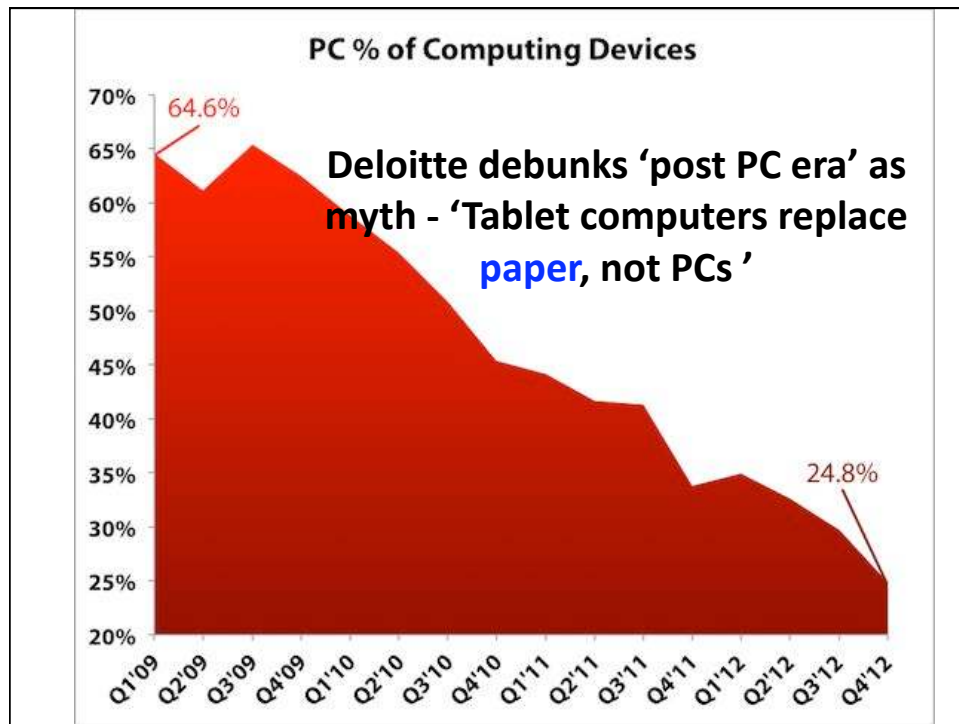
\*ARR = Annual Recurring Revenue

Installs, color revenue, pages and MIF include both the Document Technology and Services segments. Color revenue and color pages reflect revenue and pages from color capable devices.





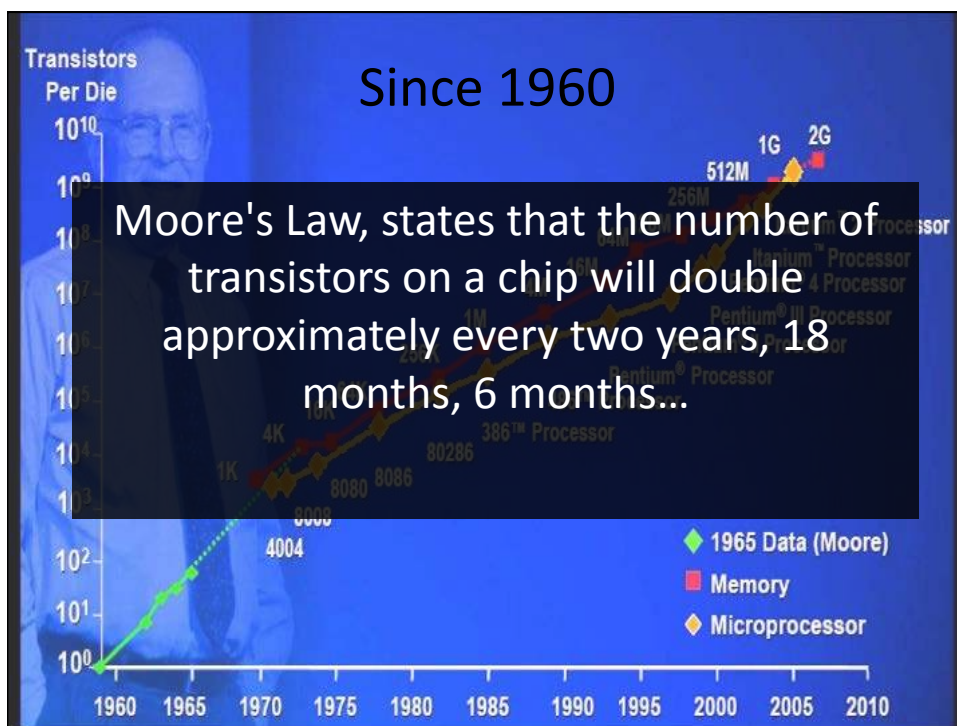




We already know, what we need to know...







## The 33<sup>rd</sup> Square - Technology



Image Source: [www.etereaseestudio.com](http://www.etereaseestudio.com)

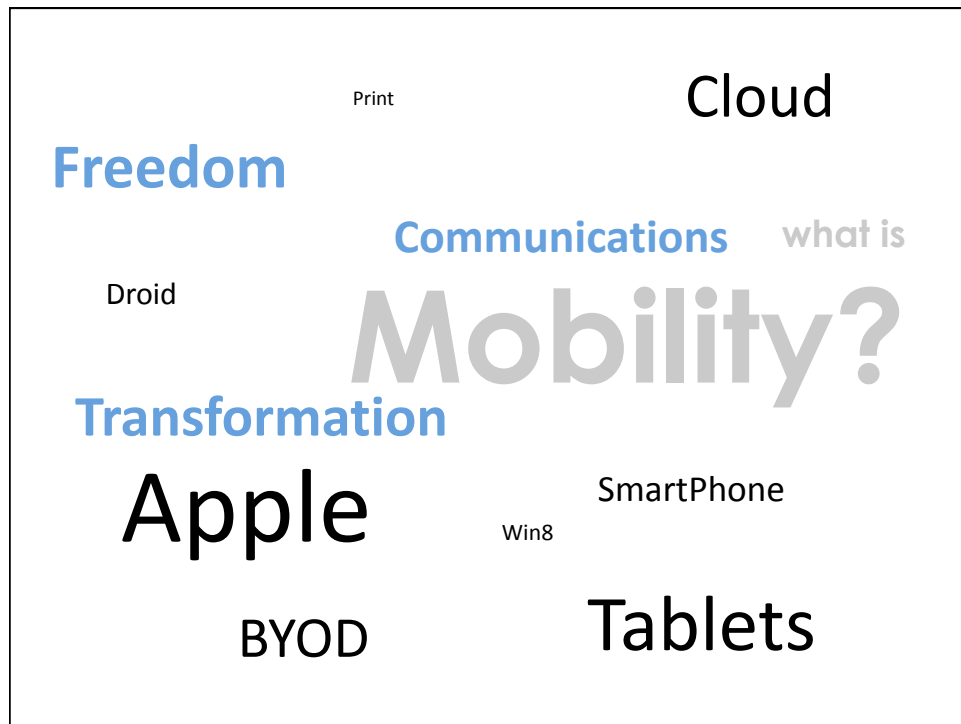


First,

what is

**Mobility?**



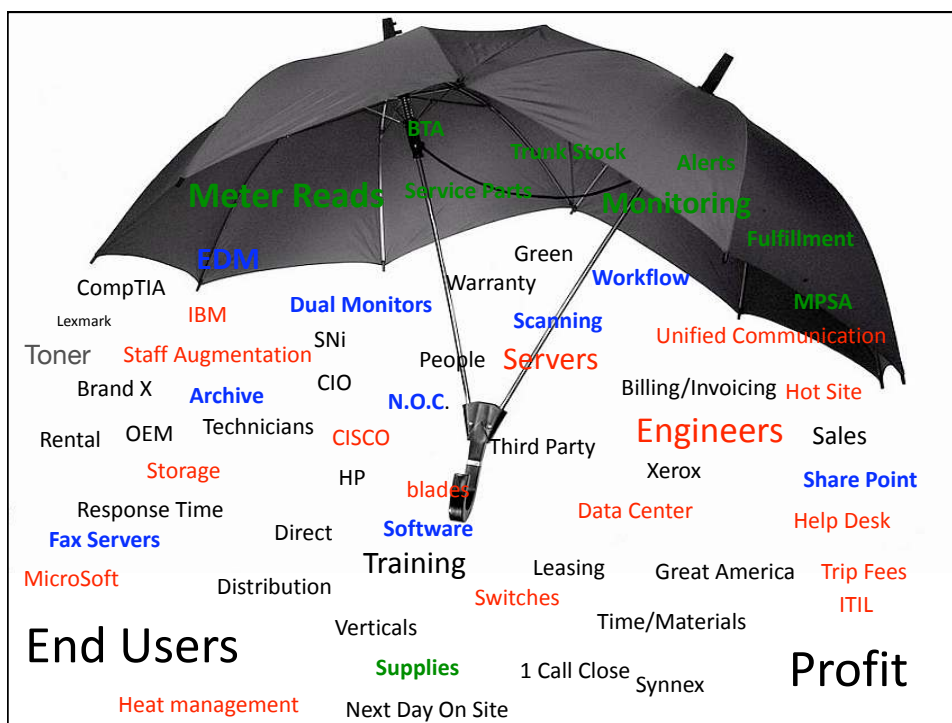




- 7,000 Starbucks
- 15,000 Government libraries
- 12,000 McDonalds



Managed Services...



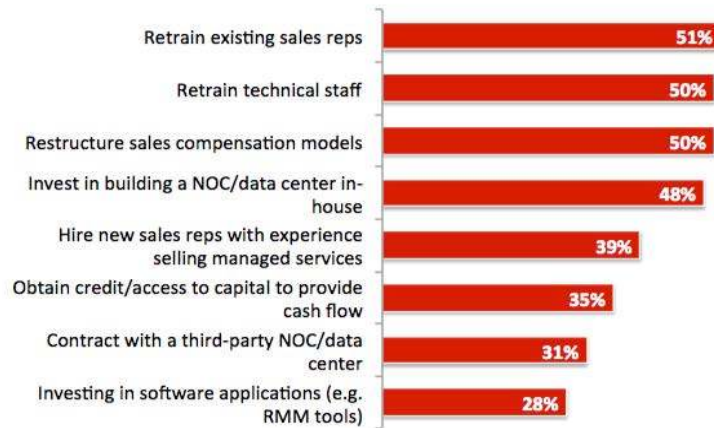
## MSP's Current and Planned Managed Service Offerings

	Currently offer		Plan to offer in next year	
Type of service	Small MSPs	Large MSPs	Small MSPs	Large MSPs
Network management	52%	78%	21%	12%
Security management	58%	73%	22%	10%
Server management	59%	83%	23%	9%
Software/patching	52%	71%	27%	20%
Storage management	58%	67%	31%	22%
Desktop management	61%	61%	13%	24%
Email	55%	67%	26%	18%
Help desk	60%	71%	19%	16%
Database management	66%	88%	22%	6%
Custom app dev	52%	73%	29%	16%
Application management	63%	82%	25%	10%
Business continuity/DR	52%	59%	25%	33%
Managed print	42%	49%	28%	35%
Mobile device management	39%	43%	36%	39%

Source: CompTIA's Trends in Managed Services Operations  
Base: 198 U.S. Managed Service Providers



## Steps MSP's are Taking for Managed Services Transition



Source: CompTIA's *Trends in Managed Services Operations* study  
Base: 198 U.S. Managed Service Providers

The Dealer and VAR/IT...



## Managed Services Engagement

Basic Approach	Dealer	VAR/IT Services
Value Proposition/Strategy	Same	Same
Assessment	Free	Billable
Design and Propose	Same	Same
Negotiate Agreement/Contract	Leasing, Standard	Procurement, Custom SOW
Implementation/Change Management	Call avoidance	Time and Materials
Service and Operational Support	Phone, In person	Remote, Billable
Continuous Improvement	Quarterly Business Reviews	Technology Roadmaps

## Sales Differences Between Dealer and VAR/IT Services

Dealer	VAR/IT Services
Hunter/Net New	Farmer/Nurture
Profit (5% - 50%)	Profit (3%-8%)
Purchasing Contacts	IT Contacts
10-15 - Face to face meetings	Inside – Phone, E*Commerce
Sales Representatives	Business Development Managers
Professional Services	Experts/Certifications – Ex. CDIA
OEM Big Deal pricing	Back-end rebates

## Service Differences Between Dealer and VAR/IT

Dealer	VAR/IT Services
Technicians/Cost	Engineers/Revenue
Dispatch	Help Desk
Annual Service Agreement	Warranty Management
Guaranteed Response - Standard	Service Level Agreement-Custom
Call avoidance	Time and Materials
Delivery, Installation & Training	Drop Ship, End User Installation
Onsite Technicians	Tiered Remote, T & M Onsite
8 x 5	24 x 7

## Finance/Ops Differences Between Dealer and VAR/IT Services

Dealer	VAR/IT Services
Leasing	Capital, Budget cycle
Minimum Monthly Volume	# Seats/Licenses
Inventory Turns	Customer Owned Inventory
Lease Expirations	Technology Refresh
Days Sales Outstanding (DSO' s)	Purchase Orders (Cashflow)
Click Charge	Cartridge
Meter Monitoring	Remote Monitoring Management

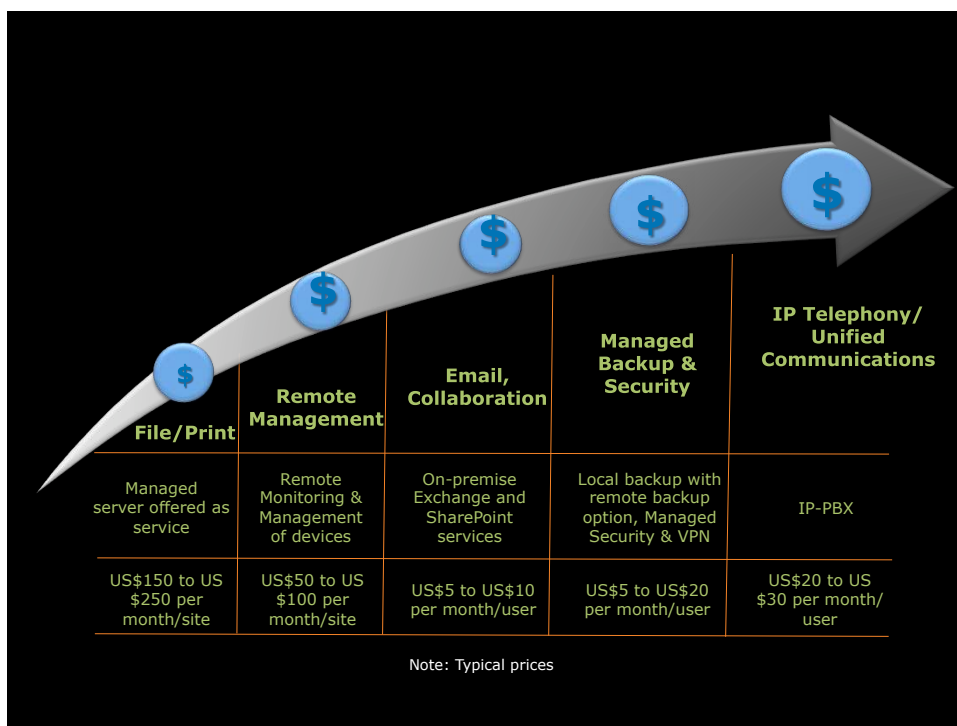


## Managed Mobility Opportunities

Mobile Offering	Description
Asset Management	Identify and track
Expense Management	Managing billing/expenses
Device Lifecycle	Procurement, Operations, retirement, replacement
Operations Management	Monitoring performances/outages
Security Management	Protecting assets and data
Application Management	Provisioning, configuration, updates, backup, removal, policies
Application Development	Custom development
Policy Management	Best practices and default settings
Self/Service Help Desk	Support services

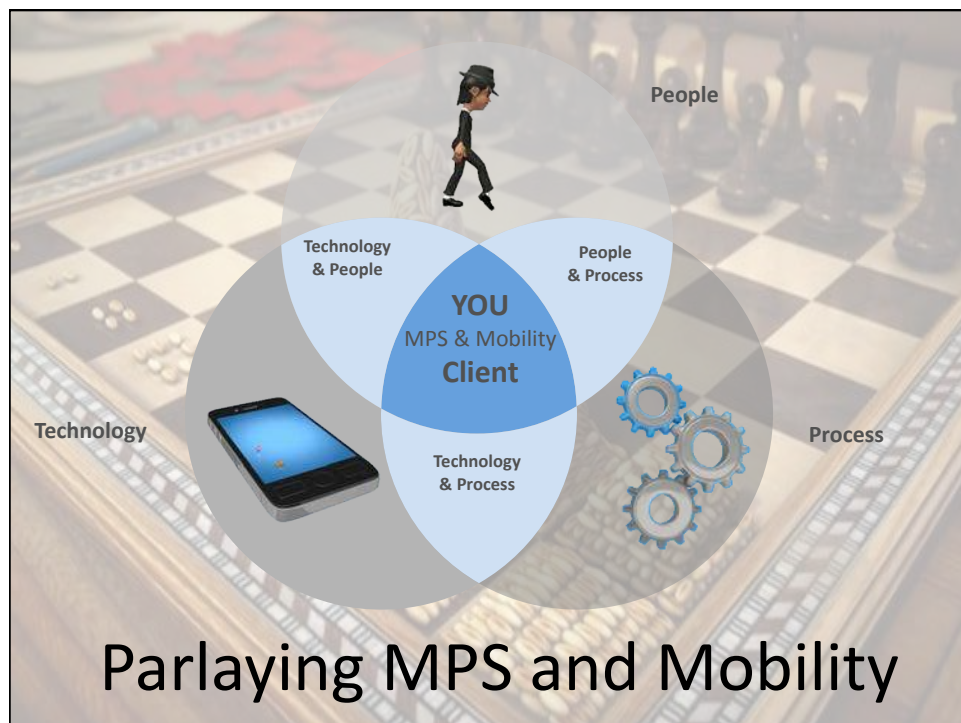
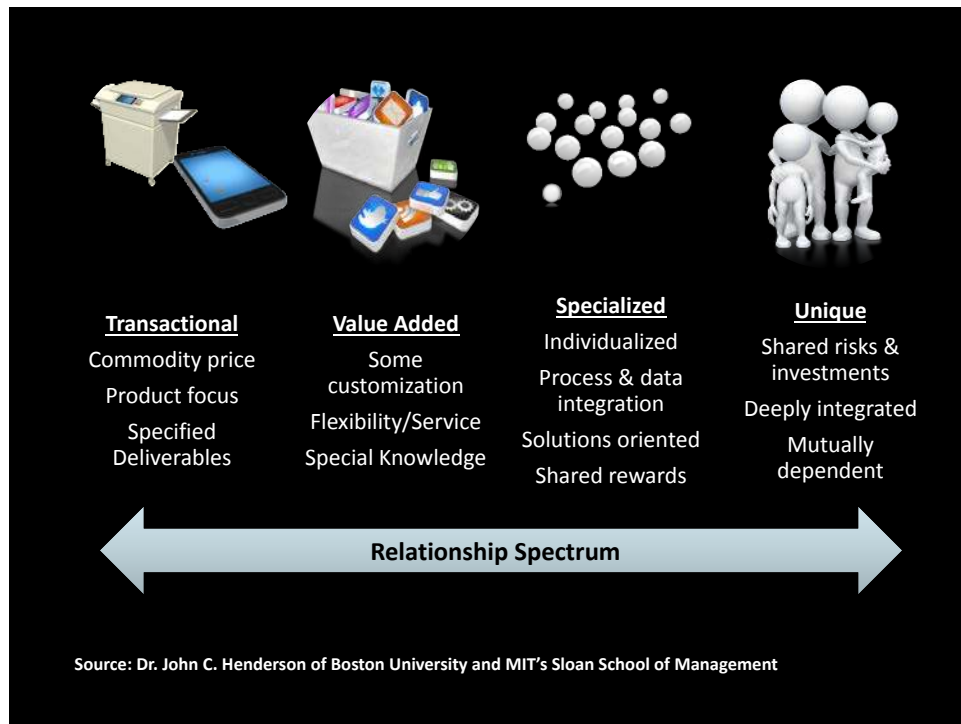
In Summary...





## Actionable Steps To Parlaying

- Build – Expand distribution, education, hiring
- Buy – Do your due diligence
- Partner - Reach out and establish a solid relationship with a VAR – Co-Develop
- Current Base – Assess demand, work with existing MPS clients
- Improve your internal IT services pedigree
- Re-evaluate your current talent pool





## Parlaying MPS with Mobility...

- Accelerate Revenue in a Changed Economy
- Sustain Operations by going where demand is growing
- Transform the What, Not the Why
- Build New Recurring Monthly Revenue
- Your Current Ways of Servicing Clients are Valuable



# Thank You

Questions?

Walters & Shutwell Inc.  
Charlotte, NC

