

What's Happenin' in the Office Equipment Channel

Andy Slawetsky
Industry Analysts, Inc.

January 25, 2023



Industry Coverage 2022

- 1.1 Million Page Views
- 285,000+ website visitors
- 3,600+ views of BTA articles
- 40 dealer visits/vendor events covered in 2023
- 744,000+ newsletter reads
 - New record!
- [1,000,000+ views on IATV](#)



Copyright 2023, Distribution Prohibited

2023 Dealer Visits

- [DEX Imaging](#) (2x!)
- [POA](#)
- [MARCO](#)
- [UTEC](#)
- [KDI](#)
- [The Wilson Group](#)
- [ITG Arizona](#) (2x!)
- [Cobb Technologies](#)
- [Stone's Office Equipment](#)
- [Datamax Arkansas](#)
- [Global Office Inc.](#)
- [CopierFax](#)



Copyright 2023, Distribution Prohibited

What's Happenin' in 2022/2023

- BTA Events! [Chicago](#), [Asheville](#), [Orlando](#)
- [ECS](#)
- [IBPI](#)
- [American Co-op](#)
- [BPCA](#)



Copyright 2023, Distribution Prohibited

What's Happenin' in 2022/2023

- [Konica Minolta](#)
- [Canon Road Show](#)
- [HPCL](#)
- [SalesChain](#)
- [RISO Lab](#)
- [Hercu-Online](#)
- [Keweenaw](#)
- [Brother](#)
- [Shim](#)
- [OpenText](#)
- [Elitec \(2x\)](#)
- [MGO](#)
- [Ripoh](#)
- [HE](#)
- [AGDI](#)
- [Prox Elite](#)
- [DocusWare](#)



Copyright 2023, Distribution Prohibited

Biggest News 2023

- [Ricoh Acquires Fujitsu](#) – 17,546 Page Views
- [Is Xerox Selling Defective Printers? New Class Action Lawsuit Says Yes](#) – 6,753 Page Views
- [Konica Minolta Receives BLI PRO Award from Keypoint Intelligence](#) – 6,386 Page Views
- [New President and CEO for Konica Minolta](#) – 6,120 Page Views
- [Xerox Revenue Continues Slide, Sales Down, \\$422m Backlog Crushes Earnings](#) – 6,064 Page Views



Copyright 2022, Distribution Prohibited

Biggest News 2023 Continued

- [Konica Minolta’s Laura Blackmer Promoted to President, Dealer Sales](#) – 5,851 Page Views
- [Konica Minolta Announces Organizational Changes](#) – 5,657 Page Views
- [Xerox Revenue Down 22% Since 2019](#) – 5,499 Page Views
- [Steve Bandrowczak, Xerox’s President and Chief Operations Officer, appointed Interim CEO](#) – 4,864 Page Views
- [Ricoh Acquires Axon Ivy AG to Expand its Digital Process Automation Capabilities](#) – 4,622 Page Views



Copyright 2023, Distribution Prohibited

Discussion Topics

- ECS
- Acquisitions
- Mega Dealers
- Inflation
- 2023 Supply Chain
- Remote Work
- DX
- End of Cloud
- Ecommerce
- Impact of AI



Copyright 2023, Distribution Prohibited

Executive Connection Summit

- 300 attendees
- Small - Mega Dealers
- Vendors, most OEMs
- Fantastic topics
- Data, Analytics and Ai (HP)
- Digital Transformation Panel, Presentations
- Diversity in the Channel Panel; Jennie Fisher, GreatAmerica
- Ecommerce
- Hiring Heroes (literally)
- Dealer Panels
- Cyber Insurance



Copyright 2023, Distribution Prohibited

2022 Dealer Acquisitions

- DEX (8)
- Kelley Connect (6)
- RJ Young (4)
- UBEO (4)
- Fishers (3)
- Doing Better Business (3)
- Flex Technology Group (2)
- Gordon Flesch Co (2)
- Novatech (2)
- Prosource (2)
- EO Johnson, Donnellon McCarthy



Copyright 2023, Distribution Prohibited

2022 Industry Acquisitions

- Ricoh (4), Ricoh EU (2)
- EFI (3)
- Xerox (3)
- Keypoint Intelligence
- GreatAmerica
- HP
- Clover Imaging
- OpenText
- Arlington
- Datto/Kaseya (2), ConnectWise
- Crawford Technologies, Peerless AV, ePrint



Copyright 2023, Distribution Prohibited

Mega Dealers

- Top five dealers account for \$2B in annual revenue
- Top ten dealers account for \$3B in annual revenue
- Growing through acquisition and organically
- Some focused more heavily on IT/print
- Top 5 Listed Alphabetically
 - DEX Imaging
 - Flex Technology Group
 - Marco
 - Pacific Office Automation
 - Visual Edge IT
 - Impact/UBEO/RJYoung...



Copyright 2023, Distribution Prohibited

What to do?

- Stock up – Ditching the just-in-time business model?
- BTA – New vendors
- IBPI – Level the cost playing field
 - Doug Albregts, Marco Joins Board
- Peer Groups
 - American Co-Op, BPCA, SDG, CDA, Pro Dealer, others
- ARCOA
- Arlington
- Clover Imaging
- Katun
- Mars
- Ninestar/G&G
- Polek and Polek



Copyright 2023, Distribution Prohibited

Inflation

- Inflation trending down, but
 - Fuel up 45% since 2020
 - Average worker cost up 5% since 2021
 - Cost of drivers increased 12% since 2020
 - Hardware, parts and supply costs up
- Inflation cooling, yet prices not expected to fall



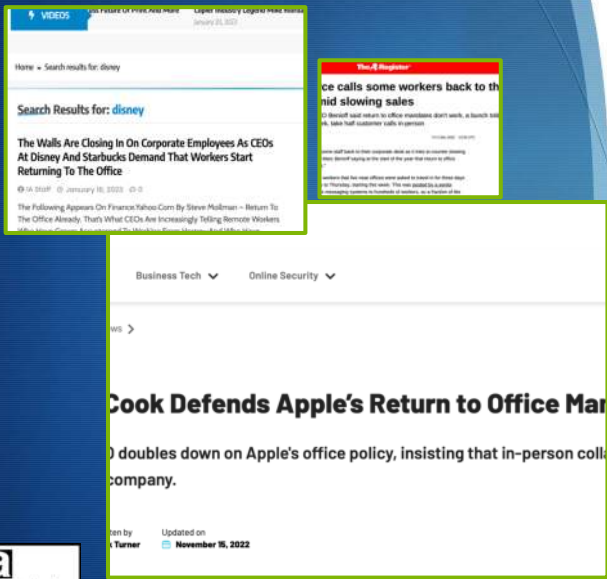
Copyright 2023, Distribution Prohibited

2023 Supply Chain

- Better than 2022
- Container issues improved
- Ports open, more capacity
- Backorders reduced
- A3 catching up quickly
- A4 still having issues
- 2023
- Chip shortage continues
- A4 suffers until late 2023
- China and COVID-19
- Components still come from China



Copyright 2023, Distribution Prohibited



Back to Work!

- Twitter
- Disney
- Starbucks
- Apple
- Citigroup
- Goldman Sachs
- Google
- JP Morgan
- Salesforce
- Uber
- House Republicans introduce bill to return federal employees to the office

Copyright 2023, Distribution Prohibited

Digital Transformation Buzzword of 2022!

- **Digital transformation** is the adoption of [digital technology](#)^[1] by an organization to digitize non-digital products, services or operations. The goal for its implementation is to increase value through [innovation](#),^{[2][3]} invention, customer experience or efficiency. (Wikipedia)

- [Cloud](#)
- [IoT](#)
- [Vertical Markets](#)
- [Kubernetes](#)
- [Blockchain](#)
- [Share](#)
- [Predictive](#)
- [Voice](#)



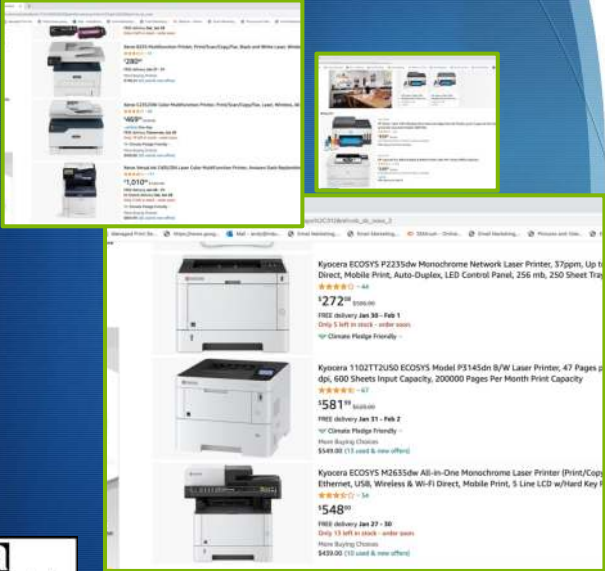
Copyright 2023, Distribution Prohibited

End of Cloud?

- File sizes becoming too large
- Bandwidth can't handle
- Customers moving towards hybrid model
- On-prem coming back
- 71% of [IDC respondents](#) expected to move, partially or fully, their workloads currently running in public cloud into a dedicated IT environment in the next two years



Copyright 2023, Distribution Prohibited



The screenshot shows an Amazon product page for Kyocera printers. Three models are highlighted with green boxes:

- Kyocera ECOSYS P2335dw Monochrome Network Laser Printer:** 37ppm, Up to Direct, Mobile Print, Auto-Duplex, LED Control Panel, 256 mb, 250 Sheet Tray. Price: \$272.00. FREE delivery Jan 30 - Feb 1. Only 5 left in stock - order soon. Climate Pledge Friendly.
- Kyocera 1102TT2U50 ECOSYS Model P3145dn B/W Laser Printer:** 47 Pages per min, 600 Sheets Input Capacity, 200000 Pages Per Month Print Capacity. Price: \$581.00. FREE delivery Jan 31 - Feb 2. Climate Pledge Friendly. Heat Sealing Chamber. \$499.00 (13 used & new offers).
- Kyocera ECOSYS M2635dw All-in-One Monochrome Laser Printer (Print/Copy/Edit/Scan, USB, Wireless & Wi-Fi Direct, Mobile Print, 5 Line LCD w/Hard Key):** Price: \$548.00. FREE delivery Jan 27 - 30. Only 13 left in stock - order soon. Heat Sealing Chamber. \$499.00 (13 used & new offers).

Industry Analysts, Inc.

Ecommerce

- It's already here
- All brands selling printers on Amazon except Sharp
- One brand selling A3
- Almost no dealers currently have an effective ecommerce website

Copyright 2023, Distribution Prohibited

Effective AI is Here

- **ChatGPT (Chat Generative Pre-trained Transformer)**^[1] is a **chatbot** launched by **OpenAI** in November 2022. It is built on top of OpenAI's **GPT-3** family of large **language models**, and is fine-tuned (an approach to **transfer learning**)^[2] with both **supervised** and **reinforcement learning** techniques.
 - ChatGBT-3; Uses internet articles (175 billion parameters)
 - Website, type commands and it will create content
 - ChatGBT-4 (1 trillion or more parameters)
 - 2023 launch
 - Code Red for Google
 - Will use data

Industry Analysts, Inc.

Copyright 2023, Distribution Prohibited

What's Happenin' in 2023

- Feb - FP Mailing, Epson Boldly, Flex Technology Group, Ricoh Road Show, IBPI Board Meeting, PaperCut Online Summit
- March - BTA Spring Break
- April - Sharp Dealer Conference, American Co-op
- May - Lexmark Dealer Conference
- Sept - Toshiba Dealer Conference, Ricoh/Hytec Puttin' On the Pink, American Co-op
- Oct - BTA Fall Colors Retreat



Copyright 2023, Distribution Prohibited