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KEYPOINT
INTELLIGENCE

Preparing for the Future: Key Strategies for Success

Anthony Sci
President & CEO









May 2023

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The Anatomy of the Modern Workplace

Communication and Collaboration

-  Email and Physical Mail Solutions
-  Web Conferencing/Virtual Event Spaces/Virtual Meeting Rooms
-  Physical Meeting Spaces
-  Whiteboarding
-  VR/AR
-  Voice and Chat
-  Web Cameras and Microphones
-  Artificial Intelligence & Machine Learning

Security

-  Cybersecurity Tools and Services
-  Physical Security Tools and Services

Information Management

-  Storage
-  Search
-  Governance
-  eSignature
-  Print/Copy/Scan/Fax



Business Software

-  Accounting
-  CRM
-  HR Management
-  eCommerce
-  Project Management

Workplace and Employee Management

-  Resource Reservation and Hot Desking
-  Calendar and Scheduling
-  Virtual Receptionist
-  Way Pointing
-  Digital Signage
-  Knowledge Management/Documentation

Process Management

-  Business Process Automation
-  Robotic Process Automation











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
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

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






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

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

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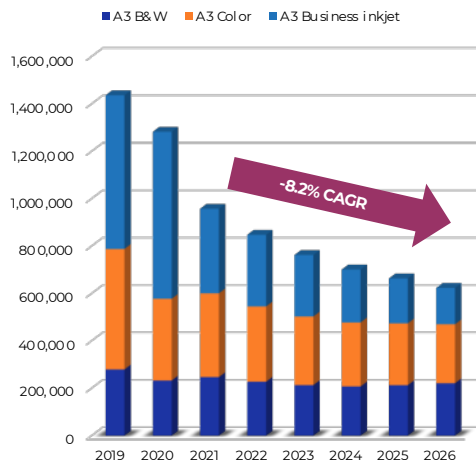
Hybrid Office – Themes and Trends

- ◆ Hybrid and remote worker creates distributed workplace
 - ◆ Increase in administration of mobile/remote workers, remote offices, additional tools, products, and support
 - ◆ Hybrid IT Services are in demand but hard to find services that provide both
- ◆ Cyber attacks increase placing pressure on IT to constantly monitor, safeguard and iterate
- ◆ Shift to the cloud has increased as businesses look to meet new outcomes
- ◆ DX – digital transformation and operating a business more digitally has evolved to cover a large swath of areas and processes
 - ◆ Digital managed services are scalable while reducing cost and risk in technology investments

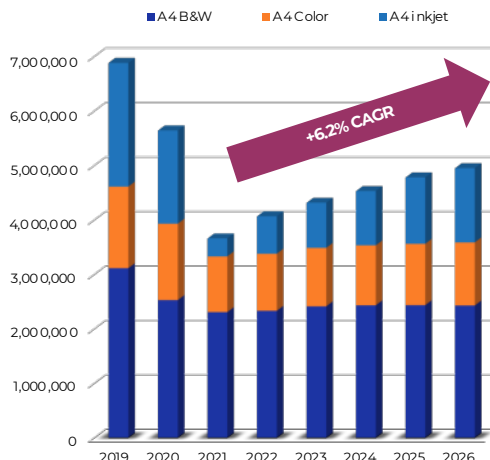


What Hybrid Working Is Doing to Print in the Office: A3 vs. A4

A3 Device Placements & Forecast



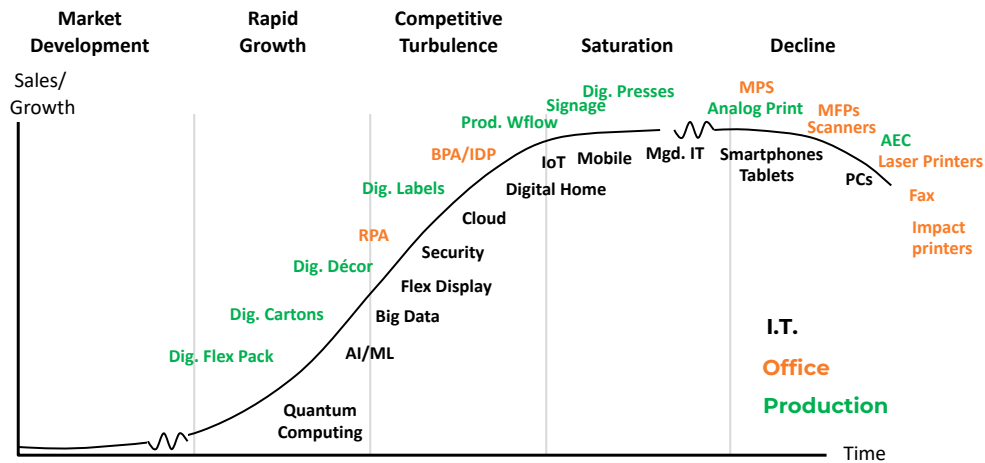
A4 Device Placements & Forecast



- ◆ Shift to hybrid & to digital processes = downsizing in the office
- ◆ Decentral at home bolsters A4
- ◆ Decentral in office points to A4
- ◆ Inkjet plays a stronger role

Region North America, Office & Home Devices 1-69ppm

Classic Market Development Curve



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Key Strategies for Success

- ♦ **Diversification** – Dealers need to remain relevant in today's changing office environment
 - ♦ Production & Large Format Print
 - ♦ Labels & Packaging Market
 - ♦ Digital Transformation
 - ♦ Security
- ♦ **Sales & Marketing Enablement** – Sales needs contemporary Sales & Marketing Tools to be successful
 - ♦ Sales Tools
 - ♦ eCommerce
- ♦ **Operational Excellence & Automation** – Intelligence & automation to find new opportunities or reduce overhead
 - ♦ Service Automation
 - ♦ Internal Workflow Improvements



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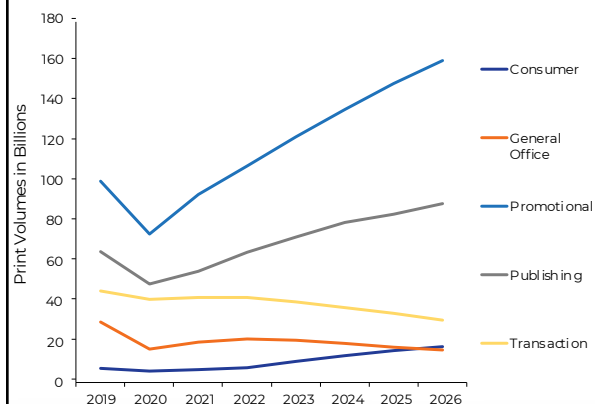
DIVERSIFICATION

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Opportunities in Production Print & LF

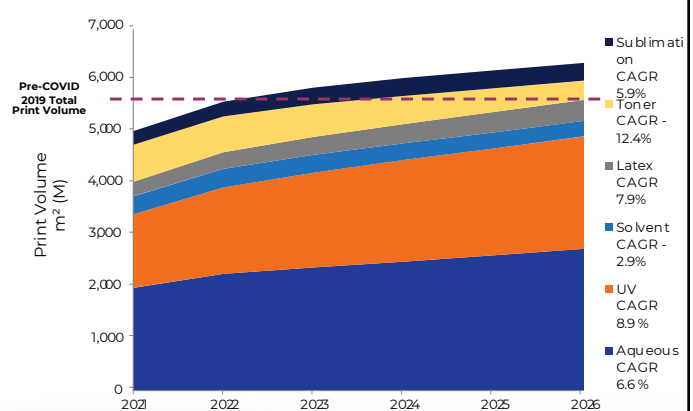
Production Print

Application Forecast Print Volumes



Large Format

Print Volumes by Technology



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Packaging & Labels Market

- ◆ Types of packaging
 - ◆ Corrugated
 - ◆ Folding Carton
 - ◆ Flexible
 - ◆ Labels
 - ◆ Industrial
 - ◆ Pressure Sensitive
 - ◆ Glue Applied



Flexible Packaging Films



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Labels Market: Through the Converter Channel

Manufacturing Sector- Key Verticals	Total	Micro 1-9 Employees	SMB		Enterprise 500+ Employees
			10-99 Employees	100-499 Employees	
Manufacturing Establishments	297,191	171,167	101,918	21,352	2,754
Total Market \$ Billions	13.000	0.259	2.263	4.716	5.762
Served Market	3.505	0.207	1,358	0.943	1.007
Accessible Market	2.548	0.207	0.950	0.660	0.731

- ◆ **Digital share (revenue) of the printed labels market is 9%-10% or approximately \$1.3 billion**
- ◆ The **served market** is defined as the value of printed labels across all buyer classifications where the pain is generally created by order size, lead time, up front cost, minimum order requirements etc.
- ◆ The **accessible market** is defined as the revenue of printed labels accessible to current digital technology and suppliers of digitally printed labels.

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Labels Market: Through In-plant Channel

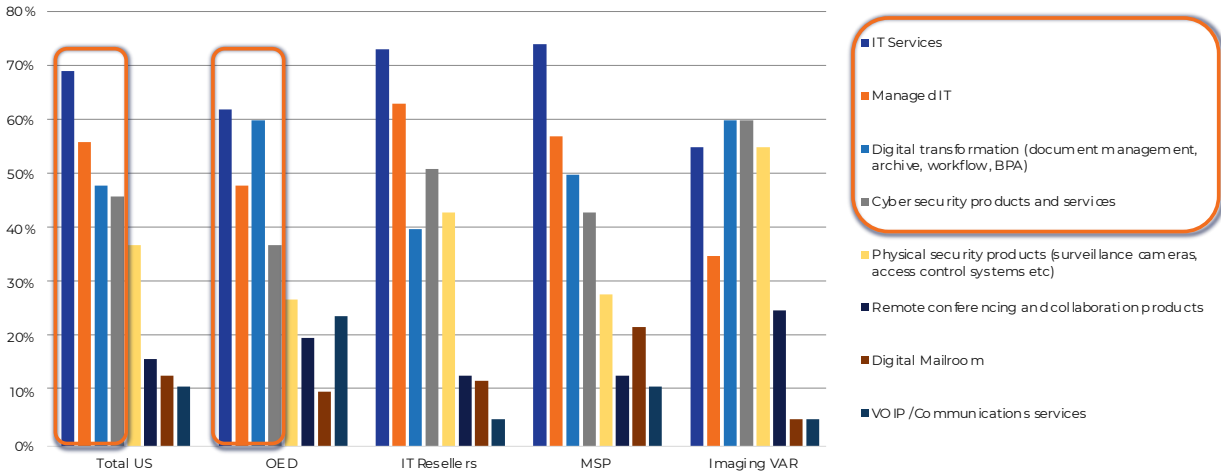
WW Table-Top Label Printers	2016	2017	2018	2019	2020	2021e	2022e	CAGR
Units	6,814	7,632	8,548	9,573	10,722	12,008	13,500	12%

- ♦ Not represented in the normal label production numbers (\$13 Billion)
- ♦ Inkjet and toner table top systems
 - ♦ \$1,500 to \$10,000 for the printer alone
 - ♦ Pressure Sensitive Labels
 - ♦ Pre Die Cut or Simple Knife Cutting
- ♦ North America estimated to be 25% to 28% of WW values
 - ♦ 3,375 to 3,780 units

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IT Services

Aside from document imaging products, which areas are currently offering you the greatest revenue opportunity?

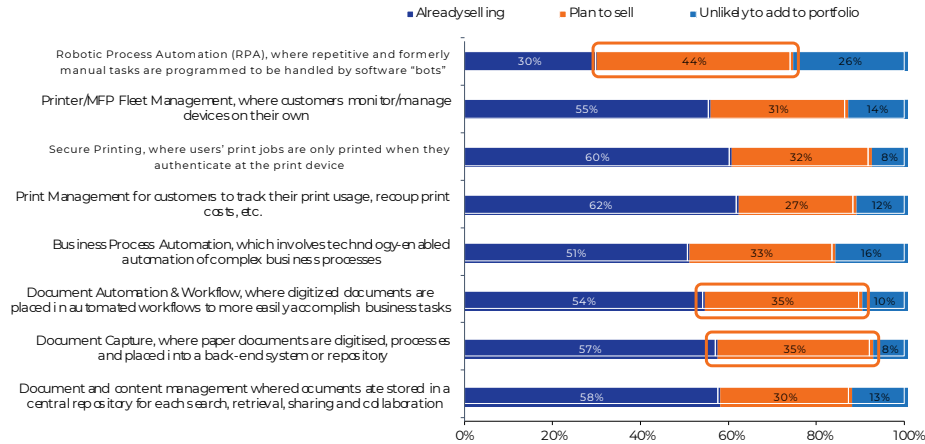


N = 316
Source: OG 2022 Channel Survey

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Digital Transformation

Which of the following digital transformation (DX) solutions do you sell or plan to sell to your customers?



- ◆ RPA solutions show the most potential for growth, with 44% of respondents expecting to add RPA in the coming year.
- ◆ Related DX solutions—document capture, document automation, BPA—are also areas of interest.

N = 314
Source: OG 2022 Channel Survey

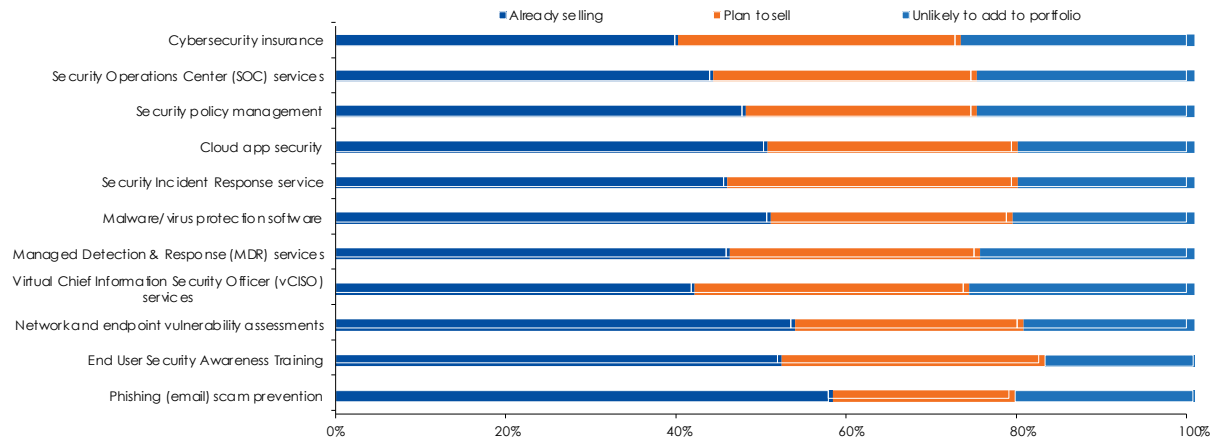


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IT Security

Which IT security products/services do you offer?



- ◆ Cybersecurity services of every kind are popular among resellers, with every type currently being sold by 40% or more of respondents.
- ◆ Areas of potential growth include cyber insurance, incident response.

N = 316
Source: OG 2022 Channel Survey



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IT Security is THE Top Area they Outsource

- ◆ Cybersecurity is the top operational concern
 - ◆ Mentioned as a top challenge by every respondent
- ◆ Every respondent mentioned they outsource at least one area of cybersecurity
 - ◆ Services sought: Penetration testing/risk assessments, intrusion detection, Security Operations Center, vCISO, network/endpoint monitoring/management, email security/phishing-scam training
- ◆ Reasons for outsourcing cybersecurity:
 - ◆ Lack of in-house expertise
 - ◆ Too expensive to hire and/or too hard to find security experts
 - ◆ Not enough work to justify full-time cybersecurity staff
 - ◆ Dedicated experts can do it better/be more focused on that one area



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SALES & MARKETING ENABLEMENT

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B2B eCommerce

\$1.6T In 2021, online sales on B2B ecommerce sites, log-in portals and marketplaces increased 17.8% to \$1.63 trillion
- Digital Commerce 360

65% of B2B companies across industries are fully transacting online in 2022. And for the first time, B2Bs are more likely to offer ecommerce over in-person sales.
- McKinsey & Company

\$4.6T The North American B2B ecommerce market will surpass \$4,600 billion by 2025
- Statista

18% of B2Bs' revenue is coming directly from ecommerce. Higher than phone, email and video conferencing.
- McKinsey & Company



eCommerce – Marketing Exposure

The screenshot displays a B2B eCommerce website interface. At the top, there's a navigation bar with links for 'PRODUCT CATALOG', 'SERVICES', 'BLOG', 'ABOUT', and 'CONTACT'. Below this is a search bar with the placeholder text 'Let's find the perfect device for you!' and a prompt 'Start typing the manufacturer or model name of the product you are looking for.' To the right of the search bar are icons for account, cart, and other user functions.

The main content area is titled 'Product Showcase' and features a grid of product cards. On the left, there's a sidebar with filters for 'Brands' (listing Brother, Canon, Epson, HP, Kyocera, Lexmark, Mitsh, Sharp, and Toshiba) and 'Type Of Device' (listing Multi-Function Printer, Single-Function Printer, Wide-Format, and Production). The product cards themselves show images of various printers and MFPs, along with their names, prices, and 'Configure' or 'Add to cart' buttons. A 'Need a little help?' section with a 'Try it now' button is also visible.

eCommerce - Easier for B2B

Configure

Exit

Step 1

Paper Feed

Step 2


Finishing

Step 3

Main Unit

Add to cart

MX-M2651



Power Outlets:
1 x NEMA 5-15R

Actual Dimension:
W: 49.57 inches | D: 26.10 inches | H: 48.75 inches

Required Dimension:
W: 50.27 inches | D: 27.00 inches | H: 48.75 inches

Step 3: Main Unit

Utility Table
MX-U710

Wireless LAN Adapter
MX-WB10

Enhanced Compression Kit
MX-EB10L

OCR Expansion Kit
MX-EB20L

Fax Expansion Kit
MX-FX15

Internet Fax Expansion Kit
MX-FW10L

Main Body
MX-M2651
\$ 6,690.72

Stand/1 x 550 Paper Drawer
MX-DE25N
x 1

Long Paper Feeding Tray
MX-L710
x 1


1K Stacking Finisher
MX-FU20
x 1
\$ 1,499.99

Paper Pass Unit
MX-PP10N
x 1

5 components
Clear All

Total Price:
\$ 8,190.71

Add to cart

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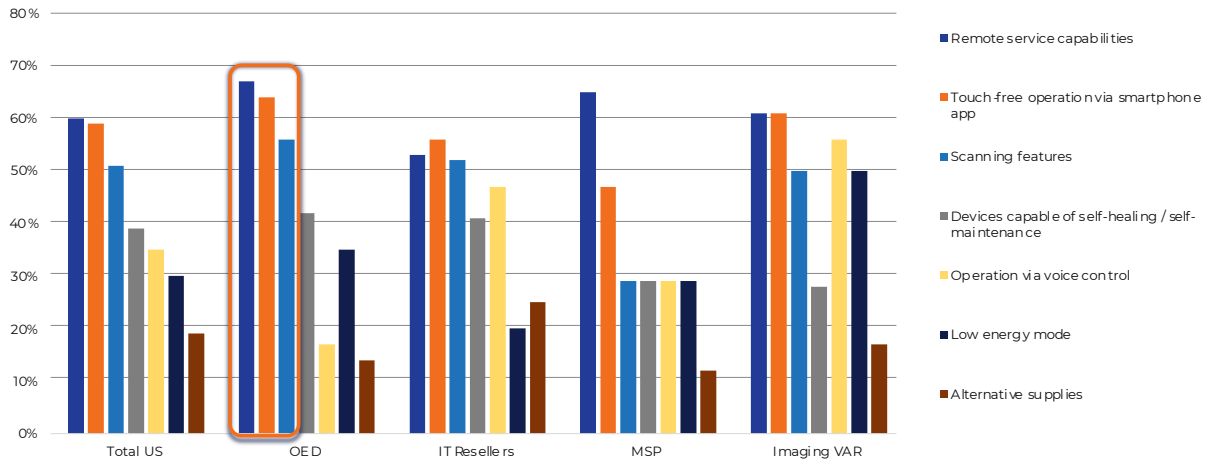
OPERATIONAL EXCELLENCE

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Remote Service #1 Desire

What MFP technology features do you anticipate will be crucial in future offices?



N = 188
Source: OG 2022 Channel Survey

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Simplifying the Sales Workflow - Configure

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Simplifying the Sales Workflow - Price

2023-05-23 1

Build

- Sales room Sharp BP-70C65
- HP Color LaserJet Managed E54045dn
- Add Configuration

Financials

- New Lease Option

Primary Price Book (Default) Margin (%) 64.588 % Target Profit (\$) \$ 50,685.16 Target Price (\$) \$ 76,474.81 Target Monthly (\$) \$ 3,865.80

Configuration Details

Sales room Sharp BP-70C65

Total Rep Cost: \$ 36,334.05 Total Service: \$ 799.00 Total Price: \$ 75,240.16 Margin (%) 65.00 % Target Price (\$) \$ 75,240.16 Quantity 2

Product	Product Code	MSRP (\$)	Rep Cost (\$)	Margin (%)	Margin (\$)	Sales Price (\$)	Quantity	Total Price (\$)
Sharp BP-70C65	SH-BP-70C65	\$ 25,225.00	\$ 7,408.84	65.00 %	\$ 2,7319.35	\$ 21,188.12	1	\$ 42,316.23

Accessory

Product	Product Code	MSRP (\$)	Rep Cost (\$)	Margin (%)	Margin (\$)	Sales Price (\$)	Quantity	Total Price (\$)
Sharp BP-VD10	SH-BP-VD10	\$ 400.00	\$ 105.49	65.00 %	\$ 614.96	\$ 472.02	1	\$ 945.84
Sharp BP-DE14	SH-BP-DE14	\$ 1,740.00	\$ 717.13	65.00 %	\$ 2,860.81	\$ 2,048.03	1	\$ 4,097.86
Sharp BP-LC10	SH-BP-LC10	\$ 1,740.00	\$ 695.81	65.00 %	\$ 2,584.80	\$ 1,988.31	1	\$ 3,976.62
Sharp BP-FN16	SH-BP-FN16	\$ 6,600.00	\$ 2,306.67	65.00 %	\$ 10,796.21	\$ 8,204.78	1	\$ 16,608.39
Sharp BP-FD10	SH-BP-FD10	\$ 2,100.00	\$ 1,272.98	65.00 %	\$ 4,728.27	\$ 3,657.13	1	\$ 7,274.26

Service

Product	Product Code	B/W Volume	Color Volume	B/W CPC (\$)	Color CPC (\$)	Total Monthly (\$)	Quantity	Total Price (\$)

KEYPOINT INTELLIGENCE

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Simplifying the Sales Workflow - Quote

2023-05-23 1

Summary

- 1. Cover
- 2. Who We Are
- 3. Quote & All Rights Reserved
- 4. The Managed Office
- 5. Our Partners
- 6. The Discovery Process
- 7. Current Situation
- 8. Service Excellence
- 9. Our Service Organization
- 10. Proposed Solution
- 11. Summary
- 12. Thank You
- 13. Summary 2

Appendix

Summary

From: Demo Manager
Email: DemoManager@OutlookTest

Title: Sales Manager
For: GrantTronics2K

Phone: (800) 567-1234
Deal: GrantTronics2K - Demo Deal

Pricing Summary

Equipment Lease Incl. Service

Monthly Payment	Lease Term	Purchase Option
\$ 3,865.80	36 Months	FMV
\$ 5,169.26	24 Months	FMV

Sales room Sharp BP-70C65

Model	Description	Quantity
Sharp BP-70C65	Sharp BP-VD10, Sharp BP-DE14, Sharp BP-LC10, Sharp BP-FN16, Sharp BP-FD10	1

Service	Rate (\$)	Volume
B/W	\$ 0.0085	5000
Color	\$ 0.0510	7000

KEYPOINT INTELLIGENCE

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Summary

Channel Top Strategies for Success

Diversification

- ◆ Labels & Packaging
- ◆ Security
- ◆ Digital Transformation

Sales & Marketing Enablement

- ◆ eCommerce

Operational Excellence

- ◆ Service Automation
- ◆ Workflow Improvements



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The key to your competitive advantage

THANK YOU

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