

Dealer Channel Evolution

A Blueprint for Growth

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Lexmark International



Why We're Here

- Industry and Growth Perspective
- Is it too late?
- The effect of A4
- Managed IT Services
- Managed Security
- Creating new revenue streams

STAPLES®

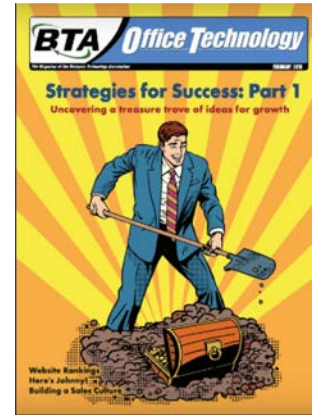


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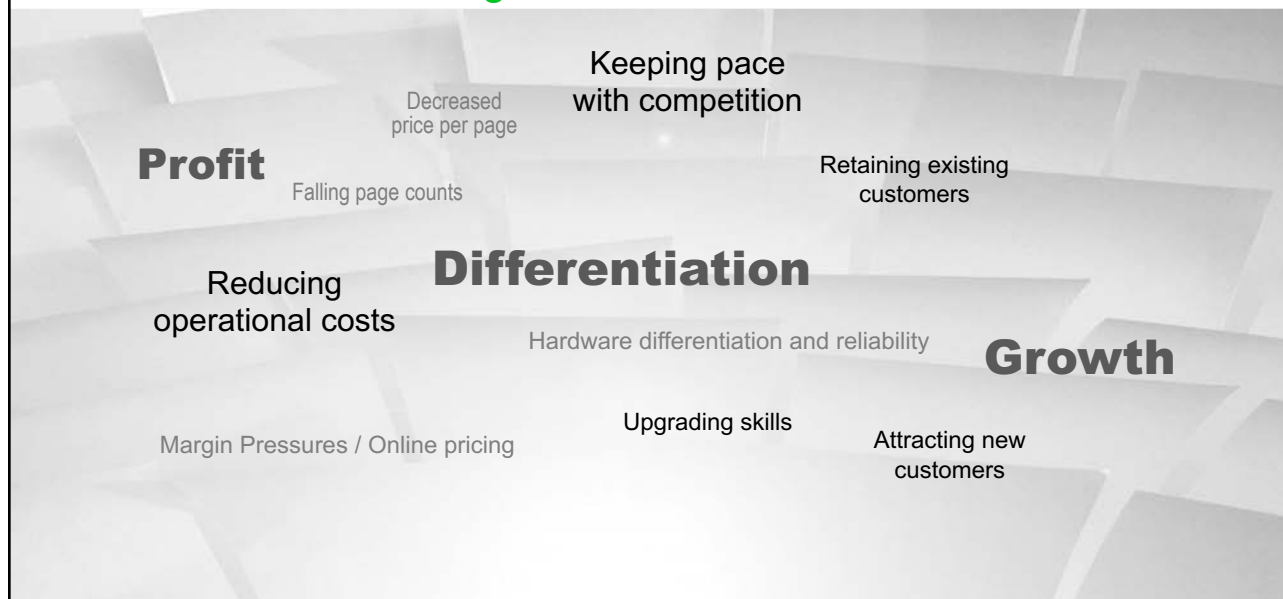


Why We're Here

- Where do we look for growth?
- Is it too late?
- The effect of A4
- **Managed IT Services**
- Managed Security
- Creating new revenue streams

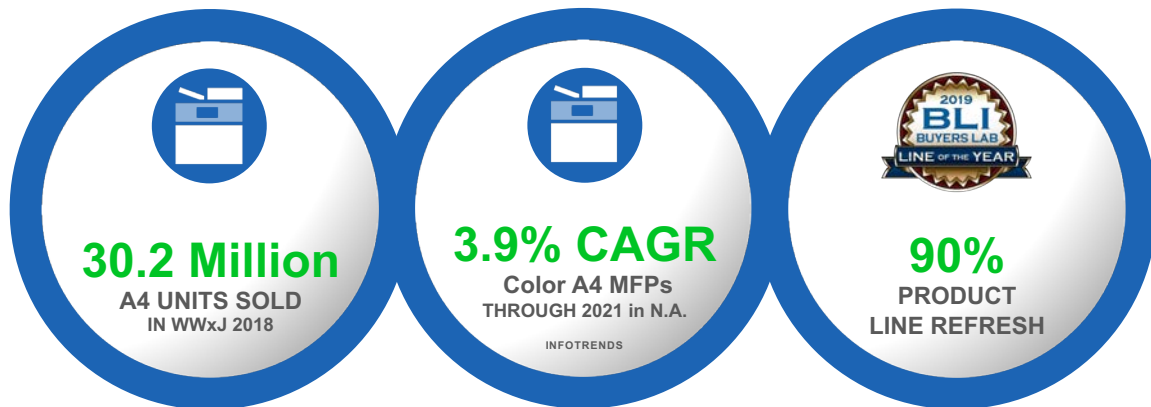


Dealer Channel challenges



The Effect of A4

Right-sizing the customer spend on print



1 "4Q18IDC Worldwide Quarterly HardcopyPeripheralsTracker"; WWxJ: Laser only
2 "InfoTrends Forecast Continued Growth in A4 ColorMFPs and Business Inkjet Shipments through 2021 in both North America and Western Europe"; Infotrends; Jun 14, 2017; <http://blog.infotrends.com/?p=22979>

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The Case for A4

Right-sizing the customer spend on print

- 86% of the average dealers placements, are in the lowest 3 of 12 volume tiers - less than 5K pages per month
- With the exception of specific paper size or paper handling requirements, A4 can replace most of the A3 units
- A4 statistically have almost 50% fewer calls than an A3 in same volume
- Lexmark consistently out performs Worldstats™ averages in both Average Calls Per Machine/month (ACPM) and Mean Copies Between Visits (MCBV)



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Partner of the Future

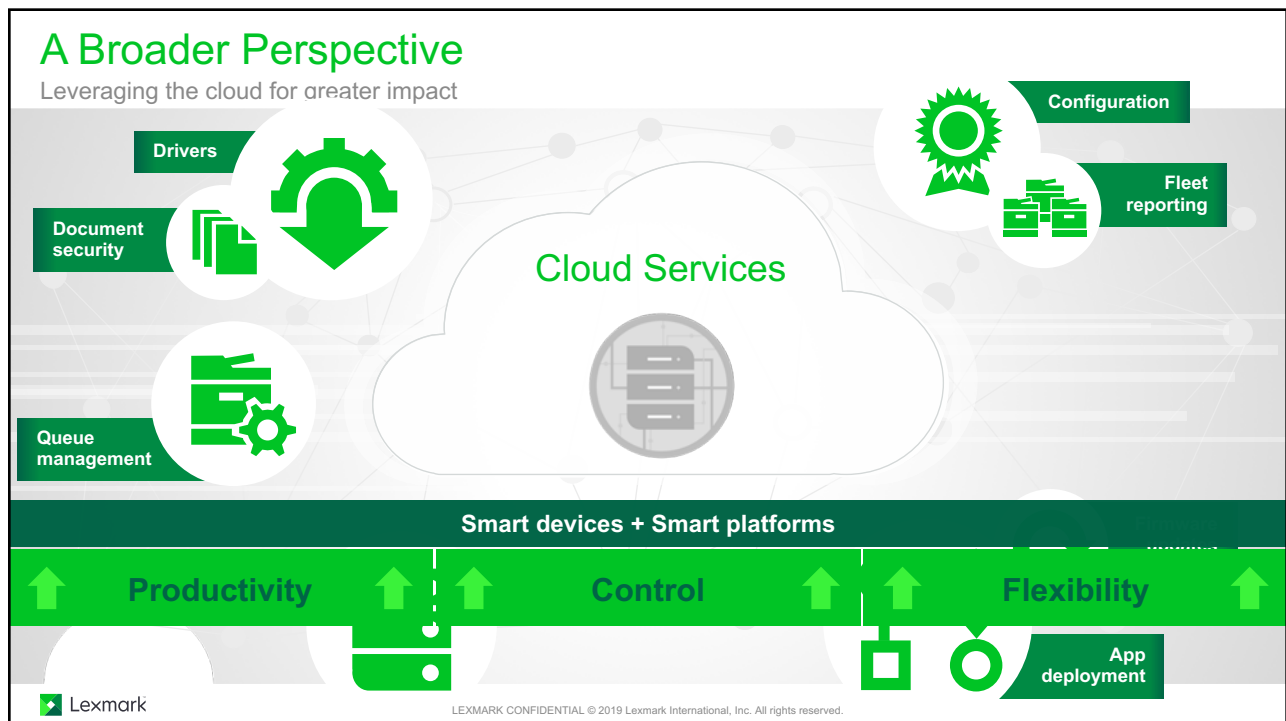
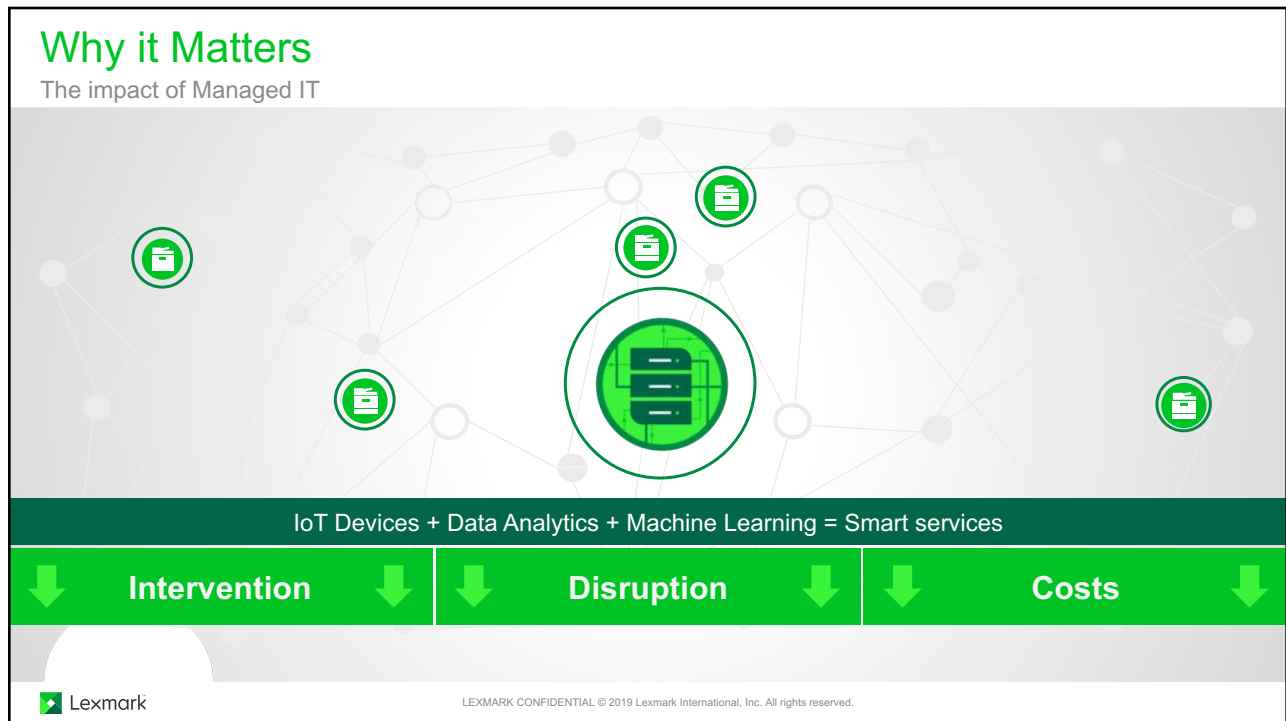
The need to evolve

	Present	Future
Technology	2nd Platform	3rd Platform
Focus	Broad	Specialized
Customer	IT	Business and IT
Sales Motion	Deal	Relationship
Time Horizon	Short-term	Long-Term
Marketing	Traditional	Digital
Activities	Resale Pro Services Services	Services Managed Services Creating IP
Competition	Traditional	Non-Traditional
Alliances	Do it Ourselves	Partner Collaboration
Advantage	Comfortable	Transient

Beyond the box: What is Managed IT?

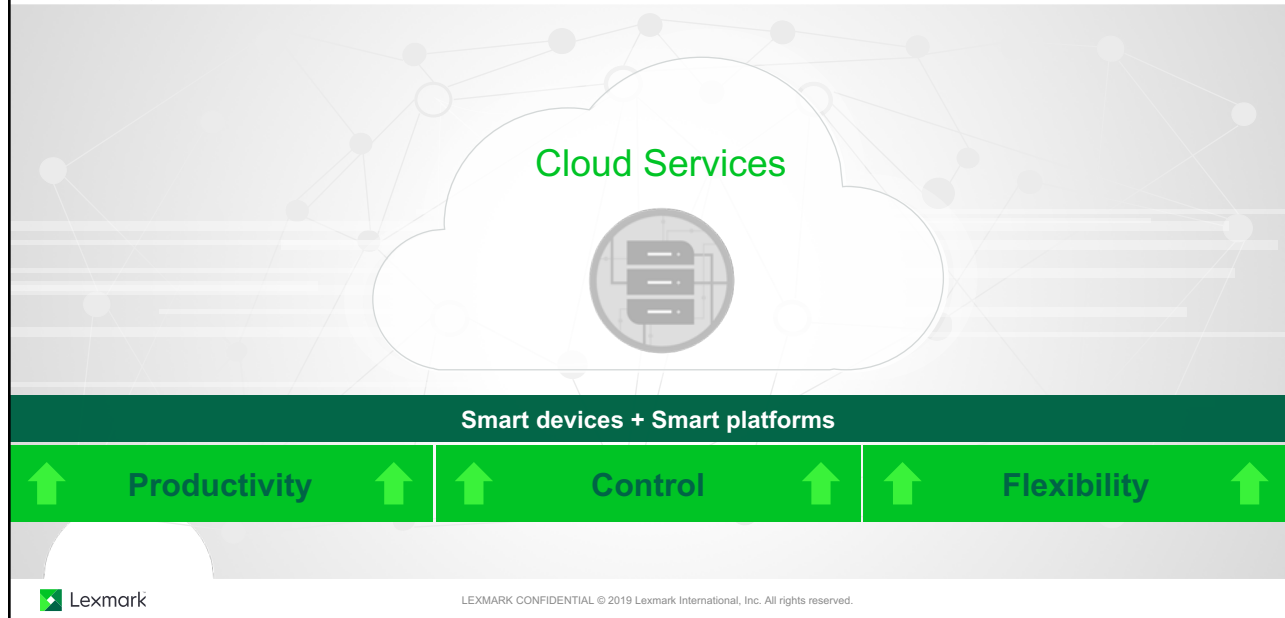
- Help Desk services
- Managed Print Services
- Managed Security Services
- Cloud Services





A Broader Perspective

Leveraging the cloud for greater impact



SMB Cloud Computing Trends

"Many vendors are cloud enabling solutions. The bright spot is that cloud enabled solutions are **easier to deploy to the growing SMB market..**"

- IDC

"By 2021, one-third of companies with **fewer than 500 employees** will have adopted **structured Print and Document Management** policies supported by **cloud-based software.**"

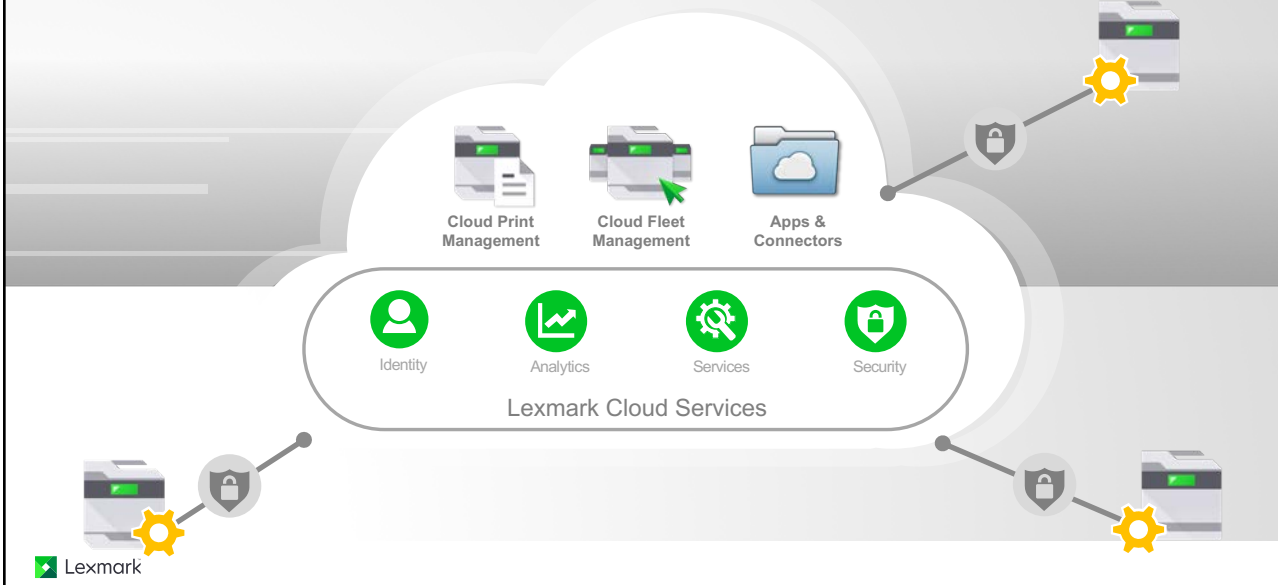
- IDC FutureScape 2018

"Growing adoption of mobile devices creates **new print requirements** and opportunities such as mobile print solutions and **cloud printing services.** Not only software vendors but also printer manufacturers provide mobile solutions."

- Gartner 2016

Finding the Right Cloud Partner

A cloud services partner should enable you to **increase service profitability** and **provide enhanced customer service**.



Top IT Strategic Priorities for 2019

Q: In [year that begins], in terms of strategic importance, which of the following are included within the top IT initiatives at your organization?

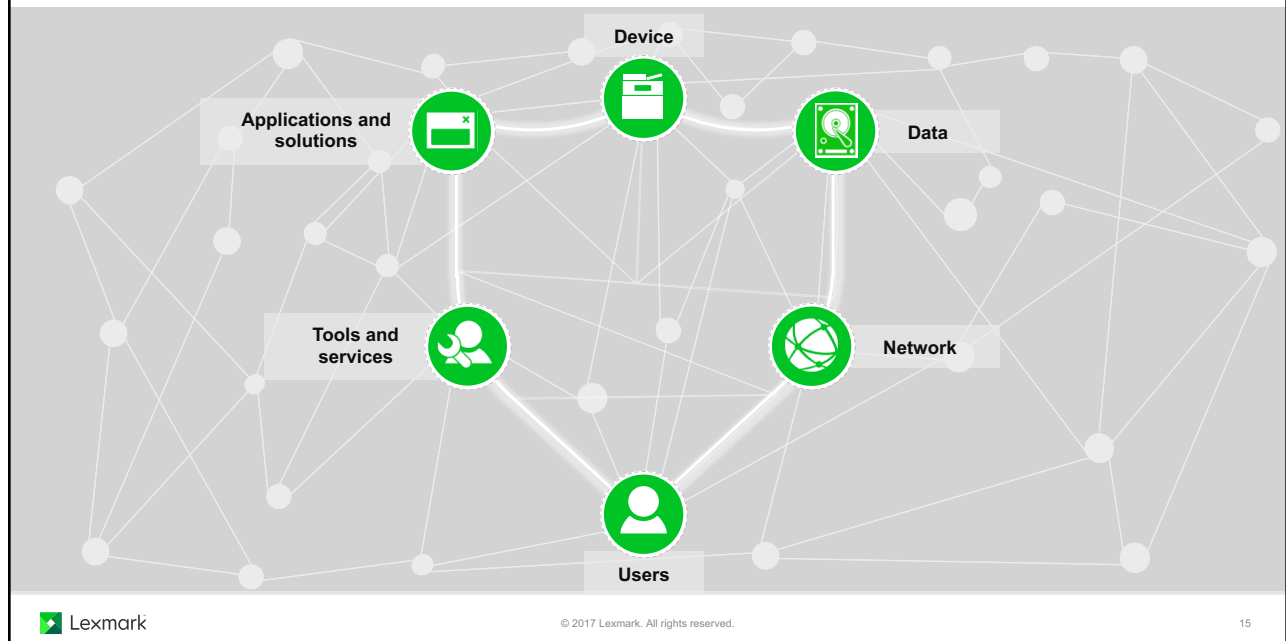
	2018 Responses	Rank '18	2019 Responses	Rank '19
IT Security	45%	1	53%	1
ERP consolidation / modernization	31%	3	40%	2
Big Data Analytics / Business Intelligence	25%	5	37%	3
Infrastructure Consolidation/Optimization	37%	2	36%	4
Mobility (Device/Application Mgmt, Applications Dev.)	31%	4	24%	5
Customer Experience/Customer Engagement	23%	7	24%	6
Cloud Infrastructure (IaaS)	24%	6	21%	7
Cloud Applications (SaaS)	22%	8	18%	8
Internet of Things	10%	10	9%	9
A.I. / machine learning / Cognitive computing	11%	9	8%	10
Data Center Outsourcing	9%	11	4%	11
Virtual Reality / Augmented Reality	2%	12	2%	12



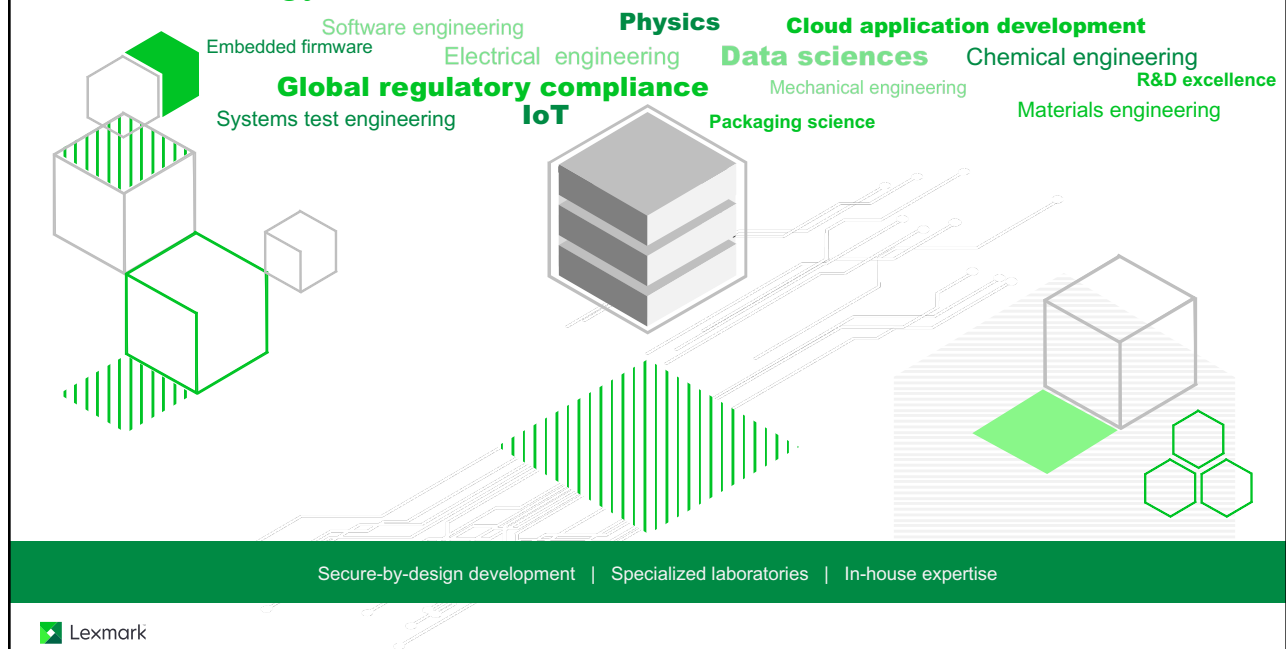
Source: IDC IT Investment Trends Survey of IT decision makers in companies above 100 employees, run in Nov-Jan of each year
N 2018 = 813; N 2019 = 208



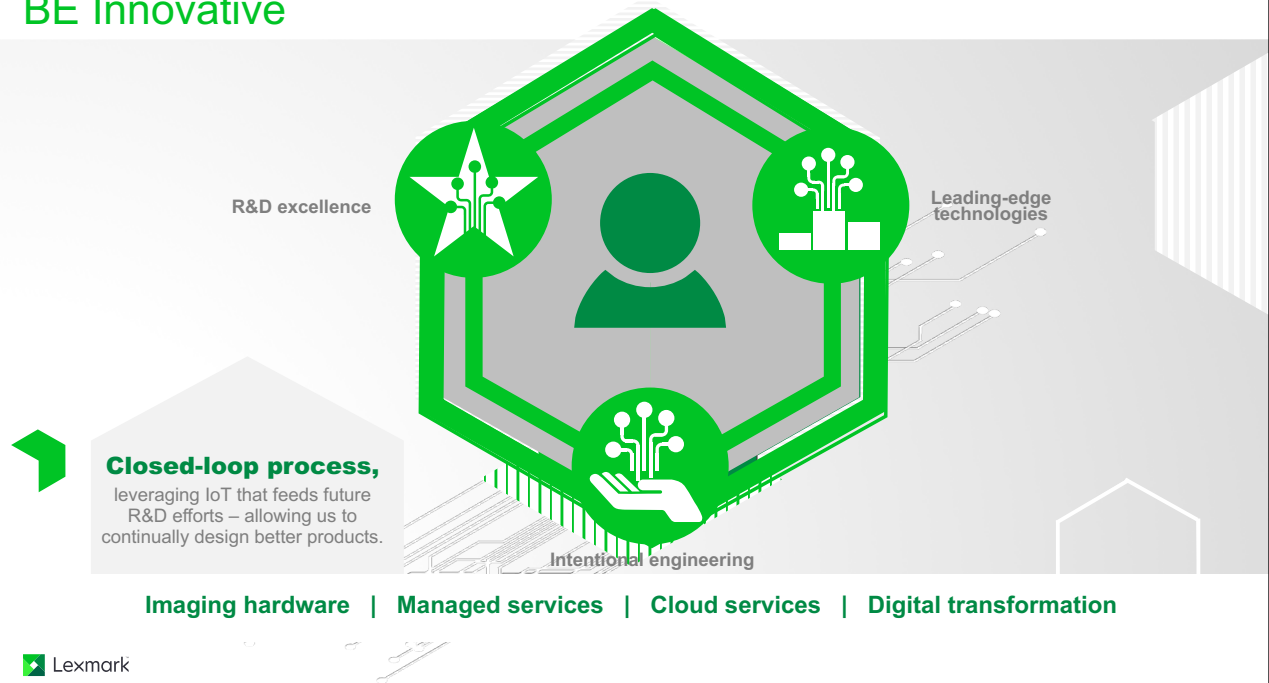
The Answer: Full-Spectrum Security



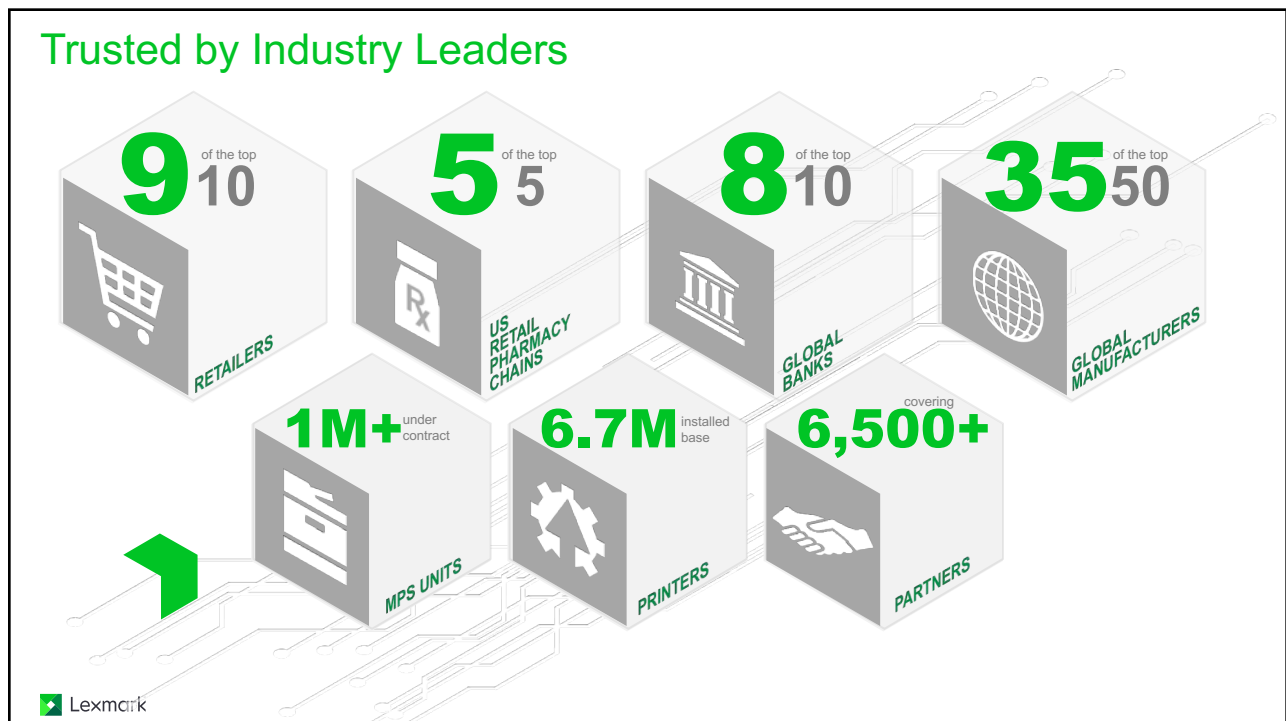
BE Technology-driven



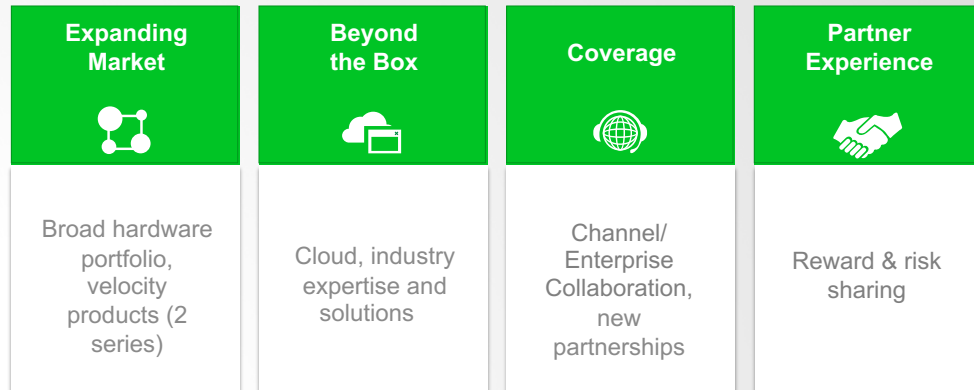
BE Innovative



Trusted by Industry Leaders



2019 Priorities

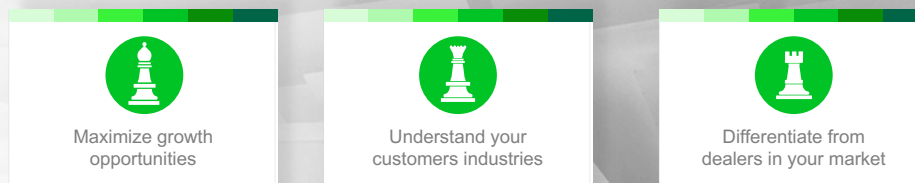


Accelerate >>>
>>> **Success**



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Let's Build a Strategy





Lexmark security spectrum

Complete security throughout and around the device and document

Control Panel

Users can exploit device settings and functions

- Role based authentication
- System integration

Hard Disk Protections

Printers store sensitive information that can be a risk

- Hard Disk Overwrite and Encryption
- Out of Service Wiping

BIOS and firmware

Compromised firmware can open a device and network to attack

- Secure Boot
- Continuous Verification
- Signed & Encrypted Firmware



Document Capture

Unsecured MFPs can be used to send scans anywhere

- Function Access Control
- SIEM Integration
- Document Content Monitoring

Secure Output

Abandoned documents can fall into the wrong hands

- Lexmark Print Management
- Confidential Print
- Document Content Monitoring

Mobile Printing

BYOD Policies may impact the security of your IT network

- Secure IPP
- Lexmark Mobile Print

Ports & Protocols

Unsecured ports (USB or network) or protocols (FTP) put devices at risk

- Secure network connections
- TCP / IP restrictions

