

# A Maze of Opportunities

## Dealers share their strategies for 2023

Compiled by: Brent Hoskins, Office Technology Magazine

**W**hat do you believe will be the greatest opportunities for office technology dealers in 2023? What do you believe will be the best strategies for success in pursuing those opportunities? Recently, Office Technology magazine asked these questions of dealers in an email survey. Following are a number of the responses received. Perhaps comments shared by your fellow dealers will provide some guidance to help you in the year ahead.



**Opportunities:** I believe we will continue to see a movement away from traditional A3s, especially when more manufacturers will be adding A3-like features to their A4 lines. The hardware revenue will continue to diminish and the managed print services (MPS) value will be more commoditized. So, the software/workflow/add-ons to A3 and more robust A4s will be leading our charge to shifting revenue that will keep the lights on for my company and, I expect, most BTA dealerships.

**Strategies:** Utilization of the resources of several of the manufacturers to support the solutions resources required. Several of the manufacturers have staff members who will help in presale, installation and ongoing support that allow the dealer to bill the customer, maintain some margin and then pay the support charges to the manufacturer. This is one of the best programs I see that is forward-thinking (moving to annuity services) when it is getting more difficult to maintain previous margins in MPS. It also can provide the transition from traditional techs to solutions techs without having to go through a lengthy training schedule before receiving any revenue.

*Ray Foster, director of sales  
Verity Group, Richardson, Texas*

**Opportunities:** Managed IT services represents a very strong opportunity for office technology dealers in 2023. First, it is a service that every business needs and, second,

those of us who have been in this industry for a while continue to watch the decline in print. And even though MPS is a strong business practice within print and it is an integral part of our industry, if the print portion of the industry continues in decline, MPS alone may not be enough to sustain dealerships.

With the COVID-19 pandemic changing the way so many of us had to conduct [our businesses], we have seen some dealers looking to sell copier/MFPs and printers through e-commerce channels, especially when in-person business was at a minimum. But, without the service contracts to accompany those sales, the transactions themselves are unlikely to be strong enough for a sustainable business model.

We have found great success with managed services as one of our offerings. And it fits nicely into the hybrid work model as well, because business owners saw the value in investing in infrastructure for their remote or hybrid models.

Overall, the best opportunity for dealers in the copier/MFP/printer dealership model is to expand with managed services. There are other areas as well, including video walls, security cameras and systems, other communications devices such as smartphones, and office products. But expansions into other areas should complement the dealership's existing model and dealers should be sure they have the team and the infrastructure to support the expansion. With managed services, for example, there can be some overlap in the roles of a company's technicians.

New and additional technologies will be the wave of the future in our industry.

**Strategies:** Salesforce education and training is a key way to pursue new opportunities. We invest a lot of time and resources in both internal and external (working with outside trainers) training for our team. We have to train our sales teams to understand the "big picture" of business and not to leave opportunities on the table. That comes with a thorough understanding of how the different parts

of a business plan fit together — and, even more importantly, understanding customers' needs and being able to offer the solutions to make them think of your dealership as a "one-stop shop."

*Chip Miceli, CEO*

*Pulse Technology, Schaumburg, Illinois*

**Opportunities:** IT is an obvious choice that we are fully engaged in and have been since the 1980s, believe it or not.

For Plus Inc., we see numerous other opportunities. We are aggressively pursuing wide format, production machines and A4 printers. We partnered with Canon on wide format about one-and-a-half years ago and really went out and started selling it in 2022. We have been in the production business for many years with Konica Minolta and, for 2022, added Ricoh to the lineup for production. We have been a Konica Minolta and Ricoh dealership for many years but only added the production part to our offering in 2022. On the A4 side, it is all guns blazing. Most companies have printers and desktop MFPs everywhere. There is a huge opportunity for dealers in the A4 space and a lot of aftermarket revenue that is awesome.

**Strategies:** Investment! For wide format and production, you have got to have the devices in a showroom for demos. We have four wide-format models, and we have a full-blown Konica color production system and a Ricoh color production system on our showroom floor. For A4 you need to stock machines. This product is typically viewed as an "I need it today" product. So, have inventory.

Also, we focus 100% on Konica and Ricoh A4. While each manufacturer has a few holes in its offering, they complement each other and our offering between the two lines covers every opportunity we run into. Focusing on these manufacturers also gives us a lot better stickiness on the aftermarket and service.

IT is the same thing. You have to invest in it and offer the recurring revenue in monthly contracts, Microsoft 365, off-site backup, remote access software, antivirus, firewalls, etc. We also sell lots of desktops and laptops. We try and be a one-source provider.

Now, all of this said, you really have to be dedicated to the offerings and invest in them fully. Do not play around or dabble in them or you won't make anything — period.

*David Carson, president*

*Plus Inc., Greenville, South Carolina*

**Opportunities:** Software integration with hardware in the form of applications like Xerox ConnectKey will be essential for all businesses. Giving each device easy access to all

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files will give more resources to employees, thus allowing for more printing.

Another important product will be improving IT support for customers, as many are not getting the support they need from larger IT companies.

**Strategies:** Dealer feedback and requests to the direct market are very important. If we do not come together and ask for what the market needs, Ricoh, Canon, Xerox, etc., will continue to move

forward with what they believe are the next best things.

*Ian Nash, vice president of technology*

*A.F. Smith Trading Co. Ltd., Hamilton, Bermuda*

**Opportunities:** There is no question about the enormous opportunity the world of IT has, which is right in our laps as business-to-business marketing companies. The industry publications have been full of this talk for some time now. Many BTA dealers have adopted this strategy and many others still do not desire to enter the IT market, which is fine. In my opinion, it also depends on where your dealership is geographically. I do think that whether or not you adopt or enter the IT field, you must find ways to wrap recurring services into your marketing model any way you can to ensure a growing services model. Hardware is hardware and we all have loved and enjoyed this — and, God willing, we all can continue to enjoy hardware. Strengthening your business with recurring revenue has staying power though — more than simply hardware sales.

**Strategies:** There are still ways for the dealer to increase services even without entering the IT field. I think wrapping services within your leasing program is one way. For example, for any add-on solution to your MFP, you can add a services component like a warranty, which you, the dealer, would parcel out of the monthly amount as a recurring service. That is just one example. For several years now we have been adding a nice service component to all of our phone sales so we have service coming from a product that most manufacturers do not even have a service component for. The bottom line is we all need to find ways to be creative in positioning our add-on services. This also makes our services and existence much more sticky than without any services.

*Mark Watson, president*

*CDS Office Technologies, Springfield, Illinois*

**Opportunities:** I am extremely bullish on managed network services (MNS). The math is simple. In markets like mine here in Phoenix, Arizona, there is more money being spent by small to mid-market companies on MNS

contracts than office equipment contracts. For example, a small business with 50 employees may have a handful of printers and MFPs, paying us \$1,500 a month in service, but an MNS deal in that same company could net anywhere from \$6,000 to \$10,000 a month depending on the MNS package and services it requires.

**Strategies:** I still believe it is about building a good story for your reps to use about your services, why you are different and sharing current-client experiences with prospective clients. I do not currently see a shortcut to hitting the streets and finding the opportunities.

*Chad Schwartz, president, owner & founder  
Imagine Technology Group, Chandler, Arizona*

**Opportunities:** I believe the greatest opportunities in 2023 will be in the IT space, with a high emphasis on cybersecurity. I also believe that we will be able to achieve monumental goals in the MPS arena. I would expect the supply chain to be almost back to normal and that should provide a great opportunity to upgrade all of our current customers and those of our competitors. At Donnellon McCarthy Enterprises, we have plans in place for a prosperous 2023 that each division has been working on.

**Strategies:** We will invest in our sales teams in 2023 with training and development geared toward IT services, cybersecurity and managed print. Take care of your customers and prospects and it will be a great 2023. Ensure that we nurture the relationships we have and that will open doors for us to deliver powerful solutions that meet the demands that we will face in 2023. We will continue to invest in our company and all associates.

*Jim George, president  
Donnellon McCarthy Enterprises, Cincinnati, Ohio*

**Opportunities:** We still believe there is a big upside in managed print. I know it is cliché, but our base still has a great opportunity for cross-sell with MPS. We think we have captured 100% of printed pages in less than half of our customer base. We need to increase the cross-sell from our account managers.

**Strategies:** Our strategy has not necessarily changed in the past couple of years. Last year was our most successful year in MPS. For Applied, it has been successful to run additional incentives and we plan to double down in the upcoming year. In addition to that, a recent partnership with Intermedia is showing early signs of big growth. It has been a great partner that really seems to understand our channel.

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We are excited to see where the new year takes us.

*Casey Lowery, COO  
Applied Innovation  
Grand Rapids, Michigan*

**Opportunities:** I believe that managed services will be our number-one growth opportunity in 2023. We have looked long and far to put the right person in charge of our IT department. We

have been adding new and current customers to our recurring revenue stream. With the end of support coming for Windows 10, there will be vast opportunity to supply current and supported machines for the next generation of Windows to those with aging machines and services, along with offering support for greater security and backup when these changes take place.

**Strategies:** We are counting on being the provider that offers solutions proactively rather than reactively, along with providing a constant flow of information and resources online to be an authority in our area for solutions. We must assure our customers that they are investing with the right company for their futures — one that can not only provide a solution, but can resolve concerns in all areas of IT, digital communications, printing, scanning and faxing.

*Jeff Eaves, president  
Appalachia Business Communications of Kingsport Inc.  
Gray, Tennessee*

**Opportunities:** In speaking with other business leaders, many of them think there has been a noticeable drop in customer service quality across the board in our day-to-day business and personal lives these last few years. Whether you are trying to get some repairs scheduled around your home, shopping at a convenience store or sitting on hold with an individual at a call center trying to correct an issue, having a customer service experience we would consider excellent is not as common as it used to be. There may be many reasons for this — staffing shortages, lack of customer-service training, supply-chain issues, etc. However, when companies in any industry are still able to offer that top-notch experience, accomplishing what they promise the customer and acting as that trusted partner, there is still great potential for company growth.

For the traditional office equipment segment of our business, we know clicks are dropping. We see it in our own existing customer base and, of course, read and hear about that drop throughout the industry's resources. That said, with so much industry consolidation and the perceived drop in customer service, there is still an opportunity for

those dealers who excel at service to continue to grow their traditional customer bases. Wisconsin Document Imaging (WDI) is taking full advantage of that opportunity right now with our experienced team, fast response times and world-class technology offerings.

**Strategies:** For WDI, our strategy is to continue to gain market share in our traditional office equipment offerings while we grow our offerings in the areas of managed IT, VoIP and software solutions. This is nothing new in 2023 versus what we had planned in 2022 coming out of the COVID-19 pandemic, and the strategy has been extremely successful for us in 2021 and 2022.

We continue to expand our role as a trusted technology partner by offering managed IT and VoIP services to our traditional customer base. Our customers have relied on us to take technology headaches off of their plates, improve workflows and keep their information secure. Offering document management solutions and managed IT is simply an extension of the services we have traditionally offered, and we are finding our customers love having one vendor to work with across these areas. In the areas of managed IT and VoIP, our focus has been on partnering with companies for solutions that our customers can trust. Working with an organization like TAG [Technology Assurance Group] has helped us a great deal in vetting solution partners that our customers can leverage, which saves our team time.

Finally, and most important, as always: To be successful in any segment of our business, we need a quality team to get the job done. If you are not focused on keeping your team engaged, working together and providing a great customer experience from one employee to another, odds are other areas of the company will not be executing like you want. So in 2023, more than ever, we are going to keep team members top of mind in every decision WDI makes. We have had great success in recruitment and retention at WDI the last several years and, without question, having that high-quality team with minimal turnover is the driving force behind our strong growth.

*Cory Spice, president  
Wisconsin Document Imaging, Green Bay, Wisconsin*

**Opportunities:** Being able to obtain A4 products will be key in 2023. There is pent-up energy for these products and so many back orders. It will be nice to be able to fill orders consistently.

Also, great customer service in general will separate the ordinary dealers from the exceptional. Think about the interactions you have on a daily basis. Most are totally lacking in empathy, real solutions for the customer or any honest

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feedback. Dealers who can continue to provide local support, billing, service and quick, honest solutions will exceed all expectations in 2023.

**Strategies:** Hiring to fill voids in sales and service teams — but hiring for quality, not just placeholders. Finding individuals who want to succeed and be advocates for customers while generating new business will make all the difference at the end of 2023.

People are tired of people. Just look around. This climate of complacency has permeated every aspect of our lives. The time is now to step up and provide exceptional customer service before, during and after every sale. There is no magic formula; just common-sense solutions in a timely manner.

*Brian Bence, executive director of sales  
Shenandoah Valley Office Equipment (SVOE)  
Verona, Virginia*

**Opportunities:** The greatest opportunity we see is network security. There are opportunities to harden printers and copiers and assess any vulnerabilities. In addition, network security — including penetration testing, security awareness testing and training — and managed networks will continue to have a lot of growth opportunities. Products like VoIP and electronic workflow will also continue to be important to our customers.

**Strategies:** First, make sure the sales team is educated on the products. Having an SME [subject-matter expert] for each area is also very helpful. Maintain a clear and focused strategy of using the current customer list, make sure you have each end date for every contract that would be relevant and then understand the needs of the customer for each subject area. Finally, it is important that everyone who has involvement has both a quota for each product, as well as financial incentive for success.

*Dawn Abbuhl, president  
Repeat Business Systems, Albany, New York*

**Opportunities:** I can provide you with the usual answers: IT services, wide format and A4 placements, but these have become givens in our industry, repeated year after year in answer to these questions. Important things that we can focus on to increase the bottom line are more intangible than products, but are equally important. We will always have our core products — print devices. How we bring them to market and how we operate our businesses are what I think we need to focus on.

There are two ways to increase the bottom line: increase sales and, hopefully, gross profit, and/or reduce costs.

Often, companies think adding sales at all costs will achieve this, but there is a point of diminishing returns where it costs more to add on incremental business than the revenue it brings in. As a small dealer in a very mature and very saturated market — and with every manufacturer having direct sales in our territory — we find many challenges beyond what products we bring to market. Serving our customers by maintaining the best possible service in all aspects of our business is very important.

**Strategies:** Sales reps must build strong relationships, which is becoming more difficult as the workforce changes. Being aware of upcoming personnel changes and building new relationships is equally important as nurturing current ones. Two of our guiding tenets are: never burn bridges and never go over the purchaser's head.

The interruption of product supply required nimble actions. Finding a solid source of previously used — but pristine — equipment became paramount in being able to supply our customers. We were fortunate in having leasing company relationships that funded these types of sales or funded the deals knowing we were going to replace the ones we temporarily put out with new products as they became available.

Base allotments are still paramount. It was what got us through the turmoil of the COVID-19 pandemic. Reps need to be open to helping customers restructure leases and CPC rates rather than holding them hostage to their current contracts. Trying to urge the customer into terming early and buying new equipment is paramount to a sales rep, but can backfire. By alerting reps in advance to possible issues such as customers continuously and vastly making fewer prints than base allotments, we can proactively respond to our customers' situations.

Bundling off-lease A4s and making sure those devices are online to be monitored have been helpful techniques to fill the gap for work-at-home employees. Many of our customers have lost track of their leased A4s when employees take them home. We lose track of their prints. It can be very costly to a customer that cannot find its devices when it is time to return them to the leasing company. For very good customers, we will offer to negotiate with the leasing company for a like-for-like exchange on lost equipment. But by keeping them online, we keep track of equipment and meter reads.

Marketing has changed drastically. The easiest canvass is visiting a customer in a high rise, then going door to door — at least it used to be. Now reps are met with empty floors or one or two employees in each office. Identifying the markets that continue to do well is important. This is easier said

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than done, but reps must be encouraged to look for these opportunities.

As an example, keeping an eye on local real-estate markets shows that the lease and sales price per square foot of warehouse, assembly manufacturing and industrial building spaces are outpacing those of office spaces. Identifying the types of markets that use these types of buildings is the first step in reestablishing new customers and vertical markets.

I try to keep track of all economic forces and analyze their effect on our industry. For instance, many of our major customers are leaving California. Knowing what our customers' future plans are can help us plan our own. Conversely, exacerbating this emigration effect is the influx of out-of-state, large and megadealerships coming into California. We are now also losing customers to the competition of these immigrating dealerships. It is no secret they somehow manage to sell devices to our customers below our costs. But not only do they erode our customer base, they also erode the pool of potential employees.

Probably our biggest challenge is finding salespeople. I have heard this repeatedly from many dealers. We are dealing with new generations of workers who have different values and motivations. Add to that the vaster resources of large companies and we find it difficult to compete for qualified employees.

*Gilbert Gastelum, vice president of managed services  
Coast to Coast Business Equipment, Irvine, California*

**Opportunities:** For TDSiT, we have to stay focused on print with bigger, stronger A4 units and A3 inkjets. We must still dominate this conversation with current clients, as well as find an e-commerce solution for larger clients. I do not want to offer e-commerce carte blanche initially until we have mastered it with our focused accounts. We will continue to grow the IT side via TAG [Technology Assurance Group] strategies ... My big messaging to our clients and non-clients is that TDSiT is not your grandpa's copier company. That message seems to resonate when I share with them [our strategic resources] guide.

**Strategies:** I think it is as simple as me, the owner, and my top leaders going into our current clients and sharing our vision of what TDSiT can do for them.

*Tim Stanley, founder & owner  
TDSiT, Lowell, Arkansas* ■

*Brent Hoskins, executive director of the  
Business Technology Association, is editor  
of Office Technology magazine. He can be  
reached at (816) 303-4040 or brent@bta.org.*

