

Conquering New Heights

Dealers share opportunities & strategies for 2024

Compiled by: Brent Hoskins, Office Technology Magazine

What do you believe will be the greatest opportunities for office technology dealers in 2024? 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: The most sought-after products with me would be cloud solutions and security moving forward. Making someone's job easier while improving security is not an easy task. Partnering with your vendors and having an IT company in place — either in house or as a third-party partner — would be ideal to ensure that your customers are benefiting from your services and market knowledge. We are pushing everything to the cloud as our market has seen this as the most important area to concentrate on in Bermuda.

Strategies: KPIs. You need to set a standard at the beginning of the year and follow through with it either monthly or quarterly. I have failed to do this in some instances in the past, but have doubled down on this approach as our company has recently grown and the added team members need to be held accountable.

*Ian Nash, vice president of technology
A.F. Smith Trading Co. Ltd., Hamilton, Bermuda*

Opportunities: If you are just talking about 2024, it will still be imaging due to the opportunities to acquire new customers because of multiple vendors failing in the market. For new products, document imaging and process automation are now well established with the market and are due to grow fivefold in the coming years.

Strategies: For taking the [vendors'] customers: Dealers need hunters to attack these vulnerable customers. It's

getting tougher and tougher to find hunters. For process automation, dealers need to invest in SMEs and dedicate resources to instill confidence in their reps and their customers. Dealers have to be patient, as the sales cycle is longer than with imaging. The rewards are proven and profitable.

*Nick Lioce, president
The Lioce Group, Huntsville, Alabama*

Opportunities: We probably all agree that MFDs are our bread-and-butter products, but if we are to continue to grow, I think it's important to embrace other products to help us grow wide and deep inside of our customers' organizations. One opportunity I believe that will grow rapidly in the next few years is audiovisual. With the price of monitors and broadcasting software becoming more affordable, I believe this is a market that will provide greater opportunity while still averaging decent profit levels.

Another product and service I believe will continue to grow is security. Being able to offer cameras and door access control devices will provide immediate opportunities for dealers who wish to grow deeper in their customers' businesses. Any chance you have to grow the number of your product offerings within a customer's business makes it less likely that a competitor will displace you.

Strategies: I believe it's time we go back to the tried-and-true process of face-to-face cold calling. For years we required our sales representatives to make a certain number of face-to-face calls, as well as telemarketing calls. During COVID we had to rethink our plan and scramble to find alternate ways of prospecting. I believe it's time we go back to requiring a minimum number of face-to-face cold calls. At the very least, it gives us the opportunity to collect information that we can then use to turn our daily phone calls into warm calls.

*Tim King, executive vice president of sales
Offix LC, Gainesville, Virginia*

Opportunities: My opinion is that professional A/V products like Zoom/Teams Rooms are products we should diversify into.

Strategies: Partner with a company like Sharp for boards and companies like Wesco for all of the other products. Then, find a local office furniture installer that dabbles in pro A/V and partner with them for design and install.

*Dan Strull, founder & CEO
Goodsuite, Woodland Hills, California*

Opportunities: Network security and physical security (cameras, video systems, etc. As an example: www.verkada.com).

Strategies: New hires with little or no history with the imaging business. Separate divisions with some cross-selling to current clients.

*Mark Van Den Hoek, owner
The Office Advantage, Mitchell, South Dakota*

Opportunities: Managed network services (MNS).

Strategies: Utilizing your current office equipment sales staff members to set meetings for the IT sales lead in a collaborative effort.

*Pat Pithan, director of sales & consulting
Document Solutions, Urbandale, Iowa*

Opportunities: If your only focus is on printers and copiers, then you have to focus on winning new business from competitors with print volume going down. For us, we are working hard at growing our IT network services business. We just added phones and they have been a great success. We also have pushed a big focus on production print and wide format. Don't let anyone tell you that less-than-\$7-million dealerships can't be in these arenas, but also know that we have a huge focus on growing past \$10 million in annual revenue. Change is inevitable. I watched the typewriter world that dominated our industry for years completely go away and many companies die with it. We choose to adapt to the new products and stay alive.

Strategies: The one thing we have learned is you can't play in IT, phones or production. You have to invest and hire good people and have plenty of planning and preparation. For example, we just started selling phones in June and have already closed orders on 12 customers. Over the years, we have learned that these three areas we are focusing on have tremendous opportunity, but you have to have great, dedicated people. You must invest up front for success in these and be all in. In today's world you must be great at

"Security and tracking related to our A3 and A4 products also appears to be another area to create value within many accounts."

any products or services you offer, otherwise don't do it.

*David Carson, president
Plus Inc., Greenville, South Carolina*

Opportunities: Printers, interactive boards and computers.

Strategies: Finding good salespeople to convert our customers and include the products and services needed for them.

*Brent Martin, vice president
Allfax Specialties Inc., St. Rose, Louisiana*

Opportunities: Automation through AI is the greatest opportunity for dealers in 2024.

Strategies: Creating useful AI tools that can be shown to your clients so they can begin to understand its [AI's] usages.

*Tim Ducat, sales manager
Smart Technologies of Florida, Daytona Beach, Florida*

Opportunities: As office technology dealers decide on solutions that will provide for revenue, market share and profitability growth, I believe that it is not a "one-size-fits-all" answer. Many dealers still seek to grow organically while acquisitions continue to take place. One thing that appears to be common is that most dealers continue to seek ways to diversify their solutions portfolios.

Many of us continue to focus mainly on A3 and A4 devices in the field. As many of our clients continue to migrate to the cloud, there are nice opportunities within hardware solutions to create added value. Scanning to OneDrive and SharePoint appears to be a hot-button topic. All major manufacturers have embedded solutions that can address those growing workflow applications. These solutions create additional revenue opportunities, but also can make you "stickier" within an account.

Security and tracking related to our A3 and A4 products also appears to be another area to create value within many accounts. We all offer a variety of manufacturers, but leveraging output management software solutions like PaperCut, uniFLOW, MyQ, etc., can reinforce the value we are seeking to create with hardware. As hardware costs continue to rise, we need to continue to offset that by being able to effectively position value-added solutions.

For those dealerships that were traditionally hardware driven, there is certainly ongoing opportunity with managed print services and aftermarket supplies.

For those dealerships that have the bandwidth to provide effective services, graphics and production print are certainly attractive. Any opportunity to convert monochrome clicks to

2024 Opportunities and Strategies

AI-powered IT support will take remote services to a new level.



24%

of AI-powered DX solutions lead with document classification and workflow.

Hybrid working levels will stabilize at an average of 2.4 days at home per week.



IT is the place to **retain** customers and **expand** wallet share.

40%

of the channel is already estimated to be billing for scan.

Source: Keypoint Intelligence Workplace Group Research

“At its core, I believe in two simple things: ongoing training for personal development and reinforcement of those activities that drive sales opportunity creation.”

color clicks can yield enhanced service/supply revenues.

Most of us within this fine network of companies have longevity within the markets we serve. Whatever products and services offered, I believe the stron-

gest opportunities can be found right within your existing base. There is incredible power with leveraging existing business relationships and trust in the field. Many dealers have successfully taken on managed IT services and VoIP. Others have taken on postage and surveillance. These solutions provide existing clients added value and ongoing opportunities to streamline multiple solutions with fewer vendors. The key to success within any diversification strategy is making sure each (outsourced) vendor partnership that is formed is a good fit for your organization.

In addition to all the stuff mentioned above, many of us offer scanners, wide format, finishing equipment and visual displays.

Again, deciding what products to offer is not a one-size-fits-all mentality. If it can make you money and can create value for your clients without risking those business relationships, go for it!

Strategies: Much of this answer is tied into the above response. As mentioned, focus on reinforcing those existing relationships by offering value-added solutions.

If seeking an organic growth strategy, there are many ways to make it happen, but it isn't easy. We are all challenged today with filling sales territories and keeping people. Many tenured folks are set in their ways. I remember the days when prospecting appeared to be a “no-brainer.” For many of us, the advancements in technology might be outpacing sales rep knowledge and skill.

We all expect different results depending on the individual, the assignment or territory. At its core, I believe in two simple things: ongoing training for personal development and reinforcement of those activities that drive sales opportunity creation.

■ **Training (can be product training or sales training)** — We get so caught up in hitting the monthly number that there remains opportunity to further develop our people (regardless of tenure).

■ **Strategies need to be deployed that focus on client interaction and growing prospects.** If you focus mainly on existing clients, are you holding your people accountable for account reviews? If it's a newer territory, are you consistently

monitoring field activity, networking efforts, first in meetings, etc.?

Like I mentioned above, strategies for success in a region are not going to be a one size fits all. Time and territory management is different in a city territory as compared to a rural area. I have found that applying many of the above solutions offerings within a vertical-market strategy has worked well.

For example, focusing on a handful of industries works well for many and creates consistency in sales efforts. We tend to do well in education, legal, non-profit, health care, manufacturing and print for pay. Sharing success stories within these vertical markets helps other sales reps learn and creates references to leverage for future opportunities.

It's a competitive market out there. Regardless of your products and solutions, I think it still comes down to building relationships and outworking the person next to you.

*David Aulisio, vice president of business development
Automated Business Solutions, Warwick, Rhode Island*

Opportunities: The continued rise of product diversification among office technology dealers should remain strong. Managed IT/managed services are the obvious number-one choices here for dealers to add to their offerings. With many partners to choose from and an MFP base to sell into, this is now easier to launch. VoIP systems are another way to gain wallet share with your existing customers. Again, with many vendors to choose from, it is easy to find a partner that will fit your needs. There are many other options. Physical security and electric vehicle (EV) charging stations look promising for our channel as well.

Strategies: I feel 2024 could be a year where the wheat is separated from the chaff. If there is good news from the economy and politics, both in the United States and internationally, the dealerships that are poised to take advantage of growing consumer confidence will prosper. Fully staffed, aggressive sales teams with proper administration support and a stable of amazing products should be able to make 2024 a banner year. All of us can analyze, budget and plan, but it means nothing if you do not have good people executing. Anything you can do to attract and retain talent is vital. Similar to what I have said previously, a fully staffed sales and admin department will be key. Budgeting to have the funds in place to compete for the best people in a tough hiring market is imperative. Continuous training for all staff members — but especially tech staff members — will aid in retention. Perhaps an increase in camaraderie-building activities for the entire staff to build the “team” mindset, like a food truck

“Regardless of your products and solutions, I think it still comes down to building relationships and outworking the person next to you.”

day or a day of giving with local charities, should be added to the calendar as well.

*Erik Crane, president & CEO
CPI Technologies
Springfield, Missouri*

Opportunities: Generally, production print and managed services (VoIP/UCaaS [unified communications as a service], MNS and anything else XaaS [anything as a service]) seem to be high-

growth areas that are worth investing in. Production print is a growing market that is a relatively easy category to enter for traditional dealers. Entering the MSP space is a little more complicated, but the upside is substantial when you consider the margins and annuity-type recurring revenues.

Strategies: For production print, I think a dealership needs to commit to the category by securing the resources it requires to be successful. This would include production sales specialists, analysts and service engineers. Of course, the manufacturer you partner with and its resources will also play a critical role in a dealer's success.

The same is true for managed services. You have to invest — both time and money — to grow. If you choose to enter this space, you will have a seemingly never-ending set of products and services to consider (again, XaaS is best). Key components to entering this space would include a consulting firm or someone to help guide you through the process, acquiring talent, establishing a tech stack and industry partners to support it, and investing your time in the effort. Dealers are well positioned to enter this space because they already have a phenomenal customer list to work with and, typically, know the companies that would benefit from MSP services. Dealers shouldn't rule out an acquisition as a starting point to enter this space. If an acquisition comes with a leader and some talented staff members, it could really catapult you into the business. However, acquisitions in the space are hard to come by and expensive (four times to seven times net income).

*Paul McKinney, CFO & COO
Eakes Office Solutions, Grand Island, Nebraska*

Opportunities: If a dealer is ready for production, then that is a great path to grow images.

Strategies: We are heading into those waters [production] with the Iridesse Sharp/Fujifilm engine. To effectively do production engines and not get into a price war of failure, you must at least offer other services for gathering the files via a storefront tool and then offer workflow solutions, too.

The print is out there and dealers cannot just sit back and

wait for clients to walk in the door.

At the same time, I think I expanded or tried to expand into too many solutions. We will be dialing back on some of them in order to get As on all versus Bs on many.

I want us to still go down the MSP path, but try to max out fewer of the imaging manufacturers' programs. We must keep simplifying imaging for maximum profits and to be able to expand on MSP services.

*Tim Stanley, CEO, owner & problem solver
TDSiT, Lowell, Arkansas*

Opportunities: I think the market for A4s will continue to grow in 2024 because of their lower initial cost and improved CPC.

Strategies: E-commerce will play a key role in increasing A4 sales. A focus on core products will also be a key to success in 2024.

*Dan Detrick, vice president
CopyLady Inc., Fort Myers, Florida*

Opportunities: I think that far too often we overcomplicate

"In order to expand offerings and diversify, dealers need to ... invest in the offering to build out the necessary infrastructure before the sales ever exist."

this product offering conversation as an industry. The approach we've taken is two-fold: What are we good at? What do our customers need? When answering the first of those questions, we are good at delivering high-quality service through deep and lasting relationships with our customers.

Strategies: In order to expand offerings and diversify, dealers need to be willing to invest in the offering to build out the necessary infrastructure before

the sales ever exist. More importantly, if it is a nonimaging offering, don't approach it like the copier business, especially on the IT side of the house. The selling is different, the servicing is different; there really isn't the overlap that has been broadly assumed. The key is to understand that the primary overlap is the relationship with the customer and delivering high-quality service. Otherwise, they are different businesses and should be approached as such.

*AJ Baggott, president
RJ Young Co., Nashville, Tennessee ■*

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