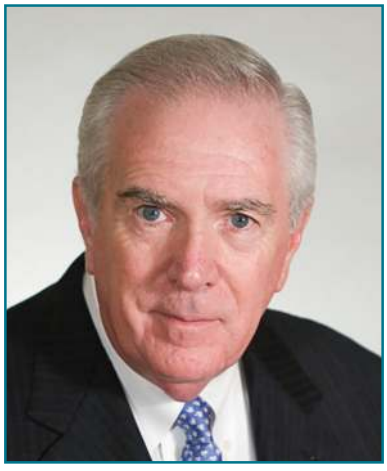
Q&A: Ed McLaughlin

Industry maven comments on DCA, advises dealers

Compiled by: Brent Hoskins, Office Technology Magazine



Recently, Office Technology magazine interviewed Ed McLaughlin, co-founder of Predictive InSight, a data mining and predictive analytics company serving the print industry. McLaughlin, along with Shawn Cashmark, co-founded the company as the exclusive North American distributor of the EKM Insight DCA.

McLaughlin has more than 50 years of executive and management experience in the office technology industry. After service in the U.S. Air Force, he began his career with Sperry Rand Corp. He later held many sales, management and executive positions with such companies as 3M, Canon and Ricoh. He concluded his corporate experience as president of Sharp Electronics Corp.

Below are four of the questions asked of McLaughlin and his responses.

OT: Tell us about the history of Predictive InSight in terms of when and why it was established, and what led to your partnership with Shawn Cashmark.

McLaughlin: At the time I became familiar with EKM Insight, I was an advisor to NEXERA; we were looking for different technologies that would be complimentary to improve and offer more value for the company. I was looking at Insight and contacted [EKM Global Co-Founder] Colin Bosher in the United Kingdom. I had heard EKM had an interesting DCA. In that conversation, it became obvious that this DCA was built differently than any others. It was built on a different framework with a different purpose in mind.

Back in 2000, Colin and [EKM Global Managing Director] Ian McRae were consultants to some of the more enterprise-level organizations in the U.K., such as the BBC, Deloitte & Touche and United Rail, just to name a few. At the time, they were managing IT assets and they wanted to manage print in the same way. They wanted to monitor consumables and things of that nature and started putting a framework in place to manage their accounts. They started writing code and, in order to do the analytics, they started taking the meter readings and reading the MIBs. They used the meter readings to help them do the analytics. This is the complete opposite of how other DCAs were created, and they built it on an enterprise framework. They built it on Java because they didn't want to run into the problems of Microsoft upgrades. They just felt it was a more stable enterprise platform to build on.

As it turns out, that was a good decision. They did not build the DCA to do meter readings. They built the DCA to manage and get more out of the account; to be able to manage the account with fewer people. They wanted to automate the process as much as possible. Then they realized that they had developed a better DCA. At the time, back in 2000, DCAs started coming out to do meter readings. People were focused on the meter reading aspect because it was such a nightmare in the industry. They solved a big problem, but they didn't manage the account. They weren't built that way. That isn't what people were looking for at the time.

After I left Sharp, I was becoming quite fixated on things like predictive maintenance and ways to automate the processes in the industry. I felt that if we didn't get our arms around becoming more automated, we were going to run into a brick wall because we were a little bit too stodgy in the way that we approached things. Quite frankly, in my research, the thing that impressed me the most was EKM Insight.

My first quest was to try to acquire EKM, but the ownership was a mix of individuals and companies, and it was too complicated to buy or even to buy into. In various conversations with Colin, I started exploring the idea

of distributing it in the United States, and he said: "I do have a distributor, but he doesn't have an exclusive." After about three weeks of dialog with Colin, I asked him about the U.S. distributor: "Who is this guy?"

As it turns out, it was Shawn Cashmark. Meanwhile, Shawn had heard that Colin was talking to somebody else about distributing in the United States. He asked Colin if he would identify the person. He replied: "It's this guy named Ed McLaughlin." Shawn replied: "Ed McLaughlin. I know Ed. In fact, I've worked for Ed. I'm fine with that." Colin called me and suggested setting up a call with Shawn. I said, "No, let's get him on the phone right now." It was like a Zoom meeting. That was on a Friday afternoon. By Monday morning we had established Predictive InSight.

We started on June 15, 2020. Today, we have more than 1 million printers in the queue to be assimilated into the system. We don't have all of them up and running right now, but they are committed to come on board. As you can imagine, when someone changes their DCA, they don't necessarily change the whole fleet in one fell swoop. Some will take a short period of time, and some will take as long as a year to assimilate everything into the system.

OT: One key aspect of the DCA is that it is "self-healing." Tell us about that and its significance.

McLaughlin: A primary complaint I hear from dealers is that DCAs just fall off and have to be reinstalled. We actually talked to a dealer about eight months ago who had four technicians he launched every Monday to go reinstall DCAs. I thought: "Oh my gosh; the cost of doing that." The dealer had four full-time employees hired to go out and fix something that was supposed to help support the dealership.

The self-healing feature came about as the result of one EKM developer who likes to go off on his own and solve problems. We do a product planning review two times a month. We review where everything is, what we've seen and what problems we've incurred. We then plan how to solve those problems. [Regarding the issue of a DCA needing to be reinstalled] the developer said: "I wonder if I could get this thing to fix itself." Lo and behold, we now have the self-healing DCA. What it does is analyze itself. First of all, there's a lot of intelligence built into this DCA, a lot of analytics going on and a lot of algorithms. It analyzes its own activity. If it senses that there is any corruption at all, it backs itself up to the last known legitimate database and restarts itself.

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It's off and running and is indistinguishable to anybody. The data goes back to EKM and they can look at it and say, "This is because of this or that." They can then send a patch to the server and wait for the DCA to reconnect and then make any patches to it that need to be done; it's all seamless. Previously, we rarely lost the DCA, but since we launched the self-healing DCA, we haven't lost any. People can turn the server off or they can make changes to the server and you're out of communication, but this solves the problem of reinstalling the DCAs. Again, thus far, we haven't had to reinstall any DCAs since we came up with the self-healing aspect.

OT: We understand that Predictive InSight helps with consumables supply chain management. How does it do so?

McLaughlin: The algorithms are constantly read from the MIB; all the activity that's going on inside the printer or the MFP. DCAs don't automatically have a product database. Ours does. We know the machine. We know what the MIB reading means, and we know what the manufacturer's projected yields are because that's a reference. It's in the database. We have all the other information, and we can tell essentially the number of days or the percentage of consumption remaining. We measure both. It's either/or, so it's either at 15% or 10% or whatever you set it to be. You can set it down to the individual machines, and you can set it for high consumption machines or low consumption machines. Or you could set it based on your supply chain and how fast you can replenish. Do you have inventory in your place? Do you have to use the supply chain to do it all? All of that can be put into the process so that you know exactly what it is and track the supply right to the end user and know that it has been delivered.

OT: You are known for your insightful observations of the office technology industry — where it is headed, the trends to closely follow and the opportunities you believe dealers should embrace. With these thoughts in mind, what is your advice to today's dealers in terms of what they should be doing to optimize their dealerships' levels of success and growth now and in the years ahead?

McLaughlin: I think we have to start embracing change much more quickly than in the past, making it a part of our DNA. Of course, the industry has adjusted over the decades.

When I first started in this industry, our quest was to eliminate carbon paper; we were successful. That was the quest. People would say: "Why do I need a copier? I have carbon paper." That was a true objection in the early days.

Today, we have to look at things differently. Many people ask: "What's the future of print?" That's a different question than: "What's the future of office technology?" Office technology is where we reside, but print is broader than office technology, and the future of print is going to be forever. It's not going to go away. It's going to evolve and we have to evolve with it. If print is at our core and we want to be part of print, we have to constantly be educating ourselves as to what is around us. What's changing about print? How is print being used? What's print being used for? What's the difference between production, industrial and office print? How has office print changed?

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Since the very beginning, our industry has been the vehicle for unstructured data. The real knowledge of an industry is the unstructured data that's there, and we were the vehicle to move that unstructured data and unstructured knowledge through the work process, because it was paper that made it happen.

Eventually, that really began to change. People think it changed with digitalization and maybe to a small degree it did in the 1990s. The real change came about when the iPhone was introduced back in 2008. Interestingly enough, if you track when office print began to decline, it was right around 2008 or 2009, because we could then move that unstructured data and knowledge through a mobile process. It became much easier to move unstructured data.

I remember in 1990 holding up a disc and saying: "This is the future of print because of the PDF." When the PDF was created, it changed everything, but not to the point that it was easily distributed. Even though it was portable, not everything could convey it and move it and, certainly, from a mobile standpoint, that wasn't the case until the laptop was introduced, and that wasn't all that mobile; you couldn't go everywhere with it. However, when the iPhone was introduced, we began moving PDFs all over the place. It changed everything. It started changing the process.

At the same time the iPhone was introduced, there was also an economic downturn. It caused people to start looking at resizing their organizations and how to do things more efficiently. Out of that came: "Hey, we don't have to put as much into a paper process." That changed the importance of print, but it didn't make it go away because people still use print. However, it's used at the destination instead of being placed in a file cabinet or becoming a permanent archive. Instead, prints find their way into the trash can or the shredder. That printed page is not mission critical in the sense that it's part of the workflow. But it is still mission critical in the sense that it's part of the convenience of developing the knowledge.

So, that's where our information has gone; that's generally the process. Will print stop being used at some point in time? As I stated, I don't think it's ever going to be completely gone, but how it's used and the importance of it in terms of the workflow has changed. And it will continue to change as more technologies develop. Who knows what technologies are coming out next? Nobody does.

With these thoughts in mind, what is my advice to dealers? Do not stop learning. Be observant. Be involved in what you are doing in terms of understanding and learning everything, and do not drift. We have this tendency to get shiny new objects. People talk about: "Well, you've got to go into this IT business." Maybe. If you really understand IT and you're good at IT, and you have knowledge about IT, then build something around it. But if you think that the margins that are available in those services are the same as in print, you're wrong. Print still has more profit opportunity than any of the other businesses we're involved in. We just don't extract it all. We don't do everything that we really need to do to manage it to its fullest extent. I mean, there are probably at least another 10 points of profit available in service that we're leaving on the table because we're not involved.

Owners tend to be more focused on their sales operations, adding to their growth and account management, things of that nature. That is where their primary interest lies, and they know that most of the business — most of the profit — comes from service, but they tend not to be as involved in that. Why? Because there are too many moving parts and, quite frankly, someone else is managing service and it fits the industry model. If we make the model, we are good. However, those who best understand the model will be the first ones to tell you that the model reflects the minimum benchmarks, not the targets. Instead, you should be finding ways to improve in order to get better at beating the model, not just achieving the minimum benchmarks. ■

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