

THE

The definitive voice for office products and workflow solutions dealers

CANNATA REPORT

TheCannataReport.com

Building a Better Business with Mwai's FORZA

Progressive ERP System
Expected to Illuminate Channel
with Emergence of More
Successful Implementations

PAGE 31

Model Behavior

PAGE 15

**Lexmark
Color and Solutions
Coordinated**

PAGE 23

**Toshiba LEAD 2016
Cosmic Thing**

PAGE 27

**2016 Virtual
Panel Series**

Segment: Leasing

PAGE 18

WHEN EXPERTS TEAM UP, RESULTS FOLLOW

At EverBank Commercial Finance, Inc., we know the unique challenges your business faces every day. Our industry veterans are focused solely on the office products market and will work with you side-by-side to identify opportunities that build your bottom line.



Contact us today
1.866.879.8795
or visit everbankcommercialfinance.com



EverBank Commercial Finance, Inc. is a subsidiary of EverBank and is not itself a bank or a member of the FDIC.
© 2016 EverBank. All rights reserved. 16ECF0157.02

The **Cannata** Report.com

EDITORIAL AND PUBLISHING

Frank G. Cannata
President and CEO/Editor-in-Chief

Charles J. Cannata
EVP and Publisher

Carol C. Cannata
SVP, Client and Creative Services

Scott Cullen
Managing Editor and Chief Correspondent

Sharon Tosto Esker
Story and Features Editor

Toni McQuilken
Production Print Correspondent

Robert Ingoglia
Chief Marketing Correspondent

Tetsuo Kubo
Japanese Correspondent

Doreen Borghoff
Design Director

Cathy O'Brien
Senior Public Relations Consultant

Walter Geer III
Executive Director, Digital Strategy

Saul Rosenbaum
Senior Director, Digital Operations

Karen Stewart
Executive Producer, Digital Video

Joe "Dapp" Foster
Director/DP/Editor, Digital Video

Charlene Piro
Executive Producer, Print

Matt Stauble
Events Photographer

EDITORIAL ADVISORY BOARD

Keith Allison
CEO, Systel Business Equipment

Paul Hanna
President, Blue Technologies

Steve Reding
President, C.A. Reding

Andrew Ritschel
President, Electronic Office Systems

Barry Simon
President, Datamax

Mark Steadman
CEO, Stan's – LPS Midwest

Subscriptions | Advertising | Licensing
Reprints | Questions | Feedback

CJcannata@CannataReport.com
(917) 514-9501

This Month

COVER STORY

31 | Building a Better Business with MWAI's FORZA

Progressive ERP System Expected to Illuminate Channel with More Successful Implementations

DEPARTMENTS

6 | Hard Copy • From the Editor's Desk No. 24: Meet the Cannata Report's New Publisher

Frank G. Cannata Speaks to CJ Cannata's New Role and The Continued Evolution of the Company He Founded

18 | 2016 Virtual Panel Series Segment: Leasing

Low-Rate, Low-Loss, and High Approval Trends Continue in Today's Slow Growth Environment

38 | 2016 Dealer Profile Series Rock Solid

Stone's Office Equipment and President Sam Stone Provide Edge Against Formidable Competitors

44 | Veteran's Way The Women of 9/11

Honoring the Courage and Compassion

46 | Up Next

The Cannata Report Prepares to Launch 3rd Annual Young Influencers Issue and Complementary Digital Content



Industry Awards, Acknowledgments & Sightings

8 • MT Business Presents The Jillian Fund with \$40,000 Check

8 • Coordinated Business and KYOCERA Raise \$8,500 for Jackie Ritschel Memorial Cancer Research Endowment

*"Gotta tune in–pico waves.
Gotta tune out–PCBs.
Gotta tune in–market crash.
Gotta tune out–polar shift.
Gotta tune in–narrow minds.
Gotta tune out–space junk.
Gotta tune in–bombs.
Gotta turn out–atomic lasers falling from the sky.*

*Where's my umbrella?
Gonna shoot that static down the drain.
Gonna put that static out of my brain.
Gonna put up my antennae..."*

– Kate Pierson, Fred Schneider, Keith Strickland, and Cindy Wilson,

current members of The B-52s, an American New Wave band. Lyrics from "Channel Z," originally released on the Reprise LP *Cosmic Thing* ©1989



FEATURES

14 | I Hate These Blurred Lines... Dealers Must Be Aware of Variables and Trends Across Entire Print Spectrum to Remain Viable

15 | Model Behavior Leveraging Financial Industry Benchmarks to Maximize Dealer Efficiency and Profitability

23 | Color and Solutions Coordinated Lexmark's 2016 Dealer Meeting Avoids Acquisition Uncertainties and Focuses on Color A4 and Software

10 • Cannon IV, Gordon Flesch, Millennium Business, POA, RJ Young, and TGI Take Home 2016 Lexmark Top Honors

12 • Document & Network, Memphis Communications, TGI, and Zoom Imaging Take Home 2016 Toshiba Top Honors

12 • Marco Acquires Minneapolis-Based IT Services Company



THIS MONTH ON

TheCannataReport.com

VIDEO



TABS LEAD 2016 Video Series: James Carville vs. Mary Matalin

Watch political powerhouse couple James Carville and Mary Matalin share their respective perspectives on the 2016 presidential election, vice presidential candidates, the state of the union, and the American political system today, while tackling the audience's questions.

MANUFACTURERS



TABS Moves Beyond MFPs to
Managing Content



Six Takeaways from 2016
KYOCERA Dealer Meeting



Burns Set to Exit Xerox Within
a Year

LEASING



Monitoring Trends in the
Leasing Industry

FUNDRAISING



The Ride for Jillian an
Overwhelming Success



The Cannata Report Honors
Jackie Ritschel



Check out these features and more in "This Week,"
"Live Wire," and "Video" at: TheCannataReport.com

Presented by





Searching for Service Profits?

Hytec has you covered.

For more than 30 years it has been Hytec's mission to provide component-level support & solutions to help service organizations increase service profits. Authorized by most imaging manufacturers, allows Hytec to support imaging dealerships with the most comprehensive support in the industry. Our services can save your company up to 70% over new-board replacement costs. Hytec also provides free technical support and quality-driven repair processes helping you achieve improved first-call effectiveness.

Circuit Board Services

- Full 1-year warranty
- OEM Modifications and Upgrades
- Certified Functional Live-Test

Technical Support

- Toll-free Technical Support
- Improve First-call Effectiveness
- Troubleshooting & Installation Assistance

OEMs Supported

- Canon
- Hewlett Packard
- Konica Minolta
- Kyocera
- Lanier
- Ricoh
- Savin
- Sharp
- Toshiba



Hytec

Call us toll free at **800.883.1001** or visit us online at www.hytecrepair.com

No. 24: Meet The Cannata Report's New Publisher

On Wednesday evening, April 27, The Cannata Report hosted a dinner at Tiro A Segno in New York City for several of our key clients. Our own Carol Cannata hosted the evening, and the atmosphere was warm, congenial, and a terrific way to express our true appreciation for those who have supported us for so many years, as well as those who are more recent additions.

During the dinner, we welcomed and celebrated Scott Cullen and the newly created role of managing editor and chief correspondent that he so adeptly fills. We also shared a brief overview of our primary business objective and core strategies that are serving as our road map for the future.

Of utmost importance is to continue building a sustainable business model. Key strategies include the ongoing evolution of The Cannata Report far beyond what was once referred to as "Frank's Newsletter" into a multi-platform media brand that can stand on its own, as well as the additional expansion of our capabilities and services.

Most of all, this was an opportunity to introduce CJ Cannata as our new executive vice president and publisher, effective immediately, and my new role as CEO.

Since CJ officially joined the company in 2013, he has overseen several positive changes to our content and distribution strategy. Most notably, he has enhanced the brand's look and feel, broadened our editorial staff and coverage, and increased our reach, while continuing to deliver commentary and analysis to our dealer audience.

CJ's vision, energy, and awareness of the world of media have been the primary drivers of these substantial changes. Having watched so many of our peers and other publications come and go in this industry over the past 37 years, I've been more than amazed by the manner the industry has embraced CJ and this publication's recent evolution. The shifts CJ has implemented since coming on board have led to a remarkable increase in our revenue and overall industry engagement. It is hard for me to believe he has done all this in just a little over three years.

Therefore, it is only fitting that we elevated CJ's position and authority so that he can continue to leverage his strategic and creative talents. While there is still have some work to do, we have no doubt about the sustainability of The Cannata Report brand. As CEO, I will continue to share my commentary and analysis of what's going on in the industry in these pages and Online. It is also my intention to remain highly visible at industry events.

Changes will continue as we expand our editorial coverage in new areas and become more visible at industry and industry-related events. We will also continue working closely with the four major independent dealer groups and manufacturers.

As we turn the page to a new chapter of The Cannata Report, we hope you will stay on to see what happens next. We all—our readers and clients included—have a great future to look forward to in this industry. Most importantly, CJ and the rest of our team at The Cannata Report remain committed to doing what we've done best for many years in new and exciting ways.

Sincerely,



Frank G. Cannata
President and CEO/Editor-in-Chief



EQUIPABILITY™

Deep expertise and experience
from CIT in equipment finance.

CIT provides lending and leasing services to businesses that manufacture — and use — the equipment that powers the economy. Our customized financial solutions for small and middle market businesses, as well as transportation companies, deliver the capital and ideas they need to grow.

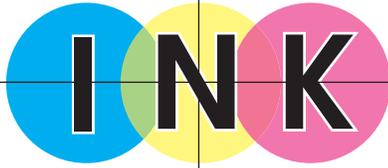


Learn more about our lending and leasing services.
Visit cit.com/equipability.

BUSINESS AIRCRAFT • COMMUNICATIONS • ENERGY
HEALTHCARE • MANUFACTURING • MARINE
OFFICE PRODUCTS • RAIL • TECHNOLOGY • TRUCKING



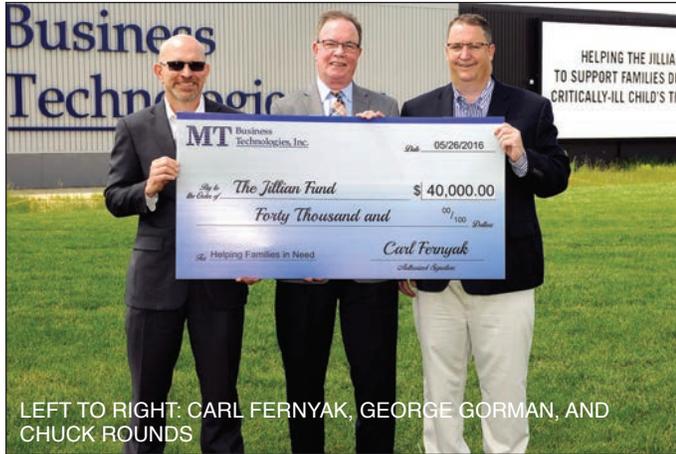
**Put Knowledge
to Work®**



INDUSTRY AWARDS, ACKNOWLEDGMENTS, ANNOUNCEMENTS & SIGHTINGS

BY CJ CANNATA

MT Business Presents The Jillian Fund with \$40,000 Check



LEFT TO RIGHT: CARL FERNYAK, GEORGE GORMAN, AND CHUCK ROUNDS

MT Business Technologies (MTBT) owner and CEO Carl Feryyak presented The Jillian Fund with a check for \$40,000.

This contribution represents one percent of the revenue from MTBT's annual sales blitz this past February. The

company generates its largest sales volume of the year during the blitz, and this is the first year MTBT contributed a percentage of its sales blitz revenue to a charitable cause.

Created in memory of Jillian Lauren Gorman, who was diagnosed with an aggressive form of blood cancer at age 16 and subsequently passed away three and a half years later, The Jillian Fund's mission is to allow families to focus on caring for children facing serious illnesses by providing financial support toward household expenses, childcare expenses, lodging, transportation, and meals.

Jillian's parents were lucky enough to be by her side throughout years of cancer

treatments. Their goal is to help ensure that more families have the financial ability to do the same for their children.

MTBT has been working with Jillian's father, George Gorman, The Jillian Fund founder and Ricoh Americas Corporation executive dealer business manager, for many years and is essentially helping out a friend and peer in the industry by substantially supporting the charity.

According to Feryyak and MTBT President Chuck Rounds, supporting this organization served as extra motivation for the sales team since their success determined how much was donated. It was a tremendous bonding experience for the entire team.

Coordinated Business and KYOCERA Raise \$8,500 for Jackie Ritschel Memorial Cancer Research Endowment

Danielle Wolowitz, VP of the corporate marketing group, KYOCERA Document Solutions America, Inc. (KYOCERA) and 2015 Women Influencer cover story subject, approached The Cannata Report about donating proceeds from a silent auction KYOCERA planned to conduct at its 2016 Dealer Meeting in Orlando, Florida, to the 31st Annual Awards & Charities Dinner beneficiary on October 6.

As recently announced by



DANIELLE WOLOWITZ



BRUCE SPRINGSTEEN



POP. PUNCH. ENERGY.

Muratec's Precision Label Series brings food and beverage labels to life.

From microbreweries and distilleries, to bake shops and salsa makers, the demand for locally sourced, small batch food and beverage products is growing. With Muratec's Precision Label Series, your customers can create dynamic, full-color digital product labels that will enable them to stand out from the competition.

Benefits to your customers

- Instantaneously produce ready-to-ship packaging labels
- Specialty media can be utilized for food and beverage (freezer applications, non-toxic adhesives)
- Ability to customize labels on the fly (seasonal products, private labeling)
- Reduce product costs by producing labels in-house

Benefits to your dealership

- New recurring revenue stream
- Deeper integration with your customer's line of business
- Little market competition; protected supply revenues
- Full sales and service support from Muratec
- Increase your dealership's value by acquiring net new customers and revenue

Muratec
Precision Label Series

Hungry for more details?

Visit www.muratec.com/industrial-label-presses to find out how the Muratec PLS series makes food and beverage labels pop.

THE ONLY LIMIT IS YOUR IMAGINATION



Frank Cannata on TheCannataReport.com, The Cannata Report will establish The Jackie Ritschel Memorial Endowment for Cancer Research and Treatment at Hackensack University Medical Center. Jackie was the wife of Andrew Ritschel, president of Electronic Office Systems in Fairfield, New Jersey, a member of our Editorial Advisory Board, and a KYOCERA dealer.

At the KYOCERA 2016 dealer meeting, the company featured speed painter Tim Decker, known specifically for his ability to paint likenesses of Bruce Springsteen on call in under five minutes. Offering to match up to \$2,500 in bid contributions, the manufacturer ultimately sold Decker's work to highest bidder Jim Orrichio, president of Coordinated Business Systems. Orrichio—who bid a whopping \$6,000—and KYOCERA generated a total of \$8,500 for The Jackie Ritschel Memorial Endowment.



JIM ORRICHIO

The Cannata Report will host the 2016 Awards & Charities Dinner on Thursday, October 6, sponsored by Square 9 Softworks, Inc., Clover Imaging Group, and Hytec Dealer Services—followed by The Cannata Report's first-ever Women Influencers brunch, exclusively sponsored by Amtek ESP on Friday, October 7.

The Cannata Report reserves event invitations for subscribers and clients across the in-



THE KYOCERA EXECUTIVE TEAM

dustry's dealer, manufacturer, leasing, software, services, and supply chain segments, as well as the press. However, all dealers—regardless of subscription status—are eligible to attend as vendor guests. All women who attend the dinner will be welcomed at the 2016 inaugural brunch, hosted by The Cannata Report's Carol Cannata with Amtek ESP's Tanya Flores.

For more about The Jackie

Ritschel Memorial Endowment and KYOCERA's 2016 Dealer Meeting, read "The Cannata Report Announces Beneficiary of 31st Annual Awards & Charities Dinner" and "Six Takeaways from 2016 KYOCERA Dealer Meeting" at TheCannataReport.com/this-week. For more on the dinner and brunch, or to subscribe to The Cannata Report, contact cjcannata@cannatareport.com or visit the-cannatareport.com.

Cannon IV, Gordon Flesch, Millennium Business, POA, RJ Young, and TGI Take Home 2016 Lexmark Top Honors

Lexmark International, Inc. (Lexmark) acknowledged the following dealers for their exceptional performance with awards across nine categories during its Dealer Meeting's General Session as follows:

- Top Sales Performer, South Region: RJ Young Co., Inc. (RJ Young), Nashville, Tenn.
- Top Sales Performer, North Central Region: Gordon Flesch Company, Inc. (Gor-



HUNTER MCCARTY (RIGHT, CENTER)

*“We want to work with
someone who is invested
in our future.”*

WELLS FARGO
EQUIPMENT
FINANCE

*Some offerings from our Office
Automation team include:*

Total Image Solutions program

Credit prescreen tool

Check register

Marketing assistance

Spreadsheet invoicing

In this rapidly changing industry, you need a team that can offer strategic solutions and has the financial strength and dedication to help your business grow. Wells Fargo Equipment Finance has that focus. Our dedicated team will take the time to gain a deep understanding of your vision, and will offer personalized insights and innovative opportunities that support your goals. We're ready to help your business succeed now and for years to come. Call us today at **1-800-223-1420**.

Together we'll go far



don Flesch), Madison, Wisc.

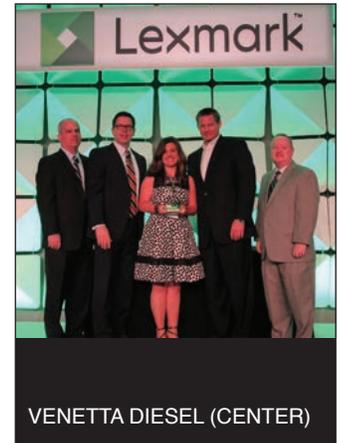
- Top Sales Performer, East Region: TGI Office Automation (TGI), Brooklyn, N.Y.
- Top Sales Performer, West Region: Pacific Office Automation (POA), Portland, Ore.
- Top Color Revenue Performer: POA
- Top ISS Solutions Software

Performer (Traditional Imaging Solutions): Gordon Flesch

- Top Enterprise Solutions Performer: Cannon IV, Indianapolis, Ind.
- Top Year-Over-Year Percentage Growth Performer: Millennium Business Systems; Cincinnati, Ohio
- Top Overall Sales Performer: POA



JIM FALL (CENTER)



VENETTA DIESEL (CENTER)

Document & Network, Memphis Communications, TGI, and Zoom Imaging Take Home 2016 Toshiba Top Honors

Toshiba acknowledged the following dealers for their

exceptional performance with awards across four different

categories during the second day of LEAD at one of the

overall meeting's general sessions as follows:



FRANK GRASSO (CENTER)



MIKE GOLINVAUX (LEFT)



SHANE BERRY AND BRIAN BERRY (LEFT, CENTER)

- 2015 Market Leadership Award Southern Region: Memphis Communications
- 2015 Market Leadership Award Midwest Region: Document & Network Technology
- 2015 Market Leadership Award Eastern Region: TGI Office Automation (TGI)
- 2015 Market Leadership Award Western Region: Zoom Imaging Solutions

Marco Acquires Minneapolis-Based IT Services Company

In late May, Marco, Inc. (Marco) announced its acquisition of Paragon Solutions Group, Inc., a business IT services company in Plymouth, Min-

nesota. Paragon has been providing its clients with managed IT, cloud-based services, and business IT services for over 10 years. The company's em-

ployees have now joined the Marco team.

The acquisition will very likely further augment Marco's well-established IT services business and help the dealer continue expanding its customer base by providing the types of solutions organizations are evaluating for business today.

Since 2010, Marco has substantially grown from 350 employees to 1,050 and currently operates across 49 locations. Marco's Twin Cities-based offices are located in St. Louis Park and Inver Grove Heights. The company serves 28,000 customers throughout the Midwest and nationally.

CR



THIS MONTH: STONE'S OFFICE EQUIPMENT



Sam Stone
President of Stone's
Office Equipment

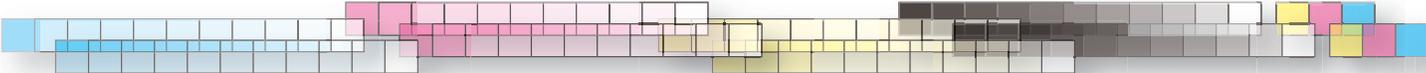
Top Dealers. Best Business Practices.

The Cannata Report and TheCannataReport.com's 2016 Dealer Profile Series continues to spotlight a wide array of Dealer Influencers across our industry. Presented by LMI Solutions for the third consecutive year, each installment features today's winning peer insights and strategies for tomorrow's continued independent dealer channel success.

See page 38 or visit TheCannataReport.com for this month's story.



Access. Commitment.



I Hate These Blurred Lines...

Dealers Must Be Aware of Variables and Trends Across Entire Print Spectrum to Remain Viable

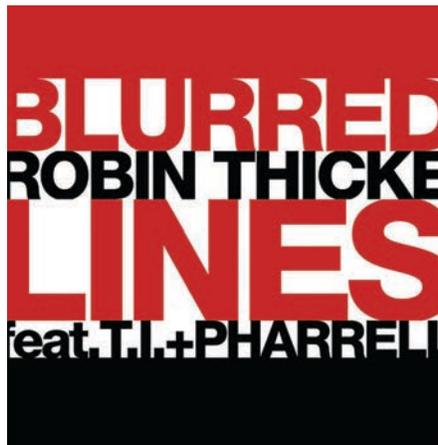
By Toni McQuilken

The words of pop singer Robin Thicke, “I hate these blurred lines...” in his controversial hit song, “Blurred Lines,” are an apt description of the print industry today. While Thicke was singing about hookups and mixed signals, in the print industry, it is all about the definitions.

In years past, there were commercial printers, quick printers, letterpress shops, wide-format shops—each printer had a “type” and only had the equipment for that specific type of work. If they had a client with needs outside their scope, they either referred them to someone else, or outsourced to trade printers—yet another category—to produce the jobs. While all of those types of shops still exist, the lines between them are rapidly blurring.

Today, quick print shops are installing wide-format equipment. Sign shops are adding digital presses. Commercial printers are investing in equipment that lets them tackle short and variable data runs. Many shops today are taking the view that they can’t simply be great at one type of print. They have to be able to say “yes” to anything a print buyer might throw at them.

Those lines are blurring even further when you add marketing into the mix. Some of the most successful printers of any type are discovering they can’t continue to be successful if all they do is produce the finished jobs. Rather, they are finding new and innovative ways to move further upstream in the process, transforming themselves into marketing services providers and embedding themselves as deeply in their clients’



infrastructure as they can get away with. As the lines blur, printers of all stripes can’t afford to think in silos anymore. To continue to grow and succeed, it is necessary at the very least to know and understand all of the variables in play, and keep track of all the trends and technological innovations across the entire print spectrum. The days of just focusing on one

segment of the print industry and finding success are rapidly diminishing.

The necessary shift in scope is why The Cannata Report will now have a department that looks closer at the production print side of the business. Here, our goal is for you to gain a better understanding of the trends that are impacting the production print part of the market, which technologies are hot now, what’s up-and-coming, what the biggest challenges are, and how print service providers in that space are tackling them.

I am excited to be the one bringing this information to you. I have been writing about the print and graphics industry for more than a decade now, with a heavy emphasis on the production side of the market. There is always something new and exciting going on and I hope that my regular updates—which will be a mix of columns where I share my observations and opinions, and features where I interview industry experts—will help you move your business forward and meet the needs of this demanding market.

The lines in imaging are blurring, and that brings many challenges for the modern day printer. But it also opens up new markets and opportunities that can take your dealership in directions you might not have predicted, but will find profitable nonetheless.

OR

Questions About This Story?

Contact Scott Cullen

Phone: (609) 406-1424

Email: SCullen@CannataReport.com

Model Behavior

Leveraging Financial Industry Benchmarks to Maximize Dealer Efficiency and Profitability

By Scott Cullen

If you talk to Jerry Newberry, president and managing partner of Pros Elite Group, he'll be the first to tell you that most dealers are using some variation of the "Johnson model" in their business. After all, it's the standard financial model for the office technology space. Why mess with what works, right?

Wrong.

The problem is most dealers across the U.S. and Canada only work with a portion of the model. And that scenario has a negative impact on profits.

"There are well over 100 office imaging benchmarks that we look at within an office equipment company," explained Newberry. "For the model to accurately allow you to identify profit opportunities, all the revenue and expenses need to be allocated to the correct categories. The

inconsistency that we see is all over the place. We find that in just about every dealer we visit."

The widely accepted Johnson model has been around for many years and has been adjusted for the industry, but Newberry says the model is only as good as the accuracy of the allocation of the revenue and expenses.

"What we find a lot of times is they have not bucketed the revenues and expenses correctly, so they are showing that they are better in some areas, when in actuality, there are big opportunities for them," stated Newberry.

Does the size of dealership matter when it comes to focusing on only portions of the model?

"No," responded Newberry. "The bigger

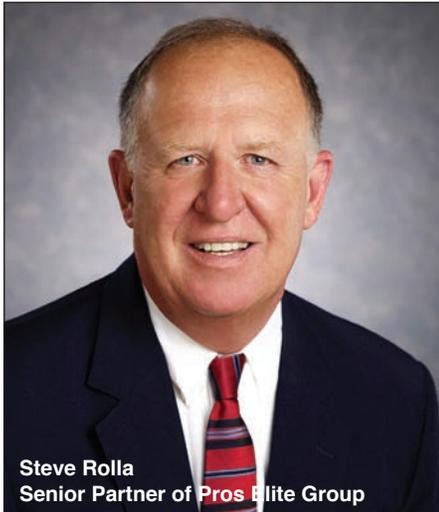


Jerry Newberry
President and Managing Partner
of Pros Elite Group

[a dealer is], the more opportunities they have [for improvement]."

Another interesting tidbit offered by Newberry is that the more tenured the

Editor's Note: This is the first in a series of articles that examines financial modeling for the dealer community. This article highlights problem areas and resolutions to those issues, as identified by Pros Elite Group, a service, sales, and operations consulting and training organization. Future articles will focus on the MPS model, the managed network services model, and common issues found in most dealerships, along with steps for resolving those issues.



Steve Rolla
Senior Partner of Pros Elite Group

managers, the larger the organization, the more issues Pros Elite tends to find.

Newberry, along with Senior Partners Steve Rolla and Jeff Kelly, possess more than 100 cumulative years of experience in the industry. Rolla has run three dealerships, while Newberry has worked for Global Imaging as a corporate officer and VP of service for Global, as well as Xerox, during the course of his career. Kelly has been the president of his own company and held service VP and management positions within Xerox and the independent dealer channel.

Ready to Launch

When a dealer contacts Pros Elite they either know they are losing money or have a feeling something's not right. The problems that dealers tend to have are often easy for the pros at Pros Elite to identify and are typically found in service, sales, and admin areas.

Here's how it works: Pros Elite assesses where the dealership in question currently is and identifies where it is in comparison to the model, as well as the reasons why the dealership is in its current financial position. At that point, Pros Elite develops a detailed action plan and works hand-in-hand with the dealer to execute that plan to attain high profits, operational performance, and benchmark levels of customer service.

“The day-to-day demands of the business often direct the activities of the management team,” explained Kelly. “The challenge for a company executive is to break his or her normal pattern of behavior and focus on executing our customized plan of improvement. Knowing what needs to be done is very different than consistently executing the process that drives results within a dealership. We teach the management team how to create bandwidth within their busy day and direct that time toward achieving measurable improvements. This is mission critical in order to create long-term, sustainable results.”

One common issue Pros Elite finds is the complete lack of a sales management process. “Our industry is in a flat or slightly shrinking mode and more so than ever, there's a need for a defined sales management process,” stated Rolla.

That sales management process should outline everything from how a dealer recruits to how sales activity is measured, including having a precise definition of how that activity is executed. Also critical are benchmark models for sales territory design and compensation for not just revenue but also gross profitability. Finally, the model takes the dealership to areas in the industry they have yet to penetrate such as MPS and MNS.

“From an overall operations standpoint, there is a need in almost every dealership to align the personnel in the right financial and functional buckets, so the dealer principal can identify where they are functionally profitable and where they are functionally not performing,” added Rolla. “When we align the personnel in the correct functional areas, almost every dealer's financials change dramatically. This becomes the starting point for us to begin to work to improve the productivity and profitability functionally.

As one might expect, much of the initial assessment revolves around the dealership's financials. By only using a portion of the model, or not managing and monitoring things as they should, lost revenue and profit opportunities are the norm.



Jeffrey Kelly
Senior Partner of Pros Elite Group

“As a rule of thumb the mass majority—90%—are making half of the net operating income they should,” estimated Newberry. “If the benchmark is 14% to 15%, they're in that 6% to 7% range, so they're leaving a lot of profit on the table.”

Newberry's background is on the service end of the business, and service-related issues can be a huge financial drain on a dealership. The average service margin he sees is about 10% off the model. So if the benchmark is 52% for aftermarket and service, 42% is the norm he sees in the



“As a rule of thumb the mass majority—90%—are making half of the net operating income they should. If the benchmark is 14% to 15%, they're in that 6% to 7% range, so they're leaving a lot of profit on the table,” said Newberry.

industry. Within our current dealer group, we are achieving well above benchmark in all aftermarket profit measurements.”

“The aftermarket side is the big ROI impact we have on clients,” noted Newberry. Incidentally, Pros Elite has a general rule that within four to six months of engaging with a client, its services are usually paid for, if only because of the impact on the aftermarket side.

“We find margins in service low, margins on the supplies side low,” said Newberry. “We know and have all the processes to put into place to begin to address whatever areas are out of line in the aftermarket, whether it’s productivity of the employees, parts over-expenditures, or whatever it might be.”

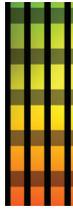
Another common issue tripping up dealers on the service side of the business is that service call activity is typically eight to 10 times higher than it should be. There are various benchmarks Pros Elite uses to gauge the productivity of employees and the reliability of the dealer’s installed machine base, which dictates how many employees the dealer needs to manage the revenue generated by service.

“We have almost a 100% success rate of cutting [a dealer’s] call activity coming into the company in half within a 90-day time frame,” boasted Newberry.

Rolling in the Deep

From beginning to end, the process of placing the dealership back on track with the model usually runs approximately 12 to 24 months.

During this time, the dealer can expect weekly, bi-weekly, monthly, or quarterly calls where Pros Elite measures the prog-



“We are their conscience. I like to refer to ourselves as the Weight Watchers scale. It simply tells you if you did or didn’t get it done and where you should focus,” stated Rolla.

ress of that dealer functional group, or the overall dealership performance with the dealer principal.

“We are their conscience,” stated Rolla. “I like to refer to ourselves as the Weight Watchers scale. It simply tells you if you did or didn’t get it done and where you should focus. That’s what we do on those calls. We’re always in touch with that dealer from either the overall functional side or overall performance side throughout the course of the engagement. Because [the action plan] is so thorough and conscience-oriented, rather than critic-oriented, clients rarely leave us. We become that compass for their dealership.”

So, what is the one thing that is most surprising to dealers after Pros Elite delivers its assessment?

“The principal is astounded by the lack of hours that [service technicians] are working and the amount of duplicate parts replacement going on inside their business, which is costing them hundreds of thousands of dollars,” responded Rolla.

ROI is important to dealers, and Newberry reported that the goal is a 10-times return on the investment the dealership makes in Pros Elite. Apparently, that’s a conservative figure.

“In most cases, it’s not 10 times, it’s 20 times, 30 times or 40 times,” said Rolla.

Even as the industry model evolves to include benchmarks for emerging services

such as managed print and managed network services, dealers can’t afford to pick and choose what benchmarks they’re going to follow.

“The industry is changing, margins are shrinking,” said Newberry. “You can’t run your company today the way you did 15 years ago and be successful.”

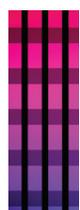
Change or Be Changed

It may be an exaggeration that principals can no longer run their dealership the way they did 15 years ago, or even 10 years ago, and be successful.

However, it cannot be overstated that the industry, as well as its product and service offerings, is evolving. I’d venture to guess there are still plenty of dealerships conducting business the same way as they have in the past and doing alright. But, can they be doing better? Especially if they are now offering new products and services that they haven’t historically?

I’ll buy what the Pros Elite team is selling there, and affirm, yes, they can. That possibility is as good a reason as any to take a step back and objectively evaluate how your dealership is (or is not) using the model, or what benchmarks within the model, you’re overlooking when running your dealership.

In the forthcoming months, we’ll further explore business modeling, as well as provide the perspective of dealers who have taken the necessary steps to position their dealerships in line with the shifting business model.



Another common issue tripping up dealers on the service side of the business is that service call activity is typically eight to 10 times higher than it should be.

Questions About This Story?

Contact Scott Cullen
Phone: (609) 406-1424
Email: SCullen@CannataReport.com

Segment: Leasing



Phil Buysse



Fred Carollo



Jennie Fisher



Robert Hunter

VIRTUAL PANEL SERIES

Low-Rate, Low-Loss,
and High Approval
Trends Continue in Slow-
Growth Environment

By Scott Cullen



Robert Parker



Nick Small

For all the attention given to technology, services, the OEMs, and the dealer channel, let's not ignore the fact that the leasing and financing companies play a rather substantial role in driving the industry—at least that's what various leasing and financing companies contend. Taking a step back to examine the big picture, there certainly is some validity to that statement. As Fred Carollo, Everbank Commercial Finance's VP of originations, office products, observed, "In our world, we're 95% SMB. If [dealers] didn't have agreements coming to an end, having to renew them or upgrade them, I don't know what they'd do. Leasing is important."

With those words resonating, we assembled a panel of six executives from the imaging channel's most prominent leasing companies to get their takes on the current state of the industry, the concerns they're hearing from their dealers, the current trends impacting their product offerings, and why dealers should consider each as a finance partner.

Our panel includes Phil Buisse, general manager, U.S. Bank; Fred Carollo, VP of originations, office products, Everbank Commercial Finance; Jennie Fisher, senior VP/general manager, office equipment group, GreatAmerica Financial Services Corp.; Robert Hunter, SVP, DLL Financial Services; Robert Parker, senior VP, Wells Fargo Equipment Finance; and Nick Small, managing director, CIT Vendor Finance.

CR | *How would you rate the current state of the finance industry and how does that affect the dealers who rely on you for their financing?*

Buisse: The office equipment industry is in a good position as there are ample financial providers, very low lease rates, and approval rates among the highest in history. Given the inevitable changes, dealers who take the time to create and document a program that defines these practices will have greater peace of mind should they see transition or instability from their finance partner. To ensure

"The office equipment industry is in a good position as there are ample financial providers, very low lease rates, and approval rates among the highest in history. Given the inevitable changes, dealers who take the time to create and document a program that defines these practices will have greater peace of mind should they see transition or instability from their finance partner," said Buisse.

long-term success, dealers should continue to emphasize partnering with a strong, stable financial institution with a demonstrated ability to meet their needs.

Carollo: We continue to be in a low-rate, low-loss, high-approval, yet slow-growth environment. Competition is aggressive due to the profitability and low risk within the office technology segment as we find more financial institutions trying to gain market share by entering or expanding into the office technology space. That's created some fierce competition. That competition is driven two different ways. First is rates. Rates are now at an all-time low and have been for a while. Second, lessors, in general, are increasing the size of their sales forces and being more aggressive in the marketplace in practices and approving more transactions. In general, with less new start-up companies in

the economy, we are seeing improved approval rates. This is all leading to a more competitive environment.

We're also seeing movement of personnel within the financial industry and the consolidation of players in the market, which is creating some concern and uncertainty for manufacturers and dealers. From a dealer perspective, their portfolio is king and they need to protect it over the life of their business and that uncertainty has created some cautiousness among the dealers, and it should. They should pay attention to that concern and try to make the right decisions as far as where to put their portfolio.

Fisher: The state of the finance industry is very strong. We're going through a record long recovery, and it's been good for the industry. There's been a tremendous amount of liquidity injected into the industry, which has allowed companies to invest and invest aggressively. It's all about taking lower returns to grow.

This has made the competition even stronger. We've felt that over the last three years, and it continues to get even stronger—probably a little too strong. If you think of the aggressive rates and the credits that are being approved, it's going to be hard for these companies to sustain that over a long period of time.

That's one piece. The other piece is it will be interesting to see if the banks are affected by regulations. I'm not picking on the banks, but in light of Wells Fargo buying GE, GE stated the increased regulations [and the costs associated with those regulations] were the reason they sold their finance division. It's something to think about.

From that perspective, it's a benefit for GreatAmerica because we're an independent company. It will affect the customization that the other companies will be able to do and their flexibility, and that's a positive for us. If you think about how it's affecting the dealer community, rates are low and dealers are able to reap the benefits of additional funding upfront.

GreatAmerica is a little higher on the rate side, but we demonstrate the flexibility that makes them want to come to us. If we're not aggressive enough on the credit, they're going to get somebody else to pick that up in a heartbeat. I've been talking to a few dealers where approval rates on their transactions are running above 95% because they're able to find people to take them.

Hunter: From a banking perspective, [it's] opportunistic. Liquidity in the banking market is strong. The challenge is we're facing a lot more regulatory pressure as a financial institution. And we've seen, especially in the leasing market, the predominant movement from independent finance companies to bank-owned products within depository institutions. From a dealer standpoint, they're left dealing with larger financial institutions where leasing is one product, and the institution doesn't have a lot of experience or longevity in the dealer equipment finance business.

Parker: Obviously, we've seen a lot of change in recent years, and one of the biggest areas of change we're seeing is the regulatory environment. It's having a big impact and driving change within our dealers and forcing change within the leasing companies. We're required to obtain more information and documentation [from dealers] than ever before. Additionally, a big question floating around the industry from a leasing perspective is which companies want to service the office equipment space and remain in it long term. When you look at that, it's probably one of the biggest areas dealers should be concerned with as they consider what makes sense long term for their business.

Small: No matter the industry, heightened competition is here to stay. The only time it seems to lighten up a little is when we experience an economic crisis. So, no matter the competitive or economic environment, the most successful document imaging dealers that we work with are those who are thoughtful and prudent in selecting their finance partners. These dealers understand they do best when

"In general, the market is flat for the down-the-street dealer, and there's not a lot of growth or opportunities for new business within the copier and printer segments. They need to take market share to grow... Dealers that are growing are doing so by acquisition or expanding their products in the marketplace, especially with IT offerings," said Carollo.

their financing is performed in a way that maximizes value for themselves, their customers, and their finance sources. If any one of those stakeholders is not meeting its goals, then all will suffer. Fortunately for dealers and manufacturers, the long-tenured finance companies like CIT recognize this and demonstrate their dedication to this market through continued investments to make dealers successful.

CR | *At the risk of generalizing, what are some of the biggest concerns you're hearing from your dealer partners?*

Buysse: Certainly consolidation, as well as competition and compressed margins [are all significant concerns]. We've all seen the wave of acquisitions, so that creates strategic questions on how best to grow their companies going forward. Many are investing in providing new solutions and winning by staying close to their customers' needs, which is also relieving hardware margin pressure.

Carollo: In general, the market is flat for the down-the-street dealer, and there's not a lot of growth or opportunities for new business within the copier and printer segments. They need to take market share to grow. There is also concern about movement and changes in the financial industry, as well as its stability, because of the closeness of their clients and where their lease portfolio is secured, as well as the availability of future funds. Dealers that are growing are doing so by acquisition or expanding their products in the marketplace, especially with IT offerings. It's competitive for the down-the-street dealer. The way we try to counteract or compensate for that trend is to create sales products to help them secure more deals over their competitors.

Fisher: I can think of two primary concerns for the dealers, and they go together. One is evolving their business, continuing to innovate, and adding solutions. A lot of dealers are figuring out how to offer solutions adjacent to their core [business] so they can expand their offerings and revenue as print remains flat to declining. Along with that, there's a huge concern of attracting and retaining good hires. It's always been a challenge in this industry, but from the feedback we're getting, they're now having to look at a higher caliber sales person. We hear that every day, especially as we're getting into IT and document management. It's not pushing boxes anymore. We've said that for the past 12 years, but it's amazing the number of reps still out there pushing boxes. Another constant complaint we hear on a weekly basis is the increased competition from their own manufacturers.

Hunter: Margins are being compressed and print count is going down in the copier space. They're struggling moving into IT services because that means a lot of different things to a lot of different people. And there's a fair amount of consolidation as Global/Xerox, manufacturers, and larger dealers are acquiring the small- to mid-size dealers.

Parker: First, and similar to what I stated earlier, is the demand for information

and documentation, that [dealers] were not accustomed to doing. Second, the integration challenges within the industry. There are a lot of decisions being made regarding current and future operating systems. Where do they invest as this industry continues to change? What will be the system integration with the leasing companies going forward and what are those capabilities? Third, as the product mix evolves, so do the guidelines. Dealers will have to adapt and change as it relates to soft costs in managed services. There are more components you pay attention to during deal structuring. Lastly, dealing with potential challenges when they acquire other dealers. How do independent dealers manage and maintain the acquired portfolios that may or may not be with their current lease partners?

Small: Outside of the standard concerns regarding growth, it's the challenge to shift their capabilities to support broader solutions for their customers that require IT expertise. Dealers are realizing that their greatest asset is their broad customer base. It's the envy of other industries. Dealers and their manufacturer suppliers are leveraging their positions as trusted advisors in these accounts to move into adjacent offerings. OEMs and dealers who are doing this are challenged to transition their sales forces to competently consult on the broader solutions. These solutions typically are complex sales with a mixture of hardware, software, and services, and involve third-party suppliers and usage-based calculations. The challenge for dealers is finding a finance partner with the capabilities to service these deals systematically, not with manual "sneakerware" activity in the background.

CR | *The OEMs are expanding into new technology segments beyond the traditional copier/MFP. How are your finance offerings evolving to meet this trend?*

Buysse: We are supporting 3D printing, digital signage, and number of additional avenues where dealers are expanding. Beyond the ability to effectively provide financing, our value is often the compe-

"We see everything from hardware to software—any product whether it's a display or anything else that copier dealers are for the most part moving into. These are often things that are already being financed in the technology channel... A lot of the things that these dealers are asking for already exist," said Hunter.

tency to support the unique billing needs that may be presented. Other areas of expansion include network services and the billing and pass-through of support revenue to dealers. Our ability to adapt the invoicing to match a wide variety of potential customer needs is what allows us great advantages in meeting new trends.

Carollo: Our offerings are evolving to meet the demand versus the trend. We do our valuation and are ready for change as it develops. The dealer network is still in more of a traditional mode, adding IT services to the broad market versus breaking into niche markets with new technology like 3D printing and production print.

I've talked with The Cannata Report about this before. Production print is really not a new offering. Now, you have 3D printing and that has still not made its way down to the local independent dealer. The manufacturer level has their specialized group that sells it, but as much as the industry says it's evolving from an OEM perspective, the local dealer still hasn't changed that much over the last few years technology-wise. We're ready for it. We

evaluate it and will be able to execute on it when there's demand—and we can today—for when a dealer is in need of financial products to support it. We don't see a lot of those transactions in our manufacturer relationships either. It all goes back to the flat market technology-wise, at least on the street.

Fisher: GreatAmerica is always thinking outside the box and trying to stay ahead of the curve on how we can be comfortable with new equipment and new offerings. We're very comfortable with software-only financing, which is still a challenge for a few of our competitors. We're comfortable with software, in general, as a percentage of the hardware. We've become comfortable with most of the primary 3D-printing companies. We were ahead of the curve there, but we aren't seeing a lot of opportunity. People don't seem as excited anymore [about 3D printing]. We're comfortable financing 3D printers and digital signage. We're also working on a barcoding program with Toshiba.

We continue to enhance our managed print administrative capabilities and continue to enhance our integrations, and we are doing the same on the IT side. The comfort level of financing IT equipment and bundling it with a large percentage of services in a one-invoice solution is very strong for us.

Hunter: We're probably a little bit different than some, but not all, finance companies in that we have a large global technology business. Although these collaterals, or products or services, may be new to the copier dealer channel, they're not new to the technology channel. We are the global finance partner for Cisco, EMC, Microsoft, and Apple, and we also support a major manufacturer in 3D printing. We see everything from hardware to software—any product whether it's a display or anything else that the copier dealers are for the most part moving into. These are things that are already being financed in the technology channel. Our spectrum of products around software, soft costs, MES (manufacturing execution systems), the ability to do what we

all milestone funding for implementation projects—a lot of things that these dealers are asking for already exist.

Parker: We have established programs to address 3D printers, production print, and most importantly, managed services, including the ability to document and continue pass-through-type services within those agreements. We continue to look for ways to simplify the contracting guidelines and add built-in flexibility to our contracts.

Small: We saw this coming. Three years ago, we invested in our ability to support any transaction structure on both the front-end structuring, as well as the critical requirement to provide customized, 1:1 invoices that made the charges easy to understand. Our FlexAbility offering allows dealers virtually unlimited options to structure what they sell, how they charge for it, and with whom they partner to deliver solutions. Regardless of whether a transaction is usage-based, bundled, or managed services or whether the charges are fixed, variable, one-time, reoccurring, or any combination, FlexAbility can support the initial funding and ongoing cash administration of customer payments to multiple supporting partners. We now use the FlexAbility engine for all customer invoices and the dealer. OEM and lessee feedback has been great.

CR | *Assuming this Q&A will be read by dealers who are doing business with you and those who aren't, what final message would you like to share with both of those groups?*

Buysse: U.S. Bank continues a very long history of stability and consistency in serving the office equipment dealer, and we continue to see opportunities for growth and adaptation of our offerings in ways that allow dealers to compete and grow. We are honored to serve a large network of the nation's strongest dealers and rely on the effectiveness of these partnerships to continue toward mutual success.

Carollo: We have taken an old-school, relationship-driven approach to the

“We’re truly investing in the future, and this is evident in our recent acquisition of GE Capital’s vendor business and the overall scale and the investment that took. As we look forward, we’re extremely focused on bringing the best of these two organizations together to deliver best-in-class service and products to our valued dealer channel,” said Parker.

business, while applying top-of-class technology, along with a best-in-class product mix. This has led to significant growth in a flat market, especially over the last three years. We have never lost sight of the importance of the dedication to the individual dealer as our customer. Everything we do is with that in mind. People working with people to help people grow their businesses every day, every deal.

We truly think the dealers and the manufacturers are our customers, more than the end-user. This approach has enabled us to build some very deep business and ancillary relationships within the marketplace over the years.

Fisher: It’s a message that’s been consistent with GreatAmerica for many years, advising the dealers to make sure they feel good about the partner they’re working with and what’s in the best interest of that partner. Is it them and their customers or the money they’re making over the stream of their transactions? Find a long-

term partner that shares your vision as to what success means. That’s where GreatAmerica has an advantage.

Hunter: This is all we do. We’re committed to it globally. We’re the largest global owner of copiers outside of Xerox. Banks will continue to be in this market when it’s advantageous, which is when costs are low risk. It’s important that dealers look at their strategies and align their finance partners around somebody who understands their marketplace and is committed to it long term.

Parker: At Wells Fargo, we see a bright future for this varied and ever-changing industry. We’re truly investing in the future, and this is evident in our recent acquisition of GE Capital’s vendor business and the overall scale and the investment that took. As we look forward, we’re extremely focused on bringing the best of these two organizations together to deliver best-in-class service and products to our valued dealer channel. Our investment in technology, combined with our financial strength and stability, demonstrate our commitment to our customers and the industry.

Small: In my earlier answers, I talked a lot about making investments to support the expanding needs of dealers and OEMs. That’s important. However, it is just as important not to miss the basic fact that people buy from people. We’ve served the document imaging industry for more than 30 years now.

One reason for our longevity is dealers and OEMs know they can trust CIT. We’ve succeeded by doing the right things at the right times for dealers. Although we are making large investments in technology and product innovation for the office imaging space, we recognize that the true cornerstones of our value to the industry are loyalty, trust, and performance.

CR

Questions About This Story?

Contact Scott Cullen

Phone: (609) 406-1424

Email: SCullen@CannataReport.com



From left to right: Lexmark’s Phil Boatman, business alliance manager, U.S. business channels, and Brian Henderson, channel marketing, talk about growth in A4 color during a talk-show format at Tuesday’s General Session.

Color and Solutions Coordinated

Lexmark’s 2016 Dealer Meeting Avoids Acquisition Uncertainties and Focuses on Color A4 and Software

By Scott Cullen

Lexmark’s dealer meeting in Ft. Lauderdale, Florida, May 9–11, may go down as its most eagerly anticipated meeting ever due to the company’s recent acquisition. Lexmark’s fourth dealer meeting—the first since 2013— was the first located outside Lexington, Kentucky, since Lexmark started wooing dealers 10 years ago with its BSD

program. The event drew approximately 210 dealers. But anyone expecting any new revelations regarding the acquisition, which won’t be finalized until later this year, left knowing just as much as they did before arriving in Ft. Lauderdale.

Ron Binkauskus, Lexmark’s vice president and general manager of North

America Imaging Solutions and Services, did deliver the obligatory reference and commentary to the acquisition during the General Session on Tuesday morning. However, he did not reveal anything that hadn’t already been reported previously in The Cannata Report. Binkauskus noted, “We are in a quiet period and what I can share with you is limited.”

After referencing the three entities acquiring Lexmark—Apex, PAG, and Legend Capital—he added, “When you think about the potential technology collaboration [with Apex], that could be exciting.”

At the same time, Binkauskus did emphasize that Lexmark is staying Lexmark. The branding is remaining as is, the executive leadership is not changing, and headquarters will remain in Lexington.

“In terms of what does that mean to our relationship, it means it’s business as usual,” Binkauskus told the dealer audience in attendance. “Business as usual in terms of driving forth our strategic initiatives, which includes a strong BSD program to expand and accelerate hardware, supplies, and solutions sales to the markets you all serve.”



Left: Ron Binkauskus, Lexmark's vice president and general manager, North America Imaging Solutions and Services, tells the audience that it's business as usual in the wake of Lexmark's recent acquisition. **Right:** Bob Goldberg, BTA's general council, moderates the BSD dealer panel discussion. (Left to right: Goldberg, Barry Simon, president, Datamax; John Hastings, senior vice president of sales, Loffler; Vennetta Diesel, Lexmark sales manager, Millennium Business Systems; Jim Fall, VAP, strategic planning, Cannon IV; Tom McMahon, vice president and general manager of Florida operations, Milner, Inc.)

And indeed it was business as usual for the remainder of the dealer meeting with no further references to the acquisition.

Think Lexmark, Think A4 Color and Solutions

Tuesday's General Session provided Lexmark executives with an opportunity to outline the company's A4 and solutions strategy, along with its commitment to the BSD channel and the opportunities in the SMB space. As Mike Johnson, Lexmark's vice president of North America business channels and SMB, said in his opening comments, "Our goals are all about A4 color and solutions."

Johnson reported that Lexmark has made some significant investments in its color A4 MFP portfolio and the company expects those products to be disruptive in the marketplace.

"Our commitment to you is simple," stated Johnson. "We want to give you the best A4 hardware in the marketplace and the best solutions in the marketplace."

Brock Saladin, Lexmark's vice president and general manager of global channel

sales and marketing, presented Lexmark's global SMB strategy.

"We are still under-represented in the marketplace when it comes to the SMB segment," he acknowledged. "As part of our strategy, we are looking to extend our reach into the large enterprise customer via our mid-market program. This mid-market initiative is where we will bring in our enterprise resources, application consultants, and [subject matter experts]. Those resources will be brought in for qualified opportunities where Lexmark and its partners decide they want to win that business."

Apparently, Lexmark has never taken this approach before.

"This represents a tremendous opportunity for Lexmark and our partners as well to get into some customer bases you have not historically been in," added Saladin. Saladin was followed by Tom Knight, Lexmark's vice president and general manager of research and development, who took one of the deepest dives I've witnessed at a dealer meeting into what Lexmark is doing from an R&D standpoint. He did a nice job even if some of

Binkauskus did emphasize that Lexmark is staying Lexmark. The branding is remaining as is, the executive leadership is not changing, and headquarters will remain in Lexington, Kentucky.

“This mid-market initiative is where we will bring in our enterprise resources, application consultants, and (subject matter experts). Those resources will be brought in for qualified opportunities where Lexmark and its partners decide they want to win that business,” said Saladin.

the information presented might fall into the TMI (too much information) category for most of the dealer principals in attendance. Still, it served to illustrate the strength of Lexmark’s R&D capabilities, something that is overlooked in comparison to the bigger OEMs.

While there were plenty of references to solutions during the General Session, the best place to truly witness what Lexmark is doing in this area was in the Technology & Solutions Showcase, where about two-thirds of the floor space was devoted to software.

Solutions demoed included ReadSoft Online for cloud-based accounts payable processing, Kofax Express, Lexmark Print Management, and Lexmark’s Postage Printing Solution. The meeting also marked the official rollout of Kofax Express for the OEM’s BSD channel—a year after the 2015 Kofax acquisition.

The Game Changer

There’s no escaping the hype at these dealer meetings, and much of it was centered around Lexmark’s color A4 products. We’ve all seen what the OEMs describe as “game-changing” products at these events in the past, and Lexmark’s 2016 definition of a game-changing product begins with the XC8160, a 60-ppm color A4 MFP originally introduced this past January. “This is our flagship product moving forward,” said Lexmark’s Johnson.

He reported the feedback from dealers for this device has been off the charts and Lexmark has never been more excited about a box in a long, long time.

The big deals about the XC8160 is that it can be equipped with advanced finishing options, which pretty much makes it an A3 device in an A4 footprint.

“This represents a new segment for us and at 60 ppm, it’s the fastest A4 color device in the market and the fastest in its segment,” stated Phil Boatman, Lexmark’s business alliance manager of U.S. business channels. “It brings a lot of technology to the market that the market has never seen.”

For example, features include 120 images per minute, full color duplex scanning, and the ability to print on 300 GSM paper. The XC8160 has a MSRP of nearly \$26,000, which, according to Boatman, is not currently comparable to any other A4 color MFP on the market in that speed range. That price is more in line with an A3 device than an A4.

The XC8160 ships with 50,000 pages of black toner and 17,000 pages of CMY (each) toner. Boatman said that 50,000 pages of toner bundled with the device offers dealers \$750 to \$1,200 of pure profit.

“When you add all that up in the context of value to the dealer, we know this will be able to get into significantly more opportunities than they were ever able to get into with Lexmark,” he said.

Altogether, seven products were on display in the exhibit areas, including two introduced on May 10, the XC4140 and XC4150 color A4 MFPs. What’s unique about the XC4140 is that it’s only available to Lexmark’s Business Solutions Dealers (BSD).

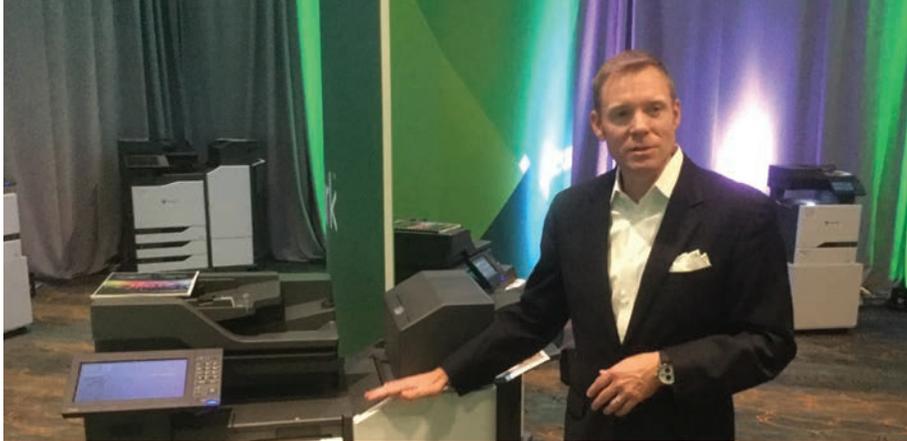
“At 40 pages a minute, we think it fills a nice gap and it offers a lot of benefits and advantages over the product it replaces, the XS748,” stated Boatman. “It’s faster, more compact. It’s got the same imaging architecture, same user experience on the operator panel, and fits nicely into the smaller end of mid-sized businesses.”

The XC4150 at 50 ppm is expected to go into slightly larger user groups and offers the same capabilities but also comes standard with AccuRead OCR.

Special Presentations

Beyond the presentations from Lexmark executives, dealers were treated to a couple of informative presentations and a panel discussion. Lexmark is a major sponsor of the PGA, and the Tuesday afternoon General Session featured a presentation by Sandy Cross, senior director of diversity and inclusion at PGA of America. She spoke about the PGA’s history, including the period of time when it was a segregated organization to today, where even though 90% of its memberships are white males, initiatives such as youth tournaments are exposing the sport to a more diverse audience, including young women and minorities. It was an illuminating presentation for an audience made up of a similar demographic as the PGA.

Wednesday morning began with the presentation of awards to the top-performing Lexmark dealerships, followed by a lively presentation by David Ramos of InfoTrends on opportunities in the color market. Ramos was followed by BTA General Counsel Bob Goldberg, who moderated a panel of Lexmark dealers responding to



Lexmark's Phil Boatman and the XC8160 A4 60-ppm color MFP, a product he describes as "a game changer."

What's unique about the XC4140 is that it's only available to Lexmark's Business Solutions Dealers (BSD).

questions about their A4 color strategies, the structure of their sales teams, and how leads are compensated.

The dealers also shared their thoughts on selling Lexmark solutions and identified what they like best about the new products. Participants included Barry Simon, president of Datamax; John Hastings, senior vice president of sales at Loffler; Vennetta Diesel, Lexmark sales manager at Millennium Business Systems; Jim Fall, VP of strategic planning at Cannon IV; Tom McMahon, vice president and general manager of Florida operations at Milner, Inc.

Summing Things Up

Lexmark executives certainly put forward a convincing case that the company is poised to become a disruptive force in the A4 color space and it is serious about solutions. But saying it is one thing. The onus is still on Lexmark's dealer channel to take those A4 color products and solutions to market and shake things up.

When one tallies the various acquisitions of software companies Lexmark has made over the past few years, along with the emphasis on solutions at this year's conference, there's plenty of evidence as to the company's intended direction. A walk-through of the Technology & Solutions Showcase on Tuesday seemed to validate Lexmark's solutions strategy as many dealers were taking in the demos. If Lexmark is going to succeed in this mission of transforming itself into a solutions company, those are the hearts and minds they need to win over. And when it comes to color, Lexmark now has a

strong product foundation to build from with the XC8160.

"I thought Lexmark did a great job with the meeting," observed Ray Belanger, president of Bay Copy in Rockville, Massachusetts. "The new A4 color products look great. [Lexmark] worked hard to concentrate on lowering the operating costs and got some impressive results."

"We are excited about the new products and feel that they will be competitive in the marketplace," added Hunter McCarty, COO of RJ Young in Nashville, Tennessee. "We especially like the one-year labor and four-year parts on the [XC8160]. It [offers] a real opportunity to be competitive with competition, and now, the CPC will be more in line with other A3 competitors."

But there's still a lot of uncertainty in the channel as to how Lexmark's acquisition will shake out after it's completed. Most dealers understand that there's not a lot that Lexmark can say until the deal is completed—if even then. I spoke with Jim Oricchio, president of Coordinated Business Systems, who commented that he now represents two lines owned by Chinese companies. Asked if he was concerned about what's going to happen with Lexmark, he told me that he was more concerned about Sharp.

Bay Copy's Belanger seemed to take things in stride. "There's always some uncertainty when there is an acquisition," said Belanger. "In this instance, it seems reasonable that it shouldn't affect us very much. Time will tell."

"The only concern is that it is China and

there are some uncertainties of that relationship," stated RJ Young's McCarty. "Also unknown is whether the company will be split into two divisions with software being one and equipment being the other. If they are separated, how will they interact, since they do have some interaction and cross-selling that takes place?"

Meanwhile, don't be fooled by the "business as usual" mantra of Lexmark executives. Let's be realistic. It may be business as usual on the surface, but when not in front of 210 dealers and press, or in their day-to-day interactions with dealers, it's likely a different story. Just ask anyone who has ever worked for a company that's been acquired.

Who knows? A year from now, it might still be business as usual. With that in mind, if I were a Lexmark dealer, I couldn't be more satisfied with the company's commitment to A4 color, as well as its menu of solutions. I'm not sure if that's enough to give me full confidence in what the future holds for Lexmark. But, let's not stir anything up and make unfounded predictions or get into undue speculation.

Overall, it was an excellent conference. If one focuses on the goals and strategies relayed at the conference and ignores the outside noise, Lexmark appears to be moving in the right direction and its dealers should be confident in them as a partner until developments arise to prove otherwise.



Questions About This Story?

Contact Scott Cullen
Phone: (609) 406-1424
Email: SCullen@CannataReport.com



COSMIC THING

LEAD 2016 Excites and Engages Record Attendees with New Product Line, Innovative Technology, James Carville and Mary Matalin, and The B-52s

By CJ Cannata

Toshiba America Business Solutions, Inc. (TABS) took this year's LEAD to cosmic new heights in terms of dynamic and scope. Hosted at the Bellagio Resort and Casino in Las Vegas, May 16–18, LEAD 2016 was the first to incorporate Toshiba Global Commerce Solutions, Inc. (TGCS). Ultimately, this year's event attracted a record number of attendees and engaged them with an impressive new line of MFPs; digital signage and retail technologies; unique, informative, and entertaining keynotes; and two of the most fun and productive evening receptions and bashes I've attended, on par only with Konica Minolta Business Solutions U.S.A., Inc. (Konica Minolta) and MWA Intelligence.

LEAD 2016 attracted a record number

of attendees. The total guest tally of over 1,300 included more than 350 dealers and 800 end-users. Dealer attendance represented a 59% increase since 2013. (Toshiba's last LEAD in 2014 was an end-user conference that only attracted just under 40 dealers. The manufacturer complemented LEAD 2014 with a four-city road show, which over 265 dealers attended.) Dealers also brought 25% of end-user guests, with Proven Business Systems out of Tinley Park, Illinois, leading the competition with 15 guest attendees.

Good Stuff

After four years of stagnant MFP product development, Toshiba kicked off LEAD 2016 on May 16 at the Bellagio in Las Vegas by launching five new e-STUDIO series for its MFP portfolio. The 23 newly engineered products include three color MFP series (13 models) and two monochrome series (10 models), all of which are set to ship this summer.

The MFPs were engineered to efficiently

LEAD 2016 attracted a record number of attendees. The total guest tally of over 1,300 included more than 350 dealers and 800 end-users. Dealer attendance represented a 59% increase since 2013.



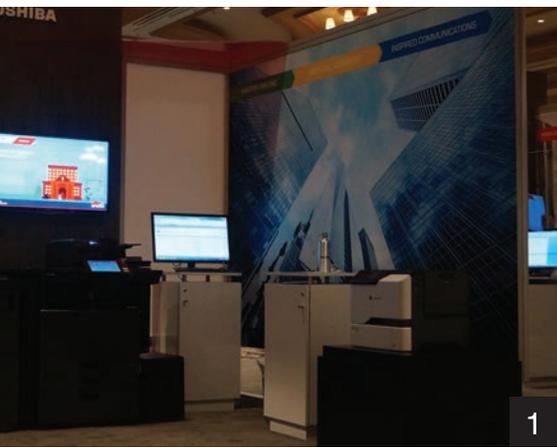
3



4



2



1

and cost effectively address the print, document management, and workflow needs of virtually any business application. New software and hardware elements include Intel's new processor, a customizable 9" tablet-style user interface (UI), embedded application platform, and dual-scan document feeder (DSDF).

Toshiba designed the line to specifically simplify optical character recognition; easily use embedded or third-party applications; connect to the cloud for mobile users; adjust color for varying media and lighting or to match specific Pantone colors; to deliver 240 images per minute while holding as many as 300 sheets at a time; and to maximize uptime and reduce total cost of ownership.

Toshiba's latest MFPs additionally reflect its commitment to a more sustainable planet. The company's 23 new products all meet the stringent criteria of major environmental programs and standards, such as EPEAT Gold, Restriction of Hazardous Substances (or RoHS), and ENERGY STAR.

After witnessing an exceptional reaction to the new lineup from dealers during the show, The Cannata Report sought further commentary from Bill Melo, TABS's chief marketing executive who stated that the manufacturer "received an overwhelmingly positive response from

the dealers who saw the new products at LEAD. This new generation of e-STUDIO MFPs delivers the most requested feature upgrades that dealers have been waiting for. Additionally, our dealer and end-user customers were delighted by the work we've done on the customizable user interface."

The Cannata Report will independently follow the trajectory of these products, but we already feel they could be a game-changer for the 2014 and 2015 "Best-in-Class" Frank award winner, as determined by dealers via The Cannata Report's Annual Dealer Survey.

Bill Melo also demonstrated several innovations I initially previewed with TABS's Vice President of Product and Solutions Marketing Joe Contreras in New York City at the 2016 BIG Retail show back in January. These included:

1. Digital signage with a new Augmented Reality component, where, among other things, a consumer could take a photo with an authentic-looking likeness of celebrity or notable who isn't actually present.
2. The "Lift and Learn" display, which automatically imparts detailed information about a product (in this case, a perfume bottle) on a series of screens when a consumer picks it up.
3. A new HD LED display with substantially enhanced resolution, similar to previous display models.
4. An updated grocery display, built on Toshiba's Virtuoso platform, with en-

1 & 2: LEAD 2016 Product Fair impresses attendees. 3: TABS's Chief Marketing Executive Bill Melo presents features of the new TABS e-STUDIO product line. 4: Melo presents features of interactive grocery and deli digital display solution, built on TABS Virtuoso platform.

"[TABS] received an overwhelmingly positive response from the dealers who saw the new products at LEAD. This new generation of e-STUDIO MFPs delivers the most requested feature upgrades that dealers have been waiting for," said Melo.



5



6

hanced features that enable consumers to pick select items they know they want from the outset of entering an establishment and have those items waiting for them when they check out, among others.

Ain't It a Shame

Some dealers would have liked to have seen TABS showcase more managed and professional services, managed network services among them, and I agree to an extent. However, Melo made it clear during LEAD 2016's analyst briefing that Toshiba has no plans to enter the IT arena and plans to differentiate itself in other ways.

In my opinion, digital signage presents a major business opportunity. While it may not organically fit the current standard dealer model, digital signage is a natural progression from print from a consumer and end-user perspective, and a tidal wave of the future that our industry can't afford to disregard.

While many Toshiba dealers claim digital signage does not represent a real opportunity for them, particularly in smaller markets, I primarily disagree for two reasons. First, there are dealers succeeding in with these products in smaller markets. For example, Toshiba dealer The Lioce Group out of Huntsville, Alabama, has aggressively taken on digital signage. Huntsville proper and the Huntsville Metropolitan area have respective populations of 180,105 and 417,593. Most of the dealers I've encountered with no plans to embrace digital signage are located in markets with larger populations and operate in more aggregately progres-

sive parts of the country. Second, one of the most profound things Steve Jobs said was, "People don't know what they want until you show it to them." That is, unless someone else shows it to them first.

Having said that, The Cannata Report is currently in the process of working with Toshiba on a dedicated digital-signage story that will explore the opportunity much more comprehensively. Stay tuned.

Funplex

Toshiba regaled, inspired, and informed the audience with two of the most impressive and diverse keynotes, including one by internationally renowned graffiti artist and No. 1-selling business author Erik Wahl, and the other by political powerhouse couple James Carville (liberal) and Mary Matalin (conservative). Wahl's stage painting was a visual metaphor to the core of his message, which encouraged profitability through reinvention, resilience, innovation, and superior levels of performance. The works themselves ranged from paintings of U2 front-man Bono to the visionary Albert Einstein, among others, which, in my opinion effectively enabled Wahl's presentation and performance—which received a resounding ovation—to resonate with the entire, highly diverse audience.

Carville and Matalin provided enlighten



7



8

5. Bill Melo presents features of the intuitive new TABS "Lift and Learn" retail technology. 6. Toshiba Plaza on the evening of May 18, prior to The B-52s taking the stage. 7. TABS hosts outdoor party-concert at AEG and MGM Resorts International's T Mobile Arena. 8. From left to right: Cindy Wilson, Fred Schneider and Kate Pierson of The B-52s perform live.

While it may not organically fit the current standard dealer model, digital signage is a natural progression from print from a consumer and end-user perspective and a wave of the future that our industry can't afford to disregard.



important political issues, the 2016 race for the White House, and a behind-the-scenes look at Washington politics. The Cannata Report captured segments of their performance for our “James and Mary” video series for thecannatareport.com.

Roam

LEAD 2016 was the first industry show that eschewed any evening events anchored by a sit-down dinner, something I have been personally waiting for since joining the industry in January 2013. After sitting all day, the last thing most dealers, sponsors, and press want is to be “tied to a chair,” as I call it. They want to network and socialize with as many peers, colleagues, clients, and executive hosts as possible. I certainly accomplish more unrestrained—not only for myself, but for the company whose event I am covering.

Manufacturers and dealer partners from other segments elect to conduct dealer award ceremonies along with a sit-down dinner in the evening, and often on the last of a three-night event. I absolutely champion the acknowledgment of top performing

dealers, but this is something that may be better accomplished during the day.

The two events Toshiba hosted during the evening included a poolside welcome reception and an outdoor party-concert, as I refer to it. Nearly everyone at LEAD 2016 attended the former and that evening received raving reviews from every attendee I encountered during the event. TABS hosted the outdoor party-concert featuring The B-52’s at Toshiba Plaza, a two-acre outdoor public plaza outside the new AEG and MGM Resorts International’s T-Mobile Arena in Las Vegas, of which Toshiba is a founding partner.

Love Shack

The event featuring The B-52s at Toshiba Plaza was well-attended and infused with energy. While the food could have been much better, the atmosphere and performance more than made up for it. All the dealer representatives, sponsors, and press I interacted with thoroughly enjoyed the evening, as this entire industry includes serious music enthusiasts across every segment.

Several LEAD attendees especially appreciated the fact that Toshiba hired a commercially successful band—and one of the best party bands out there—that performs original material in favor of a cover band. (Having said that, I would be remiss not to

Feature Subtitle Notes

“Cosmic Thing” and “Love Shack” (Kate Pierson, Fred Schneider, Keith Strickland, Cindy Wilson); Good Stuff (Pierson, Schneider, Strickland); Ain’t It A Shame (Strickland, C. Wilson, Ricky Wilson); Funplex (Strickland, Pierson, Schneider, C. Wilson); “Roam” (Pierson, Schneider, Strickland, C. Wilson, Robert Waldrop)

All songs referenced performed by The B-52s.

mention that Konica Minolta’s 2015 “The Art of Disruption” dealer meeting included featured a remarkable performance by a cover band comprised of various commercially successful musicians.)

Many who attended LEAD 2012, which featured a performance by another commercially successful band—Cheap Trick—reminisced about that performance and how much they enjoyed it during the B-52s concert. I know we all hope to experience something similar in the near future.

For now, my overall and parting message to TABS in reference to LEAD 2016 is “good show.”

CR

Questions About This Story?

Contact CJ Cannata
Phone: (917) 514-9501
Email: CJCannata@CannataReport.com

Editor’s Note: Read Frank Cannata’s review of LEAD 2015, “TABS Moves Beyond MFPs to Managed Content,” on TheCannataReport.com/this-week.

TABS hosted the outdoor party-concert featuring The B-52s at Toshiba Plaza, a two-acre outdoor public plaza outside the new AEG and MGM Resorts International Las Vegas Arena, of which Toshiba is a founding partner.

9. Internationally renowned graffiti artist and No. 1-selling business author Erik Wahl uses stage painting that served as a visual metaphor to the core of his message, which encouraged profitability through reinvention, resilience, innovation, and superior levels of performance. 10. Larry White, TABS’s SVP of sales, Americas, moderates Q&A with political powerhouse couple James Carville (liberal) and Mary Matalin (conservative).

Building a Better Business with MWAi's FORZA

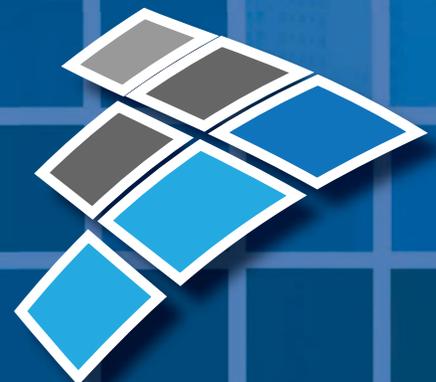
Progressive ERP System Expected to Illuminate Channel with More Successful Implementation

By Scott Cullen

As the imaging channel expands into MPS, IT services, and IT products, an ERP increasingly needs to accommodate the many new directions the industry is evolving. ERPs must also take into account the complexities of managing a business that sells much more than just hardware and software. A big part of that is generating a wealth of financial and informational reports and making it easier to exchange information with customers, suppliers, leasing compa-



From left to right, top to bottom:
Jeff Boate,
Phil Buysse,
Jim D'Emidio,
Jennie Fisher,
Mike Marusic,
Chip Miceli,
Al Scibetta,
Mike Stramaglio,
Rick Taylor



Konica Minolta CEO Rick Taylor established instant credibility for the platform when he embraced it at last year's Konica Minolta dealer meeting. FORZA has continued to rack up praise from other OEMs, including Sharp, Canon, and Ricoh...

KEY DEFINITIONS

ERP: A category of business-management software—typically a suite of integrated applications—that an organization can use to collect, store, manage, and interpret data from many business activities, including product planning, purchasing, manufacturing, or service delivery.

SAP Business One (B1): Business management software that automates business functions in financials, operations, and human resources.

MWAI FORZA with SAP B1 (FORZA): An ERP system specifically tailored for the imaging channel. The ERP is designed to provide transparency and instant visibility into operations. MWAI markets the ERP as a solution to help dealerships better unify, manage, and control their entire business across financials, sales, customers, and operations.

nies, and other entities the channel is doing business with.

Given these evolving dynamics required of an ERP system, Mike Stramaglio, the charismatic president and CEO of MWA Intelligence (MWAI), believes it's time for the document imaging industry to embrace a new enterprise resource planning platform. More specifically, to Stramaglio and a growing number of dealers, that ERP happens to be with SAP Business One (FORZA), a platform developed by MWAI and the German company SAP SE. FORZA also has the potential to make it easier for the channel to ramp up

its e-commerce capabilities with its web store capabilities.

FORZA might best be described as an ERP on steroids that comes bundled with virtually every function a dealership needs to manage its business. It is available in a cloud and on premise versions, as well as a HANA version, an in-memory, column-oriented, relational database management system. What differentiates this platform from others on the market is its open architecture, built-in features, and functionality. With other programs, many of the features built in to FORZA are add-ons. For example, if you want e-commerce or mobile service capabilities with a competitive program, you must purchase that separately. With FORZA, it's built-in and ready to use. Plus, FORZA provides users with a single database for all functions and reports, as opposed to competitive products that require multiple databases.

The platform's open architecture is what Stramaglio views as a driver for growth because of its ability to move data in real time across marketplaces and markets while removing costs from the process. Now, after nearly four years of engineering, development, and testing at beta sites, MWAI has a product ready for prime time.

With the platform now in its implementation stage, we wanted to gain a better understanding of the platform and how it works. To assess this new ERP's potential and the challenges of implementing it, we spoke with several OEMs, leasing companies, and others monitoring FORZA's success. Most importantly, we heard from dealers who have implemented it or are in the process of bringing FORZA in-house. Our intent with this piece is to offer an evaluation, not an endorsement, of FOR-

ZA. Additionally, we will not be critiquing the existing platforms that still meet the needs of many dealers (with the exception of OMD, which is nearing the end of its life).

Rallying Around FORZA

According to MWAI's Stramaglio, FORZA has the potential to radically transform the document-imaging channel. As evidenced at the latest Executive Connection Summit this past February in Scottsdale, Arizona, various segments of the channel are rallying around this platform. FORZA received a fair share of shout-outs from the Summit's third-party presenters.

The first wave of early adopters from the dealer community include DPOE, PERRY proTECH, dex Imaging, and Copier Fax Business Technologies. While this short list isn't comprehensive, that was not Stramaglio's goal. He was savvy enough to know that MWAI could only handle the implementations of so many dealers at a time and handle them well. MWAI spent two years of vetting the industry and refining the platform. As a result, OEMs are beginning to embrace FORZA.

Endorsements from the OEMs have certainly been a boon to MWA's marketing efforts. Konica Minolta CEO Rick Taylor established instant credibility for the platform when he embraced it at last year's Konica Minolta dealer meeting. FORZA has continued to rack up praise from other OEMs, including Sharp, Canon, and Ricoh—even if some of them are not as vocal in their support as Konica Minolta. This growing acceptance can be attributed to Stramaglio's quarterly trips to Japan to share the FORZA story with the OEMs on their home turf.

“The OEMs understand the value of an

MANUFACTURER PERSPECTIVE

Konica Minolta's Endorsement

For Konica Minolta's Taylor, FORZA offers capabilities that the existing ERPs don't.

"The current ERPs don't speak to the way the business is changing," said Taylor. "Most were designed years ago and have not changed that much. When you talk about other types of businesses, IT services, in particular, or software, or all of the directions we are going, nothing really addresses that as efficiently as we would like."

Those existing platforms even include the enterprise version of SAP B1. Taylor reported that Konica Minolta will dedicate a large sum to switch from its own enterprise version of SAP to FORZA.

"If I see a reason to spend that much money on my own, I feel comfortable telling dealers they should look at another ERP that has the capabilities that will make sense for the future," said Taylor. "Everybody talks about the business changing and transformation, and how everybody and everything needs to transform, including the way you run your business internally."

Taylor is confident this new platform can make a business more efficient and enhance the way information is exchanged, while bringing Konica Minolta's dealers closer to the company.

"If we're aligned in how they set the product up, it's going to give us a competitive advantage going forward," noted Taylor. "If you're a

"If I see a reason to spend that much money on my own, I feel comfortable telling dealers they should look at another ERP that has the capabilities that will make sense for the future," said Taylor.

dealer managing large accounts nationally and globally, as an OEM, we want to make the process smoother and get reporting for major accounts, etc. Unless we're more closely aligned from a back-end standpoint, we can't do that."

For dealers moving into IT services, Taylor finds FORZA the perfect platform, particularly for dealers billing multiple services to an account and tracking assets. He also sees further opportunities outside the imaging channel, given FORZA's appeal to medium and small businesses.

"Long term, I see this going outside of our industry and that's one of the reasons we jumped in—the ability to show this outside of our industry," said Taylor. "The perfect example is the auto industry. Car dealers desperately need updated systems. If FORZA can be built and customized for particular industries, that would be great for us, and we can go out and attack those industries."

Sharp's Foresight

"Because FORZA is a recently de-

veloped platform, everything we're trying to do with everything new we have works seamlessly with it," said Sharp's Mike Marusic, senior vice president of marketing, supply chain and service.

"When you're trying to add [capabilities and functionality], that's a huge value add. It's easy to do, and that's a huge advantage for us as far as getting things done in a timely manner. I call up [MWAi] and say I want it to do something, and then I have Mike [Stramaglio]'s guy talk to my guy, and a week later it's done."

Data Integration as Benefit

"[FORZA] is so much better about managing data and moving data," said Marusic. "What we're trying to do with MWAi is drive home more data analytics."

Marusic also sees the platform as a vehicle for dealers to provide IT services and sell more IT-related products. With FORZA, Sharp and its dealers can integrate with major IT distributors, providing customers with online ordering capability.

Muratec in the Middle

Muratec's President Jim D'Emidio takes a Switzerland-like view in assessing the various ERP offerings in our industry.

"If you're happy with ECi and it works for you, great," said D'Emidio. "[However,] if you're trying to do some things and it doesn't quite fit, then look at [FORZA]. But make sure you do your due diligence and that you get the correct software, not for next year but for 20 years down the road."

“It’s been painful,” conceded DPOE President Chip Miceli... [How-
ever,] with FORZA now fully implemented, Miceli is calling it the best
decision he ever made for software..

enterprise weighted value/system for the SMB marketplace,” said Stramaglio. “They need the channel to be on an open-architecture platform for [the OEM] to grow their business, and more importantly, be able to innovate and bring new integrations, new data communication, and new efficiencies into the supply chain. They cannot do that on a purpose-built software package. As time goes by, you’ll see more willingness and openness from the OEMs to embrace what we’re doing and advising the [dealer] community to do it.”

The Early Adopters

FORZA’s early adopters in the dealer community range from \$7-million deal-

erships to more than \$70-million dealerships. Their gambling mentality is a common thread, as is their willingness to take on the painful challenge of switching to a new platform.

DPOE Headquarters: Des Plaines, Illinois

DPOE was among the first dealerships to make the transition to FORZA, and it hasn’t been easy, even though no one was expecting plug-and-play implementation.

“It’s been painful,” conceded DPOE President Chip Miceli. “We started a year before we made the switch. We had to clean up a lot of [data] in e-automate because after you’ve had it for years, people get

sloppy and don’t clean out the junk that needs to be entered.”

A direct download to transfer DPOE’s old data onto the new platform was an option, but past experience led Miceli to err on the side of caution.

“When I went from Lacrosse to OMD to e-automate, we downloaded everything, and it was a nightmare,” said Miceli.

This time, DPOE downloaded its customers’ names and addresses, but entered maintenance contract data from scratch to ensure it was entered correctly.

For Miceli the biggest benefit has been the accounting component of the pro-

LEASING PERSPECTIVE

The finance companies, including two of the top finance institutions as identified by readers of The Cannata Report, are taking notice as well.

“We definitely see value in the product and dealers having one portal to manage their business,” observed Jennie Fisher, senior vice president and general manager of the office equipment group at GreatAmerica Financial Services Corp. “We believe in the [platform] and we’re focused on integrating with it.”

“It’s still early [for FORZA], but it most certainly holds a lot of promise,” stated Phil Buysse, senior vice president, general manager, Office Equipment Vendor Services, U.S. Bank. “It’s good to see another entrant in this space. Competition pushes everybody to be better. As

“The finished product [with PERRY ProTECH] is going to streamline the sales and financing process on both the front and back end, all geared to make the customers’ lives more efficient, productive, and accurate,” stated Buysse.

for FORZA with SAP B1, that’s a big plus and adds a degree of comfort due to its recognition and [because SAP’s] products have been in an ERP platform already.”

U.S. Bank recently partnered with

MWAI for a key integration of FORZA at PERRY proTECH.

“The finished product will streamline the sales and financing process on both the front and back end, all geared to make the customers’ lives more efficient, productive, and accurate,” stated Buysse. “There’s a lot of integration on the front end. [The dealer] can submit a credit application and receive that decision back without leaving the FORZA system. And when the customer is ready to sign the contracts, the system will generate prepopulated contracts.”

Those capabilities facilitate time savings and greater efficiencies, and reduce, if not eliminate, duplicate entries. “[It] creates a lot of accuracy, which we know from a sales standpoint can sometimes be hard to achieve and is important in the financing process,” said Buysse.

“We were waiting for some catastrophic failure, but it didn’t happen,” said Boate, who still cautioned that a wholesale change like this one impacts every component of the business.

gram, which gives him more real-time accounting information. With FORZA now fully implemented, Miceli is calling it the best decision he ever made for software.

When asked what his employees think of the new platform, he deadpanned, “The ones who are left like it.”

Apparently, DPOE lost a few employees who decided they’d rather take flight than switch.

PERRY ProTECH
Headquarters: Lima, Ohio

As the largest dealer (\$75,000 in annual revenue) making the switch to FORZA, PERRY ProTECH is without a doubt the marquee integration. With all eyes on PERRY, the industry watching to see what FORZA can do for other dealers. The dealership began the integration this year on April 1.

This isn’t the first time the company has adopted a new ERP. In the 1980s, PERRY ProTECH was among the first five dealers to adopt OMD. Unfortunately, “been there done that” doesn’t apply in this case since only a couple of employees who were with the company then are still with PERRY today.

“When you make this decision, it’s a long-term decision,” said Jeff Boate, PERRY proTECH’s president. “One thing management told [employees] repeatedly is that this is generational. If you stay with this company, we will only do this one time in our careers. Generational things are hard and scary, and I wonder where PERRY would be if they did not make the call to be one of the first five clients to ever go on OMD. And here we are again, one of the first five clients to go on B1 FORZA in this market space.”

Boate described the transition as “challenging, exiting, and painful.”

“PERRY had been on OMD since the mid 1980s so every single person had a brand new job on April 1,” said Boate. “We didn’t have anyone to train them on their job because we all had new jobs. Every process in the company changed at every level, so we were really fighting the human nature component of change. It’s very challenging to walk through that piece, but that doesn’t have anything to do with SAP B1 or FORZA. That would have been with any ERP system.”

Despite weathering a few bumps in the first week, PERRY still was able to ship more than 1,000 items out of its warehouse and serviced every client in that same time period.

“We were waiting for some catastrophic failure, but it didn’t happen,” said Boate, who still cautioned that a wholesale change like this one impacts every component of the business. Dealers going through a similar transition should expect to see less efficiency for the first few weeks, if not the first few months.

“Then, you will reach an efficiency level that was equal to your old level, somewhere between three and six months, and then, you will accelerate out of that as you gain the knowledge of the new system and how you can leverage it to propel your business,” noted Boate.

After a five week period, Boate reported that PERRY was running at an efficiency level equal to the level the company was at prior to the implementation.

“We used to have a lot of manual components, rekeying of data, a lot of manual reporting,” said Boate. “That doesn’t exist

in B1 FORZA. It’s an end-to-end system. If data [is entered correctly], you’re pretty much just hitting buttons to extract what you need.”

Boate also identified an important asset of the platform that he didn’t foresee—the ability to change the program on the fly.

“With MWai’s help we were able to change screens to display [service history] data in different ways for different users,” explained Boate. “I wish I understood that flexibility a little bit more beforehand because I would have pitched it differently to the company as we tried to build momentum to get this product launched.”

On the supply chain and distribution side of the business, Boate said the program has been “phenomenal,” mainly due to its bar-coding capabilities and being an end-to-end system.

According to Boate, who has been proactively soliciting feedback across the dealership throughout the implementation, a team member even told him that he would be able to gain a couple of days back into his work schedule every month thanks to efficiency gains from the platform.

“That first month, you fix most of your issues because of your billing,” said Boate, who is looking for smoother roads ahead. “Now that you’ve been through a whole month of billing, 80% of your issues are gone.”

dex Imaging
Headquarters: Tampa, Florida

dex Imaging chose to implement FORZA in certain segments of its business, rather than across the entire company. Thirteen months ago, dex started Emerge Print

“[FORZA] does a lot more than Sherpa and gives us a proposal format so our reps can build a proposal on their own,” said Scibetta.

Management, a new line of business. In addition, dex acquired a company that does toner remanufacturing in house.

“The [ERP] solution we were using previously didn’t offer a comparable feature set to FORZA SAP B1 regarding manufacturing,” said Patrick Adesso, CIO of dex Imaging.

Given the company’s high level of in-house, custom software development, dex’s previous ERP provider was unable to integrate its system with dex’s existing system.

“We have a lot of developers familiar with the technology used to integrate with SAP B1, that being .Net,” said Adesso. “It fit our model for building sustainable software products for internal use.”

Even though the platform was a natural

fit, the implementation wasn’t without its challenges, most of which were self-inflicted, according to Adesso.

“We constructed a new building for Emerge to operate out of and needed to have a business running by that time,” said Adesso. “Having a hard deadline is a daunting task. We had an accelerated implementation schedule with a lean team, and getting FORZA launched was the least of our problems. The biggest problem was combining the SAP and FORZA implementation, along with us combining two companies. We took on a lot in a short amount of time, specifically with combining data.”

Adesso sees the FORZA ERP playing a larger and more substantial role in the company and expanding into Emerge’s new managed print company Total Print. Adesso has found that the platform is

ideal even for dex’s managed content services business.

“As this grows and flourishes, we are seriously considering moving FORZA onto the dex side of things,” said Adesso. “That has been delayed somewhat because of a lesson we learned on the front side of doing our SAP implementation. We need to get our data in order, which takes a lot of work with a company the size of dex.”

Copier Fax Technologies
Headquarters: Buffalo, New York

Copier Fax Business Technologies (Copier Fax) has only just begun its integration. The company’s President Al Scibetta had been hearing about FORZA for a couple of years, but it wasn’t until this year’s Executive Connection Summit that he decided the time was right to make a move.

WATCHING AND WAITING

While certain dealers may be ready to jump on board with FORZA, the majority are still in wait-and-see mode.

Mike McGuirk, president of Pro Copy in Tempe, Arizona, isn’t jumping into FORZA right away. He is closely watching how the early implementations go before he makes a decision. As a member of MWAi’s user advisory board and an attendee at The Executive Connection Summit for the past few years, he’s well aware of FORZA’s potential. He has also witnessed how certain segments of the industry have already embraced it.

“Mike [Stramaglio]’s on the right track and he’s got a better mouse-

“Mike has some high profile companies like Perry and dex making the change, and if those guys sign off on it, that’s going to be a compelling reason to change,” said McGuirk.

trap,” said McGuirk. “Like everybody else, I want to see it installed and up and running in a couple of different places before we take a closer look. Mike has some high profile companies like Perry and dex making the

change, and if those guys sign off on it, that’s going to be a compelling reason to change.”

Barry Simon, president of Datamax in Little Rock, Arkansas, sees FORZA’s value, but his dealership is still recovering from a recent switch from OMD to e-automate. As a result, he’s not going through another platform transition. Plus, he’s satisfied with e-automate and for him, if it’s not broke, there’s no need to fix it.

“We have some leverage with e-automate and we’re not prepared to re-invest right now,” said Simon. “Some of the people switching [to FORZA] are OMD users so they had to make a decision. At that point, it’s very viable.”

As FORZA racks up more successful implementations, I think we can expect the ERP to truly start rocking the channel.

Helping him make that decision was the news that PERRY proTECH was switching from OMD to FORZA.

“They’re a \$75-million company, and we’re \$7 million,” said Scibetta. “We’re both on OMD. We both use Compass Sherpa as our CRM. And we’re both Konica Minolta dealers.”

He expects the dealership to be up and running in early September. That timetable falls in line with what Scibetta has heard from Gavin Williams, chief solutions officer at MWAI, who said to expect a four-month conversion based on the size of the dealership, its MIF, and its operating system.

One of Scibetta’s concerns about switching to FORZA was the proposal component, which its previous Compass Sherpa CRM had completed. The first time he saw a FORZA demo, the proposal format hadn’t yet been perfected. Now that it has been, he finds it an even more powerful presentation than what he’d been accustomed to with his previous CRM.

“[FORZA] does a lot more than Sherpa and gives us a proposal format so our reps can build a proposal on their own,” said Scibetta. “We don’t need all sorts of assistance, secretaries, and everyone else building something. They can build it, put it together, bind it, and it’s a professional piece.”

He also likes the way MWAI is building integration into Sales Scorekeeper, the program that allows commissions to be totaled automatically. Like DPOE, Copier Fax is cleaning up the garbage in its current system and entering the maintenance contracts manually.

“We are not sweeping information into

SAP,” Scibetta said. “We’re going to enter them one at a time. You know the garbage in, garbage out theory. We don’t want that. We want to individually enter information in every single area that we can so when we open this process up, it’s clean as a whistle.”

Scott’s Upshot

FORZA’s ultimate success will rely on dealers influencing other dealers. It doesn’t matter how terrific a marketer Stramaglio may be, how many trips he makes to Japan, or the level of buy-in from the OEMs, leasing companies, and other vendors.

At this first glance, it’s clear the FORZA ERP may not be for every dealership. Certain dealers we spoke with expressed their continued commitment to e-Automate. Without a need for MNS billing or accounting, there is limited impetus to switch platforms, especially since it is such a huge undertaking.

However, as an industry, we all have eyes on PERRY ProTECH. How FORZA impacts that company’s bottom line will set a powerful precedent for other dealers, which could help many more of them overcome their trepidation about switching to a new platform.

As FORZA racks up more successful implementations, I think we can expect this progressive ERP system to truly start rocking the channel. Other platforms may still remain viable for many dealers who need a basic ERP. However, FORZA provide dealers with something they never had—an increasingly viable and attractive alternative.

Additionally, as dealers start servicing more and more complex accounts that require multiple services and an open-archi-

ture platform, it will shake up the status quo. But before we get too far ahead of ourselves, it should be noted that FORZA still has a long way to go before the ERP system evolves into anything close to the industry standard or branches out into other industries as Konica Minolta’s Taylor predicts.

Another wild card to consider is how the channel’s other platforms will evolve in FORZA’s wake. It would be foolish to assume they won’t attempt to keep pace.

Clearly, FORZA is aiming to fill a specific gap in the ERP market. As the industry and dealers change in this interconnected world of multiple services and new and emerging technologies, we should expect greater competition among platform providers and dealers more willing to ruffle their businesses to reach a higher level of productivity and revenue.

Regardless of whether or not dealers were planning to migrate over to the FORZA ERP, most of the dealers we spoke with are satisfied to have another competitor in the market.

MWAI will have to continue broadening its educational efforts across the dealer channel to ensure that all dealers and their partners understand FORZA and how it could work for them. There are still dealers out there who don’t know enough to even begin considering a shift to the platform. At the same time, FORZA’s successes may be all the advertising MWAI’s Stramaglio will need for the industry to fully embrace his platform.

CR

Questions About This Story?

Contact Scott Cullen
Phone: (609) 406-1424
Email: SCullen@CannataReport.com



The Stone's Office Equipment family (left to right): Frank Stone, founder; Sally Stone, secretary of corp.; Sam Stone, president; Tina Berry, office manager; and Mike Berry, vice president.

Rock Solid

Stone's Office Equipment and President Sam Stone Provide Edge Against Formidable Competitors

By Scott Cullen

There's an old saying, "You can pick your friends, but you can't pick your family." But, working side by side with family members day in and out isn't a problem at Stone's Office Equipment, a family-owned dealership in Richmond, Virginia. If it were, Sam Stone, the company's president, would not be so confident at the helm of Stone's team.

For the past 14 years, Stone has been leading the company founded by his fa-

ther Frank in 1970. Working alongside him are his mother, Sally, who works three days a week; sister Tina Berry, who runs the business office; and brother-in-law, Mike Berry, who heads up the service department. Backing up the family is a team of loyal employees with an average tenure of 15 years.

When I spoke to Stone in the middle of March, he told me 2016 was off to an excellent start for the company.



Sam Stone
President of Stone's
Office Equipment

"We're seeing growth," Stone said. "It's climbing back up from where the market was in 2008 and 2009. So, we're just



Introduces

THE WORLD'S MOST PROFITABLE COLOR CARTRIDGES



UP TO
216%
MORE PRINTS
PER CARTRIDGE

Unsurpassed color quality with longer yield
to maximize your profit on every page.

PERFECT FOR MANAGED PRINT PROGRAMS!

LMI **MAX-LIFE** EXTENDED YIELD SERIES

BIGGER YIELDS = BIGGER PROFITS

Learn more at lmisolutions.com/maxlife



WINNER OF THE BTA CHANNEL'S CHOICE
BEST REMANUFACTURED CARTRIDGES



WINNER OF NORTH AMERICA'S
BEST MANAGED PRINT PROGRAM



www.lmisolutions.com

Follow us:     





keeping our heads down and staying laser focused on the future.”

While still in high school, Stone began working in the family business during his summers before becoming a full-time employee in the service department in 1982.

“Then, I moved into sales and found it easier because it’s just meeting people and talking,” he recalled. “From that point on, I knew that’s what I wanted to do.”

He still remembers the first product he ever sold—an Adler Royal desktop calculator. And the second—an IBM Wheel-Writer typewriter.

However, Stone’s didn’t start out selling calculators and typewriters. Initially, Stone’s only provided typewriter service.

Only in the late 1970s did the company begin selling calculators and typewriters after customers continued to suggest the company get into that business.

“We’d tell customers which machines they’d have to buy in order for us to service them,” said Stone. “Then, they started telling us, ‘We’re not buying from somebody else in order for you to service it. You sell [it].’”

Stone’s first line of typewriters came from Silver Reed, and the company soon won the contract for typewriters for the state of Virginia. Stone’s would eventually become the largest Silver Reed dealer in the country. From there, the company picked up the Adler-Royal line of calculators, and then, IBM (which later became Lexmark) typewriters.

“Once we became an IBM dealer, that put us on the board as far as sales were concerned,” said Stone. “From there, we started selling fax machines.”

By the late 1980s, witnessing the emergence of personal computers and a declining interest in typewriters, Stone’s was at a crossroads. Should they take on computers, which were fast becoming a commodity, or copiers?

“[Back during that time] we had a strategic planning meeting and decided that copiers required more service than computers,” stated Stone.

In the early 1990s, Stone’s started selling and servicing Panasonic copiers. And the company’s copier business took off, despite the challenges of selling what was a limited line at the time.

“Panasonic only had three models, and we had to find customers who needed something in those three speed ranges,” said Stone.

Still, Stone’s was able to make that limited product line work for the company until 2000, when Stone’s picked up Sharp. Even then, they remained loyal to Panasonic right up until the day Panasonic exited the copier business. Eventually, Stone’s added the Savin line, but after the IKON acquisition, things got messy, and Stone’s decided it wasn’t worth the headaches.

“The Richmond market is small compared to a lot of other markets, and Richmond proper is only about one million people,” explained Stone. “At the time, there were seven dealers representing [the Ricoh family of products—Ricoh/Savin/Gestetner], and it was a bloodbath every time we walked in the door. Our reps were getting hammered so we looked for something else.”

That something else was Lexmark, which was an astute move, considering Stone’s history with IBM and its need for a strong A4 line to complement its MPS offering. Then, three years ago, Stone’s became a Xerox dealer as the manufacturer started courting the independent dealer channel.

Stone wasn’t even thinking about Xerox, but another dealer in Virginia suggested he look at the OEM’s program.

“[Working with Xerox] gave us a national footprint,” said Stone.

Adding Xerox enabled Stone’s to sell to

“At the time, there were seven dealers representing [the Ricoh family of products—Ricoh/Savin/Gestetner], and it was a bloodbath every time we walked in the door. Our reps were getting hammered so we looked for something else,” said Stone.

FEATURED **LMI** DEALER



Ray Morgan Company
DOCUMENT TECHNOLOGY SOLUTIONS

"LMI adds value to our customers with top quality print cartridges, advanced MPS infrastructure & Zero Landfill recycling services."

Mike Wysong
Executive Vice President

RMC Highlights

- Document Imaging Solutions
- IT Services Provider
- 18 Branch Locations
- Over 300 employees

GROW YOUR BUSINESS | GROW YOUR PROFITS

Top Quality Cartridges



The choice of over 700 dealers.

Remanufactured Printers



Boost your MPS profits.

Printer Parts



OEM & Aftermarket

MPS Infrastructure



Voted #1 in North America.

MPS Training & Marketing



Start & WIN more deals.

Zero Landfill Recycling



Leverage our R2 certification.



LMI Solutions is an award winning R2 certified remanufacturer helping over 5,000 imaging dealers and Managed Print providers improve their win rates and build profitable recurring revenues with a "one stop" source for award winning products, services and MPS Infrastructure.



www.lmisolutions.com

S·E·R·V·I·C·E

SERVICE IS THE LIFEblood OF ANY ORGANIZATION. EVERYTHING FLOWS FROM IT AND IS NOURISHED BY IT. CUSTOMER SERVICE IS NOT A DEPARTMENT...IT'S AN ATTITUDE.



customers with offices scattered across the country. That was a welcome change compared with the difficulties of working with Stone's other copier vendors on national accounts.

"Now it's an 800 number," said Stone. "If we need to ship our machines to Wisconsin, we call them and they say it's done."

Sharp remains Stone's main line, while Xerox represents about 30% of its copier/MFP sales.

By coincidence, Stone's represents three companies that have been at the top of the document imaging news cycle of late. Does it concern Stone?

"I can't control that stuff," he responded. "I hear what's happening and I think, we went through it with Panasonic and what we realize is there's a lid for every pot."

One thing Stone has learned over the years is that there's security in selling multiple lines. When manufacturers ask him to become a single-line dealer, he has a ready response.

"The only way I'd become a single-line

dealer is if you bought the business from me, because I don't want to be put in that situation," said Stone. "We were single line with Panasonic for a long time."

In the 1990s, Stone's was one of the top 20 Panasonic dealers in the nation and among a group of dealers Panasonic invited to visit the parent company in Japan. It turned out to be a true life-changing, or more accurately stated, a business-changing event.

"We went over there and saw they had a great analog box, but everybody was starting to go digital," said Stone. "When we asked them about digital, they [Panasonic] didn't have anything to show us. I came back thinking what a great trip it was and what a great time I had, but I have to pick up another line."

Taking Care of the SMB Business

While most of Stone's customers consist

of local businesses, a handful of Fortune 500 accounts are among Stone's client roster. The company's success in the SMB space is a particular source of pride for Stone.

"That's what always amazes me about our numbers," he said. "We're a Sharp Hyakuman Kai Dealer, and we maybe have two major accounts. The rest is down-the-street business. It's humbling and a testament to the people who work in our company and take care of the customer—making sure we're doing it right—and they're coming back to us and buying again."

Ultimately, customers turn to Stone's because of its people.

"We have people who have been here many years, which is not unusual for some of the larger dealerships," acknowledged Stone. "You look at TGI, Centric, RJ Young. They have people who have been there for a long time too."

"[It's] a testament to the people who work in our company and take care of the customer—making sure we're doing it right—and they're coming back to us and buying again," said Stone.

That longevity, however, is not so common at some of the direct branches Stone's goes up against.

"I was talking to someone at [one of the manufacturer's] branches here, and they go through people like crazy," observed Stone. "Another local branch went through 27 sales reps last year. To me, that's just crazy. They're chewing them up and spitting them out."

Family Matters

Besides working together, the close-knit Stone family vacations together. It's usually Sam Stone, his sister, his brother-in-law, their kids, Stone's kids, and his mother and father.

"It's 15 of us, and we've been doing it for years," stated Stone.

At the same time, the Stones try to avoid talking business after hours.

"We're 'game on' for 12 hours a day," said Stone. "If we have a manufacturer or customer issue, we knock it out here. Home is home."

Given the constant family time—be it on the shores of Lake Gaston, North Carolina, or in the office—it may be surprising that the family gets along so well.

"We had a customer who is a PhD and wanted to analyze us to find out what it was like to work in a family business," said Stone. "He was surprised we weren't having any quarrels. We know our roles and we do them."

When Stone isn't working or attending key dealer meetings and industry conferences, you'll likely find him outdoors, biking, or waterskiing.

"If it's outdoors, I try to do it," he said. He'd like to get back to playing golf, but he's still nursing a torn rotator cuff from a couple of years ago. Regardless, he's almost ready to tee off again.

In terms of what he likes best about his

job, Stone cited the people. "I like interacting with our customers and their employees, and I still enjoy going to manufacturer meetings," said Stone.

When asked about the least favorite part of his job, he mentions the games people play with pricing that make the industry look bad.

The Stone's approach is not one of rip and replace. Rather, the company assesses the situation to see what makes sense and what doesn't.

Still Growing

While Stone's may be a small dealership, Stone believes there are still opportunities for growth out there even after 46 years in the business.

He would like to see it grow by another million dollars a year from the nearly \$5 million in revenues it makes now.

Two segments of the business doing well for Stone's are solutions sales and MPS.

"We focus on it," replied Stone. "People respect what you inspect."

Stone's has an MPS specialist. When she was hired, Stone said he told her, "[MPS] is fluid, but we're going to build this from the ground up and make it different from everybody else."

Stretching the concept of an independent dealer, Stone's flexed its independence by not executing on MPS the way the manufacturers say to do it or the way suppliers like LMI or Clover recommend doing it.

"We asked ourselves, 'What can we do in our company and what does a customer want?'" said Stone.

After deciding exactly what Stone's could do and what the company couldn't—because its ERP wouldn't allow them to or it was logistically impossible—Stone's created its own MPS program.

The Stone's approach is not one of rip and

replace. Rather, the company assesses the situation to see what makes sense and what doesn't.

"We look at their volumes," said Stone. "Instead of taking a replacement mode or position, we take on a management role and then figure it out—what volumes are they doing, which machines are

the best—all the things you're supposed to be doing. Then, we look at what machines can we move to other areas or get rid of because they don't make sense in the field. After doing that, we narrow it down to specific models so we're not all over the radar."

Stone's also provides MPS customers with their own personalized web page, which ties directly into the devices they have at their location.

"It's a great opportunity to be in this industry and be who we are because I see so many of our competitors taking their eyes off the ball," said Stone. "[Some of our competitors] are stretching themselves thin on a lot of things and forgetting what the core business is. Customers tell me this all the time."

Looking into the future, Stone maintains a positive outlook for his company, as he strives to continue his family's legacy in the industry.

"With the things we have in place and if we can get off the ground with some of these sales reps we're training, I'm optimistic," said Stone. "It's going to be solid. At least that's what I keep telling myself every day I wake up. 'Today is going to be terrific.'"

OR

Questions About This Story?

Contact Scott Cullen

Phone: (609) 406-1424

Email: SCullen@CannataReport.com

The Women of 9/11

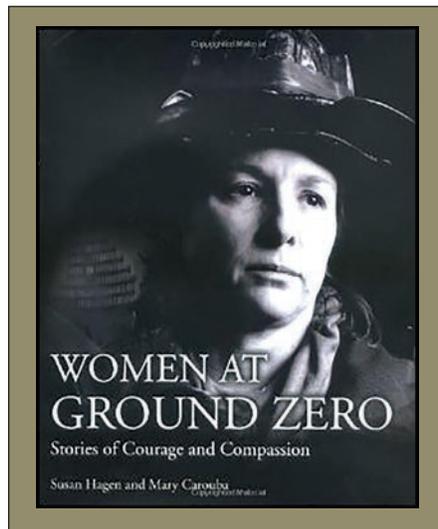
Honoring the Courage and Compassion

By Frank G. Cannata

We're grateful to report that our series on veterans has garnered much positive reaction from our audience. We are also particularly pleased about the response to our book reviews addressing our veterans' sacrifices. We will continue to tell the stories of the men and women who have worn the uniform, particularly those who have made the ultimate sacrifice.

In this issue, we wanted share a different story—one that we believe belongs with the articles and book reviews we've published previously about our military. Recently, Carol and I took a couple of friends visiting from out of town to the 9/11 Museum. If you have not been there, we urge you to do so on your next visit to New York. It will be a day anyone who attends will long remember.

To support the museum, Carol purchased a few mementos at the museum store. One of the purchases was the book "Women at Ground Zero: Stories of Courage and Compassion" by Susan Hagen and Mary Carouba. Even though this book is not about veterans, we wanted to feature it in this column to highlight the heroic first responders, including some women who gave their lives on that dreadful day. We'd like to dedicate this article to those brave men and women who knowingly entered the burning Twin Towers to save the lives of others.



In the introduction to their book, the authors noted that all the stories, photographs, and television coverage of that day failed to mention that women, serving as police officers, firefighters, and EMTs, were among those that answered the call for assistance. In Hagen and Carouba's words:

"In the [several] days and weeks that followed the [9/11] attack, rescue and recovery efforts at what had become known as Ground Zero took on a fevered pitch. As rescue workers mourned the loss of their comrades and searched tirelessly around the clock for survivors, New York's firemen and policemen emerged as the new American Heroes. The media presented story after story about the return of the manly man and made daily and unapologetic references to 'our brothers' and 'our brave guys.'"

Despite the media's use of terms that implied only men were involved in the amazing rescue feats that saved an estimated 25,000 people on 9/11, the authors knew there had to have been women police officers, firefighters, and emergency medical personnel on the scene of the disaster.

Among the women and men who were reported dead or missing were 23 police officers from the New York City Police Department, 37 police officers from the Port Authority of New York and New Jersey Police Department, 343 uniformed members of the Fire Department of New York, including two paramedics working under the FDNY's Emergency Medical Services Command, and six paramedics and emergency medical technicians who were employed by hospitals or private ambulance companies.

Three women rescuers gave their lives to save others on that terrible day. Port Authority Police Department Captain Kathy Mazza and NYPD officer Moira Smith were last seen in the Twin Towers helping evacuate thousands of terrified people. Yamel Merino, a young EMT and single mother, was also lost in the collapse. Somehow, these women were overlooked in the public grief among the overwhelming number of male rescue workers lost on September 11.

We believe these women's stories need to

Your loyalty
inspires ours



At U.S. Bank Equipment Finance, we are grateful to the men and women in the armed services for their dedication to our country.

U.S. Bank's support extends through our Proud to Serve veteran recruiting and hiring program, a variety of exclusive banking benefits, including VA Home mortgages and military checking with no maintenance fees, and free online Military Financial Education courses.

To learn about our military-friendly company and benefits, call our dedicated Military Service Center at **800.934.9555**

**Our commitment to the military
is part of who we are.**

- U.S. Bank ranked in "Top 100 Military Friendly Employers"¹
G.I. Jobs Magazine, 2014
- U.S. Bank named "Best for Vets" Employer."²
Military Times, 2013

usbank.com/military



¹G.I. Jobs Magazine, December 2013. ²Military Times, May 2013.



be told and retold. Sacrifice for the greater good is not the sole purview of men but of women as well. At the time “Women at Ground Zero” was published (2008), 6,000 of the 38,000 NYPD officers were women. At least one third of the paramedics and emergency medical personnel serving in New York City were women, including one division chief and three deputy chiefs in the Fire Department of New York’s Emergency Medical Services (EMS) Command.

During our recent tour of the Museum, we learned that 2,983 were killed in New York City, Pennsylvania, and Washington, D.C., on a day none of us should ever forget. Compare that number to the 1,700

sailors and marines killed on the Arizona on D-Day on December 7, 1941.

Hagen and Carouba’s 10 first-person accounts of women who served on September 11 are a compelling read and reinforce an indelible message that women serve and die for the greater good as much as men do. This informative book should also serve as a reminder that those who labor in the vineyard of public safety are good and decent people who deserve our utmost respect. Not everyone who wears a uniform, whether in the military, police, or fire departments, are necessarily heroes. However, the stories shared in “Women at Ground Zero” illustrate how there were many more than willing to

sacrifice themselves to save others on that fateful day.

After reading this book, I have an even greater respect for 9/11’s first responders, particularly those women who somehow got lost in the shuffle. They all deserve to be remembered.

CR

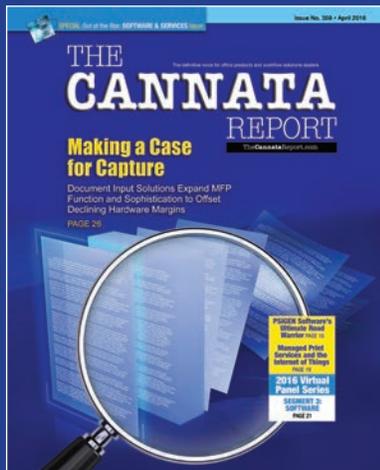
Questions About This Story?

Contact Frank G. Cannata
 Email: FGCannata@CannataReport.com
 Phone: (860) 614-5711

Editors note: if there is a veteran in—or close to—the industry you think we should consider writing about, email cj-cannata@cannatareport.com.

UP NEXT

By CJ Cannata



Frank, Scott, and I will attend the 2016 BTA National Conference and 90th Anni-

versary celebration and gala in Kansas City and we hope to see many of our subscribers and partners there along with us. From what we have heard so far, several high profile dealers and vendor executives across various segments will indeed be in attendance. The Cannata Report will also be finishing up our fourth software panel, which will feature ACDI, PSIGEN Software, Inc., Square 9 Softworks, and Umango.

While The Cannata Report’s travel schedule slows down considerably until Konica Minolta’s 2016 Dealer Meeting in August, it will still be an especially exciting time for us. We will publish our third annual Young Influencers issue and complementary digital content in June. This year, that issue will feature coverage of drupa 2016. Following that, we will publish our third annual Women Influencers issue and complementary digital content.

We will then look to roll out two months

of 2016 Annual Dealer Survey results and analysis with our 31st Annual Awards & Charities Dinner (sponsored by Square 9 Softworks, Clover Imaging Group, and Hytec Dealer Services, Inc.) and first annual Women Influencers brunch (exclusively sponsored along with the The Cannata Report’s Women Influencers franchise by Amtek ESP, with special thanks to Director of Marketing Tanya Flores for suggesting the idea) on Thursday, October 6, and Friday, October 7, respectively. (See INK’s KYOCERA item on page 8 for details or email me directly at cjcannata@cannatareport.com.)

Lastly, in the midst of all of this, we continue to dedicate significant resources to the development and launch of TheCannataReport.com Version 3.0. Our goal is to streamline the user experience while making it more efficient for us to continue publishing digital-only content more and more frequently.

CR



THANK YOU!!!

**MWA INTELLIGENCE, CLOVER IMAGING GROUP,
INDUSTRY ANALYSTS, AND THE JILLIAN FUND WOULD LIKE
TO EXTEND OUR SINCERE APPRECIATION TO ALL WHO DONATED!**

OVER \$100K RAISED!

VISIT THEJILLIANFUND.ORG FOR MORE INFORMATION



CLOVER IMAGING GROUP
Sustainable Innovation



A CATEGORY OF ONE

OFFERING MORE CHOICES THAN EVER BEFORE



THE BENEFITS OF CIG

Award-winning selections of premium brands including MSE, Dataproducts, NuPost, ecoPost, MICR Print Solutions, and private label solutions

Cutting-edge, customizable marketing and e-commerce solutions

In-depth product support and printer training

Largest computer and printer parts distributor

Leading MPS provider with over 250,000 devices



CLOVER IMAGING GROUP
Sustainable Innovation

REGISTER AND ORDER TODAY
WWW.CLOVERIMAGING.COM