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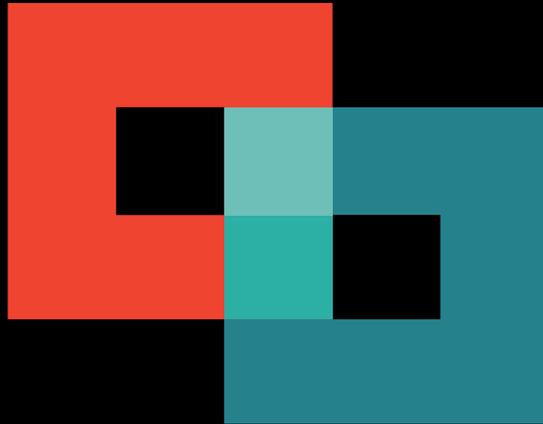
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"I like people who are minimalist with their words. Jack Nicholson thinks a lot then says something, and it's always spot on. Nelson Mandela is the same."

– David A. Stewart

English musician, songwriter, record producer, and director, best known for Eurythmics, his successful musical partnership with Annie Lennox

Read Stewart's recently released memoir, "Sweet Dreams Are Made of This: A Life in Music," published by New American Library (first printing, February 2016)



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2016 MWAi ECS Coverage Previews

Read “Six Key Takeaways from MWAi’s Executive Connection Summit” and “SDG Owners Meeting and MWAi’s Executive Connection Summit” on TheCannataReport.com (along with this month’s lead INK story on page 8) for a comprehensive look at Frank Cannata, CJ Cannata and Scott Cullen’s initial impressions about what has become the industry’s premier vendor-agnostic event.

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Xerox Splits, Separating into Two Different Companies



Konica Minolta Installs Hotel Delivery Robot



Connecting the Dots: A Historical Perspective

MANUFACTURERS



Taking Stock of Amtek’s ESP/ SurgeX Acquisition



LMI Expands into Retail Channel via Kodak Partnership



Dealers Benefit from Automated Invoicing Process



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

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Glenn **JOHNSON**



Glenn's professional experience spans over 22 years in the office products and workflow solutions industry. His background includes executive management, operations and sales. Given his laser focus on leadership and innovation, combined with his knowledge of financial modeling, Glenn is an expert when it comes to integrating software applications into traditional hardware environments.

CJ **CANNATA**



CJ's professional experience spans over 20 years in media, including print, digital/social and television. His expertise includes branding, sales, marketing, partnerships, creative services and editorial/scripting. CJ is part owner of The Cannata Report where he has driven a 60% revenue increase since 2014. His previous experience includes leadership roles at Martha Stewart Living and Time Warner.

Bruce **HENSLEY** • Greg **KINNE** • Peter **DAVISON** • Lisa **JOHNSON** • more

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No. 20: The New Era

Just as dealers must continually evaluate how they are best serving their clients and evolving with changes in our industry, we have been doing the same. This month, we mark the beginning of a new era in the 34-year history of our media and analyst business, with the addition Scott Cullen to our management team in the executive role of managing editor and chief correspondent.

CJ has been filling the role of managing editor since he joined us over three years ago, in addition to his responsibilities as brand development chief, creative director, digital lead, contributing writer and business development executive, among many others.



It was always CJ's opinion that to fully transform The Cannata Report from "Frank's newsletter" to a multiplatform media brand that would stand on its own, we needed a highly capable managing editor and chief correspondent with A-list writing skills, industry knowledge and respect by senior executives, as well as competitors, to provide added breadth, depth and dimension to our coverage. Scott brings all of these attributes and more to our team.

Despite what some may believe, we work in a highly collaborative manner across all segments of our business. We rely on all of the professionals whose names appear on our masthead (page 3) for their overall business savvy, innovation and respective areas of expertise. There are no shrinking violets in this group, and that will continue to be the case.

We thank our subscribers across all industry segments who have been effusive in their praise of our inviting Scott to join us. We have shared the many complimentary emails you sent us with Scott and let him know how highly you think of him.

I also tip my hat to CJ for the wonderful people who are now members of our organization, including Sharon Esker, our story editor who contributes substantial publishing and financial reporting knowledge; Doreen Borghoff, our design director who has played a leadership role in evolving the layout of our magazine; Walt Geer and Saul Rosenbaum who work tirelessly on site updates and all things digital; and Cathy O'Brien, our publicist, who generates incredibly strategic marketing and content ideas. Last, but far from least, are two of my dearest friends, Bob Sostilio and Bob Ingoglia, both classic writers and unbelievable sounding boards for any of the many challenging decisions we have had to make during the past three years.

Scott rounds out the group in high style and he will not be the last to join us. His mandate is to bring on two new writers with respective focuses on software and high volume/industrial print. CJ is charged with enlisting a European correspondent to complement what Tetsuo Kubo, our Japanese correspondent, brings to the editorial table.

We have also recently developed very strong working relationships with other companies in our industry such as Buyers Lab, Inc., thanks to Product Manager Jessica Shiffenhaus and CJ, who recognized we have complementary assets that can cooperatively help us deliver enhanced services to our subscribers and clients. I can assure you that the addition of more strategic partners is very much part of our plan moving forward.

Finally, I thank CJ for his vision. He has evolved The Cannata Report into something that transcends everything I dreamed of when I started out in this business. To express exactly how I feel about what CJ has accomplished, I would like to share some lyrics to a song written by Paul H. Williams and Roger S. Nichols, as performed by The Carpenters, "We've Only Just Begun," which was released on August 21, 1970, and has become one of Rolling Stone's Top 500 songs (No. 405):

*"And when the evening comes, we smile
So much of life ahead
We'll find a place where there's room to grow
And yes, we've just begun..."*

Frank G. Cannata



President, Editor-in-Chief and Publisher
The Cannata Report

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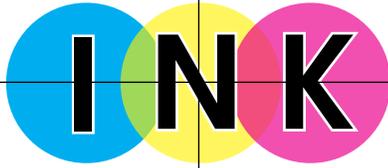


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INDUSTRY AWARDS, ACKNOWLEDGMENTS & SIGHTINGS

BY CJ CANNATA

MWAI's 2016 Executive Connection Summit Draws 200 Leaders and Influencers Across Every Industry Segment and Beyond

The MWAI Executive Connection Summit (ECS) at the Valley in Scottsdale, Arizona, February 17–19, was officially the place to be of all vendor-agnostic shows (with the exception of events such as Graph Expo and SGIA that specifically focus on wide-format, high-volume, commercial, and industrial imaging). As the only show that focuses almost exclusively on the digital economy and the soft side of the business, ECS was certainly where you would have found the largest audience of the industry's most progressive and influential dealers and other industry leaders.

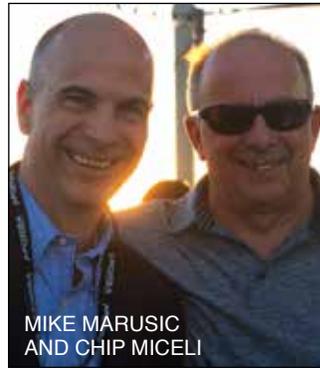
This year's show attracted nearly 200 attendees, participants and presenters, and included representatives from more than 60 dealerships.

Dealer panelists addressed topics from combating complacency in the workplace to cultivating a progressive work environment that breeds innovation. Panel participants included: Atlantic, Tomorrow's Office CTO Bill McLaughlin; Copier Fax Business Technologies EVP/CIO Dave Scibetta; Barry Simon, President of Datamax; Des Plaines Office Equipment (DPOE) President Chip Miceli; DEX Imaging CIO Patrick Adesso; Mike McGurik, President of ProCopy; and PERRY Pro-

TECH's President Jeff Boate and CTO John Swalwell.

Other dealer influencers attending the Summit included: ASI Business Solutions President Ken Copeland; Advanced Office President Richard Van Dyke; CBI Technologies, Inc. President Gary Rainsberger; DEX Imaging Chairman Dan Doyle, Sr. and CEO Dan Doyle, Jr.; Edwards Business Machines President Raymond Fuentes; Kelley Imaging Systems President Aric Manion; Loffler Companies President and CEO Jim Loffler; Pacific Office Automation (POA) Director of Managed Print Services Robert Murray; The Swenson Group President Dean Swenson; Think Office Technology President Brett Beaumont; Visual Edge Technology CFO Brian Frank and Corporate Vice President Michael Brigner; and WPS President Debra Dellaposta.

Senior executives representing other industry segments included: BEI Services, Inc. VP of Operations Bud Karkay; Clover Imaging Group President Eric Martin; ESP/SurgeX VP of Global Account Services Wayne Mize; Great-America Financial Services SVP and GM Jennie Fisher; Innovolt, Inc. VP of Sales Walter Crowder; Intel Market Development Manager Alex Zimmerman; Konica Minol-



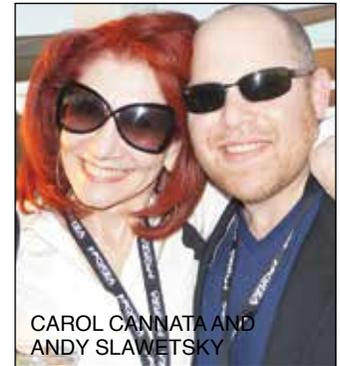
MIKE MARUSIC AND CHIP MICELI



MIKE STRAMAGLIO



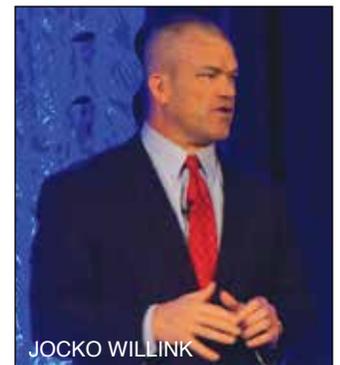
BILL McLAUGHLIN AND JENNA STRAMAGLIO



CAROL CANNATA AND ANDY SLAWETSKY



LEIF BABIN



JOCKO WILLINK

ta Business Solutions U.S.A., Inc. Chairman and CEO Rick Taylor; Lexmark International, Inc. Senior Manager of NA Channel Business Development Phil Boatman; LMI Solutions CSO Doug Johnson; Mu-

ratec Americas, Inc. President Jim D'Emidio; Print Audit West McDonald VP of Business Development; PrintFleet President Chris McFarlane; Sharp Imaging and Information Company of Ameri-

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ca President Doug Albregts; Supplies Network SVP of Strategic Relationships Barney Kister; Toshiba America Business Solutions, Inc. CME Bill Melo; Xerox's GM of Office Offerings Eleanora Rakover; PSIGEN Softworks, Inc. President Glenn Johnson; SAP SVP/GM Luis Murguia; and Wells Fargo SVP of Equipment Finance Rob Parker.

Additional industry notables included BTA General Council Bob Goldberg and Ed McLaughlin of Valderus.

The event included an "Extreme Ownership" presentation by Jocko Willink and Leif Babin, co-founders of Echelon Front and decorated combat-proven former Navy SEAL officers with experience in building, training, and leading high-performance, winning teams.

Other event highlights included a rooftop cocktail recep-

tion; a party at The House Old Town Brasserie, one of the most popular restaurants in the greater Phoenix metropolitan area; and MWAI CEO Mike Stramaglio's grand entrance to the poolside welcome dinner on a Harley-Davidson motorcycle donated as a raffle prize by Clover Imaging Group in support of The Ride for Jillian.

MWAI participates annually in the Rolling Thunder Ride whereby Stramaglio and other industry notables ride from Scottsdale to Washington, D.C., in honor of our veterans and to raise donations for a specific charity. This year, MWAI will organize and host a ride in memory of Jillian Gorman for the Jillian Fund. The Jillian Fund is dedicated to providing financial support to parents with children with life-threatening illnesses, requiring critical care, and awarding academic scholarships to young women who demonstrate extraordinary



LUIS MURGUIA



ALEX ZILBERMANN



JENNE FISHER, DAVID SCIBETTA, JOHN SWALWELL, BARRY SIMON AND MIKE MCGUIRK

faith and leadership within their communities.

der Ride/Ride for Jillian on Memorial Day.

MWAI will announce the Harley motorcycle raffle winner at the end of The Rolling Thun-

More ECS coverage will appear in the March issue of The Cannata Report.

Marco Hires Specialized Enterprise Network Team to Improve Business Enablement Solutions for Enterprise Clients

Marco announced the addition of a new Enterprise Network Team to exclusively focus on providing business enable-

ment technology solutions to enterprise businesses.

The hires are part of Marco's

growth strategy to expand its business by investing in highly experienced and technically competent specialists.

nology planning, budgeting and deployment strategies for Marco's enterprise clients. The end result will be a more integrated, proactive approach to business technology.



MARCO ENTERPRISE NETWORK TEAM

The team will enable businesses to solve their toughest technology challenges and uncover smarter ways of operating across all lines of business. The solutions employed will include unified communications, data center services, advanced networking services, tele-presence, wireless and cloud. This new team will focus on tech-

The new team provides more depth to Marco's growing roster of technology experts. Earlier this year, Marco achieved the Master Collaboration Specialization from Cisco. This specialization recognizes Marco as having the ability to represent Mas-

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ter-level business expertise, as well as technical efficiency, having fulfilled the training requirements and program prerequisites to sell, deploy

and support highly sophisticated applications-based Cisco Collaboration solutions.

Eight of the 10 new hires were

former Cisco employees and include: Sales Director Todd Erne; Account Managers Bill Peterson, Tom Gust, Jered Schock and Brett Dahlof;

Solution Architects Steve John, Matt Erickson, Mike Burgard and Justin Jongbloedt; and Consulting Specialist Justin Bigger.

Rick Taylor Becomes First American Executive in Industry Appointed to Officer Position of Japanese Parent Company



Konica Minolta Business Solutions U.S.A., Inc. (Konica Minolta) announced on February 18 that Konica Minolta Inc.'s Board of Directors appointed Rick Taylor as an Executive Officer of Konica Minolta Inc. and President and Chief Executive Officer of Konica Minol-

ta Business Solutions U.S.A. Inc., effective April 1st, 2016.

This historic appointment marks the first time that an American executive from our industry will sit on the board of a Japanese parent company.

Taylor, The Cannata Report's nine-time "Best Executive" award winner, as determined by dealers via our annual dealer survey, has been responsible for corporate strategy and operations for Konica Minolta's U.S. operations, leading more than 8,000 employees. He currently oversees U.S. mergers and acquisitions, sales, service, marketing, administration, finance and legal. Taylor is a

graduate of Kansas University and serves on Konica Minolta's Global Strategy Council, focused on business transformation and growth strategies for Konica Minolta worldwide. Taylor has a vast amount of industry experience in creating new revenue avenues while maintaining a cohesive and productive sales strategy for business partners.

Tom Taiko, Chairman and Chief Executive Officer of Konica Minolta Business Solutions U.S.A., Inc., will leave his role as Executive Officer of Konica Minolta Inc. and will return to Japan to begin his new role as General Manager of the Worldwide Strategic

Business Planning Headquarters of Business Technology, a new position within Konica Minolta Inc.

The Cannata Report sincerely congratulates Taylor on this tremendous achievement. It represents the first time that an American has been promoted to the position of CEO by Konica Minolta. It sends a very positive message to Konica Minolta's U.S. workforce that they have great confidence in Rick Taylor and his team of seasoned executive to lead the most important region in the world.

Sharp Senior Vice President of Marketing, Supply Chain and Service Mike Marusic Recognized as 2016 CRN Channel Chief



The Channel Company's CRN named Sharp Imaging and Information Company of America (SIICA) SVP of Marketing, Supply Chain and Service Mike Marusic to its prestigious list of 2016 Channel Chiefs, as announced on February 24.

The executives on this annual list represent top leaders in

the IT channel who excel at driving growth and revenue in their organizations through channel partners.

CRN's editorial staff selects Channel Chief honorees on the basis of their professional achievements, standing in the industry, dedication to the channel partner community and strategies for driving fu-

ture growth and innovation. Each of the 2016 Channel Chiefs has demonstrated loyalty and ongoing support for the IT channel by consistently promoting, defending and executing outstanding channel partner programs.

At Sharp Electronics Corporation, Mike Marusic leads the effort to bring industry rela-



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tionships to the Sharp channel community that will help facilitate growth into new markets and opportunities through the company's award-winning partner program.

Additionally, Marusic leads

the company's initiative to move the organization to a Vendor Managed Inventory (VMI) model. This initiative provides channel partners with cutting-edge technology, streamlined order processing and stellar logistical support,

along with access to a nearly endless combination of IT products and solutions.

By leveraging the capabilities of a leading distribution alliance, Sharp can better serve its valued reseller community and

provide new opportunities for business expansion.

The 2016 CRN Channel Chiefs list is featured in the February 2016 issue of CRN and online at www.crn.com/channelchiefs.

GreatAmerica's Lindsay Bohon Promoted to Vice President and Managing Director of Sales for Office Equipment Group



Previously VP of Sales in GreatAmerica Financial Services' (GreatAmerica) Office Equipment Group, with a focus on the company's field sales teams, Lindsay Bohon was recently promoted to VP and Managing Director of Sales for the Office Equipment Group—a newly created leadership role.

In her new role, Bohon will

be responsible for leading the overall revenue generating efforts and overarching go-to-market strategy for the Equipment Group. She will have reporting responsibility for the Sales Leaders, Sales and Operations Support Leaders and National Programs.

Bohon has been in the office equipment financing industry for more than 17 years,

having spent the last 10 with GreatAmerica. According to sources at GreatAmerica, Bohon's proven sales success, strong leadership skills, ability to build lasting relationships in the office equipment industry, and the incredible passion she has for the success of both GreatAmerica and its customers—both internal and external—make her a tremendous fit for this role.

The Cannata Report and InfoTrends to Host Wide-Format Panel Together at ITEX 2016

The Cannata Report and InfoTrends will host a double-session, 80-minute panel on wide-format printing at ITEX 2016 as part of Track A—Print and Managed Services—on Tuesday, March 8, from 1:20–2:50 pm. Frank G. Cannata, President of The Cannata Report, will moderate the panel to engender a broad discussion on wide format from entry-level devices selling as low \$3,000 to higher end devices, selling for as high as \$1 million. The panel was conceived by Jon K. Reardon, Group Director, Data Platform Services, as In-

foTrends provides the educational tracts for ITEX.

Panel participants will include EFI's VP of Americas Sales Patrick Morrissey; HP Inc.'s Director of Latex and Channel Development, North America, John Stevens; Konica Minolta Business Solutions U.S.A., Inc.'s (Konica Minolta) Director of Product Marketing Dino Pagliarello; OKI Data Americas Inc.'s (OKI) GM, Wide Format Division, Fabrizio Soto.

Cannata will engage each par-

ticipating panelist on topics such as why dealers should consider entering the wide-format arena, specifically exploring what the opportunities are and how quickly dealers can anticipate receiving a reasonable ROI (OKI); if a dealer already selling wide format can easily take advantage of latex output products (HP Inc.); what the response has been from dealers to the KIP private-label wide-format line and the EFI 1625 (Konica Minolta); and why a dealer should consider taking on industrial devices that can print on vir-

tually any substrate, including ceramic, glass, plastic, wood and textiles as a market of opportunity (EFI).

Other topics will include initial investment, gauging the need for specialists, ideal ways to approach the market, the verticals dealers can attack with a given line, the type of training available, and how long it will take a dealer to become proficient, among others.

The panel will be conducted in four rounds of 10 to 20 minutes followed by a Q&A. While geared for dealers, the session is open to all ITEX attendees.

Please contact fgcannata@cannatareport.com with any panel-related questions.



Welcome to the World of Biohacking

CeBIT 2016 to Preview New Bodily Alteration IT Segment

On January 20, I attended the CeBIT 2016 Press Preview in Hannover, Germany. CeBIT, scheduled for March 14–18 in Hannover, brings in more than 200,000 people from around the world and is considered to be the world’s largest B2B IT exhibition and conference. Distinguished guests expected to attend CeBIT 2016 in March include German Chancellor Angela Merkel and President Johann Schneider-Amman of Switzerland (the partner country for this year’s event). Press representing 30 countries attended January’s preview.

This year’s show is expected to showcase historic changes in the IT and digital world. As Oliver Frese, member of the managing board of Deutsche Messe AG, the event host, observed, “We will hold this CeBIT with such an enthusiasm as we change CeBIT history, making it a place where people can see and feel innovative digitalization.”

On the agenda are keynote addresses on the Internet of Things (IoT) and other IT trends from IT company representatives and the Deutsche Railways IT department.

What was most impressive to me during the press preview was a presentation on “Biohacking” by Hannes Sjoblad, Chief Disruption Officer at Epicenter in Stockholm, Sweden, and the organizer of an association of biohackers whose mission is to improve communications for the biohacker community.

“Biohacking” is defined as exploiting genetic material experimentally without regard to accepted ethical standards, or for criminal purposes. One might also describe it as a new genre of IT where, in some instances, biohackers implant chips in their bodies as a substitute for prepaid IC cards. Sjoblad reported that biohacking has expanded worldwide, and there are now more than 70 research locations.

“Biohacking” is defined as the activity of exploiting genetic material experimentally without regard to accepted ethical standards, or for criminal purposes.

While this trend is still in the experimental stage and currently those in the biohacker community are taking more of a DIY approach to it, I’m excited about where it may be going. As an example, people are creating plants that grow in the dark with DNA manipulation or studying how to control cockroaches with electric stimulation.

Other examples include developing head gear that maintains e-gamers’ concentration on the games by stimulating their brain waves, artificially compounding milk, embedding LED lights under the skin. Additionally, this technology can be used to implant magnetic fingers, designed for people who are interested in sensory augmentation. The magnet allows users to sense things that would otherwise be completely invisible. For example, a user would be able to sense magnetic fields, pick up tiny metal objects, and determine whether metals are ferrous (have iron).



CeBIT 2016 Press Preview on January 20 in Hannover, Germany



Oliver Frese, member of the managing board of Deutsche Messe AG and event host

Sjogblad has even implanted an NFC chip in his own palm, allowing him to enter and exit rooms without keys. By inputting information in an implanted chip, users don't have to carry keys or have an ID card for individual authentication. This also frees users from worries about forgetting essentials like keys and IDs. Sjogblad can then add IC card functions into the chip and create security prints or transfer his personal contact information to another person's smart phone.

I have been told the chip is harmless and the operation to implant it under the skin is similar to an ear piercing. There are already 500 people in Sweden with chips implanted in their bodies. Further, 1,200 fanciers around the world are already exchanging information on Facebook about the technology.

A company called Dangerous Things in the United States also currently sells these implant chips and to date has already sold more than 10,000 of them and counting during the past 18 months. I'm now especially looking forward to hearing Dangerous Things' CEO Amal Graafstra's biohacking trends presentation on March 16 at CeBIT 2016.

Don't be surprised to see the biohacking trend move from personal use to business applications in the near future. More practical uses for this technology will emerge as it matures.

"From desktop to handheld, it is the era of wearable now," said Sjogblad. "Next may be the era of implantable."

Don't be surprised to see the biohacking trend move from personal use to business applications in the near future. More practical uses for this technology will emerge as it matures.

CR

Questions About This Story?

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Oliver Frese

Brand Revolution

Impact Networking Sets New Brand Building Standard in Dealer Segment

By Scott Cullen

Never underestimate the strength of a strong brand. You know the brands. You see them every day—Coca Cola, Apple, Microsoft, McDonalds. You get the picture.

One brand on the upswing in an array of Midwest markets is Impact Networking. Headquartered in Lake Forest, Illinois, with two branches in Chicago, four more in Illinois, two in Wisconsin and one in Indiana, Impact Networking has been diligently building its brand since 1999. With the completion of a new headquarters building, a new website, social media marketing, and ongoing community involvement and charitable initiatives, the Impact brand is growing stronger every day. That shouldn't be a surprise for a dealership that's been consistently enjoying 27% year-over-year growth.

Before we dig in, let's establish from the get-go that brand building in Impact's situation is at a local and regional level so national brand building rules aren't necessarily part of the Impact story.

If You Build It, They Will Come

It may not be "Field of Dreams," but Impact's new Lake Forest headquarters, which opened its doors in January of this year, is a 20,000-foot, two-story structure, equipped with state-of-the-art technology befitting the image of one of the region's leading technology and solutions providers. Conveniently located across from Impact's distribution center, the new headquarters is home to administration, managed IT, dispatch and services, C-level executives, two sales teams, and a technology showroom.

The structure is quite an achievement, built specifically for Impact. The second



Impact Networking
Headquarters in
August 2015

floor has floor-to-ceiling windows and open workspaces. Every office also has its own flat-screen TV for displaying information, while desks at every workstation are motorized and can be raised or lowered, allowing workers to sit or stand while working. There's even a fish tank filled with saltwater fish. Another nice touch are office nooks that can be used by employees visiting from other branches, allowing them to work onsite and enjoy some privacy while visiting the company's headquarters.

Impact also has a full training center for staff and customer demos along with a room devoted to web conferencing and an IT command center.

"We've tripled our IT staff because we're pushing toward more managed services," stated Rebecca Adolf, Impact's Marketing Director.

The centerpiece of Impact's headquarters and its training center is a 16' x 5' Prysm wall. This high-tech addition with touch-screen panels enables interaction and collaboration, and reinforces Impact's brand as a progressive technology and solutions

provider. It's used for company meetings, training, teleconferencing, webinars and customer demos.

"This is going to re-engineer how we present to customers on large projects," said Adolf. "We'll be able to put their logo up and there will be video interaction with different web pages. The neat thing about this wall is the amount of energy it uses is so low, it's like powering up a lamp."

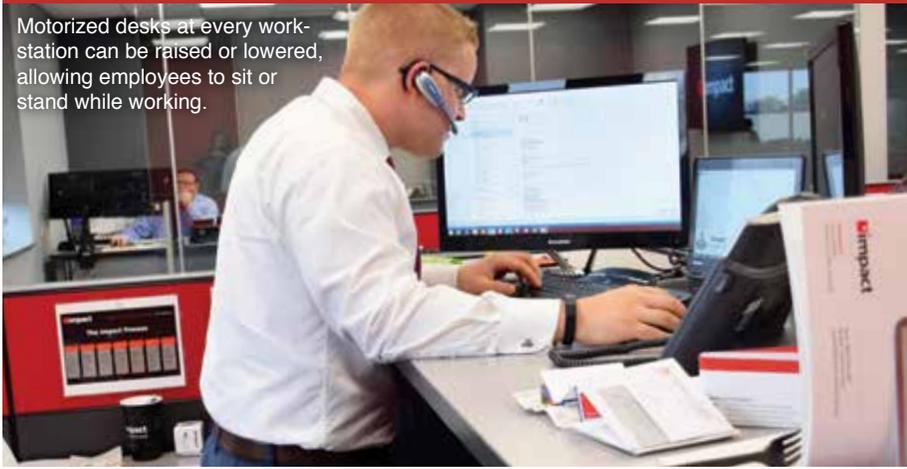
"It's just crazy, awesome technology," added Megan McClafferty, Impact's Digital Marketing Assistant.

Since installing the wall, Impact has become a vendor for Prysm products, and Impact has one of only two Prysm showrooms (Prysm has the other) in the region.

Building the Brand Digitally

Any brand building going on in the digital age must encompass the business's web presence, and that's an area where Impact excels. The dealership already had an effective website, but after a recent redesign, Impact's site is much more effective at getting the Impact message

Motorized desks at every workstation can be raised or lowered, allowing employees to sit or stand while working.



across to customers and prospects. The revamped site is more responsive and is now mobile, tablet and desktop friendly. It also incorporates more video images and equally important, loads much faster.

The site redesign also keeps things simple. In the past, Impact's site showcased six buckets of services. Now, instead of Digital Office Equipment, Production Print, Document Management, Creative Services, Managed Print Services and Managed IT, the focus is simply on Technology and Solutions.

With the website enhancements as a guide, Impact is redesigning its marketing materials, including proposal covers, business cards, banners and billboards along the same lines.

"We're updating and evolving all of our messaging based on how we've grown our services," reported Adolf.

Thanks to the new branding initiatives, there should be no misconception that Impact Networking is just a copier-printer company.

"People ask me what Impact does," noted Adolf. "The easy answer is we sell copiers and printers, but really we provide technology innovation for business processes. That's the truth. I never thought we'd become a dealer for Prysm walls solutions, but it makes sense for collaboration tools. You never know how we're going to grow and what new technology we're going to add each year, which is exciting. Everything we do reflects our culture and our branding—for winter,

we just gave employees Impact-branded fleece blankets and car ice scrapers. You never know what I'm going to be sourcing next. We have some interesting stuff that's going to be coming out too."

"We're updating and evolving all of our messaging based on how we've grown our services," reported Adolf.

The People Factor

The ultimate goal of branding is to pump up the bottom line. When it comes to that bottom line, one can't overlook the role Impact's employees contributing to its branding initiatives, whether they're actually working on those initiatives or simply going about their everyday responsibilities. After all, they are living, breathing examples of the Impact brand. Employee input is something that Impact's upper management values and why, earlier this year, the company introduced the Innovation Initiative, a formal program where employees can share their ideas for improving the company, and by extension, the Impact brand.

Employees submit suggestions via Impact's employee portal—where they'll find a sort of a 21st-century suggestion box. To encourage employees to participate, anyone who submits is placed in a

raffle and a winner is drawn at the next company meeting. At Impact's year-end company banquet, the top idea in any category—culture, charity, brand, streamlining/reducing costs—that made the biggest impact will receive the Innovation trophy.

Adolf and Impact's CEO Frank Cucco review every submission. When they find one they think will make a difference, they forward it to the appropriate individual or individuals within Impact to implement.

One of the three suggestions the company is currently acting on came from a service tech and streamlines the installation and parts delivery process.

Impact's management also values feedback elicited from customers and employees via surveys. Information collected from those, too, is helpful in shaping Impact's brand. After every company meeting, banquet or function, employees are surveyed to determine what they liked, what they didn't, and how to make the next meeting or event better.

"We're very honest about food," laughed Adolf. "If there are any complaints [about working at Impact], it's that we're surveyed out."

With such an open and nurturing work culture, it's little wonder that Impact Networking was recently named one of 23 of Milwaukee's "Best and Brightest Companies to Work For" by the Best and Brightest organization. This acknowledgement adds to a litany of other best workplace recognitions Impact has garnered over the years.

Impact's Youth Movement

What's also been a boon to building the Impact Networking brand internally and externally is youth.

"We're a young company," observed Adolf. "The majority of employees are in their twenties and thirties."

And everyone gets along.

"There's a lot of laughter and camaraderie

here,” said Adolf. “We have a lot of parties and get-togethers.”

When asked how Impact’s culture affects its customers, Adolf responded, “Happy employees, happy customers. I’ve listened to customer service calls in our office. The people we employ are often laughing with the customers and developing relationships.”

And customers aren’t shy about letting Impact know how they’re doing.

“We have over 400 reference letters, and every time someone does a good job and the client lets them know, it’s shared with the whole company,” stated Adolf. “We give a gift card to an employee every time either a customer or someone from another department says they’ve gone above and beyond.”

Caring for the Community

Impact’s charitable initiatives have also made a difference in building the Impact brand, even if those initiatives are making a bigger difference for the communities Impact serves. Many of those initiatives are seasonal such as the company’s flagship charitable event, Letters to Santa. This particular charity, which started in 2005, uses voluntary deductions from employees’ paychecks to support Impact’s adopted Chicago public school, Pickard Elementary, throughout the holiday season. Over a three-month period, select employees use the contributions to buy a personalized ‘want’ and ‘need’ gift for each student, along with wrapping paper. After holding a wrapping party to organize each student’s gifts, employees volunteer to dress up as Santa and his elves to hand them out at the school, where there is also be an annual pizza party.

“This is just an amazing way for our employees to give back to the community, because they are helping out multiple families and can directly see how much their contributions mean to each child,” said McClafferty.

Another way employees give back is



Prism Visual Workplace Demo

through employee contributions. Similar to the Letters to Santa voluntary donations, employees donate to select charities in Illinois, Wisconsin and Indiana. The other two charities that Impact donates to are Hometown Heroes and Bosma Enterprise. Through Hometown Heroes, Impact helps give back to those who make the community a better place.

“We’re a young company. The majority of employees are in their twenties and thirties,” observed Adolf.

“Our employee contribution to this organization assists Hometown Heroes in offering real savings when buying, selling or refinancing a home,” observed McClafferty. “This also includes help for past or present military members, medical personnel, first responders, non-profits, educators and school employees, and government employees.”

Proceeds will help provide equal opportunities for freedom, independence and self-determination.

“Through Impact’s contributions, we help make it possible for Bosma to provide job training, employment services, rehab and outreach programs for the blind and visually impaired,” explained McClafferty.

The newest non-profit supported by Impact is the Latino Community Develop-

ment (LCD) organization, located near Indianapolis. LCD provides the Latino community with tools, resources and opportunities to empower themselves. It has recently started to provide financial counseling, banking support and assistance with renting or buying homes. In addition to these resources, recipients also are provided with resources for finding a job and interviewing, information on health and nutrition, and anything else necessary to help support a growing community. Impact Indianapolis’ Branch Manager Chris Zvirbulis has even joined LCD’s Board of Directors and hopes to share his experience to help run the organization more efficiently and help raise organization funds.

What’s Next?

Other initiatives in the works that will further enhance Impact’s image include expanding into new markets, adding to its technology offerings, including the aforementioned Prism technology, growing managed IT, and ramping up its social media services offerings.

“Our next goal is offering more office automation tools for customers and more formal content creation,” revealed Adolf. “That’s a long-term project for marketing.”

This is among the many ways Impact is raising its profile and reinforcing its brand across the many markets it serves.



Questions About This Story?

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Caption

Muratec's New Labels Launch

Manufacturer Offers Loyal Dealer Base Relevant New Packaging Products

By Frank G. Cannata

For many years, we have made a point of visiting Muratec in the latter part of the year. This year, we incorporated our visit with Muratec into a week-long foray in Texas that started in Dallas and ended up in San Antonio for the Sharp Dealer Meeting. Muratec's President Jim D'Emidio and Lou Strickland, Director of Marketing and Sales Support, always roll out the red carpet and welcome us to Dallas.

In 2008, while conducting our Annual Dealer Survey, we noted how consistently Muratec placed among the leading manufacturers/vendors dealers prized working

with. The typical lament from dealers when addressing how much they enjoyed working with this company was, "I wish I could buy more from these guys because they are among the best in working with us [dealers]."

At our Muratec meeting, D'Emidio gave us a quick run-down of where Muratec is today. The company has a \$3.5 billion parent that is making investments in robotics, machine tools and textiles. On the robot side, it seems as if everyone in Japan is either engaging in this market or looking to find solutions for it for their factories. In Muratec's case, the company

is looking at the use of robots in logistic automation (warehouse).

Muratec's niche is the A4 MFP, having a broad relationship with Konica Minolta for color devices. Muratec has a support program for dealers engaged in MPS, which has helped fill out the product line as the company redefines its business in the U.S. market.

We estimate Muratec produces about \$125 to \$150 million in total revenue, and the company is profitable. Muratec has a strong legacy in facsimile and a total commitment to sell only through dealers in the U.S. That message has been delivered loud and clear for many years and is one of the reasons dealers like working with the company.

Everyone at Muratec was anxious to

show us something new and frankly, we were quite surprised with what they showed us. Muratec's Precision Label Series (PLS), a labeling system built on an OKI printer engine, was especially intriguing for several reasons. First and foremost, it enables the exploration of a viable market that dealers can participate in. The features, benefits and pricing fit the dealer business model. What remains to be seen is just how efficient and reliable the system is.

Based on what we saw, the PLS provides manufacturers, marketers, private labelers and professional print shops with the ability to produce high-quality labels on-demand. Therein lies the appeal. Printers are looking for an inexpensive labeling system to fill out short runs of labels for their clients, and this is a viable market.

Muratec's PLS-2112 is a compact digital label system that can print continuous-fed media or cut sheets, up to 8.5" widths on a variety of media stocks. This system features a high-performance, easy-to-use Wasatch RIP that offers a user guide for job set-up and fulfillment.

The ideal customer for this new PLS-2112 product is a printer that is currently using a high-speed flexo press with run lengths longer than 5,000 labels, including variable data, sizes and color. These are usually found in shops referred to as "label converters."

We fully understand that printers employing a flexo press are not likely to be found in the majority of dealers MIFs. However, the Muratec approach makes a lot of sense one because of its relatively low entry price (comparatively speaking) of the new labeling system.

Dealers are selling commercial printers, and that does not mean print-for-pay. For Canon, Konica Minolta or Ricoh dealers selling one of their high-speed digital presses to a commercial printer, here is where you can find potential customers for this labeling system. Chances are any requests for labels would be farmed out to a label converter.

Why are these types of customers extremely strong potential targets for the Muratec labeling system? I am glad you asked that question. As Frank Romano, Chairman Emeritus at Rochester Institute of Technology, has stated on many occasions, "Commercial printers have lost 50% of the jobs they were doing just five years ago."

Printers have moved to mail (fulfillment) as a natural segue to transactional or direct mail printing. They need to be more diversified, and label printing is just one of several areas that are worthy of exploration. That does not mean this is easy to do, or inexpensive, or quickly done. If that is what you are looking for, this is not it. That said, Muratec's labeling system is a legitimate opportunity that I would encourage you to explore.

The ideal customer for this product is a printer that is currently using a high-speed flexo press with run lengths longer than 5,000 labels, including variable data, sizes and color.

My favorite application is for wineries that do extensive private labeling for their customers. The smaller, more boutique vineyards do not have the production to sell many thousands of a particular wine, but they do have hundreds. Restaurants flock to boutique wineries for wines their customers will pay a premium price, because they are good quality and they have no price comparison.

Muratec's PLS-2112 enables the printing of prime labels on a variety of substrates, including pre-die-cut labels, non-converted face stocks, paper, synthetics, adhesive backed, foils and more. This type of flexibility is perfect for creating labels of virtually every kind and for every type of event.

Muratec's PLS-2112 provides the ability to:

- Deliver a tool that will enable the customer to quickly give a logo and packaging, as well as brand a new and different look.
- Print in limited quantities (e.g., 500, as opposed to 50,000).
- Print pre-die-cut materials that are ready for immediate application
- Create labels for focus-group prototype packaging, create an identity for sub-brands or third-party distributors, add die-cut corporate logos to promotional products.

In other words, anything requiring short runs would be well-suited for this product. In addition to the printer, Muratec is offering the PLS-2112F, a digital finishing system that expands the opportunity of this offering. With this add-on, printers can give packaging odd shapes, styles and sizes that can only increase the value of the entire system.

The MSRP of the PLS-2112 is \$39,000 with typical dealer margins, plus the sale of substrates and service support to help annuitize the sale. If you want to add the finisher, the total cost is approximately \$50,000.

Initially, I think the printer should be sold with a follow-up sale for the finisher as a successful add-on, particularly for a lease that enables dealers to do just that.

We're not in the business of testing products, so I cannot tell dealers this printer will do all that Muratec says it will. Being built on the OKI LED C711 platform, however, we know that is a reliable product. My feeling is I trust Muratec. If anything is wrong, I would bet the ranch the company will make it right.

CR

Questions About This Story?

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SEGMENT 1: DEALERS

VIRTUAL PANEL SERIES

Acquisition and Diversification Essential for Future Growth and Viability

By Frank G. Cannata

We asked five dealer influencers, spanning from the east to west coast, how they felt about the decline in print, and what were they doing about it. If there was a common thread as to how they were dealing with that phenomenon, one pointed directly to acquisitions—more machines equal more clicks, while others spoke of being diversified and moving upstream into production print.

This month kicks off the first of our 2016 Virtual Panel Series. Over the next four months, we will be featuring our interviews with independent dealer principals, and executives across the industry's manufacturing, software and leasing segments.

As we have done in past years, we began by asking dealers about how their businesses have been doing to date, what their business strategies are, and their degree of optimism for 2016. Some of the responses are predictable, but important nonetheless, because they underscore exactly what is happening at those respective dealerships.

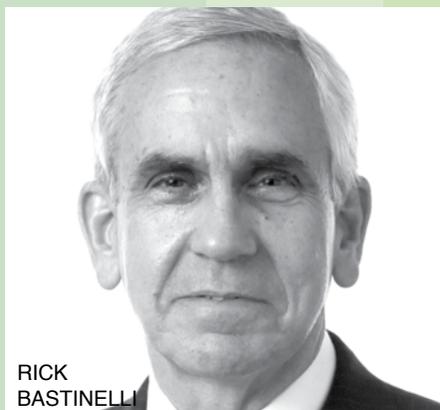
This year's virtual dealer panel comprises dealers from Pennsylvania, Maryland, Ohio, California and Wisconsin. Collectively, they represent Sharp, Ricoh, Konica Minolta, Canon, Samsung and Lexmark. These are seasoned business leaders, and without fear of contradiction, they enjoy the respect of their peers and suppliers. We are grateful for the time

they invested to participate in our panel, sharing their views on the world of imaging in the 21st century.

That said, we are pleased to introduce our 2016 dealer virtual panelists: Rick Bastinelli, President of Centric Business Systems; Jeff Boate, President of PERRY proTECH Corp.; Joe Reeves, CEO of Smile Business Systems; Roger King, President and COO of EO Johnson Company; and Rick Salcedo, President and CEO of Keystone Digital Imaging.



JOE
REEVES



RICK
BASTINELLI



ROGER
KING



JEFF
BOATE



RICK
SALCEDO

CR | *What was your revenue for 2015?*

Bastinelli: We finished our year at \$45.4 million.

Boate: We closed out at \$60 million for 2015 last year.

King: Approximately \$50 million after selling off our water division for approximately \$329,000.

Reeves: Our revenue number for 2015 was \$28 million.

Salcedo: Last year, we ended up with \$32 million in revenue.

CR | *Which manufacturers do you represent in A3 and A4, and which is your leading software provider?*

Bastinelli: Our manufacturers in the A3 space are Ricoh and Sharp. For our MPS business, we have KYOCERA and HP. No major software company, but a broad range of solutions.

Boate: KMBS represents 95% of our placements. At one point, we had Lexmark for our A4 line. When Konica Minolta relabeled the Lexmark devices, it made sense to us to [take those on]. I should add that 34% of our revenue comes from the non-imaging or IT side—Cisco, HP and EMC. We do not have a single leading software provider.

King: Ricoh is No. 1, Canon No. 2 and Toshiba No. 3. [We also carry] Samsung to address A4. We have had problems with Samsung, but with their new offerings, that's improved. As a company, we take all of our cash discounts and have no debt. We have been in business for 58 years, yet Samsung placed us on credit hold for an \$800 part, which our records showed we paid. Problems such as this occur when a manufacturer employs outside logistics [distributors], which is prominent in the VAR industry. One of our leading software providers is Square 9.

Reeves: We are dedicated to Sharp A3 and carry Lexmark for our A4 line. Docu-

Ware is one of our leading software vendors. We like to dedicate as much as we can, as it enables us to be more efficient and more profitable.

Salcedo: We are Canon and Ricoh dealers in the A3 space. For A4, we have Lexmark. In terms of software, we have DocuWare in document management and we use Equitrac [Nuance] quite a bit. A lot of the software we provide is often imbedded in the device. That is particularly true for our Canon placements.

CR | *How did your dealership grow or not in 2015, and what factors contributed to your overall performance in 2015?*

Bastinelli: Our year-over-year performance was up 8.8%, while the prior year, we were up 14%. The contributing factors were a compilation of many things. We focused our efforts on developing net new business. We were also successful with production print.

Our software business was up as well. We have a senior manager that drives the software, resulting in substantial increases from that effort. We also took a vertical market approach that produced dramatic results. The leader in that vertical was healthcare. As a result, we were able to bring some large hospital systems on board. All of those things together made it possible for us to grow by 9%.

Boate: We had an aggregate growth of 10%. From our traditional [imaging area], we grew 3% with clicks going up at the same 3% rate. We had 20% growth in our IT [security business], and it is growing like crazy. Our organic growth in imaging is flat, but maintaining and even increasing market share. Anybody that experienced a legacy run from 2002–2007, when we were growing a minimum of 5% annually, has had to adjust to a new normal where you do not have that same annual increase.

King: We experienced 7% growth, and the contributors were IT services, which finished at \$10 million, and solutions at \$12 million. Just five-and-a-half years

“We had an aggregate growth of 10%. From our traditional (imaging area), we grew 3% with clicks going up at the same 3% rate. We had 20% growth in our IT (security business), and it is growing like crazy,” said Boate.

ago, those two areas only represented 1% of our revenue. We have built a \$6.3 million contract annuity stream within IT services. In addition, production print was up, and we are selling a lot of wide-format products.

If you look at just the soft side of the business, we grew about 20%. We have \$750,000 invested in equipment for our demo room. When we talk about EO Johnson generating \$53 million, you have to understand we are not located in a big city [Wausau]. The largest city we service has 80,000 people. We are just entering the Minneapolis market, mostly on the IT side. Back in 2014, we bought a small company that will bill about \$3.5 million. We are using IT services to drive the print-centric business.

Reeves: Revenue was flat, but the mix changed. We actually decreased by \$2 million, but that was caused by [a decline in revenues] from our state contracts. These contracts are for five years, and 2014 was the fourth year and usually provides less in the way of hardware purchases. The good news was our commercial business improved, and our service base grew by 15% year-over-year. The growth on the solutions side of the house helped as well. I have been in business 35 years, and when we got the state contract, the hardware was okay from a profit standpoint, but the service revenue was excellent. It is hard to get

incremental net new growth. It is one of the reasons we were flat but more profitable. In order for this to happen, we had to do a lot of structural things to make the company more efficient. Managed service contracts are good, and our service margins are strong.

Salcedo: We experienced growth of 3% versus the prior year. Despite that modest growth, we were able to improve our profits quite a bit. The reason is simple: We got out of the mailroom business. We started doing that two years ago. What it caused us to do was bring the focus back to our core. What we are doing now is whatever enables us to continue to grow. We are doing a lot of [things] that make it possible for us to expand our relationships with our customers. That is where the solutions side of our business comes in, which makes so much more sense.

CR | *Does the continuing decline of print in the office give you major concerns about the future? If so, what is your strategy to either compensate or deflect the negative aspects of that loss of pages?*

Bastinelli: Our strategy is less is more. We realize each client is going to generate fewer pages and provide us with less revenue. As I said earlier, we added net new customers—net new is our commitment. The result is we are experiencing double-digit growth on the supply side. When we bring on new customers, we tend to go deeper and wider with them. An important part of our overall strategy is acquisitions that bring us new customers and collectively more pages. Our total pages per customer go down, but the net new approach more than compensates for the loss of pages. The need to produce the documents is still there, and the advancing technology enables us to help our customers manage their content.

Boate: Off the cuff, yes, but the amount of data being accumulated creates more things that need to be printed, but in a lesser volume. Think about the amount of information/emails that are often printed. I don't think there is much of a decline.

“As print declines, we have been able to capture them in document management software. We charge customers for all of the tools we provide for storage, retrieval and other services,” said Reeves.

My own children don't print, and they are not any different than the millennials in the workplace today. We have three to 10 years to reposition ourselves, but for us [right now], clicks are going up. We need to be aware of factors such as Big Data and how we manage that.

Our business today is all about growth of information with the understanding that at some point you need to print a significant amount of that data. It is interesting that we have experienced an increase in clicks in schools. I say that because education is a vertical that is a large part of our legacy. That goes back to our founder Rex Perry who made K-12 the foundation our company.

King: We started looking at that phenomenon about 10 years ago. In 2007, we moved into production print and managed print. When we started our solutions department, our approach was to show our clients how to use less print. We believe if you have the other things such as managed print, IT and production print, you can continue to be relevant. You would then be in a position to help the customer be far more efficient. We have a good brand in our marketplace—customers look to us to improve their business processes, and that is a good place to be.

Reeves: Prints aren't going away any time soon. We have been getting into other services that are annuitized and were among the earliest adapters of managed

IT services. As print declines, we have been able to capture them in document management software. We charge customers for all of the tools we provide for storage, retrieval and other services. Every time I hear about print declining, I think about when I joined Xerox in 1978. We were told we were moving into a paperless environment. I just do not see print going away anytime soon. The transition to printing on other media such as labels and a wide range of substrates is going to be there for us to exploit. The reality is you need to diversify.

Salcedo: We know this is a problem. However, we are trying to capture more clicks every way we can. We are heavily into MPS, which has improved our clicks. We are not seeing a dramatic effect, but we are still in a growth mode. That said, it is not one of my top concerns. I cannot remember a year it has gone backwards.

CR | *Acquisitions are continuing at what we perceive to be an alarming rate. What is your view of that phenomenon?*

Bastinelli: I see it continuing because when you look at the dealer community, you are looking at a pyramid. The base of that pyramid is made up of dealers who are under \$10 million in revenue. As the transition continues, from a technical point of view, those dealers lack the ability to integrate everything that is going on with the client. They either have to make a major investment, and that could come from new partners, or plan and execute an exit strategy that enables them to take their money off the table. Consolidation is going to continue. We have done four acquisitions and are pretty good at it, particularly with integration. We will be disappointed if we do not do at least one acquisition in 2016.

I recognize there are those that are not that excited about acquisitions. You need to get to know the people who own the company that you may want to acquire. It requires building a level of trust. I use the [analogy] of planting a lot of seeds—

lunches, coffees and casual conversations that lead to an offer and an acceptance. Once the discussion begins, we have a VP of finance and administration that takes over from there. The four acquisitions I mentioned have contributed a great deal to help us reach \$45 million.

Boate: It is something that will only continue. With Marco selling to an equity company, the intention has to be to go national and ultimately go public. If we are correct, we will have another cyclical wave. The challenge that EC [equity capital] and VC [venture capital] groups are going to have to deal with is they are going to find there are not a lot of the good guys left to buy. Most of the good ones in the \$3 to \$10 million range have already sold. You are now starting to see older legacy dealers who are expanding into other people's territories in order to continue to grow. We have to be a certain size to maintain our viability and continue to seek out companies with IT recurring revenue. If Marco is to be the model for this, then the next wave of acquisitions [of necessity] has to be those dealers that have diversified already. The reality is that the numbers of dealers who meet that criterion are not that plentiful.

King: We do not see this as any kind of a problem. If a dealer is not doing well, why not sell out? Frankly, if I am looking at a copier company and they want to sell, a lot of red flags come up. Are they selling because they have not made the investment to stay current? There is the MIF, but what kind of customer do you have if the business is not involved in services of any kind? A good [strategy] is to buy a small IT company and build the imaging business with that as a base.

Reeves: Acquisitions are cyclical and can be good or bad. I have mixed opinions. However, for a company our size, it is a good thing. We [recently closed an acquisition] and have three more scheduled for this year. I just don't see it as a bad thing. If it makes the acquirer stronger, then it is a good thing. Based upon what I have seen from some of my fellow Sharp dealers, it has been good for us. The key is you have to be prudent. If you are care-

“Frankly, if I am looking at a copier company and they want to sell, a lot of red flags come up. Are they selling because they have not made the investment to stay current? There is the MIF, but what kind of customer do you have if the business is not involved in services of any kind?”
said King.

ful, you can fully fund it in three years. The problem, as I see it, is that acquisitions are causing the lines of competition to blur. You look at a dealer [to acquire] who has a good MIF and some talented sales and service people, as well as located in a piece of geography, that makes sense. The only negative is the dealer has a different primary A3 manufacturer. Then, you run into the problem of whether my manufacturer will authorize me in the area I wish to acquire. Those are things you have to balance.

Salcedo: We have made several acquisitions through the years, but only one of those acquisition's core business was copiers. Most of them have been in IT services. When you acquire properly, there are many synergies. We are selling phone systems because we were already into serving networks. It has shown me that we can handle anything that is somehow connected with a network. That is the reason I am not concerned about acquisitions, unless it was manufacturers that were doing the acquiring. If you are not making the investments to grow, that can be a serious problem.



Overall, in the short term, are you optimistic about 2016?

Bastinelli: We are very optimistic about 2016. If I were not, I would be playing golf in Naples, Florida. I love this business and the people who are in it. We are debt-free and we manage it effectively. When you have a good, profitable company, there are a lot of good things that come with it.

Boate: We are all fighting over the same bone on the acquisition side, but we are optimistic about the business overall. We are convinced that the next wave of dealers to be acquired will be in the \$7 to \$15 million class. However, the dealers that are at \$7 million have not diversified, but are bringing a larger MIF that can be exploited on the services side. We are optimistic about 2016, because there are other areas where you can pick up substantial print volume. Production print is a prime example, but it all comes down to how much you are willing to invest in this space. We have heard a great deal about the 3D printing space, but we have stayed out of it. I am not sure where that is going for dealers. These devices may consume supplies, but I don't see that space growing for us. For PERRY, our future is all about securing the documents. That, along with supporting the implementation of a whole level of technology, is where we are and where we tend to place our emphasis. Our aim is to service and support the IT structure of the customer. Security is what we see as a big part of that plan. What concerns us most is that we are an employee-owned company, and our obligation is to provide a sustainable business model for the next generation of owners. We have to invest in the right areas because at the end of the day, we are playing with people's futures.

King: We are optimistic, especially when the economic indicators show 2016 as being better than 2015. We recognize that there is a dark cloud out there, but we cannot do anything about that. We are going to focus on what we can control. Another reason for optimism is that technology purchases are said to be up in 2016, along with consumer spending. There is some

negativity, but we are in the Midwest. If anything negative goes on, it impacts the east and the west first before it reaches us. That means it could possibly reach us in 2017 and 2018, but 2016 looks good.

Reeves: I am very optimistic. What is hurting the business is not the maturity of the business, but the economy. We finally got to the point where we want to be. The machines are working fine, and service has become extremely profitable. The problem is they work so well, so why buy a new one? Take a look at a machine you sold four years ago. What is so different than the one you are selling today? What is compelling customers to buy a new machine? You could say the economic slump is over. If we do it, and sell them a new device with a higher degree of software and applications, that makes sense. The justification is that you are making them more efficient. Conversely, we are still servicing machines that are 12 years old, and every year, that service contract increases. Why upgrade them if they are happy with what they have? It all comes down to how well you know your customers' businesses. If a new machine makes sense, you have to explain why.

Salcedo: I am optimistic about 2016. We are seeing our numbers grow. We had a phenomenal December and a pretty good January. We still have a lot of competition, but we are more than holding our own. The reason is we are involved in so many different aspects of the business. In today's business environment, a dealership has to be known as more than a copier company. I guess you can put me down as very optimistic.

CR | *Any further comment or comments you would like to convey to your fellow dealers?*

Bastinelli: Some 25 years ago, I was trying to make a decision and wanted to be an entrepreneur. I looked at a lot of different companies that were for sale. After looking at the copier business, I came to appreciate the 50% residual that comes with the first day of the month. If you can sell value, you

"We still have a lot of competition, but we are more than holding our own. The reason is we are involved in so many different aspects of the business. In today's business environment, a dealership has to be known as more than a copier company," said Salcedo.

can still make some good margins in this business. The interesting challenge that we face in major markets [such as Baltimore, Washington, D.C., and Philadelphia] is competition with the direct manufacturers. If I have any concerns, it is the business practices of the manufacturers and the unfair price competition they engender. They have their pricing model to the dealer and then, they have their direct strategy. It is impossible for a dealer to get to the price point where they are at on price-for-page. I am concerned about how the manufacturers are handling this. It is hard to compete based on the price they [manufacturers] are giving to us.

Boate: A continued diversification is required. We have to be careful not to be commoditized. People are starting to do some crazy stuff. We have to provide solutions that have a value. I look at the deterioration in the industry and further commoditization of our space. Everybody is going after the same larger deals, and there is little left on the bones. If every time you upgrade your customer and reduce their costs without adding some new service, new applications and new software, the handwriting is on the wall.

King: We appreciate what people such as

Frank and CJ Cannata bring to the table to help dealers identify where they need to bring their resources to bear. We all have a need to understand what is going on. We also value people such as Bob Goldberg [BTA General Counsel] and Andy Slawetsky [Industry Analysts], who contribute to the discussion.

Reeves: The basics of this business have not changed. When you look at it, the aftermarket drives a successful dealership. It certainly is what drives our company. We make 30% margin on the computer side, but it is the contract that provides the annuity [service fees] that makes it profitable. Salespeople have to be shown that when we acquire customers that value service, everyone wins. I would like to add: Stick to the basics, protect the aftermarket, fight for the deals that are worth getting, diversify, but do not forget the core business. There are times you can give an MFP away, if over the life of the contract, you can make enough [service revenue] to make it work.

Salcedo: The business is changing. Our biggest problem is people, which is the same for everyone. We cannot hire enough people to keep us growing. It would be helpful if manufacturers established a pool of candidates that we can train to become salespeople and technicians. The amount of money we spend to get people productive is enormous. That is one of my biggest concerns. If you want to grow, you have to add bodies. We have made mistakes in hiring people that worked for competitors, and the result was large expenditures on legal fees because they violated their non-compete agreements. We do not require new hires to sign non-compete agreements. If people want to leave, we are comfortable in saying goodbye. [That said], we do require all of our new hires to sign a [document] that states that they they cannot divulge any information about our company.

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EFI Connect 2016

Bigger, Better and More Software Driven

by Robert Ingoglia



Connect
Discover. Innovate. Integrate.

In my 35-plus years in the document imaging industry, I've run quite a few large, medium and even tiny meetings for dealers. I know firsthand the details and minutia that need to be addressed, the hours of unrelenting staff work required, oftentimes for many months in advance, and the huge expense it takes to run such events. We're talking millions of dollars to run a big corporate meeting. That's exactly why I was anxious to attend my second EFI Connect in 2016.

Most other companies seek out the newest property, with the slickest venues and most beautiful local golf course to encourage attendance, plus the "best-ever" keynote speaker. Meanwhile, EFI has been going back to the Wynn in Las Vegas for 10 straight years.

This year's Connect 2016 had a record number of attendees from all over the world—1,500. Equally impressive is not only did they travel at their own expense, but they also had to pay between

\$900 and \$1,400 for each person they brought. Attendees don't just come to be entertained and schmoozed. They come to learn something. And once again, they weren't disappointed here.

I met Nigel, a reseller from Barbados who owns a company called COT Holdings. Nigel brought three other people from his company to Connect. I asked him if this was his first trip to Connect.

"No", he said, "it's my fourth."

I then asked why he keeps coming back. "That's simple", he responded. "I learn things here that can be immediately put into practice to improve my profits and my business. Real turnkey solutions to implement back home. It's a no brainer." He continued, "Traditional shows are useless. Hardly any solutions are discussed. And EFI executives are so approachable."

He then commented on the breakout sessions with so many topics of interest,

combined with the lack of sales pressure, which facilitates learning.

"We're true partners," he concluded.

I was impressed by the special attention given to about 100 members of the press. We received VIP treatment via special access to EFI's executives and key product personnel in private sessions where any question was answered quickly and, it seemed, honestly. I've never attended a meeting with this large a press contingent. I applaud EFI because, rather than shying away from the press, the company embraces them.

The Connect meeting is a model in keeping things simple. Three EFI executives presented, including CEO Guy Gecht, COO and CFO Marc Olin and SVP and GM of Productivity Software Gabby Matsliach. SVP and GM of Productivity Software. Smart executives, each possessing a math or computer science background, requiring you to listen closely.



EFI VUTEk GS3LX Pro



EFI personnel apply a Tesla car wrap on the main event floor.

There wasn't much hype, just useful information as they spoke about EFI's "out-of-the-box" solutions, how consulting services could become an enabler, and how the EFI Ecosystem would reduce the need for manual production processes, increase productivity, and create efficiencies while focusing on the development of a core MIS effort that end-users want and need.



The Imaging of Things: EFI H1625 LED digital press

As Gecht mentioned at last year's Connect, and underscored once again this year, EFI's goal is to become a \$1 billion company by the end of 2016. Historically, EFI has grown through acquisitions: Splash (2000), PrintCafe (2003), VUTEk (2005), Cretaprint (2012), Reggianni and Matan (both in 2015). Each of these acquisitions has been covered in great detail by The Cannata Report. The company has also acquired 13 MIS companies in the U.S., Australia, Brazil, Germany and the Netherlands.

EFI seems to be headed on a direct path to deliver hardware, software and new business opportunities for its customers. Those customers include not only the top OEMs, but also hundreds of smaller commercial, textile, package, signage, and plastic vendor companies and resellers. It's a curious amalgam of capabilities, expectations, audiences and challenges. And it all seems to be working for EFI, if one judges by the number of Connect attendees.

In light of the recent announcement by Xerox to split up its company, perhaps there's a lesson to be learned here. Growth

by acquisition is good as long as you can manage that growth, and it contributes to your bottom line.

There were more than a hundred separate sessions running 60 to 90 minutes each, covering such topics as business; inkjet; in-plant; EFI software offerings such as Monarch, Pace, PrintSuite, PrintStream, Radius and Technique; DirectSmile marketing practices; and web-to-print sessions. Many categories had multiple separate sessions for beginner and advanced customers. Indeed, everyone had a special session designed for them, from CEOs to owners, managers, and sales and marketing staff.

I attended a MUG (Monarch User Group) session where users offered recommendations and suggestions to members of the EFI software development staff. Feedback was provided on ways to improve future EFI software products. Both suppliers and **end-users** worked jointly to provide the company with viable suggestions and provide useful feedback in an easy-going, collaborative dialog. This wasn't rocket science, but it did allow the

voice of the customer to come through loud and clear.

Many other companies displayed their software and hardware products at the Solutions Center. There, you could visit with Canon, Xerox and 3M, as well as dozens of other vendors. Many were announcing their own new relationships with EFI such as Konica Minolta, a Connect sponsor this year, as were the

aforementioned companies.

The main attraction was the introduction of new Productivity Suite enhancements, showcasing EFI's "best of suite approach," an initiative announced at Connect 2015.

These new software bundles, geared to specific market applications, had been tested and more importantly, certified for easy integration. This enables more market growth and enhanced digital capabilities. Who wouldn't jump at the chance to offer their clients rapid deployment and increased ROI?

EFI has doubled the number of Suites and introduced three new ones for the quick print, corrugated packaging and production print markets. EFI promised an increased focus and bigger commitment on these portfolio investments last year and is now delivering on that promise. Another introduction, Workbench Production Suite, uses a customizable dashboard that can be configured by the user to show specific information and detail pertaining to his or her specific role.

EFI Introduced Three New Suites During Connect 2016:

Quick Print Suite: Available as a SaaS model, this cloud-based suite uses Print Smith Vision MIS and delivers full ecommerce and cross media marketing plus Fiery integration.

Corrugated Packaging and Business Workflow Packaging: Targets corrugated production and carton plants currently serving conventional manufacturing enterprises. EFI considers this a growing market.

Production Suite: Uses Monarch or Technique ERP as its core. It offers pre-press, tracking and planning, plus estimation for digital, sheet-fed or web/litho production.



The printed home of the future

“What EFI is doing with all this is designing their Suites within relevant ERP/MIS cores, which increases revenues through e-commerce, cross-media, better CRM, and with more tools that are EFI’s bread and butter,” explained Matsliach. “We are covering an extensive workflow in a certified, designed and validated manner built in a Productivity Suite context.”

EFI will continue to deliver its new offerings in Productivity Suites in the same manner in the future.



EFI Matan Quantum

An interesting innovation introduced by Gecht was EFI’s “Imaging of Things,” an online portal for EFI users where they

An interesting innovation introduced by Gecht was EFI’s “Imaging of Things,” an online portal for EFI users where they can showcase and highlight their creative examples of inkjet output.

can showcase and highlight different creative examples of their inkjet output. This portal enbales a free, communal online exchange of print ideas created on ceramic, packaging, signage, plastic, textile and wallpaper. The portal provides a place for customers, peers and even EFI employees to share their creations for all to see.

New products were also on Connect 2016’s agenda, and Olin discussed the H1625 LED and VUTEK GS2000 Drop Technology, all while hinting that there would be more to come at DRUPA 2016 later this spring. But EFI hardware wasn’t the main event: Software ruled the conversation and the conference. Frank Mallozzi, EFI’s SVP of Global Sales, reported that more than 1.9 million Fierys and

200,000 Command Workstations have now been placed in 176 different countries worldwide.

“We are trying to deliver productivity gains to our customers,” Mallozzi said. “Connect has gone from pure tech to software advances, which deliver terrific value and even better output.”

In sum, Connect 2016 was a terrific value, made even better thanks to the educational opportunities and the openness and accessibility of the entire EFI team.

CR

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SHARP

Relationships @Work

Sharp Dealer Meeting Garner Positive Proactive Participation from Dealers, Partners and Press

By Frank G. Cannata

After the Sharp Imaging and Information Company of America (Sharp/SIICA) 2015 Dealer meeting, “Relationships@Work,” we found much to comment on, but there were still a couple of things we scratched our heads about. Let’s start with the latter. This was the first meeting we have ever attended that started on a Thursday and ended on the weekend. That was kind of unusual, but it turned out okay. CJ, Carol and I had an opportunity to meet with some old friends and play catch up. There’s nothing wrong with enjoying what should be strictly a time to work.

Now for the positive. The meeting was very upbeat and had a very positive at-

mosphere. One of the things that Sharp does well is dedicating time and attention to the members of the press and analyst group. The company certainly makes our job very easy—as does Konica Minolta, KYOCERA and Ricoh, to be candid. (Canon does not invite press to its dealer meetings, so I guess you know where we stand with that company.)

Sharp started off by inviting the press to a product fair walkthrough that was complete with people to demonstrate the software and hardware being featured. It gave us a pretty good idea of what we were going to be hearing about. Given the name of the meeting, its theme was ultimately “leveraging relationships.”

Sharp has a solid core of 130 dedicated dealers. Collectively, this group of dealers represent 40% of all Sharp’s imaging revenue—a pretty strong number for a company that had been slow to expand its product line into production print segment. Sharp had previously introduced two color light-production models, with one having an embedded Fiery front-end. Sharp dealers have done well with that product series.

Walking through the product fair, we were shown 13 new products, 12 of them being color. They ranged from 20 PPM–60 PPM. The clean-sheet designs are focused on usability with a user interface that is well designed. If I call a UI easy,



- 215 dealerships attended the conference, with a total of more than 900 people.
- Sharp, through Tech Data, will offer Lexmark's A4 products. Every A4 available is up to 75 PPM.
- Sharp is planning two strategies when the company's releases the new 90-PPM products. One will be employed for its dedicated dealers, and the other for its multiple-line dealers.
- Sharp has enjoyed three consecutive years of growth with its U.S. Business Solutions Group, which represents one-third of Sharp's total global revenue in this category.
- Sharp is selling its Mahwah building and is currently looking for new space.
- Sharp's elite dealer group has grown by 36% since 2012.

General Assembly

The following morning, it was time for the General Assembly, and acting as Master of Ceremonies was Laura Blackmer, Sharp's Senior Vice President of Sales and our 2015 Woman Executive of the Year. At these meetings, there is usually a senior executive from the corporate headquarters in Japan. This year, we had Kazushi Mukai, Executive Managing Officer of Sharp and President of the Business Solutions Group.

Mukai is now a 30-year veteran of Sharp's Document Business group. At the meeting, he discussed the restructuring of Sharp into five companies:

1. Business Solutions;
2. Energy;
3. Display Devices;
4. Electronic Components; and
5. Consumer Electronics.

According to Mukai, the restructuring, along with the sale of the TV business, is intended to allow Sharp to drill down to businesses that are profitable and offer the greatest opportunities for continued

take my word for it, because I never find them easy.

The machines are also classified as energy efficient with everything included in the box. The interesting aspect of these latest releases is that they utilize the same toner and virtually identical parts. They also have Scan 2 with OSA Dot Net. On the color production print side, two new Polaris 90-PPM devices with Fiery Controllers were on display. They are scheduled for release in 2016.

We'd like to note, however, the exposition was more than just hardware. There were a total of 64 third-party providers showcased. Of that group, 37 of them are

in the Sharp partner program and are all currently working with dealers. Sharp had the show floor was set up to emulate the most important verticals. This included medical, legal, school library, teacher's lounge, class room and mobile environments. There were software displays from DocuWare, MWA Intelligence (MWAi), PaperCut, PSIGEN, Umango and others. All-in-all, we thought it was a very comprehensive exhibition.

Sharp/SIICA President Doug Albregts and SVP, Marketing, Supply Chain and Service Mike Marusic, responded to press and **analyst** questions following the walk-through. Here are some highlights from their comments:

relationship



Sharp Dealer Council Panel (from left to right): Dealer Principals Sean Mummert, The Office People; Chip Miceli, Des Plaines Office Equipment; Joe Reeves, Smile Business Products; Brad Knepper, All Copy Products; Chris Black, R.K. Black, Inc.; and Troy Olson, Les Olson Company, and Sharp SVP of Sales, Laura Blackmer

growth and profitability. Mukai also then explained the Business Solutions group is the main business of Sharp's B2B efforts. Additionally, similar to efforts from other Japanese companies such as Canon and Konica Minolta, Sharp has now entered into robotics segment under the market name of Reborg-X.

Albregts reported on the six straight marketing periods that yielded three straight years of growth. Globally, the MFP business grew by 5%, with 145% growth in profit. The Business Solutions Group was up 5%.

He then measured Sharp's performance against the Q1 and Q2 of the industry's 2015 performance, which overall recorded the slowest growth since 2011. The message was Sharp has been doing well, even during times where there was very little in the way of growth.

Shane Coffey, Sharp's Senior Director of MFP Products, revealed that the company will be releasing its new 90-PPM Hercules Product in Q4 2016, as well as 105 PPM-120 PPM monochrome devices.

There was a quiet emphasis on Sharp's efforts to make some inroads in the production-print space in 2016 at the meeting. However, this is something we suspected would occur. When we visited Sharp Corporation Japan in May 2014, there were some pointed questions about the production print business in the U.S. I'd guess those questions are not going to end with these latest announcements.

Joseph Quaglia, President of Tech Data

Americas, reported that the PC market is still healthy, supported by over \$200 million in cloud sales against a market of \$28 billion. He stated that Sharp was in the top five of that \$28 billion market.

Sharp SVP, Sales Laura Blackmer hosted the dealer council on stage. In general, these dealers were effusive in their praise of how responsive Sharp has been over the last three years. This was stated at least three times by Sharp's most significant dealers on the council. This positive feedback aligned with our findings in our most recent Annual Dealer Survey where Sharp dealers voted the company No. 1 in rating their major supplier. On a five-point scale, with "5" being the highest rating, Sharp scored a 4.39, with 54% of Sharp's dealer respondents giving the company 5s. For more detail on the complete results, please refer to our October 2015 survey issue.

Frankly Speaking

Well done, Sharp—from top to bottom. The content was exceptionally good, and more importantly, the dealers made it abundantly clear they highly value their current relationship with Sharp (at least for the last three years). A great credit goes to Doug Albregts, Laura Blackmer and Mike Marusic.

As for Sharp's product introductions, I would have to say the introduction of its production-print products, depending on when they are actually released in 2016, will provide Sharp with its fourth consecutive year of growth.

The company's elite dealer group, particularly those that are Sharp-dedicated, will move right into those high-volume machines, because they were the one thing they were lacking from Sharp. In my opinion, I can easily see companies such as Les Olson Company, Smile Business Products, The Office People, Des Plaines Office Equipment, All Copy Products and R.K. Black buying into what Sharp was saying. The dealer council members represented on stage made it very clear they are committed to Sharp and will represent them very well. I spoke with several of them, and they absolutely confirmed what was expressed on stage.

I could also see the approximately 100 multiline dealers buying less from companies such as Canon and Ricoh, particularly in the production-print area for one very important reason.

When you take a good look at Sharp's dealer distribution, it is relatively clean with very little conflict. In the worst of times from 2008 to 2011, I heard very little in the way of complaints from Sharp dealers about their direct operations or anything else. Yes, there still are some lingering thoughts about Sharp's financial condition. All of that is real. However, if dealers were that certain Sharp was not going to make it, they would all have taken on other lines or switched emphasis to a competitive brand in a New-York minute. They have not done that.

In our most recent Annual Dealer Survey, the top six dealers indicating Sharp as their primary A3 supplier averaged \$24 million



Product Fair (Education)

in revenue. Three were Sharp-dedicated, and the other three had Canon, Ricoh and Konica Minolta as their second A3 line. If you looked at the top six Canon dealers who had Sharp as a second line, they averaged \$55 million. There were only six Konica Minolta dealers that indicated that Sharp was their second line, averaging \$9.3 million. In Ricoh's case there were two, averaging \$16.5 million. These fourteen dealers averaged \$29.9 million. These results translate to 9% of the top three manufacturers' distribution (based on our survey returns of 145 dealers from those three manufacturers).

If Sharp's new production-print products are delivered as advertised and on time, all those dealers will buy more from Sharp starting in 2016. They will now have added flexibility in competing for production-print business, giving them the ability to go head-to-head against their primary supplier's direct operation or multiple-line dealers carrying the same line.

We spend a great deal of our time talking to manufacturers, not only in the U.S. but also in Japan. We make the effort to travel to Japan for one reason and one reason only—we want to include all the players and hear directly from the manufacturers about where this industry is going. All of Sharp's MFP competitors believe the company will continue in the business. While Sharp products could appear under a different label, they are not going away.

As we are all aware, Sharp is going through a reorganization and of necessity, that will take time. The restructuring of its debt will



From left to right: Mike Marusic, SVP, Marketing, Supply Chain and Service, Sharp; Eric Martin, President, Clover Technologies; Jeff DeCarlo, SVP, Sales and Corporate Strategy, Fujitsu; and Joe Quaglia, President, the Americas, Tech Data Corporation; and Doug Albregts, President, Sharp



Product Fair (Legal)

likewise take time. However, the focus of the company in the B2B market is right on, because it is the most profitable segment of the business. Sharp's relationship with Tech Data has reduced its operational overhead and is providing a good service to the dealers, an opinion coming from Sharp's most important customers.

In terms of the MFP space, Sharp is competing against companies that are significantly larger. But give me a hammer and chisel to carve this one in stone—Sharp

will compete effectively against them all. I don't mean the company will accomplish all of this on Tuesday, but in three-years time, the Sharp Imaging and Information Company of the U.S. will have grown over 18%. Let's see just how good a prognosticator I am.

CR

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No. 2: ASI Business Solutions



EXCELLENCE EXPERIENCE EXCEED EXEMPLARY

AT 211 DEGREES, WATER IS HOT
AT 212 DEGREES IT BOILS
AND WITH BOILING WATER,
COMES STEAM

In our efforts to multitask as much as possible, we spent a week traveling through Texas, making a stop in Dallas to visit ASI Business Solutions (ASI). We have known Ken Copeland and Scott Wiggins, owners of ASI Business Solutions (ASI), for 15 years. I met Wiggins first at an SDG meeting in 2001, and Copeland shortly after that.

Copeland serves as President, having founded ASI in 1989, and brings more than 25 years of industry experience to his role as President and co-owner of the company. His previous experience includes positions within Lanier Worldwide. Under Copeland's leadership, ASI has been recognized as a dealership worthy of attention by receiving Office Dealer Magazine's Elite Dealer Award (12-time recipient). Copeland also actively participates in support efforts of ASI's major supplier by serving on the Lanier Dealer Council.

Wiggins, a 25-year industry veteran, is ASI's Executive Vice President. He is responsible for administration, finance, purchasing, leasing, sales support and strategic business planning. Prior to joining ASI, Wiggins held major and

national account positions with Lanier Worldwide, achieving President's Club status. Wiggins has served as the President of SDG (Select Dealer Group), a nationwide organization focused on the development and sharing of best practices for the digital copier industry. He holds a BBA degree (marketing major) from Iowa State University.

From 1989 to 1997, ASI functioned as a Xerox sales agent, selling hardware only without providing services. At one point, ASI had placed 125 Xerox 1090s in Dallas. When Wiggins joined the company in 1997, he and Copeland together formed a technology company to provide industry-leading service.

The decision to become a technology company was greatly influenced by the industry's transition from analog to digital. At a time when selling boxes was the objective, technology presented a far more challenging business. Wiggins and Copeland understood that providing solutions required they offer and promote tools from partners that not only facilitated the applications' functionality, but also ensured necessary support for them.

Additionally and importantly, both Copeland and Wiggins take a great deal of pride in their relationships with ASI's employees. They fully understand that an outbound sales and service organization needs a productive environment that results in customers being taken care of by the stakeholders of their business product and service providers.

The ASI Solutions Approach

In reviewing the ASI approach, the company's four-step process for each engagement to maximize ROI featured prominently:

- Determine an exact total cost of ownership to demonstrate a better way;
- Create the best possible solutions to meet stated objectives;
- Provide user training to maximize the potential of the recommended solution; and
- Conduct periodic reviews, and adjust and maintain objectives.

In its client approach, ASI offers solutions to improve workflow and help the customer be more efficient in their business processes. They

stress the growing importance of managing information that is being felt daily by businesses across every segment of the industry spectrum. This includes departmental reports, emails, sales orders, faxes, purchase orders, invoices—whether paper or electronic.

Included in the company's document technologies are document management, managed print services, mailing solutions, managed network services, information technology service, complete document life cycle and workflow analysis.

ASI's message is clear: Documents are the lifeblood of business today, and ASI has an answer.

Based on what we discussed, ASI is making a very comprehensive effort. While ASI has its challenges in pursuing its "services" objective, the company does recognize them. The crucial issue is the level of resources required to reach the level of proficiency to carry ASI's ambitious program.

The company's total revenue for 2015 was \$14 million, but ASI incurred losses in its attempts to build a managed IT services business. Copeland felt it was becoming a drag and actively pursued another way to develop this critically important area of the business. He made a decision to spin off the IT business to form a separate company. He invited the four people who were serving as business development executives in that division to become partners. Copeland said this effort has progressed very well.

In terms of reputation, ASI is highly regarded by its leading suppliers. The company's primary A3 MFP supplier is Lanier, and ASI is also a valued Lexmark partner for its A4 products. ASI sells KYOCERA printers and its leading software vendors are Ademero, Print Audit, Nuance and Lexmark solutions.

"Ricoh is very proud to have ASI as a dedicated Lanier business partner," said Jim Coriddi, Ricoh's Vice President of



Ken Copeland, President, ASI Business Solutions (center) flanked by Frank G. Cannata, president (left) and CJ Cannata (right), SVP, brand strategy and development



ASI Business Solutions showroom

Dealer Sales. "Through the leadership of Ken Copeland and Scott Wiggins, ASI has developed an effective infrastructure to address and solve end user needs beyond the hardware. This progressive vision and leadership aligns with our business practices, and delivers the highest level of service and support to their customers."

"Lexmark views ASI as a dealership that epitomizes great leadership," said Phil Boatman, Lexmark's Senior Manager, NA Channel Business Development. "What a great group of passionate and dedicated people who are always focused on doing something more than their customers expect. It's a philosophy that stems from the top down and is evident in their endurance in the market place. Lexmark International is thankful to be represented by ASI."

Copeland believes that organic growth is very difficult, and the necessity to balance imaging with services is extremely important. Acquisition of both IT and imaging companies is something ASI is looking into for 2016.

However, both Copeland and Wiggins feel very strongly that by representing Lanier, Lexmark and KYOCERA, ASI has a full suite of products, as well as software, that can satisfy the demands of the company's customers.

Copeland is also of the opinion that it is imperative to understand and utilize social media.

"If you understand it, you will be successful," he said as we ended our meeting.

We walked away from our visit with ASI believing that Copeland and Wiggins both get it. While we were there, we were invited to sit in on a review of rebuilding their website. In listening closely, we could see these gentlemen understand their challenges, which speaks well for ASI and its future.

CR

Questions About This Story?

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OUT of the BOX: Software & Solutions

Square 9's All- Encompassing Event

2015 "Best Software Developer" Frank Award Winner
Hosts Highly Successful Inaugural Reseller Event

By CJ Cannata



Encompass sunset dinner cruise

Square 9 Softworks, The Cannata Report's inaugural 2015 Frank award winner in the category of "Best Software Developer," hosted an international channel of dedicated resellers and customers at the company's first-ever Encompass Conference. At the Sandpearl Resort in Clearwater Beach, Florida, October 20–23, Square

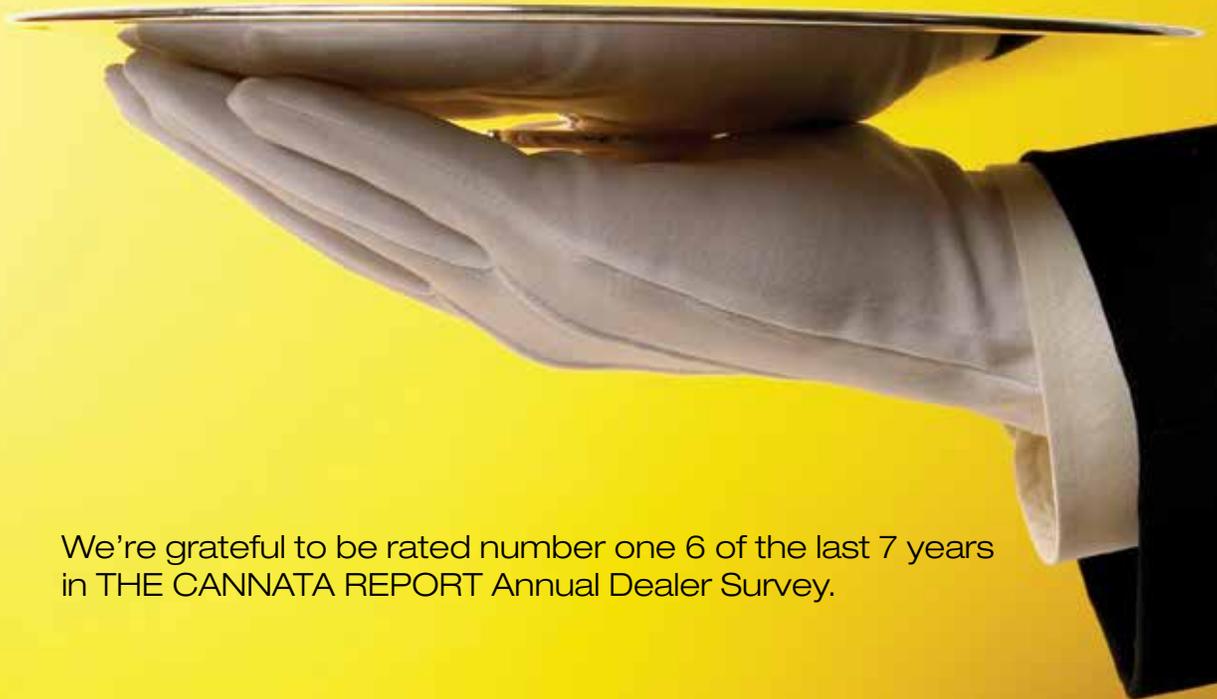
9's three-day event focused on the company's culture and ongoing vision for the future of enterprise content management (ECM).

More than 50 dealerships were represented by over 100 dealers, including 12 at the principal, C-suite and GM levels. Department heads or senior staff

in business development, IT, solutions and services, marketing, or sales groups comprised the rest of the attendees with a presence at the event.

Shortly after the event, we published an initial fact-based piece in The Cannata Report's October 2015 Special Dealer Survey Issue (Part I)'s INK column, both in

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Square 9 Softworks, Inc. CEO Stephen Young's opening keynote address



Encompass 2016 registration booth

magazine and on TheCannataReport.com: “Best Software Developer’ Winner Square 9 Draws over 100 Dealer Representatives to First Encompass Event.”

Here, we are following up with a virtual panel conducted among a representative sample of spokespeople from four progressive and influential dealerships, including Brandon Meek, Director of Sales at Woodhull LLC; Steve McBride, Information Systems Manager at MT Technologies; Mark Turner, Director of Software Services at RJ Young Company; and Dan Rickert, Director of Solution Sales at EO Johnson Business Technologies.

Overall, there was a strong consensus about the value of the event from all four parties. Each of these individuals has positive impressions of Square 9 as a solutions partner and is impressed by Square 9’s continued efforts to improve its technology and support for its channel partners. They also noted how Square 9 employees all share a true passion for Square 9 products and services, regardless of their respective roles.

For these four attendees from the dealer channel, highlights of the event included the announcement of significant enhancements to GlobalAction (Square 9’s next generation Business Process Management engine), an essential component to SmartSearch (Square 9’s enterprise content/document management software) and an opportunity for productive collaboration among the dealers attending the conference.

CJ | *Why did you choose to attend Square 9’s inaugural Encompass event? What where you hoping to get out of it, and did it meet your expectations?*

McBride: I would say Square 9’s vision to move toward business process management, instead of just conference management—that is an interesting move for them. It will set them apart from their competitors and may be a good thing for their customer base.

Meek: We attended Encompass because Square 9 is our designated solutions provider for document management, meaning we lead with SmartSearch [enterprise content/document management system]. Square 9 is currently our fastest growing and largest revenue producing document management software.

[Encompass was an opportunity] to collaborate with other dealers [and learn] how they are leveraging SmartSearch and their Square 9 partnerships in ways that we are not, because SmartSearch revenue sales have doubled almost every year over the past four years since we initially signed up to become a Square 9 reseller. My expectations were met above and beyond in terms of the feedback I received from other dealers. We have already been able to take some of what we learned from other dealers and implement some of their strategies into our approach.

For example, one dealer leveraged SmartSearch to shift from a hardware to a

software-led company. Now, I didn’t take away that we wanted to make that same transition overnight, or at all, but what I did learn was how this dealer was able to earn hardware business as a direct result of his company’s expertise in software. It automatically makes a salesperson more credible when they are selling workflow solutions, because if they earn a customer’s trust in software, they will trust you enough to give you their hardware business. This also eliminates the hardware cost battle we deal with in our industry.

Rickert: I attended because Square 9 is a good a partner, a big part of our solutions business, and we’ve had lot of success with them. What we were looking to get out of the conference was ultimately a better understanding of Square 9’s future direction, the opportunity for direct communication with their leadership group, and to enhance our relationship with Square 9 as a vendor. Also, once you put the face to the name, as opposed to simply speaking on the phone or by exchanging emails, sometimes business is easier to accomplish.

Turner: Attending Encompass was important in order for us to understand where the software road map was going, what Square 9’s overall perspective is, and what are the new software enhancements. We enjoyed the show and we learned a lot—beyond our expectations. Attention to detail was high, and everything from the seminars and sessions to scheduling the speakers to the break configurations was well thought-out.



Woodhull LLC Director of Sales Brandon Meek



EO Johnson Company (EOJ) Director of Solution Sales Dan Rickert (left) accepts the Encompass Lifetime Achievement Award on behalf of EOJ, presented by Square 9 Softworks, Inc. CEO Stephen Young (right).

CJ | *What was the No. 1 key takeaway, and did you learn anything in particular that you felt could help enhance your bottom line or enable you to work toward achieving a particular goal?*

Meek: Collaboration. One big key takeaway was the premium dealer roundtable for some of the premier dealer partners, which Square 9 hosted on the first day, before the event officially started. Another was the speakers. The content of the sessions was very beneficial to us. By attending the sales classes, our team took away how to better market the software and improve sales.

Rickert: One of the biggest takeaways of the event was GlobalAction. The functionality Square 9 is now developing will open the door to the business process. Take Global Forms for example, the workflow piece, for example. Square 9 has made some major enhancements to it. In the past, we defaulted to other vendors because the workflow wasn't where we needed it to be.

Turner: I would say GlobalAction. Introducing global metrics and global analytics has been a game changer for us. It enhances the offerings we bring to the table for customers in terms of workflow efficiency and design. Analytics are key and are something companies are dying for. [Other software providers] do workflow and design, but they don't have analytics behind them to make [the most informed] decisions.

CJ | *Do you plan on attending next year? Why or why not?*

McBride: Yes. These conferences are always valuable to get some insight into what's coming. Overall, it was successful, and I would return.

Meek: I have already told our direct contact at Square 9 that we are absolutely coming back. There weren't a lot of dealers who took four people. We may have been the only one. The more people you can bring, the more points of view you will have, and that ultimately increases ROI. So many times dealers send one person—whether that person is from tech support or a solutions specialist—but dealers who do that often only receive feedback pertaining to one side of the business.

Rickert: At this point, I plan on attending unless there is something that prevents me from doing so. I got a lot of quality information and wouldn't expect any less from the 2016 event.

Turner: Absolutely. One of the main things we liked was that there were three tracks: business, sales and technical. This enabled us to send the right person to each set of sessions.

CJ | *Is there anything in particular that you would like to share about Square 9's inaugural Encompass event with our audience?*

McBride: Overall, the sessions were good, though they could be improved

upon. Some were a little rushed. Some of the technical track sessions were a little rough. Square 9 can make some refinements, such as playing with the scheduling, maybe allotting more time to some sessions that didn't seem to have as much time as they needed.

Meek: For Square 9 having their first event like that, they completely nailed it in my opinion. I was impressed with the direction, specifically, their continuous effort to improve upon what they do by developing more customizable components of their software.

Rickert: The conference well represented what Square 9 provides overall—access to—and transparency with—their development team. Square 9 has an open and accommodating management team and is a good partner overall.

Turner: What we learned from Encompass and Square 9 at the event—and you see this down to the rep level—was TLC. Their culture has been designed to take care of their customer—the dealer—and their major accounts down the street. This is a culture that thrives on taking care of its customers. Also, you could see the entire company standing behind their technology. That is something to get excited about and that you gravitate toward.

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Questions About This Story?

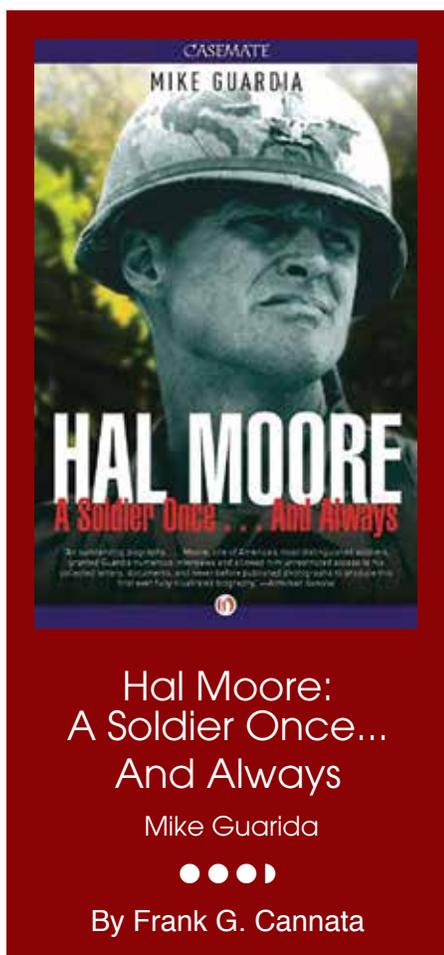
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A Solid Tribute to a True American Hero

Guardia's account leaves one with the firm conviction that Hal Moore was a special man who epitomized the finest attributes of a military leader

RATINGS

- A Classic
- An Excellent Read
- A Solid Effort
- A Fair Attempt
- A Waste of Ink



the U.S. 1st Armored Division and the author of two other biographies, “American Guerrilla,” about the life of the founder of Special Forces, Russell Volckmann, and “Shadow Commander,” about the career of Donald Blackburn, a U.S. Army Special Services officer.

In “Hal Moore,” Guardia has written a biography about the commander who led his battalion in what’s considered the first full-fledged battle between U.S. and North Vietnamese regulars. Reading Guardia’s account leaves one with the firm conviction that Hal Moore was a special man who epitomized the finest attributes of a military leader.

The author truly captures the essence of Lt. Colonel Moore in recounting a speech he delivered to the men of the 1st Battalion 7th Cavalry, prior to embarking for Vietnam.

“Let us understand the situation,” said Moore. “We are going into battle against a tough and determined enemy. I can’t promise you that I will bring you all home alive, but this I swear before you and almighty God: That when we go into battle, I will be the first one to set feet on the field, and I will be the last one to step off. And I will leave no one behind. Dead or alive, we will all come home together, so help me God.”

Moore, born on February 13, 1922, in Bardstown, Kentucky, was the eldest of four children. The Moore family enjoyed a good life through even the worst economic times.

It was Moore’s father who suggested he apply for an appointment to the United States Military Academy at West Point. This is where Moore’s character and resourcefulness shone. A prospective cadet must obtain a nomination from his Congressman or Senator to be considered for admission. Moore had the grades, but the chances of receiving such a nomination for a young man from the “backwoods of Kentucky” were slim. Yet, he found a creative way to get those nominations, one of the many vignettes Guardia includes to illustrate Moore’s character. Moore was admitted to the Academy in 1941 and graduated in 1945, two months before the end of the war and too late to serve overseas.

Seven years later, Moore was assigned to the 17th Infantry Regiment during the Korean War where he experienced combat for the first time as commander of a heavy mortar company. Mortars were new to Moore, having spent most of his time in the paratroops, but he made good use of this experience learning artillery theory. This knowledge would be useful when he served in Vietnam.

When Moore took command of the 1st Battalion 7th Cavalry and was sent to Vietnam, he took over a battalion depleted by men whose tours were up and were going home. Under the Table of Organization & Equipment (TOE), Moore’s battalion should have had close to 750 men. He had 450. This was in November 1965 and the beginning of air mobile infantry

Continued on page 42

I was asked to write a review by the publisher of “Hal Moore: A Soldier Once... And Always” by Mike Guardia. Moore is perhaps best-known from Mel Gibson’s portrayal of him in “We Were Soldiers,” a movie based on the Battle of Ia Drang, which took place November 14–16, 1965, in the early days of the Vietnam war. Guardia is an officer in

Jim Olson Steps Down

The Last of a Generation Retires from Position as Les Olson Company's CEO and Board Chairman

By Frank G. Cannata



While attending the Sharp dealer meeting in San Antonio, Texas, we took the opportunity to interview Jim Olson, who had previously indicated that he was retiring at the end of 2015. We have come to know the Les Olson Company of Salt Lake City, Utah, quite well. The company has an interesting history for the Olson family and business. We profiled the Les Olson Company in January 2013, and it was one of the more pleasant experiences I have ever had.

Les Olson Company is a family-owned and independently operated business with seven locations from Logan to Las Vegas. The company was established 60 years ago and its mantra has not changed. Even though technology has changed, the company's commitment to its customers remains the same: Offer only the highest-quality products, provide the best customer service possible and give back to the community.

Jim Olson is the last of Les Olson's 11 children to be active in the business as we enter 2016. As we detailed in our 2013 profile, we were thoroughly enchanted by the story of a father coming home and telling his wife Reva and 11 children they were going into business to sell copiers. The year was 1956, and Les Olson wanted his children to understand that this new business was a family commitment and they had to be involved. He asked all the children to go to their rooms and bring down their piggy banks. They did as were told and broke open their little banks and gave whatever money they had saved to their father. Jim said he had \$3.45 to contribute.

To prepare for our profile, we spent some time talking to Jim and Troy Olson, who is currently President. When the compa-

ny started in the business, the first product Les Olson actually sold was a crank comptometer. In 1962–1963, the company began selling diffusion transfer copiers. From there, Les Olson broadened its product offering by selling dictation equipment. Jim said that was the first product he actually sold in 1968. The company had taken on that line in 1966. From there, the company brought in the Saxon PPC -1 in 1973–1974.

In 1975, the company began selling Sharp. Here we are 42 years later, and Les Olson Company is Sharp's leading dealer with 221 employees with revenue in excess of \$50 million. The company is now totally dedicated to Sharp, except for some printer products from HP.

The dealership also made many of the product moves that had grown popular in the 70s and 80s. This included word processing, IBM Selectric typewriters, ComuCore and, of course, Sharp Fax. Canon and Sharp were the first two major manufacturers that began delivering Group II Fax machines in the 1983–1985 timeframe.

Jim also experienced the transition of analog to digital and was at the forefront of developing a very strong service staff that handled the network connection very well. Jim claims, "We have always had a great technical staff, and they are the back bone of the business."

To take advantage of the wave of technology, Jim structured the company's services capability by fully training every tech on connecting into a new network, while overall service training was restructured to ensure techs could keep up with new technology as it rolled out.

In 2005, the company began building its professional services capability, and over the years Les Olson has become quite strong in the IT Services areas, with Continuum playing a big role in its success.

Jim is also a military veteran, and we thank him for his service. Jim served as an E5 in the U.S. Army, and was stationed in Korea during the Vietnam conflict from 1968–1971. In reflecting on his service, he shared a story with us that speaks volumes about the kind of man Les Olson was. Veterans returning from the Vietnam conflict were often spat upon, called baby killers and worse. According to Jim, Les Olson invited a bunch of Vietnam veterans to have lunch during that conflict and thanked them for their service.

Given his long, successful career, I asked Jim—who is still very much on top of his game—why was he stepping down.

"Young people are better with technology, and it is critical that they take control at this time," Jim said. "I just want to stay out of their way, and that is a big reason for why I am moving on."

As for the future, Jim believes Les Olson will enjoy even greater success. Some of this predicted success lies with the company's leasing endeavors. In fact, Jim says one of the smartest things the company ever did was starting its own leasing company in 1992, naming it after the Olson matriarch, Reva.

Revco Leasing LLC is a separate division that does a great deal of leasing to Les Olson customers. Revco is one of the most powerful tools Les Olson works with. Les Olson believes that providing the leasing

for its customers has helped the company create a much stronger sense of loyalty.

Moving forward, Les Olson will continue to include family members, but just because your last name is Olson, it doesn't guarantee anything. As Jim put it, "For our third-generation Olson employees, they have to earn everything they get."

Troy Olson added that when Olson family members receive their Christmas bonus, they are fully expected to reinvest it in the business.

With much thanks to Jim's leadership during his tenure, he is leaving a well-grounded company that is fully prepared to continue the transition from a hardware-focused dealership to a services-oriented enterprise, which will further elevate Les Olson.

Reflecting on his interactions with Jim, President of Sharp Imaging and Information Company, Doug Albrechts said: "In my four years with Sharp, no other individual has had a bigger impact on my work life than Jim Olson. He's inspired me, acted as a life and business mentor, and has set the standard for building lasting relationships. I must say I don't think I'll ever meet another individual who cares more about all aspects of life than this guy.

The Olson family has a deep, talented bench of executive management that will take the company to even greater heights, but they'll always have Jim to thank for helping build that foundation. He will be extraordinarily difficult to replace."

We wish Jim Olson the best of all retirements. He certainly can sit back in comfort and with the knowledge that he has more than fulfilled his parents' dreams and left a legacy of success for the next generation to continue building upon.

Cont. from "Impressions: Book Reviews" on pg 40
with helicopters carrying soldiers into battle behind enemy positions, a tactic called vertical envelopment.

The helicopters carrying Moore's troops could only accommodate five men at a time. It took 17 trips for the entire battalion to reach the Ia Drang Valley on November 14, 1965. Facing them were 2,000 soldiers of the 66th and 33rd NVA (North Vietnamese Army). The two armies fought day and night for nearly three days. By the morning of November 16, the NVA had lost what Moore estimated to be 1,215 men and withdrew from the battlefield. American losses were 79 KIA (killed in action) and 121 wounded, a casualty rate of 44%. Moore's skillful deployment of his men, along with artillery support and air strikes, staved off defeat. True to the promise he made to his men before leaving for Vietnam, Moore was the last of his battalion to leave the Ia Drang Valley battlefield. Moore received the Distinguished Service Cross for his actions.

In the spring of 1977, Moore was offered the position of Commanding General of U.S. Army in Japan. Instead, he chose to retire, and on August 1, 1997, Lieutenant General Hal Moore completed 32 years of active service to his country.

A touching part of Moore's story is his relationship with his beloved wife Julie, who in February 2004 was diagnosed with oat-cell cancer, a rare form of the disease, and given weeks to live. She died on April 18, 2004, surrounded by Hal and her five children. She was 75. They had married in 1949 and in many ways was as incredible in her leadership qualities as her husband.

Hal Moore, now 94 years old, resides in Auburn, Alabama. Whenever he returns home, he still opens his front door and reportedly says, "Julie, I'm home," even though she's no longer there to greet him.

"Hal Moore: A Soldier Once...And Always" is an amazing tribute to a true American hero. Men such as Moore are an inspiration and represent the finest qualities of the American military spirit.

No review could do justice to what the book's author Guardia has penned, but I am honored to share my thoughts about this book with you.

CR

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UP NEXT

By CJ Cannata

The Cannata Report will launch our 31st Annual Dealer Survey, exclusively sponsored by Everbank, who will again provide its dealer partners participating with complimentary subscriptions to The Cannata Report. We would also like to thank Konica Minolta, Ricoh and Toshiba, who will also again provide that same dealer incentive.

In response to recent feedback to our website from highly valued and trusted advisors at ECS, we have made the following updates:

When a user logs in from the same device and browser, and clicks on "Remember Me," that user will remain logged in for 12 months, regardless of how the user visits the site. If and when the site does block the user from viewing gated content, s/he will automatically click through to the log-in page in lieu of the registration page (where users can purchase subscriptions). Lastly, we will embed a link into every subscriber issue announcement email so subscribers can directly click through to the most recent issue, regardless of whether or not they are logged into the site. More to come on the site and beyond, but we look forward to your feedback on these updates.

Questions About This Story?

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is now a member of
the **AMETEK**® family.

We are thrilled to announce ESP has been acquired by AMETEK, a leading global manufacturer of electronic instruments and electro-mechanical devices. AMETEK's resources and global influence will allow us to enhance the technology, support, and service you've come to expect from ESP.

ESP has been dedicated to the imaging industry for the past 30 years and we look forward to bringing additional value to your business.



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