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The Future of Document Technology

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A NEW **APPROACH** IN MANAGED PRINT

PLUS

COMPENSATION:
GENERALIST VS. SPECIALIST

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HOW TO GROW MARKET
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A NEW APPROACH IN MANAGED PRINT

Charles Darwin's theory of evolution suggests that over time, things evolve to a more complex state. Our industry currently faces an evolution of its own complexity with managed print. Industry analysts report that the managed print market is growing by 11% annually, while the copier market is declining. It's apparent that those dealers with an eye toward the future need to adapt and make managed print a central focus of their business. Doing so can help them not just survive, but thrive through the challenges facing our industry. IDC reports that over 4.2 trillion clicks occur each year with only 3% under managed print contracts. This fact represents a huge opportunity for dealers to capture the remaining 97% not under contract. This has brought an explosion of technologies and services aimed at helping dealers enter the managed print space.



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The problem is these technologies and services are disparate and dealers are left to cobble together their own solutions. A few dealers have been effective and experienced great success while many have not fared so well. Too many people are telling independent dealers where they need to go but not how to get there. The challenge is dealers are hard-pressed to find a solution that brings together all the training, technologies and partners a dealer needs to ensure their success.

Jim Phillips, CEO of Digital Gateway, watched his dealers, now numbering over 1000, struggle with managed print. A year-and-a-half ago, he set a goal to develop an integrated strategy to help his dealers go mainstream in the managed print services business with a new go-to-market strategy. The result is Managed Print Success 2.0 (MPS 2.0), an end-to-end managed print solution to help dealers bring managed print services into their business, incorporating necessary elements needed by dealers,

approached in innovative ways. Dealers participating in managed print programs today are making or seeking to make the transitions needed to adapt to new growth opportunities found in MPS. Phillips realizes managed print is the best way to ensure success for his company's dealers.

Now more than ever during trying economic times where every business with copiers is looking for ways to cut costs, managed print services is the way to help both dealers and their customers become recession proof.

"Right now, the best way for dealers to protect their current customer base, increase their pages under contract, add new revenue streams, extend existing profitability, increase service revenue, and improve their company valuation is through managed print," said Phillips. "For our dealers, 60% of their revenue comes from their existing customer base. If they don't evolve this base to managed print, someone else will."

A Different Approach

Evolving to managed print requires some fundamental shifts in the way dealers approach the managed print opportunity. It's not just a matter of taking a class or buying a new software program. A good program is designed to help dealers deploy managed print services with effectiveness and efficiency. [Here are a few essentials covered in the MPS 2.0 program:](#)

From training to mentoring: Success in managed print is a process, not an event. Each dealer is given a personalized and affordable coaching program where team members learn skills via live expert coaching until they are successful.

From branding to marketing: The program guides each dealer in the development of strategic marketing programs that position their company as a managed print expert and in the execution of campaigns that show the benefits to a C-level audience.

- **From guessing to measurement:** If you don't have benchmarks in place to gauge your success, you might be headed in the wrong direction. Worse you could be pricing your deals incorrectly and end up with an unprofitable contract. With MPS 2.0, dealers are given tools and mentoring to help them set and achieve goals and measure their success.

- **From manual processes to automation:** Try to do the print management business without automated systems and you'll be frustrated because it's a high transaction business. Dealers are given the systems to automate the entire Managed Print Life Cycle from sales to fulfillment.

Tools for the Job

- Dealers need more than just coaching to succeed into managed print. They need strategies and good software programs. The program MPS 2.0 incorporates Digital Gateway's e-automate Managed Print Edition, and includes tools designed specifically to

It Takes a Team

From his past consulting experience with Fortune 1000 companies, Phillips knew it was going to take more than new software to make managed print services work. "We needed a complete strategy that covered the entire motion of marketing, sales, meter capture, TCO analysis, financing, billing, fulfillment and commission."

Phillips went to his clients and asked them who they had worked with that helped deliver results. The two individuals that kept receiving positive endorsements were Darrell Amy and Jim Salzer. The duo had already been working with many of e-automate's most successful dealers. Amy's companies, Dealer Marketing Systems and Prospect Builder provide marketing services to help dealers succeed in managed print. Salzer is the President of DocuAudit (www.docuaudit.com), providing sales training and proposal tools for MPS.

"Over the past year, I watched Amy and Salzer work together with our dealers that are Hewlett-Packard SVIP Elite partners to help them develop their managed print services businesses," said Phillips. "I knew these guys were the ones I wanted on our team."

"I've watched sales people come to training sessions, buy software licenses and then go home and forget half of what they learned by the time it came to implement," says Jim Salzer. "We deliver a program that holds the print management specialist's hand as they work through getting appointments with CFO's, presenting the value proposition,



FROM LEFT TO RIGHT: James Davis, President; Jim Phillips, CEO; Daron Jones, COO; Lon Price, Vice Pres., Sales & Marketing.

- conducting the assessment, closing the business and performing quarterly account reviews. We function as a virtual sales manager to these managed print reps to drive activity, manage results and provide support."

- "Marketing by itself is fine, but it is really powerful when we can integrate sales activity," said Darrell Amy. "In the MPS 2.0 program we provide marketing support to position the dealers brands correctly and develop scripted sales tools. We also execute campaigns to generate demand with current and potential clients."

- In addition, Digital Gateway has pulled in the expertise of Gary Halperin. His previous experience included helping develop the

- Global model for the copier business. He also served as CFO of Print Inc., an early innovator in managed print. Halperin brings the unique understanding needed to develop the new financial model and metrics needed for managed print success.

- "Metrics, measurements and benchmarks are not goals in and of themselves," said Halperin. "They are tools to analyze a dealer's performance against other companies and against their own goals. A well organized routine management reporting package (such as e-automate) will be a very important step in the maturation of your business and help greatly on directing activities for performance enhancement."

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Business
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Executives need to see at-a-glance how their managed print program is doing.

automate the managed print services lifecycle, to make running a managed print oriented business simpler. Integration is a key component.

Good Criteria and Tools to Consider:

Addressing the administrative load, dealers can set-up & shop multiple vendors for the best prices & stock on supplies in real-time. Consider *PO Broker™*.

Dealers can create full, professional and accurate managed print proposals in a fraction of the time. Integrate *Digital Quote Manager™* with *DocuAudit™*.

Generating complex reports & splitting commissions for sales reps paid on page volumes is a difficult process to manage. Simplify with *Commissions™*.

Dealers need real-time info at a glance to see if contracts are profitable or whether they need immediate attention. Consider the *President's Report™*.

Getting Results

"It's great to see the dealers participating in the MPS 2.0 program experience real change and real results," said Lon Price, VP of Sales and Marketing at Digital Gateway. "No two dealers are alike and each participant is given unique expert coaching designed to drive results for their specific business."

"Since the program started in August, we have coached dealers on hiring new specialized managed print sales reps, and provided sales training and management to the new sales reps. These reps were able to make sales appointments with multiple CFOs, present dozens of managed print proposals, sign agreements for millions of pages under contract, and enjoy strong and growing pipelines. And this is just the beginning. During a time when most businesses are talking about how to survive through economic crisis, it's nice to see our dealers talking about how to keep up with demand."

Better Business Equipment (BBE), a dealer based in Nebraska, has been participating in the MPS 2.0 program. They landed a 1.2 Million page per year managed print contract with a large financial consulting firm after a few weeks of being on the program.

From the skills BBE acquired through the program, they uncovered an opportunity to add more value to one of their customers.

A BBE sales representative helped the firm see value in maintaining their existing equipment instead of suffering the cost and hassle of replacing the assets. Improvements were also made from the assessment, to redeploy their high volume HP LaserJet 8100 printers to high volume areas to improve productivity and extend their life cycle.

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The firm now looks to the dealership to automatically restock cartridges when devices run low.

Laser's Resource, a Michigan-based dealer, is also participating in the program. As a part of the program, sales representatives participate in a weekly online skill building meeting where they are taught the skills needed to drive managed print sales. Representatives work through actual deals, directly learning how to handle real world selling scenarios.

In less than two months, this coaching enabled their sales team to land a 4.8 million page per year managed print services contract and 80 HP multifunction printers in a local law firm.

"Reviewing the sales process each week has been helpful to our sales representatives," said Dan McCloud, VP of Sales at Laser's Resource.

"The MPS 2.0 program has given us a consistent talk track. It's been a huge help in getting our foot in the door of some big companies and I look forward to becoming more proficient at completing the entire proposal process."

Infincom, another dealer participating in the program, has learned how to evolve their business in ways that has captured the attention of their prospects.

"The MPS 2.0 program has brought focus, expectation, energy, and distinction to our approach," said

MPS^{2.0}
Managed Print Success


Jeff Bucher, President of Infincom. "In addition, it has taken us to a higher level in our accounts than we have had in the past. The people we're talking to, including C-Level executives, are genuinely interested in hearing about how we can help them to create a strategy that controls rising costs in the print space. It has also given us a nice start to where this business is ultimately going for the next five years, managed print services."

The Future is Managed Print

Dealers are looking to profit from managed print and are seeking companies to partner with to help lead the way. For Digital Gateway, that means fueling growth among its user base.

"We have assembled a top-notch team, tools and partners to build an end-to-end program that helps take the guesswork out of transitioning to managed print," says Phillips. "And, the recent results from the program have validated our approach."

The company's MPS 2.0 program has already conducted multiple summits, with a recent group of dealers having started the program in January. Throughout 2009, Digital Gateway will seek to expand other dealers into their program.

Phillips is committed to the managed print business. When asked, his response is passionate: "We have staked our reputation on being the independent company for the independent dealer. We know that our clients have to succeed in this new area. If they don't succeed, we don't succeed." 

For more information on Digital Gateway's end-to-end managed print program, e-automate Managed Print Success, please contact Digital Gateway at 1.866.DGATEWAY (342-8392) or visit www.digitalgateway.com/mps.html.