



Sharp Roadshow Looks Ahead to Smart Office of Tomorrow

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Erik Cagle



Mike Marusic, Sharp president

Chicago—Give Sharp a lot of credit. The manufacturer could have used the final leg of its four-city 2019 Dealer Roadshow tour to extol the virtues of its celebrated MFP fleet, which captured the Keypoint Intelligence – Buyers Lab 2019 Copier MFP Line of the Year, as well as several awards from The Cannata Report. Instead, Sharp used Monday's overview—which was open to journalists—to focus on its big picture, which is the future-looking Smart Office.

Sharp certainly is giving dealers every opportunity to get a glimpse at what the OEM has in store. This was the fourth stop in a mini-tour that had March gatherings in Baltimore, Houston and Los Angeles. Underscoring its commitment to the channel is the fact that these shows are not in lieu of a national gathering, which will take place in October.

The April 1-2 event opened Monday with a corporate update from John Sheehan, vice president of channel sales. Sheehan noted that revenues are solid and unit sales are on the rise. After speaking to the MFP awards and Sharp's continued strength here, he noted that Bob Madaio had recently been named the new vice president of marketing for Sharp Imaging and Information Company of America (SIICA).

Sharp has raised the bar for its dealer channel in three areas. According to Sheehan, Sharp is listening even more to what its dealers have to say, has invested more money in the channel (doubling its Ultimate rewards) and has aligned its sales force differently—via product, technology and display specialists—to better meet dealer needs.

Continued Success

Sheehan also talked about what Sharp is doing to help dealers find new revenue streams. Since last June, Sharp has helped close 70 deals for the channel, including MFP and managed IT scenarios. However, echoing a common theme for the afternoon, Sheehan maintained that the Smart Office is a true difference maker and a golden opportunity for dealers to reap greater revenues.

"We are a copier and display company—that's still our core business," he said. "But we can build on that and add revenue streams for me and you."



Mike Marusic

President Mike Marusic then took the stage to discuss the current state of the market, where millennials are driving down print usage, prints and placements are down, document OEMs are diversifying from pages and venture capitalists are investing in the channel...not to mention the ramifications of the recent Staples-DEX Imaging deal. In fact, Marusic counted 66 U.S. dealers as having been acquired since January of 2018.

In addressing the financial performance, Marusic noted that Sharp was the only OEM in 2018 to gain market share in three of the four fiscal quarters. But with units, pages (and indeed, prices) declining, there is no room for complacency by the manufacturer or the channel.

"People have to look to the future and see what's the next big step in our business," he said.

Still, Marusic finds reassurance in the massive amount of M&A deals that are being transacted by private equity, OEMs and dealers. Noting that dealerships are being sold at a premium, he termed it a seller's market. He also added a word of caution to the Staples' power play, pointing out that "they sell a lot of the technologies that your customers are using."

This set the tone for the Smart Office conversation. Often cited as a millennial-driven phenomenon, the trend toward business collaboration is offering an opportunity for dealers to address the need for collaboration rooms/areas. As such, the Smart Office ecosystem combines all the elements of displays, software integration, third-party hardware (including Belkin and Linksys), IT solutions and, to be certain, MFPs and copiers.

Marusic pointed out that Sharp is currently huddling with game-changing market forces such as Apple, Microsoft, Google and Amazon to review products that will come to light in the next three to five years. All of these entities have strong ties to Foxconn, Sharp's parent company and the world's largest contract electronics manufacturer.

Window Collaboration Display

On tap is the Windows Collaboration Display, which takes Microsoft's Windows 365 to the conference room. The Smart Office solution includes Amazon Alexa integration. In the end, Marusic said, it's not about saving customers \$11 a month on copies, or even \$50-\$100. It's about improving the way customers do business, which in this case is a collaborative manner.

Next up was Jason Hinton, senior partner development manager for collaboration and security for Microsoft. Picking up where Marusic left off, Hinton underscored how technology's role in today's workplace will, when leveraged, help businesses attract better and younger talent. Empowering people to achieve more is the goal, and Hinton believes Microsoft has that area addressed through Office 365, its Azure cloud-computing service (for building, testing, deploying, and managing applications and services through Microsoft-managed data centers) and enterprise mobility and security.

Microsoft sees a \$20 trillion opportunity on the horizon. The role of AI in the home has been well documented, with IoT systems providing central controls for home lighting, heating, security and other systems. Could an even bigger opportunity loom in the workplace?

Citing independent studies, Hinton noted that 75 percent of workers say their employers don't give them access to the latest technology to do their jobs efficiently. About 42 percent said they would quit their job over poor workplace technology. And 21 percent enjoyed greater productivity among teams with high employee engagement.

The trend towards teamwork/collaboration is evident. Considering that 80 percent of employee time is spent collaborating and 72 percent of employees will be working remotely in 2020, opportunity abounds for Smart Office solutions that connect people, places and ideas. In fact, Microsoft Teams is the fastest-growing business app in company history, with more than 329,000 organizations (including 87 Fortune 100 companies) use it.

The Face of Tomorrow's Office



Shane Coffey

Shane Coffey, vice president of product management, provided an overview of the changing office landscape. He opened his presentation with a 1950s era image of a typing pool, joking, "This is what the 50-page-per-minute copiers used to look like." Kidding aside, it was a cautionary tale: when the typewriter went the way of the dodo, only two manufacturers—Olivetti and IBM—emerged from that world, having had the foresight to develop other ways to serve its customers.

It wasn't that Coffey was envisioning an eventual sad ending for the copier/MFP, but it was more of a call to arms for the next area of need for your customer base. He highlighted some of the meeting room

bundles (including education-based kits and video conference setups) and full HD display monitors (in the 22", 24" and 27" class). The WCD, a 4K display, has integrated touch, can connect with a USB-C and has a conference camera and sensor hub module. Here lies a huge opportunity for dealers; Sharp sees large meeting rooms as a \$29 million opportunity, of which only 5 percent has been penetrated, with a per-room budget of \$50,000. Huddles and small rooms, at \$31 million, offers an even greater opportunity, with less than 1 percent penetration and a budget per space of \$15,000.

Software Solutions

Vince Janelli, associate vice president, software product management, discussed the role of software in the Smart Office ecosystem. Citing the need for spontaneous collaboration and the projected 39% increase in space needed for such huddles, he previewed the Project Marvel meeting assistant, available through a user license on a seat-based model. It is available for a free 30-day trial and comes a-la-carte or bundled with other Smart Office solutions.

Returning to the stage, Sheehan addressed the challenges of meeting rooms and the fact that the primary reason they do not start on time is the difficult and often time-consuming task of getting everyone plugged into the system and the various platforms that are being utilized in person and remotely. Project Rocket Start is the tonic Sharp believes can smooth out the process. In addition to scheduling meetings, users can go into meeting view and access functions such as time tack, personalized shortcuts and quick content access. Early preparation through Rocket Start ensures meetings go off on time, as scheduled, while lessening the usual headaches.

Coffey made another appearance to provide a future product roadmap and strategy for Sharp in the short-term future. Journalists and analysts were asked to keep the information under wraps, so if you were one of the 550 attendees who were in attendance at one of the four cities, you were privy to privileged information.

Tasks Ahead



Sharp's John Sheehan (left) and Chris Johnson (right) flank Mark Miller, president and CEO of Eakes Office Solutions

The day's presentations concluded with a dealer perspective panel featuring Mark Miller, president and CEO of Eakes Office Solutions in Grand Island, Nebraska, and president of the Sharp Dealer Council, along with Chris Johnson, Sharp's director of sales for the central region. Miller is enthusiastic about the steps Sharp is taking to move beyond the MFP, and the opportunities that the OEM's relationship with Microsoft can yield.

In discussing the many challenges his dealership faces, including pricing and the growing surge of M&A, Miller said that "maybe the greatest challenge is taking all of this new product and showing the customer how it provides them value."

Sharp is banking on the Smart Office to pave the road to that future and take its dealers beyond the MFP. Considering the success it has enjoyed in that realm, and knowing that it is collaborating with the greatest technology heavyweights, one has to give Sharp the benefit of the doubt going forward.