Agenda

INDUSTRY CHALLENGES

What we see in the industry

IMPACT OF CHANGING LANDSCAPE ON BUSINESS

What we see with dealers

PROFIT CONCEPTS

KONICA MINOLTA

INDUSTRY CHALLENGES

KONICA MINOLTA

Industry Challenges

What we see in the industry

- **Maintaining Profit Margins**

- **Revenue Growth**

- **Attracting / Maximizing Skilled Labor**

- **Driving Net New Business**

- **Adapting to Digital Transformation**

- **Economic Challenges**

KONICA MINOLTA

Industry Challenges
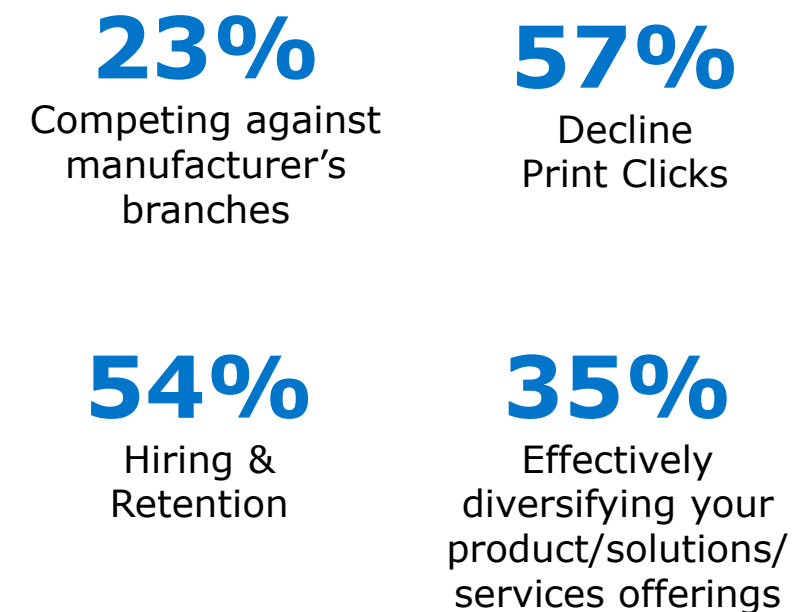
Market Disrupters

IDC

Hardcopy vendors will require a diversified channel to compete for customer mindshare in the future.

PLATFORMS

ARTIFICIAL INTELLIGENCE

DATA ANALYTICS

REMOTE MAINTENANCE

Source: Strategic Business Consultants Benchmarking; IDC In-Depth Channel Interviews

Cannata

Big Six Dealer Universe Concerns

Declines in **Clicks** and **Profitability**

23%
Competing against manufacturer's branches

57%
Decline Print Clicks

54%
Hiring & Retention

35%
Effectively diversifying your product/solutions/services offerings

41%
Maintaining Profitability

The Cannata Report – 38th Annual Dealer Survey

Leasing Partners

- 20% Less Clicks YOY Pre-pandemic levels

- **Lower Volumes Drive Down Device Speeds**

- Technology Refresh is still being impacted by lower volumes

- Upgrade moved from 7 months prior to at time of expiration

- Interest Rates leave customers with a wait-and-see attitude…

KeyPoint

Resellers return to growth **BUT** the margin has slowed

Average 2019
11.8% growth
21.4% margin

Average 2021
-3.1% growth
13.5% margin

Average 2022
-10.8% growth
15.2% margin

Average 2024
6.7% growth
12.1% margin

Source: KEYPOINT OG Channel Surveys over time

KONICA MINOLTA

© KONICA MINOLTA   5

IMPACT OF CHANGING LANDSCAPE ON BUSINESS

KONICA MINOLTA

Impact of Volume shift

What we see in the industry

A3 Device Placements & Forecast

Legend: A3 B&W, A3 Color, A3 Business inkjet

Y-axis: 0, 200,000, 400,000, 600,000, 800,000, 1,000,000, 1,200,000, 1,400,000, 1,600,000

X-axis: 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027

-3.4% CAGR

A4 Device Placements & Forecast

Legend: A4 B&W, A4 Color, A4 inkjet

Y-axis: 0, 1,000,000, 2,000,000, 3,000,000, 4,000,000, 5,000,000, 6,000,000, 7,000,000, 8,000,000

X-axis: 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027

0.4% CAGR
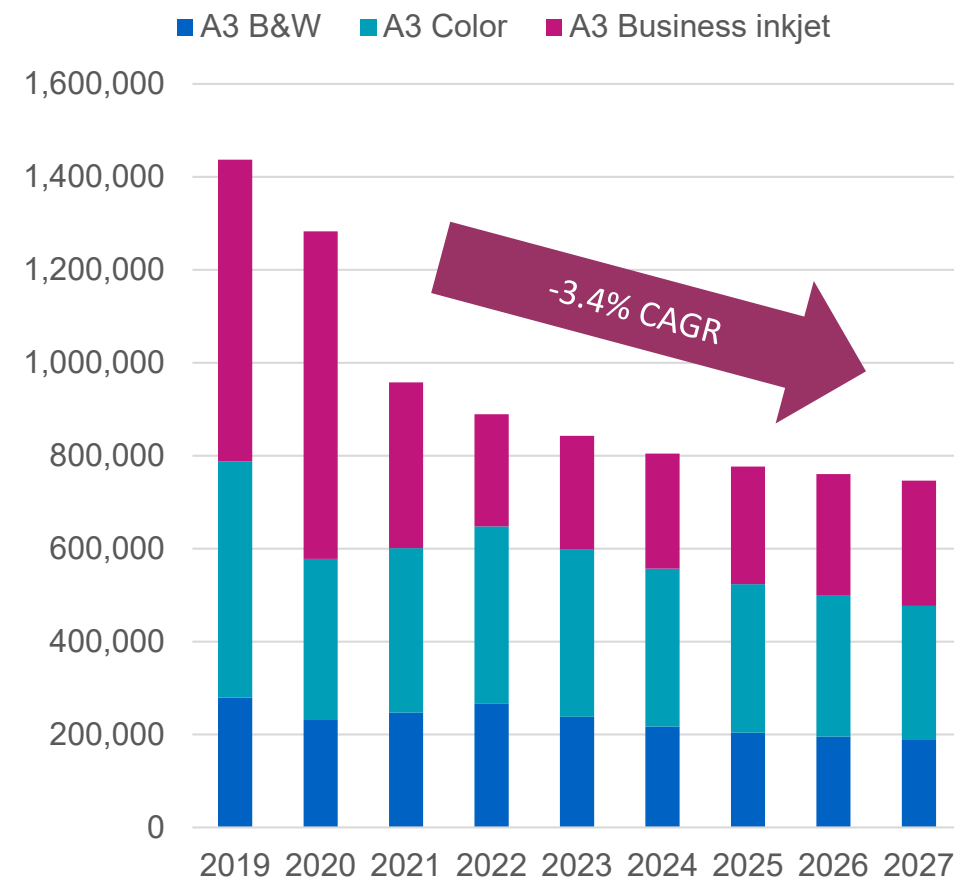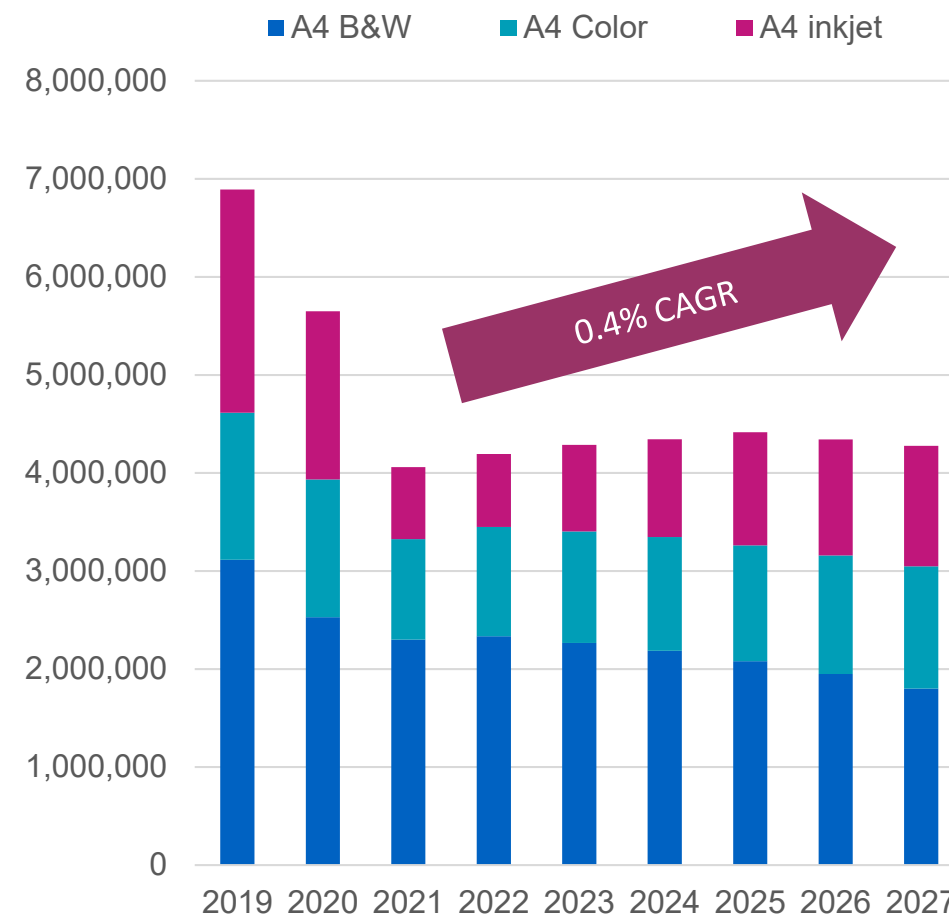
Source: State of the Channel – Market Briefing for Konica Minolta USA
Keypoint Intelligence

- Volume shift A3 to A4

- Business impact potential declining service margin

- Declining service revenue

- Renewal upgrade mix is changing

KONICA MINOLTA

Business Impact of Changing Landscape

- If your dealership is **$10 Million**

- Profit would be **$1.125 Million**

- Clicks are declining by **5%**

- Service is **45%**

- Losing **$275K** at **50% margin** for service in **$137,500** in profit

- Decline in **25%** in blended margin

You have to grow your hardware net new placements a minimum of 12% to maintain your same level of profit.
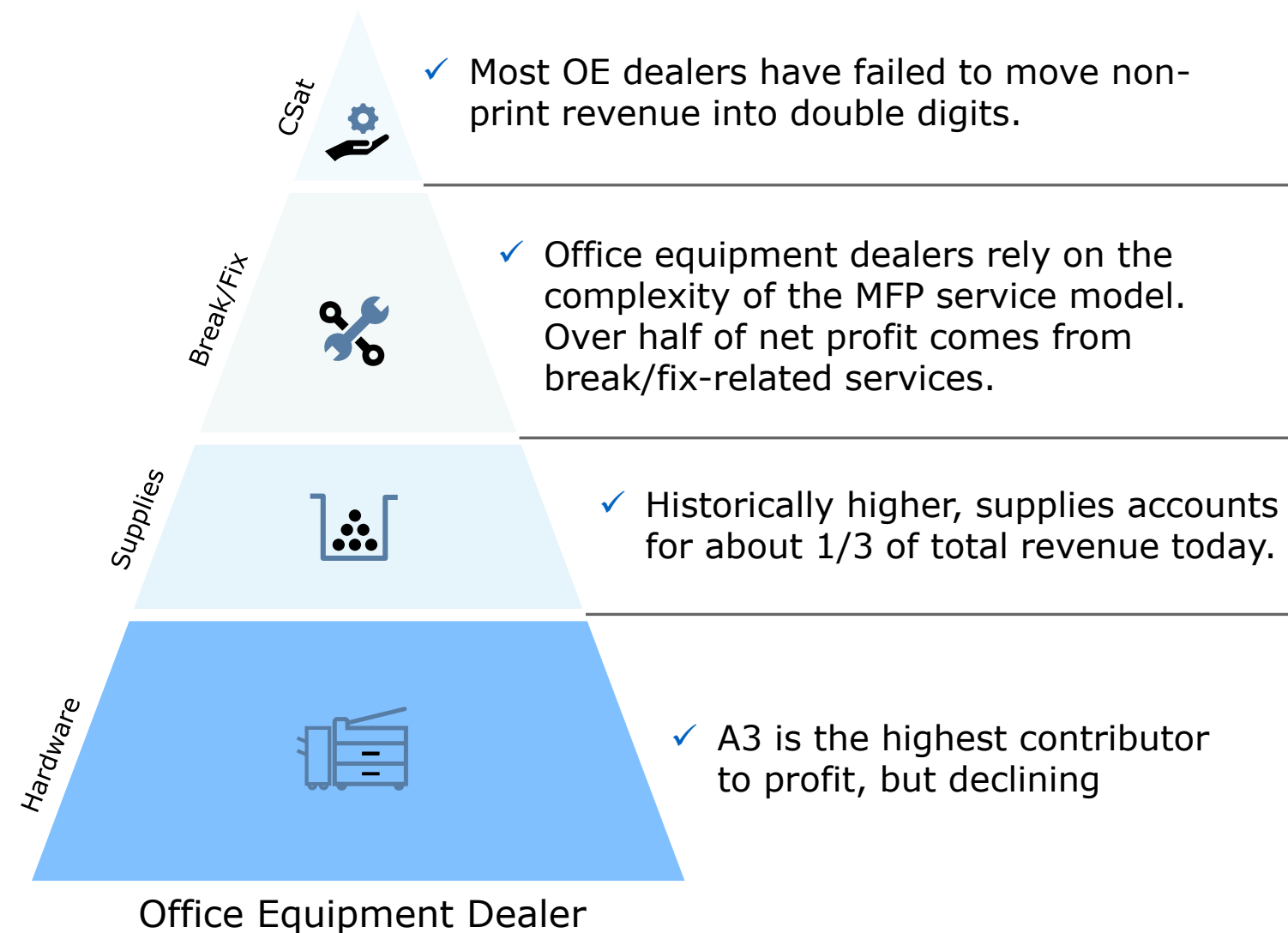
12-15% net new just to offset

This excludes merit

- Increase cost of parts

- Increase gas

- Cost of living

Costs are going up

KONICA MINOLTA

Market Disrupter

Building a Long-Term Channel Strategy for Office Print

CSat
✓ Most OE dealers have failed to move non-print revenue into double digits.

Break/Fix
✓ Office equipment dealers rely on the complexity of the MFP service model. Over half of net profit comes from break/fix-related services.

Supplies
✓ Historically higher, supplies accounts for about 1/3 of total revenue today.

Hardware
✓ A3 is the highest contributor to profit, but declining

Office Equipment Dealer

Source: Strategic Business Consultants Benchmarking; IDC In-Depth Channel Interviews

DEVICE DRIVEN

KONICA MINOLTA

PROFIT CONCEPTS

Profit Concepts

Net New Sales / Customers
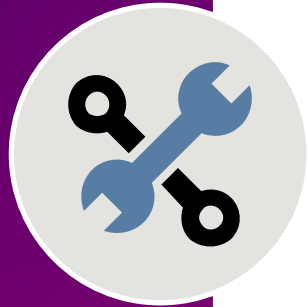
Remote Service Delivery

Back Office

Customer Satisfaction / Experience

Net New Customer Acquisition

What we see in the industry

The Need For Net New

- Define Net New
- Territory Alignment
- CRM & Tracking
- Compensation to Drive Net New

Territory Alignment

- Number of existing accounts and MIF
- Three year average revenue
- Net new revenue percentage (20-30%)
- Territory integrity

Net New CRM Account Identification

- Accounts assigned
- CRM updated
- Track rep monthly activity with net new account list
- Track rep net new percentage
- Celebrate the reps who are getting 20-30% net new

Compensation

- Reduce rep out cost
- Increase GM payout
- Consider paying on revenue vs GM
- Bonuses tied to net new percentage (Tiered)
- Reduce commission on upgrades

KONICA MINOLTA

12

Service Annual Facts and Figures

Service Calls
784k

1.7 mil
Total Inbound Requests

Supply Orders
886k

Agent
519k

Auto/Self Service
265k
vCare, MyKMBS, IVR

QA Scores
94%

Avg Sec Answer
<1 min

Agent
472k

Auto/Self Service
414k
ATR, MyKMBS, IVR

Tier 1

General
32
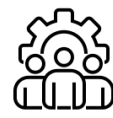
Operations
12

Managed Desk
24

37-70%
Remote Resolution
of calls handled by Tier 2

Tier 2

Hardware
13

Connectivity
14

Solutions
7

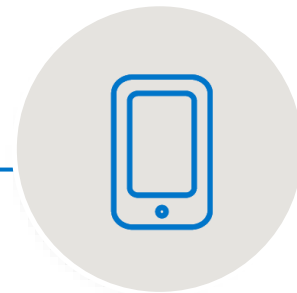KONICA MINOLTA

Service Delivery Model

Self Diagnosis + Self Heal
- Remote Monitoring
- Remote Data Capture

$ **Low Cost**

Remote Service Support
- Data Rich
- Remote Repair

$ **Med Cost**

Customer
- Assist
- Digital Tools
- Self Help
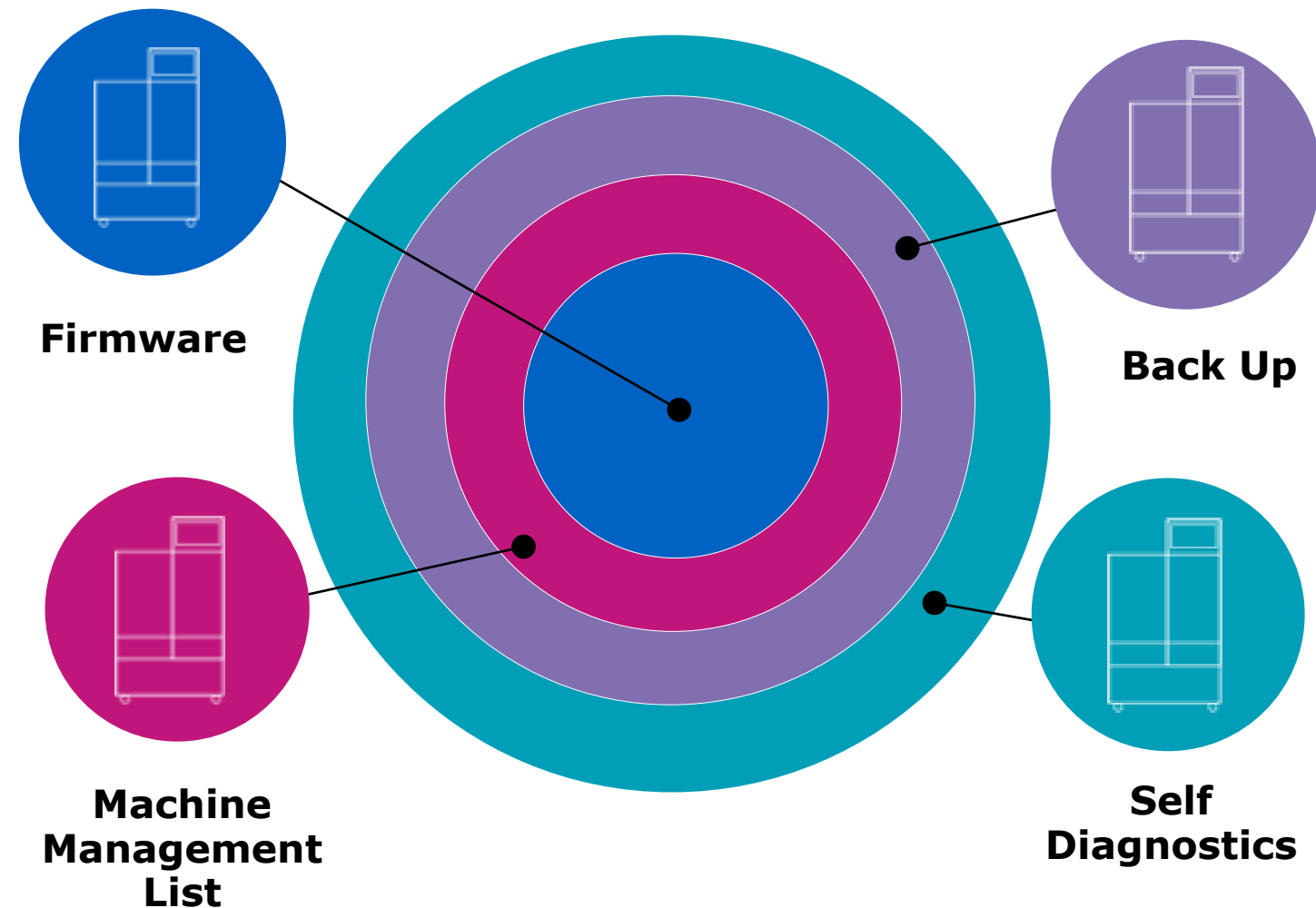- Remote Support

$ **Med Cost**

Service Deployment

$ **High Cost**

Requirements

- Remote Service Updates

- Remote Service / Security Monitoring

- Machine Status

- Monitor Service vs. Break / Fix

KONICA MINOLTA

vCare Pro-Suite
With Remote Service Platform (RSP)

bizhub v care™
P R O - S U I T E

Firmware

Back Up

Machine
Management
List

Self
Diagnostics

- Centralized fleet deployment and management

- Centralized machine setting configuration

- Self Diagnostics on MFP and options installed

- Fleet-Wide Remote firmware update capability

- Rapid deployment security updates

- On-Demand Machine Management List

KONICA MINOLTA

AIRe Link | Powered by **KONICA MINOLTA**

WITH AIRE LINK YOU CAN

Connect smart glasses **RealWear** and keep your hands free

Help junior technicians learn how to deal with **difficult problems**.

Instantly initiate remote assistance **without downloading any app**

Find out what the problem is **in advance** – even before you send out the technicians

Solve up to 80% of common issues remotely

KONICA MINOLTA

AIRe Link | Powered by KONICA MINOLTA

WITH AIRE LINK YOU CAN

Support-DX
AIRe Link-Assisted Reality: Support-DX Integration

SSD has integrated AIRe Link into Support-DX and is now utilizing Assisted Reality to support our KM Dealer and Direct community leading to expedited resolutions.

(No app required)

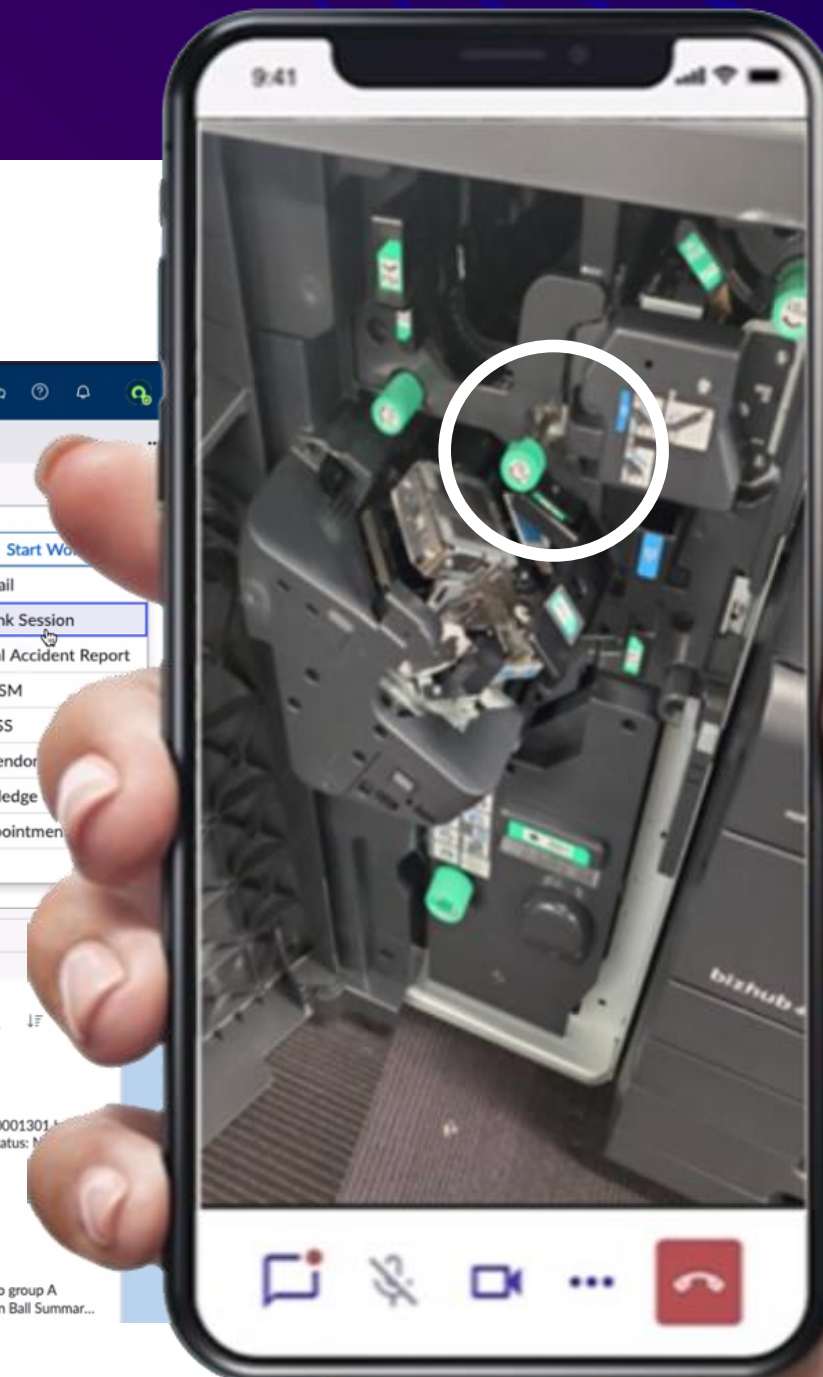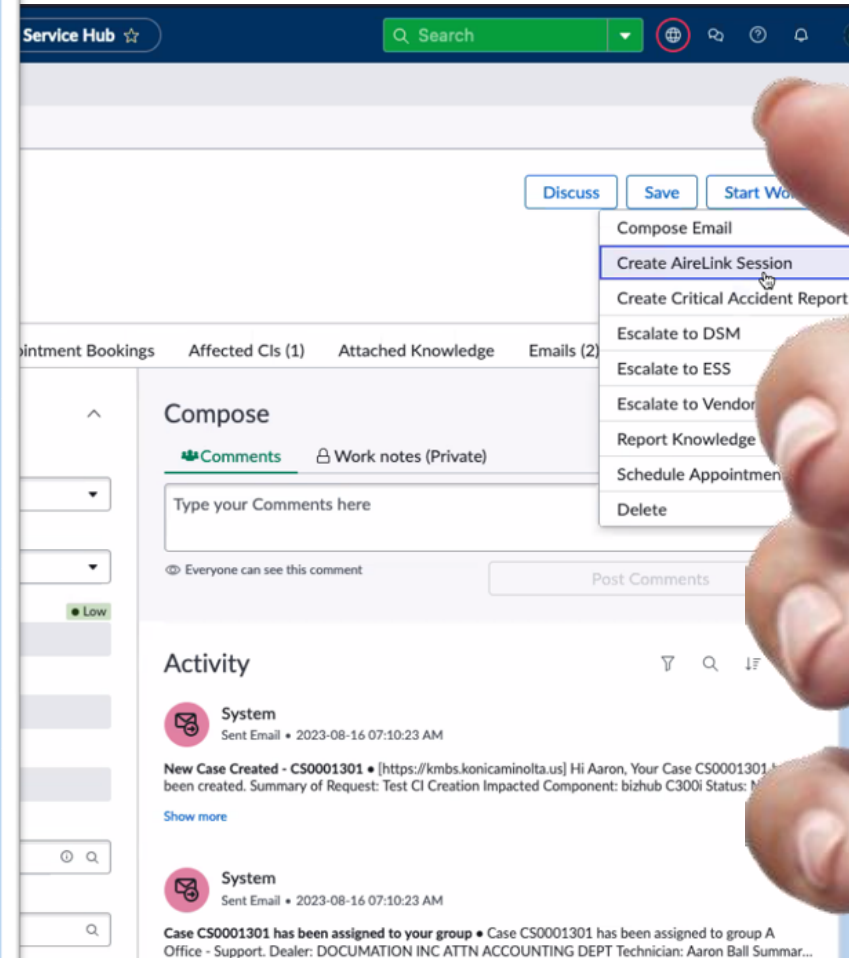**AIRe Link Remote Session**

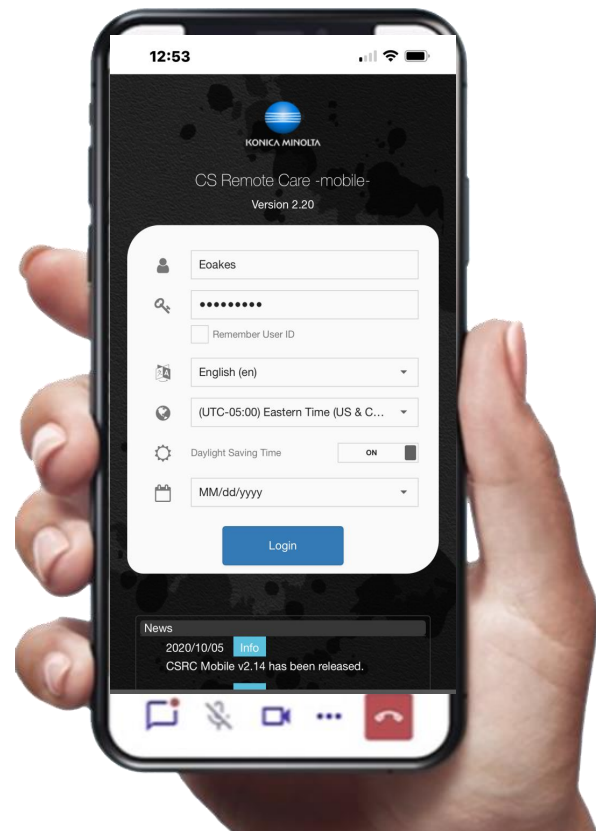Create new session

☐ Notify via SMS

☑ Notify via Email

Email
test@example.com

Start Time
2023-08-31 08:17:15 AM

End Time
2023-08-31 09:02:15 AM

Submit

AIRe Link VIRTUAL SERVICE VISIT

KONICA MINOLTA

bizhub Troubleshooter

Troubleshooting Made Easy
The bizhub Troubleshooter is currently available within the vCare Mobile app & the vCare web application. But coming in the near future, we will be integrating into the telemetry panel with in **Support-DX**.

Remote Panel

bizhub Troubleshooter-PRO

C2558 (bizhub 360i/300i)

Posted September 18, 2020   By Administrator Administrator

You are here: KB Home ▸ 360i/300i - Trouble ▸ C2### ▸ C2558 (bizhub 360i/300i)

Please search Knowledge Base articles and Bulletins as they may contain relevant information and updated Part information such as Part numbers.

Contents

Trouble type	C2558: Abnormally high toner density detected black TCR sensor
Rank	B
Trouble detection condition	The TC ratio of the toner determined by the toner replenishment control is detected to be the predetermined value or over for consecutive times.

vCare Pro

Select Command:

Get Version Info	Remote Reboot
Remote Service Panel	Update Firmware
Self Diagnostics	Machine Mgmt List
vCare Pro History	

vCare Pro History

Check Current Firmware
Case:CS0280396
Date: 10/10/2024 11:52:19-UTC
Current Firmware is the Recommended Firmware: ACKN0Y0-F231-G00-RE(00)

Get Version Information Executed
Case:cs0280396
Date: 10/10/2024 11:51:12-UTC
Card:ACKN0Y0-F231-G00-RE(00)
MFPController:ACKN0Y0-0100-G00-RE(00)

Home   bizhub Troubleshooter FAQ

bizhub Troubleshooter

Search the documentation...   Search

Transforming The Back Office

- **Improved Profits**
  - Direct to Customer
  - Combined Shipping
  - National Warehousing

- **Improve Cash Flow**

- **Reduce Inventory and Waste**

kPAX

bizhub care™
Remote service that's always there for you

eci™ | e-automate®

DM DISTRIBUTION® MANAGEMENT

KONICA MINOLTA

Daily Client Engagement

AQA Successful (Future)

- Morning "Device Health" report via email
- Delivered to primary operator
- Triggered by AQA/Telemetry data
- SNXT process orchestration
- Service escalation as needed

vCarePLUS

AQA results

SERVICE NXT

Client details

- Account
- Entitlement
- Contact info Key
- Equipment info
- Remote support

Key Operator

Tier 2 Agent
(assistance for Operator)

KONICA MINOLTA

End-to-End Workflow

CRM

SALESFORCE

Our Customer View

CPQ Electronic Order

Service Delivery

SALESFORCE / CUSTOMER VIEW

Order Processing Admin

Reduce Cycle Time
Reduce Human Capital

Warehouse Dealer

Invoicing / Billing

AI

AI Improvement Strategy

KONICA MINOLTA

Market Disrupter

Building a Long-Term Channel Strategy for Office Print

CSat
- ✓ Most OE dealers have failed to move non-print revenue into double digits.

Break/Fix
- ✓ Office equipment dealers rely on the complexity of the MFP service model. Over half of net profit comes from break/fix-related services.

Supplies
- ✓ Historically higher, supplies accounts for about 1/3 of total revenue today.

Hardware
- ✓ A3 is the highest contributor to profit, but declining
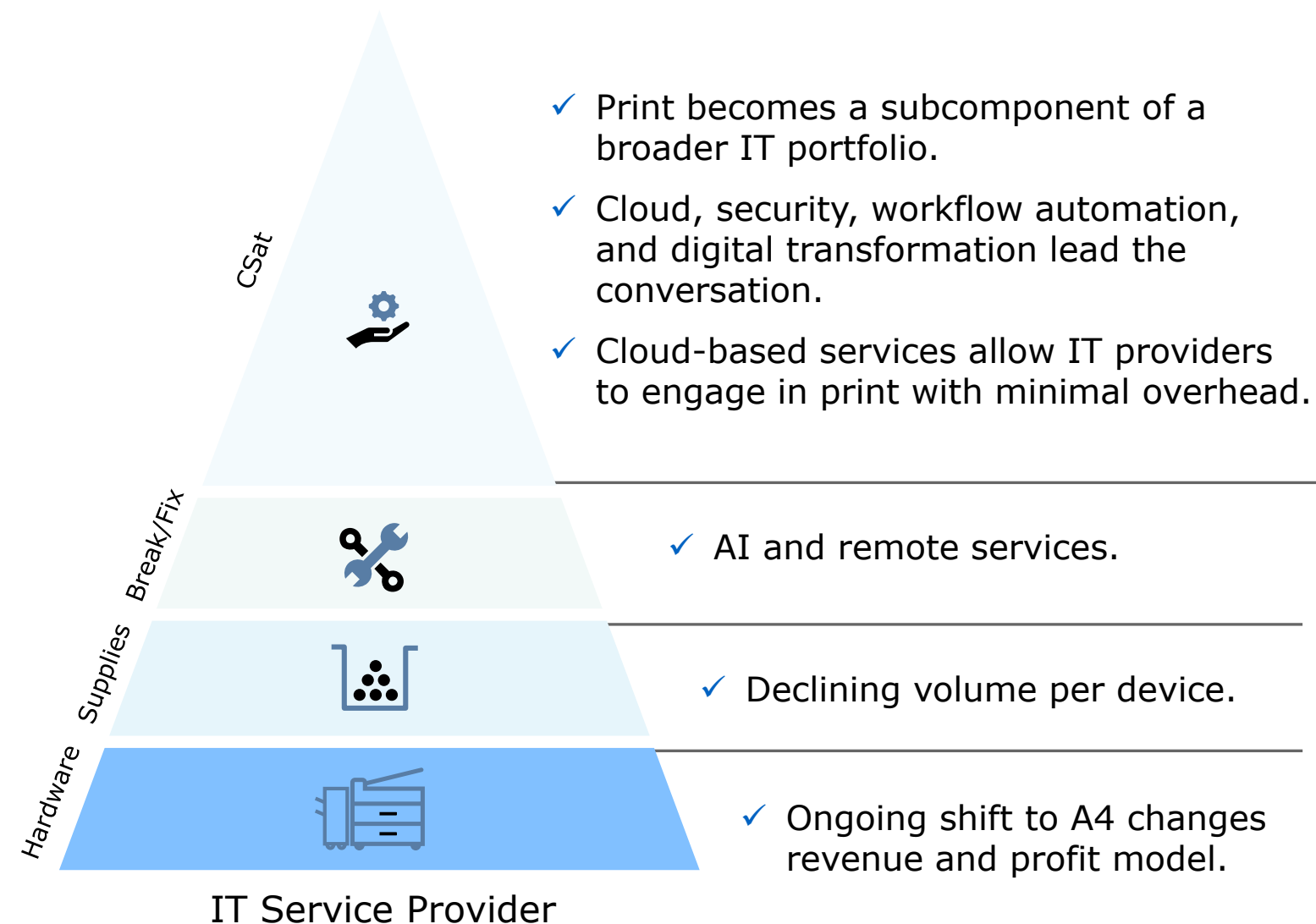
Office Equipment Dealer

Source: Strategic Business Consultants Benchmarking; IDC In-Depth Channel Interviews

KONICA MINOLTA

DEVICE DRIVEN

Market Disrupter

Building a Long-Term Channel Strategy for Office Print

Pyramid levels (top to bottom): CSat, Break/Fix, Supplies, Hardware — base labeled "IT Service Provider"

- ✓ Print becomes a subcomponent of a broader IT portfolio.
- ✓ Cloud, security, workflow automation, and digital transformation lead the conversation.
- ✓ Cloud-based services allow IT providers to engage in print with minimal overhead.

- ✓ AI and remote services.

- ✓ Declining volume per device.

- ✓ Ongoing shift to A4 changes revenue and profit model.

Source: Strategic Business Consultants Benchmarking; IDC In-Depth Channel Interviews

TECHNOLOGY DRIVEN

KONICA MINOLTA