

The right decisions  
call for the correct  
information...

...concerning the  
rapidly changing  
office environment.

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# THE CANNATA REPORT

A Monthly Management Report for the Office Products Dealer.

## Gestetner Becomes Lanier



## No Comment From Me

We want to encourage all of our readers to respond to what we write, whether it is positive or negative. It is good for any audience to hear two sides, to any question. We welcome any and all comments even from those who think we are clueless. To encourage that, we make it a policy not to respond with any kind of editorial comment.

### Dealer's emails

A couple of dealers had some comments to make about the Gestetner Lanier merger.

From A Lanier Dealer

*I don't know how good this is for Lanier dealers. Once again, my concern is National account revenue that one could lose. Ricoh has not been very clear on how they will accommodate the Lanier dealers. Besides, somebody like ourselves who have been exclusive Lanier dealers could be impacted severely.*

*Anonymous Dealer Who Attended The Meeting*

A Ricoh Dealer

*It will be a little bigger mess but still a big mess nonetheless.*

*Anonymous*

## An Alliance Wrap Up

From our perch, it was a very successful meeting. The dealers were very much into the presentations and seminars. We came away with the distinct feeling they liked what they heard and for many of them, it was a great relief. As one Lanier dealer explained to us, "For a long time I have been wondering how Ricoh was ever going to be able to support a small Lanier dealer network. This merger is good for us."

Tom Salierno and his staff prepared the Gestetner dealers for this merger in a very careful and deliberate manner. What transpired at Alliance was no closely guarded secret. The most important

elements were discussed with the Dealer Council. That helped dispel any rumors that could have easily started, about the future of Gestetner.

We congratulated Tom, Alan and Mark on a successful meeting. It was a difficult challenge and the plan they unfolded was well thought out and well executed. Like any plan, it will have some problems in implementation. You cannot satisfy 253 independent dealers, no matter how well you consider all their concerns. All you can look at, from this standpoint forward, are the results. Through the years we have heard many plans, rationales and strategies expounded from a myriad of podiums. All too often there is a disconnect between the plan and the execution. If the merger plan is implemented properly, then it will be successful. If it is not, we will certainly hear about it and so will you.

## MWAI Revisited

We have been receiving quite a few press releases from MWAI. Rather than loading up our readers with some disjointed news blasts we decided to have a conversation with Mike Stramaglio, President & CEO of MWAI. We wanted to get an update on what is going on and felt an informal discussion would better serve our purposes. We spent an hour plus talking about the company and what is important, for our readers to know.

Mike is no stranger to our audience and we are not surprised to find him at the center of a Hurricane. We are told that at the core or eye, of one these ferocious storms, all is relatively calm. One always gets the sense in talking to Mike that he is very much under control but the whole world is swirling all around him.



The most important thing, as far as Mike is concerned is that the company has a whole new product suite. The accelerated launch of the new products all serve to enhance the device management capabilities of MWAi software. Most notable, in the last 60 days, is "Software As A Service Technology" or SAT, an open code approach that is designed for small to medium size dealers and a turnkey type of product with a low cost of entry. He was most excited about this highly portable Intelligent Workforce module, for laptops, Tablet PCs and Micro PC computers. Remote employees, in industries serviced by MWAi, can access data to streamline the execution of service calls and improve the customer experience. It also enables the technician to view pertinent information of the equipment requiring service, prior to arriving at the customer location.

This latest development is built upon the company's Intelligent Workforce for Blackberry and Windows Mobile (Pocket PC) solutions. It provides real-time communication between the mobile worker, service management and dispatch. A great deal of information is made available that can be displayed on a full-size screen. The Mobile Laptop solution is compatible with Windows XP and the newly released Vista operating systems.

### **MWAi And Sharp**

We saw Mike at the Sharp meeting and asked him what his impressions were of the event, in general. According to Mike, the Sharp meeting was phenomenal. He felt this way because; it enabled MWAi to create a better relationship with Sharp and some of their key dealers. MWAi is an OSA developer that enables them to bring better product and capability through Sharp engines. From his standpoint OSA or the open architecture that Sharp is now providing has been great to work with. Sharp is fully supportive of the open code and MWAi is going to be able to deliver a better Sharp product and solution, because of it.

### **How About Other Companies**

MWAi is machine agnostic and works across all platforms. We asked Mike whom he saw as leaders, in this area. In Mike's opinion Sharp is showing a real unique ability to support the Remote Device Management technology. He also said that Toshiba is less formal but equally driven to provide the best possible remote device management technology, for their dealers. They are currently working with MWAi Intelligent Device Management. Both of these manufacturers fully understand that this technology can provide for differentiation. Toshiba and now Sharp are also being driven by their acquisitions of dealers. This means there is a need to have an open architecture approach. This enables them to provide software that helps their newly acquired dealers achieve their corporate mandated objectives. "I see both companies being very aggressive in applying these technologies," Mike said. "I would put Ricoh in there as well, as far as being open and applying these technologies. I also see these three as being leaders in providing differentiation through an open architecture position. It is a network driven business and they have embraced it."

### **What Are Dealers Interested In**

We also asked Stramaglio about what dealers who were expressing a lot of interest, in device management. What wanted to know what was their motivation or reason for wanting to acquire this type of technology? "A lot of interest is apparently being driven by what IKON and Gopal are doing, to take the cost out of the business," he responded.

### **MWAi Has An Answer**

What MWAi intends to provide is a low cost solution at a time the market place has accepted the principal that you need to do this. We asked Mike to speak in general terms so this is more of a discussion than a sales pitch. The point Mike makes is that it works and is cost effective. I share with Mike some of Mark Pollack's comments about Ricoh's @Remote. He said, "Pollack is absolutely

right and those Ricoh Family dealers are fortunate that they have a manufacturer who is placing such importance on remote device management.”

We queried Mike on what the dealers appear to be most challenged by. He stated that margin compression was at the head of the list and that engine prices are continuing to come down. In his opinion, the only answer is to take cost of the business, to compete and deliver the quality of service the customer expects. There is a real need to reduce the cost of the service call and (Mike) believes (MWAi) is helping the dealers to better serve their customers.

### Where Do You Go From Here

A logical question is where do you go from here? “The next step is to expand on the technology to other parts of the world,” Mike said. “With the same level of commitment to keep enriching our portfolio of offerings and to continue to develop technologies for utility markets and other service intensive fields.” Essentially these are the same technologies; they just employ different business models.

“To accomplish this we continue to make acquisitions that enable us to expand our solutions,” said Stramaglio. “We are on target but they never go as fast as you would like. But we are definitely moving ahead with 4 in the queue with the expectations to close 2 of them in 07.”

Mike sees this as a fun time in the business, and is appreciative of all the recognition that MWAi is receiving.

He told us that M2M (Machine To Machine) has recognized MWAi as one of the top 100 companies around the world. Mike personally serves as an adviser on technology for

the imaging business, to the M2M Board. They are looking at medical equipment, security equipment and assign focus groups to various vertical markets. Mike calls himself, in this capacity, a conduit for improving the flow of data around the world. It does give MWAi a worldwide exposure, in a market that will reach into the hundreds of billions in the next decade. “For us to receive that kind of recognition is truly very special and we are deeply honored.”

## Canon Adds Muscle To Mid-Volume

Canon released a new series of devices that give the company some added strength in the mid-volume bands. The new series is known as the imageRUNNER 5075/5065/5055.

The series features Canon’s imageCHIP (Concurrent Hyper Intelligent Platform) system architecture, the new imageRUNNER 5075/5065/5055 deliver digital output at speeds of up to 75 pages-per-minute (Letter), 65PPM, and 55 PPM, respectively. The company employs a long-lasting Amorphous Silicon drum and provides competitive warm-up/recovery times. In addition it provides enough paper capacity to handle Segment 4 type volumes.

Canon positions the series for the office and light production. We do not see it in any part of the production space unless they are talking about employing something like EFI’s MicroPress (as a front end) to drive multiple units, to complete the same job.

The new imageRUNNER 5075/5065/5055 devices also feature, as standard, a new Single Pass Duplex Scanner/Feeder that captures image data from both sides of an original

