

2021 Industry Forecast

Manufacturers look to the year ahead

Compiled by: Brent Hoskins, Office Technology Magazine

Office technology dealers will forever look back at 2020 as an extremely challenging year. Certainly, 2021 will present its own challenges, but the year will present opportunities as well. What will be the greatest opportunities in the new year? To find the answers, Office Technology magazine asked 12 MFP and printer manufacturers to share their expectations for 2021. Perhaps the insight shared in this year's industry forecast will help you better position your dealership for success.

Each of the contributors was asked to address four questions in essay form. The questions focused on: the primary market, product opportunities and best strategies for success in the new year; the most significant challenges dealers will face in 2021 and how can they best address them; anticipated changes in demand/needs/expectations for office technology among end users in 2021; and the characteristics of the office technology dealership that is best positioned for success in 2021. Following are their responses.



One answer lies in the volume-rich environment of production printing. Specifically, the cut-sheet inkjet arena offers millions upon millions in annual print volume that would not only recover the revenue deficit, but provide dealers with much-needed growth. From fulfilment houses across the spectrum to university, government and school district in-plants, the thirst for color at a penny per page is red hot and driving

print volume to inkjet. For all those who have been told that color printing does not fit into the budget, inkjet has positioned itself as the remedy for what is an expanding and fast-growing market segment.

Fifteen years ago, fulfilment centers printing billions of color invoices and statements determined that toner was cost prohibitive and pushed the industry to develop a solution that offered "ink on a digital platform." Government as well as educational print shops are embracing inkjet for the same reasons today. Speed, consistency and the ability to output color at about one penny per page has transformed class curriculums to color worksheets that help students more effectively engage with their homework and assignments. Those dealers with an understanding of the production print market are primed to benefit from the conversion of offset and toner output to inkjet. The "Paperless Society" will simply have to wait a while longer.

Salesmanship will be the most significant challenge dealers will face in 2021. Not everyone is qualified to be a salesperson, and even fewer have the proficiency needed to make the conversion to remote selling. Sales in the new abnormal requires a different skill set. Simply connecting with someone on the phone now requires immeasurable amounts of creativity. Developing a sales cycle today means online meetings and the type of persistence never before seen in sales. Those who focus primarily on renewing leases or engaging in the traditional "calculator sell" will be exposed and may not come out of the pandemic in one piece. COVID-19 is unforgiving on this front and will catapult well-rounded salespeople



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Professor Frederick Lancaster, an honored scholar at the University of Illinois for 20 years (1972-1992), is best known for his 1978 prediction of the "Paperless Society." It is now 40-plus years later and America's dependency

on paper has wavered very little, up until now. COVID-19 is a behavior-changing event and will go down as the catalyst that permanently changed our relationship with paper. Pre-COVID-19, the office space was 80% populated on any given day. That number is currently down to 20% to 30%. Researchers expect to see a post-COVID-19 increase back up to 60% of the office population, leaving dealerships with a permanent revenue loss of 20%. Dealers will need to look beyond the office space to make up the shortfall in print volume.

to the head of the class. Dealers will have to retrain those who are adaptable and they may need to lean on their manufacturers for help in this endeavor.

The uncertainty brought on by the pandemic has left many decision makers clutching their budgets tightly. Insecurity often leads to a “wait-and-see” attitude and, rather than renewing leases, buyers will look to extend them. If they plan on reversing that behavior, dealers will have to give their customers unique and substantial reasons to invest. The same old line of “improved service at a lower cost” simply will not fly. Businesses are looking for new and effective ways to capture their customers’ interest. Personalization, variable data and affordable color through inkjet are the types of top-line discussions that will help dealers effectively engage with potential customers.

Unfortunately, I see fewer salespeople and smaller sales teams in 2021. However, those teams will be much more diverse and specialized. Over and above the traditional MPS, IT services and commercial sales teams, dealers will have

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to engage at the production print level. Production has not been impacted by COVID-19 as much as the office space has. In fact, many print companies have grown during this challenging time. Production inkjet is a growth market for print shops as well as dealerships, but it also offers the added benefit of being restricted to a few manufacturers. Dealers will not have to engage in the infamous “race to zero.” However, much

like production sales, inkjet sales do require patience, skill and knowledge. This, too, will greatly minimize the competition, as only the best of the best in sales play at this level. Professional services is a key element of production sales. Those dealers who elect to grow in this segment will need qualified staff members to help support complex workflows. ■

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