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InfoTrends is the leading worldwide market research and strategic consulting firm for the digital imaging and document solutions industry. We provide research, analysis, forecasts, and advice to help clients understand market trends, identify opportunities, and develop strategies to grow their businesses. Additional information about InfoTrends is available on the Web at www.infotrends.com.

Professional Services: The Final Differentiator and Untapped Annuity Stream for the Office Equipment Market

- **Discover** – the real potential of professional and managed services for mid- and large-sized business customers within the office equipment market
- **Uncover** – the channel’s capabilities and understand the requirements and tools needed to be successful in providing these services
- **Reveal** – who is best poised to be able to deliver these services

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Who Should Subscribe?

Various market participants may benefit from information on the role and prospect of MFP scanning, including:

- OEMs
- ISV's Software Companies
- Channel Participants

Getting Started

To learn more about the study or to sign up as a participant, please call Scott Phinney at 781-616-2100 ext. 123 or e-mail scott_phinney@infotrends.com.

Introduction

InfoTrends defines a "Solution" as a set of software and services, often accompanied by hardware, that improves a process, solves a business problem, or creates a new business opportunity for a customer. As we move from a hardware centric sale to more of a solutions centric sale, vendors must include a solid software strategy along with a strong service component, or a professional services strategy that will deliver these promises to their customers. In the past few years, InfoTrends has seen hardware manufacturers successfully plan and execute their software strategies to compliment and differentiate their hardware offerings. As others begin to execute similar software strategies, however, it will also become more difficult to differentiate their software offerings. InfoTrends views professional services as the real differentiator to the solutions sale because these services revolve around customer intimacy and understanding and providing solutions to customers' problems. These services are harder for a competitor to match and can essentially lock out the competition because they are tailored and customized to specific customer pain points.

Professional services can exist in many phases of a solutions led sale, and many types can be offered. They can be offered as consulting services, project management, installation/integration, and support and maintenance professional services. Within these professional services engagements, customers can obtain these services "as needed," on a contractual, project basis, or as a contractual managed service. These managed professional services present an interesting offering in the office equipment industry because they are similar to traditional copier dealer services that include toner replenishment & break fix services within a contract period. New managed services methodologies include "managed print services" that may involve a variety of mixed fleets to manage all the output/print related activities. Another methodology is "managed services" that may also include managed print services as well as workflow improvements that can increase productivity while improving output/print costs. InfoTrends has witnessed the success of professional services, managed print services, and managed improvement services in the enterprise accounts. Companies such as Xerox Global Services, Oce Business Services, and now HP's Enterprise services organizations have penetrated these accounts by offering these services, securing large installations and contracts (many worth millions of dollars) over a long customer engagement. InfoTrends believes that there is a similar and bigger opportunity when it comes to medium and large-sized business, as they too have large office infrastructures to manage and lower penetration of business process improvements and implementations. There are also many more of these opportunities available.

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The question is who will service these mid-market customers. The high-end “global services” organizations cannot service these accounts on their own because there are just too many of them to focus on; therefore, most rely on channels to supply the demand. Traditionally, the mid-markets have been serviced by direct OEM organizations, traditional copier dealers and IT resellers, VAR’s, and systems integrators. Each of these channels has some core strengths, but they often fall short of being able to offer a true portfolio of professional services. Herein lies the dilemma.

InfoTrends’ new multi-client study, “*Professional Services – The Final Differentiator and Untapped Annuity Stream for the Office Equipment Market*,” will take an in-depth look at the professional services market. The study will provide an understanding of various channel capabilities in regard to professional services as well as customer behavior in relation to purchasing and engaging professional services.

Project Objectives

Professional Services – End-Customer Objectives

- Understand how customers currently engage with IT, office equipment vendors, dealers, consulting companies, fleet management, SI/VAR, and channels in relation to professional services
- Examine how customers pay for these types of services as well as how much they are paying depending on the engagement
- Determine if there is a bias to certain OE companies that deliver professional services
- Understand the market for professional services for various customer size segments and vertical markets

Professional Services – Channel Objectives

- Understand the professional service capabilities of various channel types
- Determine what types of professional services various channels are currently offering customers
- Discover what channels are investing in to deliver future professional services
- Evaluate what channels can best address various professional service offerings for the mid-market opportunity.

Managed Services – End-User and Channel Objectives

- Evaluate the adoption of managed services in the mid market
- Define who is offering managed services to companies in relation to the equipment market – IT vs. OE channel
- Examine who has been successful offering all of the components of managed services (i.e. HW, solutions, consumables, break fix, and professional services) to the mid market
- Determine whether customers have a preference for the OE channel vs. the IT channel as a source of these managed services
- Understand how customers want to pay for these managed services – contract, click based
- Find out if customers understand the concept of packaged services

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- Examine whether customers require a purchasing mix of OEM vs. third-party consumables
- Determine whether customers like the concept of packaged services
- Evaluate the market for managed services according to various customer size segments and vertical markets

Market Research

This study will use a combination of primary and secondary research to determine the market requirements and opportunities for professional services within corporations of various sizes.

Secondary Research

InfoTrends has conducted extensive research in the office document market space. Relevant research reports and forecasts will be leveraged as part of this study. We will also thoroughly examine existing market information from a variety of sources, including government and industry association data and published reports.

Primary Research

Structured Survey with End Users (300)

InfoTrends will conduct structured interviews with end-users from small (50-99 employees), medium (100-999 employees), and large companies (1,000-2000 employees), with a strong focus on the mid market. The surveys will be critical in determining the project size and scope, budgets, and drivers and influencers for purchases, as well as the overall perception of professional services. We will target companies that are currently evaluating alternatives for professional services (pre-initiative) as well as customers that have used professional services. These survey results will be critical in understanding the customer experience and pain points.

Structured Survey with Channel (300)

InfoTrends will deploy structured interviews with office equipment dealers, IT resellers, and VARs/Systems Integrators. The surveys will be vital to evaluating the role the channel plays in offering professional/managed services. The surveys will uncover the types of services currently being offered, the price points of those services, and future plans and directions.

Personal Interviews with End Users (approximately 10)

InfoTrends will conduct in-depth interviews with qualified end users that are currently using professional services. The interviews will provide subscribers with a detailed understanding of the user experience in implementing professional services.

Personal Interviews with Dealers (approximately 5)

InfoTrends will conduct in-depth interviews with traditional copier dealers currently offering professional services. These interviews will be critical in understanding the channel perspective and how dealers have successfully incorporated professional services into their business and also understand what their future professional service portfolio may look like.

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Personal Interviews with IT Resellers (approximately 5)

InfoTrends will also conduct in-depth interviews with leading IT Resellers. The interviews will help subscribers understand the perspective of how IT Resellers, Value Added Resellers and Systems Integrators have successfully incorporated professional services into their business and also understand what their future professional service portfolio may look like.

Analysis & Project Deliverables

We will conduct extensive analysis of the desk research, personal interviews, and surveys to develop a comprehensive understanding of the opportunities and issues presented by professional services. Clients will receive a combination of reports, presentation materials, and data for senior management, product managers and planners, and sales and marketing executives. These materials will include:

- Executive summary with key findings
- PowerPoint style document with bullets
- PowerPoint presentation with charts
- Professional & managed services market forecast for OE Channel
- Data tabulations

Project Schedule & Fees

InfoTrends intends to start research for the project in May 2008. We plan to complete the research by early August and publish the report in September 2008. We will provide clients with interim data from the structured surveys as the research is completed.

The fee for clients who sign up on or before April 30, 2008 is \$12,995. For those who sign up after April 30, 2008, the fee is \$14,995. A personal presentation is available for an additional fee of \$2,500 plus travel expenses.

Terms and Conditions

Liability for Advice

Although reasonable efforts will be made by InfoTrends to ensure the completeness and accuracy of the information contained in written and oral reports in connection with the proposed study, no liability can be accepted by InfoTrends for the results of any actions taken by the client in connection with such information, opinions, or advice.

Copyrights

InfoTrends retains all copyrights. The reproduction of any materials is prohibited without written consent from InfoTrends.

Confidentiality

InfoTrends will use its best efforts to ensure that any confidential information obtained about the client and its business during the course of the proposed study is not, unless agreed otherwise in advance, disclosed to any third party without

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the prior written permission of the client. InfoTrends retains the right to re-use any non-proprietary information as part of its ongoing analysis of the office automation and printing and publishing industries.

Timely Delivery

InfoTrends will take all reasonable steps to ensure that the time scales called for by the proposed study are met in accordance with the agreed-upon schedule, but no liability can be accepted for the consequences of delays, howsoever caused.

Terms

One half of fee upon initiation and one half upon report delivery.

Authorization Form

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For more information on the study or how to order, please send an e-mail to sales@infotrends.com.

Please enter my order as follows (fax completed form to +1 781 616 2121):

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