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## Sostilio & Associates International Digest – SAID

Note: This digest is about an event(s) or occurrence(s) within the office equipment / document industry and intended for the use of Sostilio & Associates clients who may want to consider it as part of their strategic planning input. The comments are entirely my point of view and opinion. No part of this newsletter may be copied or reproduced in any form without the expressed written consent of Sostilio & Associates International.

### Year-end Musings

**December 1, 2006:** There were ample internal market and user drifts in 2006 that generated opportunities in color, document management, remote monitoring and printer services. And those who had the recourses and recognition benefited. Yes, we saw in our surveys the pressures brought to bear on the smaller undercapitalized dealer who is facing exigent times both from the larger fully capitalized dealerships with broader product offerings and service portfolios and from the superstore channel with very aggressive pricing for the small and home office businesses. However, the larger sales organizations like Global, **Ikon** and even **Xerox** generated positive net revenue from the sale of color, services and network / document management and so far have indicated that they have not peaked. Other newsworthy events in this market in 2006 included the spin off and creation of **MWA Intelligence** (from EFI) and **Duplo** selling MFP's OEM'd from Sharp.

**Looking Ahead:** I also think 2007 will see more companies like **MWA Intelligence** who is quickly acquiring complimentary companies (Imaging Portals in this case) and offering software tools that the dealer channel must use to remain competitive. The maturation of the market has given rise to demands by customers for mission critical solutions to hardware and software problems and many within the dealer community do not have the resources to meet those demands. Dealers are hard pressed to stay current with new hardware let alone software and its there that MWA and others provide the dealers with means to increase their efficiencies while giving the dealer principal's real time management indices to better manage their service deliverables.