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FORWARD-THINKING
DATAMAX CONTINUES TO
MAKE BELIEVERS OUT OF
CLIENTS, EMPLOYEES

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Rave Reviews: Forward-Thinking Datamax Continues to Make Believers Out of Clients, Employees

Barry Simon has been blessed with a built-in defense system that safeguards against complacency. He uses terms such as “fail forward” and cautions not to trip into pride-based assumptions like the notion that everything his company does represents the best way.

After 40 years in the business, Simon – the president of Little Rock, Arkansas-based Datamax – can spot when the bar of excellence has been raised, or when new measuring sticks for success should be applied. The company, with roots tracing back as an A.B. Dick dealership in 1955, has built momentum to the \$50 million mark in annual revenue amidst a flurry of changes—including a splitting of the company seven

years ago. This is a testament to Simon’s unwavering determination toward “Creating Raving Fans” among his clients and employees.

Datamax has kept its eye on the bouncing ball. The dealer represents Canon, Konica Minolta, Lexmark and Kyocera in servicing markets ranging from health care and education to manufacturing, AEC and nonprofits in Arkansas and Texas. As the tally for black-and-white clicks dwindled, Simon branched out into managed services, production print, wide-format, enterprise content management and document management, along with unified communications. Plus, the dealer’s MaxCare, a comprehensive portfolio of technology support services, helps account representatives leverage



the full value proposition Datamax has to offer.

The company made two strategic acquisitions in the past two years, obtaining East Texas Copy Systems and Firmin’s Office City, bringing its total to eight locations (which a ninth coming in Jonesboro, Arkansas). Simon presides over the entire operation—he first became Little Rock president in 1985—and David Rhodes is president of Datamax Texas. Future deals are in the pipeline.

We spoke with Simon about the various aspects that have helped Datamax survive and keep moving forward during the industry’s sea change, along with how he endeavors to keep his business closely attuned to the needs of clients while continuously “Creating Raving Fans.”

How was business in 2019? What were the keys that dictated your success?

SIMON: Our business in general had changes, and for us it was down a little in Dallas and Little Rock, but there were reasons for that. For the first year or two after an acquisition, business revenues can be impacted, then begin to materialize in the third year, when you start getting everything back on track. That’s what we saw, but now we’re poised to make even better things happen in 2020. We’re making a big push in production print and managed IT services; in fact, we have managed IT in all our operations. About six or seven months ago, we started selling unified communications, which includes voice-over IP (VoIP) technology. For the most part, 2019 was a year for us to reassess what we wanted to do and where we



Barry Simon, Datamax president



Shown from left are Vice President of Marketing Robert Caldwell, Vice President of Sales David Holzauer, President Barry Simon, PrintView Services Manager Russ Hill and Administration Manager Kristen Finkbeiner

needed to be—looking at our people and reevaluating. It’s about getting away from selling boxes and focusing on being solutions providers.

What sets Datamax apart from the competition?

SIMON: We did a study in CDA six years ago in which we wanted to find out prospects’ and customers’ buying decisions. We did double-blind surveys with a statistically valid number of accounts. It was interesting to see why people bought, and the top five reasons were pretty consistent. So we focused on those qualities and asked ourselves, “how are we different?” We changed our tagline a few years back (“Relevant Technology Raving Results”) to better align ourselves with the actual wants of our customers. In our mission to create raving fans, we knew we had to be truly relevant to the customer. Ultimately, we want them to have results worth raving about. It was important not to approach our customers with cookie-cutter presentations or proposals. We discover what they are looking for, what they need, and we try to be relevant with our recommendations, whether it’s in office equipment, production print, IT

services, VoIP/unified communications or document/content management.

Our managers go through a thorough planning process, something I feel a lot of dealers don’t do. Other companies say they want to be a \$50 million or \$100

million dealer, but they really don’t set the plans in motion for how they’re going to get there. In all of our offices, we work from the ground up. We meet with our people and talk about the goals we want to reach. And we work those plans. If we’re not succeeding, we’d better understand why. We’re not afraid to set goals. I think people sometimes don’t want to set goals because they’re afraid to fail. That’s not our company. I have a philosophy that we should fail forward; if we fail, we learn something from it.

Recently, we worked with our marketing team to create an additional blog called “You Ask, We Answer,” which provides valuable information and education on a number of topics. We want to be a go-to resource for people to know they can come to us. We want to tell it like it is and help our customers become better at what they do. That’s one way we differentiate ourselves. We want to avoid becoming a “me, too” dealer or a price-only alternative.

You acquired East Texas Copy Systems in 2018 and Firmin’s Office City last spring. What did each of these companies bring to the table for Datamax?

SIMON: I’d been talking to (East Texas owner) Greg Walker off and on



Datamax team members attend the Tyler (TX) Area Chamber of Commerce Business to Business Expo in January. Shown from left are Marketing Communications Manager Jeff Walker, East Texas Area Sales Manager Kenny Prince, Account Manager Kaylee Lynn and Account Manager Chris Bostick

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Barry Simon (left), president of Datamax Inc., and David Rhodes, president of Datamax Texas

for years about acquiring his company. When he finally decided he was ready to exit, Greg looked to us because of our culture and our longtime friendship. I asked him about how they cared for their customers and employees, and I wanted to know what they wanted their legacy to be going forward. For dealers that are just looking to cash out, we're probably not the best option for them. Greg and I agreed to have a neutral party perform an evaluation, which went smoothly and made it easier for both of us. It was our biggest acquisition to date. It provided an expansion of our Texas market and gave us increased buying power with the manufacturers that helped us get where we wanted to be. And most importantly, it was a strong culture fit.

With Firmin's, (owner Chuck Firmin) wanted to focus mainly on furniture and other areas, so we bought the copier side of his business, which represents about \$1.4 million. We still have a great working relationship; he gives us copier leads

and we give him leads for furniture sales. We needed to be in Texarkana, which provided a bridge between Little Rock/Hot Springs and Dallas to get into more of the market that we needed. As a result, we didn't have to start from scratch. We revitalized the bottom portion of his building and put our office there.

Do you have any potential acquisitions in the pipeline currently? What are the qualities you look for in a prospective addition?

SIMON: We have two that we're working on. We're always looking for the right business, with our same culture and values. That's what's worked for us.

What has been the key to your growth in managed network services?

SIMON: We've worked with Paul Dippell and Service Leadership (a service provider consultancy firm) on our strategy. We have a hunter/farmer type

of environment in all of our offices; we have one consultant strictly going after the managed service side of it and another selling document/content management and unified communications as well as managing the account. We've shared with all of our legacy copier reps what that looks like, and we have mapped out a compensation plan. We have helpdesks, people in all of the offices who can take calls. We want to make sure that the calls are routed to the proper person. There are so many different variables, and you want to put your best foot forward and make sure you get customers on your stack. The problem you encounter is trying to be all things to all people. It takes time when you go through an assessment with these companies to convince them this is what they need to do. They have to demonstrate pain in some capacity. We feel that the stronger we can get into an account, the better we're going to be.



Datamax President Barry Simon and Sales Support Specialist Barb Noll greet riders with the Patriot Pack, whose 10-day annual bike trek is in support of The Jillian Fund. Datamax has been a longtime supporter of The Jillian Fund, which provides financial support to families of children with life-threatening illnesses



The Datamax service and logistics support team inside the Little Rock warehouse

Tell us about the development of CommCare, your Unified Communications as a Service (UCaaS) solution. How has it been received by clients?

SIMON: Other than our ongoing strategic partnership reviews, we provide a significant amount of support remotely, which is where our customers prefer us to be and where we can maximize our service delivery. Previously, we may not have been part of some RFPs because we weren't selling VoIP. The phone side provided a bit of an eye-opener, because I used to think that clients were more satisfied with their system providers than they really were. We found it easier to get into the VoIP space. But we're still learning; we want to uncover all of the "gotchas" in this business, so we're taking it a little bit slower. I think it's going to provide a nice boost on the managed service side of our business. We're getting some traction. Ordinarily, you want to sell a new offering to as many people as you can. But with this, I want to make sure that we're going to be able to offer the right service. We don't want to onboard somebody—especially a current user of our copier business or managed services—and find out that they're not happy.

We started out by training our sales people and asking the right questions.

We took our time getting through it. If a customer doesn't have the right internet capabilities, they're not going to be a good fit and you have to tell them that. If they can't change their internet provider to get to where they need to be, you'll end up in a bad situation.

In fact, you have a wide arsenal of support services branded under the MaxCare umbrella. What was the thought process behind this as-a-service approach?

SIMON: The idea of the MaxCare wheel is that when our sales people are having conversations, they can present a holistic approach to the technology services we provide. For example, the client may not be in the market for a copier right now. However, they're looking at other offerings and that wheel helped us get to that. Take Microsoft Office 365...we've got to start understanding how many people are wanting to go to the cloud, and we have to know what the cloud brings to the table. As we progress with these things, it's more of what our customers are asking from us as we do partnership reviews. We ask them what they're looking for in the future, the software they're using, including the cloud-based software that's running their company. If we look at these things as a provider, we have to know how to take over that agreement. People are rarely aware of everything a

dealer sells, so MaxCare helps our people fully understand and properly articulate everything we offer.

Do you employ a bundled approach?

SIMON: We leave that to the customer. That is an advantage; we can put this all into one payment if desired. We let them decide how they want to go, whether it's PaperCut, uniFLOW, VoIP or managed services. The bundle enables us to give a break to those businesses that have been fair to us as customers.

In 2019, you were named to the "Best Places to Work in Arkansas" list, and your motto of Creating Raving Fans is well known. How are you able to make such raving fans out of your employees?

SIMON: Robert Caldwell, our vice president of marketing, and Jeff Walker, our marketing communications manager, have been instrumental in this area. It can be a challenge to maintain and promote culture as you continue to grow and deal with eight different offices. We produce an internal eNewsletter called *The Rave Review* every month. Built as a specific online pillar page, it allows readers to fan off and read articles on both people and initiatives in every Datamax location. It gives employees a feel for our people and what is going on at other offices within the organization. Whether it's the "Raving Fans," "Raving Teammates" or "Raving Friends" (community initiatives) that we're celebrating, the newsletter is a vehicle for organization-wide communication. I'll post something on the *Review*, and Robert and Jeff will go to the various offices and talk to the employees to give them that company-wide perspective. Culture is tough when you have an office that might have just eight or nine people, because they don't have a sense for what is going on in the other offices. It's important that people buy into the culture; otherwise, it will fail. Three years ago, we went to each office and did videos where we interviewed our people and customers. We're doing it again now because it needs to be refreshed.

What was your dealership's greatest accomplishment in 2019?

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Datamax Inc. was recognized by Canon in 2019 for its long-standing Association of Technical Service Professionals (ATSP) commitment. Executives and service managers from both Texas and Arkansas were on hand to receive the award

SIMON: Winning the Best Places to Work honor (from *Arkansas Business*) for the third straight year was a big accomplishment. Production print has been good for us, along with managed services. We worked on what was one of our biggest orders ever with a customer in East Texas. We finished the deal in 2020, but most of the hard work that got it done took place last year. And I think getting our culture out to all of our employees through the *Rave Review* was pretty significant.

What was the biggest challenge you faced in the past year?

SIMON: Keeping that culture going and making sure everybody believes in it, along with onboarding the acquisitions and making sure we're putting our best foot forward for them. We went through some transitions. You stress people out when you make acquisitions, and I think we stretched some of our people a little thin. We had some new salespeople join the fold, and we worked hard in getting them trained and doing the things we need to do.

What are your goals for the next 12-18 months?

SIMON: On the sales side, we're focusing on 30-50 mid-market accounts per sales account manager in Arkansas and Texas to produce at a level we're seeking. We need to make sure that we remain relevant to clients at all times. On a quarterly basis, through our partnership reviews, we'll figure out what we need to do to take them to the next level. We also need to do some soul-searching with our own offices to make sure we are structured properly for that success. Business-wise, the growth we've realized has been primarily through the new markets we serve. However, we feel we're positioned better than ever before with the management staff we currently have. We're looking at 2020 as a pivotal year for us in all facets of our business. We're looking to continue bolstering our service tech training, equipping our technicians with the highest level of expertise. Our 13 years as being Canon ATSP Certified, seven years as a Canon Advanced Partner and four years being named Konica

Minolta Pro-Tech certainly reflect those efforts. It's going to be an exciting year.

As the industry continues to contract and evolve, what will be the keys to success for the dealer community?

SIMON: I believe it's important to emphasize production print and color, along with managed services, document imaging and VoIP. We've got to start looking at cybersecurity and how can we be an asset to our customers. We do a lot of lunch-and-learns, during which we bring in customers and prospects to hear from experts. People want education. You can't just sell a copier and survive anymore. Black-and-white impressions are going backwards. However, if you stay attuned to where you're at, there's competition that is going to fail. Some of us will grow because other dealers are not making the necessary changes to what they do. But you really have to focus on the areas that are going to make you different. We have to be careful not to get hung up on the notion that what we're doing is the best – you have to focus on your differentiators and, most importantly, what is relevant to the customer.

What do you like most about your job?

SIMON: I love this business. I can't think of anything else I would rather do. I like being a part of it and seeing our people and customers grow. We have people who have been with us for 35-40 years and are about ready to retire, and to me that's exciting. I see people as our greatest asset.

Outside of work, what do you do for fun?

SIMON: I get up at four in the morning every day to work out. I like playing golf. Patti and I love to travel with the different groups that we're in. We like Hawaii a lot. In 2018, we had the chance to go to Thailand; my brother lived there. What an unbelievable place. I couldn't get over how inexpensive it was and enjoyed everything the country had to offer. In the end, I like to make sure that I stay sharp on the things that I need to do. ♦