

Xerox Partnering for Excellence Summit: MPS Workshop

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Parmetech
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Parmetech Challenges Before 2008 when Xerox launched A3 MFD opportunity to the channel

Service

A la carta break fix on a per call basis

Service Contracts , and Warranty service as an ASP

Supplies and Hardware

Very few contract clients for toner and hardware

Constantly in price wars with Superstores, on line sources

Limited hardware portfolio – no A3 (except HP) to compete with large OEMs

Billing

Creating hundreds of invoices per month for toner and service calls

Growth

Growth of company was stagnant



Parmetech growth from 2007 – 2014 using A3 /A4 and MPS

Two strategies:

1

Walk in take over of existing fleet or portion of existing fleet. Little opportunity for creativity, design or savings

2

Perform forensic analysis to right-size and optimize a client's environment based on client workflow and TCO analysis. We have used this strategy repeatedly, where our competition did not. Large OEM's used the like for like replacement strategy especially with A3

The winning strategy for Parmetech was the latter – our “Secret Sauce”

We use this strategy to earn our client's trust, which creates more “stickiness” with the client

Keys to our winning using our Optimizing Strategy with A3/A4?

- (1) Up front, we convinced our clients to adapt an “Open Design” RFP strategy
- (2) We got our clients to agree to share high level total cost
- (3) **GAMBLING POINT – we bet that our large OEM competitors would use a like for like strategy to replace A3 – this would give us a huge cost advantage!**
- (4) In the Main Line Health win, we were the only partner who created complete visual maps of the current state environment and future state

P.S. You may want to ask me how hardware refresh factor for owned plays into TCO !!

Key benefits to Parmetech of winning?

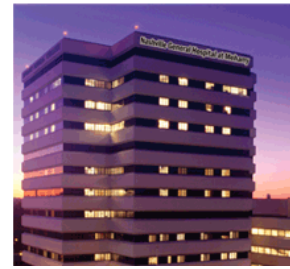
Sales growth of **215%** from 2011 to 2014

Employee growth of **61%** from 2012 to 2014

MPS pages growth of **800%** from 2010 to 2015

Long term predictable recurring revenue
(Most of our MPS contracts are 60 months)

Main Line Health



Client Profile

- 10,000+ employees
- Over 3,000 device fleet (Copy/Print/Scan/Fax)
- HP, Canon, Ricoh, Panasonic, *and a little Xerox*
- Based in Philadelphia Region

Client Challenges

- **Unmanaged Costs**
- **IT organization swamped**
- **Inconsistent Service levels**
- **Multiple vendors** for service and support
- **High Asset** to Employee Ratio
- **Reduce cost** without compromising patient care

Client Solution

- **One manufacturer : Xerox**
- **Monthly Billing reduced to two invoices**
- **One Service # for all service requests**
- **Outsource of help desk duties**

Financial Benefits

- **Reduced operating costs by 20%**
- **Saving \$2 MM over 5 years**
- **Reduced fleet and space by 50%**
- **Reduced energy consumption by 50%**

Successful MPS Implementation and Cost Reductions

Wharton Computing

Achieved 40% cost reduction

Only 20% of the MFP fleet was being used for scanning & copying

\$95,000 savings over 5 years



Destination Maternity

Achieved 48% cost reduction

Right-sized aging fleet of 165 devices

\$800k savings over 5 years



Parmetech Creating Customer Value Beyond Cost Savings

Project Management at Main Line Health

and a successful implementation model that includes:

- transition plan for over 3,000 devices
- change management
- communication plan
- collaboration and participation

Parmetech Creating Customer Value Beyond Cost Savings

Planet Press at Destination Maturity

DM needed assistance with managing of orders
Its large retailers wanted to touch their invoicing.
Challenge was converting them to the invoices.
Parmetech deployed Plan to print on Xerox devices.

RESULTS:

Easy creation of invoices growth for DM
Software licensing and maintenance revenue for Parmetech



Parmetech Creating Customer Value Beyond Cost Savings

Equitrac at University of Pennsylvania

Key Benefits to Client:

- Track print, copy and scan activity
- Easy to allocate costs
- Reduce output
- Make printing convenient and secure
- Create comprehensive, useful reports

“Follow You Print” and duplex printing department over **775,000** sheets of paper



One last attempt at comedy at Xerox's expense

Pagepack • XRPS • Pageconnect
NARS • USSP • USCG
USCO • LEO
XAD • PDTP
WTF !

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