

National Business Equipment Goes Vertical for MPS Success

by AMY WEISS

ALBANY, N.Y., is a hotbed of lawyers. Surprising? Well, maybe not when you think about it. New York State has the second-highest number of lawyers per capita in the United States (Washington, D.C., not surprisingly, takes the top spot in that category). And while, again not surprisingly, Manhattan takes the top spot within New York, that state's capital city of Albany comes in second.

Now, some might not think a large concentration of lawyers is a good thing (the old joke about "what do you call 1,000 lawyers at the bottom of the ocean?" comes to mind.) But for a copier dealer with a keen business sense, an eye toward the future and a strong history in the city, Albany is a great place to specialize in vertical markets and make a niche. And that's exactly what National Business Equipment has done.

National Business Equipment has a long history in the city of Albany, starting as the Camera Exchange in 1927. Shortly after that the business changed its name to State Photo and moved to the storefront in which it is still located. In the 1950s the company began selling Kodak verifax copiers and, with that expansion in business, changed its name to National Graphic Supply. It became a dealer of Mita photocopiers in 1975 and has been a Mita/Kyocera dealer ever since, adding Xerox and HP to its product line over the last couple of decades. Suffice it to say, National was your typical copier dealership.

Enter Scott Mueller, who purchased the company in 2008. As National's president and CEO, he's been tasked with — and responsible for — a

good deal of change and growth in the company, especially coming in as he did during the Great Recession. But Mueller was up for the challenge. Prior to acquiring National he was

with the top dealer-owners, brainstorming and sharing ideas. I learned not only what I would need to do to be successful, but what the rewards would be.



SCOTT MUELLER, president and CEO of National Business Equipment.

founder of National Document Solutions in Dayton, Ohio, where he took the company from startup to award-winning, nationally recognized company.

"I started as a straight-commission sales guy in the late 80s," Mueller recalled. "After nine years in the business I started my first company in 1998 and it grew quickly." Mueller, who currently serves as head of Kyocera's Dealer Advisory Council, has learned a lot over the years, and is quick to credit those around him with helping him acquire that knowledge.

"I've always surrounded myself with some of the best minds in the country," he said. "I spend a lot of time

One of the things he learned and implemented quickly was managed print. It seemed a natural solution to Mueller, who recognizes the challenges inherent for traditional copier businesses. "With traditional copier sales and contracts, the margins are shrinking. As the economy has changed and customers are looking at a lot of other options, it's more aggressive, and you need to find ways to enhance growth and bottom-line profits.

"As margins and competitive pressures started to take hold in 2008 we needed to find ways to grow the company, our bottom line and profits," said Mueller. "We made investments in the company and made it an MPS

services company.” It was obviously a good decision. “We’ve been averaging 30 percent growth every year,” he said.

Becoming an MPS specialist, of course, takes some work and some planning. For Mueller, the most important step was centralized leadership of the program. “It was very important to me that we hired an MPS team leader — an administrative position,” he said. “I wanted someone who would price out contracts, put the contracts together for the sales team, manage supplier contracts — a purely administrative and sales role.” With that person in place, he was ready to get the sales team in motion. “Without sales, there is no MPS program. It was important that I hired the administrative leader to help the sales team, but it’s the job of the salespeople to bring in business.”

Mueller requires his salespeople to get three appointments each day, with the goal of turning at least one into an on-site audit, which will then turn into a proposal offering 20 to 30 percent savings. National uses PrintFleet for its assessments and data collection, which Mueller says helps complete audits as well as integrating with e-Automate, allowing the company to bill with correct meter reads and offer just-in-time toner fulfillment.

So far, so good, and fairly typical. But where do the lawyers come in?

Visit National Business Equipment’s website and you’ll see a wealth of information on the company’s history, products and services. You’ll also see an entire section on “managed print opportunities by industry” that has marketing and information specifically targeted to education, financial, government, healthcare, manufacturing, nonprofit, retail and, of course, legal, all with verbiage and solutions targeted toward each individual market. For example, the page targeted toward legal services and solutions lists “security of client files/records,”

“slow adoption of digital technology/documents” and “space requirements for hardcopy storage” as common challenges. The education page notes “increasing enrollment” and “reduced funding” among the challenges, while the government page notes “regulatory compliance” and “reactive print consumable ordering.”

Mueller has found a great deal of success working with these varied vertical markets, and says the best way to do so is to find one successful customer and learn from them.

“When you’re successful with one customer in a specific vertical, you understand how they move their paper and documents,” he explained. “Once you discover how one business moves, you become an expert in how other businesses in the same vertical are going to move documents.”

Mueller notes that vertical businesses learn from others in the market, and even those who aren’t ready to make an investment want to know what others are doing to be successful. He cites the school district as an example. Albany also has one of the largest non-urban school districts in New York State, with which National is well entrenched. “If you mention their name, others want to know what they’re doing,” he said.

Clearly, National’s particular strengths lie in the education market — both college and K-12 — as well as legal. “We dominate in those areas,” Mueller said.

One reason for their domination is that National’s vertical-specific marketing efforts extend well beyond websites and brochures. The company hosts seminars, in a lunch-and-learn format, targeted toward businesses in specific vertical markets. In March, for example, the company had two planned; one for the legal market, and one for the K-12 education market. “We invite them in and talk about how they can more efficiently manage documents. It’s purely educational,” said

Mueller, who said that feedback from previous events had been positive.

Mueller is quite familiar with the needs of the different verticals. “Legal — they’re looking for ways to manage the documents themselves. Storage and retrieval is very important to the legal market.”

Education, he said, has a different set of needs. “MPS is very important to that market because of the huge savings. It frees up their IT departments. A K-12 environment can have more than 600 print devices, which puts a heavy burden on an IT department. We can manage that and take that burden off their shoulders.”

True to the evolution of the office technology industry, National’s offerings are no longer strictly print related. The company offers managed IT service, telephony and document management.

“We’ve always offered professional IT services to support our clients,” Mueller said. “As the skill sets of our technical team continue to improve, that allowed us to expand into more robust IT offerings. All of the technicians we’ve hired in the last five years have an IT degree.” The company’s IT services have expanded over the years to include cloud services, desktop management, server and network monitoring, and network operations center (NOC) and help desk services.

Document management, of course, has come with the territory as both client needs and hardware offerings grow to include it. As a Kyocera dealer, Mueller says DMS Link is a low-cost, easy-entry method for customers with the Kyocera MFPs on which the system comes embedded. “For customers who need a bit more, we introduce them to DocuWare,” which is one of the company’s technology partners.

Managed print, however, is still a big part of the business, and it’s another industry partnership that’s

helped the company grow that business. “LMI partnered with us to build our website and our sales and training program — it wouldn’t be as powerful without them,” Mueller said. National serves as a flagship dealership for LMI. “Their vision is all about MPS; my vision is all about MPS. We were a copier dealership that became an MPS company, and LMI was very important to us getting there.” The MPS program, which National brands as PrintAlliance, currently represents about 35 percent of National’s business, Mueller estimates, and he can cite numerous

success stories.

“There was a county organization we did an audit on. They were using one print device for every two employees, and heard the Air Force went to one device for every 12 people,” he said. (The Air Force Information Technology Commodity Council (ITCC) Digital Printing and Imaging (DPI) initiative set a target user-to-device ratio of 1:12). “Their goal was to go to one for every seven users,” which they didn’t quite achieve — but did cut back from 347 to 200 devices, and also saved close to \$50,000 in the first year.

Sometimes, said Mueller, there are only 50 print devices on site to begin with; these smaller companies still save money with MPS. This, of course, raises the often-debated question: What is the minimum install for an MPS program to be effective? “I’d go as low as 10 devices,” he said.

Whether 500 devices or 50, National Business Equipment is creating savings for its customers and in doing so, carving out quite a niche for itself in the local market. Mueller is quick to credit the people around him, both staff and customers, for his company’s success in its market. “Technology has changed, and I’ve got a lot of smart people here. They can handle the things customers want.

The customers, in turn, know they can go to National as a one-stop-shop for their needs. “We really believe in our market,” said Mueller. “We’ve been around so long that we’ve done business with everyone at some time.

“They want one standardized vendor that they trust,” Mueller continued. “If you’re their vendor of choice, they will want to do all their business with you. It’s about service to the client. They need these products to work, so they’re going to buy from the top-quality provider as long as the pricing is competitive. Service is number one.”

For Mueller, success is a simple equation. “We made the right choice with MPS. We invested in employees, the tools we needed, and the training. As long as your sales team is selling, that’s what matters.

“I find it simple,” he concluded. “You understand your core principles, you keep doing what works, and you succeed.”

on the web
National Business Equipment
<http://www.national1927.com>