

THE STATE OF THE MODERN TECHNOLOGY BUYER

Technology carried us through the pandemic and has reshaped the way we collaborate, communicate, and conduct business. As a solution provider, you need to understand how your buyers view technology solutions within their businesses. It is time to examine their current needs and concerns and select a payment model that benefits both them and your business.





Introduction

Within the last year, the demand for technology has increased exponentially.

Business leaders evolved their thinking about the vast array of technologies their businesses need for a dispersed workforce. This guide discusses the technology buyers' biggest concerns and the solutions you can offer to meet these needs. We also cover how technology refreshes and providing flexible payment options ensures they can comfortably acquire what they need to keep up with an accelerated digital transformation.

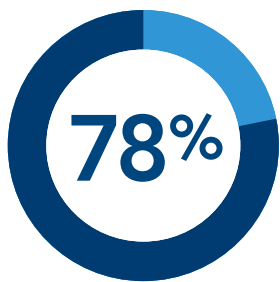
What's Inside:

- The Modern Buyer
- Technology Trends & Challenges: The Current Landscape
- As-a-Service Opportunities for Technology Providers
- The Lifecycle of Technology
- Protecting Your Customers Cash Flow

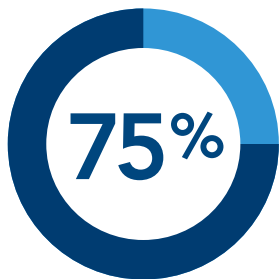
The Modern Buyer

Consider today's trending method of consumption – many services and products guide you to the monthly payment option. The iPhone is one of many examples. Rather than require a large, upfront expense, cell phone providers provide a convenient, affordable monthly payment option spread out over multiple years. When the time comes to upgrade to the newest iPhone, it becomes a rinse-and-repeat process and consumers love it.

Some recent research aligns with this. [The Harris Poll](#) surveyed 13,626 people across 12 countries on behalf of Zuora's Subscribed Institute. Results indicated increasing consumer preferences toward subscription services over product ownership.



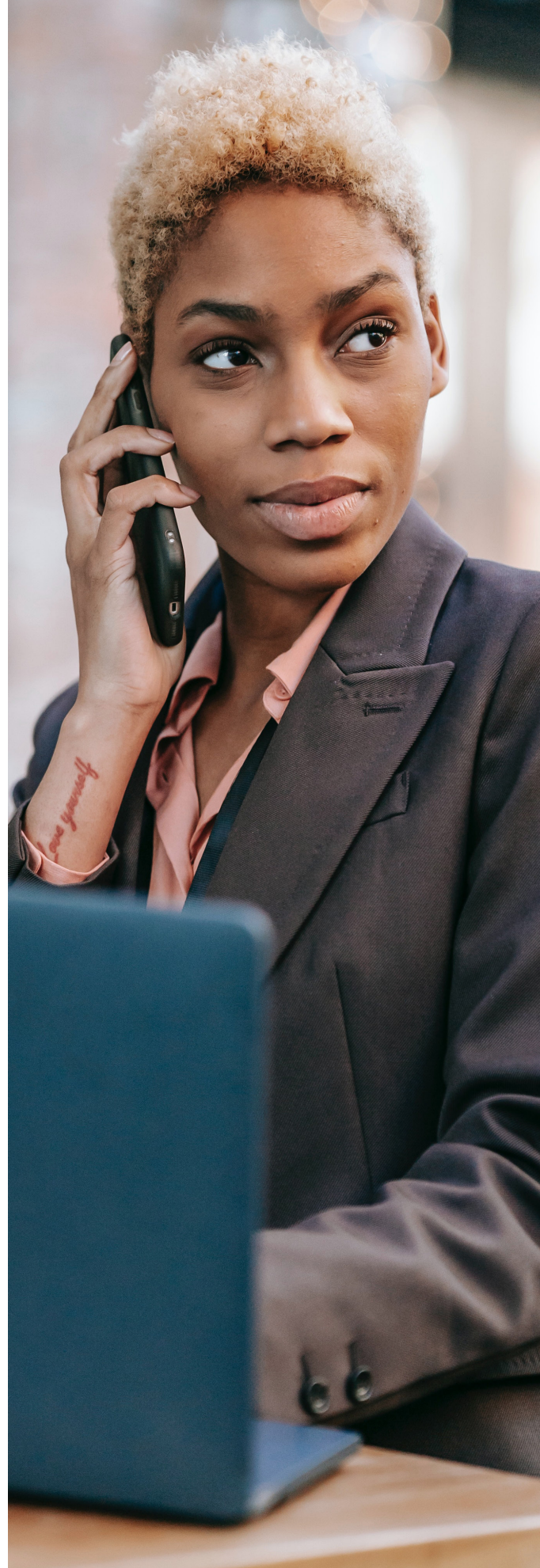
International adults reported having subscription services



Believe people will subscribe more in the future, holding less ownership over products.

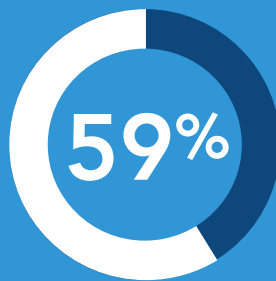
Consumers have grown accustomed to this model and are less willing to make a large cash outlay upfront for the products and services they need.

One of the contributing factors to this preference is the ability for customers to leverage their operating budgets wherever they can while preserving capital budgets for other purchases. Many solution providers are adapting to this buyer preference by adopting an As-a-Service approach. As-a-Service models replace costly, time-consuming implementations with subscription-based technology and reduces upfront IT spending and enhances flexibility. It also makes the latest, most innovative technologies more accessible.



Technology Trends and Challenges: The Current Landscape

We know the modern buyer is accustomed to the monthly payment arrangement a subscription model allows when acquiring technology. We also see studies indicating technology buyers are prepared to expand their technology budgets. In fact, a Keypoint Intelligence survey reports respondents expect to see companies between 50-250 employees increasing technology spending – which remains consistent with their pre-pandemic focus. So, what kinds of solutions are they prioritizing and allocating budgets to?



Of organizations have accelerated their digital transformation efforts in response to the pandemic.*

*According to a survey by IBM.

[A survey by IBM](#) reports that their priorities have shifted dramatically to focus on areas such as crisis management, workplace safety, cybersecurity, IT resiliency, and cashflow and liquidity management, among a few other categories. A plethora of research indicates prioritization of initiatives within these categories to be a widespread trend.

IBM Survey Suggests Leaders Plan to Prioritize Operational Capabilities



IBM Institute for Business Value

Remote work introduced obstacles relating to team communication and collaboration in 2021. [In a survey conducted by Keypoint Intelligence](#) on behalf of Konica Minolta, 51% of respondents identified communication with managers or other employees to be an operational challenge stemming from the work-from-home environment. Additionally, 37% said locating files was an IT challenge associated with working from home. Digital document collaboration was identified by 30% of respondents as another business operations challenge of remote work. It is no wonder why the same survey reported that 35% of small and medium-sized businesses (SMBs) have invested in document sharing and collaboration applications due to the pandemic.



[A late 2020 study by TrustRadius](#) reinforces this trend. It concludes that budgets will prioritize project management and collaboration software, estimating that over half of buyers are expecting to spend more on web conferencing software (64%) and online collaboration and project management software (53%) in 2021.



As it relates to security concerns, 76% of executives surveyed by IBM have plans to prioritize cybersecurity in the next couple of years, with 46% incorporating Artificial Intelligence (AI) as a part of their strategy. This concern is not limited to larger organizations. Even SMBs understand what is at stake when it comes to network security.



The TrustRadius study also noted that 65-73% of B2B buyers are increasingly concerned with data security issues brought on by remote work, depending on size of the organization. The Keypoint Intelligence survey reflected a similar trend, finding that 37% of businesses reported their employees experiencing virus, malware, or security threats due to conditions imposed during the pandemic. As a result of those security issues, 47% of companies have acquired or upgraded IT security software or services.

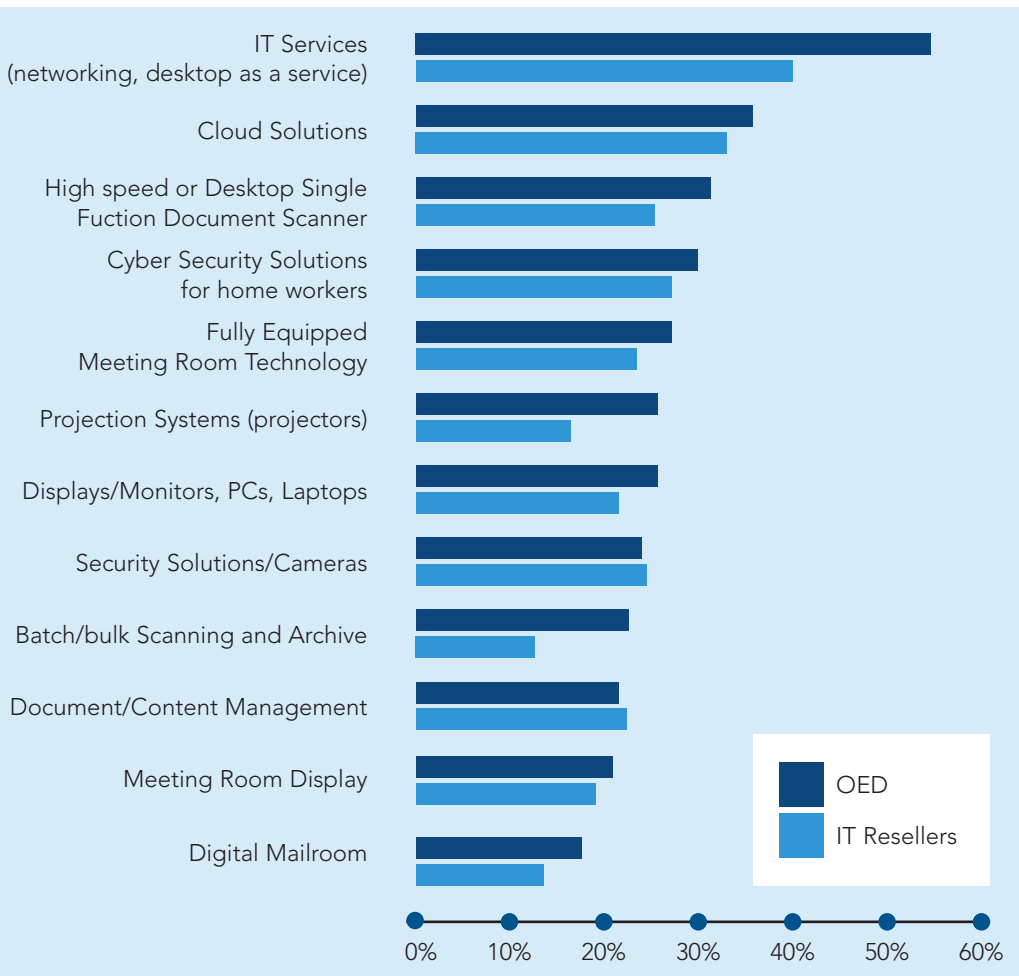
The many factors at play have changed the landscape, no doubt. These shifts have caused solution providers to re-evaluate the demands and the concerns that their customers are facing and identify opportunities to fine tune their go-to-market approaches. This includes the product mix and the options in which they allow their customers to acquire the technology needed.



As-a-Service Opportunities for Technology Providers

The good news is you can be the hero that provides these solutions in a way that meets your buyer's preference for a monthly payment. In fact, Keypoint Intelligence research shows that many resellers altered course and added new products/brands to satisfy demands of home workers during the pandemic, and many of those offerings centered around the network or cloud, which can be conveniently offered on an As-a-Service model.

Categories Added Due to Pandemic



On product/service areas unrelated to print:

- Resellers adding services to accommodate remote work
- OE Dealers report having added offerings more frequently than did IT Resellers
- This probably means that OE Dealers scrambled to add non-print offerings that a suddenly changed market with WFH required
- We do not assume that IT Resellers were slower to add these product/services
- Instead, many likely already offered these products/services

Source: Keypoint Intelligence
US OG Channel 2021

It is logical for office technology providers to get into the network game; copiers and printers hang on the network. Additionally, the interconnected technologies the office environment now relies on can be a natural extension of current offerings and a good strategy to diversify the traditional copier business. It is important to be able to talk intelligently about the network, and all the interconnected technologies that play within the office environment. In fact, it is quickly becoming the ticket to entry on many of the solutions we will talk about here.



So, what new products and solutions can you provide a monthly payment option for?

- Network Security
- Physical Security
- Unified Communications & The Cloud
- Pro/AV
- Conference Room As-a-Service
- Software
- Citrix/VPN
- Document Management
- Printing from Home

Next, let's take a deeper dive into each.



Network Security

The desire of the 'bad guys' to get into a network has never been higher. As mentioned, all businesses, regardless of size, are finally understanding what's at stake in this area. Everyone is vulnerable to a security breach and the repercussions can be debilitating for a business of any size. Consumers are seeking providers that can implement the services and solutions that give them peace of mind.

Backup and Disaster Recovery (BDR) is one niche providers are seeing opportunity. BDR is a combination of data backup and disaster recovery solutions that work together to safeguard a company's business continuity. BDR devices are lower maintenance and allow for recurring revenue and exponential growth. Getting into the network security game through a niche like BDR can allow you to deploy a simple strategy that attaches your business to the network so you can grow from the inside out.



Physical Security

Physical security, including on premise, surveillance, access control systems, or monitoring systems that ensure the physical security of an environment is maintained, is another area for growth. This space involves some risk and the proper liability insurance should be thoroughly researched. For instance, if you get into monitoring or access control systems and there is a failure, you could be at fault. This creates a need for liability insurance to address that risk should it occur. The world of physical security is vast, and we recommend finding a niche. As an example, we've seen some partners experience success in the surveillance side of this business.



Unified Communications & The Cloud

The cloud has completely transformed the telecommunications game. Though there are still enterprises using the on-premise model, we are seeing increased transitioning to a hybrid or fully cloud-hosted model. The cloud has made it easier for those who aren't a specialist in telecom to play there, creating some opportunity for providers to gain traction.

Unified Communications As-a-Service, or UCaaS, is an especially important consideration right now as we emerge from the pandemic, which is expediting the move to UC Cloud Technologies. Some businesses are still observing a work-from-home environment, which UCaaS is perfectly suited for. And as businesses continue to return to the office, more opportunities are created as contracts are ending and other factors contribute to the push.



Pro/AV Market

There has been no better time to sell digital monitors, cameras, conferencing systems and the software that supports all these offerings. The recent entrance of Zoom into the Audio Visual (AV) space with bundled video conferencing solutions, as well as several distributors and manufacturers moving in this direction, has only accelerated the AV industry's move into financing and Audio Visual as-a-Service (AVaaS) offerings on other products. Traditionally, the AV space still offers a traditional cash sale with little maintenance or managed services to support the technology. Technology providers that can differentiate by selling monthly payments or As-a-Service offerings in the AV space would be very well positioned, especially in the current economic environment.



Conference Room As-A-Service

As many of us continue to work from home, we need to maintain face-to-face interaction. Related to Pro/AV, video conferencing has never been more important than it is now, and as a result, we've seen notable growth in conference room As-a-Service offerings. Conference room As-a-Service is a bundled rental solution that includes the necessary devices, software and ongoing service, and support. If you've ever been late to a call or virtual presentation because you couldn't get your technology to cooperate, then you can understand the demand that lies in ongoing conference room support. Customers are willing to pay for an ongoing lifeline to reduce inefficiencies of technical issues associated with conferencing offerings.

Pre-COVID-19, this market was already growing. We expect this trend to continue as we return to the office, either fully or hybrid, as we've all become more comfortable with technology.

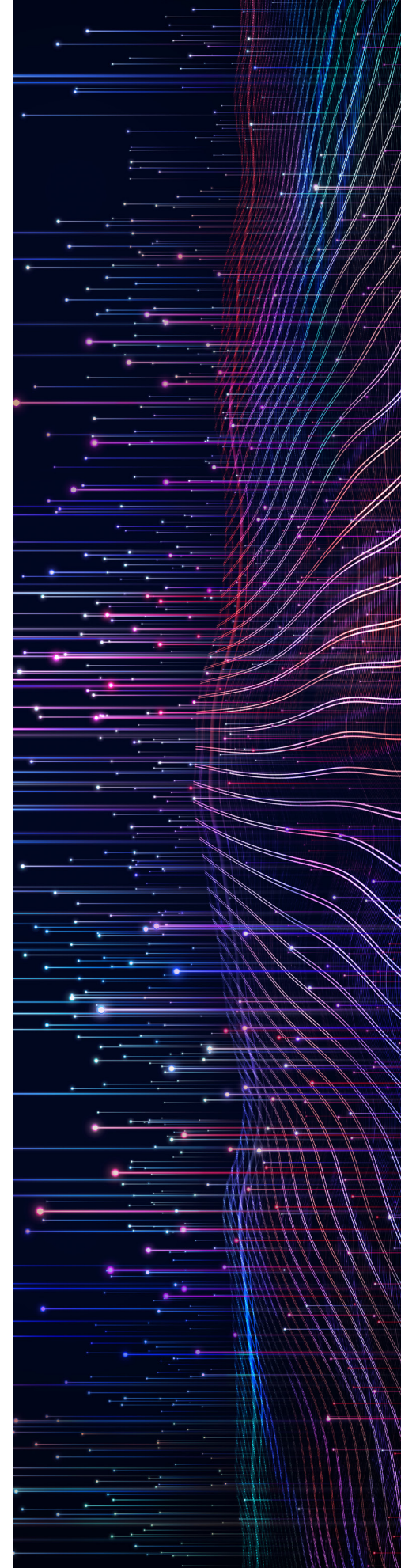


Software

Cloud-based software licensing has exploded over the last year. Considering how difficult it can be to go in and install equipment given the current environment, cloud-based software offers a clear benefit. With the ability to remote in, you reduce the IT resources needed for implementation.

The subscription-based model has garnered steam within the BTA channel for the last five years as it relates to document management software, so offering software on a subscription basis should be familiar to most office technology vendors.

Software-as-a-Service (SaaS) allows users to subscribe to software applications rather than purchasing it once and installing it. Users can log into and use a cloud-based application from any compatible device over the Internet. You have to understand and be knowledgeable in the software you sell, but if you find the right niche, this can be an effective way to diversify revenue streams and fill gaps in print volume.





Citrix or Virtual Private Network (VPN) Licensing

In some form, remote work is here to stay. People need a secure way to access their organization's network when they cannot physically be in the office. The ability to conduct uninterrupted business depends on this software and many dealers and MSPs have seen a lift in this area of their business, especially post-COVID-19.



Document Management Software

Document management, often referred to as Document Management Systems (DMS), is the use of a computer system and software to store, manage and track electronic documents and electronic images of paper-based information captured using a document scanner. Document management software is crucial to help employees scan, save, and share documents digitally and securely with team members. Digital workflows have only increased in importance with today's distributed workforce; you can help your customers remain efficient and effective with their business processes with a document management solution.



Printers

Depending on what study you have read, it's estimated that between 20-30% of the workforce may never return to the office space. Print volume was declining pre-pandemic, so it's no surprise with the push to remote work that the decline has continued. Right now, printing that was happening in the office is not happening at the same frequency. Though we may see some uptick as workers return, we are not likely to see print levels return to pre-COVID levels.

However, according to a recent dealer panel hosted by SYNEX Corporation, there is plenty of untapped opportunity. The panel stated that it was estimated that more than 50% of all desktop printers in place in US offices did not have a formal service contract tied to them, presenting a huge opportunity remaining for Managed Print Service providers.

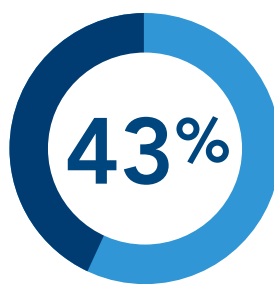
Further consider how those working from home, even if only part-time, will still need to print and may be tempted to plug in their home devices, introducing security risk to their employer's network. That is why many organizations need to implement a print-from-home solution for their employees. While this is a new offering, providers are looking at how they can package an at-home solution that organizations purchase and disperse to their remote workforce.

The Lifecycle of Technology

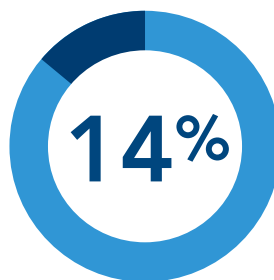
While the types of technologies needed in the modern workplace continue to increase, so does the speed at which these technologies advance. As we lean more heavily on these solutions to carry out business either fully digitally or via hybrid environments, keeping everything running smoothly requires a means of acquiring the latest technology on an optimized schedule. This creates some stress on buyers to keep up with the accelerated digital transformation, and as the IBM survey concludes, cost management, cash flow, and liquidity management are represented as top priorities of today's buyers. Technology buyers need a solution for consistent technology refreshes that allow them to preserve cash flow and manage costs.

Implications of Outdated Technology

Many buyers run on old technology to manage costs, however, clinging to old, sometimes clunky technology can end up costing more than the price of an upgrade. The last thing that any business owner wants is to waste money when there is an alternative avenue that ensures a smooth, cost-effective experience. When it comes to technology, outdated hardware or software are both a liability and a loss of opportunity in terms of efficiency and cost savings. This ties directly to the concern buyers have around business continuity and crisis management.



Of cyber-attacks target small businesses



Are prepared to defend themselves.

Source: CNBC

Outdated systems are more costly to run and pose a higher security risk because, as a system ages, it becomes more vulnerable to hacking and other cybersecurity threats. The risk becomes even more threatening when you factor in a lack of regular security or software updates.

Solution providers have a responsibility to educate on the importance of running updated technology. When users spend increased time waiting for certain programs to load or perform it causes productive activity to be replaced with downtime and service calls to repair the technology. There is less flexibility when it comes to accessing integrations and applications, creating a less efficient path from Point A to Point B. Small-to-medium sized businesses striving to make a significant impact with a small footprint simply cannot afford to miss productive working hours by attempting to navigate around the technology's obstacles or flaws.

The costs associated with maintaining legacy technology and software are prohibitive. It is inevitable that as technology ages, it will fail. With each service call, your clients receive an avoidable invoice for repair costs and labor. While hanging onto old technology may feel like a cost-saver in the near term, the user may end up spending far more on service tickets than an infrastructure update would cost using flexible monthly payment options through leasing.

Protecting Your Customers' Cash Flow

There is no shortage of needs or opportunities. However, as discussed earlier, top concerns among organizations have to do with cash flow and cost management. That is why it is important to provide several options when it comes to how your customers can pay for the technology they need to run their businesses. Considering the buyer's modern preference toward monthly payments, financing is a natural option which can be leveraged to meet this preference.

In the office imaging space, leasing is commonplace. However, once you get into the IT or MSP space, these practices have historically been much less common. Many providers are in the process of evolving from a traditional printer copier dealer into a full-fledged office technology solution provider. Some are doing so by acquiring IT companies as a strategy to obtain talent and customers and gain a leg up as they enter a new arena. In these cases, it is common for the acquired company's customers or IT reps to be more familiar with a cash sale for these solutions.

While there are certainly those who will be ready to upgrade and pay for their solution with cash, this is a missed opportunity for solution providers to build business valuation through contracted monthly recurring revenue (MRR). It is important that an option of a monthly payment through a financing arrangement is at least presented in the proposal and that you educate your customers on why this route may be a more cost-effective option overall.

On the contrary, there are those who have paid cash and choose to continue running old, outdated technology for longer than they should to avoid what they anticipate being a large upfront expenditure to upgrade. These providers have found that their acquired customers are either hesitant to adopt a lifecycle strategy or are simply just unaware of the option. However, once your client understands they can enjoy the benefits of having functioning, secure, and up-to-date technology for a monthly payment they can budget for, they will not want to go back.

Customers need technology. As the solution provider, you need to sell the most relevant technology. The current economic implications on businesses unfortunately include severe uncertainty and as a result, consumers are concerned with preserving cash flow. That is why it's important that you provide your customers with options and educate them on the benefits of renting or leasing technology while incorporating predictable refresh cycles. By offering a lease or rental option, your customers get to acquire new, state-of-the-art equipment for lower monthly payments. As technology ages, it is more cost effective for them to upgrade.

There are a few key strategies that will make the biggest difference when it comes to implementing a regular technology refresh schedule for your customers.



Set the Expectation of Scheduled Refreshes

To start, you should talk about the lifecycle of technology before you even make a sale. Set the expectation early that your customer should think about what happens when the technology starts to become outdated, and that your solution will help them be proactive in terms of keeping their systems current.

Select a Finance Program that Encourages Upgrades at End of Term

Beyond helping you close more deals in the first place, a monthly payment will also encourage your customers to refresh the solution at the end of term since they do not actually own it. A monthly payment addresses the all-too-common objection of, "it isn't broken so why buy a new one?"

You can present a financing arrangement that encourages upgrades, like fair market value leases or rental agreements, both of which have a built-in decision point at the end where you have an opportunity to talk to customers about their next solution.

Additionally, conducting regular business reviews with your clients, whether quarterly or bi-annually, allows you to have proactive discussions about their technology roadmap. This will be critical in terms of staying in front of their needs.



In Summary

The digital transformation will only accelerate from here. Technology has reshaped the way we work together and created a reason for us all to grow and evolve. As solution providers continue to learn and understand their buyers' needs and concerns, they also have an opportunity to enhance their offerings to match. Educating your clients on how to acquire the technology they need on an optimized schedule positions you as their trusted advisor. A monthly payment option also shortens the sales process and increases your business valuation through monthly recurring revenue.

Start implementing financing options to bring technology to your customers in a way that benefits you both. Visit www.greatamerica.com/lets-talk-technology-financing to get in touch today.

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