

## Ricoh IT Services: ready for the big league

Supratim Adhikari | 6 hours ago  
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Australian managed services company, IMC Communications, was acquired by Japanese imaging giant Ricoh in October last year. Almost a year since the acquisition, IMC only recently started life as a new entity Ricoh IT Services A/NZ.

The man at the helm of the new entity, Matt Dixon, moved over from IMC as part of the deal and the time spent between signing the dotted line and the re-brand has been most instructive on many levels.

But why would an overseas print behemoth, a Fortune 500 business, buy a relatively low-profile Australian IT services, re-badge it and give it a home in its global portfolio?

The move starts to make sense when you consider that revenue from the traditional print business has started to slow down for Ricoh and its peers. With its business model changing buying global managed IT services firms to find a foothold in a growing market serves as a handy hedge for Ricoh as print revenues plateau.

Ricoh isn't a novice in the IT services game; they have been doing IT services in different capacities since the 80s. Ricoh's initial focus was on monitoring its devices on IP networks however, given its primacy in the Japanese market it was only a matter of time that the network monitoring/management unit quickly spawned into a billion dollar business.

The IMC acquisition fits into Ricoh's concerted effort to expand its global footprint and in IMC, Ricoh found a company with a small but profitable client portfolio, with customers ranging from Network Ten and SBS to the likes of Chandler MacLeod and the Royal Australasian College of Physicians (RACP).

As Dixon points out, IMC was doing quite well but Ricoh's interest came at a crucial time.

"We were quite comfortable in fact, I think we got to a point where we were a little bit complacent," Dixon says.

Dixon adds that IMC's sales force was quite limited and there was a strong focus was on IT engineering, which left it exposed to not having a broad enough set of customers.

"There was a lack of investment and capital into the business to help us grow."

The capital constraint issue isn't surprising either given that many medium sized businesses in Australia hit the growth ceiling at some point. Established in 1994, IMC had spent close to more than a decade building its relationships with its customers but as Dixon points out it needed that extra push that Ricoh provided.

"We had very good engagement with our customers and built our business based on what they were asking from us. But we were struggling to get to that next level," Dixon says.

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