IMC Communications looks to new future as Ricoh IT Services

IMC Communications, established in 1994, is an Australian IT infrastructure solutions and services provider with a presence in NSW, Victoria, SA, and WA. It was acquired In October 2012 by managed print services provider, Ricoh Australia, which sought to add managed IT services to its existing managed document services, and therefore diversify revenue streams with a more complete offering. IMC IT services group national manager, Matt Dixon, spoke with NERMIN BAJRIC to discuss the reasons for the purchase and the future of the IMC business before it is rebranded and begins operating as Ricoh IT Services from August 15.


IMC's Matt Dixon

Nermin Bajric (NB): Why did Ricoh purchase IMC Communications?

IMC Communications IT services group national manager, Matt Dixon (MD): As part of a global strategy, Ricoh is undergoing a transformation to becoming a services-led organisation. It saw print volumes are declining and as such, developed a networks services division in Japan about 10 years ago or so.

The reason for that was its move into managed print services where it was monitoring the devices it sold on site so it could update them with paper, ink cartridge and print counts. The thing is, those became IP-enabled, which meant they started to go on the IT networks, and all of a sudden, Ricoh built all this capability to monitor print devices, which then expanded into other IT devices.

> **"WE'RE OFFERING A TRANSPARENT CLOUD SERVICE WHERE CUSTOMERS CAN SEE THE WHOLE ARCHITECTURE AND DESIGN BEHIND WHAT WE OFFER"**

NB: What benefit does the Ricoh brand bring to IMC?

MD: Ricoh brings a very big brand to back what was mostly a family-owned type of business. With 250 service technicians around the country, it gives us a lot of reach in terms of geographical rollouts of IT infrastructure projects. It gives us the opportunity to take a broader set of managed services to market because of the investments we will be receiving, and also gives us access to Ricoh's customers; it has 4000 to 5000 in Australia, and IMC has 60 to 70; it has a sales network of 150, IMC has one of four people. It is about the Ricoh brand offering IMC a much broader range of customers, and minimising the suppliers those customers have.

IMC is currently building the Ricoh Cloud. We already had a Cloud as IMC, but the infrastructure is five to six years old. We are now invested in Cisco UCS and NetApp technology to give us a new, scalable platform to be able to offer a lot of services around network management services, infrastructure monitoring and manage, server and storage, managed backup, voice, and data recovery.

All of these will be driven out of our Homebush datacentre. Through the combination of the Ricoh internal IT requirements, it can now invest in platforms that we can then take to market and get much more financial return; traditionally, it would have been investments sunk into its business with no return.

NB: How does the acquisition impact IMC's go-to-market and internal operations?

MD: Our first strategy is to speak to Ricoh customers. We will offer them services they previously did not receive. This means they will have less suppliers, get a better return on investment, and overall greater value. We will also offer services which are complementary to traditional Ricoh sales.

For example, we won a great piece of work in Melbourne – around $50,000 worth of pure consulting – that has to do with print drivers, which would normally fall under the IT department's responsibility. Ricoh wa able to take us to the table to offer the customer a solution for its problem.

Internally, Ricoh recognised all IMC's employees' entitlements and employed every person. They left us operating out of the same premises and facilities. Customers are satisfied and supportive. Where they may have been nervous to offer projects to IMC previously, they will now be more comfortable to offer because we are backed by such a large, global brand.

NB: What do you see as your key challenges and opportunities in the next six to 12 months?

MD: The Cloud and providers of Infrastructure-as-a-Service are very much a competitive threat. We've got customers who traditionally would have invested a certain amount of their budget on purchasing on-premise equipment now seeing options not to do so anymore.

The product sales component of our business, as a systems integrator, is under threat because the infrastructure is being provided through other parties. This is also an opportunity because as we build the Ricoh Cloud, we give customers the option to not have to invest in on-premise equipment.

Another thing is that moving into the Cloud is a big step for customers, and they do not always necessarily want to move in with everything they have. That's the opportunity for us. We're offering a transparent Cloud service where customers can see the whole architecture and design behind what we offer.

We see that as a bridging step to moving into a fully Cloud-enabled IT operation for the customers. They can either go to one of the really big global companies where everything is behind the curtains, or they can use us.

NB: What will be the focus for your company as it commences operation as Ricoh IT Services?

MD: Ricoh, as a global organisation, see a real opportunity for the small to medium business market. For companies which don't have an IT department, we can fill that role. We will shift part of our strategic development of the business unit to create a specialist SMB component. The enterprise makes up a major part of the Australian market, but there are thousands of SMBs out there which need help.

We will also continue developing our managed services. At the moment, we are probably a 60-40 split from projects and procurement to managed services, and I think that will swap over. What we will see is a blending of the services we do into the traditional Ricoh managed print services market.

DISTRIBUTION CENTRAL DELIVERS NEW CLOUD STRATEGY

■ Rimin Dutt and Julia Talevski

In a bid to have a different, integral approach to Cloud solutions, and to help resellers navigate an often confusing, and undefined Cloud market, Distribution Central, recently launched a new Cloud delivery strategy.

The service, called DC CloudSelect, provides partners with the ability to build Cloud infrastructure or access a range of the distie's Cloud ready or tailored solutions – CloudPODs, under one purchase order.

DC CloudSelect will be led by Harris Loefti, who recently joined from Symantec, where he led its Cloud services and MSP program strategy and practices in Asia-Pacific and Japan.

The hybrid Cloud service integrates NetApp Private Storage and Amazon Web Services Direct Connect, hosted in a Equinix datacentre.

This four-way partnership will help DC deliver the Cloud solution to resellers, and serve as a single aggregation point for configuration, transaction processing, support and delivery.

The distie has invested nearly $1 million in R&D, mainly in the technology that supports the strategy, Distribution Central managing director, Nick Verykios, said.

It aims to help resellers work out the different stacks, options and mix of Cloud solutions, to fit their service strategy.

"Cloud solutions don't have to be exclusively private or public. Increasingly, business are choosing hybrid Cloud solutions to take advantage of benefits of both worlds," Verykios said.

It also involves the DC CloudSelect Configurator, providing an extensive billing engine that will help resellers configure and calculate estimated costs of a solution.

DC will also provide measurable ROIs to their partners for their customers, Verykios said, adding that depending on the provision of certain data metrics, the new service technology will be able to calculate and provide ROI estimates.

It aims to capture the whole ecosystem of partners from resellers, system integrators to service providers. For value added resellers, in particular, it hopes to arm them with a strategy that will help them solve business problems, and "quickly translate the business conversation into a purchase order," Verykios said.