

# Transform Business Models for Printing, Imaging, and Content Management

Darrin Chatman, Lexmark COE Program Manager

Richard Chan, Director, SAP Billing Revenue & Innovation Management

Hemanth Garg, Director, SAP Industry Solution Management – High Tech

May 16, 2013





# The hyperconnected world

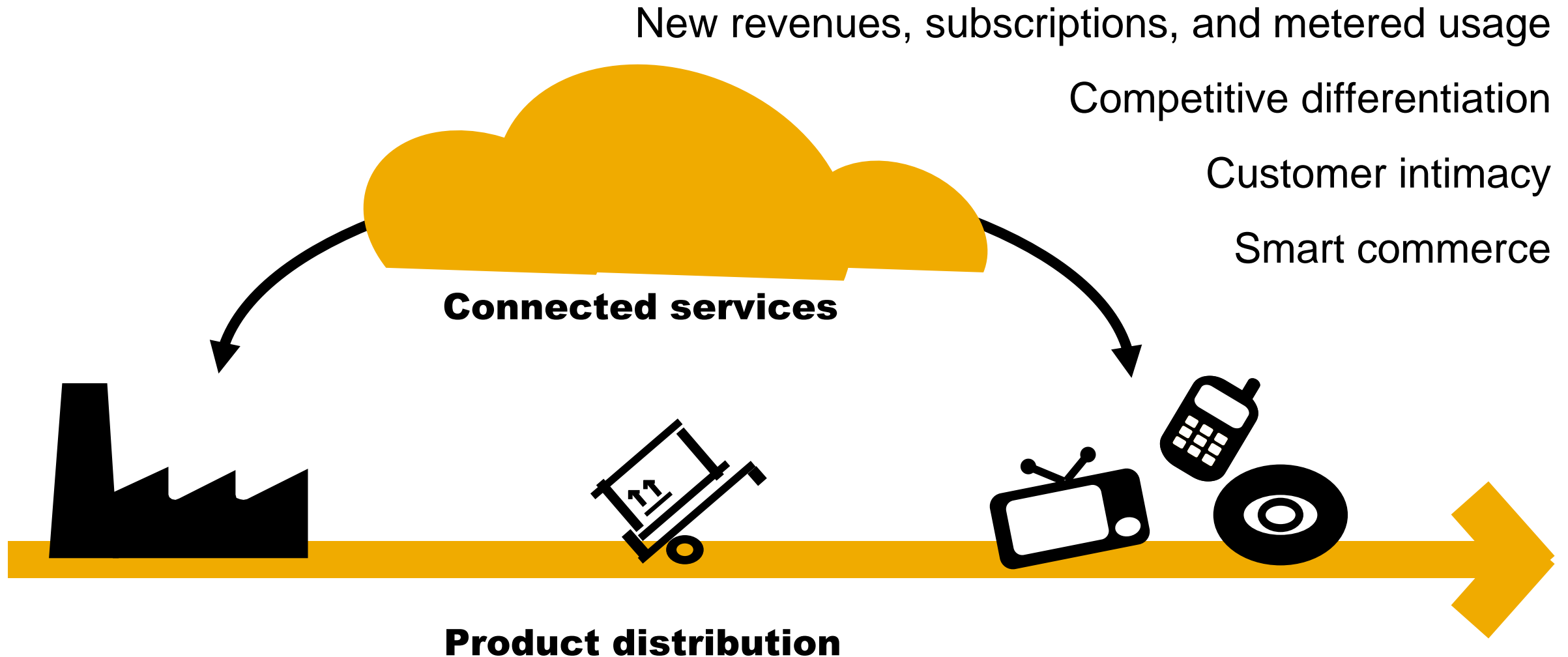


**1 trillion**  
Connected devices



**Consumable services (XaaS)  
and new app economy**

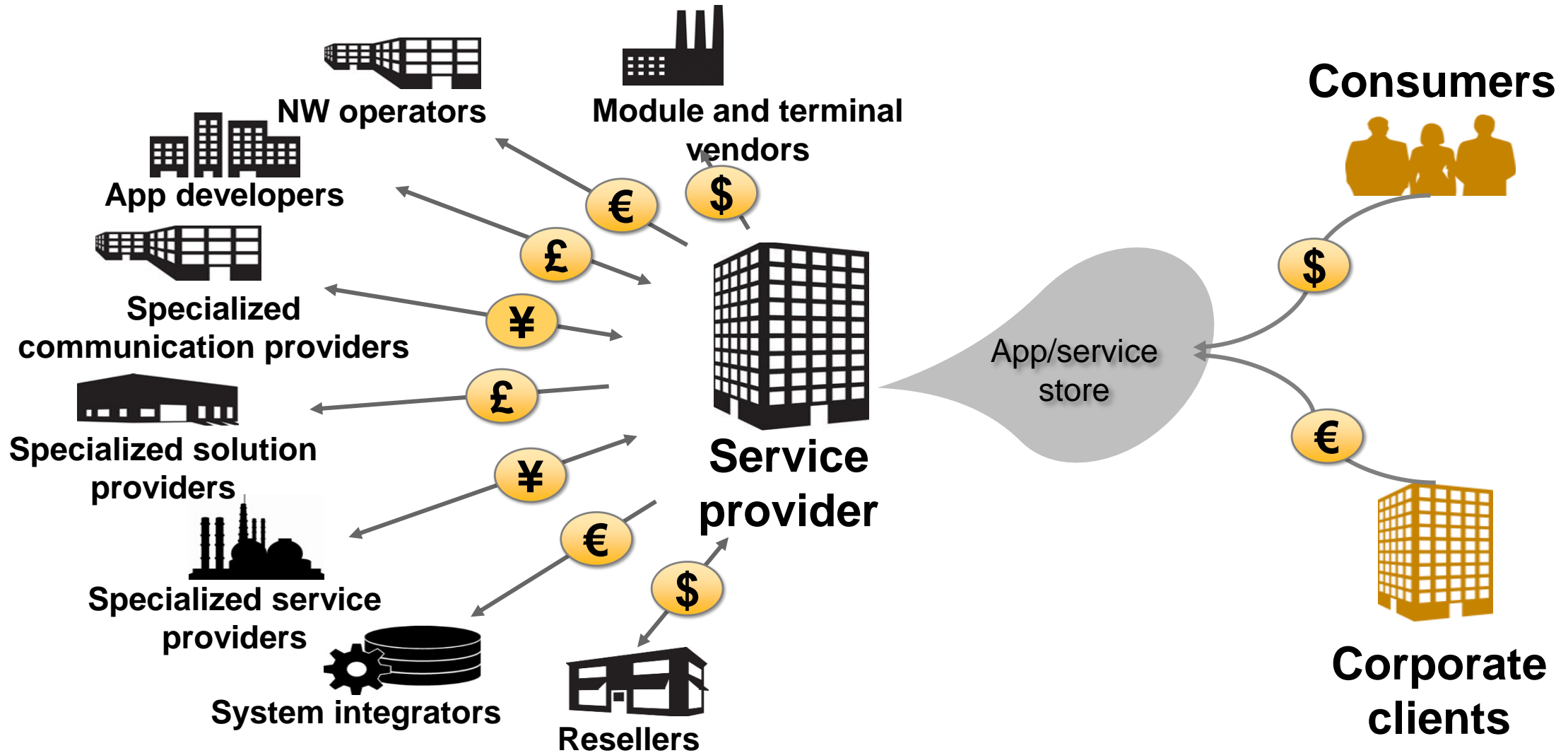
# Product to service



# Selling services implies new pricing models and frequent rapid business model change

	Product Pricing	Service Pricing
<b>Discrete Units</b>	Per product, SKUs, and price points	Per volume, per minute, per performance level, and so on
<b>Business Relationship</b>	At point of purchase	Continuous, ongoing subscription
<b>Market Variability</b>	Regional variation	Based on customer profile, history, and perceived value
<b>Time Variability</b>	Some seasonal variation	Peak and off-peak pricing
<b>Bundling</b>	Rare in business-to-consumer retail	The norm – increases switching costs and loyalty
<b>Payment</b>	Upfront or credit	Prepaid, postpaid, “freemium,” and hybrid models
<b>Revenue Recognition</b>	Generally at delivery	Over lifetime of contract

# Multisided partner revenue sharing





**Banking**



**Healthcare**



**Retail**



**Education**



**Manufacturing**



**Government**

## **Lexmark International**

**A Valued Partner to Businesses and Government Institutions Worldwide**

<b>Headquarters:</b>	<b>Lexington, Ky.</b>
<b>Founded:</b>	<b>1991</b>
<b>Distribution:</b>	<b>170+ Countries</b>
<b>Employees:</b>	<b>12,000</b>
<b>2012 Revenue</b>	<b>\$3.8 Billion</b>

## **Lexmark's Strengths**

**Technology Ownership**

**Exclusive Focus**

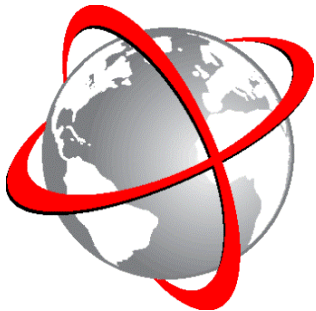
**Customer Intimacy and Flexibility**



## Customer Focus

**Print Less. Save More.**  
**Streamline Processes**  
**Better Manage Information**

### Managed Services



**Infrastructure Optimization**  
**Proactive Management**  
**Business Optimization**

### Innovative Software

perceptive software

NOLIJ



ISYS://

BPMone



markvision

### Cutting Edge Technology



## Managed Print Services

- **Printer sold upfront or leased**
- **Supplies (toner etc.) and other services billed on a per-page basis**
- **Installation services, or other services sold upfront**
- **Recurring services billed on a periodic basis**

## Solution Bundles Including Software

- **Hardware, Software and Services**
- **Software sold either upfront, by subscription, or consumption based**
- **Can be embedded into hardware, and activated**



# Main Process Actors

## End Customers

- Outsource management of printers & MFPs to Lexmark
- Installed devices send consumables/replenishment signal
- Pay for consumables and services on a recurring or usage basis

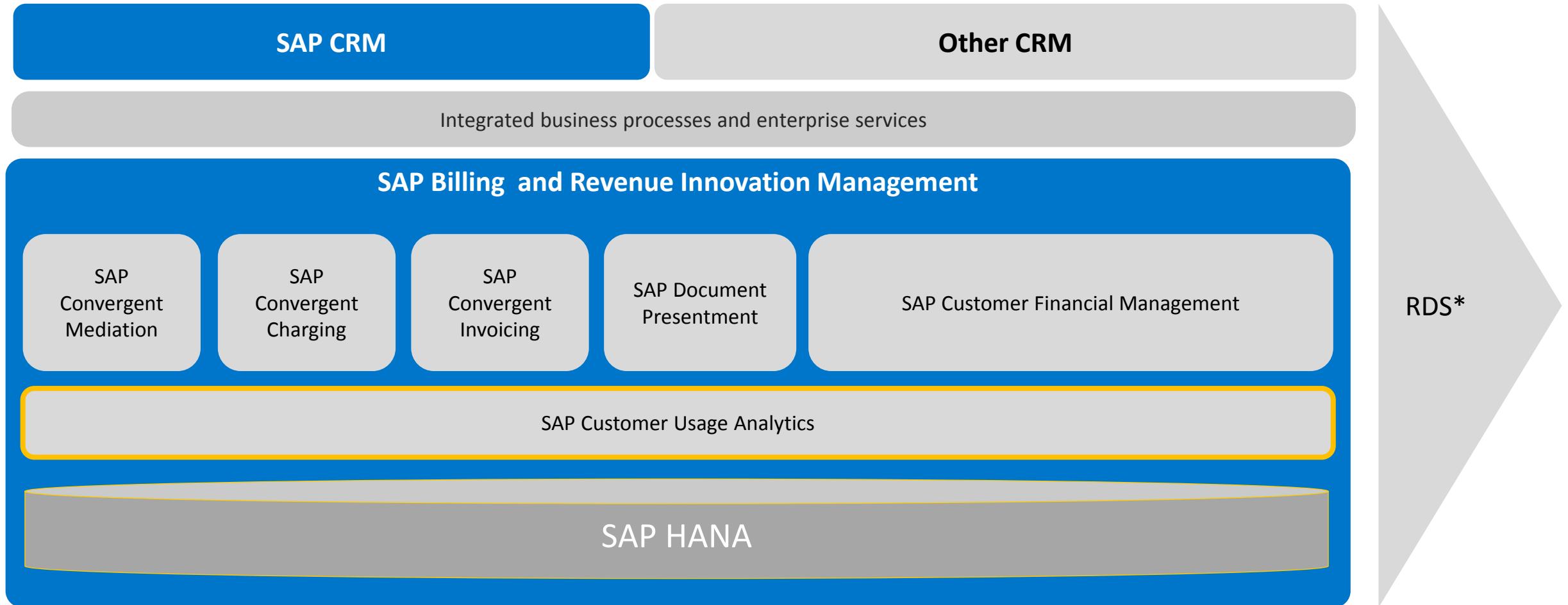
## Service Partners

- Provide installation and maintenance services
- Contractual agreement with Lexmark
- Paid by service action

## Consumables Distribution Partners

- Resell Lexmark products
- Replenish consumables free-of-charge for MPS contract customers
- Collect replenishment fee and consumables credit

# SAP Billing and Revenue Innovation Management

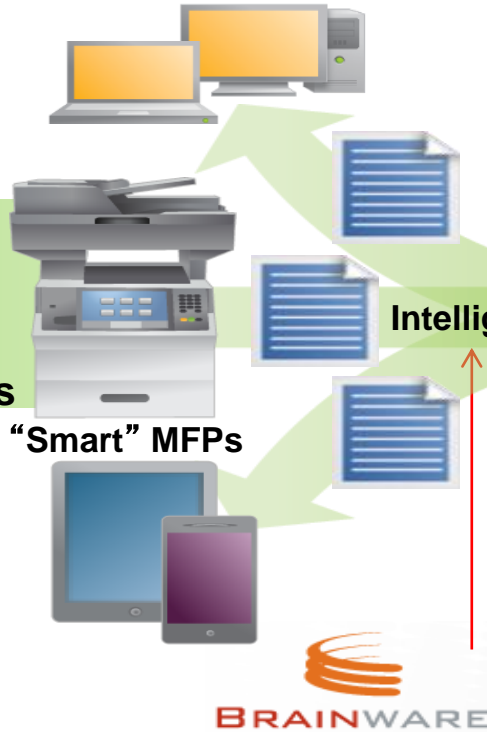


\* Rapid-deployment solution

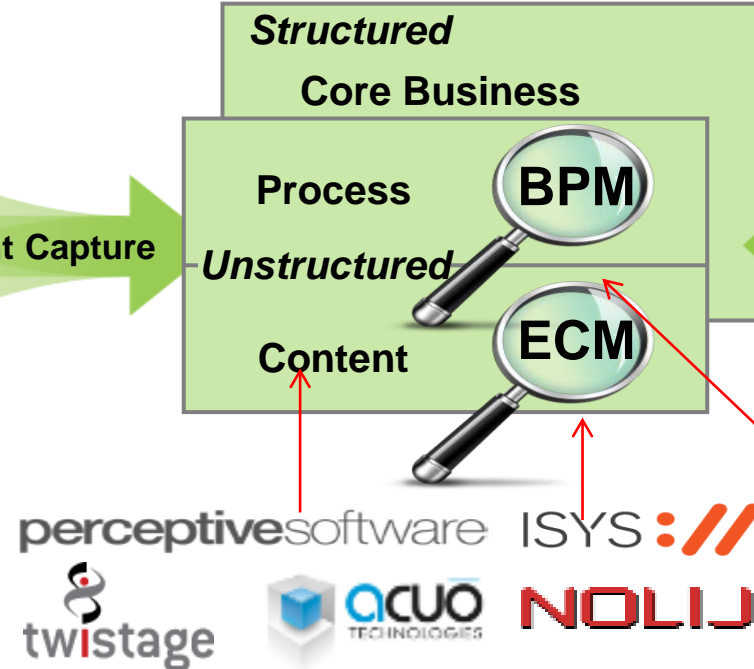
# Lexmark - Differentiated Capability

## Capture

- Leverage LXX MPS Leadership
- Extend Value of Distributed Fleets



## Manage



## Access



Industry-Specific Solutions





# Thank you

Contact information:

Darrin Chatman, Lexmark  
COE Program Manager

Richard Chan, SAP  
SAP BRIM  
[richard.chan@sap.com](mailto:richard.chan@sap.com)

Hemanth Garg, SAP  
Solution Management - High Tech  
[hemanth.garg@sap.com](mailto:hemanth.garg@sap.com)

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