



SMBS ARE SETTling FOR TECHNOLOGY THAT UNDERDELIVERS NEW SURVEY REVEALS. COUNTERING THIS, KONICA MINOLTA'S WORKPLACE HUB IS SET TO SIMPLIFY IT FOR CUSTOMERS

Konica Minolta's digital transformation continues as it releases new details around innovative Workplace Hub platform ahead of Japanese local product launch in spring 2019.

Tokyo (November 8th, 2018) – A new survey by Konica Minolta, Inc. (Konica Minolta) into small and medium-sized businesses (SMBs) has revealed that the vast number of IT challenges experienced daily are actively hampering business' success. Linked to the latest release of its technology platform Workplace Hub (in the U.S. and Europe), Konica Minolta commissioned the research to further reinforce its understanding of SMBs as it transforms into an innovative solutions provider creating a truly connected office. Further plans are underway to globally expand the innovative product offering to the market. Specifically, the company plans to launch the Workplace Hub platform in the spring of 2019 in Japan with locally optimized functions, applications and services (please refer to addendum 1).

As part of this endeavour, Konica Minolta has been aggressively investing in R&D, opening its labs to support co-innovation with customers. With a strong footprint of over 2 million customers, the team have actively placed customer research at the heart of all they do to ensure the most relevant solutions are developed, particularly at local level to support Konica Minolta's Japanese market launch plans.

The multinational survey, conducted in August 2018, exclusively revealed that SMBs are currently settling for IT that under delivers. At least a third of respondents reported that technical issues can lead to increased costs, lower productivity and diminished quality of work. Despite this, 95% say they are satisfied with their current IT solutions. Konica Minolta, who have a clear Workplace of the Future[®] vision, disagree that problem-filled IT should be the norm in a business setting. To help SMBs overcome these challenges, Konica Minolta created Workplace Hub, a category-defining range of connected office products and services built around how people work. Further research is underway in Japan, to continue to strengthen the best Japanese market value proposition from Workplace Hub.

“As organizations make progressive moves toward digital transformation, they encounter the significant challenge of managing multiple systems and connecting disparate data points whilst remaining compliant and competitive,” said Mick Heys, VP European Imaging, Printing & Document Solutions at IDC. “This creates an increasing need for management platforms that offer centralized control removing much of the IT burden. We are seeing several initiatives from IT vendors in this space, who are looking to help their customers on this journey by creating or integrating centralized platforms.”

Dennis Curry, Konica Minolta's Deputy CTO and inventor of Workplace Hub also commented, “Our goal at Konica Minolta is to help organizations create the workplace of the future powered by IoT and AI. The first step on this journey is to simplify their IT with an all-in-one IT system that seamlessly integrates hardware, software and services into a multi-vendor, one-stop solution. We believe that Workplace Hub is this solution, seamlessly connects people, spaces and devices

enabling the connected & intelligent office environment. In doing so, SMBs can focus on growing their business, creating new products and business models, and gaining a competitive advantage.”

With the research finding that 91% of SMBs say an all-in-one IT system that seamlessly integrates hardware, software and services into a multi-vendor, one-stop solution would be relevant to their organizations, Konica Minolta’s Workplace Hub platform delivers what the customers need. Working with a stellar line-up of partners (Acronis, Canonical, Elastic, Hewlett Packard Enterprise, Microsoft, Oracle Dyn, ScienceLogic, ServiceNow and Sophos), Konica Minolta have released Hub and Edge as the first two products to support SMBs in this category.

The first product from this portfolio, known as the Hub, optimizes office space for those who need it, building an IoT infrastructure with servers and software in a 1 metre squared space. Edge, a solution for those looking to boost performance from their server room, is a managed IT service that can complement existing systems to manage specific operational tasks or replace and manage all IT. For Konica Minolta, these solutions are the natural continuation in its long line of innovation and world-firsts, and fully supports the transformative journey the company is taking.

“Digital transformation is driving business innovation, increasing competitiveness, and creating the business leaders of tomorrow” said Konica Minolta President and CEO Shoei Yamana. “It has also led to an increasing demand to let people work anywhere they want using a variety of devices. We have long recognised that for many IT rarely works as it should. In recognising the challenges SMBs face, we have been strategically transforming ourselves, establishing a platform business aimed at creating the first truly connected office.”

For more information about Workplace Hub, visit <http://workplacehub.com>.

ADDEMDUM 1: Customer Value Proposition of Workplace Hub in Japan

1. All-in-one IT to support SMB work style transformation

Workplace Hub is scalable all-in-one IT services with seamless integration of hardware, software and services. Many SMBs face challenges in effectively utilize IT and lack human resources with expertise. They also have concerns over information security, while, unlike large-scale corporations, it is difficult to assess effectiveness of IT implementation. In addition, IT operation costs can be burdensome with multiple vendors. Against the backdrop, Konica Minolta leverages the customer engagement fostered over a long period in easy-to-access consultation and communications with customers to find their unseen challenges, provide comprehensive IT platform and further assist their work style transformation.

2. Monthly payment model with less initial investment for customers' convenience

In lowering initial investments made by SMBs, to enable IT implementation to be more accessible, the basic business model will be all-inclusive monthly payment system (fixed amount or pay-per-use), while IT services were separately charged in traditional business models.

3. Co-invention of customer values with partners

In the company's survey in select European countries and the U.S., 91% of SMB senior decision makers say an all-in-one IT system that seamlessly integrates hardware, software and services into a multi-vendor, one-stop solution would be relevant to their organizations. Konica Minolta will build eco-system with partners and through cooperation with dealers, application vendors, system integrators, among others, in providing optimized solutions for such sectors as construction sites, franchise, law firms, clinics and so on.

4. Expandability to continuously improve future customer values

Future iterations of the Workplace Hub platform will see AI and IoT enabled technologies that analyses and utilize generated data by connecting people, devices and places and realizing true "Connected Offices." Based on the expandability, Workplace Hub will continue to provide customers with new values for disruptive productivity improvement, decision-making assistance and enhanced creativity.



ADDENDUM 2: KEY RESULTS FROM THE SURVEY

The SMB IT pain-point survey for Konica Minolta was conducted in partnership with Opinium, and targeted 200 SMB senior decision makers per country, across the United States, United Kingdom, France and Germany. Global highlights include the following:

IT Challenges

Although 95 percent of organizations across all markets say they are satisfied with their current IT solutions, they also report, in significant numbers, a variety of critical challenges. This includes:

- Hardware not working (27%)
- Admin IT problems (24%)
- Outdated software (24%)
- Poor internet connectivity (20%)
- Security risks (23%)
- Servers crashing (20%)

Impact on the Business

Nearly one in five SMBs (18%) say that problems with IT infrastructure are one of the three most significant challenges facing their business. The impact of these IT challenges on their businesses is also significant, including:

- Time required to fix the problems (41%)
- Lower employee productivity (37%)
- Cost to fix the problems (35%)
- Diminished quality of work (35%)

Limiting Innovation

While 84% of SMBs across the U.S., the UK, France and Germany feel positively about the impact of future technology on their business's productivity, many are struggling to implement new IT solutions. For example, over half of SMBs (56%) say they welcome the integration and adoption of AI and machine learning and believe a future that includes these technologies is exciting. An additional 37% say they are cautiously optimistic about the technology.

However, many of the AI and machine learning solutions coming on the market today require the adoption of cloud technologies, and yet according to the survey, only 21% say they plan to adopt cloud infrastructure in the next 3 years and only 19% say they plan to adopt cloud applications. Of those not planning to adopt cloud infrastructure, the reasons include:

- Technology is too expensive or the budget isn't available (30%)
- Organization doesn't have a use for the technology (29%)
- Organization doesn't have the expertise to use it (21%)



KONICA MINOLTA

Simplifying IT

Despite the claim of satisfaction with current IT infrastructure, 91% of SMBs say an all-in-one IT system that seamlessly integrates hardware, software and services into a multi-vendor, one-stop solution would be relevant to their organizations.



ABOUT KONICA MINOLTA

Konica Minolta, Inc. is a global technology company that provides innovative solutions to businesses and society. With its strengths in the combination of its core technologies in advanced imaging, optics, sensing, materials and nano-processing, Konica Minolta is committed to create new values that help customers address challenges in their operations and work processes.

Advancing its expertise in digital technologies, the company has been going through business transformation into a digital company with insight into implicit challenges across the board as One Konica Minolta in the era of Internet of the Things (IoT). Konica Minolta is also active in open innovation through various collaborations and alliances with academic, industrial and entrepreneurial partners.

Headquartered in Tokyo, Konica Minolta has its Group companies in 50 countries with over 43,000 employees and offers products and services in 150 countries around the world.