

## MARKET NOTE

# Konica Minolta Workplace Hub: An IT Services Ecosystem Serving SMBs into the New Decade

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## EXECUTIVE SNAPSHOT

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### FIGURE 1

#### Executive Snapshot: Konica Minolta Workplace Hub — An IT Services Ecosystem Serving SMBs into the New Decade

This IDC Market Note reviews the progress of Konica Minolta in its IT management solution — Workplace Hub — since it was first publicly announced in 2017.

#### Key Takeaways

- Many SMBs are looking to completely or partially outsource their IT functions.
- Security, sustainability, convenience, and cost are the traditional key criteria when choosing a one-stop supplier.
- Softer purchasing criteria such as peace of mind and achieving work-life balance are gaining in importance.
- Konica Minolta's Workplace Hub offers an ecosystem that ticks all the boxes for many SMBs.

Source: IDC, 2019

## IN THIS MARKET NOTE

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This IDC Market Note reviews Konica Minolta's progress in its IT management solution – Workplace Hub – since it was first publicly announced in 2017 as the industry's first MFP with integrated IT server. We assess the technology improvements and advancements since it was unveiled and examine Konica Minolta's go-to-market strategy and how its channel partners have subsequently responded. Looking forward into the new decade, we predict that a perfect storm of evolving working practices and changing business imperatives among SMBs will drive increased demand for Workplace Hub.

Workplace Hub is an ecosystem that can manage and coordinate IT infrastructure and services across existing and future IT systems, devices, and services. This can be done via a central dashboard that shows IT usage patterns across the whole business, enabling simple management and optimization of systems. Designed primarily for small and medium-sized businesses (SMBs), the solution is now available in two formats:

- Hub – designed for the office space – comprises MFP hardware with an admin dashboard that provides an overview of companywide IT usage, including information on users, usage, applications, server, storage, and WiFi.
- Edge is like Hub, apart from the MFP hardware. Edge is an IT server solution designed for the server room. It can be the one and only server resource or used as a complement to an existing solution. Scalability is a key feature as it enables SMBs to have an IT function that can expand and contract in line with their business growth and needs.

The common features and benefits of both systems include:

- **Asset management.** Enables management of all hardware and software assets including asset reassignment due to personnel changes
- **WiFi management.** Permissions and rights
- **Storage and backup review.** Stored locally and/or in the cloud and backed up at Konica Minolta datacenters
- **User management.** User rights and authentication levels
- **Konica Minolta Marketplace.** A proprietary store with access to IT applications, software, solutions, and services
- **Application management.** Facilitates assignments of applications to relevant users

The one-stop solution is underpinned by a commitment to security and GDPR compliance. Sophos technology is incorporated in the platform to prevent business threats and attacks.

Other technology partners include Canonical, Hewlett Packard Enterprise, Microsoft, and Oracle.

Konica Minolta's direct sales and channel partners are selling Workplace Hub. Payment terms are flexible, and SMBs can budget appropriately by paying a regular usage fee (e.g., monthly).

## IDC'S POINT OF VIEW

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When Konica Minolta first announced its intention to move into the IT services market, the planned move was met with much industry and channel skepticism and negativity. But since then, Konica Minolta has simultaneously attacked the market very successfully on several critical fronts. Its strategy of acquiring IT services companies proved to be a winner, with the vendor securing key targets across Europe and the U.S.

Not only has Konica Minolta purchased strategically, but it has also managed to fully integrate its acquisitions, leverage its inherited IP and expertise, and upsell into the expanded customer base. In addition, Konica Minolta has been reorganizing its sales and channel strategy by incentivizing its people and partners to cross-sell print and IT services. Finally, having the Workplace Hub platform and ecosystem in its portfolio enables Konica Minolta to target existing and potential SMB customers with a clearly defined and unique product set.

While Konica Minolta's first Workplace Hub customers were drawn from its existing printer client base, market and industry perceptions are changing, and Konica Minolta is now considered by many non-printer clients as a credible player in the IT services space. The Workplace Hub rollout across Europe was phased, and progress has been slow but steady. Key country markets were first to adopt, but more countries have been gradually getting on board throughout 2019, the most recent of which was Italy in November 2019. The combination of Konica Minolta gaining an IT services market reputation as well as more country operations and partners offering Workplace Hub will fuel sales and drive growth. IDC believes customer numbers will grow as more countries begin selling. However, many Konica Minolta channel partners will not make the adjustment and gear up to sell IT services either because they are reluctant and resistant to change or because they do not have the skills and aptitude – maybe even the belief – that the market holds growth potential. The onus is on Konica Minolta to convert as many of these partners as possible through education, training, and support. Konica Minolta has amassed several case studies among customers that can be used to show prospective customers some real-life reference points.

Overall, the European outlook is rosy as the geography comprises mostly SMBs, including a very high proportion of smaller companies and microbusinesses that have little or no IT support. Therefore, the opportunity to offload the hassle and headache of the IT function is a very appealing proposition. Increased pressure to guarantee organizational security and regulation compliance is another very compelling reason for SMBs to seek external IT support, if not to outsource IT completely.

SMB business imperatives are changing, and the desire to partner with an IT services and print provider partner whose corporate sustainability and security goals align with those of their customers is one of the most important factors that influence purchases. Cost and convenience are still the primary purchasing influencers, but softer factors such as a stronger desire to achieve work-life balance are increasingly pushing SMBs to seek suppliers that can provide 24 x 7 service, backup, and peace of mind to relieve them of some of their burden.

Other print providers are following Konica Minolta's lead, and we see many players bolstering their presence in IT services with a view of deriving increased revenue from this adjacent market as print volumes decline.

Connected people, spaces, and devices set against the Future of Work backdrop mean that customers expecting more from their providers. Konica Minolta has embraced this trend; furthermore, it is one of the forerunners shaping the vision and reality of the workplace of the future, at the heart of which sits its Workplace Hub.

## LEARN MORE

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### Related Research

- *Konica Minolta European Leadership Campus 2019: Guiding Partners to Explore New Business Revenue Stream* (IDC #EUR145620219, November 2019)
- *Konica Minolta's Augmented Reality App "genARate " Propels Print into a New Dimension* (IDC #EMEA44788619, January 2019)

- *Office of the Future: Konica Minolta's Workplace-Enabled Solutions* (IDC #EMEA44270618, September 2018)
- *On the Road to IT Services Transformation: Konica Minolta Acquires Grupo Meridian in Spain* (IDC #EMEA43977918, June 2018)
- *Konica Minolta Unveils Workplace Hub, Signals Bold Move into IT Infrastructure and Services* (IDC #EMEA42433117, April 2018)

## Synopsis

This IDC Market Note reviews Konica Minolta's progress in its IT management solution – Workplace Hub – since it was first publicly announced in 2017. Looking forward to the new decade, we predict that a perfect storm of evolving working practices and changing business imperatives among SMBs will drive increased demand for Workplace Hub.

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