

Minolta acts to be leaner, swi

Growth aim is copier, fax markets

By JUDITH A. OSBORNE

Minolta Corp. of Ramsey is re-vamping its business equipment image.

The U.S. arm of the \$2 billion Minolta Camera Corp. of Japan announced recently that it was reorganizing, streamlining and gearing up for faster paced market growth in addition to playing catch up to bigger players in the market area where its copiers and facsimile machines are sold.

Expanding distribution, consolidating corporate functions and assigning an Executive Task Force for the Business Equipment Division—to be headed by Minolta President Sam Kusumoto—are on the list of the initiatives being taken at the company's U.S. operation.

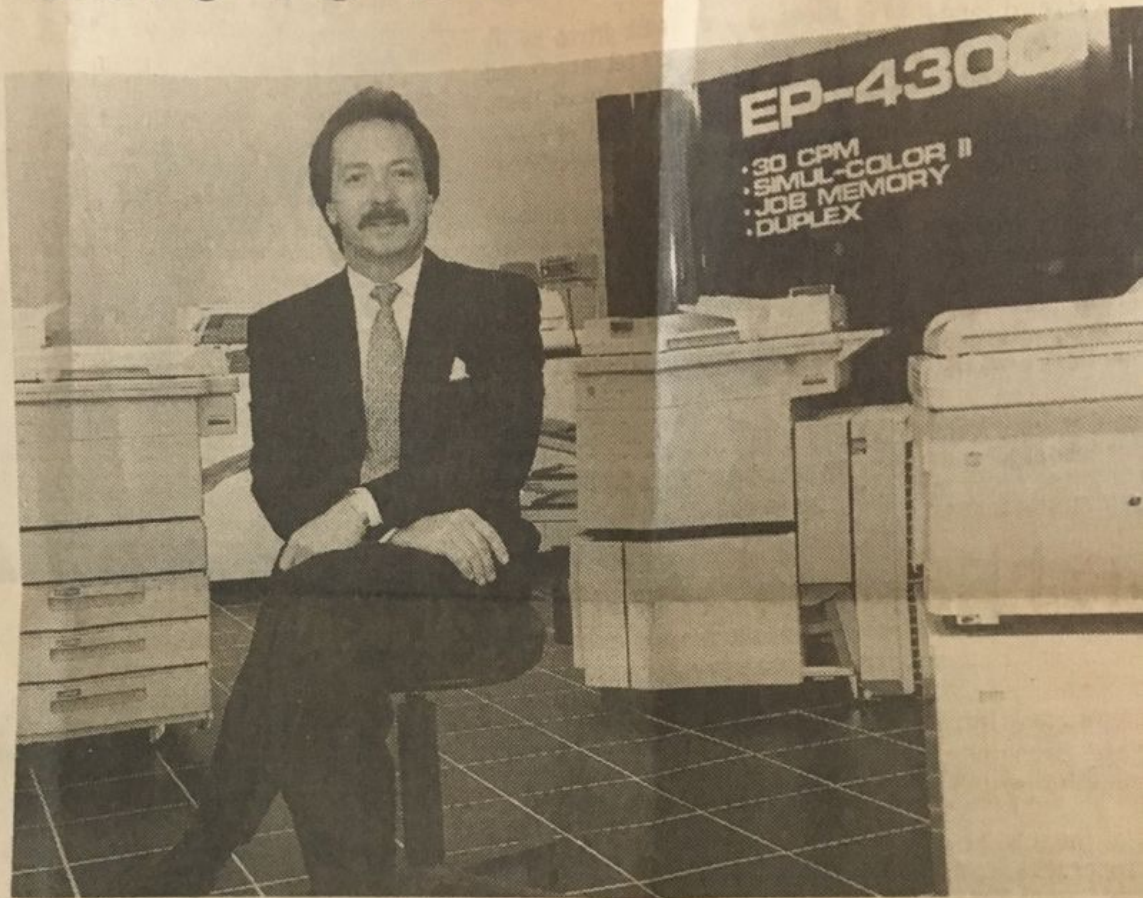
"By strengthening our distribution channels we will increase Minolta's market share, profitability and long term growth capabilities," Kusumoto said.

Moreover, as Minolta implements steps over the next year to boost its business product sales, added research and advertising funding should follow to support innovation, the president explained.

"When we sell more product, we earn more money for R&D," he said, "and because of the structural changes we are making we will be better organized to carry out product development on a more timely and cost-effective basis."

Additionally, the camera and business products marketer has linked up with a U.S. subsidiary of the multi-billion dollar West German electronics company, AEG Aktiengesellschaft, which will bolster Minolta's business equipment expansion through its marketing and distribution channels. AEG will market Minolta's full line of copiers on an OEM basis under the AEG Olympia brand name through its national dealer network.

The deal is significant for Minolta because its entire range of copiers will now be offered by AEG Olympia. The company has had a similar arrangement with Panasonic for some time, which marketed



Michael T. Stramaglio, vice president sales and marketing for Minolta's Business Equi

only certain of its copier models. Minolta also sells fax machines made by Mitsubishi under another OEM arrangement, common occurrences among industry players, the company pointed out.

"Minolta is fairly late in taking measures to expand its business equipment outlets beyond our traditional base of authorized dealers and direct subsidiaries," Kusumoto said.

Minolta's new deal with AEG "will give us the opportunity to maintain and expand our strength and dependability as a supplier to our dealers and to the end-users who are the ultimate buyers of our business equipment products," he said.

Kusumoto noted that "protecting the Minolta name is an essential part of our program to build a stronger company, and we will continue to vigorously promote our name and image in the business equipment industry and to enhance our reputation for providing the industry's strongest dealer support programs."

Mike Stramaglio, Minolta's vice president of sales and marketing, indicated that the business division had been approached by "a number of companies" which looked to market Minolta's products under their brand names. "We rejected many of the

overtures, primarily because the potential OEM arrangements would conflict with our dealers," Stramaglio said.

The location of AEG Olympia is expected to be concentrated in smaller cities to avoid conflict with its own dealers, the company said. The new Olympia line of Minolta copiers is slated to be unveiled at a New York event in July.

With North American sales of copiers and a business equipment market that is 10 percent, the company is still expected to double its share within the next five years.

According to the California Business Search firm, Dataquest, the top copier manufacturers in 1990 were Canon, with a 20 percent market share, followed by Xerox, with a 15 percent market share. Top facsimile producers are Sharp, with a 15 percent market share, followed by Minolta, with a 10 percent market share, and Panasonic.

Sharp Electronics Corp. announced a major company milestone by selling its copier business since entering the market in 1985. The Mahwah-based firm said its acquisition of the copier division has played a major role in the company's expansion into the segment. "We've been