Toshiba Unit Hunts for Buys Anew Under CRO

Made First Acquisition Of Reseller in Nearly Decade

Larry White told the Business Journal about a month ago that he was promoted to chief revenue officer at Toshiba America Business Solutions Inc. with a charge from Chief Executive Scott Maccabe to revive an acquisitions strategy dormant for nearly a decade.

He’s making good on Maccabe’s mandate. The company, whose North American headquarters are in Lake Forest, recently purchased Electro Imaging Systems Inc. on undisclosed terms. Electro, its management team and 24 employees will continue operations from their Livermore office, Toshiba America Business said.

The Business Journal late last month reported that the printer and digital signage provider was nearing a deal, its first buy of a product reseller since 2008, when predecessor Toshiba Office Solutions acquired HPS Office Systems in Indianapolis on undisclosed financial terms.

The purchase marks the company’s 56th dealer acquisition. Electro, founded in 1994, offers document, network management and managed print services. It also sells, services and supports office printing and phone systems. It doesn’t sell Toshiba America Business products.

“The acquisition better enables us to service our Bay Area customers while also establishing a deeper presence in the region,” said White, who joined the company in 1996 to Electro Imaging’s Lake Forest headquarters.

kickstart a roll-up plan. “We will continue to seek to acquire additional resellers to further bolster our direct channel throughout the United States.”

The company has a network of more than 250 resellers and 100 direct sales locations for its printers and other business products. It’s long served small and midsize businesses with its suite of scanners, printers, copiers and digital displays, and has about 165,000 U.S. customers.

Toshiba America Business generates about $1 billion in annual sales and employs over 2,800 in more than 100 U.S. offices and a toner plant in South Dakota. About 300 workers are in Lake Forest, where it recently relocated its North American headquarters, prompted in part by lingering financial troubles at majority owner Toshiba Corp.

Blockchain Building Blocks

The University of California-Irvine held a recent conference devoted to blockchain, a digital ledger technology that shows potential for reliably tracking titles to property, provenance of precious goods; ownership of art and intellectual property; and securing of supply chains for software and other critical areas.

The complex technology, steeped in mathematical engineering, coding and third-party authentications, is being tested by the likes of IBM, Walmart and Bank of America.

In clear terms, “It’s a simple database that records transactions,” Quinn Dupont, a research associate at the University of Washington and author of “Cryptocurrencies & Blockchains,” told the conference crowd.

“The strong potential and urgent need for emerging cyber-based technologies to protect national security supply chains, particularly in the defense industry, was evident at our conference,” Bryan Cunningham, executive director at UCI’s Cybersecurity Policy & Research Institute, told the Business Journal after the event.

Tracy Frost, director of manufacturing technology at the U.S. Department of Defense, said the agency is exploring several blockchain applications as it struggles to verify vendors, products and components.

“We don’t know everybody in our supply chain,” she said during a 60-minute keynote address.

Buying Blues

It’s going to take more than $103 billion for Broadcom Ltd. to pry away longtime chip rival Qualcomm Corp.

The board of directors of the San Diego-based company unanimously rejected the unsolicited proposal a week after it was announced on Nov. 6.

Broadcom’s cash-and-stock offer of $70 per share in a 28% premium over the closing price of Qualcomm’s common stock on Nov. 2—the last trading session before speculation surfaced in media reports—and a 33% premium on Qualcomm’s 30-day average share price.

Broadcom’s proposal “significantly undervalues” Qualcomm, its leadership position in mobile technology, and future growth prospects, Executive Board Chairman Paul Jacobs said in a released statement.

Qualcomm dominates the industry in high-margin baseband chips, essentially the technical brains of smartphones.

The proposal also carries “significant regulatory uncertainty,” considering the global operations of both companies, particularly in China, where regulators have made it more difficult to complete high-stakes deals involving U.S. companies.

The bid came a day after Broadcom announced plans to return its official headquarters designation to the U.S. from Singapore at a press conference that included Broadcom Chief Executive Hock Tan and President Donald Trump.

Tan renamed the company and established the chipmaker’s U.S. headquarters in San Jose after Avago Technologies Inc. acquired Broadcom early last year for $37 billion.

Tan’s decision to “redomicile” Broadcom here may already be bearing fruit—its $3.5 billion buy of another San Jose-based company, Brocade Communications Systems, closed last week. It had been held up by the Senate Committee on Foreign Investment. The Broadcom buy strengthens Broadcom’s networking and data-center business.

This column will aim to keep readers updated on major turns in the ongoing saga, given Broadcom’s legacy in OC and its sizable but downsized local operation.

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