Why You Should Consider Managed Print Services

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Abstract

This piece is part of a two paper series by InfoTrends on Managed Print Services (MPS). This paper covers the definition of Managed Print Services, and various examples of office environments that could benefit from MPS. If you are familiar with MPS and have already discovered your print and copy pain points, as well as identified your goals and objectives, you may want to read the second piece in this series entitled *What to Expect When Engaging in Managed Print Services*.

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Introduction

Today's economic climate is forcing companies to think differently about their businesses. Organizations are focusing on being leaner, looking for ways to reduce costs, improve overall efficiencies, and increase profitability. At the same time, outside forces have also affected how businesses need to operate. Now more than ever, organizations are being evaluated on their overall business impact on the environment as well as how they are contributing to environmental improvements. With new laws around privacy and information security, organizations of all sizes are also being forced to think about their compliance initiatives and how their current business and infrastructure coincides with these regulations. In InfoTrends' *Solutions and Services Vertical Market Study*, we found that many organizations have similar challenges and are addressing them by placing priorities and investments on reducing costs, going "green," and improving document security. Managed Print Services (MPS) provides a means for meeting all these goals.

Could this be Your Print and Copy Environment?

Many organizations do not realize that there is an opportunity for savings in their print and copy environments. In fact, many executives think that they do not have any issues around their copy and print infrastructure, and that their current environment is already optimized. In reality, they could potentially be saving their business thousands to millions of dollars each year. According to an InfoTrends survey most companies save about 30% of their document output spend by engaging in MPS. Additionally most companies spend about 6% of the annual revenues on print and output activities[1]. For a medium sized company with $10 million in revenue, they could be saving $180K that could be used for other company initiatives or be putting it towards their bottom line.

The following are some tell tale signs that you can look for in your business to determine if you should consider a MPS strategy:

- **Management has limited or no visibility of the overall spending on copying and print** –To claim an effectively optimized environment, you must be able to measure and take into account the entire printer and copier fleet.

- **Management has limited insight on over- or under-utilized devices** –To effectively optimize your infrastructure, it is important to get granular insight on all devices. This can help to evaluate your current surroundings and make the best adjustments to your specific print environment.

- **Have a variety of models of copiers, printers, or fax machines scattered around the office** – Having a variety of models and brands of devices can add to the administrative costs of ordering supplies, as well as maintaining the maintenance schedules for them.

- **Multiple departments' ability to procure devices** –In many organizations, we have seen shifts from a centralized purchasing department sourcing products to a very fragmented approach where departments have the ability to purchase anything on their own. It is common to see desktop devices making their way into the office because of their low acquisition costs, but these devices can hike up operating costs significantly.

- **Unsure of the amount of desktop printers and their impact on your printing costs** – Desktop printers infiltrate organizations of all sizes and can drastically affect output spend. In many cases, these devices can require up to 15-times the cost to operate. With many of these devices scattered around the office, they can quickly increase your costs.

- **Supply closets filled will hundreds or thousands of dollars of unusable toner and ink** –Supplies can run between $125 to $300 depending on the brand or color.

- **Supplies ordered by individuals sitting in desk drawers that are unaccountable** - Besides the supply closet, there may be other supplies that just never get accounted. These are supplies that people order on their own, expense, and keep in their desk drawers for their own personal desktop printers.

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[1] See insert "Reasons for Engaging in MPS"

- **Limited polices around print** –Without any formally written printing policies, or the policing of policies, there are no boundaries to what people can do or abuse.

- **Unaware of who or what departments are utilizing/abusing expensive or inefficient devices** – Along with having these policies, you have to be able to monitor, measure, and track usage to enforce them. If you are unaware of who is printing or what people are printing, it is impossible to enforce company standards.

- **Wasted pages sitting in the output tray that immediately go into the recycle bin, or confidential data sitting on output trays** –Sharing devices should not be a burden, nor should it open up privacy and compliance issues. By securing these devices, you can prevent confidential information from being discovered as well as decreasing the amount of wasted, unwanted pages.

- **Having an IT department that is too busy to handle print and copy support** – IT departments usually have bigger challenges to take care of than installing a printer driver or figuring out if a device has a paper jam.

If you agree that your organization has some or even just one of these challenges, you probably want to consider a MPS strategy.

What Exactly is Managed Print Services?

InfoTrends' definition of Managed Print Services is "Services-led offerings that help companies solve their pain points (typically around the management, costs, and/or document processes) by delivering *continuous* improvements, particularly around the organization's print, copy, and document environments."

Managed Print Services are not a "one size fits all" strategy and they rely on the specific pain points of a particular organization. Most MPS engagements revolve around providing cost savings and the management of an organization's print and copy environment and in all cases should have the component of "continuous improvements" around specific pain points.

Reasons for Engaging in MPS

Printing Costs can Dramatically Affect Your Bottom Line

In a study conducted by InfoTrends and All Associates, entitled *Assessing and Benchmarking Document Output Costs*, we found that organizations perceived that they spend an average of 3% of their annual revenues on copying, printing, and fax related costs. Our analysis, however, revealed that overall document expenditures (including hardware, supplies, and "people" costs) averaged 6% of annual revenues across all industries. This total "burdened document cost" varies widely by type of industry and size of the establishment. Organizations do not realize that the human resource maintenance costs, supply orders, IT costs, and help desk support contribute to the overall device spend and can be quite significant.

> *InfoTrends and All Associates research revealed overall document expenditures, including hardware, supplies and "people" costs averaged 6% of annual revenues across all industries.*

Organizations often overlook their print and copy environments as a way to reduce significant amounts of company costs. Our *U.S. & European Managed Print Services Study* found that organizations saved an average of 25% to 30% of their print and output environments after engaging in Managed Print Services.

> *Organizations, on average, saved 25%-30% of their print and output environments after engaging in MPS.*

**Table 1: Percentage Saved by Engaging in Managed Print Services**
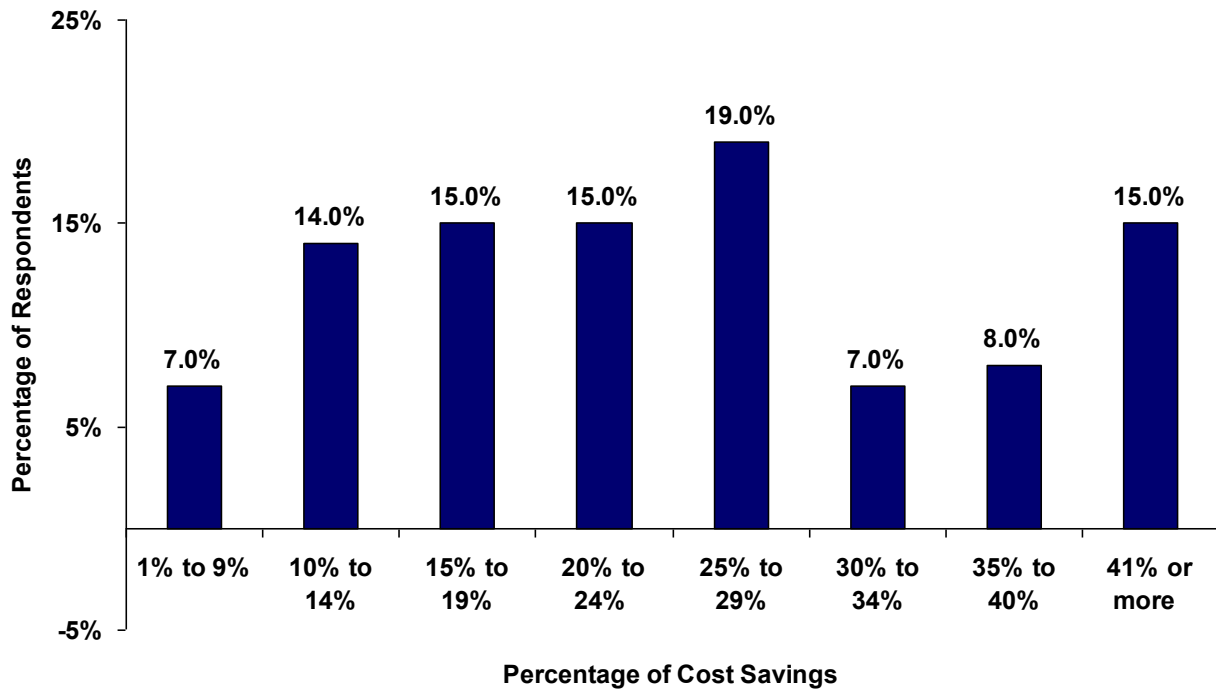
N = 153 Respondents that have used/is using document assessment software or has engaged in some sort of consulting services

Effects of Printing on the Environment

The impact of print on the environment can be very significant. The myth of the paperless office has pretty much come and gone while print continues to be a significant form of obtaining information in the office. On the average, an office employee consumes 10,000 pages of paper per year. At the same time, organizations are looking at their suppliers to understand how their business impacts the environment and how they are contributing to green initiatives. In some cases, understanding how devices are manufactured, the components used to manufacture these devices, as well as carbon consumption used to transport products are now being looked at more closely to see the total environmental impact. Participating in recycling and end-of-life programs can help in contributing to your company's green effort. In a study recently conducted, we found the Top priority for most organizations is around "Going Green".

Table 2: Priorities for Company this Year
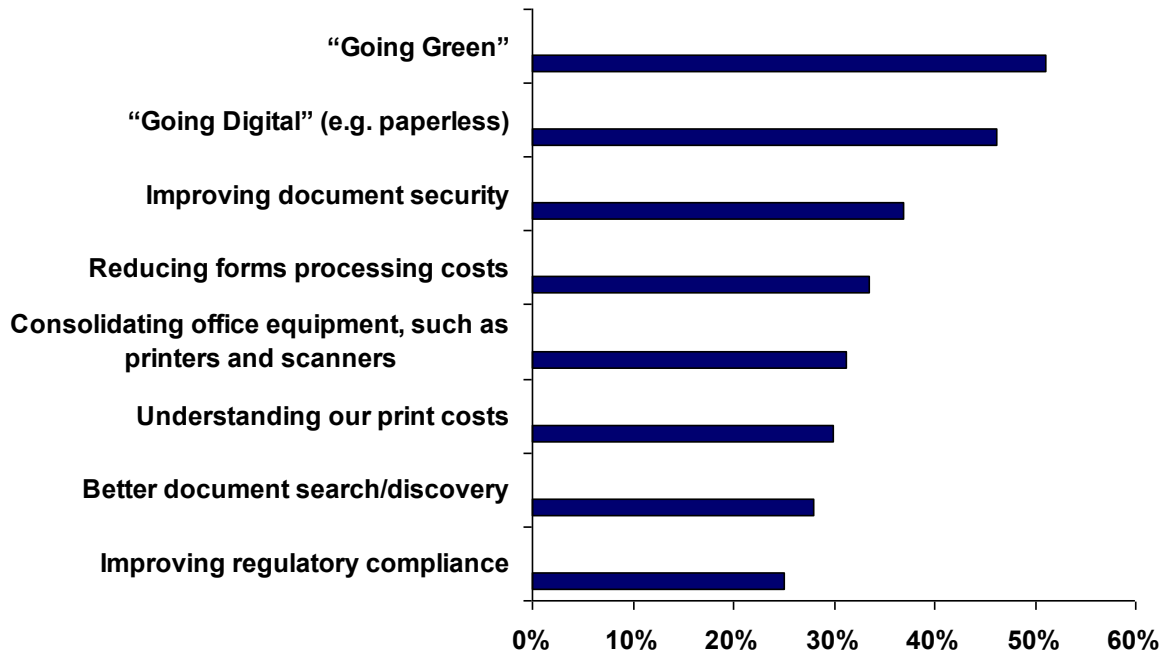
N = 528

Compliance can Improve Document Security and Prevent Waste

In environments where devices are shared, having the right document security can help with keeping private information secure. Today, many regulation and compliance initiatives surround keeping private information secure; unfortunately in many cases documents are inadvertently left on printers for unauthorized persons to view and pick up, which can pose security, financial, and compliance risks. At the same time, some of these documents never get used and go directly from print to recycle bin.

By using simple utilities and the right security solutions, shared devices no longer have to incur such waste. Confidential documents can also remain secure from getting into the wrong hands. Having the right solutions, policies, and programs that support all the elements in an entire infrastructure (similar to a secured IT infrastructure) is something that should also be considered in an overall print strategy.

With these challenges and requirements now being forced onto businesses, it is no wonder why organizations continue to struggle managing these initiatives on their own. The bottom line is that organizations today can outsource the management of these activities in a MPS arrangement, allowing them to see immediate reductions in cost and, in some cases, with little or no additional investments up front.

What Benefits Should I Expect from Engaging in MPS?

Although each MPS engagement is unique to the company involved with it, there is a general list of benefits that can come from adopting a Managed Print Service.

The following is a list of possible benefits that organizations can realize through a MPS engagement:

- **Improvements in print and copy costs** - First and foremost, most MPS engagements revolve around solving your pain points concerning print and copy costs. In many cases, MPS can save your organization around 25% to 30% of your current output spend, while continuously evaluating and making improvements throughout the service contract.

- **Greater visibility of your print/copy environments** – You cannot make improvements around things you do not know enough about. You should, therefore, get feedback, quarterly reviews, reports, and recommendations on how to further optimize your print and copy infrastructure within typical MPS engagements.

- **Improved productivity and focus for IT and purchasing** – As an outsourced service, MPS allows your internal team to focus on activities that are important to your business. Supplies can be shipped on-demand when needed. A single provider will also allow for simplified billing.

- **Environmental improvements** – While you save on printing costs, MPS allows you to also save the environment. There are programs concerned with energy consumption that can help your organization use fewer resources by properly programming devices to use less power when not in use or reduce paper wastage.

- **Security improvements with technology and software** – More often than not, IT departments do not pay attention to the security risks associated with MFPs. There are solutions that can help with different aspects of MFP security—many that should be considered a part of any Managed Print Service.

- **Confidence that your MPS provider is looking to solve your pain points as a trusted advisor** – Good MPS providers will help to solve your pain points around your output environment in a continuous fashion, looking out for your best interests.

Why Should You Outsource Your Print Management Strategy?

Although some organizations may have some loosely managed print policy or program, what most organizations do not have are print and copy experts. Print experts not only have the knowledge and history of being able to solve your problems around your print and copy environment, but they also have the tools and infrastructure to service and support your needs more efficiently.

Here are some of the benefits an outsourced provider can deliver through a managed print service:

- Expertise and experience in print and copy management, installation, and support

- A single provider that can take over administration, copy- and print-related IT, help desk, as well as management burden for streamlined billing

- Software tools that can help manage your environment and provide management reports that can help optimize your print and copy fleets

- Experienced technical support staff dedicated to the print and copy industry

- Experienced service technicians that can quickly and easily solve problems or proactively prevent issues from happening

- Automated supplies and maintenance kit replenishment services

With these services, it makes little sense to incur the human resource expense of managing print internally when an outsourced strategy can provide your organization with the professional service and experience to save your organization money (often with little upfront investment).

What Should I do Next?

The next best thing you can do to begin your Managed Print Services strategy is to take action. If the benefits are clear and they make sense to your organization, we recommend taking the following steps:

- Determine what your company's pain points are around your print and copy infrastructure

- Understand your goals, objectives, and the benefits you want from a MPS strategy

- Do some research on different vendors that provide Managed Print Services

- Understand the capabilities of each of these vendors, their methodologies used in their MPS strategies, and what you should expect from each of them

Since Managed Print Services revolve around your specific pain points, you should expect the services a provider delivers to be customized around them. The next White Paper in this series, titled *What to Expect When Engaging in Managed Print Services*, can help you further realize the benefits of Managed Print Services.