



**The Economic and Environmental Case for adopting a
Managed Print Service**

White Paper

By

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Introduction

With most Scottish businesses under pressure to tighten their belts and reduce costs, implementing a Managed Print Service has become an effective way to rationalise document output devices. The benefits are far from purely financial as a Managed Print Service also significantly reduces environmental impact by greatly reducing energy and paper consumption.¹

At its heart, a Managed Print Service is a logical approach to document production that allows a business to make the most of both its existing and new document output fleet in an environment that is firmly aligned with its strategic objectives.

A full Managed Print Service, when extended to include electronic document management and workflow solutions, provides an opportunity to eliminate an impressive **30-40%** of total print costs whilst increasing employee productivity by enabling faster, paperless processes. Recent research by the Photizo Group found that the average cost of a hard copy/print fleet for a firm with 750 employees is over **£500,000 per year**. So there are significant savings to be made².

Most businesses have operated a very ad hoc approach to their document output devices and printing, with a very high ratio of devices per number of employees. A Managed Print Service assessment can help make better use of a company's device fleet, streamlining and rationalising it where necessary to deploy resources more efficiently. In many existing cases, the number of devices per employee can be relatively high - sometimes as extreme as one device to one user! A more balanced and effective deployment of devices typically sees a reduction in this ratio to one device to every fifteen users.

Good for the bottom line and the environment

Keeping a close eye on budgets is likely to remain at the top of the corporate agenda for some time and therefore the drive to provide tangible solutions to sustainability challenges is growing as businesses take proactive steps to manage and reduce their overheads and their carbon footprint.

A Managed Print Service provides businesses with a robust solution to address both cost and environmental issues relating to their output devices and the tools needed to change the way they manage their fleet of devices and print output for good.

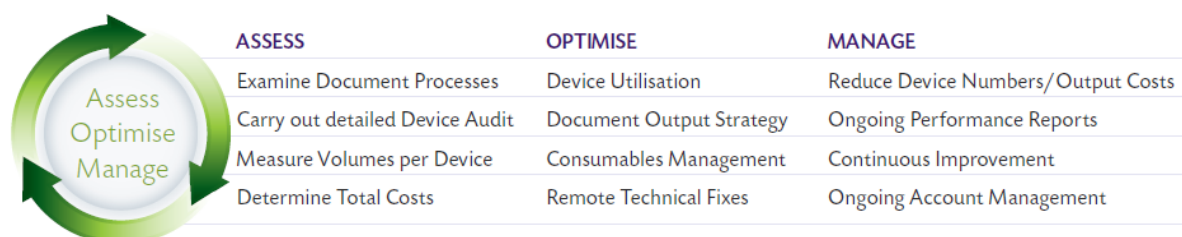
So what is a Managed Print Service?

A Managed Print Service broadly encompasses hardware, software, supplies and service and is offered by most manufacturers and major copier/printer dealers. It typically comprises three main phases:

Assessment: This involves carrying out a review of the current print environment - ie devices and output volumes and providing recommendations for a rationalised fleet that show achievable savings. Assessments range from basic online analysis right up to full document workflow. Environmental impact analysis and document security assessments may also be included.

Optimisation: - This is where device rationalisation and consolidation takes place to reduce device-to-user ratios. Print management policies will also be put in place to set controls and rules for copying and printing.

Management: A Managed Print Service is a continuous process of improvement which includes regular business reviews, service level agreement monitoring and remote management. More details on these 3 stages can be seen in Fig 2 below:



The Assessment stage involves a physical Print Audit and on-site survey, where an in-depth investigation of the current environment and function of all devices is carried out.

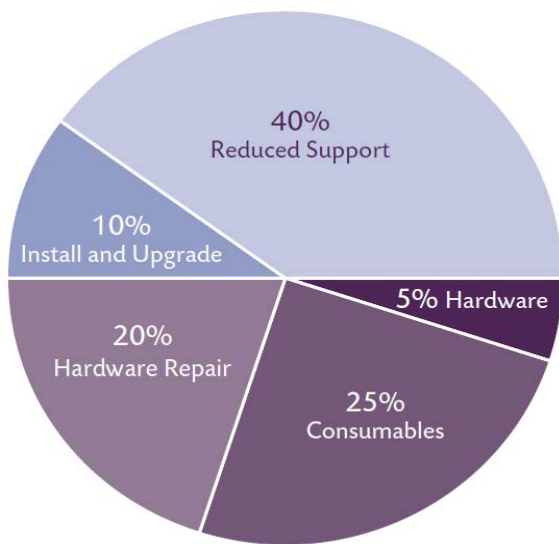
One-to-one interviews with end users are also conducted, where necessary. This detailed audit enables a full understanding of device locations, volumes and costs. Floor plans are prepared showing existing device locations, layout and volumes. A thorough report is then presented detailing the findings of the investigation complete with recommendations on how the business can best adopt a much more cost effective and efficient output strategy.

The Optimisation stage determines the best approach to achieve a balanced deployment where cost, productivity and the most suitable device and location are all taken into account. This may include replacing outdated and expensive desktop printers with the latest multifunctional devices (MFDs). This rationalisation process leads to fewer devices resulting in reductions in power consumption and the amount, variety and cost of consumables required. During this optimisation process, existing paid for cartridge and consumable stock can be fully used up on retained or outgoing devices to avoid waste and unnecessary cost. This approach also facilitates the “phase out” of uneconomic and unnecessary printers and provides users with time to adjust to the changes.

Thirdly and finally, continuous account management ensures that a Managed Print Service constantly delivers savings. Software tools can generate management reports and information to enable the monitoring of print trends, analysis of costs per user, device and/or department.

Benefits of a Managed Print Service

1. Significant reduction in costs - With many of the leading industry analysts quoting that an average business spends up to **3% of its annual revenue** on document production alone, it's not surprising that Managed Print Services are growing in popularity. If industry analysts are accurate, savings of 30% or more can be achieved. So we can assume that a £10Million turnover business will roughly spend up to £300,000 on document output/printing. Therefore by adopting a Managed Print Service companies could potentially save as much as **£90,000 per annum!**³. Industry analysts IDC also report that savings can also be made in other areas including a 40% reduction in IT support calls, a 25% reduction in consumable spend and a 5% reduction in the cost of the actual hardware devices. See Fig 1 above.



Total Cost of Ownership Savings Source: IDC

reduction in the cost of the actual hardware devices. See Fig 1 above.

2. Reduced environmental impact -

Optimised printing reduces device fleets, cutting down on waste and power consumption. According to research conducted by Ricoh, a device's typical environmental impact is 80% paper use, 8% energy, 7% manufacturing, 6% cartridge and 1% end of life. Most

devices on the market today meet ENERGY STAR efficiency standards, using up to 60% less energy than earlier generation models, thanks to features such as automatic 'sleep' mode and fast 'wake-up'.

Savings in paper consumption and costs can be made by defaulting to duplex printing. Implementing secure printing practices such as "follow-me" printing also reduces paper waste as the print job is only released when the user identifies themselves at the device. This simple piece of software has been reported to reduce paper consumption by as much as 20% as uncollected print jobs are automatically deleted after a specified time.⁴

3. Enhanced security - By utilising print management software, print jobs simply sit on the central print server until users walk up to a printer/MFD of their choice; swipe their access card or enter their PIN number and select the job they want to print, preventing print jobs from being viewed by or picked up in error by another user.

4. Improved business continuity - Remote monitoring of devices and the management of consumables means that problems can be fixed before users encounter a problem. This leads to optimum uptime and greatly improved employee productivity.

5. Freeing IT resources - It is estimated that over 20% of help-desk calls are print related. A Managed Print Service reduces the burden on internal IT staff as fewer paper jams or toner out problems mean less dependence on the IT department which in turn ensures that they are able to concentrate on more strategic projects.

Things to consider when looking at a Managed Print Service

We would recommend the following criteria are considered before embarking on a potential Managed Print engagement:

1. Management Buy-In: Companies considering implementing a Managed Print Service must align this with a sponsorship structure that covers IT, facilities, procurement and other stakeholders. A clear matrix of roles and responsibilities should be defined within the business and mapped to the Managed Print provider.

2. MPS expertise: Capabilities vary between different providers so it is important to consider the provider's track record. Look beyond equipment provision to ensure that the supplier can provide a complete solution that integrates hardware, software training and support.

3. Device support: Some vendors support only their own brand of devices whilst others manage third party manufacturers. Consider if existing equipment can be economically retained. What is the upgrade policy on existing devices? How is service handled on multi-vendor equipment? It is best to seek the advice of an independent supplier.

4. Service level agreements (SLAs): Based on a comprehensive assessment, the business and provider can suggest and agree on key performance indicators. This should also define a technology (hardware and software) roadmap, support plan and service offerings.

5. Measurement and reporting: The Managed Print Service provider should offer regular reporting to ensure SLAs are being achieved, and to identify and address any changes in print usage and requirements. Ongoing management and control is fundamental to the success of any Managed Print Service engagement.

6. Payment plans: Cost transparency through quarterly billing is only effective if tools are utilised to monitor usage and departmental print spend. To ease administration, Managed Print Service billing should cover all print, devices and volumes.

7. Change management: The impact of a Managed Print Service should not be underestimated and employees should be involved and educated on the objectives and the changes to their printing practices from the outset. Consider what change management methodologies and processes are implemented by the Managed Print Service provider⁴.

8. Sustainability: An effective Managed Print Strategy can significantly reduce a company's environmental footprint through reduced energy consumption and lower paper usage. The use of document workflow solutions can further minimise wasteful printing and should be considered as part of an overall platform that supports business process transformation⁵.

Conclusion

The demands on an office printing environment are changing - particularly as businesses are bombarded with ever-increasing volumes and sources of information.

Given the far reaching but largely concealed impact of document output on most businesses balance sheet, a Managed Print Service offers an innovative approach to regaining control of these spiralling costs. A Managed Print Service also deals with a host of other issues such as meeting efficiency, sustainability and security targets, whilst taking advantage of the very latest document technology solutions⁶.

Adopting a Managed Print Service is not appropriate for every business, however when a Managed Print strategy is implemented correctly it can lead to considerable and tangible improvements and can bring a business another step closer to optimising their processes, improving overall performance and greatly reducing costs.

About the Author

Tom Flockhart is the founder and Managing Director of Capital Solutions, Scotland's largest independent supplier of office equipment and document solutions with branches in Edinburgh, Glasgow, Aberdeen, Dundee and Shetland. The company started in 1979 as Capital Copiers and has evolved over the years, now advising clients on the latest hardware and software solutions to help drive down the cost of producing and managing their business documents. As an independent supplier, we work in partnership with world-class manufacturers including Ricoh, Hewlett-Packard, Konica-Minolta and Océ. We also work with print and document management providers Safecom, Equitrac, Site Audit and Laserfiche to give our clients the complete range of document solutions. Managed Print Services is now an integral part of our portfolio with an ever increasing number of clients now adopting this approach.

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