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When less is more:

Getting the best value out of Managed Print Services

By Staples® Business Advantage

Tech Solutions

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The Roman playwright Plautus said many centuries ago, “You must spend money to make money.” Although he was known for his comedies, spending money to run a business effectively is no laughing matter. Corporate budgets are tight, expectations for profitability are high, and resources are generally stretched to their limit. If Plautus were prophesying today, he would be more accurate saying, “You must spend money wisely to make a decent return on your investment.” That describes what businesses can expect from a well-executed Managed Print Services (MPS) program.

Many businesses already know MPS is a great value and have seen an increase in printing efficiencies and a savings of 15–30 percent. But there’s more to a successful MPS initiative than simply outsourcing the ordering of printers and supplies. To realize the full value of MPS — in terms of cost savings, staff productivity, eliminating waste, and especially long-term return on technology investment — businesses must approach managing in-house printing as part of an overall business-management strategy. That means committing to being proactive with their MPS service provider to extract as much value as possible from an in-house printing solution, and understanding the benefits that will be realized over the course of the contract.

How to manage MPS

MPS is offered through a variety of different service providers: original equipment manufacturers (OEMs) such as Hewlett Packard, Xerox, Konica Minolta, Canon®, and Lexmark™; small, local office equipment break/fix shops; Managed Service Providers (MSPs); Value Added Resellers (VARs); office equipment dealers; and office supply vendors. Before a contract is even discussed, a service provider should conduct a comprehensive assessment to take inventory of every printer, fax machine, scanner, copy machine, and multifunction peripheral (MFP) throughout the company. This is a critical aspect of the MPS engagement because it helps the customer to understand their current total cost of ownership (TCO) and identify opportunities for improvement. If not offered by the service provider, a business considering MPS should ask for the assessment to get an accurate snapshot of their printer fleet and its usage. Quantitative and qualitative data required includes:

- Number of output device makes and models
- Physical location of each machine
- Average device age
- Connectivity status (networked, standalone, locally attached devices)
- Employee to device ratio
- Overutilized and underutilized devices
- Color usage
- Energy effectiveness
- Sustainability

The service provider should also survey employees about their printing habits:

- Which machine(s) does each employee use?
- How frequently does each employee print/fax/scan/copy?
- What types of documents does each employee print?
- Do employees need to print in color and why?

This information will create a solid foundation for understanding how a business can optimize its printing fleet and create a more cost-effective corporate printing strategy. With results of the assessment in hand, an account manager may recommend moving devices to where they are most useful, removing inefficient machines, replacing single-function devices with MFPs or with more cost- and energy-effective equipment that can handle the print volume sent its way. This sounds like common sense, but 90 percent of companies have no snapshot of their printer fleet or how much money they spend on printing and related expenses, and do not know how to increase efficiencies and eliminate waste on their own.

Most common problems that lead to MPS

- Office and IT managers never thought about overall printing needs.
- IT doesn't have an inventory of the entire printer fleet.
- Ratio of employees to printing devices is inefficient — too high or too low.
- Machines do not suit current needs of employees.
- Printing devices are purchased in a fragmented way — machines are replaced as needed without a strategy; are purchased based on sale price, etc.
- Supplies are purchased from different vendors; separate bills result in too much inventory and unknown overall cost.
- An existing MPS contract is being re-upped with the latest device models without reviewing usage.

Once the right devices are determined, the next step is to implement "policies" that reinforce an organization's printing strategy, such as default mono or duplex printing or when it is okay to print in color (e.g., for client handouts, presentations or final marketing materials). In simpler terms, policies are a good way to define printing best practices. This includes improved printing behaviors that result in waste, and possibly incorporating security features (PIN, badge, etc.) necessary to receive sensitive or confidential documents. *Policies get people thinking about what, how and why they are printing when digital documents can be drafted, viewed, edited and distributed without ever clicking "print."*

Sound reasons to implement MPS

Aside from recapturing space in the mailroom or on a few desktops throughout the organization, what additional value can a business — large or small — squeeze out of MPS? First, let's shed some light on what those 90 percent[1] of blissfully unaware companies are missing. According to InfoTrends' *Annual MPS and Solutions Market Research Studies*[2]:

- On average, companies of 1,000 employees spend $108/employee/year just to service their printer fleet.
- Each year, an average of 840 printed pages are wasted/employee.
- 42 percent of customers implemented MPS to improve remote diagnostics of their printer fleet to eliminate downtime.
- 40 percent of companies considering MPS want to consolidate to one supplier with one bill to pay each month.

The primary draw of MPS, of course, is saving money. Water Group, LLC estimates the annual total cost for all in-house printing-related expenses to be roughly $740/employee[3]. That means a company with 500 employees, for example, spends about $370,000 on printing-related costs, and could potentially save upwards of $111,000/year (the value of additional staff or other needed assets) if they implemented MPS.

Aficionados of MPS say managed printing is the most efficient way to gain control over a significant, yet rarely analyzed, cost center. Companies learn the printing needs of their staff, optimize equipment based on those needs, and consolidate to one predictable monthly bill. One could argue this knowledge alone is worth the price of an MPS solution.

Then there is the value realized by improving the productivity of the IT department (generally charged with overseeing the printer fleet). InfoTrends estimates at least 10 percent of an IT manager's time could be returned to more strategic duties. Machine downtime (and staff frustration) is also eliminated because print services are managed through remote diagnostics, auto procurement of supplies, and an account manager charged with ensuring printer issues do not interrupt workflow or productivity of the organization.

At the very basic level, MPS eliminates machine redundancy and reduces device footprint throughout the office. This of course frees up valuable real estate needed for employee or meeting space. With increased options for brand-neutral solutions, any device can be incorporated to meet the print/fax/scan/copy needs of employees. Employees, in turn, learn to print smarter as printing policies eliminate wasteful printing, save money on consumables, and decrease the impact on the environment.

The only way to maximize benefits of MPS is to commit to MPS. To do so, a business must work closely with its service provider to ensure the printer fleet is running at optimal levels. Working with a best-in-class partner will further guarantee ongoing assessments and improvements based on a company's changing printing needs. This partnership also ensures that value continues to increase over the course of the contract.

[1] InfoTrends Assessing and Benchmarking Report.
[2] InfoTrends Annual MPS and Solutions Market Research Studies.
[3] Water Group, LLC, a business consulting and training firm specializing in managed print services, estimates the annual TCO for printing, copying, faxing and scanning is $740 per employee. This number factors in hardware, toner and ink, supplies,maintenance, power, paper, phone lines, IT costs, Help Desk support and purchasing costs.

MPS trends and new innovations

Mobile support has become the hottest trend in MPS. Global mobile device usage is on the rise and many mobile users want secure **mobile printing** capabilities from their smartphones or tablets. Enterprises remain concerned about data getting into the wrong hands with the proliferation of mobile devices, but there are applications and safeguards to ensure business documents are managed properly from the road. MPS solutions can accommodate telecommuters, remote workers and employees wanting to print from any location to their networked office printer.

Training employees on best practices for handling confidential documents works hand-in-hand with the latest printers, copiers, fax machines, scanners and MFPs that offer special features for **document security**. Depending on the level of security required, usually determined by industries such as legal, government, healthcare, or financial — the MPS service provider can advise on the best way to implement biometric fingerprint swipes, eye scans, passwords or personal identification numbers (PINs) into the device workflow.

Green printing is another important trend as part of the greater corporate responsibility movement. In addition to reducing device footprint with fewer, smaller and more energy-efficient MFPs, best practices help to eliminate waste of consumables such as paper, ink and toner. Recycling and the use of remanufactured ink and toner products also help to meet corporate sustainability goals. Some companies even donate older printers to small businesses and non-profit organizations in need as a way of recycling equipment. The service provider can help weave mobile printing, security measures and sustainability goals into the MPS solution based on the industry and specific needs.

In conclusion

Managed Print Services enables organizations to do more with less, proving the overall value of the solution far outweighs the investment in an MPS service provider. As a result of fleet optimization, businesses have fewer devices taking up space and consume less energy. Best practices help to eliminate waste, and less time is expended by internal staff troubleshooting equipment and evaluating new purchases.

On the “more” side of the equation, MPS gives the IT staff more time to be strategic in other areas of the business because the service provider is responsible for equipment acquisition, maintenance and repair, supply ordering and replenishment, and strategic solutions to meet business goals. MPS also provides more document security, improved business practices, and most importantly, upwards of 15–30 percent savings toward the company’s bottom line.

The way to get the highest return on investment is to be proactive with the service provider and to commit to reducing the TCO of the in-house printer fleet. This requires a change in the corporate culture and a commitment to making necessary improvements. Every business is different, and responsibility for meeting goals — whether for core business practices or office operations — ultimately rests with the customer.