

Assessing the Imaging and Printing Environment

In search of ways to increase productivity and reduce costs? Take a look at your imaging and printing environment. What you find may surprise you.

These days, IT operations are under a microscope like never before. The pressure is on to run compliant, cost-effective operations that maximize productivity and minimize costs. At the same time, decreased operational costs and proven returns on investments have become baseline requirements.

There is, of course, no single solution that can achieve all these goals. However, there is at least one very prominent area that businesses of all sizes and types may exploit: the opportunity to streamline and organize imaging and printing strategies. Resolving this situation is a no-brainer, because it can enhance the bottom line, increase employee productivity, and ultimately, create competitive advantage.



DOCUMENT PRODUCTION TRENDS

How have organizations reached this current state of imaging and printing chaos? A number of factors come into play here. For example, the sheer number of imaging and output devices deployed has steadily proliferated year after year. While everyone was waiting for the paperless office to arrive, waves of single-function hardcopy output devices were deployed, oftentimes haphazardly. It's not surprising that market research firm International Data Corp. projects the number of document pages printed annually by U.S. companies and consumers to burgeon to nearly two trillion by 2006.¹

This global paper jam calls attention to two more factors contributing to the chaotic state of imaging and printing environments today. First, it can be extremely difficult for businesses to track these assets. For many firms, printing, copying and other output, unlike other corporate costs, remain largely unaudited.

Second, just because the old technology continues to function doesn't mean that it's doing the most that it can for the business. Many advances have occurred in imaging and printing technology over the past few years that may have a positive impact on employee productivity levels as well as return on investment.

IDC puts this situation in perspective in its January 2004 white paper, "ROI Focus Shifts to Imaging and Output Infrastructure." Based on a study of midsize and large organizations, IDC concluded, "After years of inattention and lack of management, the imaging and output infrastructure in most enterprises is fraught with unnecessary high costs."

IDC also found through the survey that few organizations have assessed their imaging and output infrastructure with the goal of optimizing their hardcopy deployment. The firm further discovered that few of the companies surveyed understood how to leverage document distribution, document management and other technological advances in hardcopy devices to improve workflow and boost employee productivity.

BOTTOM-LINE IMPACT

The simple truth is that by maintaining the status quo in their imaging and printing environment, some corporations are literally leaving money on the table.

According to IDC, spending in midsize and large organizations on document production, distribution, storage, retrieval and document/content repurposing amounts to 1 to 5 percent of revenues. Add to this the fact that most organizations underestimate total printing charges by neglecting to count costs for items other than hardware, maintenance and consumables, and that 1 to 5 percent could be significantly higher.

Those less obvious costs compose about 40 percent of the total cost of ownership of imaging and output devices. They include such items as deployment and configuration as well as updates and upgrades, software and training. But direct cost savings are not the only financial target. The soft-dollar savings of a managed imaging and output deployment may actually outweigh direct savings.

TKO Printer TCO*

It's much easier to identify cost savings if you know how total cost of ownership breaks down. For hardcopy output devices, the standard cost-per-page components comprise approximately 60 percent of TCO. These include:

- Hardware acquisition
- Maintenance
- Consumables

The remaining 40 percent of costs comes from areas that may surprise you, including:

- Deployment and configuration
- Updates and upgrades
- Network management and administration
- Problem resolution/help desk
- Preventative maintenance/replenishment
- Software
- Training

A proper assessment of your imaging and printing environment may help to target problem areas and ultimately lower costs.

* Total Cost of Ownership calculations and assumptions may vary by industry or company.

For example, the IDC imaging and output ROI study found that in the area of employee productivity benefits, 86 percent of the organizations surveyed said that print-related help desk calls decreased. Seventy-one percent reported that device availability increased. And 71 percent said they experienced better document workflows and smoother business operations through the use of multifunction products (MFPs) for document management and distribution.

The key point here is that organizations that optimize their imaging and output infrastructures clearly stand to save significant money. Unfortunately, the fact that so many organizations haven't exploited the advantages and benefits of advanced imaging and output strategies is not encouraging at a time when there is so much pressure to improve operational efficiency and productivity.

This pervasive problem is attributable in part to a failure to keep pace with technology. Indeed, business document production has undergone a sea change in recent years. Now, rather than printing first then distributing, corporations largely distribute documents first. Then, those documents are printed locally at the discretion of the recipient.

There's also been a seismic shift away from copying and towards printing—sensible, considering the fact that small print runs are just as economical as copying. The question for corporations to answer is whether their installed base of imaging and printing devices actually supports these usage-behavior changes. If not, an imaging and output strategy that supports the way documents are produced today may be considered.

The good news is that it's certainly not too late to examine this environment in order to identify ways to lower costs and improve efficiencies.

THE IMPACT OF MFPs

It is possible that no single device is more critical to the future of imaging and printing than the multifunction product (MFP). MFPs have experienced significant advances in the areas of document distribution and management, security, wired and wireless connectivity, and color.

Despite these advances, however, few organizations have implemented MFPs in a way to optimize the output infrastructure. In fact, businesses have been slow to implement MFPs at all. This is especially inefficient at a time when MFPs may enable organizations to consolidate their imaging and output infrastructures by getting rid of aging, underutilized single-function devices.

For example, the scan feature of MFPs can be used to e-mail or fax hardcopy documents, or it can be used to digitally capture documents that are being entered into a business process workflow. This is significant because even though organizations would like to be paperless, paper remains complementary to digital workflows, and critical to virtually all business processes.

HP, the leading workgroup and department printer manufacturer, offers many product and service features through its MFPs that make HP MFPs an excellent choice to meet today's

printing and imaging challenges. And these functions—including discovery capabilities, usage reporting and wireless printing—can be critical to corporations looking to lower costs and increase usability and flexibility in the imaging and printing environment. Also, HP outpaces the competition through its customized solutions, flexible purchase plan options and unified fleet management.

PLAN TO SUCCEED

Once an organization commits to developing an imaging and printing infrastructure plan, the first step on the road to a managed, optimized environment involves gathering information that is readily available from hardcopy device network management tools. This information includes page counts, utilization and number of users, as well as device-specific data. Once gathered, this data can help determine demand and where to deploy devices.

The next step is assessing the imaging and output environments of departments, divisions or the entire company. During this assessment, it is important to remember that an optimized state is one that balances the lowest total costs and the highest levels of employee productivity. The optimal balance includes a mix of shared and personal devices with the right management tools and features and functions.

Although a self-administered evaluation can be used for the assessment, a consultative study is recommended for achieving the most comprehensive benefits. Assessments take days to weeks or months, and range in cost from nothing to tens of thousands of dollars.

One way or the other, organizations should take a phased approach that starts small and scales as required. Along the way, it is necessary to determine the scope of the plan in terms of devices (printers, copiers, fax machines, scanners, MFPs, aged devices) and organizational types (departments, divisions, companywide). Organizations should also determine whether or not they want to assess various aspects of scanning to document workflows.

Critical success factors include proactively addressing the natural resistance to change that end users may feel regarding consolidated devices. This critical communication includes expressing why and how changes will be made, as well as how savings and productivity improvements may benefit them and the organization.

And finally, remember that implementation success requires that organizations involve dedicated senior management involvement.

THE HP SOLUTION

To help corporations address the operational challenges presented by an unmanaged imaging and printing environment, HP offers Total Print Management (TPM). TPM is an integrated family of HP hardware, software and services that may reduce the total cost of the imaging and printing environment by up to 30 percent annually.

Top 10 Ways MFPs May Help Your Business

1. **Save time** by combining copy and print functions in one device.
2. **Save money** by purchasing one device.
3. **Save space** by deploying fewer devices.
4. **Enhance performance** by consolidating processes into one unit with more features that's quicker and easier to access.
5. **Boost productivity** with the ability to scan hardcopy documents into email. Also, fewer resources require less IT time for installation, maintenance and service.
6. **Maximize assets** by reducing the number of assets and related supplies being managed, and in turn, reducing the number of personnel and capital needed to manage related contracts.
7. **Reduce network connections and traffic** by combining functionality, and leveraging MFP features like network scanning and transmit-once/print-many capabilities.
8. **Decrease phone lines** by using MFPs to consolidate standalone fax machines.
9. **Enhance quality** through digital printing and copying.
10. **Improve reliability** through the MFP's digital marking engine, which has shorter paper paths and fewer parts.

TPM uses a proven methodology to help customers first regain control of their imaging and printing environment, then reduce direct costs, and finally reduce indirect costs. This methodology is comprised of the following steps:

1. **Strategy development:** Assess cost-saving opportunities and create implementation plans with the end goal of regaining control of the imaging and printing environment.
2. **Balanced deployment:** Rightsize product solutions, simplify financing methods and develop effective employee skill sets to help reduce imaging and printing direct costs by up to 20 percent.

3. **Optimized management:** Streamline imaging and printing network operations, enhance support services and manage performance metrics to help lower indirect costs by up to 50 percent.

Companies that have leveraged TPM solutions have successfully lowered operational costs, optimized usage and performance of their imaging and printing infrastructures, and increased employee productivity by minimizing user downtime and maximizing IT staff efficiency. For corporations in search of ways to positively impact the bottom line, it's welcome news indeed.

Case Study: Ahern Rentals

Ahern Rentals is the largest, independent family-owned construction equipment rental company in the world. It has been successfully renting quality equipment for 50 years. Ahern's day-to-day rental equipment transactions involve many contracts (about 100 per location per day) and since its customers sign a formal contract indicating that Ahern staff has trained them in the use of equipment, the company is legally bound to store the paperwork for seven years.

"We finally reached the stage where we physically didn't have the room to store new contracts," explains Evan Ahern, CIO for Ahern Rentals. "And whenever we needed to retrieve a contract, locating it would take a great deal of time and effort."

The company's accounts payable department also had problems because it was receiving poor-quality documentation from various rental locations—scuffed-up receipts, partially torn packing lists, back pages of multi-part forms printed on low-quality printers, and so forth. As a result, Ahern began searching for a simple, direct-attached Ethernet scanning solution that would work well in the local rental offices.

After an exhaustive search, the company chose HP LaserJet 4100mfp multifunction devices. Ahern already had many three- to four-year-old HP printers,

and through an HP trade-in promotion was able to replace 53 aging models with the new LaserJet 4100mfp units. To simplify the operational aspects of scanning documents and to provide some initial automatic workflow management steps, HP recommended that Ahern evaluate HP AutoStore software and work with HP partner Notable Solutions Inc. (NSI) to assess its effectiveness.

Using HP multifunction devices running HP AutoStore in three rental stores that scanned 200-300 documents daily, the company went on to institute a very successful four-month pilot program. Confident that they had the right combination of technology and people, Ahern successfully expanded the pilot to all of its locations.

The company now scans all accounts payable documentation at its rental stores and automatically routes it to the headquarters accounts payable department. All documents are

scanned in color to capture every detail accurately, ensuring that colored packing lists are discernable in their digital form. By using the digital capture and transfer capabilities, courier costs have been dramatically reduced. In addition, duplicate document storage has been eliminated and accounts payable is able to move the documents through processing in a timelier manner.

According to Certified Records Manager and Certified Document Imaging Architect Carmen Brandt, deploying the LaserJet 4100mfp has enabled the company to eliminate 40 aging fax machines and their attendant \$30-per-month phone lines. Ahern also saved money by lowering maintenance costs on copiers and fax machines.

"By implementing a comprehensive digital capture solution with the HP LaserJet 4100mfp devices and HP AutoStore software, the company will conservatively save \$200,000 per year," Brandt declares.

Net Impact

HP LaserJet 4100mfp devices enabled Ahern Rentals to:

- Save over \$200,000 per year through reduced courier costs, elimination of preprinted forms, lower maintenance costs on copiers and fax machines, and elimination of phone lines at rental locations.
- Eliminate the need for costly additional document storage.
- Process invoices in a more timely fashion.
- Reduce fraud and unauthorized use of company funds.
- Reallocate employees from accounts payable to other departments.

¹ "Minimizing Document Costs, Maximizing Efficiency," International Data Corp., March 2003.