Managed Print Services

White Paper

Control Costs & Reduce Demand on IT Staff with MPS

How Managed Print Services cut expense, improve efficiency, expand office capabilities, and reduce support calls

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Abstract

Business goals, technology, and budgets are always moving targets. It is, however, possible to pinpoint daily business processes where companies are inefficiently utilizing staff and spending excessively. One such operation, overlooked in most organizations, is document management. On average, companies spend two to three percent of their annual revenue on imaging and printing. With documented savings of 20-30 percent to be gained in this arena, companies can find compelling return on investment data that makes investigating a Managed Print Services (MPS) contract a worthwhile endeavor. This white paper discusses office printing technology, explains how an MPS assessment works, and details how a customized approach can significantly save on expenses while reducing the use of IT support staff (to free them up for more strategic and higher ROI organizational objectives).

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1. Executive Summary
What every CFO, IT Director, Head of Purchasing, and Office Manager should know about MPS

Nine out of ten companies haven't assessed the true cost of document printing in their offices.[1] If they did, they would realize how valuable a well-planned and executed Managed Print Services program can be. Our research indicates that MPS programs quickly save money and reduce demand on IT support staff, particularly for organizations within the Small to Medium Business (SMB) sector.

- Up to 50 percent of all IT help desk calls are printer-related.[2]
- Average annual document costs are 5 to 15 percent of revenues.[3]
- Hard, visible costs are only about 10 percent of the total document cost.[4]

MPS programs offer companies the opportunity to consolidate vendors, save on supplies, and upgrade the efficiency, capabilities, and up-time on a full array of printing/imaging devices. With the potential to save up to 30 percent on printing expenditures (which generally account for more than two percent of annual revenue), maintaining the status quo is creating unnecessary expenditures for most businesses.

Through strategic implementation of customized MPS plans for clients, Loffler Companies, Inc. has documented a variety of successes, including a client that reduced printing expenses by 27 percent through the consolidation of support across offices in 25 cities to one point of contact. Another client right-sized an aging fleet of copiers and printers, bringing costs down 50 percent through the consolidation of procurement, supply purchases, and maintenance services. In that case, an array of eight different vendors were reduced to just one. A third client reduced printer support calls to its IT department by 72 percent using Loffler's on-site managed services division, Loffler Management Solutions.

Loffler MPS Client 1:   Printing expenses **reduced by 27 percent**
Loffler MPS Client 2:   **Saved 50 percent** by right-sizing fleet and consolidating vendors
Loffler MPS Client 3:   IT support calls **decreased by 72 percent**

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SOURCES
1 - Buyers Laboratory
2 - Convergence Consulting, "The Importance of a Print Management Strategy," 2008
3 - IDC
4 - All Associates Group

Clients enacting an MPS solution also realize benefits from a sustainability perspective. A well-designed and implemented MPS will significantly cut energy consumption, paper usage, and carbon footprint while simplifying recycling and end-of-use disposal of hardware and cartridges.

MPS is optimally targeted at the SMB sector, where gained efficiencies, saved expenses, and enhanced capability are maximized. Our report strongly indicates that SMB companies that do not investigate an MPS solution are missing a significant opportunity to improve their bottom line.

2. What are Managed Print Services?
Outsourcing to the experts: System analysis, design, support, and tracking

Managed Print Services offer outsourcing of both the big-picture document strategy and the day-to-day imaging and printing in an office. To be effective, MPS programs must be custom-tailored to match the unique needs of each office. At their core, every MPS program should include an initial assessment, design (or redesign) of document workflow and infrastructure, implementation, monitoring, and future adjustments as needed. Well-designed MPS programs will generally include:

Stage 1: System Design
- Evaluation of overall print demand/usage and spending
- Implement software tools for print traffic tracking
- Workflow and document flow analysis
- Analysis of supply ordering and support/repair procedures
- Assessment of hardware already in place
- Identification of inefficient processes, overtaxed support staff and unnecessary expense
- Recommendations on fleet rightsizing
- Big-picture MPS program recommendation

Stage 2: Implementation
- Procurement and integration of new technology (if needed)
- Training and communication of any revised protocols
- Ongoing supply tracking (e.g., real-time toner levels)
- Predictive supply ordering
- Day-to-day maintenance, support, and repairs

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Stage 3: Tracking and Reporting
- Regular supply utilization reports
- Ongoing equipment efficiency analyses
- Cost-per-page summaries and tracking
- Recommendations for adjustments as needed

As with the outsourcing of other business processes, implementing an MPS plan allows a business to stay focused on its core competencies. MPS programs take a big-picture approach to all aspects of document management. When properly conceived and executed, MPS programs enable organizations to optimize their imaging and printing infrastructure, streamline and standardize printer management, improve document handling workflows through digitization, and reduce a number of unnecessary expenses.

3. The Changing Landscape of Office Printing
With evolving technology and departmental roles, document management is a moving target

The introduction of the multifunction printer, networked devices, and shifts in how technology is managed internally have created a rapidly changing landscape when it comes to office printing. The challenges accompanying this change go beyond the potential of the technology itself, often involving overlapping areas of responsibility.

> Only 28 percent of companies have had assessments performed or have implemented a program to manage their printing costs.[5]

In the past, for many companies, operations or purchasing made decisions regarding *copiers*. These divisions would choose copier vendors, select models to purchase, handle supply ordering, and determine service and maintenance vendors. *Printers*, on the other hand, were typically managed by the IT department, since they were connected to the network.

For the last 15 years these two worlds have been converging: Copiers crossed into the domain of IT departments, since they needed to be connected to the network. IT also had to understand what other functions each device offered in order to group users for access to the features they need. This required, sooner or later, that IT and operations communicate clearly (and often) about the needs and requirements of departments and individuals. Unprecedented

SOURCE
5 - Gartner Group

collaboration was now needed to determine which machines would reside on the network—and to create an overall plan and strategy for the modern office printing infrastructure.

This evolution has provided an excellent opportunity for both IT and operations to streamline their approach in a way that benefits not only each department, but the entire organization. Rather than dealing with a variety of vendors— one for copiers in purchasing, one for printers in IT, another to provide toner cartridges, and yet another to provide repair services—a new option became available within the past decade: for one company handle all these needs comprehensively. IT departments, in particular, have received the notable benefit of shedding mundane support and maintenance tasks surrounding networked printers. This shift in responsibilities allows IT executives to stay focused on higher-level, mission-critical responsibilities.

4. Impact on the Environment
If not managed properly, a company's printing habits create unnecessary ecological strain

Savvy businesses understand that sustainable business practices today are far more than a pro-environment statement. Sustainability should be at the heart of any business plan simply for the goal of maintaining an organization's livelihood. Whether green practices are a specific priority or not, the cost savings and workflow efficiencies gained by implementing an MPS present a compelling case for "doing the right thing." And of course reduced paper and ink consumption plus improved recycling are two of the greatest contributions a well-designed MPS can make to the planet.

- Each office worker in the U.S. prints **10,000 pages a year**, on average.[6]
- Making a sheet of paper requires **10 times more energy** than printing on it.[7]

According to HP, an MPS can help your company "cut your energy consumption, reduce paper usage and your printing carbon footprint, and simplify recycling and end-of-use disposal of hardware and cartridges."
HP goes on to report that some of its MPS clients have cut their energy consumption by 30 to 80 percent and paper consumption by million of pages.[8]

SOURCES
6 - InfoTrends/ALL Associates
7 - www.epa.gov
8 - *MPS and the Environment White Paper,* June 2009

An MPS offers real-world strategies that make your company's green goals line up with profit. MPS programs are specifically designed to cut down on waste and improve efficiency, with a direct effect on your bottom line. Saved paper (e.g., through standard duplex printing policies) and energy reductions are relatively easy to calculate, but a good MPS provider, in their initial analysis, can also provide an indication of prospective savings through improved workflows and the associated time, money, supplies, and energy that were involved in managing an inefficient system.

Software solutions like HP Web Jetadmin and HP Universal Print Driver offer quick and easy ways to reduce and monitor a company's paper, supplies, and print-related energy. Features like programmed sleep and wake modes for an entire printer equipment fleet can create cost and energy savings literally overnight. These are just two samples of how an MPS can contribute significantly to a company's green IT goals.

5. The True Cost of Printing
90 percent of companies don't track printing costs

Studies have documented that companies spend up to three percent of revenues on document services, and that a properly designed and implemented MPS strategy can save 20 to 30 percent of those costs.[9] What is shocking is that 90 percent of companies don't track their printing costs.[10]

Unlike relatively common cost-per-page programs for copier fleets, which are easily tracked, only 10 percent of organizations monitor their printing costs. Companies may track their per-copy cost down to the penny, but that model typically doesn't apply to printers. The various costs and employee time demands associated with a printer spreads the costs across a number of departments and line items. In evaluating the true cost of printing, it's necessary to consider support calls, maintenance operations, repairs, toner cartridge ordering, and paper supplies, as just a few of the relevant factors.

When analyzing the impact of even a single printer, it's important to consider every aspect, from initial purchase to supply orders, ongoing maintenance, break fix, and timing of eventual replacement. In a surprising number of companies, a different vendor (and/or internal department) handles each of these aspects of device management. This creates not only immediate costs—

SOURCES
9 - InfoTrends Document Assessment Study 12/07
10 - Buyers Laboratory

that are often difficult to gauge—along with the potential for expensive redundancies, missed orders, and unreasonably long down times.

Research indicates that companies that initiate an MPS quickly discover significant benefits and savings. The goal of MPS is to reduce document management costs by turning to a single vendor to service and support a company's entire range of copiers and printers. This approach offers a variety of benefits, including reduced time required to administer multiple vendors.

For most small to medium sized businesses, the choice to adopt an MPS strategy will come down to a cost-benefit analysis. A company with $3 million in annual revenues, for instance, would be typically spending between $60,000 and $90,000 per year on printing-related expenses. Research indicates that improved processes could create savings between $18,000 and $27,000 per year. Even a $1 million company stands to reap savings of $6,000 to $9,000 per year.[11]

Despite the significant savings at stake, less than a third of companies have had an assessment performed on their print and imaging approach. Even fewer have implemented a program to manage the costs associated with this important business process. In the sections that follow, we'll map out the three-stage process to create an MPS: planning, implementation, and tracking.

6. Design and Develop an MPS System
Set business goals, assess the current situation, and make a plan to optimize the infrastructure

Planning a new MPS arrangement begins with establishment of a clear set of business goals that the MPS will address. These days, immediate cost savings are often the first priority. Improved productivity and reduction of ongoing operating expenses may be secondary goals if their potential impact on a company's bottom line is significant enough. A successful MPS can offer all of these benefits and more, but in the planning stage, it is important to custom-tailor the approach to a company's most pressing needs.

Once business objectives are set, the next step is to assess the current environment. An MPS specialist can assist in identifying the infrastructure and resources that are involved in a company's document imaging and printing. This includes mapping the physical placement of each piece of equipment

SOURCE
11 - Calculated from figures provided by InfoTrends Document Assessment Study 12/07

(relative to the people it serves) and tracing the steps and human capital required for service and support.

Your printing environment self-assessment[12]

1. Do you know your organization's true burdened cost of printing? Have you bench-marked it against industry norms?

2. Is your organization interested in reducing its carbon footprint? If so, do you know the impact imaging and printing has on your carbon footprint? Are you aware of potential energy savings?

3. Have you established imaging and printing environment metrics and goals?

4. Have you determined, gathered and analyzed the data needed to help you build a plan and a business case for change?

5. Have you built a plan to prepare your people for the changes you seek? Does your plan address environmental sustainability?

6. Do you have a roadmap and a partnership with your vendor(s) that integrates print management initiatives into your IT strategic imperatives?

7. Are you enlisting the expertise and experience that will ensure your imaging and printing environment is optimized and well managed over time?

8. Are your IT resources maximizing the power of available network print management tools?

9. Are you regularly using key tools to track your progress against environmental goals?

10. How effectively is your organization using its imaging and printing environment as a digital "on-ramp" and "off-ramp" to its applications?

It is important to identify all the employees and vendors involved in the entire printing workflow from procurement and installation to daily use and periodic software updates, supply replenishment, and so on. An effective assessment will include measurements (or at least estimates) of supply consumption, energy use, and even carbon footprint. Ultimately this provides the data needed to calculate the true cost of printing.

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The data is then analyzed to find inefficiencies—and opportunities to better utilize hardware. The resulting data assists in suggesting where replacement devices or alternative means of support and maintenance will likely yield savings.

Evaluating the true cost of ownership and operation for office printing equipment requires evaluating numerous factors that vary widely between companies.

Sample print traffic report used in assessing equipment utilization.

Often, such assessments find too many devices, with little to no standardization across the fleet. This leads to a variety of inefficiencies. Gartner Group has found major gaps between **optimal** printer utilization and **actual** utilization. The concept of optimal utilization is based on: 1) determining a printer's maximum page-per-minute output, 2) averaging that output over a longer period, say a month, then 3) determining the ideal percentage of that maximum output. That ideal percentage will provide an efficient use of supplies without excessive demand for each printer. Too much utilization and print queues may get backlogged so users must wait longer than necessary for their documents. Too little utilization on each machine and the requirements of supply restocking and maintenance are not efficiently balanced with the actual output.

Gartner Group's studies indicate optimum utilization rates of between 12 and 25 percent while most companies are operating at less than 5 percent. Similarly, studies indicate a printer should serve an average of 5 to 8 employees, but organizations are averaging only 2.8 employees per printer.[13]

The good news is that an MPS doesn't always require new capital investment. In fact, a capable MPS specialist will often look to make the most of existing

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SOURCE
13 - Gartner Group

equipment—especially when new capital expenses would be at odds with the more immediate goals of cost savings. However in some cases, where the array of current equipment is particularly incompatible, replacements or upgraded equipment can provide both short-term and long-term returns on the initial investment. And certain MPS programs, like those offered by Loffler Management Solutions, offer programs that can eliminate the upfront investment cost of equipment upgrades.

7. Implement the Solution
Smooth the transition, manage the environment

The next step is implementing the solution, and deliberately managing the en-vironment once the MPS is in place. Implementation consists of optimizing the retained equipment, integrating any new software or hardware elements for maximum efficiency, and training employees on any new workflow protocols.

Automatic Supply Fulfillment—made possible through tracking software like this one example employed by Loffler Managed Print Services

Redundant vendors can be eliminated, along with the time and expense of managing multiple service and support contracts. When maintenance request procedures become automated, supply orders and replenishment are fulfilled predictively, and timely support responses maximize up-time.

When properly implemented by an MPS specialist, the new system transfers both day-to-day and high-level strategic issues away from IT and into the hands of the MPS partner. Once a company's printing and imaging process has been streamlined in this way, that company gains a more efficient, sustainable approach to the capturing, management, security, retrieval, and sharing of its documents.

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8. Manage and Track Results
Document management evolves with your business: improve workflow and create sustainable results

The final part of the process is to measure and review the results created by the MPS. Taking a strategic approach to the ongoing management of an overall imaging and printing environment means continuously assessing and evaluating it to ensure the plan is in place and performing as expected. Careful monitoring of the system—including the fleet, supplies, and support—gives greater insight into usage trends, capacity, and spending.

In the best MPS programs, a series of custom reports that are easily accessible by an administrator from any networked desktop allows real-time monitoring and review of fleet data to ensure maximum operational efficiency of individual devices and the system as a whole.

Regular status reports on network printer performance, usage and costs reveal ways to make recommendations for ongoing improvements to efficiency and sustainability. Further improvements in critical, paper-based processes include analyzing current approaches and evaluating options like scan-to-email, scan-to-folder, and scan-to-fax capabilities found in multi-function devices. Relying on digital-to-digital data transfer reduces the need for hard copies, further saving on costs and document preparation time.

Uptime and utilization is continually monitored and measured to look for workflow and hardware utilization enhancements. MPS is an ongoing process, as demonstrated by the MPS team at Loffler which constantly measures and reviews client results to reveal efficiencies gained—and to make further recommendations for process improvements as necessary.
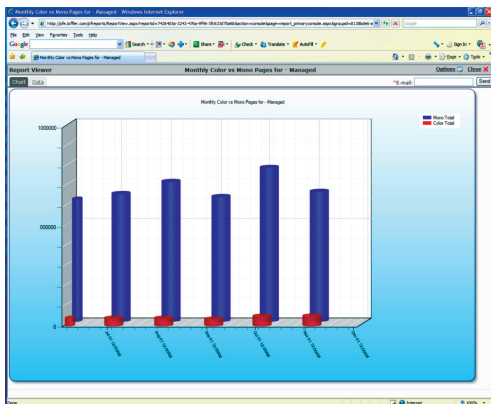
Data monitoring allows for realistic operating cost analyses and aids in making fact-based decisions.

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9. Choosing an MPS Supplier and a Viable Program
If you plan to implement a managed print solution, find a vendor with your needs in mind

It should be clear that managed print solutions offer a great opportunity to improve office productivity while keeping costs down. If you are considering an MPS for your organization, the next step is to evaluate the options in your community and make the best choice of supplier and program to meet your needs. Look for a supplier who treats you as a valued client who is important to them. They should not only be able to provide you with an innovative MPS solution, but they should have the experienced organization that can deliver on the results promised. Working with an MPS supplier that treats you as a partner and ensuring that they can offer you flexible choices is important. A good start would be to ask if they are HP certified as an HP Managed Print Advanced Specialist. Your needs today are unique and changing, just like the business climate you operate in.

Choices you should be offered include:
Basic Cartridge Program
The ability to enter into a simple program that allows coverage and pricing to include replacement of toner cartridges and any break-fix service based on need and usage.

Cost per Print Program
Many companies choose programs structured on a cost-per-print basis. This not only simplifies IT management, but also improves the accuracy of your budgeting and projections. This program usually will include toner cartridge replacement, break-fix service, and be part of an auto-replenishment program. Companies choosing this type of program don't have to worry about toner cartridge yield or page coverage (which seems to be a moving target with escalating costs every year, given the current types of documents we are printing).

On-site Managed IT PrintCare
Twenty to 40 percent of an IT professional or group's time is typically spent dealing with printer related issues[14]. An IT department's time is a scarce and valuable commodity, so many companies engage an on-site support program to free up IT staff to support higher-payback IT initiatives. Loffler can staff a half-time or full-time person via its LMS team to load paper, clear jams, cleanup

SOURCE
14 - Convergence Consulting

work area, deliver paper, change toner cartridges, load print drivers, change feed rollers, and perform other functions (both proactive and reactive) to keep these print devices operating efficiently.

Professional Services
With organizations spending up to three percent of their revenues on document services[15], you can figure that about half of that is spent on document workflow and management. These are cost centers that improved processes and software can directly impact. A knowledgeable and experienced professional services team working with the MPS supplier you choose can maximize the efficiency of your document workflow. An integrated MPS strategy and optimized document workflow processes will provide a noticeable impact to the bottom line of your business.

Custom Combination Program
The highest value is likely some combination of the programs noted above that meets your printer and MFP support needs.

IT Managed Services
Not necessarily offered as part of an MPS implementation, but something that could be of high value to you and the uptime of your operation would be a well-thought-out IT infrastructure and support plan. If your IT staff is spread thin and there is help needed, Loffler offers IT technical support for help desk and monitoring, IT manager services, cloud services, network administration, and more.

Great options are available in the market to you. You have the ability to save money while improving your office productivity and helping the environment.

10. Mobility Strategy for Cloud Printing
Managed print programs should address the latest devices

Printing from your iPhone, Android, Blackberry, or tablet via the cloud is here. The merger of mobile devices and cloud services has become one of the most significant enablers of business productivity and innovation in the past decade. We are enjoying the ability to communicate and compute in the palm of our hands, no matter where our business takes us. But *printing* was a critical business process that was missing in this mobility movement—until now.

SOURCE
15 - InfoTrends Document Assessment Study 12/07

Today there are solutions to make it simple to access and print documents on the run with your mobility device.

Your MPS solutions provider should be able to integrate your mobility needs and strategy as part of their MPS solution recommendation. To prepare for this discussion with your MPS partner, here are summaries of a few of current mobility print solutions:

HP ePrint

This offering allows you to print via the public cloud by emailing a document directly to an ePrint enabled printer. It's easy to set up and you can print from most any mobility device including your smartphone, tablet, or laptop. This public print solution also comes in handy if you're on the go and want to print to public print locations such as your hotel or a printer such as FedEx.

Google Cloud Print

If you or your team is using Google apps to collaborate online, this could be a great solution for you. You can print to an ePrint-enabled printer from a Google web app or Google mobile app like Google Docs.

AirPrint

iOS users can print directly and wirelessly to an HP Printer over a Wi-Fi network with their iPhone, Ipad, or iPad Touch. No downloads required.

HP ePrint Enterprise

Now is the time to make sure that you are incorporating into your MPS solution a mobility strategy to increase your employee's productivity with anytime, anywhere access to secure printing. Enjoy secure, private cloud printing within the enterprise firewall.

62%

The number of surveyed CIOs and IT leaders who see mobile technology expansion as a "critical" or "high" priority over the next 12 months.[16]

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SOURCE
16 - Forrester Research, Inc., September 3, 2010

uniFLOW

Enhance the value mobility offers your organization with the introduction of uniFLOW into your document processes. Among many other great features, this solution provides secure printing for mobile devices as well as features that allow end users to capture documents directly to Microsoft SharePoint, becoming an end-to-end office document scan, print, and management system.
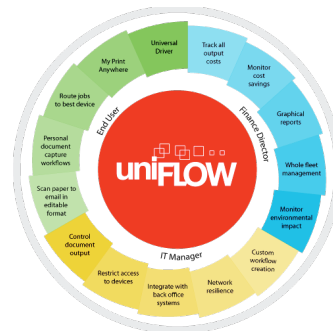
Increase Productivity Across Your Mobile Enterprise ... Today

According to a variety of estimates, about one-third of work is no longer being done in a traditional office.[17] Whether your workers are telecommuting, visiting a regional office of customer site, or traveling, growing numbers of employees are shifting where, when, and how they do their work. Seek the expert advice of your MPS solutions provider to help understand your workforce needs, assess your current IT support of the on-the-go printing, and to prioritize your requirements for Mobility Printing. A good MPS partner will help you build a framework for a mobile printing strategy that will help increase the productivity of your workforce and meet your business objectives.

11. Conclusion: MPS Works for You
Managed print operates on the principle of "do what you do best"

MPS brings organizations a variety of benefits, while allowing the enterprise and those within it to stay focused on core competencies and mission-critical tasks. Improved processes and efficiencies for document management and production helps improve the bottom line. Relying on fewer vendors results in a lightened administrative workload. IT resources are focused where they will have the most impact, and are free from the burden of service and support for the printer fleet.

The fleet of printers and copiers is streamlined so that each device is utilized for optimal access to its capacity and capabilities. Detailed monitoring provides regular reports that document the use of paper, supplies, and energy so that savings can be accurately measured and adjusted. Measurable improvements in energy consumption and recycling compliance help make the work environment greener and more sustainable.

SOURCE
17 - *Wired* magazine, 2008 (Issue 16.10)

Partnering with an expert on an MPS makes sense and yields measurable, tangible benefits in many arenas. Choosing the right MPS partner provides the expertise that comes with specializing in what they do best. It also creates a system that offers reliable service and support and a big-picture strategic sense of how to achieve your business goals by turning your technological infrastructure into the asset it was meant to be.

12. Next Step: A Custom MPS Assessment
No-cost, risk-free analysis quickly estimates impact

Printing really can be easier and more efficient with a strategic partner like Loffler to help create a customized print management strategy. All it takes to get started is a phone call: a Loffler print management expert can visit your site for a no-obligation assessment of your print and copier situation. In return, you get a complimentary report on how a customized MPS plan can start saving you time and money.

Contact Loffler today to learn more and to request your no-obligation consultation – 952.925.6800

Why Loffler? With more than six years' experience providing MPS for clients throughout the U.S. and Canada, Loffler is at the forefront of Managed Print Services expertise. The staff at Loffler currently manages over 12,000 devices, providing everything from pre-sales support to efficiency analyses, system design, helpdesk services, and even on-site IT staffing/support resources.

As a **2011 HP Office Printing Solutions Elite Partner**, Loffler Management Solutions has achieved certification and recommendation by HP, one of the world's largest IT vendors. HP writes about its Elite partners such as Loffler:

"HP Office Printing Solutions Elite Partners are experts in providing simple to complex printing and imaging solutions for your unique printing needs, with superior industry qualifications and skills that have been validated by HP." [18]

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SOURCE
18 - HP PartnerONE Elite Designation Brochure, 2011

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MISSION.

We are an independent professional services organization dedicated to providing superior integrated IT solutions, Office Technologies and Services. The foundation of our success is based on exceeding the expectations of our clients, employees, partners and community.

PURPOSE.

To be the best office technology solutions partner.

VALUES.

Positive Attitude • Professionalism
Drive for Results • Customer Focus
Integrity • Trustworthiness • Innovation