

Channels to MPS in Europe, 2014

A review of European channel-led managed print services programmes

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Managed print services (MPS) has emerged as an effective way for enterprises to reduce printing costs, improve productivity, enhance document security and support sustainability initiatives. Many vendors are extending their MPS offerings to their channel partners to target the SMB and mid-market space. In a highly commoditised hardware market, MPS promises recurring revenue opportunities for resellers while helping customers shift from capital expenditure to more predictable operational expenses.

This report provides an overview of some of the key channel MPS offerings in the European market.

Channel MPS offerings are rapidly evolving	Given the diversity of the SMB market and the printer/copier channel, MPS offerings range from basic entry-level packages to broader bespoke arrangements (full MPS). The most effective programmes offer modular services that support the maturity of the channel provider. They may, for instance, provide simple offerings for partners with minimal MPS expertise, such as the IT channel, alongside a range of options for copier dealers, who typically have better resources and experience to sell and deliver MPS.
Xerox and HP have the broadest set of offerings	Xerox has the most established channel MPS portfolio and has developed an extensive set of modular services from basic maintenance and supplies contracts, such as PagePack, to its multivendor services for the channel. It continues to enhance its portfolio with additions such as Xerox Supplies Services. Since its acquisition of Printelligent in 2011, HP is aggressively pushing its new Partner Managed Print Services (PMPS) multi-vendor offering, which it is actively rolling out across Europe. PMPS promises to be a key enabler for its channel.
Lexmark is expanding offerings with a strong solutions focus	Lexmark's channel-led MPS offerings are available for copier resellers through its Business Solutions Dealer (BSD) programme and for IT resellers through its Page Plus Business (PPB) programme. Lexmark will continue to enhance these offerings over the next year as it seeks to improve its engagement with the channel. Its industry solutions portfolio is a key differentiator, with many resellers customising hardware deals with document workflow solutions.
Other manufacturers are taking bigger MPS steps	Ricoh is working to extend its established MPS approach to its channel partners, mainly working on a localised basis. Konica Minolta has a particularly strong MPS offering for its partners, based on its mature enterprise-level Optimised Print Services (OPS) platform. Other vendors such as Brother, OKI and Kyocera continue to evolve their offerings, typically focusing on a basic print services approach with limited investment requirements for their partners.
Channel maturity varies widely	Today, it is largely the most established resellers that are seeing the most success in the MPS market. The challenge is for manufacturers to engage a broader channel and encourage them to participate in MPS with simple and flexible offerings. Software solutions that focus on document workflow, security, the cloud and mobility promise to offer further differentiation. Vendors such as HP, in particular have an extremely broad and modular set of solutions to offer partners.

Conclusion

The shift to MPS is well underway, with most manufacturers expanding their channel-led MPS offerings. Wherever they are along their MPS journey, resellers need access to tools, infrastructure and expertise to enable them to participate more effectively in the market. The forthcoming year will be critical for MPS gaining traction in the SMB market and the channel will be vital to its success. The key will be developing a strong portfolio of MPS offerings to meet the diverse needs of SMB customers. This may include basic print services as well as broader MPS supported by software solutions to drive further cost reduction and productivity improvements for customers.



Introduction

The momentum of cloud computing, margin erosion and evolving customer choice means that channel partners need to build a new business model that is sustainable for the longer term. Providers in the traditional printer channel recognise that they need to look beyond their usual offerings and target markets and make fundamental changes to their business models in order to remain competitive. With commoditisation driving profit margins on hardware down, selling higher-margin services is becoming increasingly appealing.

The channel plays a critical role in addressing the SMB opportunity, and many printer manufacturers are leveraging existing enterprise MPS infrastructure to develop flexible offerings for their partner communities. Because of the disparate nature of the printer and copier reseller channel, manufacturers need to develop a broad range of modular services with options to suit the expertise and maturity of each of their channel partners. Experienced copier resellers will have a good idea of the infrastructure and skills they need to provide in order to offer MPS successfully. However, for classic IT resellers, MPS is still a relatively new area. While copier resellers have the experience of selling contracts based on pages, or 'clicks', few IT resellers do. This is leading to the emergence of hybrid resellers who offer such contracts backed by IT expertise.

There has never been a better time for resellers to add value to their services with MPS. With manufacturers increasingly simplifying and expanding their channel propositions, MPS is becoming more accessible for them. And with cost reduction high on the agenda, it gives them a valuable opportunity to provide organisations of all sizes with the visibility of print costs that they need, facilitating long-term and profitable customer relationships.

Up to now, MPS has largely been the domain of larger enterprises, which typically use established direct MPS offerings from vendors such as HP, Lexmark, Ricoh and Xerox. However, with the emergence of more channel-driven MPS packages from almost every vendor in the market, mid-sized businesses are gradually waking up to the MPS opportunity. The options range from device-centric offerings encompassing service and supplies, to packages including device leasing and support, depending on the individual reseller's capabilities.

Meanwhile, software solutions are becoming a key differentiator. Quocirca's research indicates that only the more advanced MPS resellers have successfully made the transition to a solutions- and services-led approach.

This report provides a competitive overview of the major European channel MPS programmes. It also includes highlights from Quocirca's 2014 study investigating attitudes to solutions and services amongst 120 resellers in the UK, France and Germany. It should be read in conjunction with two additional Quocirca reports – **European Channel MPS Priorities**¹ and **The MPS opportunity for SMBs**², published in March and April 2014.

Please note that the level of detail included about vendors' MPS programmes varies depending on their relative maturity and the availability of information in the public domain.



1 MPS definitions

What does channel-led MPS include?

Channel-packaged MPS offerings, aimed at smaller and mid-market businesses, vary in depth and scale. Unlike enterprise MPS, they do not require an initial print audit assessment.

An entry-level MPS offers a way to purchase printers combined with supplies, maintenance and support through an all-inclusive contract. Customers may either purchase devices outright or lease them through a financing company. Leasing enables organisations to shift capital to operational expenditure. Businesses then pay a monthly fee based on predicted monthly print volume, which covers the cost of the equipment, any leasing costs, supplies, service and support.

Some contracts require a monthly or annual print volume commitment. This means the client will pay for printing a set number of pages, even if they don't use the full amount. In these cases an 'overage' charge is generally applied – a set price for each page printed over and above the agreed number.

With some contracts users only pay for what they print. However there may still be a commitment to a service contract for a minimum period.

Depending on their capabilities, resellers may offer additional services as part of MPS, such as assessments, device consolidation consultancy or document workflow solutions. Some also offer flexible packages that enable businesses to scale up their usage as they grow.

The following table describes the key differences between a basic MPS and a value MPS approach.

Target market	Category	Description	Channel requirements
SMB	Basic: maintenance, supplies and support	Hardware, supplies, service, support and finance based on cost per page	Minimal investment – simple and quick to operate, no software, no audits, no complexity
SMB and mid-market	Value: assessment, optimisation and management	Monitoring and reduction of print volumes, environmental impact and costs and improving workflows	Some investment – print audit tools, multi-vendor support, remote monitoring

Figure 1. MPS definitions



Quocirca believes that the following capabilities offer mid-market businesses the strongest opportunities for cost saving and productivity improvements.

Features	Benefits
Automatic meter or counter reading	<ul style="list-style-type: none"> • No need to spend time on manual meter reads • Greater billing accuracy • Automatic invoicing
Automatic error notification	<ul style="list-style-type: none"> • Predicts equipment failure • Improves uptime • Less user intervention
Automatic toner/ink management and supplies ordering	<ul style="list-style-type: none"> • Proactive maintenance and replenishment • Improved inventory management
Usage reports	<ul style="list-style-type: none"> • Optimise hardware usage through more efficient data collection and analysis • Better device utilisation and management • Advance warning when the device is reaching end of life
Customer portal or web interface (for the customer and service provider)	<ul style="list-style-type: none"> • Improved customer experience – an easy, fast and efficient way to monitor device usage • Service provider can analyse customer reports on demand to improve service levels
Remote management, for example automatic software upgrades and remote configuration	<ul style="list-style-type: none"> • Improves response times • Maximises service engineer utilisation

Figure 2: Recommended MPS capabilities



2 Market trends

MPS maturity

The business printing industry is making a major shift towards providing solutions and services, and these can be a key differentiator between providers for companies looking to upgrade their print technology. However, for much of the channel, a transition to a services-led model is no easy task.

Quocirca groups channel partners into three broad categories when it comes to MPS:

1. **Traditional** – still largely focused on a hardware strategy with no plans for recurring revenue offerings
2. **Progressive solutions providers** – have an active interest in offering training, education and solutions and generating recurring revenue, either from managed or cloud-based services
3. **Transformative solutions providers** – earn mostly recurring revenue from solutions and services

Quocirca's study covered a mix of all three types. Overall, 32% of channel partners in this study have evolved to a full MPS model, with the UK and Germany being most advanced on their journey (Figure 3). Most partners, regardless of where they are on the services path, will have a fear of losing revenue from hardware sales as they move to a recurring revenue model. Equally, the economics of a managed service model can put resellers under pressure to keep cash flowing as their business model changes from transactional to contractual. These concerns can be a major hurdle to MPS adoption in the channel.

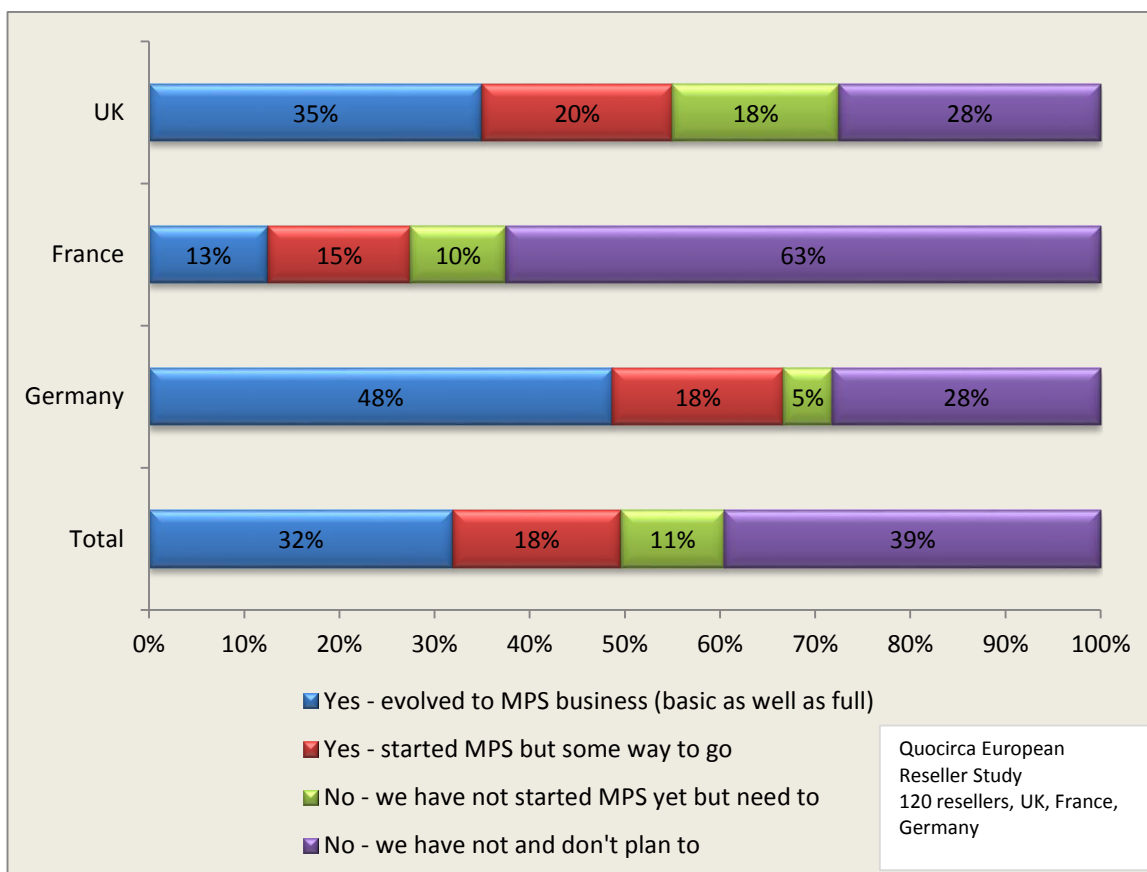


Figure 3. Have you diversified your business model to a managed print services led approach in the last 2-3 years?



MPS drivers

Channel partners moving into the MPS space are driven primarily by the need to create a new revenue stream and improve profit margins (Figure 4). The next major driver is improving service delivery. They also rate the importance of protecting their customer base highly, reflecting a growing awareness of the widening range of print technology procurement options available to SMBs.

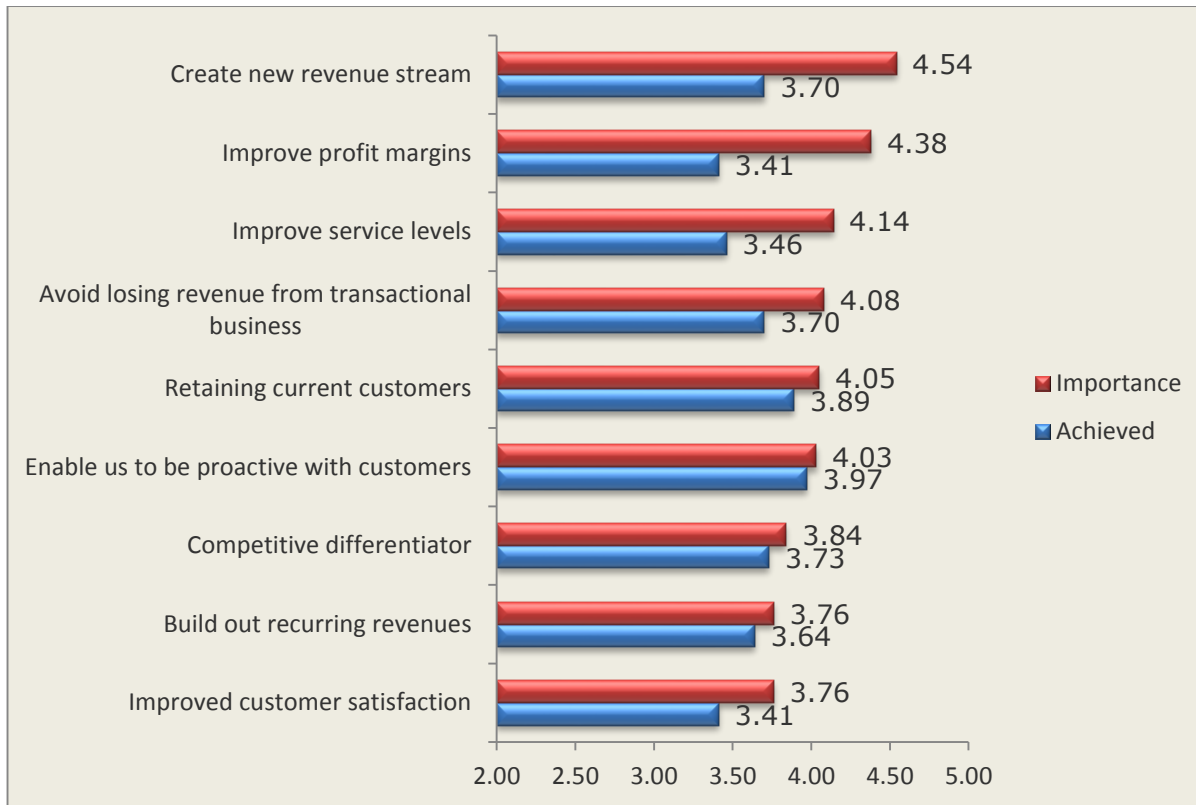


Figure 4. Importance versus achievement of MPS goals (1 = unimportant / no progress, 5 = very important / successfully achieved)

MPS is broadly delivering on expectations when it comes to being more proactive with customers, increasing competitive differentiation and developing recurring revenues. However channel partners have not been consistently successful in generating new revenue streams, improved profit margins or better service levels. This is mainly due to the fact that many resellers are still at the early stages of their MPS transformation.

Most are taking a hybrid approach, slowly introducing some MPS offerings while continuing to sell hardware. Consequently they have not yet been able to minimise upfront costs, add higher margin software products to their portfolios or develop the service level agreements (SLAs) needed to support consistently high service levels.

Indeed, on further analysis, it's clear that resellers that have evolved into full MPS providers are enjoying considerably more success in achieving their goals (Figure 5).

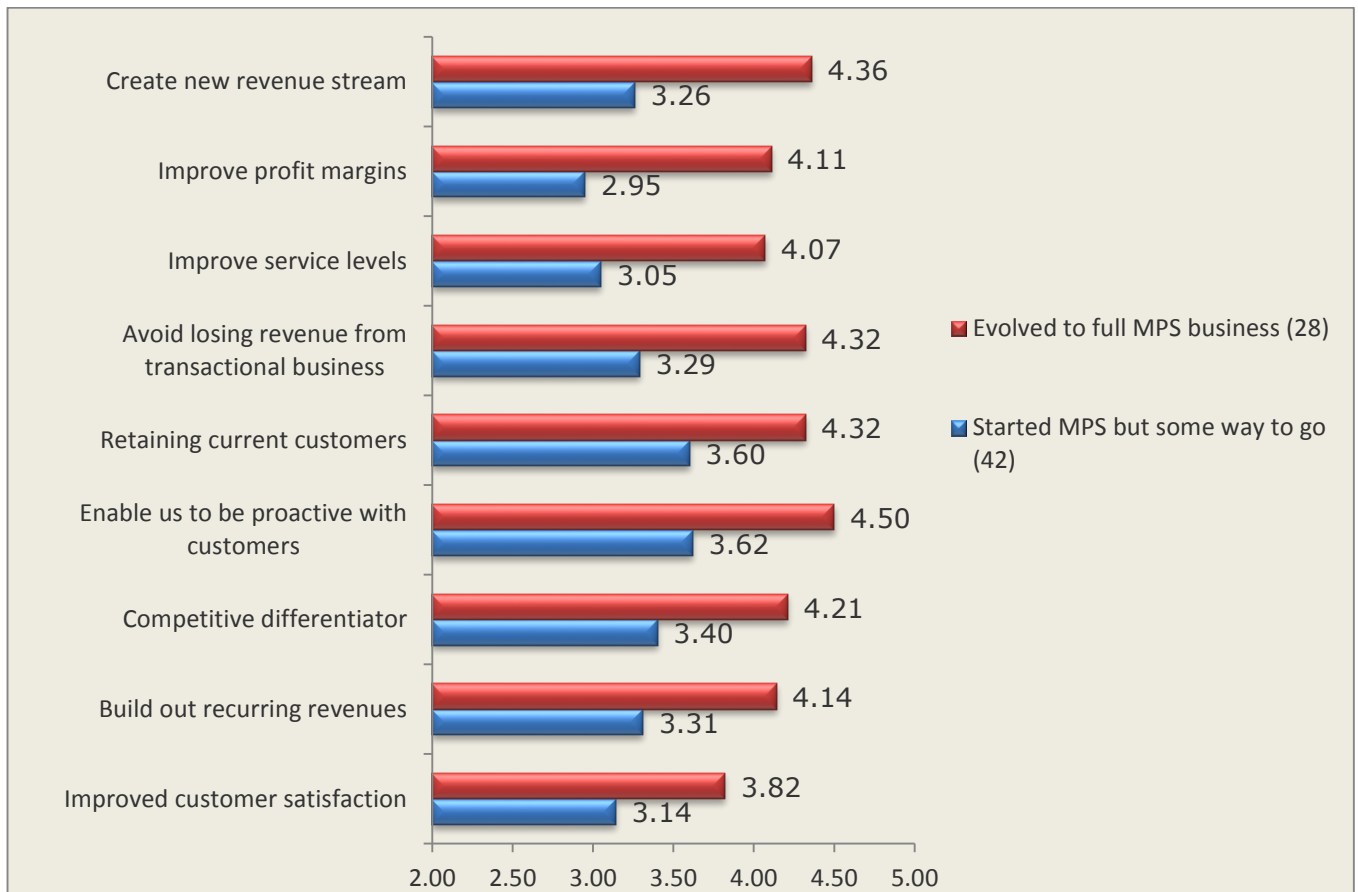


Figure 5. Achievement of MPS goals versus MPS maturity (1 = no progress, 5 = successfully achieved)

With investment and commitment to MPS, channel partners can certainly transform their businesses, generating recurring revenue and building long-term customer relationships.



The solutions opportunity

SMBs are increasingly using or planning to use software solutions to improve their productivity. Products can be broadly categorised as follows:

- **Mobile printing:** This enables mobile workers to print securely and reliably, directly from their smartphone or tablet. Mobile printing boosts user productivity by providing the same print capabilities they are familiar with from their desktop while on the move.
- **Secure printing:** Networked printers and MFPs have the same security vulnerabilities as any networked IT device. Through secure print tools, SMBs can increase document security while minimising paper wastage and increasing user productivity. For example with pull printing, documents are only printed when the user confirms their identity, such as by entering their user ID and password or swiping a personalised smartcard. This eliminates the risk of users printing documents and forgetting to pick them up then reprinting them later. Allowing users to activate their print job at any MFP on the corporate network supports today's more mobile and flexible ways of working.
- **Document workflow:** With SMBs citing the need to reduce paper consumption as a key concern, many are actively digitising their paper processes. By using document workflow tools that enable scanning directly from an MFP to the cloud or an enterprise content management (ECM) system, SMBs can use an MFP as a document processing hub, making it integral to key business processes.

In response to growing interest in mobile printing and digitisation of document workflows from SMBs, almost 40%¹ of channel partners are looking to expand their solutions portfolio. While MPS is certainly an enabler for solutions, many channel partners without MPS expertise also sell solutions (Figure 6).

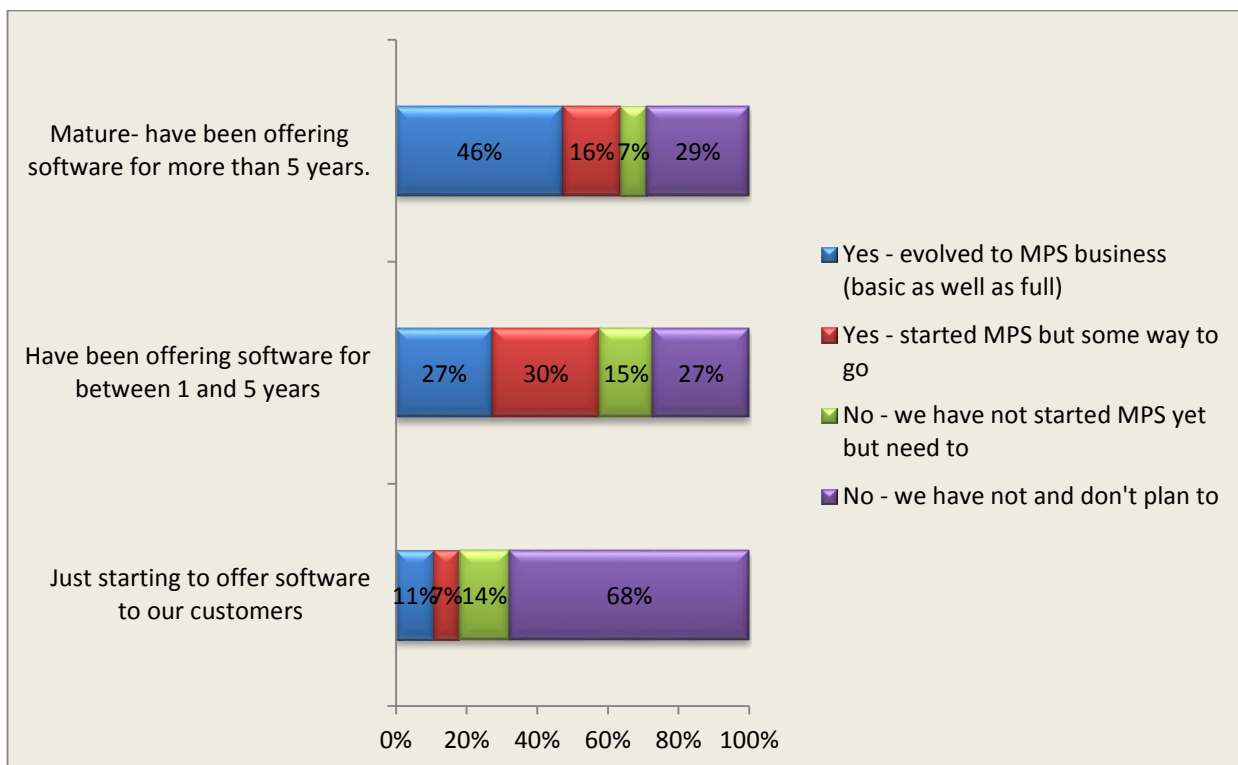


Figure 6. MPS stage/Level of software maturity

According to Quocirca's survey, software represents less than 10% of revenue for almost 80% of office equipment dealers (Figure 7). These dealers will be accustomed to selling printer or MFP hardware with preloaded solutions, but



may not have the expertise or training to sell more advanced solutions. In contrast, value added resellers (VARs) are already generating a fair proportion of their revenue from software sales.

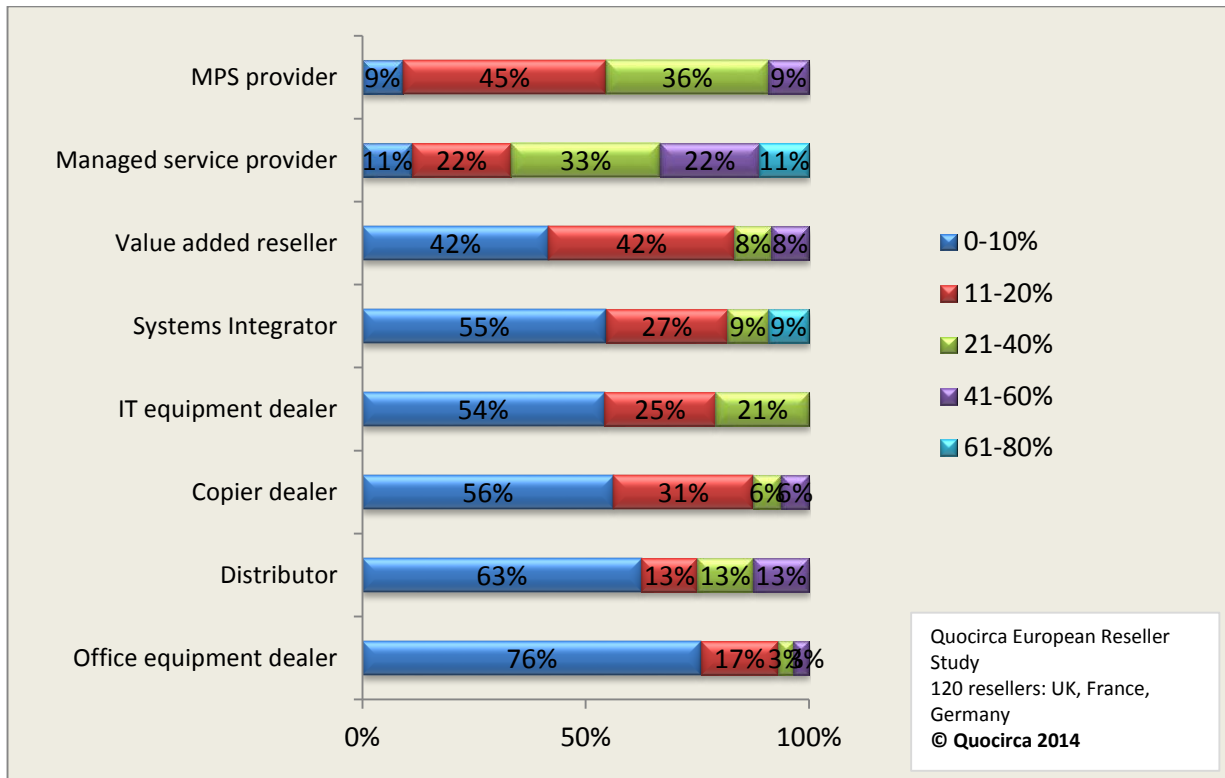


Figure 7. What percentage of your print related revenue falls into the software category? (Note small sample sizes – less than 20 per category)

Market summary

Quocirca has created a snapshot of the positioning of vendors in the channel MPS market (Figure 8). This was based on vendor survey submissions about their strategies and offerings and existing data on the perception of MPS programmes among SMBs and resellers.

The graphic represents Quocirca's view of the competitive landscape for vendors with channel-led MPS offerings. These are grouped into three categories:

- 1) **Market leaders:** Vendors with strong strategic vision and a comprehensive MPS service offering. Leaders have made significant investments in their service portfolio and infrastructure and boast strong delivery capabilities.
- 2) **Strong performers:** Vendors that have established and proven offerings and are continuing to develop their infrastructure for channel partners.
- 3) **Contenders:** Vendors that are investing in resources, infrastructure and partnerships to expand their MPS market coverage regionally or globally.

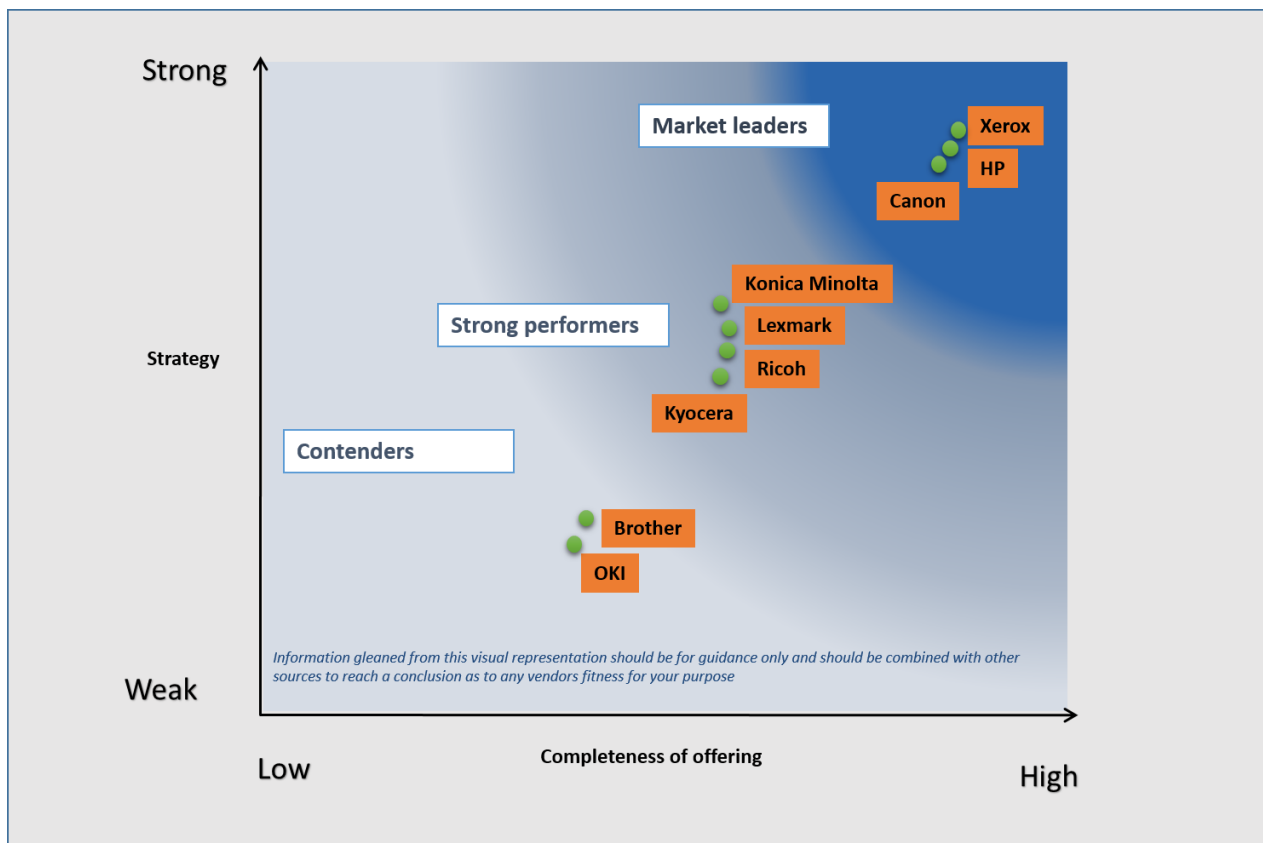


Figure 8. Quocirca channel MPS vendor positioning



Market leaders: Xerox, HP, Canon

Xerox

In March 2014, Xerox announced enhancements to its global partner programme, with a particular focus on helping partners expand their revenue opportunities by providing access to a range of tools, training and marketing resources. Its aim is to deliver a 30% increase in benefits for its partners, with improvements including greater solutions content. Its Personal Application Builder is a strong differentiator, enabling partners to personalise solutions for their customers.

Xerox regards selling its growing portfolio of software and services through partners as key to the growth of its solutions penetration. Globally, Xerox is working to accelerate the transition of its partner network to a services-led model. It already has more than 2,500 partners offering some form of MPS. Expanding its managed print services (MPS) capabilities to meet the needs of smaller and mid-market businesses is central to its channel strategy.

Another core focus of Xerox's channel MPS initiative is Xerox Partner Print Services (XPPS), which sits between its basic equipment service packages such as eClick and PagePack and its direct enterprise MPS offerings. XPPS is a cloud-based platform, hosted by Xerox, and offers a range of standardised components to support a multi-vendor environment, such as assessment and optimisation, device discovery and monitoring, sales contract management, business intelligence reporting, service management and delivery and a customer service portal.

Xerox has built a comprehensive certification and accreditation process for XPPS salespeople and partners to support their MPS sales efforts. Accredited XPPS partners must be able to demonstrate successful delivery of MPS for clients. Xerox now has around 300 XPPS partners in Europe, more than 80% of which are fully accredited.

One of the key strengths of Xerox's XPPS offering is its multi-vendor device support, which expands the reach of XPPS beyond its traditional 'concessionaires', who exclusively sell Xerox-branded products and services, to encompass multi-brand reseller partners. This enables Xerox to capture both Xerox and non-Xerox page volumes under contract.

In addition to its traditional channel partners, Xerox's partner network also includes a range of managed IT services and technology partners including Cisco and Computacenter in Europe. Global software partners include Nuance, ECI and Labtech.

Using a flexible and robust hosted platform such as XPPS is a viable approach for both Xerox-only and multi-brand resellers looking to develop their MPS capabilities. Not only does it limit the investment risk in building an MPS platform, it also gives resellers access to Xerox's global supply chain and delivery centres. This is particularly attractive for resellers who want to expand their MPS delivery, whether regionally or globally.

The solutions available for XPPS resellers to offer their clients include mobile print, fax and scan services, secure printing and basic document management.

For now, Quocirca believes Xerox is ahead of the game when it comes to the maturity of its channel MPS initiatives. However, competition is following fast, including providers in the managed IT services market, which Xerox is already wisely engaging with.

HP

As part of HP's overall channel investments, it is expanding the aggressive global roll-out strategy for its Partner Managed Print Services offering. Currently offered across most EMEA countries, the US and parts of Asia Pacific, Partner Managed Print Services is a flexible service offering that is designed to meet the needs of resellers whatever their position on the MPS maturity curve.

Following its acquisition of Printelligent in May 2011, HP has been working to enhance its portfolio of MPS offerings for its channel partners. Through providing a comprehensive MPS platform that facilitates close working relationships



between resellers and clients, HP is helping its IT and MPS channel partners make a successful transition to a services and software-led approach.

HP offers a broad range of MPS services for its channel partners, with options to suit resellers whatever the maturity of their MPS capabilities. Over the past year, it has invested heavily in its sales and service organisation to provide full support for partners who don't yet have the infrastructure to support MPS deals.

One of the more promising boosts to HP's channel MPS strategy has been the Printelligent acquisition. By expanding on the Printelligent concept, HP provides its channel partners with a wealth of scalable multi-vendor MPS capabilities, covering the gamut of services of customer engagement and assessment, diagnostics and analytics, service optimisation and document management solutions.

HP has already begun integrating Printelligent into its channel MPS offerings, which it has renamed HP Partner Managed Print Services. It is also integrating parts of its direct MPS tools with the Partner MPS platform to further boost its channel offering and make it more scalable.

HP is also actively engaging customers to implement software solutions, creating opportunities for resellers to differentiate and add value to their MPS contracts.

HP estimates that over 70% of its MPS contracts include solutions. Its solutions portfolio includes a broad range of offerings from certified third party partners, addressing document capture, security, access control, document management, mobile printing and more.

HP certainly has one of the largest and most comprehensive channel networks in the industry and is well positioned to expand mindshare of its MPS offerings. Its enhanced partner MPS strategy, and in particular its unified Express Decision Portal (EDP), promise to make MPS much more accessible to all types of resellers, enabling them to develop long-term revenue streams.

Canon

Together with a strong end-to-end hardware portfolio, Canon has cultivated a broad and loyal partner network across Europe. It continues to develop its MPS offerings to meet the requirements of businesses of all sizes, from SMBs to large enterprises. MPS Essentials, launched in Q4 2013, provides a packaged suite of services that covers all aspects of MPS, from discovery assessment, through implementation, maintenance and support to regular customer reviews. Canon MPS Essentials is targeted at SMBs with up to 500 employees/seats, while Canon Basic Print Services serves smaller companies with ten or more employees. Both use Canon's e-Maintenance platform, which boasts 66,000 devices connected across Canon's European partner network.

Canon is putting effort into building its partner network, offering MPS accreditation as part of its new 2014 pan-European partner programme. It is actively training partners to focus on business process optimisation and supports more advanced partners with a range of software and services to help them expand their MPS offerings. Canon Europe has also dramatically increased its portfolio of services and solutions to help its customers, large and small, optimise their management of paper-intensive document workflows as well as more complex business processes.

Canon scores consistently well on reseller perception, which is testament not only to its brand presence but also to its robust set of hardware and software products. Although Canon has only started repackaging its services for the channel, it is well positioned to build on the expertise of a mature partner base where many are already actively offering MPS. Its new print service offerings will enable it to gain a stronger foothold in channel-led MPS engagements and early indications suggest that resellers have been very receptive to Canon's initiatives in this space.



Strong performers: Konica Minolta, Lexmark, Ricoh, Kyocera Document Solutions**Konica Minolta**

Konica Minolta has made strong inroads in the direct MPS market since the launch of its Optimised Print Services (OPS) programme in 2008. This modular programme combines consultancy with hardware and software implementation and operation. The OPS concept comprises five areas – fleet, process, finance, security and green (environmental impact assessment). A catalogue of service options within these areas is available to its direct clients. Over the past two years Konica Minolta has extended its OPS concept to its channel, offering a scaled down version of its menu of services. SMB customers currently comprise approximately 60% of its OPS customer base.

Konica Minolta has developed a range of mature channel MPS programmes in both the US and Europe to strengthen its channel and tap into the growing adoption of MPS within the SMB space. Konica Minolta's European OPS for Indirect initiative has been running for around two years. It is now widespread across most European countries, with regions such as the Nordics and Iberia seeing the most success. The basis of the OPS for Indirect programme is that partners use Konica Minolta's MPS platform (OPS Backbone) to build their own MPS solution. This includes tooling aligned with the OPS Consult and OPS Manage phases of Konica Minolta's OPS methodology.

Konica Minolta actively helps partners attain 'OPS Certified Partner' status with training and associated support. A small number of partners have opted to use the OPS Backbone infrastructure but not to go through the necessary training to become an OPS Certified Partner. To promote uniformity of approach and consistent customer experience, these non-certified partners are not permitted to use Konica Minolta's OPS brand or associated insignia.

Quocirca believes that Konica Minolta has a sound proposition for its channel. With an extensive set of services that can address varying levels of MPS maturity, it scores well in the brand perception of channel MPS offerings, below key competitors Canon, HP and Xerox. This reflects the growing mindshare that Konica Minolta is gaining around its channel MPS offerings and its already-established sweet spot in the SMB space.

Lexmark

With a strong reliance on its channel, Lexmark is actively expanding its MPS channel presence in both the US and Europe. In March 2012, it announced that the Lexmark Business Solutions Dealer (BSD) Programme would replace the Lexmark ValuePrint Programme (LVP). BSD is designed to fit more closely with Lexmark's high-value approach.

While the BSD programme is targeted at copier dealers, Lexmark also offers a Page Plus Business programme, which is targeted at IT resellers with little or no experience of the MPS market.

Lexmark offers comprehensive training support to its European channel partners, particularly for its range of industry and embedded solutions. It is actively working with its partner community to expand sales of integrated MFP hardware and software solutions, especially those who already understand the benefits of MPS and the opportunity of selling attached software solutions. As such, it is specifically focusing on proactive channel partners that wish to move beyond transactional sales to a solution and services model.

Lexmark's vendor-agnostic print fleet management (LFM) tool is available to all partners, for the assessment, optimisation and ongoing management of the print environment. Lexmark LFM can be deployed on-site or as hosted software and is designed to create a secure shared print environment that offers a range of business benefits. More experienced dealers can manage the entire contract with no support, while for inexperienced resellers Lexmark provides more of the back-end hosting and support.

Resellers often praise Lexmark's proactive communication and the opportunity to influence product development. In the US and Europe, Lexmark has already made inroads with its plan of helping dealers incorporate solutions into their sales strategies. This has paid dividends, with solutions adoption rates increasing amongst resellers, and Lexmark has also been successful in attracting more solutions-led resellers to its programme. Indeed, solutions are critical to Lexmark's growth and viability in the channel. This is demonstrated by its acquisitions of Perceptive Software, Pallas



Athena, Brainware and Saperion AG. These acquisitions accelerate several of Lexmark's strategic objectives, including rapidly expanding its software and solutions footprint in the EMEA region.

While some of these products may be too feature-rich for the SMB market, Lexmark is highly focused on expanding sales of solutions through its channel. A high proportion of Lexmark's solutions are developed in-house, and it is one of the few vendors to offer solutions integrated throughout its portfolio of A4 products, as well as its range of A3 devices. Lexmark is targeting channel partners that can integrate its software and MFP platforms to provide customers with a robust MFP solution that integrates document workflow.

Resellers regard Lexmark as very responsive to their needs, particularly when it comes to training. Its solutions strategy is highly focused on its Virtual Solutions Center (VSC), which has a range of customisable industry applications that can be easily deployed by dealers. This is a key differentiator for Lexmark and, although competitors such as HP and Xerox are catching up, its mature solutions portfolio remains a competitive advantage.

Ricoh

Ricoh Managed Document Services (MDS) and its overall services strategy acknowledge the importance of the indirect channel to accomplishing two fundamental objectives:

- 1) To ensure that Ricoh can deliver a consistent service experience to its global customers, through both its direct and indirect coverage.
- 2) To build revenue and market share worldwide, particularly in those countries where Ricoh does not have a direct presence.

Ricoh announced an aggressive shift to a services-led strategy in January 2011. Since then, it has invested \$300 million in new technologies, IT infrastructure and salespeople, helping its annual revenue from MDS reach almost \$2.3 billion in 2013-2014. From a direct perspective, Ricoh has made significant strides in the development of its MDS portfolio. It is now working to expand the reach of its MDS capabilities to its channel partners.

Central to Ricoh's MDS approach is its adaptive model, which encompasses a five-stage framework (understand, improve, transform, govern and optimise). Ricoh's global governance model surrounds the five-stage core with both project and services management and is guided by best practices in organisational change management.

Ricoh Europe is actively training its channel partners to deliver Ricoh's MDS, enabling them to develop recurring revenue streams by delivering MDS services themselves. Although it has around 300 channel partners in the UK, only a small proportion of these are true services-centric businesses. Around 10-15% of Ricoh's channel partners offer a full-blown MDS approach, however a much higher percentage are able to offer basic print services including assessment and usage reporting.

Quocirca believes Ricoh has the infrastructure and processes in place to help its channel partners transition to a services-led strategy. However, it needs to accelerate its initiatives as it faces strong competition from mature programmes from Xerox and now HP, which are both expanding their multi-vendor support capabilities.



Kyocera Document Solutions

Kyocera is actively expanding its services and solutions strategy across its European sales companies. Its focus lies on continued investment in its HyPAS platform and evolving its channel into solutions-oriented resellers. Kyocera plans to drive this evolution with the expansion of its channel programme, alongside encouraging adoption through its HyPAS developer programmes. Like other vendors, Kyocera is working to help its partners build long-term relationships, as well as helping them compete more effectively thanks to its extensive solutions portfolio. In Europe, Germany is the largest market for Kyocera, followed by the UK.

Kyocera's key focus is training and supporting its channel to promote its MDS model, which is based on its ADIMO approach (assess, design, implement, manage, optimise). It offers its resellers support and tools for every MDS stage, from initial assessment, design or proposal through implementation or roll-out to fleet management and optimisation.

Kyocera has developed an internal infrastructure (including resources, skills and tools) to support resellers. Providing a hosted print management tool, KYOfleetmanager, enables minimal upfront investment for its channel. Kyocera is already seeing success with this strategy, particularly as it also offers multi-vendor support.

Kyocera's channel-led MDS initiatives have been particularly strong in the UK, France, Germany, Spain and the Netherlands. It estimates that over 650 dealers are using KYOfleetmanager to manage in excess of 20,000 end-users and approximately 150,000 devices.

In February 2014, Kyocera UK launched its new education programme designed to accelerate channel partners' understanding of its diverse portfolio of hardware, software and services. Partners are encouraged to take learning modules throughout the year to help boost their knowledge and enable them to give informed, impartial advice to their customers about Kyocera's offering. As part of this major initiative, later in 2014 Kyocera is launching MDS with Midwich, PrinterBase, QC Supplies, Printware, Printerland, Misco and Ingram Micro. In the UK, Kyocera has also started a solutions awareness training programme for the sales channel to educate them on its solutions portfolio.

Contenders: Brother, OKI

Brother

Brother launched its new MPS model in 2011 to appeal specifically to the SMB market. This covers its mono laser products, colour laser/LED products, A3 business inkjets and high speed fixed head devices. The programme is designed to suit any SMB, even those with just one or two devices.

Businesses can opt to buy or lease hardware then pay for printing on a 'pay per click' basis, with no minimum volume commitments. The programme is currently running in the UK, Ireland, France, Germany, Austria, Belgium, Italy, Switzerland, Finland and the Netherlands, with more to follow. Brother is particularly targeting system houses, VARs and office equipment retailers as MPS resellers.

Using automatic meter read collection, supplies are charged on a per-page basis. The cost includes full delivery and installation and Brother supplies genuine consumables and service with guaranteed on-site response times.

Brother provides access to its web portal to order supplies, log service requests and monitor the usage and running costs of each machine. Automated supplies are an optional free enhancement. It also offers User Print Management software, and other bespoke services are available in selected countries.

Alternatively companies can purchase their hardware and services through a Brother reseller. In these cases, Brother guarantees the channel partner 100% of supplies business for the duration of the contract. This enables the reseller to capture all supplies profit without increasing overheads. The hardware and service packs are financed so resellers receive the total amount once the hardware is installed, while customers make regular payments.



All MPS contracts include an extended service/warranty pack. Resellers, who act as authorised service agents, can generate additional revenue and profit by applying an optional installation charge. They have full flexibility on pricing, with freedom to set their own margins and billing.

The web portal enables resellers to generate proposals, use a product selector tool, make credit requests and create contracts. The same tool manages customers' meter read collections, invoicing, service and supplies ordering.

OKI

OKI Europe has intensified its focus on developing a cohesive set of services for its channel MPS partners. In October 2013, it launched Smart Managed Document Solutions. This takes a consultative approach to help customers fully integrate print and document management into the broader workflow of their businesses while minimising costs.

The Smart Managed Document Solutions portfolio includes three components:

- 1) **Smart Managed Page Services** – where OKI identifies the print requirements of a business and recommends the right printing device and a tailored all-inclusive printing plan.
- 2) **Smart Managed Print Services** – a print optimisation and management service which installs the right device in the right place, improving productivity and cost efficiency in the workplace, while significantly reducing costs.
- 3) **Smart Managed Document Services** – a bespoke service to streamline a business's document workflow by digitising documents within a highly secure infrastructure, removing labour-intensive manual paper handling for quicker and easier archiving, retrieval and sharing across the organisation.

References:

- 1) [European Channel MPS Priorities](#), March 2014
- 2) [The MPS opportunity for SMBs](#), April 2014



About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

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