

Quocirca Printer Pulse

SMB AND MIDMARKET PUSH SPURS MARKET CONSOLIDATION

INSIDE THIS ISSUE:

UNBURDENING THE CIO: THE BUSINESS VALUE OF MPS **2**

ENDPOINT SECURITY: ERASING THE PRINTER THREAT **4**

WILL SMARTPHONES HERALD THE ERA OF UBIQUITOUS PRINTING? **6**

HP's VISION for CLOUD and MOBILE PRINTING **8**

PITNEY BOWES: TRYING TO PUT ITS STAMP ON THE SOFTWARE WORLD **10**

THE BATTLE FOR CHANNEL MPS HEATS UP **12**

CONTACT

For further information on Quocirca or its services please contact:

Louella Fernandes
Louella.Fernandes@quocirca.com
Tel: 07786 331924

www.quocirca.com

The MPS market has seen a wave of consolidation with Xerox and HP both acquiring companies which will boost their capabilities in the midmarket.

Xerox's acquisition of NewField IT is essentially a formalisation of an existing relationship. Xerox has for some time been using Asset DB, its flagship product, as part of its assessment and optimisation services within the Xerox Partner Print Services (XPPS) programme. Meanwhile, HP's acquisition of Printelligent provides it with an established set of multi-vendor services and tools for its channel to deliver MPS to its end-customers. A full analysis can be found on page 10.

A less high profile acquisition was the purchase of Document Express, a UK-based Xerox concessionaire and MPS provider by Danwood—a \$10M revenue, leading MPS provider in the UK.

The market is certainly heating up, and the SMB and midmarket is the new battleground where vendors are striving to gain share. These channel-led markets represent a huge opportunity for vendors and their resellers to capture ongoing revenue opportunities through selling a mix of basic MPS contracts which include hardware, service and support to more sophisticated engagements which include assessment and optimisation of more complex multi-vendor environments.

It will not be an easy transition for the IT reseller channel, who are used to selling hardware on a transactional rather than on a contractual basis. But by doing this they are missing out on the opportunity for recurring consumable sales as most customers tend to purchase supplies and consumables on an ad-hoc basis—which is

expensive and inefficient for businesses, particularly as many smaller businesses have limited resources to carry out admin and support tasks.

Quocirca believes that the next year will see more midmarket businesses engaging in MPS contracts. The SMB market might be a harder nut to crack as it is highly reliant on reseller resources and skills to sell MPS contracts in favour of the transactional sale. However, many vendors are embarking on MPS channel training programmes to ensure that their resellers can deliver MPS using the vendor's hosted MPS infrastructure.

But although the tools and infrastructure for resellers are certainly there—it remains to be seen how ready and receptive the channel will be to this new way of selling printing, rather than printers.

Louella Fernandes
Principal Analyst



UNBURDENING THE CIO: THE BUSINESS VALUE OF MANAGED PRINT SERVICES

CIOs have long been focusing on making IT a driver for growth, using strategies such as IT consolidation and simplification to create business value with limited spend. Frequently, printing is an afterthought when it comes to controlling and managing IT costs.

Despite the abundance of printed communications across businesses of all sizes, few CIOs are aware of the cost, complexity or risk of operating an unmanaged print environment—all of which can be mitigated through using a managed print service (MPS).

The reality that faces many businesses is a print environment that is out of control. A patchwork of devices from different manufacturers requiring different supplies, service contracts and software means that it is almost impossible to have a single view of what is being printed, by whom and where. Whilst today's multifunction peripherals (MFPs) are sophisticated document processing hubs which can capture, print, copy and store with speed and convenience, their network connectivity and ability to store data on hard drives brings inherent security risks.

Failure to protect and manage these devices can leave an organisation exposed to both spiralling costs as well as security risks.

Some enterprises are now turning to MPS to reduce the cost, complexity and risk associated with an unmanaged print infrastructure. It is estimated that up to 30% can be saved on printing costs through the use of MPS—but the value can extend well beyond the basic cost. MPS can create business value by using existing resources more productively, allowing a business to focus on core competencies while outsourcing non-core printing functions such as service and support. As well as providing flexibility, skills and technology, MPS can also improve the predictability of expenditure on an Opex basis—while removing the hardware costs from the Capex budget.

MPS provides an assessment of the existing device fleet, analysing print usage and then determining a consolidation and on-going management strategy that aims to maximise productivity while reducing costs. Sharing fewer devices amongst

more users, replacing out-dated single function printers with MFPs and implementing workflow solutions can all help reduce both financial and environmental costs, tighten document security and boost utilisation rates. Centralised management tools offer reporting and auditing capabilities which provide enterprises with the visibility they need to understand print costs.

Quocirca estimates that around 20% of enterprises have adopted some level of MPS, with more businesses beginning to evaluate it. Today the market is highly competitive and dominated by Xerox and HP. Both companies continue to expand their offerings in a bid to capture enterprise mindshare. But despite the clear benefits of MPS, it has yet to reach the radar of priorities for the majority of CIOs, for whom printing is often the poor relation, sitting on the periphery of the IT infrastructure.

This could be about to change as CIOs are increasingly focused on technologies and modular services which can be deployed cheaply, scaled quickly and easily adapted.

“Multifunction devices pose the same security risks as any other networked device.”

THE BUSINESS VALUE OF MPS

Quocirca believes the following three CIO priorities can be achieved through MPS:

- Reducing costs:** Technologies such as virtualisation, cloud computing and managed services all allow businesses to adjust costs and resources quickly, as required. As a core part of a managed services strategy, MPS can deliver high performance whilst helping to control costs and allow companies to benefit from an optimised print infrastructure with minimal (or often no) capital investment. MPS can be scalable and benefits companies of all sizes.
- Reducing risk:** Information security is high on the agenda for every CIO, yet few appreciate the risks that today's advanced MFPs bring. Without taking the correct control of the print environment, businesses are leaving themselves wide open to confidential or sensitive data being lost or hijacked. These risks can be easily mitigated by implementing solutions such as 'pull printing' which ensures documents are only released on au-

thentication, encrypting hard drives of MFPs and auditing usage of features such as scan to email, print or copy.

- Enterprise mobility:** Mobility solutions should become a key component of MPS, as an estimated 60 to 80% of employees are mobile workers—whether on the road or working from home. Solutions such as pull printing and universal print drivers enable employees to access documents from any location within a managed print environment. Meanwhile, solutions such as ePrint from HP provide direct mobile printing capabilities. These types of solutions can be wrapped up within MPS, and enable enterprises to provide their employees with the highest level of print productivity.

Businesses now have a growing choice of MPS offerings from vendors such as Canon, HP, Lexmark, Ricoh and Xerox. When evaluating providers businesses need to be aware that cost is only one issue, with risk mitigation and value creation being just as important.

Therefore, enterprises should pay close consideration to the skills, performance, SLA flexibility and customisation capabilities of any potential provider.

Read Quocirca's latest report on the MPS market: [MPS Comes of Age.](#)



ENDPOINT SECURITY: HOW TO ERASE PRINTER THREAT

Endpoint security is a critical part of any organisation's data-loss

prevention strategy, yet networked printers often present intruders with an open door.

Most firms understand that securing network endpoints against the risk of accidental or deliberate security breaches is important. But while most companies have antivirus software, firewalls, email and web-content security to protect against external threats, few realise that unsecured networked printers and multifunction peripherals can expose holes in their information security coverage.

The recent data breach at the City of York council over sensitive information being distributed after being inadvertently collected from a shared printer highlights the security vulnerabilities inherent in the use of shared printers.

The move to shared printers is often the result of device consolidation performed under a managed print services contract, which aims to reduce the spiralling costs of an unmanaged printer estate by replacing desktop and personal printers with advanced multifunction peripherals.

Such devices often operate

as sophisticated document-processing hubs with capabilities to scan to email or file destinations, as well as holding copies of documents sent for printing on local hard disk drives in addition to the standard functions of print, copy and fax.

While multifunction peripherals have brought speed and convenience to the office, more than often they are unmonitored and unsecured, allowing sensitive or confidential data to fall into the wrong hands, either intentionally or inadvertently.

Points of vulnerability include output trays where documents may be left unclaimed and the data stored on the internal hard disk drives. Fortunately, there are simple ways of mitigating these risks, either using built-in security features or advanced security options, depending on the level of security needed.

The security landscape for printing is complex and characterised by a mix of manufacturer software tools and third-party products. A multifunction peripheral's built-in security features may include inte-

grated hard disk drive overwrite capabilities that enable the automatic erasure of sensitive data from the printer's hard disk after the file has been processed.

Advanced products may offer hard disk encryption, which enables address-book data, authentication information, archived documents and so forth to be encrypted before being saved to the hard disk. For enhanced security, document data can itself be encrypted during transmission. Canon, for instance, through its uniFlow tool, can also detect the type of document being printed and determine if the user actually has the rights to print the job.

One of the easiest ways to eliminate the common problem of unclaimed output in printer trays is through user authentication or pull printing. Authentication can be through user ID, smartcards or biometrics and can be enabled either against the multifunction peripheral or an external authentication server such as Microsoft's Active Directory.

Pull printing enhances security by releasing documents only when users are physically at the printer. But there are other benefits. Where pull printing is shared among a pool of

“Multifunction devices pose the same security risks as any other networked device.”

ENDPOINT SECURITY: HOW TO ERASE PRINTER THREAT

printers, it also promotes mobility by allowing users to release documents at any convenient printer and reduces waste by eliminating unclaimed output.

Probably the cheapest option is user authentication, which is enabled by embedded technology at the device level and controlled by the device driver. This solution is often the least expensive option because it is a standard feature on devices such as those from Canon, HP, Ricoh and Xerox.

Third-party products from vendors such as Equitrac and SafeCom also offer job-routing to alternative devices and can also operate across a mixed fleet environment.

However, third-party products may have limitations for diverse printer fleets that use differing printer languages and drivers which can lead to inconsistent output reliability depending on which printer a job is released at. For instance, if a print job is submitted to a queue with specific requirements such as stapling, it can only be rerouted to a printer with that functionality, and the software has to support the functionality on that printer.

One tool that overcomes this is Canon's uniFlow universal driver, which

notifies the user if the print job can be fulfilled at their chosen device - for example, if it supports the required finishing functions. uniFlow supports the majority of manufacturers' office multifunction peripherals, although it is particularly customised to Canon MEAP-enabled devices.

By using authentication, all print activity is logged and can be reported on, and most multifunction peripherals now provide a full audit trail of activity for tracing unauthorised access. This feature is particularly helpful in the case of a breach, as the source can be quickly identified.

Of course, there will be cost implications in choosing whether to utilise built-in security features or third-party products that have the associated licensing and support costs. The market remains somewhat disjointed - between manufacturers' own products and the third-party tools from independent vendors. Cost-effective unified approach

Quocirca believes the opportunity for a cost-effective unified approach that works across printer brands, particularly for large enterprises, has yet to be fully exploited. Cer-

tainly, independent vendors such as Equitrac are well positioned to provide such capabilities through its partnerships with the major manufacturers, while products such as uniFlow also have strong multivendor secure-printing capabilities.

The simplest and quickest approach is to enable built-in security features that can minimise the risk of documents falling into the wrong hands. In the long term, businesses should gain control of their printer fleet through a managed print service that will enable them to measure what is being printed, by whom, and deploy layered security features dependent on their security needs.

Printers and multifunction peripherals are not going away and will remain a significant network endpoint for some time. Ignoring the potential risk of leaving these devices unsecured can have serious implications for any business.

Read Quocirca's latest report on the MPS market: [MPS Comes of Age.](#)

WILL SMARTPHONES AND TABLETS HERALD THE ERA OF UBIQUITOUS PRINTING?



Since the release of the iPad in 2010, the market has become awash with a variety of mobile print solutions including Apple’s AirPrint, HP ePrint, Ricoh’s HotSpot printing and Google Cloud Print to name but a few. Many printer vendors are banking on the soaring demand for smartphones and tablets to revitalise the opportunity for printing, in the office, at home and on the move.

“The collision of two markets driven by proprietary platforms has created challenges in developing universal printing capabilities across mobile platforms”

With projections that smartphone sales will reach 300 million worldwide in 2010 and up to 55 million tablets forecast to be sold this year, the opportunity is significant, even if only a small proportion of users actually need or want to print. But as the two walled gardens of printers and mobile devices come together, are vendors in danger of over-complicating an essentially simple process?

The mobile and print worlds are remarkably similar in many ways. In the mobile world, data and applications are increasingly the keys to opening up new revenue opportunities for device manufacturers and platform providers. In the printer world, pages are king as it is the ink on pages that drives revenue more than the hardware.

The collision of two markets driven by proprietary platforms has created chal-

lenges in developing universal printing capabilities across mobile platforms.

So, faced with a diverse mobile device platform landscape, it is unsurprising that it has spawned such a wide array of mobile printing solutions from printer vendors. Most of these solutions are predicated on sending a document as an email attachment, via the cloud, to a web-enabled printer which has an associated email address. The exception to this is Apple’s AirPrint which currently supports printing to HP “cloud-aware” printers only—which include HP’s OfficeJet, LaserJet Pro and PhotoSmart printers.

HP’s head start

HP has had a clear head start in the market, being the first (and so far only) printer vendor to offer direct support through AirPrint. But what are the options for businesses not using HP printers that want a reliable and universal way to print to office devices from smartphones or tablets? One solution is HP’s ePrint Enterprise, part of an HP Managed Print Service which enables BlackBerry users to print to any network-enabled printer. HP has

also just announced that ePrint Enterprise now also support iPhones and was extended to Android devices in May 2011. Ricoh and Xerox also have their own solutions which require emailing a document to a registered printer. One notable and recent addition to the mobile printing fray is from EFI, the provider of Fiery controllers for MFPs from a variety of manufacturers—including Canon, Xerox, Ricoh and Konica Minolta.

EFI PrintMe Connect

Interestingly, EFI’s PrintMe cloud printing solution was launched nine years ago in response to the need for secure printing for mobile workers at locations such as hotels and airports. PrintMe offers automatic discovery of printers and their location, without the need for printer drivers or additional software. Documents are uploaded to the cloud through either the PrintMe web site, email, PrintMe print driver or the PrintMe smartphone apps. Documents can be printed through the PrintMe server to any PrintMe enabled printer client.

PrintMe also supports direct mobile printing

WILL SMARTPHONES AND TABLETS HERALD THE ERA OF UBIQUITOUS PRINTING?

without the requirement for the cloud. Documents can be sent directly to any Wi-Fi connected Fiery driven printer. Its latest addition, PrintMe Connect for AirPrint supports the new AirPrint platform and iOS 4.2 meaning users can print easily from any application on their Apple device to any Fiery printer.

Once installed on the network, PrintMe Connect for AirPrint will show all available Fiery-driven printers as destinations on a user's printer list. There is no need for the individual user to download an application or for the enterprise to purchase a specific iOS-enabled printer or upgrade or modify existing printers or MFPs.

Of course, the question remains as to how much mobile device users really want to print—and if there are no simple and intuitive ways to print, it is likely that users will just not bother.

But even if just a small proportion of the huge installed base of mobile device users print, the market represents significant incremental revenue opportunities for printer vendors.

Of all these vendors, it is only HP that has really put a clear stake in the mobile printing ground and has certainly taken a leadership position in the mobile printing space, providing a simple and effective way to print from Apple's latest generation of iPhones, iPods

and iPads.

But where EFI can potentially capture more mindshare is in the enterprise environment, where its Fiery-controller devices are widely installed.

In the meantime, the market will continue to be characterised by a mix of solutions from printer vendors and third party app developers.

EFI PrintMe Connect certainly offers the potential for ubiquitous printing—at least in the enterprise, but its success will be on its partnerships and joint-marketing with printer and MFP vendors to ensure enterprises fully understand how it can be deployed to offer a simple and secure approach to mobile printing.

“Even if just a small proportion of the huge installed base of mobile device users print, the market represents significant incremental revenue opportunities for printer vendors.

CORTADO: CLOUD PRINTING ALLIANCE

The Cloud Printing Alliance is a partnership started by Cortado, a division of ThinPrint AG, together with printer & Wi-Fi router manufacturers, hotspot providers, software developers and mobile operators. As the founder of the Cloud Printing Alliance, Cortado offers the leading cloud printing solution for mobile printing. Cortado supports thousands of printer models from over 90 printer manufacturers worldwide.

Printers most suitable for printing are those of Cloud Printing Alliance manufacturers. Through close cooperation with Cortado, new printer models from alliance partners will be fully supported thereby using printer drivers suitable for cloud printing. Recommended printers from Cloud Printing Alliance manufacturers can be recognized by the 'Cortado Cloud Printing Ready' logo. Alliance partners include Brother, Dell, Konica Minolta, Kyocera and OKI.



HP'S VISION TO DRIVE MORE PRINTED PAGES BY HARNESSING THE CLOUD, MOBILITY AND CONNECTIVITY

At its recent Analyst Summit in San Francisco, HP delivered a strong vision on how it

aims to grow its printing revenues across consumer, SMB, enterprise and commercial markets. Whether it's consumer web aware printers, retail publishing such as Snap-Fish, managed print services (MPS) or digitising the commercial print processes, HP demonstrated a range of products and services and an integrated go-to-market strategy that will enable it to extend the reach for its vast portfolio.

HP certainly has a strong vision to integrate its cloud, mobile and security offerings and the one area where HP is certainly able to exploit the convergence of these trends is printing. HP has the technology expertise in each of these areas, to provide it with a competitive advantage over its traditional print and copier competitors who are all looking to capture more revenues from products and services in a mature market where HP currently dominates.

HP's Imaging and Printing Group's (IPG) revenues grew by 7% in 2010, and overall, IPG accounted for 20% of HP's revenue. Supplies revenue represents 67% of overall IPG revenue, with commer-

cial printer hardware and consumer printer hardware accounting for 22% and 11% respectively. The consumer market for printers is highly commoditised, so HP is increasing its focus on grabbing a larger share of the commercial market. Commercial printer hardware shipments growth is important, not only for revenue but also the supplies revenue growth these devices can deliver on an ongoing basis.

HP's vision for its IPG business includes having an "ecosystem for on- and off-ramps and a comprehensive cloud-based platform". In simple terms, this means enabling users to connect to any HP networked printer, multifunction peripheral (MFP), print shop and retail storefront from any device, securely and seamlessly wherever the user is at any one time. Behind this objective is the goal to ultimately drive higher value pages, such as colour which generate much more revenue than black and white pages, which in turn drives supplies revenue.

The mobile opportunity
HP also described its innovation around its web-enabled printers, which use the webOS platform. It's ePrint service enables printing on any internet connected device by sending the output as an email

attachment directly to the printer. HP has high hopes for adoption of this among home and business users alike. It shipped 3 million units of its web-enabled printers in Q1 2011 and expects to ship 20 million by the end of this year.

Indeed, the advent of smartphones and tablet devices such as the iPad has generated a new wave in development of printing solutions for platforms such as the BlackBerry, Android and iOS. As well as ePrint, HP has also worked closely with Apple to develop direct printing support for HP printers and MFPs in the latest release of AirPrint available on devices running iOS 4.2 or later. HP also announced that it would provide support for Google's Cloud Print later this year.

The launch of its webOS TouchPad tablet also this year will undoubtedly bring native driver support into webOS for HP devices and, as such, HP is well positioned to integrate the mobile and printing experience for these devices—although it remains to be seen how popular they will be. While HP has brought mobility to the forefront of its print strategy—other vendors such as Xerox and Ricoh have also released products for printing to their printers and MFPs from smartphones.

"The advent of smartphones and tablet devices such as the iPad has generated a new wave in development of printing solutions for platforms such as the BlackBerry, Android and iOS"

HP'S VISION FOR DRIVING MORE PRINTED PAGES BY HARNESSING THE CLOUD, MOBILITY AND CONNECTIVITY

Growing service and solutions revenue

HP is also looking to drive high value recurring business through managed print services (MPS) where it currently has 3,000 customers. MPS is a burgeoning market offering printer vendors an opportunity to capture more pages through managing office, commercial and production print environments. HP is already seeing the fruits of its joint go-to-market MPS activities between IPG and its Enterprise Business (EB) unit. This has resulted in a 200% rise in joint IPG/ES total contract value growth with 74% of the HP enterprise funnel including joint pursuits. HP also indicated that its average deal size is seven times higher through joint activities.

HP is certainly well positioned to capitalise on these joint opportunities and the two groups seem to be well aligned in their go-to-market approach. HP intends to further drive the value of MPS contracts by increasing the sales of attached document workflow solutions. In 2010, these accounted for 75% of its MPS contracts,

compared to 25% in 2008.

Having developed a strong service portfolio for enterprise clients, HP is now building an infrastructure for its channel partners to deliver MPS to SMBs encouraging them to move to a contractual model away from traditional transactional sales. HP has developed Quick-Page, a turnkey service offering that provides billing, account management and financing for channel partners. This hosted infrastructure minimises the resources and investment necessary for channel partners to participate in the lucrative MPS market.

An expanding print service provider ecosystem

Accelerating the analogue-to-digital transformation in graphics is another opportunity for HP to drive supplies and page growth in the commercial printing market. HP estimates that 1.46 billion pages were printed on its high speed inkjet presses in 2010. The fact that over 95% of graphics pages such as labels and packaging, signage, publishing and collateral are still analogue clearly represents a huge opportunity for HP.

As a technology giant, HP has the breadth and scale to operate in all areas of the print industry—covering consumer, SMB, enterprise and commercial print. Its vast integrated go-to-market infrastructure sets it apart from some of its competitors, and certainly the joint approach with its Enterprise Services business will boost MPS revenues.

But in the enterprise and commercial print arena it faces stiff competition from rivals such as Xerox and Ricoh who are both adapting their portfolios to capture wider enterprise print opportunities.

HP has got its finger in many print pies, but it will be the ability to execute on increasing page growth through its product and services that will ultimately drive its revenues in the future.

MPS: HP and Endesa

In January 2008, HP and Endesa, S.A., Spain's largest electric company, entered into a five year MPS contract in order to improve printing costs and its environmental footprint through the more efficient maintenance of its imaging and printing fleet. Endesa began the contract with 4,000 printers, scanners copiers and fax machines across 280 sites in Spain.

After HP's Eco Assessment its print fleet was reduced by 526 units, representing a 19.4 per cent drop in units and savings in energy consumption of 39%. The corresponding page volume reduction resulted in 36% less paper consumption translates in 132,243 kg paper savings a year. Endesa was able to materialise cost reductions of 42%

PITNEY BOWES BUSINESS INSIGHT: TRYING TO PUT ITS STAMP ON THE SOFTWARE WORLD



Pitney Bowes has long been a goliath in the metered postage market with around an 80% share in the US and 65% internationally. The need to diversify beyond the stagnant postage market has seen it venture into the software world. This venture has been far from smooth as it continues to try and carve out a niche beyond its traditional dominance in the mail-room.

The company has spent over \$2.5 billion on software acquisitions since 2000 – including MapInfo (location intelligence), Group 1 Software (data management and customer communications) and most recently Portrait Software (customer analytics). These are managed by Pitney Bowes Business Insight (PBBI), which was formed in 2007 from the merger of the Group 1 Software and MapInfo businesses. However, the various acquisitions have created a patchwork product portfolio and a complex set of offerings. PBBI is now competing with far more competitors than it is used to, so must simplify its messaging and focus on the core capa-

bilities across its product range.

PBBI's strategy is to help its customers enable lifetime customer relationships through the application of Customer Communication Management (CCM). PBBI's CCM comprises a set of core capabilities—data, insights, strategy and communications that help businesses acquire, serve and grow the lifetime value of their customer base. CCM particularly focuses on creating and delivering cost-effective multi-channel communications—including print, email, web, SMS and call centre interactions.

A complex product range

PBBI's products for CCM include solutions for document composition, archive and compliance, web self-service and interactive communications for customer service representatives. PBBI's MapInfo has long been widely regarded as the leading product for location intelligence and geographical information systems (GIS) while its latest acquisition, Portrait Software, fills a gap in PBBI's customer and data analytic capabilities—which include data integration and data profiling, along with analytics products such as demographic and psychographic data.

PBBI now certainly has a range of products to enable businesses to gain real customer insight, particularly through geo-demographic and psychographic analysis. PBBI's advantages over some of its competitors are the ability to go beyond traditional analytic segmentation using either geo-demographics or advanced predictive modelling as provided with Portrait Software. At one end of the scale, PBBI is competing against standard CCM vendors such as HP Exstream, Thunderhead and GMC, while at the other end is also competing in the business intelligence space with many smaller analytics companies and the large players, many of who have made acquisitions in the last few years (e.g. IBM/Cognos, Oracle/Hyperion, SAP/Business Objects). If PBBI can simplify its messaging, it can certainly be a real contender in these markets.

Exploiting the convergence of digital and print communications

As the communications landscape continues to become more complex, as online and offline channels converge and the use of social media grows, businesses must find a way to manage business processes across all these channels. Many of its customers are undoubtedly operating print and digital com-

“PBBI now has a range of products to enable businesses to gain real customer insight, particularly through geo-demographic and psychographic analysis.”

PITNEY BOWES BUSINESS INSIGHT: TRYING TO PUT ITS STAMP ON THE SOFTWARE WORLD

munication processes in silos and are probably using some elements of PBBI's CCM suite—either for document composition, data quality, production or archival. PBBI must now encourage these customers to move to a single enterprise CCM platform, and thereby reduce the waste and inefficiency associated with decentralised communications processes.

But, ultimately, the biggest opportunity for PBBI is to pull together its wide and somewhat disjointed portfolio, and provide a unified CCM enterprise platform that can identify the

“hot pockets” of customers by both geography and buying habits. Such highly targeted capabilities can lead to far higher conversion of prospects to customers, so reducing the cost of sale and also “buyer fatigue” caused by over marketing of different approaches to people who have no interest. Such an approach avoids the need to sell to multiple different groups within the organisation, as it provides a single approach that can be used directly by sales and by marketing, yet provides all the analytic and reporting capabilities as needed throughout the rest of the business.

PBBI certainly has the technology and the breadth and scale of products to enable businesses to create personalised multichannel communications but it cannot ignore that other players are snapping at its heels, particularly HP and GMC who both offer end-to-end CCM platforms. Along with the many vendors in the customer interaction space, PBBI has certainly got its work cut out in establishing a strong position in the market.

Quocirca reports—coming soon

Quocirca will be publishing reports on the following topics in the second half of 2011:

- **Quocirca's Print Security Competitive Analysis 2011**
- **Quocirca's Mobile Printing Competitive Analysis 2011**
- **Managed print services and SMBs**
- **Beyond MPS: Document process outsourcing**

If you require further details or would like to speak to Quocirca regarding participating in our multi-client studies please contact:

Louella_Fernandes@quocirca.com

Mobl: 07786 331924



THE BATTLE FOR CHANNEL-LED MPS HEATS UP

Xerox's acquisition of NewField IT, a UK based print consultancy and software solution provider follows hot on the heels of HP's acquisition of Printelligent, a US-based managed print services (MPS) provider.

With both HP and Xerox looking to expand the penetration of MPS to SMBs and midmarket organisations, the acquisition of these companies provides the additional capabilities that both companies need to ensure higher penetration rates. This market remains a largely untapped opportunity for channel partners to capture ongoing service revenue opportunities in an increasingly commoditised hardware market – the acquisitions enable both vendors to approach SMBs via the channel with a services-led model that provides distinct business value to the customer.

“The majority of SMBs and midmarket organisations currently purchase printer hardware and consumables on a transactional basis ”

With both HP and Xerox looking to expand the penetration of MPS to SMBs and midmarket organisations, the acquisition of these companies provides the additional capabilities that both companies need to ensure higher penetration rates. This market remains a largely untapped opportunity for channel partners to capture ongoing service revenue opportunities in an increasingly commoditised hardware market – the acquisitions enable both vendors to approach SMBs via the channel with a services-led model that provides distinct business value to the customer.

Xerox and NewField IT

Xerox's acquisition of NewField IT cements a long-established relationship between the two compa-

nies. NewField's flagship AssetDB technology already underpins the assessment and optimisation capabilities for the Xerox Partner Print Services (XPPS) platform. NewField's pedigree as a print assessment provider is well recognised across the industry with most printer and copier vendors having used Asset DB in varying degrees to support assessment of print environments and optimised MPS designs.

Asset DB covers the complete gamut from graphical floor-plan based data collection to future state design of an optimised print environment. Although Xerox's purchase of NewField IT could be dismissed as a small acquisition, it certainly has the potential to make a significant impact of Xerox's channel-led MPS revenue.

Xerox is keen to replicate its success in the enterprise MPS market across the SMB and midmarket, which currently has a relatively low penetration of MPS. However, success in these channel-led markets is highly reliant on resellers' resources and

skills to sell and deliver MPS quickly and effectively. The Xerox Print Partner Services (XPPS) hosted MPS infrastructure was developed over a year ago to provide channel partners with a set of tools to manage every element of an MPS contract – including sales pursuit, device discovery, optimisation and service delivery. Quocirca believes that the acquisition of Newfield IT will enhance Xerox's credentials to deliver a comprehensive set of MPS tools for multivendor resellers far beyond the basic MPS packages currently on offer from its competitors.

While the technology benefits of the acquisition for Xerox are clear, less clear is how NewField IT will continue to operate as a vendor-neutral provider of software and services. Its existing relationship as an assessment provider for HP and Ricoh, for instance, must surely be at risk – and even more so given HP's acquisition of Printelligent.

Meanwhile, NewField IT intends to continue providing independent consultancy services to

THE BATTLE FOR CHANNEL-LED MPS HEATS UP

end-users, abiding by its established code of conduct which states that it will remain objective and not supply or promote the products of those hardware vendors that license its technology. Vendor-agnostic assessments are a critical part of any MPS engagement and NewField IT has long been offering these as an independent provider. However, it remains to be seen how effectively it can continue to preserve its independence when delivering vendor-neutral recommendations for MPS device optimisation.

HP and Printelligent

HP's almost simultaneous announcement to acquire Printelligent has levelled the playing field between the two vendors. Although XPPS had recently been the only cloud MPS platform available to multi-brand resellers enabling them to manage a multivendor environment, HP's latest acquisition of Printelligent will now provide HP channel partners a wealth of scalable multivendor MPS capabilities.

With Printelligent, HP has acquired an established MPS provider which has been offering MPS since 1993 through a network of MPS channel partners across the US. Printelligent assets will enhance HP's assessment and optimisation

capabilities and its MPS sales and services expertise infrastructure, along with HP's cloud-based InCommand platform will enable HP to now deliver a set of differentiated MPS solutions and services via the channel. Whilst the acquisition of Printelligent will certainly bolster HP's channel MPS capabilities in the US, it may take some time to provide a similar set of services to its European channel, particularly given Xerox's strong MPS presence in this region.

Market outlook

The majority of SMBs and mid-market organisations currently purchase printer hardware and consumables on a transactional basis which creates a huge opportunity for hardware vendors to encourage customers to adopt a contractual approach to buying "printing" rather than "printers". Consequently the market for MPS in the SMB and midmarket is moving beyond the simple single brand, basic service which essentially wraps hardware with supplies, maintenance and support.

Whilst HP and Xerox will continue to offer these basic services for businesses that need it, the real cost saving – both financial and environmental – comes from a detailed assessment and optimisation of the printer environment – from

both a hardware and workflow perspective. Channel partners therefore need simple and flexible tools and an infrastructure that they can tap into to sell, deliver and manage MPS on an on-going basis.

The market to sell MPS to SMBs and midmarket organisations is still wide open and vendors must provide their channel with a simple and effective MPS cloud platform that can deliver remote monitoring, consolidated billing, supplies and service and reporting across a multi-vendor environment. For now SMBs are most likely to be more receptive to basic services, whilst the mid-market organisations stand to benefit most from more complex and value-based MPS propositions.

Although Xerox had a head start in providing an MPS infrastructure for its channel partners, HP has made a smart acquisition which will help it catch up and strengthen its presence in this market, particularly as it can exploit its strong relationship with the IT channel. Now that both vendors have the infrastructure and tools to provide their channel partners, success will ultimately be linked to how well these vendors engage and train their channel to deliver MPS to their customers.

AT A GLANCE: MPS CONTRACT UPDATE (EUROPE)

Vendor	Customer	Vertical	Length of Contract (years)	Description
HP	BIS Industrial Services	Industrial	N/A	Rationalisation of print services across 40 locations in order to reduce the support burden on its small IT team and cut spiraling maintenance and supply costs. They turned to HP to deploy a Smart Printing Services solution worth €120k.
HP	Uhde GmbH	Engineering	N/A	Uhde GmbH, a subsidiary of ThyssenKrupp AG, one of the world's leading engineering companies in the design and construction of chemical, refining and other industrial plants has chosen HP for its new printing environment, a contract worth \$1M.
HP	Total Deutschland	Energy	N/A	Total Deutschland, are using HP for an MPS in order to renew and optimise its print and copier environment with regards to paper consumption and costs.
HP	Cable & Wireless	Telecommunications	N/A	HP MPS solution with SafeCom to monitor usage, improve workflow and enhance print security.
Xerox	Fritz Schumacher, Switzerland	Print	N/A	Fritz Schumacher AG is expanding its existing partnership with Xerox. Fritz Schumacher is adding A3 colour multifunction systems to its portfolio, as well as an entire range of services.
Xerox	Leifheit	Home-ware	5 years	Leifheit AG is implementing Xerox MPS at its headquarters in Nassau, cutting costs by nearly 30 per cent.

Please note that this is not an exhaustive list of MPS wins for the vendors mentioned.