

Quocirca Printer Pulse

VIEWPOINT

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Managed print services (MPS) have long been the buzzphrase of the printer industry, and recent contract wins from vendors such as HP, Lexmark, Ricoh and Xerox all demonstrate the continued momentum in the market. One of the key tenants of MPS is harnessing the capabilities of the multifunction peripheral (MFP). These devices have document capture and workflow capabilities, which enable them to perform as sophisticated document processing hubs.

How document workflow fits with MPS

Document workflow services help businesses minimise the time for handling, routing, tracking, distributing and archiving printed documents. While the need for printed output is unlikely to disappear any time soon, it can also help businesses move to the more realistic goal of a "less paper" office. Amongst other benefits, digitising paper documents through document workflow tools can help lower paper costs by reducing the need for physical storage and the associated costs of dependency on printed documents (paper, shipping, postage, among others). Also, by digitising documents, businesses can meet

government regulatory requirements providing an audit of who has accessed them.

Many printer and copier vendors are increasing their focus on selling document workflow capabilities to drive MPS uptake. Whilst vendors such as Canon, HP, Ricoh and Xerox already offer a range of document workflow solutions through partners or their own tools, other players are also broadening their capabilities too. For instance, Lexmark's recent agreement to acquire Perceptive Software, an ECM (enterprise content management) vendor, will extend document management offerings to its MPS customers. Dell has also recently announced embedded document applications for its MFPs which is no doubt a step to further its ambitions as an MPS provider.

Dell's entry into Managed Print Services?

It's worth taking time to consider how Dell will participate in the MPS market, an intention it announced earlier this year. Its acquisition of Perot Systems last year, along with its existing

ability to manage printer infrastructures through OpenManage Printer Manager software certainly give Dell the MPS credentials from a network management perspective. Although leaders such as HP and Xerox are firmly entrenched in the enterprise MPS with established tools, methodologies and broad product portfolios to suit most business needs, there could be some market opportunity for Dell through its large client base for its desktop management services which it can use to leverage relationships with existing customers.

Services for the mobile user

Printer and copier vendors are also responding to growing mobility of users by releasing a range of cloud-based printing services that provide the capability to print from mobile devices. The iPad has brought some renewed focus in this area due to its current lack of direct printing capabilities. Vendors such as HP, Ricoh and Xerox all offer some form of mobile printing service. HP for instance offers ePrint for BlackBerry mobile device

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PRINT REVIVAL AT HP



Signs of a rebound in printer sales were evident from HP's Q2 2010 results which saw its imaging and printing business revenue grow by 8% year-on-year to \$6.4 billion. Total printer unit shipments grew 9%, with consumer units up 16% and commercial printer unit shipments up 13%. What is most notable is the momentum HP has built in its managed print services (MPS) business, which enjoyed a continued growth in Europe.

Quocirca estimates that 15% of enterprises in Europe have adopted some form of MPS to drive both financial cost savings and decrease environmental impact. In an increasingly commoditised market characterised by thin margins and falling prices, capitalising on long term, high value annuity business (through supplies and service) is key to the strategies of printer and copier companies.

HP's continued momentum in enterprise MPS

HP has streamlined its approach in the MPS market with the launch of its Managed Enterprise Solutions global business unit in September 2009, aimed at boosting new growth in its MPS business. It also announced a strategic alliance with Canon to deliver a wider portfolio of products to MPS customers, filling a gap in HP's existing portfo-

lio. Across the globe, HP's MPS reach is wide—it now has more than 2500 customers worldwide across 170 countries.

In Europe, HP's direct MPS sales force targets 1800 enterprise accounts. HP estimates that 80% of these accounts are multi-country businesses. Its European MPS business performed well in Q2 2010 with MPS contract signings with Bosch Italy, Nestle Purina, Turismo de Portugal and Deutsche Post DHL.

HP's competitive position in the MPS market has undoubtedly been enhanced by the EDS (now HP Enterprise Services) integration. A significant proportion of HP MPS deals are led by HP Enterprise Services account managers who provide HP with valuable depth of engagement with key customers.

Additionally, HP's Printing PayBack guarantee has further helped it demonstrate its cost-savings commitments to potential customers. Under this scheme, any qualified enterprise that does not make the cost savings that HP projects for them, within 12 months, can receive a

cheque refunding the shortfall. Provenge Health and Services in the US is one company which has adopted an HP MPS with the Printing PayBack Guarantee, with cost savings expectations between 30% and 35%.

HP's MPS initiatives are clearly bearing fruit. Its modular service offerings, multi-region delivery capabilities and its strategic alliance with Canon position it well to offer a comprehensive MPS portfolio for enterprises.

QuickPage capture midmarket opportunity

Up to now, MPS has largely been the domain of larger enterprises, due to established direct MPS offerings from vendors such as HP, Lexmark, Ricoh and Xerox. However midsized businesses are also waking up to the MPS opportunity with the emergence of more channel driven MPS packages. These range from device-centric offerings, which are typically inclusive service contracts encompassing service and supplies to some packages including the leasing of devices and may also include support, depending on the capability of individual resellers.

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PRINT REVIVAL AT HP

More often than not, the most successful resellers in this space have experience in selling copier or cost per page contracts. For resellers who do roll out an MPS, the opportunities are significant—providing ongoing annuity revenue streams and longer term customer relationships. One of HP's key strategies for 2010 is to build momentum in the midmarket through enhancing its contractual offerings. HP relies on its channel partners to develop their midmarket business, and is actively supporting resellers to move from a transactional to contractual sales process.

Its current portfolio of contractual offerings, which includes Channelled Pay-per-Usage program (CLPPU), Smart Printing Service (SPS) program and Pay-for-Print (PFP) program, will be completed by the launch of QuickPage. With its introduction, HP is providing resellers with a simple packaged service that includes hardware, supplies and support. QuickPage emulates packages from copier-centric vendors such as Xerox PagePack. However QuickPage's key difference is that it includes a lease rental agreement, giving customers the ability to combine hardware, consumables and maintenance costs into one monthly payment

(based on expected print volumes).

Quocirca believes that QuickPage fills a gap in HP's existing channel services portfolio by providing a simple packaged service backed by a portal infrastructure that manages reporting, service and support. Given HP's high penetration amongst IT resellers, who have little experience in selling printing contracts, the simplicity of selling and administering QuickPage will be fundamental to its success. For those customers who are uncertain about moving to a QuickPage contractual approach to purchasing printing, the benefits lie in predictable monthly expenses, reduced operational expenditure and less time on dealing with printer support issues.

The market for MPS in the mid-market remains wide open with varied offerings from different manufacturers. For resellers who are embarking on the MPS journey, this often means investing in a disparate set of tools and infrastructure to manage different devices. Xerox has already addressed this through its hosted multivendor MPS for channel partners—Xerox Printing Services. While there will always be benefits from a device-centric service in a standardised environ-

ment, adding multivendor capabilities to future versions of QuickPage will enable HP to enhance the value proposition for resellers and customers alike.

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users, while Xerox recently announced that P&G are using its mobile printing service where Smartphone device users send documents to a secure server or "cloud." Documents are held in the cloud until the employee walks up to any printer in the network and enters a code to release the prints. Quocirca expects to see printer vendors continue to develop services for mobile print users which minimise the hassle of installing drivers, whilst providing mobile users access to the print resources they need, when they need them.

Quocirca will continue to report on the MPS market throughout 2010, both in terms of vendor analysis and user engagement. Indeed, managed print services has certainly given the printer market a new lease of life and those best positioned to win are those with a comprehensive set of services that increase end user productivity and minimise IT administrative printer tasks. Large enterprises are already sitting up and taking notice of MPS - and the midmarket should start to follow as more vendors continue to scale their enterprise MPS offerings for smaller businesses.

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THINK BIG WHEN TIDYING OFFICE PRINTER MESS

Office printing can be a huge cost drain to many organisations. This is largely due to fragmented ownership and management of printer and copier devices as well as unnecessary printing.

A typical office print environment is characterised by a mix of old and new devices, vendors all requiring different drivers, consumables and service contracts. To tackle spiralling costs, many large organisations are turning to managed print services (MPS) which involves assessing a company's existing fleet of devices, printing usage and workflow and then creating an optimised environment. This usually consists of consolidation and bringing management of break-fix, hardware and consumables under a single contract.

While this is a valuable first step in tackling print costs, for businesses that rely heavily on high volume or mission critical output, further value can be added to MPS by considering the management and control of enterprise application output, which is delivered across both printed and electronic destinations. This is the foundation of enterprise output management (EOM).

For many organisations, managing output from enterprise applications such

as ERP or supply chain management systems is no easy task. Whether they run on UNIX, Linux or Microsoft Windows operating systems, such applications often have limited native print management capabilities.

This creates a distributed enterprise application environment with a multitude of print queues that need to be managed. Without robust centralised management tools, organisations struggle to administer and manage all this.

This lack of visibility can lead to business disruptions, downtime and backlogs caused by printer failure or paper or consumables depletion. This puts pressure on support staff. When business critical output is delayed—such as invoices, shipping manifests or purchase orders—it has a significant impact on the smooth running of business processes.

These problems can all be mitigated through the use of an EOM solution which integrates the diversity of print data emerging from the various enterprise systems and provides centralised control and

management of all enterprise output. As EOM platforms are hardware, software, application and device independent, multi-site distribution and routing of documents can be enabled throughout the enterprise.

Output can be consolidated from data centres, line-of business departments and individual desktops to a single point and distributed to production, workgroup, desktop, barcode and label printers as well as other destinations such as email, PDF files or archives. Through use of a dedicated server, EOM off-loads print services such as standard print spooling from the application servers, increasing application server performance. This also leads to improved productivity—for both the users and the IT department—as users can track their own print jobs and helpdesks have one tool to view the entire enterprise output environment.

EOM enhances the native output capabilities of enterprise applications through capabilities such as confirmed print job delivery, intelligent print job routing and printer load balanc-

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THINK BIG HWEN TIDYING OFFICE PRINTER MESS

ing and failover. If devices fail, jobs can be automatically redirected to the next suitable available printer. Such real-time notification of device failure or job interruption enables the reliable delivery of business critical output.

And in today's age of compliance, the need for centralised control of enterprise output is heightened. The content of many documents, particularly transactional ones, is subject to regulations that require accurate production and secure, timely delivery—whether electronic or printed. EOM tools can ensure document integrity and provide accurate audit trails and cost accounting.

Ultimately, print-related cost savings and business efficiencies do not stop with office MPS. By extending MPS beyond the office to the wider enterprise, organisations can reduce costs, improve document security and cut paper and energy usage.

Reduced energy and paper consumption is achieved through better utilisation of existing devices and by identifying hard copy print that

could be substituted with electronic delivery. IT costs are lowered through simplified administration and management while centralised EOM security features assure appropriate access and seamless control of enterprise-wide output.

Quocirca recommends that any organisation considering MPS consider the added benefits of controlling output generated from enterprise systems. This requires understanding what output is produced from which application, the level of print volumes across an organisation, who is printing what and what business processes are involved.

The assessment of the output environment is the foundation of an enterprise MPS engagement, and determines the potential for cost savings and workflow improvements through the course of the implementation.

Considering EOM upfront is vital to ensuring that the benefits of MPS extend beyond the office environment. EOM need not be a 'big-bang' approach; it can be phased focusing on a single functional busi-

ness area or geography first, then once initial success has been demonstrated, expanded to other areas in the business.

You can read more in Quocirca's report, [Uncovering the enterprise output management opportunity](#).

“Considering EOM upfront is vital to ensuring that the benefits of MPS extend beyond the office environment”

PRINTING TRENDS FOR 2010

Although the recession saw the ink dry-up on printer hardware sales, many vendors turned their focus to managed print services to keep the ink flowing.

As the economy rebounds, vendors will need to focus on a message of more effective printing practices through device optimisation which can drive efficiency throughout a business - in terms of user productivity, device availability and reduced costs.

Despite its pervasiveness, controlling printing remains an afterthought for many organisations who are already taking steps to consolidate desktops, servers, control licensing and adopt lower cost service models such as cloud computing in an effort to reduce costs and improve efficiency.

With businesses under ever increasing pressure to do more with less, Quocirca expects the following drivers to increase the appeal of adopting a strategic approach to print management in 2010.

Cost control and optimisation: With the weak economy many organisations face tightened budgets and are forced to extend the life of existing hardware to avoid new capital expenditure. Although budgets may remain tight in 2010, organisations must consider the risk in not replacing/retiring aging printer fleets or optimising

investment in existing high performance multifunction devices, which can lead to both hardware failures and service disruptions.

The hidden costs of printing relate not only to hardware acquisition but also consumables, maintenance and support costs. An optimised print environment is one that balances deployment of devices at the lowest possible costs with higher employee productivity.

MPS involves outsourcing some or all elements of the print environment based on a pay-per use model that allows variable costs such as toner and ink to be based on actual usage. It does not always require capital expenditure at the outset, as operational costs can be reduced by device consolidation, more effective printing practices and adopting a usage based pricing model.

As well as reducing the cost of hardware acquisition, MPS can significantly improve the quality of service, reduce maintenance costs and improve business continuity. While take up of MPS to date has been mainly by large enterprises, Quocirca expects more SMBs to consider simple contractual models which wrap hardware, support, services and consumables in a monthly

payment. These entry-level packaged services enable smaller companies to benefit from predictable expenses and reduce time spent dealing with printer problems.

Sustainable IT: There is now significant pressure on businesses to reduce energy usage in all areas, and printing is no exception. Replacing outdated inefficient printers and copiers with energy efficient multifunction devices to reduce power consumption, can help to shrink the overall carbon footprint of an organisation. Also, the implementation of effective printing practices can significantly reduce wasteful paper and ink usage. These may include enforcing duplex printing, secure or "follow-me" printing solutions or restricting user access to colour printing on more expensive devices.

Cloud services: Cloud computing continues to gather pace, but has yet to become a mainstream way of delivering print services. A potential cloud printing service would be based on the following characteristics. Firstly, printing is used and paid for on demand - so resources that are not needed are not paid for in advance; this allows consumption to be scaled up or down based on demand. Secondly, the managed print infrastructure is



“There is now significant pressure on businesses to reduce energy usage in all areas, and printing is no exception.”

Read more about how organisations have benefited from MPS in [Quocirca's report](#)

PRINTING TRENDS FOR 2010

owned and completely managed by the provider. Other cloud printing opportunities include high end production printing, minimising the need to invest in high-end production printers. An example of a service in this area is HubCast which offers a global service that automates production and delivery of print jobs to any user location.

Enterprise mobility. Workers will continue to be distributed across office locations and their homes. Branch offices play a critical role in front line services, and emphasise the importance of printing in remote locations. There are a number of solutions for printing from mobile devices such as Cortado from ThinPrint and HP's

CloudPrint for Blackberry devices.

The challenge remains for organisations using these tools to retain control of printing, while enabling mobile workers to be productive.

Security. With the best IT security solutions in place, an often overlooked weak link is printers. This includes uncollected confidential output and the fact that as with most networked devices, printers have hard disks, RAM and Ethernet ports all of which need securing as on any conventional server. More organisations are recognising the potential security vulnerabilities of printers and are taking steps to protect these devices. Hard disk overwrite and encryption capabilities protect

data on the device, while secure print solutions release print jobs using identification methods such as PIN, swipe cards or even finger prints.

Printing is not going to disappear any time soon and the complexity of the cost reduction and security pressures together with an increasingly mobile workforce brings many challenges. Businesses must recognise the impact that these trends have on existing printing practices and take measures to implement solutions and services which enable printing to be carried out efficiently, cost effectively and without risk.

RESELLER FOCUS — BYTES UK

Bytes are the UK's and the world's largest Xerox reseller selling primarily to SMB, corporate and public sector organisations.

Bytes became an accredited XPS reseller in 2009 following an 18 month period of training and accreditation. Customers include Atos Healthcare who used Bytes and Xerox to optimise the printing infrastructure across 12 medical services centres (MSC) and 276 medical examination centres (MEC) employing 4000 staff across the UK.

Part of Xerox's channel managed print services portfolio, Xerox Print Services gives channel partners the flexibility to build their own branded services capability, but backed by a common technology platform and a single global support infrastructure provided by Xerox. Certified resellers can buy from other vendors and use their own agreements and contracts.

Xerox Print Services is an all inclusive approach where customers only pay for the software and services that they use. Xerox hosts the technology tools whilst the accredited partner delivers and executes the service.

Before using XPS, Bytes was already offering print discovery assessments, using the Print Audit software to help organisations gain visibility on print costs through detailed evaluation of the existing print environment. However, Bytes were looking to build a stronger MPS proposition that was supported by a robust back-end infrastructure to provide a 5 step transformation process - Discover, Consolidate, Enhance, Invoice and Install.

Before XPS, Bytes had limited capabilities with respect to management information, particularly as service information was not dynamic.

To date Bytes has used Xerox Device Agent (part of the XPS offering) for 20 multivendor assessment studies, and has 5 customers are currently using the XPS toolset. Pricing is either on a cost per page approach which includes a click charge plus an additional charge for break/fix, support or a full managed print service. A cost-per-seat charge approach is also available where the customer pays a monthly per device fee.

Bytes' successful adoption of XPS means that it is targeting revenue from managed services to grow from around 25% today to 40%-50% as it reduces its reliance on hardware sales. Bytes is now enjoying stronger long term relationships with customers and benefiting from recurring revenue streams as it moves away from the transactional hardware sale, to a services and solution led approach.



Courtesy of Apple

PRINTING: THE ACHILLES HEEL OF THE IPAD FOR BUSINESS?

With iPad sales already outpacing sales of Macs in the US, taking just 28 days to shift a million units, it's fair to say that the consumer popularity of the iPad promises to match that of the iPhone.

“ The lack of built-in printing functionality means that iPad users will need to turn to third-party apps for their printing needs. ”

While Apple is keen to tout the iPad as a true alternative to the PC, pushing its web browsing, email, photos and video viewing capabilities, it does lack some features when it comes to business productivity – one of which is native printing support. You may wonder if in today's digital age this is really necessary, but there will always be a preference to print documents in the business environment – so direct printing would certainly boost the iPad's appeal to business users.

Although Apple has released a new version of its productivity suite iWork for the iPad to increase its attraction to business users, its recommendations for printing an iWork document are to "send the file to a desktop computer" and print from there or use the iPad's file sharing fea-

ture. Hardly the most elegant solution for printing.

For now, the lack of built-in printing functionality means that iPad users will need to turn to third-party apps for their printing needs. Pocket Watch, Dynamix and EuroSmartz have all produced optimised versions of their printing apps that run on the iPad as well as the iPhone and iPod touch – but these apps do rely on file sharing with a computer. They also must of course be purchased, and print functionality can be limited as typically you must print from the print application rather than from an open application such as email. But there is hope in the fact that Apple's support documents indicate that the iPad does not "currently" support direct printing, suggesting that this feature will be added to the future release of iPhone OS4 this Autumn.

A lack of print support is not new to mobile device users, and the emergence of cloud printing applications that enable users to print to any device,

without the need to install a multitude of drivers promises to simplify printing on the go. For instance, Ricoh's HotSpot Printing App inserts a "print" menu option into the BlackBerry email application, allowing it to search for the nearest Ricoh HotSpot Printer location. Once you have "hit the spot", any document or attachment can be sent from the BlackBerry to the Ricoh HotSpot Printer of choice.

HP also recently announced its new service offering, ePrint, which enables BlackBerry users to securely print documents from printers at public locations like hotels, airports or libraries. Its ePrint application locates and selects the closest printer, after which users can finalise printing of the document. An email with a security code is sent that authorises printing of the document. Both Ricoh and HP's solutions are powered by the PrinterOn network of public printers called PrintSpots. However, support is currently limited to BlackBerry and smartphone devices.

An alternative solution is the use of the cloud

PRINTING: THE ACHILLES HEEL OF THE IPAD FOR BUSINESS?

corporate server platform which goes one step further using Active Directory to ensure that users only print to printers they have rights to.

There is further hope for iPad printing through Google's CloudPrint. Part of the Chrome OS projects, CloudPrint aims to allow any type of application to print to any printer. This includes web, desktop, and mobile apps from any kind of device – potentially, this could be used on a BlackBerry, Windows machines, Macs, or even the iPad. However, Google's CloudPrint project is still in the early stages of development, and indications are that in order to use CloudPrint, users will have to associate their printers with their Google Account, and it will rely on the availability of "cloud aware" printers – none of which yet exists.

Clearly this is not without its challenges and is something that will require collaboration between

operating system and printer manufacturers.

Cloud printing solutions certainly minimise the dependency on driver installation and updates and offer an attractive and simplified user experience for mobile printing. The prevalence of paper in the business world is not going to disappear overnight, and without simple and secure native printing capabilities, the iPad will gain less traction in the workplace.

While simple third-party apps do offer a workaround, these could lead to the problem of printing being uncontrolled, so within the enterprise businesses would need to ensure that printing from any mobile device does not fall outside the scrutiny of regular desktop printing.

While the consumer frenzy around the iPad continues, one vendor who has the ability to address the business printing needs for the mobile business environment is HP. It recently announced its plans to inte-

grate webOS into both the "slate" and web-connected printers. It remains to be seen what printing support will be available on its first webOS tablet, the Hurricane, later this year, but HP is certainly uniquely positioned to potentially deliver an integrated and simplified printing experience for mobile users – in both the consumer and business market. Whether Apple can achieve this for the iPad depends on the capabilities of iPhone OS 4.

The printing world is meeting the mobile world, and those that can provide the simplest and most flexible approach to bringing the two together are most likely to make the greatest impact on business users.

Read Quocirca's latest white papers on www.quocirca.com:

**Tackling print costs in the midmarket
Think print, Think Security
21st century enterprise print services**

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BANKING ON MPS

FIRST APPEARED IN FUTURE BANKING, MAY 2010

Economic pressures and sustainability goals are driving financial services organisations (FSOs) to get serious about reducing their environmental footprints. Many FSOs remain highly paper intensive, and are increasingly seeing the need to reduce paper usage, not only to lower financial and environmental costs, but also to address ever evolving regulatory demands. One area which contributes to significant and often wasteful paper consumption is the office print infrastructure.

The financial sector is no stranger to excessive paper consumption - paper mountains dispel any notion of the "paperless office". Paper remains a versatile, portable and personal reference medium, supporting many business processes - whether in loan or credit card applications or account opening.

According to the print consultancy firm New-Field IT, the average print volume per worker in financial services ranges from a staggering 11,000 to 14,000 pages per year. However, the pervasive nature of office printing also has downsides - in

uncontrolled financial and environmental costs as well as potential security risks.

It is estimated that up to 20% of printed output is unnecessary - either lost on desks, left in printer trays or even binned within minutes of being printed, often unread. The All Associates Group estimates that the financial services industry spends over 6% of revenues of printing - and further, for every \$1 spent on printing, there are a further \$9 spent to manage it. With printing representing such a huge cost drain the potential for significant savings through effective print management is compelling.

Printing complexity

While simple measures can be taken to reduce paper consumption - such as enforcing duplex printing - this is tackling just one part of a much wider enterprise print challenge. Photocopiers have been replaced by networked digital copiers, fax machines have given way to scanning and email. While the advent of the multifunction printer (MFP) that consolidates printing, copying, faxing and scanning functionality has brought speed and convenience, it has

also created concerns in how information stored and generated on an MFP is protected and secured.

Ownership and management of printers, copiers and scanners is usually fragmented across business departments, workgroups and locations. Purchases are often authorised at an individual or departmental level and although printer and copier technology has converged, stakeholder responsibilities remain separate - with IT responsible for printers and facilities and procurement responsible for copiers. All too often, the print environment is not given the same strategic priority as the management of the IT infrastructure.

Without a clear print strategy, many companies have a diverse printer and copier fleet from many manufacturers. Some devices may be approaching obsolescence, may be under-utilised and produce inconsistent output quality. With no standardisation of supplies, businesses have to either carry an excessive inventory of toner or ink, or risk downtime until new consumables can be sourced, ordered and delivered. IT

“It is estimated that up to 20% of printed output is unnecessary - either lost on desks, left in printer trays or even binned within minutes of being printed, often unread”

BANKING ON MPS

staff may be stretched to maintain, update and configure all these devices, and constantly respond to help desk queries. On top of all this, few organisations have document tracking systems that accurately measure device utilisation or print usage.

With such a complex and disparate environment it is almost impossible for any organisation to monitor or control print costs.

An unmanaged print environment is not only costly, but paper documents expose companies to significant security risks, particularly when confidential output remains unclaimed at a printer. To address the cost drain and mitigate the risks of an unmanaged print environment, some FSOs are turning to managed print services.

The emergence of managed print services

Managed print services (MPS) have emerged as a way to create efficient printing through device consolidation, ongoing management and better document workflow to support business processes. MPS broadly encompasses hardware, software, supplies and services and is offered by most manufacturers

directly - such as Canon, HP, Lexmark, Ricoh and Xerox. It typically comprises three main phases - assessment, optimisation and ongoing management.

Firstly, an external assessment of the way an organisation uses print is essential; analysing the cost of the existing printer fleet, including consumables such as toner, ink, maintenance, help-desk support and power. MPS assessments are provided by almost all printer and copier manufacturers and now increasingly include environmental and security assessments. Whilst many organisations use a manufacturer's own assessment service, there are third party independent consultants such as NewField IT who offer assessment services that are not linked to a particular supplier.

Secondly, optimisation determines the best approach for device consolidation, looking to achieve a balanced deployment strategy where cost, productivity and device utilisation are optimised. This may include, for instance, replacing outdated single function printers, which are often energy inefficient and expensive to run, with latest MFP technology. Fewer devices means energy consumption is reduced, fewer

consumables are needed, less space used and fewer providers are required. Device utilisation is also improved user-to-device ratios can be increased.

Third and finally, continuous management ensures that an MPS strategy delivers ongoing savings over time. Reporting tools generate management information by monitoring print trends and can enable costs to be charged back to given cost centres.

Some FSOs that have adopted MPS are already reaping the benefits in the form of lower costs, reduced environmental impact and a more reliable and secure print environment. Cost savings can reach up to 30% as a result of device consolidation and implementation of efficient printing practices.

Quocirca research conducted in 2009 shows that over 90% of organisations using MPS are either satisfied or very satisfied with the control and performance of their printing. Financial sector respondents indicated that they were most satisfied in the area of cost savings, with an average score of 4.3 out of a possible 5 (where 1 = not satisfied... and 5 = very satisfied).

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“An unmanaged print environment is not only costly, but paper documents expose companies to significant security risks”

BANKING ON MPS

Reduced capital and operating costs

Organisations can significantly reduce printing costs through device consolidation, replacing outdated printers with energy efficient MFPs. Quocirca research showed that 41% of organisations using MPS expected to gain savings of over 30%. Barclays Wealth, an HP MPS customer, reduced its fleet of 1400 legacy devices to 422 single and multifunction devices, reducing cost in managing the print network by over 50 per cent and saving 20 million sheets of paper annually through duplex and secure printing. Further, MPS does not always require capital expenditure as new equipment can be leased. This frees businesses from maintenance hassles and provides access to the technology and means money is not tied up in hardware. By adopting a pricing approach based on estimated print volumes, organisations can also establish a predictable cost for printing.

Lower environmental impact

Optimised printing reduces device sprawl, cutting down on waste and power consumption. According to Lex-

mark, a device's typical environmental impact is 80% paper use, 8% energy 7% manufacturing, 6% cartridge and 1% end of life. Most devices on the market today meet ENERGY STAR energy efficiency standards, using up to 60 per cent less energy than earlier generations thanks to features such as automatic 'sleep' mode and fast 'wake-up'.

Paper savings can be made by defaulting to duplex printing and using economy mode settings which use less toner. Implementing secure printing practices such as "follow-me" also reduces unnecessary printing by ensuring print jobs are only released when a user authenticates at a device.

Allied Irish Bank for example has consolidated its printing fleet by 75 percent and projected a 50% reduction in its printing facilities carbon emissions at its head office at Bankcentre through using an MPS from HP.

Enhanced security

An estimated 20% of print jobs are never collected by the originator of the print job. Pull printing technology allows users to print on a device at a chosen

location at a time of their choice. Print jobs simply sit on the central print server until users walk up to a printer; they swipe their access card or enter a PIN number and select the job they want to print, preventing print jobs from falling into unwanted hands. Networked printers are also open to the same security vulnerabilities as any other connected device. With hard disks and memory, devices must be secured through implementing features such as hard-disk overwrite and encryption to avoid potential security breaches when devices are serviced or recycled by third parties. Implementing document capture solutions to automate paper workflows and provide audit trails and archival capabilities will also reduce potential document security risks, and help FSOs compliance with regulations such as MiFID.

Improved business continuity

Remote monitoring for troubleshooting and the supervision of the provision of supplies and consumables mean devices can be fixed before they fail. This enables better service and more uptime leading to improved employee productivity. Print



"Quocirca research showed that 41% of organisations using MPS expected to gain savings of over 30%"

BANKING ON MPS

management tools also ensure that printers are rarely redundant across the fleet by controlling print volumes through load balancing. Print job routing, for instance, helps ensure that the optimal device is used for a particular job, and discourages people from using an inappropriate printer just because the queue is shorter.

Freeing IT resources

It is estimated that over 20% of help-desk calls are print related. MPS reduces

the burden on IT staff as fewer paper jams or toner running-out problems mean less dependence on the IT department, which can focus on other activities. Most MPS vendors offer an extended helpdesk facility dedicated solely to print related problems, as well as regular monitoring and reviews of the print equipment.

Organisations clearly have a real opportunity to reduce costs and

create a reliable and secure print infrastructure through using MPS, but with few organisations having a long term print strategy it is not always an easy process due to the varied stakeholders that need to be involved.

To create a managed print service that meets an organisation's unique requirements, service providers need a clear understanding of a given business's requirements

Quocirca Recommended MPS Best Practices

Quocirca recommends the following criteria are considered when embarking on a potential MPS engagement:

Executive sponsorship: Organisations implementing MPS must align this with a governance and sponsorship structure that covers IT, facilities, procurement and stakeholders. A clear matrix of roles and responsibilities should be defined within the organisation and mapped to the MPS provider.

MPS expertise: Capabilities vary between different providers so it is important to consider the MPS provider's track record. Look beyond equipment provision to ensure that suppliers can provide a complete solution that integrates hardware, software and services.

Device support: Some MPS vendors support only their own brand devices, whilst others manage third party devices too. Consider if existing equipment can be retained. What is the upgrade policy on existing devices? How is service handled on multivendor equipment?

Service level agreements (SLAs): Based on a comprehensive assessment, the enterprise and MPS provider can suggest, negotiate and agree upon delivery metrics and key performance indicators. This should also define a technology (hardware and software) roadmap, support plan and service offerings.

Measurement and reporting: The MPS provider should offer regular reporting to ensure SLAs are being achieved, and to identify and address any changes in printing usage. Ongoing management is fundamental to the success of any MPS engagement.

Payment plans: Cost transparency through utility pricing is only effective if tools are utilised to monitor usage and departmental print spend. To ease administration, MPS billing should cover all print devices.

Change management: The impact of MPS should not be underestimated, and employees should be involved and educated on the objectives of MPS and the changes to their printing practices from the outset. Consider what change management methodologies and processes are adopted by the MPS provider.

Sustainability: An effective MPS can significantly reduce an organisation's environmental footprint through reduced energy consumption and lower paper usage. The use of document workflow solutions can further minimise wasteful printing and should be considered as part of an overall MPS platform that supports business process transformation.

AT A GLANCE: MPS CONTRACT UPDATE (EUROPE)

Vendor	Customer	Vertical	Length of Con-	Description
Canon	East Lothian Council, Scotland	Public sector	N/A	East Lothian Council's new PrintSmart project, implemented by Canon, aims to reduce the council's environmental impact by cutting paper consumption by 40% in the next year and halving expenditure on printer cartridges and associated consumables. Through the managed print service, East Lothian Council is targeting a 30% reduction in its overall print volume and a reduced expenditure of £95,000 by the end of 2010.
Lexmark	Rexel Group	Distributor	5	Global MPS solution covering 34 countries in Europe, Asia Pacific and North America.
HP	Nestlé, Italy	Food and beverage	5	Part of a global agreement which includes maintenance and support. Nestlé Italy typically produces 12 million monochrome and 1.8 million colour sheets annually. HP replaced head office's 400 printers with 132 HP devices, and changed 158 devices across three main sites with 35 HP
HP	Nottingham Trent University	Education	N/A	Deployed an HP Channel Led Pay-Per-Use print solution through The DTP Group across all campuses as part of an on-going programme. Jetadmin helps manage the fleet.
HP	Turismo de Portugal	Finance	3	Turismo de Portugal entered into a three-year HP Managed Print Services (MPS) contract, centred on leased HP Multifunction Printers (MFP), remotely monitored with HP Web Jetadmin software. Output is controlled with a SafeCom
HP	Deutsche Post	Telecoms	N/A	Details not available
Ricoh	Henkel	Manufacturing	N/A	A unified companywide solution for global printing and output management in 65 countries. Ricoh ran the 'PRIMUS' project - "Printing @ its best" - to achieve increased productivity, cost reductions, standardisation, optimisation and environmental sustainability. Henkel's 13,000 legacy systems were replaced by 4,000 multifunction Ricoh systems (e.g. Scan-to-mail, Duplex printing, stapling & punching). Ricoh has been able to deliver 37% cost reduction for print and output management
Ricoh	Air France (extended contract)	Aviation	3	Ricoh Global Services are managing the account across 71 countries. Ricoh has provided a global supply arrangement, single point of contact, a fully managed service, transparent price model, remote monitoring and reporting and an Eco friendly solution.
Xerox	Co-operative Group, UK	Retail	NA	£2m contract to manage 100 print devices that serve in excess of 2,500 head office staff across seven head office buildings in Manchester.
Xerox	Fiat Group	Manufacturing	5	Global contract to manage Fiat Group's print operations. The five-contract will be rolled out initially across Italy, Germany, France, Belgium and the US, eventually supporting the office printing needs of more countries where the Fiat Group operates.