



Controlling Enterprise Costs and Resource Utilization Through Managed Print Services

Spare Capital Expenditures, IT and Administrative Resources, and Overhead by Contracting with a Managed Print Services Provider

While today's businesses have embraced digital business automation as an organizational mantra, most have yet to fully realize the advent of the paperless office. In seeking practical ways to manage rising costs and capital expenditures — essential in today's challenging economic climate — an often-overlooked area for cost reduction is document management.

While printing, imaging, and document distribution are all essential functions, many organizations manage this function unsystematically. Random management of documents can subject critical business information to human error, misuse, and security infringements. Without managed oversight, confidential company assets can slip into the wrong hands, remain undistributed to the proper personnel, go untracked, and be overprinted or overcopied, creating needless waste. The use of a third-party managed print services provider can positively impact an organization's efficiency and bottom-line results.

The Overhead of Managing In-House Printing and Imaging Equipment

IT buyers often purchase desktop printers and multi-function devices online and in big box stores based on price, and work them to failure as consumables.

Businesses waste untold sums on unnecessary printing and document management costs. One reason for this is that document management — unlike sales, marketing, engineering, and other key organizational areas — is customarily not considered its own cost center. Instead, these costs are apportioned to other cost centers based on a formula that doesn't necessarily reflect their actual costs.

Printing and imaging costs go far beyond the cost of paper and ink. These costs extend to the acquisition of desktop printers and shared multi-function devices; their management, repair, and maintenance; staff time needed

to acquire and replace consumables, fix paper jams, and address other mechanical mishaps; as well as software issues that require IT troubleshooting and resolution. These costs can add up to as much as 3% of a business' total revenue. Effective management of printers, scanners, fax machines, copiers, and equipment supplies through a managed print services provider can save companies 20-30% in total costs, including a 25-60% reduction in hardware costs.¹

IT buyers often purchase a fleet of desktop printers and multi-function devices online or in big box stores based on price alone, and work them to the breaking point. These buyers typically don't factor in the high cost of toner cartridges and other consumables. When a printer fails, rather than apply IT resources to repair the device, a replacement, low-cost printer is purchased instead. Most organizations manage their desktop printers as consumables — the cost of which is rarely monitored or managed.

Factors Driving the Use of Managed Print Services by Today's Businesses

The application of a pay-for-use consumption model enables IT managers to scale costs to meet business needs and avoid large-scale, up-front capital expenditures.

Managed print services providers help companies reduce the cost of network and IT spending by eliminating both capital and operating expenditures, to gain a competitive advantage through efficiency enhancements. The market for these services has been forecast to grow from \$28.4 billion in 2016 to \$50.8 billion by 2023, at a CAGR of 8.5% between 2017 and 2023.²

The groundswell of organizations engaged in digital business automation has given rise to a surge in demand for "as-a-service" offerings, such as managed print services, cloud-based storage, device-as-a service, software-as-a-service, and more. In addition, the enthusiasm for hybrid cloud infrastructure, AI, and a desire to eliminate waste are also fueling the use of managed services by organizations. Yet another driver is the growth of documentation-retention mandates in the banking, financial services, insurance, health care, life sciences, and other industries. These mandates are compelling organizations to seek expert support in meticulously handling all aspects of document management.

By working with a managed services provider, organizations are able to keep up with the latest technology, receive comprehensive technical support, and pay for services as they're used. The application of pay-for-use consumption models enable organizations to scale usage and costs to avoid large-scale, up-front capital expenditures, and improve their budgetary forecasting models.

6 Ways Managed Print Services Can Benefit Organizations

With the right managed print services solution in place, organizations can optimize workflow and cost-effectively scale and pay for services as needed.

There are many advantages to allowing a managed print services provider to determine what specific equipment needs to be purchased, replaced, and maintained, then provide the equipment, parts and supplies, as well as track their usage. Here's a look at several key benefits partnering with a managed print services provider can afford:

- **Assessment of Enterprise Printing, Scanning, Copying, and Faxing Needs:** While internal IT teams have the ability to conduct an internal needs assessment to determine how many desktop printers and multi-function devices are needed within the organization, it may not be the best use of their time and expertise to be tasked with this function. Most managed print services providers are highly experienced in this area and have specialized knowledge of the latest all-in-one devices, how to optimize the number of these devices in the organization, and how to install and configure them.
- **Consolidation of Strategically Located Desktop Devices:** Desktop printers that service only a single user are inefficient in most organizations, often requiring specialized consumables that are costly to purchase. It's not unusual for a shared device to be located across the building or even on another floor, decreasing employee productivity. Strategic location of desktop printers that can be used by a specific work team or group of employees based on their physical location improves workflow and maximizes device utilization.



- **Identification of Costly, Underperforming Devices:**

Many organizations are still using old equipment that isn't cost-effective to run. Workers accustomed to a world of smart devices and one-touch connectivity are turned off by legacy devices that take time to start up and are complex to use. Managed services providers have significant experience matching specific equipment to the organization's needs, and many have strong ties with equipment manufacturers, and can offer customers rebates, promotional offers, and creative financing arrangements.

- **Remote Print Management:** Employees on the go or working from home can access enterprise equipment from any device to streamline productivity. With the services provider managing remote printing, organizations can save on expenses submitted by employees on business travel or working remotely to better manage costs.

- **Next-Gen Features and Enhanced Security:** Devices secured through a services provider afford built-in technology that anticipates problems, schedules maintenance, predicts costs, and ensures optimal running of all print and imaging functionality. These devices are designed for maximal uptime and security, many with the ability to monitor threats, detect intrusions, and validate operating software.

- **Automated Consumables Delivery:** Paper, toner cartridges, and other consumables can be set to auto-ship based on usage history and future projections. This helps avoid equipment and employee downtime, and spares purchasing administrators from having to order products, all of which cuts down on administrative overhead.

Conclusion

Maintaining individual devices is far more costly and time-consuming than having an automated, cloud-based system for handling these tasks at scale. Managed print services providers help organizations establish a cost-effective and efficient document production network.

These providers can connect their device-as-a-service equipment to a single monitoring system that ensures just-in-time delivery of replacement toners and repairs, and provides streamlined usage and maintenance reporting. By enabling organizations to improve their efficiency, productivity, and security through usage management, consumables replacement, and meeting of all print needs, managed services providers help organizations become more agile and energy-efficient. With the right managed print services solution in place, organizations can optimize workflows and cost-effectively scale and pay for services as needed.

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¹IDC, "Beneath the Surface: The True Cost of Enterprise Printing," Jacqui Hendriks, June 2011.

²MarketsandMarkets Research, "Managed Print Services Market by Deployment Mode (On Premise, Cloud based, and Hybrid), Channel Type (Printer/Copier Manufacturers, System Integrators/Resellers, and ISVs), Application, Organization Size, and Geography - Global Forecast to 2023," August 2017.