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Strategic Assessment

What to Expect When Engaging in Managed Print Services

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Abstract

This White Paper is part of a series by InfoTrends on Managed Print Services. This paper reveals what a customer should expect when engaging in Managed Print Services. If you are not familiar with Managed Print Services and want to learn more about its benefits, you should read Part One of this series, entitled *Why You Should Consider Managed Print Services*.

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Introduction

There are definitely significant benefits for engaging in Managed Print Services (MPS). Nevertheless, there can be challenges to finding the right vendor that can provide the services that are specific to your print and output needs. Managed Print Services may not be for everyone, but almost every company that enters into a MPS engagement realizes significant benefits, ranging from better management of their output infrastructure to lowering costs.

If you were to ask a few vendors to define Managed Print Services or what components they deliver in their MPS programs, you are likely to get several different answers. The reason is because MPS is not a “one size fits all” service. InfoTrends’ definition of Managed Print Services is “Services-led offerings that help companies solve their pain points (typically around the management, costs, and/or document processes) by delivering *continuous* improvements, particularly around the organization’s print, copy, and document environments.”

A good MPS provider will solve your pain points specific to your organization’s needs. A great provider will be able to discover your pain points and deliver the right services based on them. Unfortunately, not all MPS providers are created equal. Since Managed Print Services can essentially consist of a variety of services or many different options, it is important to understand whether or not a potential vendor can deliver these services.

Managed Print Services Categories

Once you have discovered the areas that you would like to address with MPS, it is important to understand the typical types of MPS categories vendors deliver. Although there essentially are unlimited variations of MPS, we have discovered that most vendors fall into one of the following categories or have multiple services that may support all three of these types. At the same time, we have seen greater rewards to overall business improvements and cost reductions when more services are implemented. We, therefore, recommend that even if you are not considering advanced managed print services today, you may want to consider a vendor that would be able to provide those services in the future.

Supplies and Break-fix Managed Print Services

For those that are only looking at lowering the costs of their supplies and having them managed more efficiently, there are vendors that provide supplies and break-fix MPS. This type of service is the most basic and will convert your current printer supplies environment from a transactional purchasing arrangement to a contractual arrangement. Instead of having to manage purchasing supplies from a variety of sources when needed (transactional), a contracted arrangement will put your printers into one contract managed by one vendor. Usually, this will provide you with better cost savings because the supplies are purchased in bulk over a period of time by one vendor. It should also provide you with peace of mind because someone is taking over the management of these supplies for you. At the same time, the essential break-fix service is often included as part of this level or will be provided as an additional option.

Infrastructure Managed Print Services

You may often want to look at your print and copy infrastructure holistically to make sure that the entire environment is managed and optimized as a whole. Many devices are able to print and copy; some do color and black and white. MFPs can also provide features such as scanning, faxing, and document workflow. It's not always obvious which devices and which configurations are the best, cost-effective choices. Decisions also need to be made on where to place the devices to balance end user requirements and walking distances.

Many vendors offer this type of MPS engagement where the focus is around managing and optimizing the entire infrastructure. Optimization usually occurs with a device, supplies, and services strategy. Depending on the vendor's MPS methodologies, this should provide you with a path that will lead to an optimized environment of output devices that will essentially lower your overall costs. A good provider will consistently assess and evaluate your environment throughout the contract agreement to insure that it is well-managed, balanced, and cost effective.

Advanced Managed Print Services

In addition to Infrastructure MPS, some companies may require additional services that consist of workflow improvements, environmental management, change management, or print security services. Advanced MPS provide a higher level approach to print and copy management, and often takes a look at other improvements adjacent to the device infrastructure. These services usually consist of additional solutions that can help further optimize the environment, gain efficiencies to lower costs, or even help

with meeting compliance regulations or security improvements. There are a few vendors that can provide these types of services and have the tools and solutions to manage them for you under a MPS contract engagement. Since Infrastructure MPS engagements usually consist of continuous environment improvements, a provider may make Advanced MPS recommendations throughout the contract. Again, we recommend that if you are investing in Infrastructure MPS that you look for a vendor that can support these advanced capabilities if you choose to leverage them in the future.

Table 1: Typical Components of MPS Types¹

	Supplies & Breakfix Managed Print Services	Infrastructure Managed Print Services	Advanced Managed Print Services	Optional Managed Print Services Components
Simple assessment	•			
Supplies replenishment for multiple vendor devices	•	•	•	
Supplies optimization	•	•		
Multi-vendor break-fix support and service	•	•	•	
Hardware and supplies assessment		•		
Hardware and supplies optimization		•		
Change management service		•	•	
Hardware, supplies, and business process assessment			•	
Device infrastructure optimization			•	
Hardware, supplies, and business process optimization			•	
Workflow improvement services			•	
Proactive and automated supplies delivery				•
Proactive maintenance and service delivery				•
Advanced change management training				•
Environment improvement/management services				•
Device/document security management services				•

Approaches to Managing Your Environment

MPS contracts can include managing all or a part of the print and copy infrastructure. In a holistic approach, printer *and* copier devices are managed to optimize the entire environment. The optimization can occur at different times or phases of the engagement, depending on the vendor’s approach and your company’s capacity to accept and adopt change. To achieve better costs in an environment, if that is one of your goals, some type of change is inevitable. Change can occur in different forms—from changing the hardware configuration to the types of supplies used in the contract. Software can also automate your support and enhance the overall MPS experience.

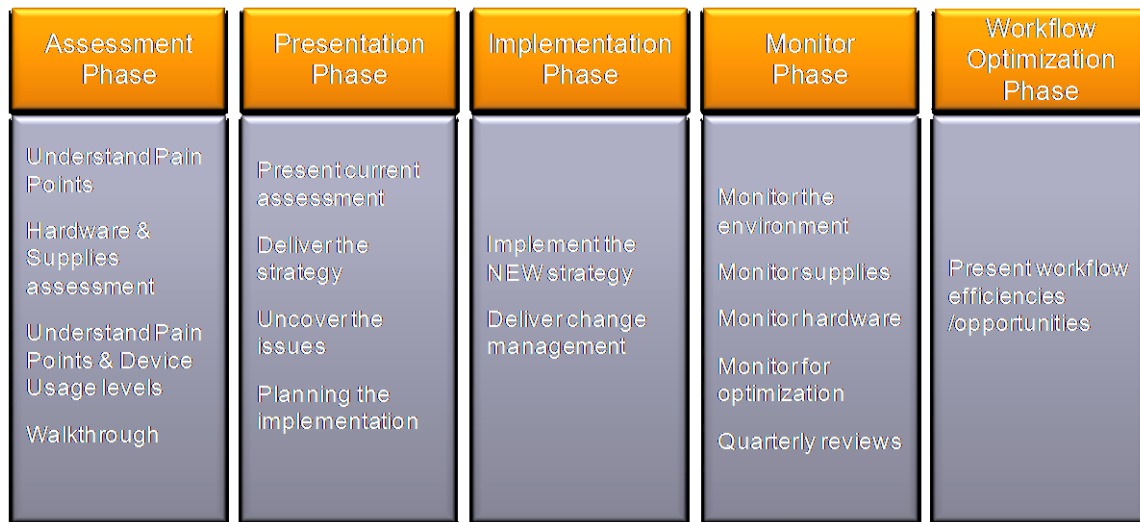
¹ Not a comprehensive list. Some vendors may offer more solutions and services and groupings of services may differ. This chart should be used as a general guideline for what could be expected in each of these different segments.

In many cases, cost reductions will occur with a well-balanced and managed hardware and supplies strategy. Significant cost improvements can happen with a uniform and consistent model/brand device and supplies strategy, which can also take advantage of economies of scale as well as service and support efficiencies. These changes do not have to occur all at once or upfront, however, if your organization is not prepared to make these modifications. Because Managed Print Services are contracted services over a period of time, change and optimization can occur throughout the MPS agreement.

The Five Phases of MPS

InfoTrends describes a typical MPS engagement using the following five phases: Assessment, Presentation, Implementation, Monitoring, and then Workflow Optimization (optional or often found in Advanced MPS engagements). These phases are generally performed with each of the three MPS categories, but may vary by degree. The following examples show what you can expect in a more sophisticated Managed Print Service engagement.

Figure 1: The Five Phases of MPS



Assessment Phase

The assessment phase occurs when a vendor appraises your company’s specific pain points as well as existing hardware and supplies inventory. This phase may include walkthroughs to map devices and gather end-user requirements, interviews with employees, and device polling to understand device usage levels. Workflow needs are sometimes addressed at the highest level or for Advanced MPS engagements.

The assessment phase is one of the most important phases in the MPS process as it is the time where the vendor can gather the most significant information about your environment. Most of what a vendor will need to assess are devices, often printers, that are not connected or that are attached locally to a PC. The vendor will be gathering data about the devices during this phase, including an analysis of how healthy and cost efficient your environment is currently running. It is important to gather the actual costs of devices, supplies, and services to provide the most accurate assessment and representation of the infrastructure. Also, a walkthrough of your environment as well as interviews from individuals will allow a vendor to fully understand your goals, pain points, and business processes.

Interviews

Interviews help to understand the pain points of the executives within your organization, as well as the knowledge workers that may be affected by the Managed Print Services arrangement. A MPS engagement should start at the C-Level, however, since this strategy is enterprise-wide. Clear objectives of the CEO and CFO should be understood from the beginning. Knowledge workers should also be

interviewed as their requirements and work habits may be affected as the environment is reconfigured. Some vendors will use a floor-planning tool to help design an optimal environment for each floor and department. Depending on the size of the organization, these interviews can be as simple as discussing needs with one person in each department or as complex as performing a Web survey aimed at all individuals within the company.

Design and Presentation Phase

Following the assessment phase, the MPS provider presents the current assessment along with the new proposed strategy. Side-by-side comparisons of current and proposed scenarios are recommended, including the following elements:

1. Hardware (units)
2. Input/Output (pages)
3. Cost-per-page (dollars/page)
4. Highlights from organizational interviews
5. Floor plan
6. Breakouts by brand, model, and device
7. Breakouts by location, floor, and workgroup

When presenting their findings, vendors should offer a 1-3 page executive summary comparing high-level current and recommended metrics as well as optimization scenarios in regards to hardware, input/output, and cost-per-page. From this presentation, you would be able to agree or disagree to move into the implementation phase.

Implementation Phase

The implementation phase of the contract should begin with various change management and training initiatives that occur well before any hardware changes take place. These change management initiatives should continue throughout the implementation process, especially if new hardware or solutions are being deployed. During the implementation phase, the MPS vendor may begin some optimization of the environment. Software monitoring solutions are usually also installed to provide service and supplies information to streamline management and reporting of the environment. In addition, other optional software may be installed that will help with your MPS strategy, such as rules-based printing, accounting, or security solutions.

Monitor/Management Phase

The Monitoring phase should be a continuous and cooperative effort. Most vendors schedule updates with their customers on a quarterly or semi-annual basis. Some providers support extranet portals for customers to review their document output on-demand.

The monitoring phase represents the bulk of contract period, during which a provider must monitor hardware alerts, replenish supplies, proactively maintain the fleet, and bill the customers. Meeting contractual Service Level Agreements (SLAs), such as break-fix response time, are crucial to maintaining customers beyond the initial contract period. Most importantly, the monitoring phase should continue a

closed-loop optimization process targeted to future presentation and implementation phases. Workflow improvement services, including software solutions, may also be introduced during these future monitor/present/optimize cycles if they can benefit the customer. During these meetings, you should receive some type of report on usage and possibly recommendations to create further cost efficiencies.

Workflow Optimization Phase (Optional or Advanced MPS)

The workflow optimization phase moves beyond “fleet” and “device” management to true “business process” management. Although vendors’ methodologies may vary from traditional process improvement paradigms, such as Six Sigma or TQM, the general process is very similar. These business processes improvements usually involve solutions that are tied to the client’s MFPS, such as scanning and document management, accounting, or security solutions for the device. These solutions and workflow improvements help with providing efficiencies that can lower costs, create new business opportunities, or even support compliance initiatives that are part of a document process.

Dispelling the Myths about Managed Print Services

Managed Print Services have evolved rapidly over the past few years—and so have the services and programs offered by vendors. What you may have considered MPS in the past may no longer be true, and you may be surprised at how beneficial and easy it is to engage in a MPS program today. Here are some common misconceptions about MPS and the corresponding realities that may relieve any hesitation about taking the next step:

- **“We probably can’t take advantage of MPS because we just purchased new printers recently.”**
 - Whether the printers are old or brand new, you can definitely benefit from a MPS program. Supplies costs can be managed through a contract, and there is peace of mind that all support and services are being handled. Insight into your overall print and copy infrastructure is also something that anyone can benefit from.
- **“We don’t have a lot of print and copy devices for MPS to be worthwhile.”**
 - Although companies with bigger device infrastructures can most definitely take advantage of MPS, smaller companies may be able to, as well. In some cases, it may depend on whether your organization currently has paper intensive processes (e.g., small law firms, insurance agencies, or real estate sites) where output may need to be managed more effectively. The only way to find out if MPS is right for you is to start inquiring about it from your vendors.
- **“Equipment manufacturers have a bias on their products and can’t service and support others.”**
 - While manufacturers clearly support their products, many can also support, service, and provide low-cost supplies for other manufacturer’s devices just as well. It is important to ask any vendor their capabilities of supporting the devices specific to your current environment.

- **“We don’t have the money to get into a Managed Print Service.”**
 - In some cases, there are little or no upfront costs to get into a MPS program. In most cases, you will end up saving money that you were originally going to spend on your print and copy environments.
- **“Equipment resellers or dealers can’t offer competitive programs like equipment manufacturers.”**
 - Resellers and dealers can provide competitive programs similar to equipment manufacturers. In some cases, resellers may be able to satisfy your requirements better than equipment manufacturers and vice versa. Again, depending on your specific requirements, it would make sense to talk to a variety of vendors to see which ones can better service your environment.
- **“Multiple vendors, one for copiers and one for printers, provide me with more options and keep pricing competitive.”**
 - One of the benefits of MPS is to turn your fractured infrastructure to an organized one under a single contract so that there are fewer vendors to manage. In addition, a single vendor can look at your entire infrastructure holistically to insure the most cost efficient environment.

What Should I do Next?

Taking action to investigate if MPS is right for you is a big step, but the only way to really see true potential benefits is if you start talking with vendors. MPS is a personalized service and a professional MPS provider, like a good doctor, will thoroughly assess and diagnose your infrastructure and prescribe a specific strategy according to your goals and how you want to address them. You will want someone trustworthy and able to perform a thorough assessment to make sure your infrastructure runs efficiently and continuously.

Here are a few things that InfoTrends recommends to do next:

- Determine what your company’s pain points are around your print and copy infrastructure
- Know the benefits of MPS and translate them into your organization’s goals and objectives
- Determine the category of Managed Print Services that you think would benefit your organization, whether it would be supplies only, an infrastructure alignment, or an advanced MPS service
- Talk to a variety of vendors to see what capabilities they have in supporting your MPS initiatives
- Ask for an assessment of your environment. A provider may be able to discover areas that can be improved for efficiencies that can only be uncovered during an assessment

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