A Guide to Managed Print Services

Introduction to Managed Print Services

Organizations may suspect that their cost to print and distribute documents is probably too high, but the actual financial impact of printing is frequently underestimated – sometimes by a wide margin. With printing largely decentralized, departments and individuals make their own decisions about hardware, maintenance, supplies and usage. As a result, the costs to create documents are spread across financial reports from multiple business units. Line item expenses are difficult to identify and impossible to compare.

Gaining visibility of printing costs and identifying opportunities for potential savings is the initial goal of managed print services (MPS). Information provided by a professional MPS assessment can also be used to affect change and improve other business processes.

What MPS Is – And What It Isn't

MPS is a concept embraced by companies all across the globe. By 2013 more than one-third of hardcopy device procurement will take place through MPS contracts. However, it's more than just a different way to acquire hardware; MPS proposals that focus only on price-per-page, duty cycles and click charges are missing the point.

A successful business relationship between an MPS partner and their customer requires the partner to develop in-depth knowledge about the customer's devices and usage. Additionally, a keen understanding of business processes and workflow is vitally important.

Early MPS efforts focused on savings to be gained by eliminating waste, enforcing standardization and improving device utilization. Enterprise-wide printing has traditionally been undermanaged. Simply looking at printing from a company standpoint, rather than a departmental perspective, and actively managing the process yields some immediate wins. As the practice has matured, it has become clear there are additional benefits to be uncovered even after those early savings have been realized.

Time and time again companies have found there are significant financial benefits to be realized by converting to an MPS environment. According to Photizo research, printing costs can run in the range of 3 percent to 6 percent of revenue.

Hardware costs, the easiest to identify and track, account for only 5 percent of the total cost of ownership. Operating costs account for 45 percent and the remaining 50 percent is spent on support. Internal assessments typically identify only 10 percent of the total costs associated with printing. An objective assessment by a knowledgeable vendor or consultant is very important.

A professional MPS assessment can find and eliminate expenses you didn't even know you had. Research by Photizo reveals that the average annual printing cost per employee is $725. This is just the out-of-pocket cost for acquiring equipment, buying supplies, and maintenance. Not included in this figure are IT support costs, which can be enormous. A company with 3,700 employees spends an average of 750 IT hours each year supporting printers.

MPS Benefits

Moving to an MPS model has a generous return on investment, even though some of the benefits are hidden from view until a thorough analysis has been done. While reducing costs is top of mind for almost every organization, MPS can offer many additional benefits outside of cost savings. Here are some of the focus areas connecting MPS benefits to organization goals:

- Printer fleet reduction – Fewer devices deployed across the enterprise
- Hardware standardization – Limiting variability in device manufacturers, models and user interfaces
- Reduction in print volume – Printing fewer pages without negatively impacting business processes
- Improved security – Enforcing walk-up user authentication before print jobs are released, tracking user activity
- Environmental benefits – Reducing paper use, recycling toner cartridges, and lowering electrical consumption
- Control/Accountability – Accurately allocating costs and charge-backs, capturing billable activities, analyzing departmental and individual usage patterns

The Softer Side of MPS

A managed print environment is really a managed document environment - and a managed information environment. Once an organization has achieved the savings and efficiencies associated with right-sizing their fleet of equipment and is monitoring their print activity, they need to look elsewhere for more MPS benefits.

Capturing the information contained in paper and electronic documents and using it to improve workflow or automate processes is the next step for many companies. Newly acquired knowledge of document use and detailed information about the departments or individuals who interact with documents allows companies to extend control to business processes beyond printing.

Some of the common operations that an MPS partner can help their clients improve are:

- Document scanning and routing
- Archiving and retention
- Information retrieval
- Standards enforcement
- Automated workflow

Managing your print services has many advantages. With the right kind of help and guidance companies can turn a wasteful and expensive administrative expense into a strategically integrated function of the workflow. Actively managing the documents your company uses can add value to the products and services you provide – not just lowering your costs.

Photizo By The Numbers Benefits

- $1M - average total savings companies realized after implementing an MPS program based on an analysis of 105 companies

- $700k – average annual cost of a hardcopy fleet for a firm with 750 employees

- 30% - average percentage of savings after implementing an MPS program

- 60% - average reduction of hardcopy fleet carbon emissions after implementing MPS