



# Managed Print Services: Key Considerations

Business White Paper

## Managed Print Services: Key Considerations

### Mythical Costs vs. Factual Costs

Many companies do not realize the amount of expense they actually incur in supporting print service needs for their organization. Most companies do not even track printing costs, and according to Buyers Laboratory, 90% of companies surveyed do not track printing costs. Furthermore, InfoTrends and All Associates, documented similar findings in their report, *Assessing and Benchmarking Document Output Costs*. The survey revealed that organizations perceive that they spend an average of 3%, or less, of their annual revenues on delivering print services and equipment. Print services include: copying, printing, and fax related costs. InfoTrends reported in their 2012 study, *Why You Should Consider Managed Print Services*, that overall document expenses including hardware, supplies, and human capital actually averaged 6% of annual revenues across all industries.

Organizations typically examine the hard and obvious costs such as hardware purchase and maintenance, supply orders, and required IT infrastructure. However, the employee costs related to delivering print services can often be as large as the aforementioned items. Help desk support, intervention by other IT staff, and employee intervention outside of the IT department contribute significantly to overall expenditures. International Data Corporation (IDC) research supports this observation in a study that concluded IT spends 15% of their time on printing related issues, and that 23% of help desk calls are printer related.

Actual print service costs increase when waste and inefficient procurement are added into the mix. Common are the stories, across all industries, of companies discovering thousands of dollars in unusable toner for devices no longer in service and piling up in supply closets.

Problem	Why?
Companies significantly underestimate their current spending on delivering and supporting printing.	"90% of companies do not track printing costs." -- Buyers Laboratory
	"Hard, visible costs are only about 10% of the total document cost." -- All Associates Group
	"IT spends 15% of their time on printing-related issues." -- IDC
	"23% of help desk calls are printer related." -- IDC
	Multiple departments have the ability to procure devices.

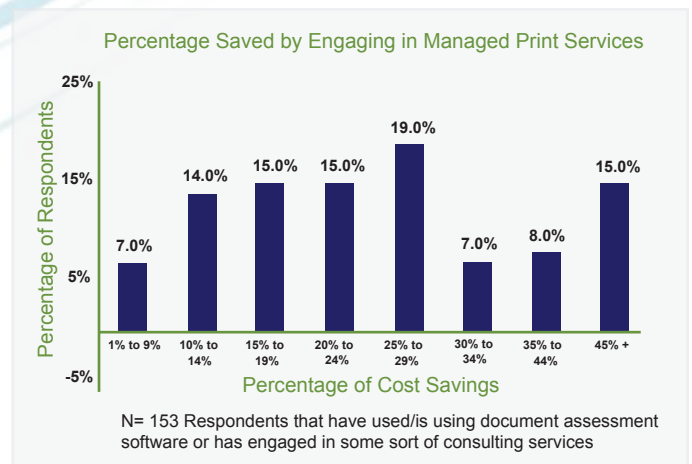
Companies that manage print services internally often empower individual departments to manage their own print needs and handle their own procurement. This often results in the procurement of incompatible devices across an organization with inconsistent performance levels, incompatibility issues, uneven driver installations, and wasted parts and supplies.

*"Without MPS, printing and imaging in the enterprise run, on average, 6% of revenue - costs built up over many years of buying PCs, then printers, copiers, fax machines, scanners and all of the supplies that go with all of the different devices in use, most often from a hodgepodge of vendors."*

*- Bruce Dahlgren, VP of Managed Enterprise Solutions at  
HP's Imaging and Printing Group (InformationWeek, July 2011)*

## Measured Facts and Results of Managed Print Services

Just as companies often do not realize the actual level of annual expense related to print services, companies also do not realize that a tremendous opportunity currently exists for significant cost savings in their print and copy environments. Gartner's 2011 study, *Cost-Cutting Initiatives for Office Printing*, concluded that companies who actively seek to manage their office printing can realize cost reductions of up to 30% in recurring spending on document output. As already mentioned, total enterprise expenses for document management run approximately 6% of annual revenue. A 30% decrease in expenses can be viewed analogous to a 1.8% increase to EBITA.



*Cost-Cutting Initiatives for Office Printing  
Gartner, 2011*

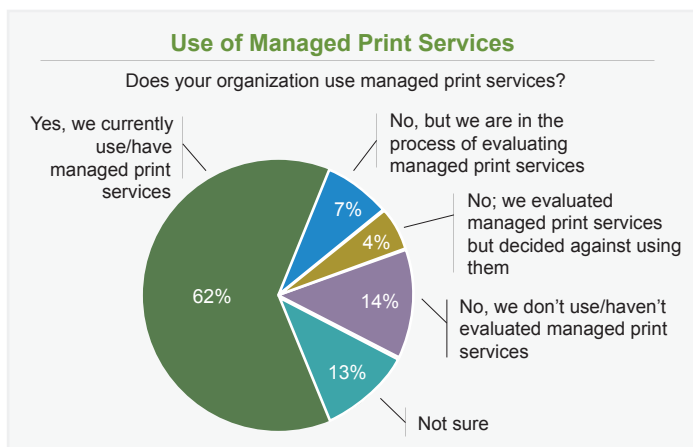
In addition, the research indicates that 70% of companies who switched to managed print services saved at least 25% on their printing expenditures while 15% of companies surveyed reported a savings of 45% or higher. Interestingly, of companies that were surveyed, no respondents reported that the switch to managed print services increased their expenses.

In IDC's case study, *Managed Print Services: Tackling the Last Frontier in Substantially Cutting IT Spend*, the MPS provider introduced a new level of standardization and optimization within the printing environment. Bottom line benefits were quickly realized; the company ultimately enjoyed 25% annual cost savings and a 50% reduction in its legacy printer fleet and hardware maintenance. IDC also notes that companies can lower their printing costs by up to 30% simply by outsourcing managed print services.

In addition to the bottom line cost benefits, many companies have transitioned to Managed Print Services for the Green benefits. An optimized print services strategy and infrastructure reduces paper waste, toner and ink waste, thereby reducing the company's carbon footprint. In September 2010, BusinessWeek reported similar findings relative to the benefits of outsourcing Managed Prints Services. BusinessWeek indicated that major corporations such as Dow Chemical for example, have recognized positive hard and soft cost reductions from their outsourced managed print services.

## Common Myths and Misconceptions

Information Week, 2011, reported that 62% of companies were using Managed Print Services. Although a majority seemed to have made the decision, a surprisingly large segment of businesses remain skeptical. Much of this skepticism lies upon common misconceptions. These misconceptions about Managed Print Services fall into three categories.



*Print Shop: Managed Services Deliver Cost Savings and Control*  
Information Week, 2011

**Size** - Companies often believe that they are not big enough to implement a Managed Print Service process in their company. However, Managed Print Service vendors report that the benefits of the Managed Print Services model are not limited to multi-billion dollar companies. Mid-size firms (\$100M - \$1Billion) and even some smaller size companies (<\$100M in annual revenue) can benefit from Managed Print Services.

**Cost** - Many IT managers perceive implementing an MPS solution costs too much. Companies often feel like they can fix in house print related issues themselves and properly manage output each month. This “DIY” attitude often creates the impression among managers and executives that the company is pinching pennies and saving money. However, the front line employees see the waste and inefficiencies. They realize that in the long run the expense costs grow rapidly.

**Fear** - People often fear change; IT and business managers are people and they fear change as well. Change involves risk and many fear that the investment in Managed Print Services may not return the expected benefit. The fear of change should not be underestimated, as demonstrated in actual studies, implementation of an MPS solution not only saves companies costs, but it enables companies, staff and employees to focus on their core competencies and grow their businesses. Outsourced Managed Print Services free up in-house IT personnel and allow employees to focus more on their tasks at hand.

*“Effort only fully releases it’s reward after a person refuses to quit.”*

*- Napoleon Hill*

## SA IT Approach

SA IT recommends a 4 step process in the implementation of an outsourced Managed Print Services process.

1. **Analysis** - Conduct an audit around current practices, infrastructure, processes, procedures, service level performance and of course expense. This baseline serves not only as the reference point to measure improvement but also provides the comparison from which to examine industry best practices. This often involves developing a roadmap for configuring your print fleet and gathering usage data. SA IT utilizes proprietary Print Fleet software developed for implementing Managed Print Services. The software detects all IP-addressed printers and printers attached to networked computers and captures their printer ID, model and serial number. The system then automatically collects data on page counts, ink loads, consumable usage, energy usage, service calls, and downtime.

2. **Optimization** - After analyzing the current print management situation, SA IT services compiles that data into a report outlining the cost savings available at each level of our print management service. SA IT management service aggregate this data into a report that provides an overview of the current corporate printing environment and details of the cost savings associated with different levels of our Managed Print Service system implementation. Our team then assists the customer in deciding which Managed Print Services plan level and payment option would best fit their needs for cost reduction, level of service, printer optimization and expenditure outlays. If necessary, existing printer assets can be optimized and re-deployed and aging printers can be de-commissioned in order to optimize workflow efficiencies and costs.
3. **Manage** - SA IT installed software continuously monitors the printing environment, tracking page counts, supplies usage, maintenance issues and user behavior. Ongoing reports are generated that allow the customer to monitor their environment, identify areas that need attention and continuously control and fine-tune their printing environment.
4. **Support** - Our print software also alerts us any time a printer in the customer's monitored fleet runs low on consumables, requires service or maintenance attention. Replenishment of consumables are automatically shipped directly to the facility where the printer resides, before it runs out. If the alert is for a service-related issue, phone support is provided and if required, a technician is dispatched to deliver on-site service to ensure restoration of print availability.

*"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."*

*- Jack Welch, Former CEO  
General Electric*

## Why SA IT Services?

SA IT Services, the leader in Managed Print Services, possesses over 25 years of experience and understands business's need for scalability and flexible solutions provided by reliable and trustworthy staff. This is why SA IT leads the industry by providing clients with full time W-2 badged and certified employees. Our team, of over 400 dedicated IT professionals provides responsive support services anywhere nationwide.

Most Managed Print Service providers urge you to replace all of your print fleet to a single original equipment manufacturer (OEM), of course the one manufacturer they service. SA IT field technicians are experienced across a diversity of OEM platforms, allowing us to integrate and service any business environment, without adding significant upgrade costs to you.

We pride ourselves in strong customer relationships and excellent service. Whether it is implementing Managed Print Services into your company or providing day-to-day customized IT solutions with specialized technical support, at SA IT we are your partner and not just your MPS provider.

TO LEARN MORE, VISIT [WWW.SAITSERVICES.COM](http://WWW.SAITSERVICES.COM)  
Contact us today at (770) 569-2828.

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