

REVEALING THE COST OF PRINT: How Print Assessment Can Save Millions

A White Paper Prepared by LaserCare

Presented in partnership with:



LaserCare Technologies, Inc.
3375 Robertson Place
Los Angeles, CA 90034
www.lasercare.com (800) LASER-20

LaserCare[™]
PRINTER & MFP EXPERTS

Today's information age might be better titled the age of paper. The promise of a paperless future has been replaced with a greater reliance on printed documents. The prevalence of e-mails, web pages, presentations and PDF documents is prompting employees to print more than ever before.

The enterprise print environment is often a misunderstood cost center that is much more expensive than most businesses recognize. Many enterprises do not realize exactly how many printers, copiers and fax machines are deployed, and thus have no clear understanding of the total cost of print. To get a firm grasp on the costs of printing, corporations are turning to comprehensive print assessment services that analyze the current print environment and reveal ways the enterprise can dramatically reduce costs.

After years of inattention and lack of coordinated management, the imaging and output infrastructure in most enterprises is fraught with high costs.⁴

WHAT IS DRIVING THE NEED FOR PRINT ASSESSMENT?

According to Forrester Research, "Few companies know what it really costs to print, fax and copy documents each year, and fewer still are actively managing those costs."¹ Conservative industry estimates place the full cost of printing between 1 and 3 percent of a company's annual revenue.² For example, a \$250 million enterprise is likely spending between \$2.5 and \$7.5 million a year on printing-related activities. It is not uncommon for each employee in a large corporation to average 1,200 printed pages monthly, at a cost of \$750 per employee each year.³

IDC explains, "After years of inattention and lack of coordinated management, the imaging and output infrastructure in most enterprises is fraught with high costs."⁴ Millions of printers purchased in the 1990s are still being used in the workplace. Older print devices share common attributes: long wait times, low paper capacity and poor performance. The cost of maintaining aging printers is significantly more than modern alternatives. The price for parts and toner becomes incrementally more expensive over time and it is more time-consuming to manage devices that lack network management capabilities.

The costs of print generally fall into three categories:

- **Hardware:** This cost includes the acquisition of print technology and upgrades.
- **Consumables:** This includes operational costs such as toner, drums, ink, paper and electricity consumption.
- **Support:** Support costs include maintenance contracts, help desk calls and service calls. According to Forrester Research, service calls for devices without maintenance contracts can easily cost more than \$200 per call.⁵



¹Giera, J. (March 12, 2004). Quick Take: HP Tackles the High Cost of Printing.

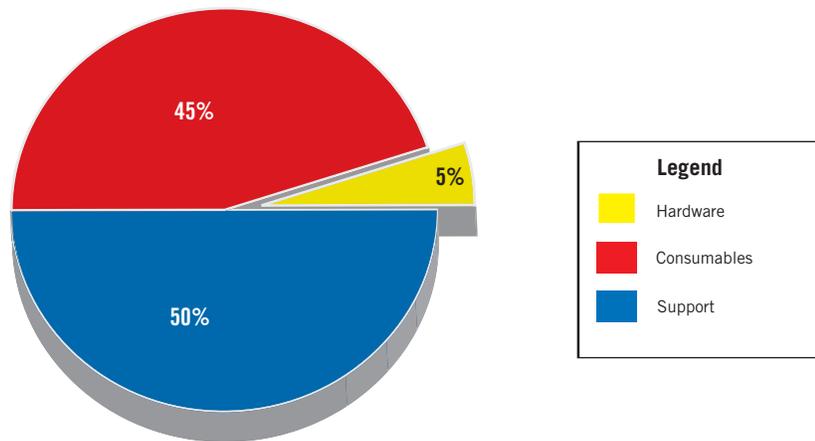
²Gartner. (August 19, 2003). Printer and Copier Fleets: The Gold Mine in the Hallway.

³Tam, P. (September 14, 2004). The Paper Trail. The Wall Street Journal.

⁴Boyd, A. (April 2004). Achieving a Balanced Imaging and Output Deployment: Planning and Implementation Guidelines.

⁵Forrester Research. Giera, J. (March 12, 2004). Quick Take: HP Tackles the High Cost of Printing.

Surprisingly, hardware costs make up only five percent of the total cost of print ownership (see pie chart below).⁶ Consumables and support are typically seven times more expensive than the initial investment in print technology.



A fourth—often unrecognized—category is employee productivity. This category involves the cost of waiting for printouts and the negative productivity impact of employees adding paper, changing toner and other downtime events.

THE CHALLENGES OF A POORLY OPTIMIZED PRINT ENVIRONMENT

A number of issues make managing the cost of today's enterprise print environment difficult. Some significant challenges include:

The Perils of Decentralization

Acquisition costs have dropped, prompting many enterprises to simply add print devices wherever demand emerges. The result is often an excessive deployment of printers, in many cases one for every two employees. When many different types of print devices are scattered across the enterprise—some attached to the network and others directly attached to employee PCs—the cost of managing such a large base of deployed printers is extraordinary. This is compounded by maintaining supplies for many models and vendors that may not even be in use.

Management of print devices is often split between IT and facilities groups. IT handles help desk calls and printer jams while the facilities group manages purchasing and stocking consumables, such as toner and paper. When two divisions of a corporation control print-related expenses, assessing the total cost of print is challenging. This is further compounded when individual departments purchase consumables. The end result is often an unquantifiable cost for the print environment. When fax machines and copiers are added to the mix, the result is many different devices that are often underutilized.

⁶Ibid

Cost Allocation Challenges

More enterprises are attempting to allocate the costs of print to departmental budgets. When certain departments or users have inefficient printers, they cost the company more than other departments that have more efficient alternatives. Because consumables often are not allocated based on usage, there is no easy way to know which departments are costing more for print than others. Ideally, businesses should examine solutions that enable metering so departments pay for what they use, resulting in fully allocated print costs.

Older print devices have more expensive consumables and are significantly slower than modern alternatives

The Cost of Old Technology

Printers that were deployed in the 1990s are more costly to operate than modern alternatives. Not only do the devices need expensive replacement drums, cleaning and parts; they are significantly slower at processing and printing pages than today's print devices. Add to this inefficient power consumption, more expensive consumables and larger physical space requirements. Where older machines may process 10 or fewer black-and-white pages per minute, many newer machines can print 20 or more pages per minute in full color, resulting in improved employee productivity. Additionally, because many older devices cannot be monitored over the network, they have increased unforeseen management costs.

Security

The risk to the confidentiality of sensitive information is often overlooked. When private paper-based information (such as patient documents) needs to be printed, how can the enterprise ensure the information is secure? Securing printed documents while maintaining access to authorized employees is an important consideration.

Other Cost Factors

Additional cost-related considerations include:

- The cost of floor space for printing devices
- Storage space for printing and imaging supplies
- Employee productivity loss from time spent assembling and delivering documents

Print assessment provides enterprises the blueprints necessary to reduce the total cost of print

THE SOLUTION: PRINT ASSESSMENT

To understand the necessary steps for controlling the cost of print in the enterprise, corporations are turning to service providers that can perform a comprehensive examination of their existing print environment. Commonly referred to as print assessment, the service entails a thorough review of all print devices within the enterprise.

Identifying Opportunities for Optimization

Print assessment provides high-level decision makers the necessary information to make tactical cost-cutting decisions. The service provides a foundation for reducing the total lifecycle cost of print devices. A complete print assessment provides enterprises the critical blueprints necessary to retrofit the print infrastructure with fewer print devices that can perform multiple functions such as printing, scanning and copying.

Removing Costs with Consolidation

Print assessment is the essential first step to optimizing the print environment that has an end goal of balanced deployment. In this optimized environment, businesses have technologies and tools deployed where they can achieve the best utilizations. Plus, a major part of optimizing the print environment is taking the assets a business already has and putting them to better use. For example, a company could achieve their output requirements with 300 rather than 500 printers—and 100 of those printers could be assets they already own. In this case upgrading equates to better utilization.

Consolidation offers more opportunities for cost savings. Through the effective use of multitasking or multifunction devices, companies can trim the number of devices in use. Print environment ROI starts with the basics. Consolidating and simplifying the environment or reducing the number of devices to manage will definitely remove costs from the operation.

Print assessment reveals how an enterprise can optimize its print environment, reducing costs by 23 percent on average

How It Works

Print assessment begins with an inventory of all print devices in the network. This task is typically automated using powerful software tools that discover print devices and perform usage evaluations. These applications are able to determine the number of printed pages delivered by each device, over time. A more comprehensive option includes the manual examination of all desktop-attached printers that are not connected to the network. Intelligent analysis is performed to:

- Identify locations that are underutilized
- Determine the costs of consumables such as toner, ink, paper and power use
- Identify operating costs for existing devices
- Predict costs for service and device management
- Determine employee productivity impact

Soft cost analysis includes:

- Floor space cost assessment
- Average help desk cost savings
- Supplies management reductions in both acquisition and labor savings (minutes saved to replace cartridges)

Print assessment includes workflow monitoring and analysis to determine if multiple older printers can be consolidated to fewer, more powerful print devices. Locations within the company are examined and the total monthly cost and average cost per page are provided, delineated by location or department. In addition, newer devices that do not need replacement are identified.

After the total cost of print is determined, a recommended list of replacement products is identified. The related costs of the new devices are compared to the existing environment to reveal the total savings. Part of the assessment includes a consolidation plan to departmentally reduce the number of printers to fewer, faster devices and intelligently redeploy existing assets.

⁷Boyd, A. (January 2004). ROI Focus Shifts to Imaging and Output Infrastructure.

THE BENEFITS OF PRINT ASSESSMENT

The primary benefit of print assessment is the potential cost savings of consolidating the print infrastructure. Analysis performed by IDC revealed that an optimized print environment could save mid- to large-sized organizations between 13 and 40 percent in direct costs, with the average company achieving a 23 percent reduction in costs.⁷

The report concluded that:

- The largest savings were in IT support costs
- Help desk calls for print-related topics were reduced by more than 50 percent
- The cost of consumables decreased
- Device availability increased
- Document workflow improved with the use of multifunction devices

Additional benefits of print assessment include:

- Reveals if maintaining existing equipment is more costly than new investments
- Identifies ways to reduce costs and streamline workflows
- Allows the enterprise to justify the consolidation of printers
- Identifies inefficient technology that can be replaced with higher-performing and more energy-efficient devices
- Helps understand how productivity can improve with faster queue and print times
- Reveals how security can be enhanced with print technology that requires user pass codes before printing documents
- Opens the enterprise to the opportunity to centralize print queues, enabling a user to receive a print job from any printer on the network by simply entering a code
- Simplifies management with newer efficient ink and larger paper capacities
- Enables volume purchase agreements for consumables via standardization
- Reveals how costs can be better allocated departmentally with print metering

WHAT TO LOOK FOR IN A PRINT ASSESSMENT PARTNER?

When looking for a partner to perform print assessment, many key issues should be examined.

Look for the following:

Understands your business environment: Ideally, seek a partner that has worked with your enterprise, understands your network topology and offers a range of technology options.

Provides a total solution: Seek a company that has the technical expertise and tools to perform a full assessment and help with product acquisition, deployment, asset management, financing and disposal of old print technology.

National coverage: Work with a partner that can provide sales and service throughout the United States—an important consideration for multi-location enterprises.

Tools and methodologies: The print assessment provider should leverage accurate automated systems to determine print utilization. Automated tasks should be augmented with knowledge of the print environment and manual assessments where necessary.

Consolidation analysis: Underutilized devices should be identified and consolidated or redeployed in areas that can use them. Solutions should be suggested based on intelligent analysis of output activity and requirements.

Financial assessments: A good vendor will help the enterprise gain financial efficiencies by leveraging new technology that enables a pay-per-use model or leasing for all equipment and consumables.

Technology options: The vendor should provide solutions that support a variety of print needs and can be integrated into the overall document management infrastructure.

Return on investment analysis: A proper print assessment will identify the length of time it will take to achieve a return on investment.

Print assessment brings to light all the different printers and processes each customer has to help them gain a true understanding of how and where they are spending money in their environment. The results are often surprising. Many companies have no real understanding of what they are spending to support their print environment. Until now, no one has offered a way to accurately determine the costs and the return on the cash that can be generated by optimization.

About LaserCare Print Assessment Services

LaserCare leads the way with its Print Assessment offering. Working with leading suppliers like HP, LaserCare offers full-service print assessments for enterprises of all sizes.

LaserCare's print assessment services examine the current organizational costs of printing and help provide an enterprise-wide strategy for efficient, cost-effective print management. LaserCare offers emerging technologies such as multifunction printers, state-of-the-art color printing and lifecycle analysis and management to improve output processes and reduce printing costs.

To learn more about LaserCare's print assessment program, contact LaserCare at **(800) LASER-20** or go to **www.lasercare.com**.

