

Key Issues for Print Management, 2007

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Often seen as an accessory to computer systems, office and production printers require conscious and active management to avoid becoming a drain on time and budgets.

STRATEGIC PLANNING ASSUMPTION

Through 2010, more than 50% of all first efforts and more than 50% of all second efforts to manage print in midsize and large corporate offices will fail (0.8 probability).

ANALYSIS

Most organizations don't manage office print and copy carefully enough, with many reporting they have far too much equipment and few knowing what their needs really are, or how they could be most efficiently and effectively met. Organizations that take the right steps to actively manage their office printing and copying can save from 10% to 30% of their current spending. Although vendors often appeal to a buyer's desire to manage print and save money, and although some really deliver, many don't. Rather than look to the vendors to provide the strategy, buyers should shape their own, using Gartner's best practices and strategies as a starting point. Because few of the people tasked with managing office print have ever done it before, we receive many inquiries about how to get started managing print, and once started, how to carry the effort through to fruition.

Corporate production printing operations, although closely managed, are now being pulled in opposite directions: Day to day, they must ensure 360-degree security and regulatory compliance, all while holding down printing, finishing and mailing costs. Long term, they must learn to apply their equipment and skills to communicating the organization's customer and marketing messages, and then to market those capabilities to the line of business. Amid widespread outsourcing of print, they need all the help they can get in both the near and the long term.

Most of the issues in managing office print boil down to five key issues. We discuss each in two different contexts: in the office and in the production printing center.

Key Issue — How will print buyer/vendor relationships evolve?

In the Office

Background and Context of Key Issue

In the past, most organizations bought their office printers and copiers from a distributor and had little direct contact with the manufacturers. Today the manufacturers are selling direct to their large and even midsize customers, stepping right over their own distributors. At the same time, vendors, dealers and distributors alike are providing an increasing range of managed print services (MPSs) that shift the burden of supporting and maintaining the office print infrastructure from the customer to the dealer.

Explanation of Impact

If done at all, MPSs should be done right. Done right, MPSs can help you implement cost-saving programs that surpass what many organizations could do on their own. Done right, MPSs can enhance buyer's clout and help ensure a good deal by rolling disparate purchases into one big deal. Done wrong, MPSs can increase rather than decrease costs, lock suboptimal practices into place, and still leave the customer responsible for much of what was supposed to be outsourced.

Summary of Planned Research

Our research will focus on preparing buyers to manage the vendor relationships from the outset to help ensure success. This includes taking stock of the starting state and making a compelling case to management.

In the Production Printing Center

Background and Context of Key Issue

Production printing centers are characterized by deep and long-standing vendor ties. They are sold in very small numbers, similar to costly industrial equipment. Only a half-dozen or so vendors make true production printers, and only three dominate the market. Because of the mission-critical nature of bills, statements and other transactional documents, customers make on-site service a top priority and view newcomers with caution.

Explanation of Impact

Printer vendors and their cozy relationships with print centers face pressure from all sides:

- Copier vendors now offer inexpensive light-duty production printers but without the same service history.
- Rival continuous-form and cut-sheet printer makers that long coexisted in the same print center are now seeking to displace each other's page volumes.
- Service bureaus are increasingly replacing or augmenting in-house print centers, with outsourcing now being reconsidered whenever buyers face major purchases and reorganizations.

Buyer expectations of vendors will continue to change as the technological barriers to CRM printing recede and aggressive, forward-looking marketing organizations begin to treat transactional mailings as targeted customer communications, rather than as merely part of a business process. These changes will extend to their software and finishing partners.

Summary of Planned Research

We will discuss the growing array of software tools for CRM printing and analyze from the customer's perspective the growing and gradually maturing technologies and products for light-duty and color printing, as well as the software used to prepare the customer-targeted documents.

Key Issue — What issues are moving print management from an optional activity to a mandatory best practice?

In the Office

Background and Context of Key Issue

Most organizations have focused on the day-to-day maintenance and support of office printing and copying without ever making a comprehensive effort to truly understand their needs and how to meet them as efficiently as possible. Although most now recognize the problem, few have the necessary information, leadership, funding and strategy to fully succeed.

Explanation of Impact

Unmanaged office printing and copying costs money, and organizations that do manage it effectively can save 10% to 30% on a recurrent basis. Paradoxically, spending is likely to increase in and after 2007 as price inducements entice users to print more and more color pages. Organizations that fail to take control now may see their costs climb in coming years.

Summary of Planned Research

Our research will expand beyond the basic strategies to revisit such often-ignored areas as fax and to adapt the best practices that work in highly developed regions to still-developing regions.

In the Production Printing Center

Production printing has always been closely managed but not always consistently between organizations. Our research will provide guidelines to print center managers for evaluating their own performance against a standardized set of goals.

Key Issue — What are the best practices for managing print?

In the Office

Background and Context of Key Issue

The best practices for managing office print involve a good overall strategy and effective tactics to carry it out. For each of the right-sizing, consolidated purchasing and measurement strategies, we also advocate multiple best practices.

Explanation of Impact

Even organizations that excel at other IT projects and are highly motivated to manage print effectively often stumble and sometimes give up in frustration. What seems like a straightforward, low-level infrastructure decision or a commodity purchase turns out to be a protracted effort. With the right research, the right cross-departmental cooperation, and the right game plan, organizations can increase their chances of success and save themselves time, effort and frustration.

Summary of Planned Research

Managing office print entails mastery of specific best practices and tactics. We will follow each step in the process, from making a persuasive case to peers and management, to choosing the right model of ownership, to addressing the specific needs of different kinds of organizations in different regions. We will also discuss how to bring fax under closer management. As organizations seek to reduce their environmental impact, we offer guidance on greener office printing.

In the Production Printing Center

Background and Context of Key Issue

Although production printing centers have long managed print closely, they are always looking to do it better. Gartner's Automated Document Factory (ADF) has long provided an architecture for managing the complex processes behind production printing so as to balance the goals of security, economy and quality.

Explanation of Impact

Print center managers know they must satisfy their internal clients, but with management reconsidering outsourcing at every major junction, print centers also need externally defined standards.

Summary of Planned Research

We will introduce standardized criteria that print center managers can use to demonstrate their effectiveness instead of, or in addition to, external benchmarking.

Key Issue — How to choose the right vendor for printing products and services?

In the Office

Background and Context of Key Issue

Office print and copier vendor selections that low-level employees used to make in a perfunctory way have recently mushroomed in importance as organizations consolidate their purchases, combining, for example, printer and copiers in a single multifunction product. The complexity of vendor selections only increases as buyers ask the vendors to finance and support products that were once bought outright and self-supported. The value also increases as products that were purchased piecemeal where and when needed are increasingly being bought centrally for the entire organization in a multiyear deal.

Explanation of Impact

Many Gartner clients struggle with vendor selection, and after the vendor is selected they sometimes complain of poor treatment. Choosing the right vendor, therefore, demands a careful balance between such priorities as vendor track record and perceived leadership, competitive pricing, and choice of services and products. Although many buyer organizations excel in one or another competency, such as product and technology standard setting or competitive sourcing, they lag in others, such as thoroughly researching their own needs, or collaborating across departments. Vendors are then able to exploit those asymmetries and weaknesses. They usually prevail, too, because no customer carries out office printer vendor selections anywhere near as frequently as the vendors and dealers negotiate a sale.

Summary of Planned Research

Our research will help buyers overcome the vendor's inherent advantages and select the right partner, while managing the vendor selection process to minimize the internal chaos. We will revisit the vendor selection criteria and discuss how the different vendors match up. We expect major technology initiatives in office print in 2007, and we will analyze the significance of the most-prominent ones for buyers in large and midsize organizations. We will identify best practices to adopt early on for the best results later and will expand our coverage to include enterprise fax needs. We will also revisit the tricky task of making meaningful cost comparisons between current and proposed states and between competing vendors.

In the Production Printing Center

Background and Context of Key Issue

Only a few vendors used to dominate the field, but that is beginning to change, as more customers move at least part of their production printing to light-duty printers or outsource it.

Other changes involve marketing collateral and other communications, with online procurement and just-in-time processes now common. Further changes will follow as mass-produced documents are targeted more closely to the recipients.

Explanation of Impact

Buyers spend hundreds of thousands or millions of dollars to purchase their production printers and far more to operate them. They depend on them to support core business processes that deliver services, bring in revenue and ensure that the organization complies with regulations. The ability to use communications media, including print, effectively will provide more of a competitive edge in the future than it used to.

Summary of Planned Research

We will continue to analyze the implications for buyers of major developments in production printers, finishing equipment and software, and we'll help buyers understand the evolving ADF architecture that ties these elements together in a reliable and flexible way.

Key Issue — What are the implications of emerging printing technology trends for buyers?

In the Office

Background and Context of Key Issue

After years of only gradual technology advances and converging vendor capabilities, we anticipate prominent technology introductions in 2007 and 2008. Vendors will tout their color-enabled products and spotlight the advantages of their emerging page-wide-array inkjet technologies. They will also continue to promote lower-cost A4 products.

Explanation of Impact

Buyers will be lost if they simply carry forward their old assumptions about color printing needs and technologies from their last purchase cycle. All the vendors are planning new products that they hope will increase their color printing volumes. Buyers must ground themselves in a solid understanding of color usage trends and technologies to minimize their spending risks and maximize their opportunities.

Summary of Planned Research

Our research will re-examine the maturity of the print-related technologies in general and page-wide-array inkjet printers, such as HP Edgeline and Memjet in particular. We will also look at how environmental practices are influencing technology choices.

In the Production Printing Center

Background and Context of Key Issue

Production printing hardware platforms are known for their longevity, but it would be a mistake to assume only glacial progress. After years of gradual advances in speed and image quality, color production printers are more rapidly advancing, with more products at more varied purchase and operating costs.

Explanation of Impact

Buyers must monitor developments more continuously than in the past to avoid falling too far behind.

Summary of Planned Research

Our research will delve into the latest production printing hardware and software and revisit the ADF in the light of today's needs.

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