



The Optimum Office

How to achieve immediate and guaranteed cost savings via a Managed Print Service



Introduction

The current global economic slowdown is presenting organisations with unprecedented challenges and businesses are looking for significant reductions to their cost base as they decrease their capital expenditure and struggle to gain access to credit in tough market conditions.

Inevitably this has led to a flood of products and services from technology vendors that promise immediate cost and timesavings – but can they really deliver what they promise? Are they able to provide transparency of the project's total cost of ownership and demonstrate an overall cost saving?

There is one solution that has been proven to deliver against its promises, but is often overlooked because it falls between many different departments. Companies that have taken the time to proactively organise their print and imaging infrastructure have recognised that for little start up investment they can deliver cost savings of up to 30% per annum, which can amount to millions of Euros per year for a large corporation.

The key to achieving these substantial savings is to move away from a traditional technology procurement strategy, where the focus has been on driving down the purchase price of hardware, towards a complete managed service, where Total Cost of Ownership (TCO) is measured and contractually guaranteed savings are delivered.

At Xerox we have been doing just this for more than ten years and have successfully delivered managed print service solutions to more than 5000 organisations worldwide. These services range from local agreements, to global deployments spanning more than 60 countries and supporting more than 40,000 users. Uniquely, our focus on a reduction in TCO enables us to provide immediate and predictable cost savings, while improving business efficiency and reducing total consumption across the enterprise.

In this paper we show how to achieve these savings with a proven route-map that any large enterprise can follow when moving from today's office environment to the optimum office. We also paint our vision for the future of integrated document management and the business process efficiencies that can be achieved.

I hope that you find these insights to be of value in the context of your business and we look forward to having the opportunity to discuss them with you in greater detail.

[Shaun Pantling](#)

Director and General Manager,
Xerox Global Services Europe, April 2009

The office environment today

Many organisations believe that they spend far more than they need on office printing, but few know the actual cost. Having completed assessments across many large enterprises we know that savings in the region of €250 per office worker per year are often achievable. This equates to an immediate annual saving of over one million Euros for an organization with 4,000 employees.

To realise savings in the office-print environment businesses will need to gain control of an area where none may exist today. There are three main reasons why there is little control of today's office-print environment:

First, there's often no clear demarcation of responsibility for the office-print infrastructure. Multiple departments (each with different priorities) are involved, including IT, procurement, facilities, office managers and the users themselves. While each community does a good job within their remit (i.e. IT specialists specify print devices and procurement specialist drive down unit costs) there's no single group taking charge and so there is no overall control.

Second, purchase requisitions are normally justified on an individual point-of-need basis, without consideration for the business' overall needs. So while organisations may have been successful in driving down the unit cost of assets, they still find it difficult to control the number of devices that are introduced to the organisation over time. The net result is that benefits from driving savings in unit prices are more than outweighed when the organisation is carrying as many as 60% more devices than they need (which is often the case as many organisation cannot estimate how many devices they have, especially locally connected printers and standalone units, e.g. copiers and faxes).

Third, the running costs of devices (consumables, service, etc.), are normally expensed in departmental cost centres. These items are often expensive which means that the total running costs can far outweigh original purchase costs and are often not seen on the overall cost radar. The inability to track these running costs in departmental budgets means that a very significant portion of the total costs are uncontrolled and unmanaged.

The problem therefore, is not one of technology, nor of under performance by any particular business function. In summary, this is a management problem.



Contracting for Savings

The acquisition of cheaper printing devices will not deliver an overall reduction in expenditure or consumption. Only by transitioning to a Managed Print Service (MPS) can you achieve a genuine reduction in the Total Cost of Ownership associated with your print environment.

Many organisations will claim to deliver a managed print service, however few have the experience and delivery capabilities to provide the true TCO savings that are essential in the current economic climate. In effect many suppliers are delivering little more than large-scale fleet management with the consequence that customers get locked into multi year contracts without receiving any of the value that an MPS should deliver.

From day one your chosen service provider must take control of the entire print infrastructure of your organisation, replacing multiple suppliers of equipment, service and consumables. Following an in depth assessment, you should have a rationalised print infrastructure that supports your business needs; - typically retaining some of your existing equipment and only installing new devices where appropriate. Almost without exception, the ratio of devices to employees is significantly reduced and substantial cost savings and productivity enhancements are achieved through a rationalization plan.

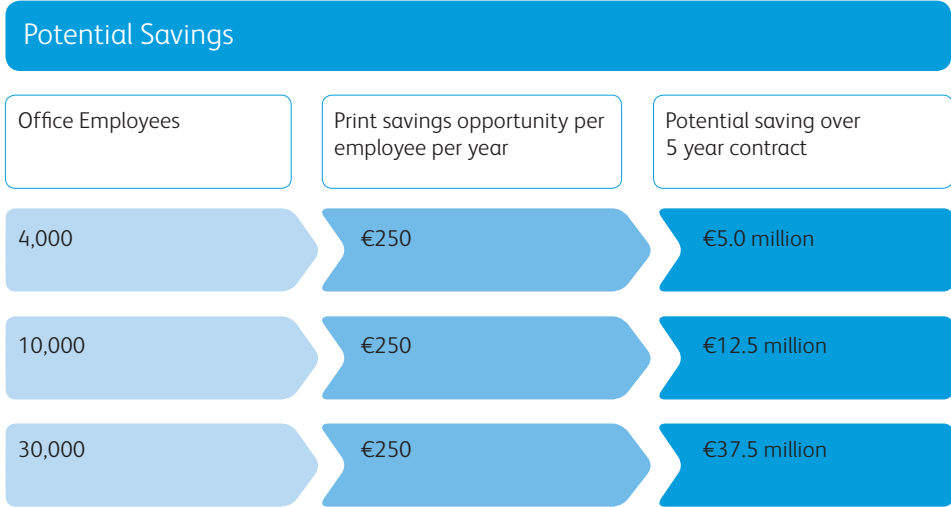
The subsequent management of your print environment, including all service, support, and supplies, rests with your chosen MPS partner who should also be able to charge for these services using a single 'utility' type cost per page model that covers the entire fleet of networked and non-networked devices.

By working with a suitably experienced partner and by adopting a rigorous and structured approach to the change process a number of financial benefits can be achieved. These include a reduction in TCO of up to 30%, complete cost transparency and recharging opportunities, management control and a reduction in the number of assets on the company balance sheet.

We helped a global technology company achieve a 30% reduction in TCO equating to savings of seven million dollars per year.

By working closely with us, the global news agency Reuters has benefited from a TCO reduction of around 20%.

At Carillion we were able to generate a saving of approximately one million dollars in the first six months.





“The decision to sign with Xerox was not a difficult one. They were the only one to have a clear methodology and approach to achieve measurable savings of 25%. And more importantly, they guaranteed it.”

David M. Harris
Senior Vice President,
Workplace Resources
Sun Microsystems

Adding value across the enterprise

In addition to guaranteed cost savings, working with the right MPS partner will deliver significant secondary benefits across the business.

Employee productivity

Typically, the day-to-day management of office output devices is left to departmental users, and consequently, the management of printers becomes a productivity drain across the business. Centralising control through an expert service provider frees up internal resource while also improving productivity.

At the European Patent Office 70 % of printer related incidents are now resolved proactively, greatly reducing the need for user intervention and enhancing productivity.

Sustainability

Running a large fleet of old, energy inefficient copiers and printers means your energy bills and document related carbon footprint are higher than necessary. Most organisations also fail to centrally implement print policies meaning unnecessary waste from such simple things as not enforcing double sided printing. Deploying an MPS can reduce the typical organisations energy usage, carbon footprint and solid waste output by at least 20 % across the document lifecycle.

Deploying our MPS enabled Qinetiq to reduce energy usage by 44 %, greenhouse gases by 44 % and solid waste by 42 % across the document lifecycle.

Administration

Processing invoices for output devices, consumables and maintenance, from a long list of multiple suppliers can create thousands of transactions per quarter, each carrying significant processing costs. Reducing the hundreds or thousands of invoice transactions to just one per quarter will offer very significant efficiency gains in the accounts payable process.

We worked with Sun Microsystems to reduce approximately three thousand printer related invoices per quarter to just one per month per country.

IT

Printer problems can typically account for around a quarter of all service desk calls. Removing the burden of printers from the IT department will free resources and drive significant service level improvements. With service desk calls estimated to cost the business in the region of 25 euros each, the associated financial savings run into many hundreds of thousands of euros for any large organisation.

A global telecommunications company reduced the number of monthly service desk calls by over 40 %.



“Since the start of the contract, we have met our objective of taking control of our office output across a wide variety of QinetiQ sites. We now have a standard infrastructure and set of practices in place so that our staff can be assured of a quality service regardless of which of our locations they travel to. Not only have we taken control, we have supported our Corporate environmental goals of carbon footprint reduction, energy conservation and re-cycling, and in the most cost effective way.”

Lewis Doyle, Managing Director
Shared Services, QinetiQ

Executing the vision – Four steps to achieve guaranteed cost savings

We follow a rigorous process developed and refined over more than 5,000 global MPS implementations.

Assess

Establish current total cost of ownership via a comprehensive assessment undertaken jointly with the service provider.

Establish baseline against which guaranteed savings can be measured.

Ensure service provider has the tools and expertise required to achieve a detailed and accurate TCO based on 100% fact.

Adopt an inclusive, consumption-based cost per page model.

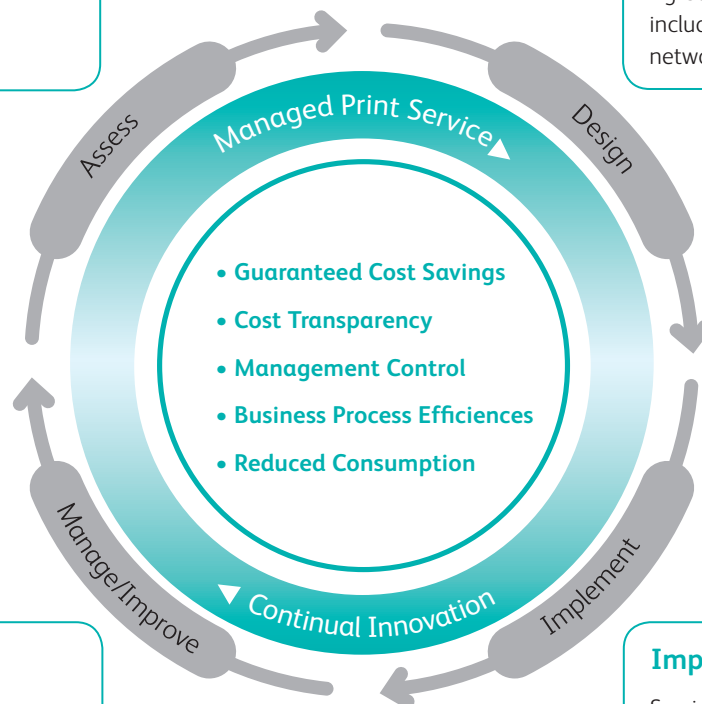
Design

Understanding the needs of the business, design the optimum environment.

Reduce number of devices and rationalise makes / models to optimal level.

Service provider takes on overall management and spend for all devices under a cost per page utility contract, including retained third party devices.

Agreement must cover all output devices including photocopiers and other non-networked devices.



Manage / Improve

Robust service level agreement ensures benefits are sustained over the long term.

All aspects managed by the service provider including consumables, break/fix, multi-lingual help desk, consolidated invoicing and reporting.

Ensure ongoing optimisation to maximise cost savings, productivity and environmental benefits throughout the lifetime of the contract.

Why stop here? – consider moving towards a fully integrated document management strategy.

Implement

Service provider takes on responsibility for tracking all assets centrally and managing all Move/Add/Change/Dispose activity.

Minimise end user disruption and avoid up front investment with a phased migration, retaining existing multi vendor equipment for as long as is beneficial.

Follow a recognised approach such as Six Sigma to ensure improvements in business performance.

From the Optimum Office to the integrated enterprise

Continuing the Managed Print Service journey to extend the benefits across the enterprise.

Achieving a substantial reduction in the Total Cost of Ownership for an optimised print environment is the core focus of any Managed Print Service deployment, but the journey does not have to stop there.

Enhanced functionality

The increase in global competition, customer and employee demands, combined with an ever more burdensome regulatory environment raises questions you need to respond to. How do you ensure proper protection of intellectual property and comply with security regulations? Are you reducing your carbon footprint in response to environmental concerns? How do you support a workforce that is becoming increasingly 'virtual'?

The extended functionality of our managed print service can help answer these questions. We're able to ensure your regulatory compliance and enhance your information security through innovative technology such as secure printing to identify users, and capture and route scanned information. We're also able to support your environmental objectives through deployment of our sustainability calculator, which means we're able to measure and report on the energy use, solid waste and carbon footprint associated with your office document production.

Enterprise wide integration

We can also take your Managed Print Service beyond the office to include your centralised print environment; managing both under a single infrastructure with common pricing and service level agreements. Moreover intelligent routing of documents between the different environments means we're able to maximise cost and productivity benefits across your entire business. We're also able to extend this to incorporate home and virtual workers ensuring that we can continue to support your enterprise document needs as your organisation changes.



Why Xerox for Managed Print Services?

Businesses need to turn to a trusted outsourced provider of managed services for the office-print environment and in doing so they will need to test the claims of potential service providers to make sure they have the necessary scale, stability, methodology, tools, processes and expertise to deliver their promises.

Bringing in an expert such as Xerox to analyse, optimise and then manage your office printer and copier fleet brings many benefits. You will gain a clear understanding of what devices you currently have and crucially, what it's costing you. Your new optimised infrastructure will deliver hard, measurable, and uniquely in the market, guaranteed cost savings. These benefits are not restricted to Xerox devices. We will manage your entire fleet ensuring that cost, productivity and environmental benefits are maximised.

We have been successfully delivering managed print services to customers across the globe for over ten years. Our methodology has been proven in over 5,000 organisations worldwide and today we have approximately one million third party devices under contract. We are the clear market leader in terms of MPS with well over 50 per cent of the global market and were recently identified as a leader in the Gartner MPS Magic Quadrant.

Our services continue to help organisations move away from a traditional technology procurement approach, towards a true managed service that delivers guaranteed savings and business efficiency and productivity.

We look forward to discussing the ways in which we can work together to support your business goals.

For more information about Xerox managed print services please visit:
www.xerox.co.uk/optimumoffice

IDC

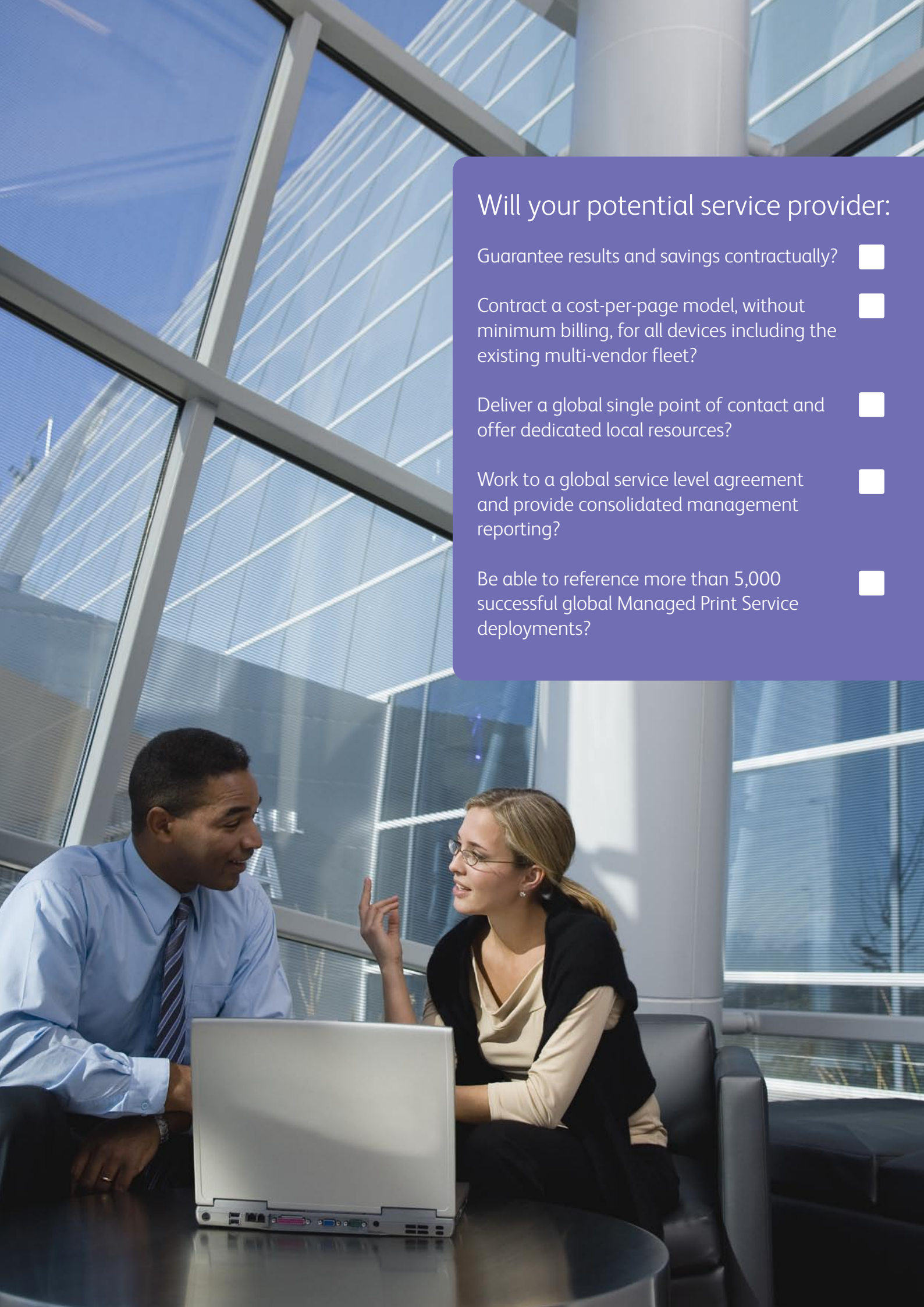
"IDC believes that when it comes to outsourced printing/ document managed services, Xerox is the industry's gold standard...we believe Xerox has substantial headroom, a wide services portfolio, bench strength, and go-to-market capacity that will give it an overall advantage for some time."*

Quocirca

"Xerox is also the only vendor to guarantee cost savings over the contract term and, together with its robust support for heterogeneous multivendor environments and its heritage in global service delivery, it currently offers the most comprehensive set of services in the MPS market for large enterprises."**

* IDC, 'IDC Insight' 2008

** Quocirca, Quocirca Market View 2008



Will your potential service provider:

Guarantee results and savings contractually?

Contract a cost-per-page model, without minimum billing, for all devices including the existing multi-vendor fleet?

Deliver a global single point of contact and offer dedicated local resources?

Work to a global service level agreement and provide consolidated management reporting?

Be able to reference more than 5,000 successful global Managed Print Service deployments?

About Xerox Global Services. We transform business processes through more effective document management; every week, our 30 global delivery centers process more than 15 million business-critical document images. Organizations outsource a range of business processes to us, including financial, administrative, client acquisition and account opening, and office and print centre optimization. Across marketing, legal, finance and HR, they trust our expertise – and the experience of our dedicated global delivery staff – to cut the cost and improve the speed of their operations.

**For more information on how we help organisations like yours,
visit www.xerox.co.uk**

