Managed Print Services Landscape, 2016

A vendor analysis of the global enterprise MPS market

July 2016

Report Excerpt

This report examines the competitive landscape for MPS and discusses the key market drivers and trends that will shape future generation MPS engagements.

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Managed Print Services Landscape, 2016

EXECUTIVE SUMMARY

The new world of managed print services is defined by changing customer ambitions, new priorities and a different set of challenges. As a consequence, organisations are looking for more flexibility in their MPS contracts, a better roadmap for innovation and a clearer strategy for information management. This is changing the value proposition for MPS. Whilst MPS is delivering on cost-saving expectations, it must play a more important role in helping organisations realise strategic growth plans. The past year has seen significant changes in the print industry with HP, Xerox and Lexmark all undergoing changes in organisation. Although this has not impacted their market position in this year's study, clients will be looking for a provider that can demonstrate long-term viability and stability.

The MPS market is characterised by a strong leadership group	Xerox leads a tightly packed group of leading providers including HP, Canon, Lexmark, Ricoh and Konica Minolta. Xerox has built a credible and strong portfolio of services for organisations of all sizes, enhanced by an expanded range of workflow automation solutions. HP continues to enhance its MPS proposition, particularly around its workflow and security-led services. Ricoh has also added to its numerous service lines and is increasingly taking a more business-process-centric approach to MPS. Lexmark continues to stand out for its extensive software portfolio and industry expertise. Konica Minolta has expanded its MPS footprint, moving into the leader's category. This has been boosted by continued investment in its information-management-led MPS offerings and its adjacent IT services capabilities.
Cost, security and service are driving the MPS agenda	Whilst cost will always be a primary reason for adopting a managed print service, organisations are looking to achieve more than just cost savings to drive business value. Security remains top of the agenda, with 81% indicating that this was an important or very important driver (average score of 4.17 out of 5). This was a rise from 75% in 2015. The need for secure print solutions and services is heightened given the fact that 61% of organisations reported at least a single print-related data breach in the past year.
MPS is delivering on cost-saving expectations, yet only 43% indicate they are happy with their existing MPS provider	Whilst 65% of organisations report that cost savings generated by MPS are in line with expectations, MPS is no longer just about achieving significant cost reduction targets. It is also about moving to an optimised future state that drives business process efficiency. It is here that MPS providers are falling short of expectations – particularly in areas such as information management, flexible contract terms and innovation. Overall, 30% plan to switch MPS provider at renewal. In particular, this group exhibits the lowest satisfaction rates for service delivery, flexible contract terms and analytics to improve operational performance.
MPS is an enabler for digital transformation	Although over 80% of organisations view MPS as an important driver for digital transformation, just 27% are very satisfied with their MPS providers with regard to a clear information management strategy that incorporates paper and digital processes. This is more strongly the case in larger organisations. Although most MPS providers have access to an extensive workflow solutions portfolio, process automation demands a new breed of provider that can address the complex needs of larger organisations. Here, MPS is encroaching on the traditional business process outsourcing (BPO) space, and success may ultimately rely on better collaboration with specialist providers.
The road to business transformation	MPS providers have had a competitive advantage for some time given their mature expertise and infrastructure for assessments, device optimisation and service delivery. While they also have expertise for digital transformation, the successful MPS providers will be those that can bridge the gap between paper and digital and create a long term road map for business transformation. Organisations need strong proof points on provider performance and capability as MPS evolves into a broader, more complex business-process-centric outsourcing engagement.

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Methodology

End-user analysis

Quocirca conducted an end-user survey among senior IT managers with responsibility for decisions relating to a managed print service. Research was conducted in the UK, France, Germany, and the US, amongst 200 enterprise companies with 1,000 or more employees who are using a managed print service. For the purposes of this research organisations with 1,000 to 3,000 employees are referred to as midmarket organisations and over 3,000 employees as large organisations. The survey was conducted online and fielded during May 2016.

Vendor analysis

The following vendors participated in the study: Canon, HP, Konica Minolta, Lexmark, Ricoh, Sharp, Samsung and Xerox. Vendor selection was according to the following criteria:

- **Experience and skills in providing MPS services:** all providers had to demonstrate a strong record of delivering MPS.
- **Geographical delivery capability**: each provider was required to have the capability to deliver global services.

Each MPS vendor was asked to complete a written submission detailing its strategy, capabilities, and customer references to ensure key facts and figures were captured. These submissions were followed up with vendor interviews. The quantitative and qualitative inputs from the vendor research were analysed by Quocirca, in order to determine each vendor's score against a list of criteria for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an unweighted model although prospective buyers may wish to weight the scores to meet their own specific needs.

Definitions

Quocirca defines a 'managed print service' as the use of an external provider to assess, optimise and continuously manage an organisation's document output environment, in order to lower costs and improve productivity and efficiency while reducing risk. MPS allows organisations to reduce costs and improve efficiency by rationalising the print environment. It also leverages existing investments in multi-function peripherals (MFPs), while continually monitoring usage, so that the optimised infrastructure continues to meet business needs.

MPS covers a number of service areas across three broad categories:

- **Assessment** – a review of the current print environment to provide recommendations for rationalisation and an estimate of potential future savings. Assessments range from basic online assessments to full workflow assessments. Environmental impact analysis and document security assessments may also be included.

- **Optimisation** – device rationalisation and consolidation to improve user-to-device ratios and development of print policies to develop a governance framework for a full enterprise MPS, including change management, deployment and transition.

- **Management** – continuous process improvement, business reviews, SLA monitoring, remote management and workflow improvement.

These services fall under Quocirca's definition of MPS when the vendor takes over responsibility for delivery under a contract of three years or more in length. Such activities may also involve the transfer of people or assets to the vendor or provider.

The MPS ecosystem

The MPS landscape includes printer/copier manufacturers, systems integrators and software infrastructure vendors.

- **Printer/copier manufacturers:** these vendors' programmes are generally tied to their product offerings, although multi-vendor support is often offered. Service offerings include assessment, design, implementation, and support services. They may also offer MPS programmes to their reseller partners. Vendors in this category include Canon, HP, Kyocera, Konica Minolta, Lexmark, Samsung, Sharp, Ricoh, Toshiba, and Xerox.
- **Systems integrators/resellers:** these are a channel to market for some printer and copier vendors, and may offer MPS as part of a wider managed IT services offering.
- **Independent Software Vendors (ISVs)**: these provide software tools for use in the print environment. Examples include print management and secure printing products from companies including Nuance, Print Audit, ECi FM Audit, PrintFleet and YSoft. MPS providers often use such third party products to add value to a particular element of their MPS portfolio.

Market overview

MPS has the opportunity to play an increasingly important role in business transformation. Whilst organisations remain reliant on printing to support many business activities, print is becoming more peripheral in today's digital and mobile culture. This is promoting the shift to digitisation for both back office processing and front office customer interaction, meaning MPS providers need to expand their skills and solutions for digital workflow automation. Meanwhile, cloud-based platforms are raising expectations not only for document sharing and collaboration but also for flexible service delivery. Consequently, customers have higher expectations, and expect MPS not only to deliver on cost and service promises but also deliver long-term business value. There is certainly opportunity for MPS providers to broaden their footprint – almost half of the organisations in Quocirca's study indicate that they would be very interested in using a single provider for MPS and IT services or business process services. Organisations are ready, but do providers have the breadth and depth of skill and expertise to address the needs of today's more demanding enterprise?

MPS market maturity

The MPS market remains relatively stable, having reached a level of maturity. In Quocirca's survey, the majority of organisations have been using MPS for over three years, with 45% reporting that they have used MPS for over five years. Overall, a third of organisations expect MPS budgets to remains stable over the next year, with 51% indicating a rise in spending (Figure 1). Midmarket organisations are slightly more positive; 54% expect MPS budgets to rise compared to 47% of larger organisations. By vertical, retail and professional services lead the growth (55%) whilst regionally, the US, France and Germany are most positive. Only 32% of UK organisations expect an increase in MPS spending compared to 60% of German organisations.
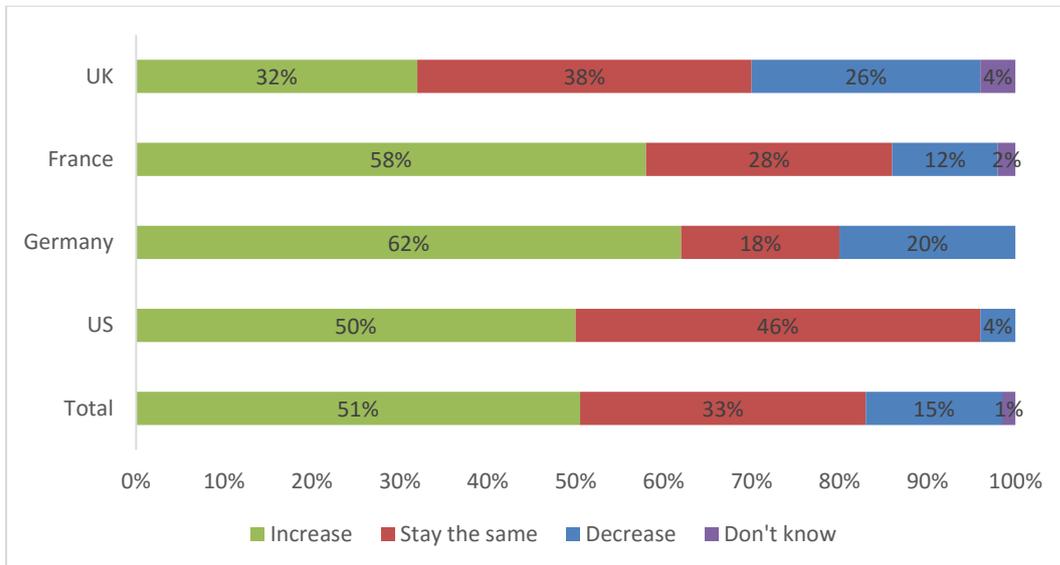

Figure 1. MPS budget plans

Although the majority operate a mixed fleet, 70% plan to consolidate on a single brand. MPS contracts are often multi-location and multi-country, driving the need for a strong MPS infrastructure that enables consistent reporting, proactive service and monitoring and strong governance. Overall, 72% indicated that their MPS contract covered more than one country and 61% of organisations are on the second phase of their MPS engagements, starting to implement workflow and business process improvement. Overall, respondents indicate an average cost saving of 23% with 76% indicating they have saved up to 30% on the cost of operating their print fleet in the past year.

On the whole, this is meeting expectations, with 65% indicating that cost savings are in line with expectations, and 35% saying it is higher. Overall satisfaction levels with MPS providers are relatively high – 36% indicated that they are very satisfied and 54% fairly satisfied with their MPS provider. However, MPS providers cannot rest on their laurels. Overall, 30% of respondents plan to change their MPS provider at renewal and a further 25% indicate that they are working to resolve issues with their existing provider. By region, it is US companies that are most likely to change provider, with just 24% indicating they are happy with their existing provider, almost half of the responses in other regions (Figure 2).
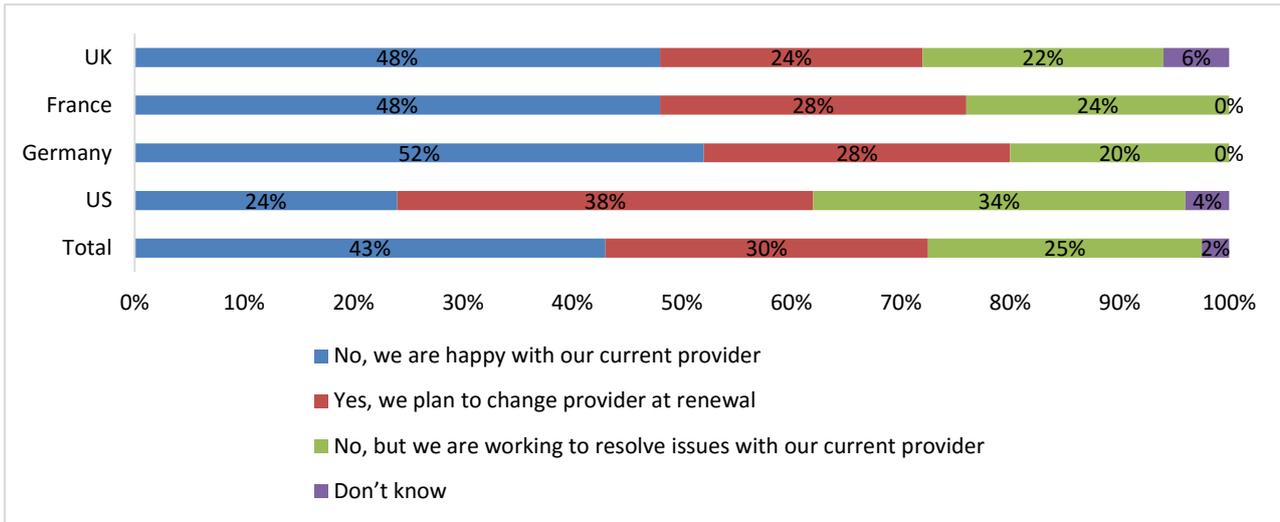
Figure 2. Plans to change MPS provider

MPS satisfaction gap amongst large organisations

Given that over half of respondents either indicated that they plan to change provider or have issues to resolve with their current provider, there are clearly opportunities for improvement within existing contracts. Looking at why organisations adopt MPS, cost, security and service quality remain the consistent top three drivers. However, there is a significant difference in MPS drivers by organisation size (Figure 3). Cost reduction (both consumables and hardware) is rated as a much more important driver for MPS amongst larger organisations than midmarket organisations. Meanwhile midmarket organisations place a higher importance on gaining predictable costs.
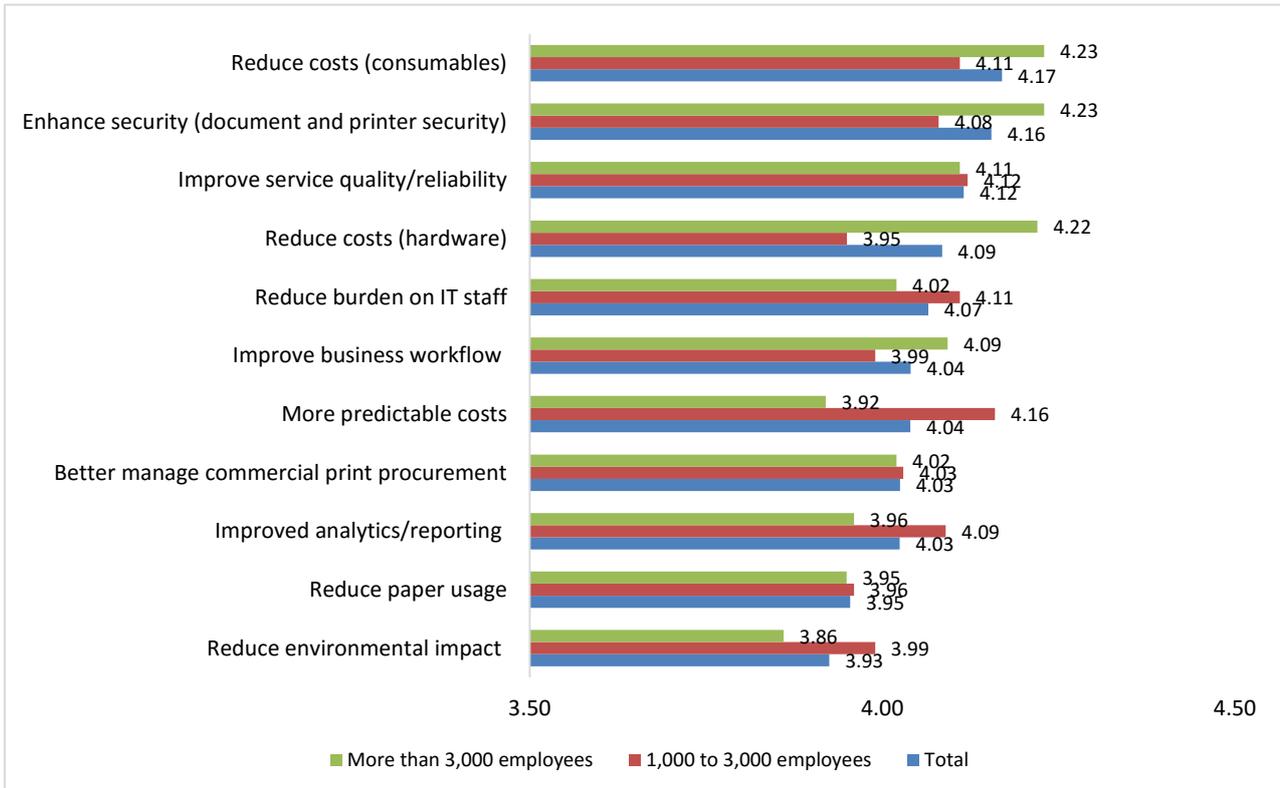

Figure 3. Importance of MPS drivers (average score, where 1 = unimportant and 5 = very important)

How well is MPS performing against these key drivers? Quocirca's study reveals that there is certainly room for improvement across all criteria (Figure 4). Whilst 40% indicated that reducing consumables costs was the most important driver, just 28% report they have fully achieved this goal. Similarly, just 24% say they have fully achieved on document security goals and 30% on service quality.
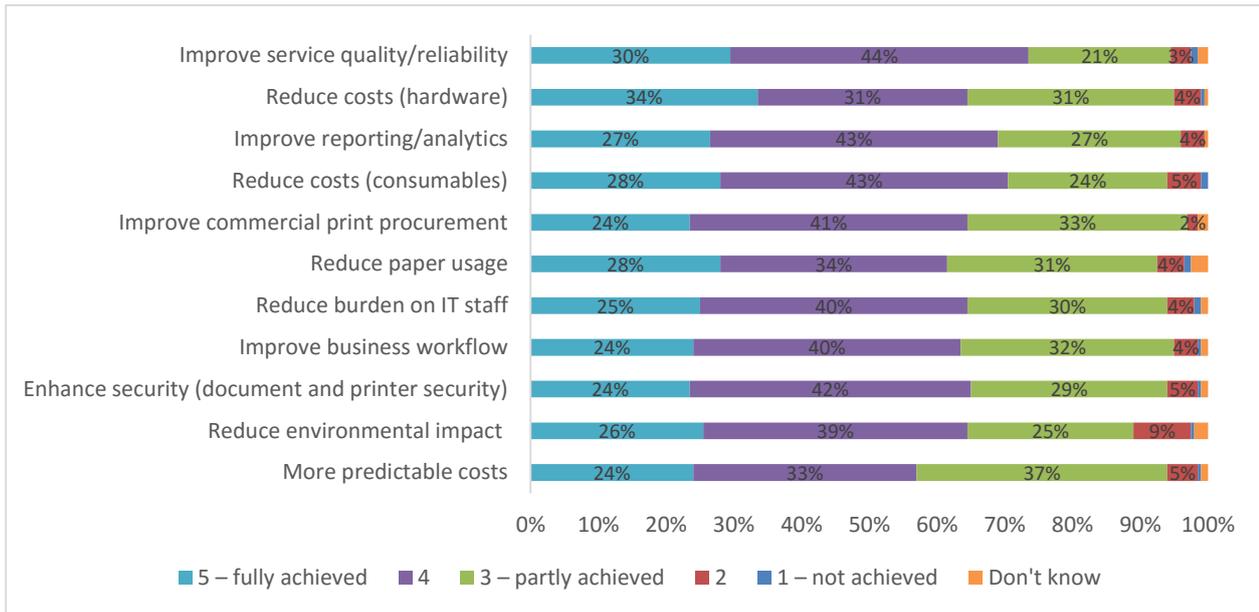

Figure 4. Satisfaction with MPS goals

There are gaps in satisfaction across the board, most notably in reduced IT burden, improved workflow and more predictable costs (Figure 5). This emphasises the need for MPS to continue to improve and optimise its core services. Lowering cost, improving security and enhancing service quality are fundamental to any MPS engagement and a robust MPS platform and comprehensive assessments, technology and solutions are needed to ensure improvements in these areas. Overall, satisfaction levels are higher in midmarket organisations, particularly around cost, security and lower environmental impact (Figure 5). Clearly, MPS contracts need to offer flexibility to meet different organisations' needs, particularly when it comes to pricing and delivering a roadmap for cost reduction.
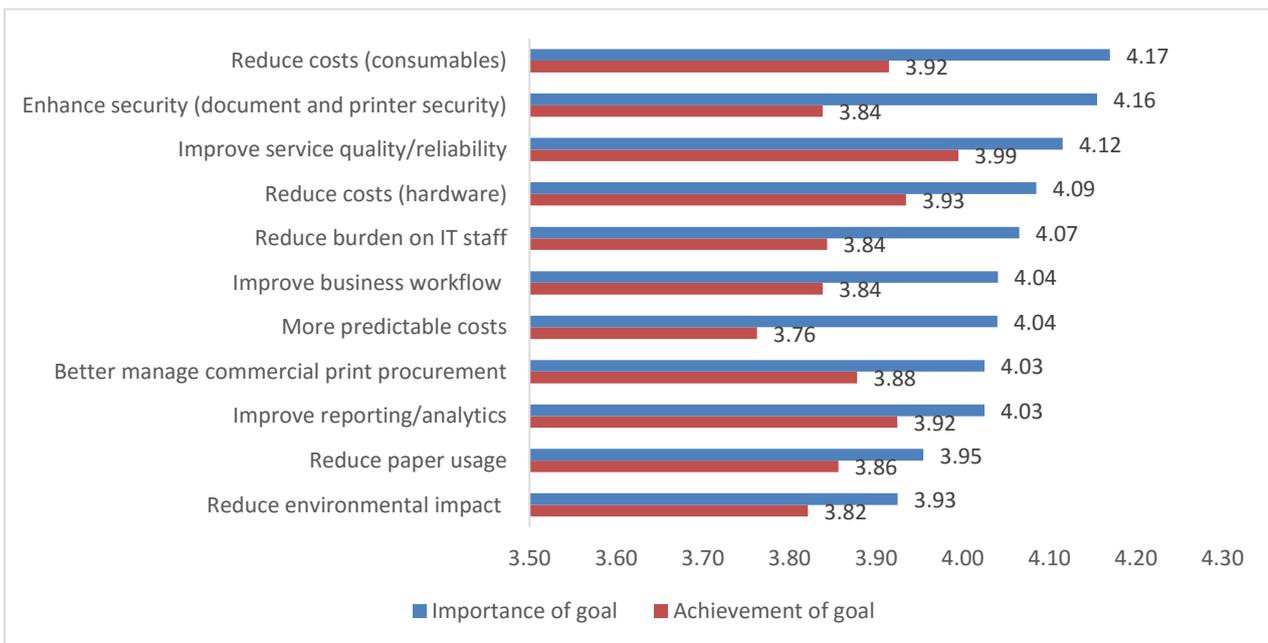

Figure 5. Importance of MPS goals / success in achieving MPS goals (average score, where 1 = not important / not achieved and 5 = very important / fully achieved)

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Fortunately, there is good news for those using a fully outsourced approach compared to a hybrid approach to MPS. The better governance, control and continuous management provided by an outsourced provider, across all areas of the print infrastructure, clearly pays dividends. A hybrid approach may enable more in-house control, but it is clearly not delivering when it comes to reducing cost.
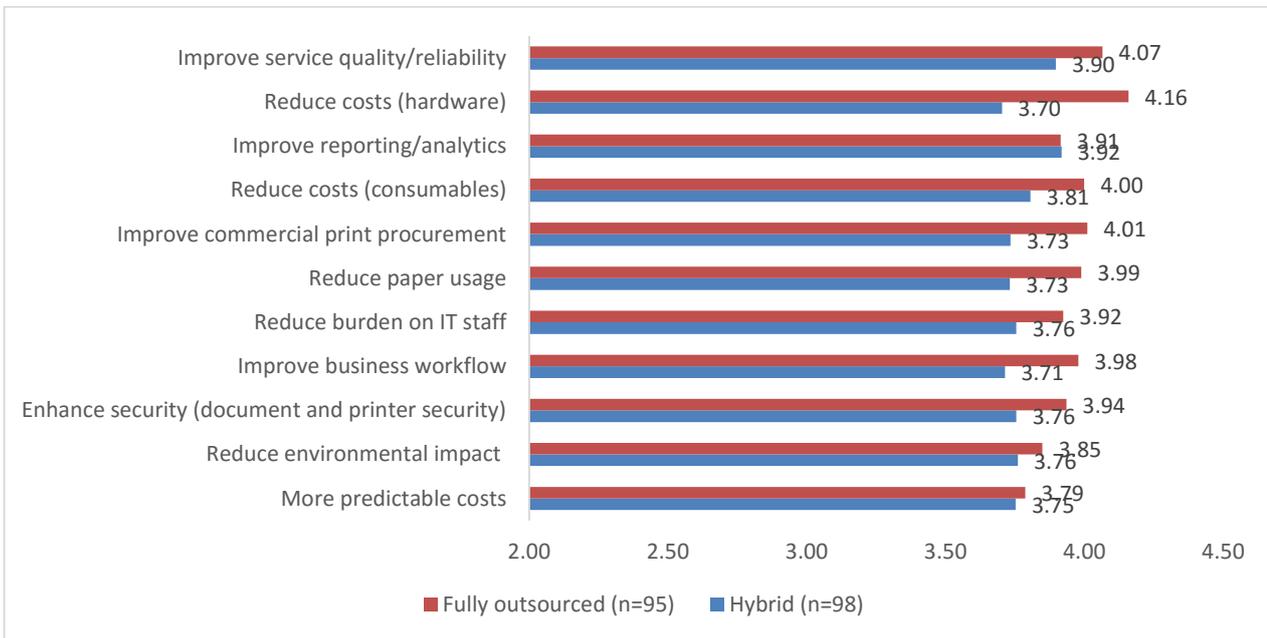

Figure 6. Success in achieving MPS goals – outsourced or hybrid approach (average score, where 1 = not achieved and 5 = fully achieved)

MPS as enabler for digital transformation

Overall, 88% of organisations indicated that MPS is important to digital transformation (Figure 7). Quocirca's 2016 Digital Transformation Study[1] revealed that in general those organisations using MPS place a higher importance on digitisation than those not using MPS and are most likely to be using workflow or enterprise content management solutions. Equally, organisations using MPS are more likely (55%) to have implemented organisation-wide policies for managing both paper and digital information compared to those not using MPS (29%). Certainly, MPS providers have developed a wealth of expertise in integrating paper and digital workflows, which organisations can leverage on their digital transformation journey.
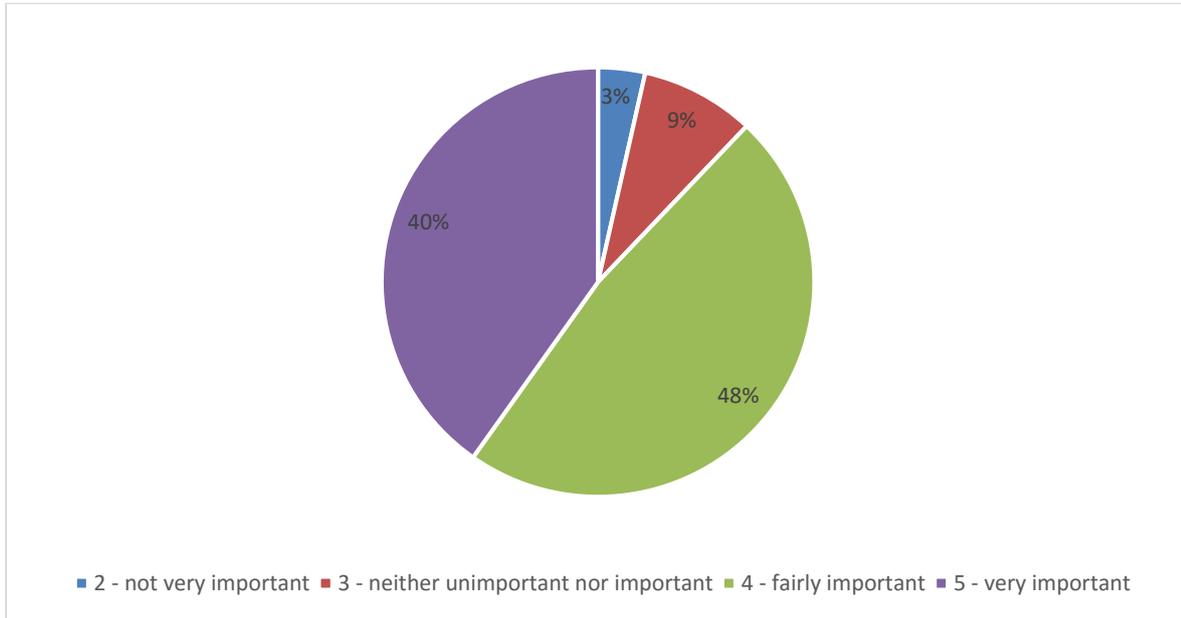

Pie chart legend: ■ 2 - not very important ■ 3 - neither unimportant nor important ■ 4 - fairly important ■ 5 - very important

Pie chart values: 3%, 9%, 48%, 40%

Figure 7. The importance of MPS in an organisation's digital transformation initiatives over the next two years

A key starting point is digitisation and utilising smart MFP technology, which can play an important role in the capture, routing and storage of documents. Today, more organisations are exploiting the productivity benefits of smart MFPs. Overall, 40% report that they have a well-defined MFP strategy with a further 52% indicating that they are now starting to better leverage MFPs. This is rising year on year, with only 22% indicating they are fully leveraging Smart MFPs in 2014. While Smart MFPs can certainly support the better integration of paper and digital workflows, organisations need to ensure that MPS providers can offer broader business process expertise. This requires a comprehensive assessment of business processes to identify which can be optimised to drive the most efficiency and cost reduction. Any organisation looking at MPS providers for this capability needs to carry out a careful evaluation not only of their workflow automation solutions portfolio but also implementation and industry expertise, across both front-end and back-office processes.

MPS provider performance

MPS has moved beyond being solely a cost reduction exercise. Unsurprisingly, price is still cited by organisations as the most important selection criteria, along with supplier reputation. However, customer demands for financial flexibility are increasing. Disruptive technologies such as software as a service (SaaS) and cloud computing have raised the bar in terms of offering customers financial flexibility and the ability to buy services on demand. In this year's study, standardised pricing has moved to third place from fifth place in 2015. As MPS customers become more confident and mature, they are therefore starting to expect and demand this greater flexibility from MPS providers. Standardised pricing and flexible contract terms are two key areas where MPS providers are currently missing the mark (Figure 8).

Figure 8: Importance of factors for MPS provider selection / satisfaction level (Average score, where 1 = important / not satisfied and 5 = very important / very satisfied)

On further investigation, it is the larger enterprises that have lower satisfaction across the most important selection criteria (Figure 9). This suggests that MPS providers are failing to address the needs of larger, more complex organisations who are looking for more support as their engagements move beyond print. Two areas in particular stand out: innovation and a clear information management strategy. There will undoubtedly be different views on what innovation constitutes as well as how innovation is incorporated into an MPS contract. There is clearly considerable room for improvement in this area.

When it comes to a clear information management strategy, MPS providers need to be able to articulate a roadmap for paper/digital integration, which may start with digitisation and move to more complex business process automation. Some MPS providers may not have the full expertise to support this journey and will require collaboration with other partners. With companies such as HP and Xerox separating their services business from their print business, this could create challenges, yet create competitive advantage opportunities for those that retain such expertise within their MPS organisation.

Notably, satisfaction levels with industry specialism are higher for large enterprises. In particular, it is the financial and professional service sectors that boost this score, suggesting that MPS providers are effectively addressing the needs of these sectors with industry specific expertise and solutions.

Figure 9: Satisfaction with MPS provider by organisation size (average score, where 1 = not satisfied and 5 = very satisfied)

This all points to the need for better governance and organisations should certainly dedicate more effort to the governance of such MPS contracts. Poor governance can impact the delivery of end-to-end services, service quality and service delivery.

Building a successful MPS relationship

Technology advancements and innovations including cloud computing, big data, mobility and business process automation are changing the MPS game. This is raising expectations for improved service delivery and longer-term business efficiency. Therefore, organisations need to consider how their MPS provider is supporting their strategic goals. Quocirca recommends that organisations consider the following approach:

- **Think long-term:** Organisations should work with MPS providers on a strategic, rather than transactional level. This will deliver better value, particularly from MPS providers that show a vision for adapting their proposition to encompass broader digital transformation. This means thinking long-term about business transformation and which providers are best equipped to provide the support needed. This decision should be based on industry knowledge and business process expertise. MPS providers need to make the transition from high quality service delivery to innovative and proactive partnerships with their customers. As MPS enters the realms of business transformation, contracts will become increasingly complex and involve a wider range of stakeholders. Organisations will therefore need strong governance capabilities in place to enforce compliance and balance all stakeholder requirements.

- **Align MPS to business need:** MPS has been successful at reducing the cost and complexity associated with an unmanaged printer fleet. However, as it moves beyond this key foundation, organisations should consider if the MPS provider is able to address their long-term needs around business process improvement. As the market develops, it may be that MPS providers will need to collaborate with service partners across IT services and business process services to deliver the most effective engagement.

- **Optimise the use of analytics:** Analytics are now a critical technology differentiator for improving outcomes of MPS engagements. This not only improves operational performance on an on-going basis, but can also support long-term strategies for business efficiency improvement, through understanding existing document and business processes. Organisations should demand strong analytical capabilities from their MPS provider, supported by strategic business reviews to ensure that the MPS contract continues to deliver on agreed service level expectations.

- **Consider flexible models that leverage the cloud:** MPS providers face the challenge of delivering traditional MPS whilst meeting the growing demand from organisations who are migrating to cloud computing. Forward thinking MPS providers need to provide enhanced and differentiated service offerings around the cloud to deliver value added services. This creates the potential for subscription based contracts and 'MPS in the cloud' type offerings. MPS could potentially become an element of an Infrastructure as a Service (IaaS) model which could open up new opportunities for MPS providers and cost efficiencies for customers.

References:

[1]Quocirca Digital Transformation Study, April 2016

Vendor assessment

Quocirca has created a vendor scorecard for each MPS provider, based on a range of criteria that determines an overall score for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an unweighted model, although prospective buyers may wish to weight the scores to meet their own specific needs.

Market presence criteria

- **Enterprise customers:** The strength of the vendor's global enterprise customer base.
- **Strategy:** How comprehensive is the vendor's MPS strategy, the quality of its overall value proposition and its evolutionary vision for MPS?
- **Maturity of offerings:** How long has the vendor been active in the market; how developed are its offerings?
- **Geographic reach:** A vendor's geographic reach, either directly or through partners or channels.
- **Overall financial strength:** A vendor's overall financial position and assessment of the scope for future investment in its MPS offering.
- **MPS revenue and growth:** European MPS revenue and growth over the past year.
- **Market credibility:** The effectiveness of vendor initiatives to promote its brand, increase awareness of its service offering and influence market development. Also includes the clarity, differentiation and internal/external consistency of the vendor's market messages.
- **Alliances and partnerships:** The strength of the vendor's partner and alliance network.
- **Investment and dedicated resources:** The vendor's investment in its MPS portfolio and resources, and innovation that will add improvements in approach, process or service offering.

Completeness of offering

- **Modularity of services:** The flexibility and scalability of the service portfolio to provide a customised offering.
- **Breadth and depth of service offering:** The range of services available, including complementary ones such as business process outsourcing (BPS), IT outsourcing (ITO) and document process outsourcing (DPO).
- **Help desk capabilities:** Centralised help desk capabilities and integration, remote diagnostics and support.
- **CRD/production printing:** Print room or production printing services to support high volume printing requirements.
- **Multi-vendor support and maintenance:** the vendor's ability to service and support third party products.
- **Mobile printing support:** Capabilities to support mobile workers, either through mobile device printing or pull printing (authenticated secure printing).
- **Business process automation:** Capabilities and expertise for business process automation – both software solutions and business process services.
- **Document workflow / ECM integration:** Range of solutions to support document capture, routing and integration with ECM systems.
- **Industry solutions:** Capability to offer industry software solutions in key vertical markets and industry alignment of sales force.

Figure 10 represents Quocirca's view of the competitive landscape for printer and copier vendors that deliver enterprise MPS. A vendor's market position is indicated by the size of the bubble, based on estimates of customer base.

- **Market leaders:** Vendors that lead the market in both strategic vision and depth of service offering. Leaders have made significant investments in their service portfolio and infrastructure and are supported by strong delivery capabilities.
- **Strong performers:** Vendors that have established and proven offerings supported by demonstrable customer success.
- **Contenders:** Vendors that have service offerings that are currently being aligned on a global or European basis. Contenders are typically investing in resources, infrastructure and partnerships to expand market coverage.
- **Emerging:** Vendors that are in the process of developing MPS offerings or offer MPS on a regional basis.
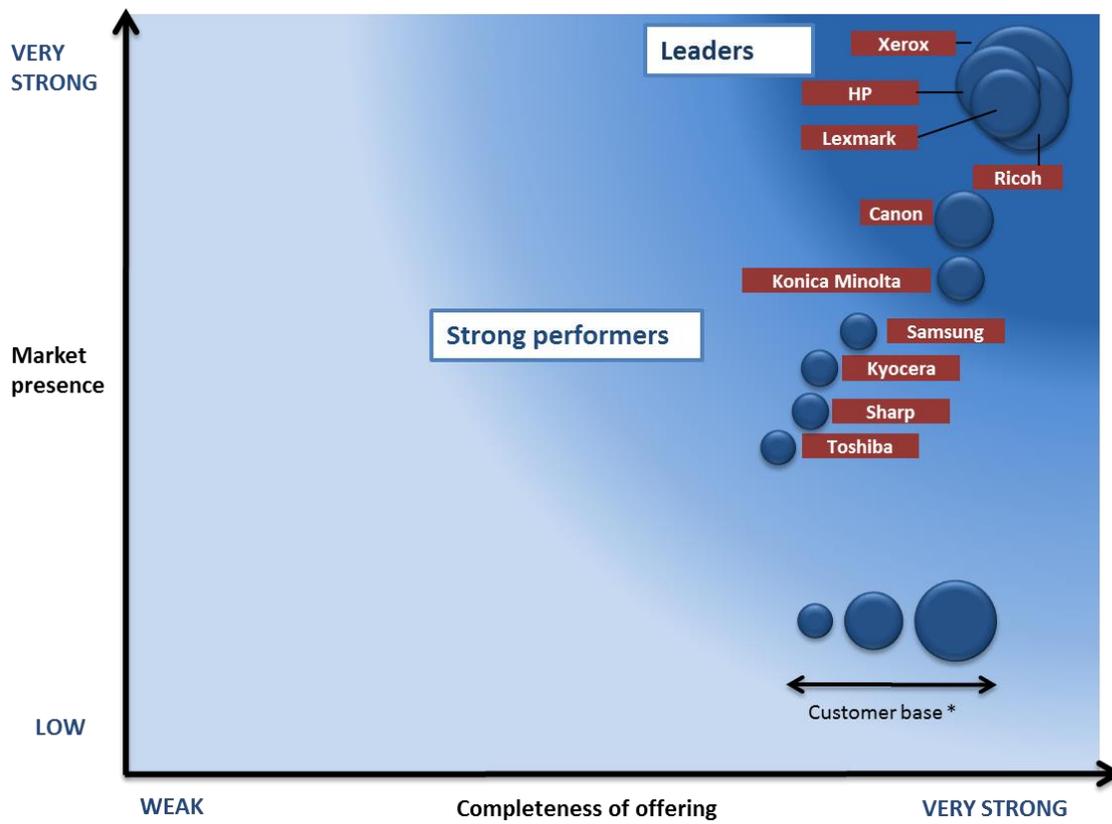
Figure 10: Quocirca MPS vendor positioning

* Customer base: Please note that enterprise customer figures and estimated devices under management have been considered when determining customer base bubble size.

Xerox

Quocirca opinion

As a company, 2015 was a pivotal year for Xerox as it looked to optimise its market position and portfolio. In order to increase focus on its business process outsourcing and document outsourcing businesses, Xerox sold its IT outsourcing (ITO) business to Atos in June 2015. Xerox was unable to drive synergies between its traditional business and its service business, which consisted largely of ACS, which it acquired in 2011. In January 2016, it announced plans to separate into two independent companies – one comprising its document technology and document outsourcing businesses and the other its business process outsourcing businesses – effectively returning to its pre-ACS acquisition status.

Retains leading position in the MPS market

Xerox retains a leadership position in the market, due to its global scale and mature and comprehensive MPS portfolio, which encompasses office printing, production printing and workflow automation services. It reported growth of 3% in its total MPS business, with its channel-led MPS business continuing to be a bright spot for the company, demonstrating strong growth.

It is evolving its solutions portfolio to cover a broad spectrum of workflow automation tools and has developed a solid range of analytic tools to drive continuous improvement within its MPS engagements.

Xerox continues to expand its offerings within its established three pronged model: Assess and Optimise, Secure and Integrate, Automate and Simplify. Xerox particularly stands out for its comprehensive assessment services, based on NewField IT technology. These range from quick basic assessments to detailed, interactive and predictive user-based analytics.

Deeper security focus

Xerox has expanded its security services through the Xerox Print Security Audit Service and its Secure Print Manager suite of solutions (both Xerox and partner solutions), which offer analytics, secure printing and control and reporting. Workflow automation is also a growing focus for Xerox as it develops its solutions and services to help customers control paper usage and automate business processes.

Service delivery excellence

Xerox has developed a robust governance model, which encompasses monthly, quarterly and annual business reviews. Its quarterly business reviews include a focus on innovation opportunities in addition to operational performance. Based on a customer's current MPS maturity, Xerox develops an innovation roadmap with recommended solutions and services to address the customer's strategic focus areas. This approach ensures that the MPS engagement evolves and adapts to business needs and continues to drive productivity and efficiency.

Enhanced workflow automation solutions and services

Xerox is developing a strong portfolio of solutions designed to streamline workflows and help organisations better integrate their paper and digital workflows. It continues to strengthen its Workflow Automation portfolio, announcing 15 new solutions in May 2016. Xerox industry solutions now cover insurance, healthcare, banking, manufacturing, retail and higher education. Their cross-industry solutions include human resources and finance and accounting. Xerox reports that it is seeing significant interest, particularly in Europe and the US.

Xerox is unique in offering a personal productivity tool to minimise print usage, through the Xerox Digital Alternatives solution. This provides alternatives to print, enabling users to sign, annotate, share, save and read documents from one interface, helping increase user productivity. Its latest version includes e-signature and enterprise content management (ECM) integration.

Also noteworthy is Xerox's Document Analytics service, which evaluates paper-intensive processes and identifies opportunities for digitisation and automation. Xerox also offers tight integration with its MFPs through the Xerox MFP Workflow Customisation Service. This enables common and ad-hoc workflows to be invoked directly from the MFP panel, boosting productivity and also enabling organisations to better leverage investments in MFP technology. Such expanded workflow solutions and integration are fundamental to success in driving greater business value from MPS engagements. Quocirca believes that Xerox is taking the right steps to develop a compelling workflow proposition that can help organisations accelerate their digital transformation strategy.

Strong reputation in production print

A particular strength for Xerox is its broader capabilities to address the needs of organisations looking to use a single provider to manage both office and production printing. Through its Centralised Print Services (CPS) offering it can manage onsite document production, external print procurement, mail and distribution, creative and design services and cross-media and e-publishing.

Summary

Xerox continues to demonstrate a commitment to enhancing its MPS offerings as it tackles the broader digital transformation requirements of larger organisations. By virtue of a mature offering, consistent global delivery and a sophisticated reporting and analytics platform, Xerox particularly excels when working with large, complex organisations which have a diverse print infrastructure across both office and production printing. These organisations represent ideal opportunities for workflow automation.

While Xerox can leverage a strong reputation in the MPS market, it is still building out its workflow portfolio and faces strong competition in the business process automation space, from both traditional competitors and BPO players. As such, Xerox will need to articulate a strong proposition and demonstrate a proven track record in a diverse and competitive market. What remains in question is any direct impact on Xerox's capabilities as a result of selling its IT services business and separating its BPO business. Given its expanded workflow automation strategy, its ability to leverage BPO expertise will be critical to future success.

Strengths and opportunities

Strengths

- **Broad services portfolio.** Xerox has a mature and proven globally consistent MPS offering. It has developed a broad set of assessment, security and workflow tools and services, which are key to differentiation. It particularly excels in large complex MPS engagements and is also an established leader in channel-led MPS services for the SMB market.
- **Scalable offerings.** Xerox's MPS offerings are consumable and affordable for midsize as well as large organisations, with variable costing models and pay-as-you-go services. Xerox's ability to leverage its many lines of business and partner network puts the company in a strong position for reaching the midmarket space.
- **Comprehensive reporting and analytics.** Reporting is a key strength, with Xerox offering over 50 standard KPI/SLA reports. Its sophisticated Business Intelligence Platform provides interactive and globally consistent reporting across all areas of enterprise print for multiple sites and countries. Reporting supports Xerox's Global Service Delivery model, reviewing operational performance and identifying areas for innovation.
- **Strong and integrated production print services.** Xerox has a long track record in supporting production printing through onsite document production, external print procurement, mail management and cross-media publishing. Xerox is a strong choice for large enterprises looking to gain efficiencies in enterprise-wide printing.

Opportunities

- **Workflow automation.** Xerox has a mature ECM product portfolio with ConnectKey, DocuShare and discrete workflow automation offerings. Continued expansion of its industry solutions will increase opportunities for Xerox to deepen its business-process-centric MPS engagements, which should be further supported by its new industry-aligned sales force.

MPS Strategy

Xerox's MPS portfolio addresses the entire print landscape, from office to production printing. Its established MPS model is based on three stages:

- **Assess and optimise.** This first stage focuses on providing customers an accurate baseline of their current spending for both their Xerox and non-Xerox office and production printing environments. Its assessment methodology has been expanded to include not only device usage but also tracking of user print behaviour – for instance what types and volumes of documents are printed and at what time. Data is analysed using Xerox's AssetDB and CompleteView Pro toolset in order to identify inefficiencies and help customers minimise costs and also environmental impact as well as improve the productivity of their employees. An optimised environment is designed and can include both Xerox and non-Xerox devices depending on cost, security, sustainability and functionality.
- **Secure and integrate.** This phase focuses on securing and integrating the recommended print environment, encompassing security, mobile printing and print server and print queue management. Xerox offers a robust set of tools to control and secure a customer's print environment. Xerox ConnectKey multifunction printers (MFPs) support McAfee's whitelisting technology to detect and prevent unauthorised access of MFP files. In addition, ConnectKey MFPs also include Cisco TrustSec, for intelligent access control. Xerox has also established key partnerships with YSoft (security), EFI (public printing), Elatec (card readers), CA (print server monitoring), and Cisco (Energy Management), as well as Atos (print server management).
- **Automate and simplify.** This phase drives further productivity improvements by reducing or eliminating unnecessary paper. Xerox designs and deploys smart workflows to capture, route, store and retrieve documents by leveraging its content management solutions. Key partnerships include Hyland (Industry Solutions across horizontals and verticals); Datawatch (retail & supply chain – analytics based solutions); TIS (intelligent capture) and Xerox Content Management.

Xerox is able to address a range of workflow requirements through three key offerings - personal and office workflow solutions, industry workflow solutions and document outsourcing Services.

Service offerings

Xerox addresses the full enterprise print environment, with a broad set of services that adapt to MPS maturity. Services range from fleet management and optimisation to business process optimisation, driving efficiency of document-intensive processes. Offerings include:

- **Full range of assessment services.** Xerox has developed a suite of assessment services to address the different levels of MPS maturity in an organisation. A starting point is its Maturity Analytics, a free consultancy service which includes a short assessment to help define a client's MPS maturity and develop an appropriate MPS roadmap. Assessments range from quick, assumptive-driven assessment services to full, fact based assessment services with the flexibility to create a blended approach to support varying customer requirements. The Xerox Device Manager (XDM) tool is used for large enterprises, which requires on-site installation, while SMBs can remotely download the Xerox Device Agent (XDA). Xerox fully leverages NewField IT technology, such as Asset DB and its CompleteView Pro Business Intelligence Tool. These offer predictive analytic capabilities, reviewing existing costs and providing cost improvement scenarios at device, location and enterprise levels in real-time. XDA and Asset DB are both available to Xerox' Accredited MPS partners. Xerox also offers security and environmental assessments with all findings available through interactive reporting.
- **Fleet optimisation.** Xerox uses the Asset DB tool to develop an optimised fleet. This incorporates design of an optimal print policy and solution, which is validated using its propriety interactive application, CompleteView Pro. This enables Xerox to compare the optimised environment to the current environment, as well as allowing the customer to benchmark their environment against others in the same industry. Xerox also offers optimisation of production printing through its centralised print services (CPS) offering, which looks at both labour and device utilisation. Xerox can provide off-site staff for periodic peak load volumes as needed.
- **Device management.** Xerox Services Manager (XSM) provides a hosted cloud based asset database which provides a single source of record for all client managed device events (e.g. consumables requests and fault alerts) as captured by the XDM & XDA device alerts (located inside the customer firewall) or via other event logging systems such as the Services Portal or Service Desks. XSM tools also enable other remote device management tasks such as meter reading and device configuration.
- **Multivendor support.** Xerox offers a single point of contact and single SLA for all billing, consumables services, and maintenance services for more than 1,300 models from 9 manufacturers. Within Europe, Xerox can now remotely support over 1,500 multi-vendor devices using Xerox proprietary tools. Xerox states that the top 10 brands and 1,000 models are tested and validated for proactive supplies management prior to contracting and other brands and models are proactively managed where technically possible.
- **Print server management.** Xerox can take over the monitoring and management of print servers, an often-ignored element in print infrastructure management. By consolidating, or eliminating servers altogether where appropriate, Xerox can reduce costs and avoid the complexity of server management.
- **Project management.** Xerox assigns a dedicated project manager for larger, complex MPS deployments. Xerox service professionals use Six Sigma methodologies to ensure a smooth transition in project delivery and project managers are trained to Prince II standards.
- **Solution architecture.** Xerox provides solution design, software implementation and full application lifecycle management services for all MPS solutions.
- **Change management.** Xerox uses a structured approach to set client expectations, improve end-user satisfaction and accelerate adoption. Xerox's change management includes,
    - Strategy - preparing for organisational change
    - Awareness – understanding why change is needed
    - Desire – motivating people
    - Knowledge – what you need to know to succeed
    - Reinforcement – how to sustain a changed process

MPS infrastructure

Xerox's MPS offering leverages its on-going development in its infrastructure platform and continued expansion of its global delivery network. Highlights include:

- **Global delivery.** Xerox has dedicated global MPS delivery centres, with hubs in Europe based in Dublin and Lisbon. These are supported by local country resources designed to provide a standard service across countries. There are approximately 150 dedicated, full-time delivery staff in Dublin and a further 200 in Lisbon. Significant in-country service delivery teams supplement this. The European centres are part of a larger global infrastructure able to support the needs of global customers, providing 24x7 'follow-the sun' support. Xerox supports integration of the Xerox Service Desk incident management tools with customer help desks to enable more efficient incident management and increase the

Service Desk transparency between client and vendor helpdesks. Additionally, Xerox has developed a new API into the Xerox Service Manager tool for partners to integrate device, billing and incident status information into their own systems in support of service provision to their clients.

- **MPS service portal.** All Xerox MPS customers gain access to customer specific service portals to access any element of the service. Xerox also provides customers with an e-commerce platform that enables them to request additional services.

- **SLA and reporting.** Xerox provides globally consistent reporting across all areas of enterprise print for multiple sites and countries. Monitoring is conducted in real time against both individual incidents and rolling performance within the contracted measurement periods to ensure SLA compliance and support over performance levels. Xerox offers over 50 standard KPI/SLA reports to customers. As part of the Xerox Global Service Delivery Model (GSDM), it offers annual, quarterly and monthly business reviews. These focus on both operational performance and identify opportunities for innovation.

- **Billing.** Xerox offers a range of pricing options that include all-inclusive utility-based pricing and component-based billing (e.g. equipment & services, plus click) models. Billing can be delivered at various levels, from local through to consolidated global billing. Customers typically receive one invoice per month for each of the countries where they take the service, with Xerox acting as the billing and management agent for each of the existing device contracts. Channel MPS customers are billed directly by the partner with most partners having the capability to offer the customer consolidated billing.

Solutions

- **Mobility.** This includes the Mobile Print and Xerox Cloud Mobile Print Solution. Xerox has extended its MPS capabilities to remote and mobile workers providing mobile printing capabilities through a value-added service. Xerox enables the mobile worker to print from any mobile device to any printer. Its Managed Mobility Services support both Xerox and non-Xerox devices and is compatible with any email-enabled mobile device. The services approach requires minimal IT resources as it does not require printer configurations, installation procedures or device specific applications to be installed on mobile devices. Xerox is also part of the Mopria Alliance, which aims to establish industry standards for mobile printing, formed with Canon, HP and Samsung in September 2013. As of yet, Xerox has not developed any NFC touch-to-print mobile print functionality, which is emerging as a solution from many of its competitors.
    - Xerox Mobile Print Cloud. In April 2015, Xerox announced version 3 of this product, which now enables a direct connection to cloud printing features without the need for additional infrastructure from the organisation. Job submission is done via email to a universal address, with end users releasing the job at the MFP via a PIN.
    - Xerox Mobile Access App: Through Xerox ConnectKey technology–enabled MFPs, users can remotely execute basic MFP functions such as copy and email via a tablet. The interface of the app allows for simple functionality for users. It has also been optimised for visually impaired users via a talk-back feature.
    - Xerox Mobile Link App: Through the Mobile Link App, users have the ability to create workflows for one or multiple locations and integrate with cloud, fax, and email destinations. End users who want to print from Dropbox and Google Drive via the Mobile Link App can authorise the app from their Dropbox and Google Drive accounts.

- **Security.** Xerox's security offerings include a range of capabilities such as secure disk erase, intrusion detection with white listing in partnership with McAfee and device security integration with Cisco TrustSec. Solutions offerings include:
    - Xerox Print Security Audit Service. This interrogates the printer fleet against the company's predefined IT configuration and security policy. The information gathered identifies devices that are compliant to the client policy as well as non-compliant devices that require remediation.
    - Secure Print Manager Suite. Based on both Xerox and partner technologies, this solution offers 6 modules – user authentication, user analytics, secure document release, job tracking, chargeback and accounting and rules-based printing. A flexible and modular usage-based pricing model means that a customer can adopt a layered approach to document security, implementing the functionality required and adapting, as business needs change.

- **Workflow automation.** Xerox has developed a range of personal and office workflow solutions which include:

    - **Xerox Digital Alternatives.** This is a personal productivity tool, enabling users to use an alternative to printing such as read, save, share and annotate a document within a single application. It can either be deployed on premise or in a Xerox hosted private cloud and can integrate tightly with other components of the wider enterprise IT infrastructure. Version 2.0 adds digital signature and ECM support.

    - **Xerox Content Management.** Xerox Content Management Services is a content management and workflow system with consultative services that help automate and simplify document processes within the enterprise. It offers the ability to easily capture, store, share and transform paper-based and electronic documents from a variety of sources – web, desktop applications, tablets, smartphones, and MFPs.

- **Xerox DocuShare 7.0**. This enterprise content management (ECM) platform is targeted at businesses of all sizes. It offers broad ECM capabilities for capture, content management, collaboration and process automation and is tightly integrated with Xerox ConnectKey multi-function printers.

- **Industry specific solutions.** Xerox has a range of industry solutions for workflow automation across HR, finance and accounting, insurance, retail, banking, manufacturing, higher education and healthcare. These include (but are not limited to)

  - Retail banking. New solutions announced in May 2016 include new client onboarding, compliance and records management, fraud management and loan application processing.

  - Manufacturing. This new suite of offerings automates processes in areas such as engineering change management, quality assurance, logistics and fulfilment, and maintenance and operations.

  - Higher education. A broad range of solutions covering admissions processing, financial aid, register processing, student advising, student billing and transcript capture and evaluation.

  - Retail supply chain optimisation streamlines the in-store product life cycle by capturing information about ordering, inventory, and shipping and provides this information via an analytics dashboard, enabling staff to deal with exceptions.

  - Health Records Information Management unifies patient information (including electronic medical records, DICOM images, and unstructured data) to provide consistent access to a single view of that patient.

  - Insurance solutions which automate new business processing, claims processing, case management, and ACORD application processing.

  - HR Onboarding provides workflow to help bring together the disparate information sources used to securely hire and provision a new employee.

  - Finance and Accounting solutions including accounts receivable, accounts payable, procurement and vendor management.

Partnership strategy

Xerox has a multi-channel approach, working with channel partners (for SMBs), alliance partners (for larger enterprise), and a direct sales force for selected large enterprises. In addition to the large enterprise direct sales force, the Xerox Services direct sales force is also able to sell MPS as an extension to their ITO and BPO offerings.

- **Alliance partners**. Xerox works with a number of strategic IT partners including Cisco, HCL, TCS, CGI and Atos. It also has regional partnerships with companies including CompuCom, SMS, DecisionOne in North America and Computacenter in Europe.
- **Channel-led MPS.** For the SMB market, Xerox Partner Print Services (XPPS) is delivered entirely by channel partners and acquired channel partners (e.g. Veenman in the Netherlands and Concept Group in the UK). Xerox now has thousands of partner organisations actively selling XPPS globally including Xerox concessionaires, multi-brand resellers, managed service providers and corporate resellers in Europe. The XPPS programme includes formal sales training for specialists and generalists and also a coaching and mentoring programme with Xerox MPS specialists and NewField IT specialists to ensure the transition to services is seamless.
- **Customer advisory council.** Xerox has established advisory councils, with 18 clients in North America and 20 in Europe. These meet regularly to discuss offerings, innovations and peer-to-peer sharing of best practices. Xerox has successfully introduced new solutions based on requirements raised from its advisory council.

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Xerox Scorecard

Market presence		
Criteria	**Details**	**Score**
MPS customers	Xerox has over 1,000 global enterprise MPS customers. While the majority of Xerox MPS revenue is currently from direct channels, Xerox is expanding its MPS programmes through partners.	5
MPS strategy	MPS plays a critical role in Xerox's strategy to grow its services business. Its three-stage model – Assess and Optimise, Secure and Integrate, Automate and Simplify – is a solid foundation for its expanding services portfolio.	5
Maturity of offerings	Xerox is one of the most established MPS providers, having offered MPS since 2001. It is actively enhancing its core services to encompass broader workflow and business process automation capabilities.	5
Geographic reach	Xerox has a strong global reach and delivery capabilities with its MPS offered across North America, all of Europe, Asia Pacific, Latin America, the Middle East and Africa.	5
Overall financial strength	For FY2015, total revenue was $18 billion; $7 billion from services and $11 billion from document technology.	5
MPS revenue growth	Quocirca estimates Xerox global direct MPS revenue (Xerox and Fuji Xerox) to be approximately $3.5 billion in 2015. While direct MPS revenue was largely flat, its total direct and indirect MPS revenue increased by around 3%.	4.5
Brand awareness	Xerox remains on track to reposition itself as a services company and scores consistently high in Quocirca's study of brand perception for MPS providers.	5
Alliances and partners	Key global partners include Cisco, HCL, TCS, CGI and Atos. Xerox also has regional partnerships with companies including CompuCom, SMS, DecisionOne in North America and Computacenter in Europe.	5
Investment and resources	Xerox has made significant investments in its MPS infrastructure, updating its hosting platform, database engines and back-office systems. It has also expanded its global assessment and design capabilities through NewField IT technology and deepened investment in its workflow solutions portfolio.	5
Final ranking	**VERY STRONG**	**4.94**

Completeness of offering		
Criteria	**Details**	**Score**
Modularity of services	EPS is a fully outsourced service that can be customised to deliver specific service modules to meet the unique needs of each client. Xerox also provides additional modularity through its channel-led MPS offerings, which include XPS and XPPS.	5
Breadth of services	Xerox offers a complete range of services, including XRPS, XPPS, XPS and EPS. EPS covers the office environment, production print room, off-site commercial print and mobile print.	5
Help desk capabilities	A dedicated European-based global delivery centre (based in Dublin with a sister centre in Lisbon) plus local country resources.	5
CRD / production printing	Xerox offers a mature range of production printing services. Each year more than 50% of EPS contracts typically include both office and production environments.	5
Multi-vendor management	Xerox offers full multi-vendor support, including single point of contact, billing and SLA management for more than 1,300 models from nine manufacturers.	5
Remote monitoring	The hub of the Xerox MPS technology platform is Xerox Services Manager (XSM) and a globally hosted cloud-based asset database. This enables remote device management tasks such as meter reading and device configuration, supporting both Xerox and non-Xerox devices.	5
Mobile printing support	As well as standard mobile printing support via its ConnectKey and Mobile Express driver, Xerox offers a Managed Mobility service. This primarily supports printing via an email attachment.	5
Business process automation services	Xerox is expanding its workflow automation services. These services will remain part of Xerox's MPS offerings and include workflow assessments and platforms for content management, business process management and business process automation.	4.85
Document workflow / ECM	Xerox has a broad and growing document workflow solutions offering. This includes its partner portfolio and its ConnectKey integrated workflow capabilities. Xerox's DocuShare provides the platform for its expanded suite of workflow automation products.	5
Industry solutions	Xerox has a range of industry solutions for workflow automation across HR, finance and accounting, insurance, retail, banking, manufacturing, higher education and healthcare.	4.95
Final ranking	**VERY STRONG**	**4.98**

Please note the full report is available to purchase directly from Quocirca.

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Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium-sized vendors, service providers and more specialist firms.

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