

The Right Tool for the Job

A business case for effectively deploying MFPs to gain control over the management and cost of printing and imaging environments



Much has been said about the escalating cost of creating and working with documents.

- **About the impact on operations:**
"Imaging and printing accounts for up to 15 percent of an organization's overall operating costs." Source: CAP Ventures¹
- **About the effect on labor costs:**
"Printing and imaging processes can account for as much as 40 percent of labor costs." Source: Avi Basu, IT Journal²
- **About the threat to revenue:**
"Through YE08, enterprises will spend between 1 percent and 3 percent of their revenue on document output."
Source: Gartner³

But how much do organizations really know about the surprisingly simple reasons why these costs are increasing and how an evolving digital technology can be effectively deployed to fix this growing problem?

Nailing down costs

Think quick: how many hardcopy devices are in use in your organization? Drawing a blank? You are not alone. According to IDC⁴ most large organizations (those with 1,000 or more employees) have no idea how many hardcopy devices they have. Less than half (48 percent) routinely track their hardcopy costs companywide. Even fewer (38 percent) track related IT help desk and support costs.

It's hard to imagine organizations taking the same haphazard approach to other valuable business assets such as their IT infrastructures or even office furniture. Yet as this chart shows, the current state found in many printing and imaging environments can actually be traced to two key historical management practices.

This historical management practice:	Has resulted in this current state:	Which drives these costs:
Fragmentation of management responsibility	<ul style="list-style-type: none"> IT is responsible for networked devices Facilities/Operations is responsible for copiers and fax machines Purchasing is responsible for supplies 	Hardware Software Consumables Maintenance/Support
Ad hoc device deployment	<ul style="list-style-type: none"> Networks are strained Fleets are aging (If technology is more than five years old it is outdated) Devices are either over or under utilized 	Network mgmt/admin Maintenance/Support IT support Infrastructure Real-estate utilization (footprint) Productivity losses

Cutting through the confusion with digital technology

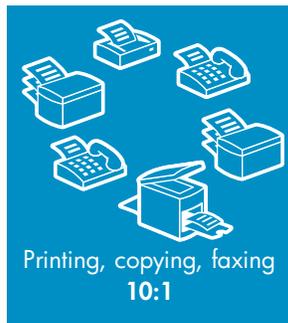
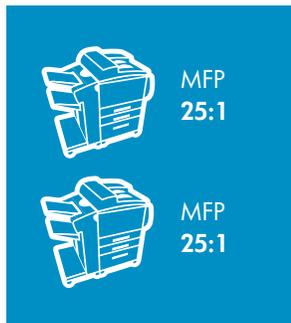
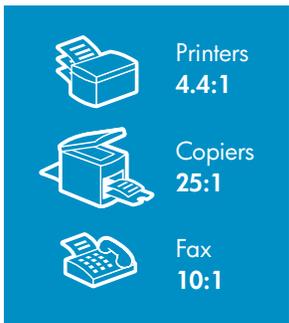
Multifunction products (MFPs) converge print/copy/scan/fax functionality into a single networked device. Blurring the once rigid lines between printers and copiers, MFPs create the opportunity for unified management of the printing and imaging environment. What's more, like a virtual Swiss Army knife MFPs provide access to a handy assortment of advanced document distribution and management capabilities that can be deployed to increase productivity and reduce costs.

MFPs enable:	Which results in:	Which impacts these costs:
IT to remotely manage networked devices	Fewer help desk calls Less IT support	IT
A reduction in devices	Fewer/newer devices Reduced overall space requirement Fewer supplies	Acquisition and repair Facilities management Consumables
Users to print/copy/scan/fax from one device	Increased productivity	Revenue potential
Hardcopy to be captured digitally and integrated into business process workflow	Onramp to digital workflow	Content management
Information to be captured, distributed, accessed and retrieved digitally	Efficient content management	Revenue potential
Datastream encryption	Secure distribution of sensitive documents	Legal, IT
Wireless connectivity to mobile devices	Increased productivity	Revenue potential

MFPs let you capture, share and store documents digitally, which can lead to significant document handling savings and help you comply with the new regulatory requirements created by legislation such as the Sarbanes-Oxley Act.

- A company spends an average of \$8,200 per person per year on file management activities (searching, verification, organization, back-up, security).⁵
- An average filing cabinet takes up approximately 11.25 square feet of office space. In 2003, office space in New York City went for \$38.50 per square foot, making the real estate costs associated with a single cabinet \$411.53.⁶
- To effectively comply with the Sarbanes-Oxley Act organizations must control the way they process, distribute, retain and access key financial information and supporting information in day-to-day operations. MFPs optimize the processing of sensitive financial information, the storage and archiving of financial information and related content (including supporting documents and internal and external communications), the access and retrieval of archived information, and the disposition of information in accordance with sound records management practices.

Balanced deployment vs. centralization



Traditional deployment

No. users	50
Page volume	98K pgs/mo
Device utilization	10%
Monthly running cost	\$1,750
Hidden cost	Knowledge worker productivity impact

Minimum cost deployment

No. users	50
Page volume	98K pgs/mo
Device utilization	120%
Monthly running cost	\$1,484 (16% savings)
Hidden cost	Knowledge worker productivity impact

Balanced deployment

No. users	50
Page volume	98K pgs/mo
Device utilization	50%
Monthly running cost	\$1,540 (12% savings)
Hidden cost	Knowledge worker productivity impact

Source: HP data

Hammering out a balance between productivity and cost

There is no question that MFP technology offers robust network and device management tools as well as powerful new document processing options. Yet with very few exceptions, MFPs alone are not the best solution (see scenario three below). Increasingly, experts agree that balanced deployment is the key to bringing efficiency and efficacy to the output environment. IDC describes balanced deployment as the “optimization of the mix of hardcopy devices from single user to shared devices, from single-function to multi-function devices with a goal of maximizing employee productivity and cost-reduction.”⁷

It takes a comprehensive assessment of usage patterns and business process workflows to achieve or understand how to achieve a balanced deployment. Check out HP’s Web-based Self Assessment Tool at www.hp.com/go/assessment for a quick and easy way to get started.

The following scenarios present just three of many possible deployment options for a department with 50 users and a volume of 98,000 pages per month. As you can see there is continuum between maximum productivity and minimum cost.

Scenario one: traditional deployment

- 1 printer for every 4.4 employees
- 1 copier for every 25 employees
- 1 fax machine for every 10 employees
- Monthly cost (approx.) = \$1,750

In this deployment each device is used at just ten percent of its capacity—a dramatic under-use of available resources. Plus, all those devices take up significant



usable space and make inefficient use of costly consumables. The complex workflow reduces employee productivity as users must travel multiple paths for each device and, depending on the device-to-user ratio, may have to wait to complete mission-critical tasks.

Scenario two: minimum cost deployment

- 1 department MFP for every 25 employees
- Monthly cost (approx.) = \$1,484

On the surface, this more centralized approach might seem to be a strategic choice. While the cost savings is 16 percent, each device is pulling a heavy load, which increases support and maintenance costs and the risk of downtime on the only two devices available to these users. In addition, fewer devices mean longer wait times and more walking around, reducing productivity.

Scenario three: balanced deployment

- 1 device for every 10 employees—comprised of a mix of devices. Including workgroup and/or department MFPs, color printers, single-function monochrome printers and other stand-alone devices as needed per the customer’s usage needs.
- Monthly cost (approx.) = \$1,540

This approach strikes a balance to increase productivity by bringing greater functionality closer to the end-user, improve user satisfaction and reduce operating costs by as much as 12 percent—that’s \$200 per month per 50 employees.

Taking the measure of your success

Organizations are increasingly turning to networked digital devices such as MFPs to help them gain control over the management and cost of their printing and imaging environments. As part of a strategic balanced deployment, MFPs help organizations reap the overall savings and benefits that are created in a managed printing and imaging environment.

Examples of the savings and benefits that can be created in a managed printing and imaging environment

Costs	Savings and benefits
Hardcopy devices and consumables	Fewer/newer/advanced devices Lower consumables and IT support costs
Space/storage	Less space required for devices and supplies
Help desk	Increased device uptime fewer help desk calls
Remote device management	Reduces IT travel time
Digitized document workflows/distribution	Reduces cost per record Speeds business processes Optimizes invoicing capabilities
Employee productivity	Less time spent waiting to print New features improve workflow
Corporate costs	Increased speed of revenue collection Increased employee productivity Improved workflow

Want to know more?

Visit us online at www.hp.com/go/printingandimaging and see how HP can help you significantly reduce your total cost of printing and imaging. HP offers a proven methodology and approach to creating and maintaining an effective and cost-efficient printing and imaging environment, and HP has the experience, networking expertise and technology leadership to serve as a valuable resource in this area.

Notes

- 1 CAP Ventures, "Decision making Dynamics in the Convergence Domain," February 2002
- 2 Avi Basu, "The Business Benefits of Digital Convergence," *IT Journal*, November 2001
- 3 Gartner, "Printer and Copier Fleets: The Gold Mine in the Hallway," 19 August 2003
- 4 IDC, "ROI Focus shifts to Imaging and Output Infrastructure," A. Boyd, January 2004
- 5 5 GISTICS, <http://www.gistics.com>
- 6 John Stelmach, SVP, CFO Computhink, "Accounting for Space, Time and Efficiency," February 2003
- 7 IDC, "Managing your imaging and output infrastructure to maximize productivity and minimize cost," Angele Boyd

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