

# Dongkuk Steel Group enjoys worry-free operation with HP Managed Print Services



“As a business gets larger, its print/copy environment becomes inevitably more complicated. An inefficient printing infrastructure leads to decreased business efficiency and high costs. That’s why we have deployed HP Managed Print Services. As a result, the Group is enjoying its benefits like reduced costs, enhanced security and business efficiency.”

Kim Myeong-gyu, Team Manager of the Information Planning team, Strategic Planning Office, Dongkuk Steel.

## Industry:

Manufacturing sector

## Challenges:

- Reduced business efficiency due to a disparate fleet of printing devices and related consumables
- Difficulty in managing 800 printing assets
- Inability to track and monitor print outputs, resulting in poor document security
- Poor management of consumables at each subsidiary, leading to increased costs

## Solutions:

- Hardware: HP LaserJet P3005 and HP MFPs including HP LaserJet M5035 MFP series
- Software: HP Web Jetadmin, Smart Card solution by EPSOFT, Web-based Fax Server solution by G Mission, and PSARM solution by JITCO Co., Ltd.

## Benefits:

- Improved efficiency in device management by replacing 300 print models sourced from 14 suppliers with 5 HP models
- 42.5% reduction in printing hardware, resulting in a right-sized fleet
- Better print quality and speed by switching from more than 200 inkjet printers to HP LaserJet models
- Improved document security by linking all printing devices via network and creating a log file for each user
- Streamlined supplies inventory management with automated delivery of consumables and components
- Minimised business disruption through immediate response to system failure
- Reduced printing costs with a pay-per-page billing model



## Overview

Dongkuk Steel Group is South Korea’s first steelmaker to devote itself solely to steel production since its inception in 1954. With 10 subsidiaries ranging from logistics to machinery and IT, Dongkuk Steel Group is the country’s third largest domestic steel producer.

A strong advocate of business innovations, Dongkuk Steel Group advanced into the blast furnace market in Brazil in 2005 by building a steel mill with an annual production capacity of 1.5 million tons. The business continues to grow with the on-going construction of a large-scale plate plant in Dangjin, South Chungcheong province, Korea.

Dongkuk Steel Group’s revenue hit a record of 3.7 trillion won (US\$3.6 billion) in 2007. In the first quarter of 2008, revenue and operating profits had reached 1.7 trillion won (US\$1.68 billion) and 166.5 billion won (US\$164.5 million) respectively. These impressive results are attributable to the Group’s steady efforts in business innovation and cost saving.



Given its extensive operations, Dongkuk Steel Group was managing a disparate fleet comprising of 300 different printer models sourced from 14 vendors. Printers and copiers were separately managed by IT division and General Affairs division. There was a lack of control over consumables. Some divisions stockpiled spare consumables while others found few.

To overhaul its inefficient printing environment and to step up business innovation, the Group decided to outsource the management of its imaging and printing needs in late 2007. The implementation of HP Managed Print Services helped Dongkuk Steel Group to consolidate its print, copy and fax environment, and charges are based on the Group's print/copy volume.

#### **Business Challenges**

Dongkuk Steel Group had not understood the importance of document security until confidential documents containing crucial information about competitors' construction plans and revenue leaked out of competitors' offices.

This prompted the Group to put measures in place to improve the security of printed documents. As Kim Myeong-gyu, Team Manager of the Information Planning team, Strategic Planning Office explained, these documents might contain vital information such as shortening construction time without simulating plant and facility sites.

The need to enhance security was a key reason behind the company's decision to engage with HP on the implementation of MPS. Even with Digital Rights Management security features already deployed in some divisions of the company, Dongkuk Steel Group took data confidentiality to the next level by ensuring the security of all printing activities across all subsidiaries.

DK UNC, an IT service provider and a subsidiary of the Group, conducted full assessments of five shortlisted vendors to find the right print outsourcing partner which could :

- Improve print quality and reduce costs by optimising the organisation's imaging and printing fleet
- Enhance transparency on output spending and document security by tracking and monitoring print/copy volume
- Maximise business efficiency by reducing maintenance workload and streamlining consumables management

HP was picked as it showed strengths on all fronts and met the challenging criteria set out by Dongkuk Steel Group to implement a fully integrated print solution. The fact that HP was engaged by a major local financial firm as the MPS provider also boosted the Group's confidence in HP.



### **How HP helped**

In December 2007, Dongkuk Steel Group rolled out HP MPS across all subsidiaries and the first step was to analyse the Group's current output infrastructure to gain visibility into unmeasured and unknown costs.

Dongkuk focused on three key areas as MPS was being introduced – asset management, service, and security.

From an asset management perspective, the company wanted to boost efficiency and reduce effort required on fleet management by streamlining disparate printing devices and consumables, and managing them centrally. In the area of service, the goal was to improve print quality with an optimised imaging and printing fleet, drive down costs, and maintain an optimised level of print volume through steady monitoring. Where security was concerned, the Group wanted to establish complete security for printed documents through tracking and monitoring.

With the roll-out, 460 new HP devices were installed, replacing some 800 devices, and this translated into a 42.5% reduction of printing hardware. In addition, 300 different printing models were replaced with only 5 HP models, which are placed in the best locations to increase productivity gains and enhance user satisfaction.

Printing devices were picked based on average monthly print volumes, and rules were set to limit the number of users of printers and multi-functional printers (MFPs) to 10 and 15 employees respectively. To improve print quality, more than 200 inkjet printers were replaced with HP LaserJet models. In fact, when inkjet printers accounted for 30% of the total number of printing devices, the print volume was just 5.82% - an indication of under-utilisation of the inkjet printers. About 100 fax machines were also substituted by a minimal number of MFPs, keeping the fleet lean.

Consumables and other components are delivered automatically when they are needed, eliminating the hassle of purchasing and maintaining stock at divisional levels. On-site support is available within 4 hours of system failure. These help to improve overall operational efficiency as employees are not burdened with administrative and troubleshooting responsibilities. Document security is also improved by connecting printing applications via network.

### **Value delivered**

After the roll-out of HP MPS, Dongkuk Steel Group realised 20% cost saving in monthly printing cost, and this is greater than the initial target of 15%. Another subsidiary, Union Steel, has also reduced costs by more than 30% every month after the implementation of HP MPS.

## About Dongkuk Steel Group

Headquarters:  
South Korea

Founded:  
1954

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1,700

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After replacing fax machines with HP MFPs, there was much concern regarding security and integrity when faxes were sent from the MFPs.

To address this issue, the Web-based Fax Server solution, provided by G Mission, screens all fax activities to ensure that security is not compromised.

In addition, with the Smart Card solution by EPSOft, when documents are sent to printers or fax machines, users have to authenticate before print jobs are released from the devices. This embedded solution was first deployed in Dangjin plant, and Dongkuk Steel Group plans to implement this smart card security feature in a new research institute which is currently under construction.

The PSARM solution from JITCO Co., Ltd, another HP partner, helps to prevent information leaks by creating a log file containing information such as image and user profile every time a fax is sent.

These security solutions have greatly improved security within the organisation after the roll-out of HP Managed Print Services.

To learn more, visit [www.hp.com/apac/enterpriseprint](http://www.hp.com/apac/enterpriseprint)

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