

## I D C   V I E W

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# **Copy and Print Management – Consolidation Strategies to Achieve Best Practice**

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*Probably the greatest hidden and uncontrolled expense in an organization is the cost of printing. Poorly managed copy/print management environments affect 75% of organizations, and are currently costing 10% to 30% more than they should. In this IDC View, Phillip Allen highlights an important issue that requires immediate management attention: copy and print management consolidation.*

Consolidation is a key tool to address this critical issue, and needs to be approached as part of a new overall strategic approach. How did we come to have uncontrolled copy/print management environments? What is driving the need for so many devices? The primary reason may be a simple lack of coordination and management — in many enterprises they selected printers by personal preference. An unplanned print infrastructure has led to spiraling costs for inventory, parts, and maintenance, as well as impacts downtime across a wide array of print-related devices.

### **Benefits and Challenges of Consolidation**

A growing IT complexity crisis has been building, resulting in an urgent need to regain control of the imaging and printing infrastructure. In order to address this problem and achieve cost reductions, many companies have been undertaking consolidation — the practice of reducing the number, models, and types of equipment on site. While consolidation is important, the greatest success will come to organizations that view consolidation as a continuously evolving process achieved through a balanced approach.

Consolidation of the copy and print management environment involves co-locating printers and copiers in fewer locations, or even in one central location. This can reduce the number of providers and models, and remove many smaller, inefficient, and expensive-to-run machines. The benefits are obvious in that, if a corporation can move printing to a central location, the cost of running and supporting it will go down, and the utilization of devices will go up. Besides being a key enabler for greater efficiencies, this approach can offer strategic benefits to help plan for future needs. Leading organizations will use consolidation as a tool to restructure and plan for future requirements.

A strategic plan is required to determine the right level of consolidation, as well as the appropriate measurement and redeployment of resources. This is critical in Asia/Pacific, because CIOs and IT managers face the same risks and threats as their counterparts in other regions, but often with fewer resources or support. Many IT heads in the region are also responsible for managing a large geographically distributed enterprise, so consolidation can be easier to discuss than to achieve.

## The Way Forward

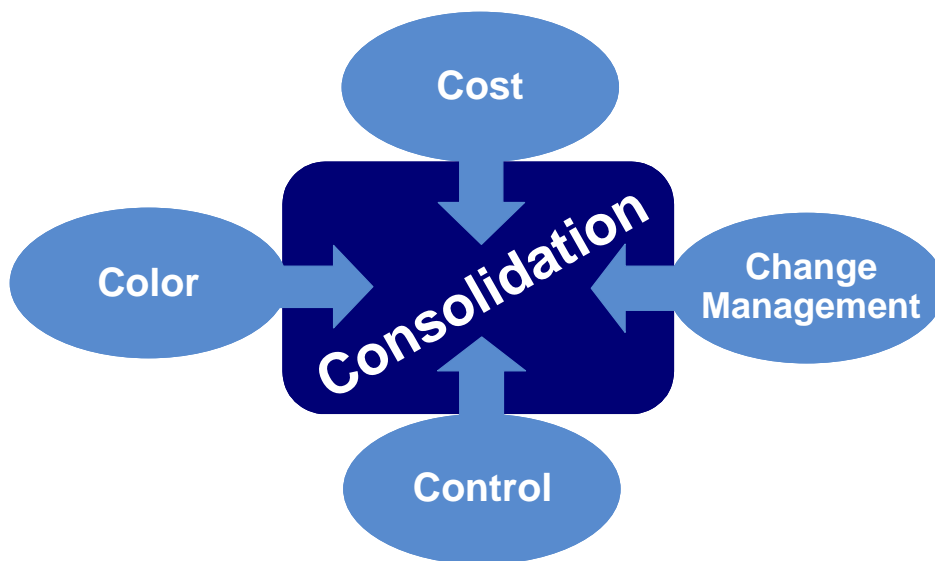
The first challenge on the path to consolidation is to move from a fragmented view to a holistic view of the environment. To do this, users will need to start with an assessment of their needs of today, as well as where they are going in the future — evaluating existing devices and procurement / support processes, and matching to those needs.

### Using a 4-C Consolidation Strategy

IDC's research reveals four key areas that a consolidation strategy must address:

**Figure 1**

4-C Consolidation Strategy



Source: IDC, 2005

- **Costs** — Copying and printing costs make up between 1% and 3% of a typical company's turnover. Despite this, these costs remain under the radar, in stark contrast to both IT and marketing budgets, which are subject to immense scrutiny. The lack of visibility of these costs is surprising. End users treat printing as a commodity, and because costs are not managed strategically, end users make decisions based on the initial up-front hardware costs rather than ongoing running costs.

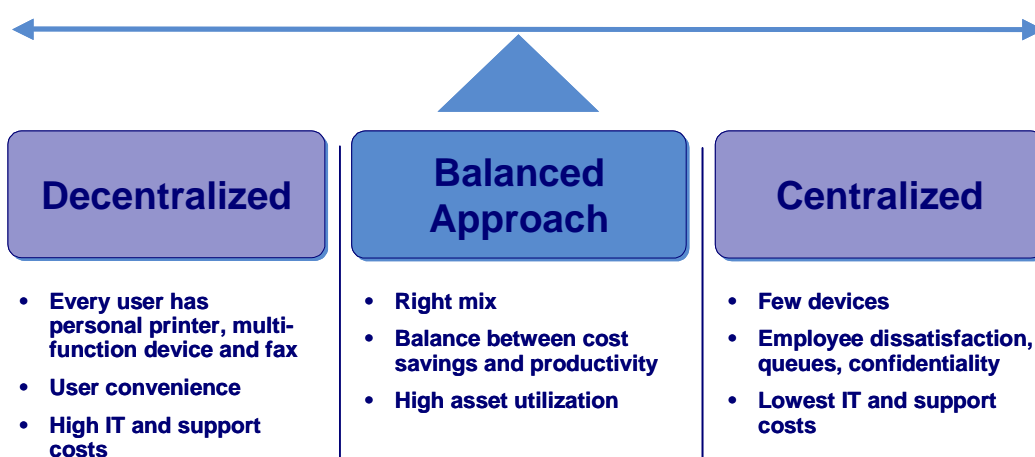
- **Color** — There is growing recognition that color documents are a cost-effective way to enhance marketing, design, and sales submissions. Growth in color printing is also driven by developments in color printers that allow black text printing for very similar costs to that of a monochrome printer. The increased availability of color is moving more printing in-house, including items such as flyers, sales proposals, newsletters, postcards, and posters that were previously printed offsite.
- **Control** — The need to manage the copying and printing function in a more strategic way is emerging. Many companies want to offer charge-back facilities to different departments to ensure accountability. IDC research indicates the majority of organizations are currently applying internal charge-back of such costs to individual departments without much total cost visibility. IDC recommends extending this approach, as well as putting in place a plan to replace aged equipment, and to reduce the ongoing IT support burden.
- **Change management** — The implementation of a new strategy can cause additional organizational pain. Reducing the number of devices is a worthy goal, but excessive consolidation will not yield good results. However, it may not make sense to centralize all copying/printing: for security reasons or high value per hour employees, it may not be appropriate. Success demands an understanding of the interplay between business needs, output characteristics, and future requirements.

## A Balanced Approach

When defining a consolidation strategy it is important to position somewhere between two extremes: a decentralized strategy, one where nearly every user has either a personal printer, an all-in-one, or a fax device, or a centralized strategy, with very few devices. Users are often not happy in this situation. Now they have to share, stand in line, and wait for jobs to clear long print queues, not to mention having to deal with the inherent confidentiality issues. Balanced deployment is achieving a solution between these two extremes.

**Figure 2**

Balanced Consolidation Strategy



Source: IDC, 2005

To define the best approach, IDC first recommends maintaining a business focus, and letting the business issues dictate the solution. The end goal is to achieve the right mix, with a balance between cost savings and productivity with high asset utilization.

Consolidation can deliver cost savings, however, the major issue is finding out what the costs are. An IDC managed print survey estimates that approximately two-thirds of companies are unable to put a figure on their total printing costs. The reason most organizations have no idea what they are spending is the result of fragmented management, with numerous people across the organization writing separate checks for supplies, hardware, and services, not to mention the indirect costs incurred around helpdesks, IT support, and others. You will need to understand what the costs are to accurately assess your organization's current copy/print management environment.

If you do not know what your costs are, you can be assured that you are spending too much. IDC research highlights the hidden costs of a poorly managed copy and print management environment. In contrast, a consolidated and better-managed environment will reduce support costs and the burden of managing, updating drivers, and connecting devices and users to the network, as well as turning those users on new products and solutions. With savings of 10% to 30% that are possible, the need for serious consideration of consolidation is further underscored.

## Key Takeaways

IDC recommends applying the principles of consolidation and centralization to the copying/printing environment to dramatically reduce costs.

- **Evaluate your environment.** Assess the state of your copy/print management infrastructure, and identify your short- and long-term needs.
- **Address the 4-Cs.** Develop best practices through building links between devices, usage and consolidation goals.
- **Define your strategy.** Determine the right level of consolidation, as well as the appropriate measurement and redeployment of resources.
- **Adopt a balanced approach.** Determine the correct mix between cost savings and employee productivity that is the right fit for your organization.
- **Act quickly and start small.** Begin with one office, location or department. Assess and identify savings, and use information obtained to develop a business case for wider engagements.

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