

Corporate Printing Strategy

The Hidden Business Cost

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1 Background

Most businesses today have a printer strategy based on individual need that has evolved over many years with little regard for the total cost of printing across the entire organisation.

By addressing the needs of the individual ahead of the Council, it is difficult for the Council to understand how much it costs to own and run printers and how many printers and what consumables they possess.

Spending on print office management is typically uncontrolled with ancillary products such as consumables being bought from many suppliers and from different budgets and even from petty cash.

According to Gartner few businesses go to the trouble of quantifying their annual spend on office equipment although in some cases it could amount to as much as 3% of the company's annual revenues. Their research suggests that that by evaluating the total cost of printers and other output devices those costs can be cut by between 10% and 30%.

Most organisations don't know how many hard copy devices they own and just 48% track overall hard copy costs, yet research suggests that organisations that make the effort to manage their print output have reported savings of 13% to 40%. These savings come from reduced IT support costs, reduced costs of consumables, reduced hardware repair costs, reduced costs to install and upgrade devices, reduced energy costs, improved use of office space and reduced hard copy device equipment costs.

The ICT Service has conducted an in depth physical on site audit, whilst incorporating one to one discussions with users as necessary and running print management software on the corporate network for one month, all of which has allowed the development of this strategy and identifying potential improvements in running costs and reducing wastage.

Through this audit, from being in the dark as to the total cost of ownership of printers, copiers, scanners and faxes, the Council can realise the lower costs of introducing a print strategy and the benefits available to it.

There is widespread apathy towards print & output management, which could be costing the Council many thousands of pounds each year. These tasks are regarded by many as unglamorous and less than critical. The majority of IT Directors in a recent survey (81%) said that they did not regard print & output management as an "important strategic concern". Almost half (47%) admitted to not having an up to date strategy for printed output.

Despite the continued perception that the arrival of the paperless office is imminent, a national study indicated that printing has increased by 20% in the last financial year and this is predicted to continue especially with the internet becoming a standard business tool for many organisations, who prints what

from it, to which printer and in what volumes is an area in which print management software can help the Council regain some control.

Research by Gartner suggests that the Council could reduce document output costs by 10%-30% merely by rightsizing the number of faxes, printers, scanners & copiers in use. By examining the Council's usage of printers, photocopiers, scanners and fax machines, thereby assessing the running cost of each individual device, the Council can determine those that are really needed and those that aren't.

By determining the true size of and use of the printer fleet the Council can recognise those devices which are either under utilised or overworked. The necessary corrective action can then be taken to maximise the efficient use of those devices and take pressure of them and consequently the support staff by reducing the number of printing related calls.

2 The Problems

The Council has a wide range of output devices consisting of many different makes and models. This wide range is difficult to support and therefore more expensive and the Council also needs to buy and stock a wide range of consumables for those devices. Many of these consumables are overstocked and never used even being thrown away when a new print device is purchased.

Thin client (Citrix) users experience many problems in getting the wide variety of printer drivers to work properly in that environment.

The output devices include printers, photocopiers, scanners and fax machines and whilst the majority of these have been purchased through ICT, a number of photocopiers and faxes have been purchased individually without the knowledge of ICT. Without some form of central control, the Council will never be able to understand the full extent of its ownership of these devices.

This sporadic and uncontrolled purchase has contributed to the wide range of devices currently in use, but has also put in place a wide range of procurement methods, particularly with photocopiers. Some have been purchased outright, others leased or rented and some charged for on the basis of the number of copies made or a combination of the above. As a result many different suppliers, different contract periods, maintenance agreements and different terms and conditions are in place across the Council.

The Council has a corporate printing facility based at the Civic Offices, which is not currently on the Corporate Network, making it impossible to print to these high output, low cost printing devices. The whole role of the print room needs to be examined in the light of this strategy to ensure that they are included and that best use is made of the equipment they have already invested in.

It seems likely in coming years that some of the traditional printed output from the print room will diminish as more and more Council documents such as committee papers are made available online and distributed electronically.

There is currently no corporate contract in place for the supply of printers, photocopiers or scanners, which denies the Council the opportunity to make savings from a consolidated contract, allowing economies of scale to drive down the total cost of ownership.

The current culture with regard to printed output across the Council needs to be changed and this will prove to be the most difficult challenge to the introduction of a successful printing strategy. Staff are used to printing off e-mails and multiple copies of documents, most of which could and should be read on screen and expect to print these to a local printer within easy reach.

By allowing the ad hoc purchase of these devices the Council is not taking advantage of the latest technology and is not effectively managing its printed output. At present it is impossible to accurately provide management information to each Directorate or Department as to its spend in this area.

The Council already has a policy of only purchasing duplex printers and has standardised wherever possible on Hewlett Packard (HP) equipment which is the market leader. However the Council still has too many printing devices in place. The ICT Service has conducted a survey of printing devices across the authority and found a general ratio of 1 printer to about 6 staff, however the survey of the Alps Depot revealed over one hundred such devices for approximately 300 staff a ratio of 1 printer to 3 people. Gartner reported that best practice guidelines for open plan offices suggest a ratio of 1 printer to 30 staff.

By allowing the use of separate devices to provide printing, photocopying, scanning and faxing, the Council is wasting space and power and not taking advantage of the latest technology.

3 The Solution

One option is to go out to tender for a print partner to provide the Council with a range of Multi Function Devices (MFDs) and to manage the print estate. This will entail replacing the whole printer fleet within a 3 year time span and will potentially reduce the existing large number of differing model types to only 5 or 6.

Most importantly the users must be kept informed of the benefits of this print strategy, if the Council is to avoid some of the cultural resistance to change in this area. The benefits include extra functionality, reduced costs, reduced paper and consumables usage, space and power.

The devices installed could be procured without any capital outlay by charging users a standard rate per page printed.

An alternative option is for the Council to purchase or lease the MFDs outright and manage the print estate in house. This will require a capital outlay and additional staff resources for ICT compared to a managed service.

A Corporate Contract for the supply of stationary already exists. A similar contract for MFDs and associated consumables will enable savings to be made across the Council. These contracts combined will enable the Council to monitor usage and costs in a way not previously possible.

The new devices are intelligent enough to allow the automatic ordering of consumables as and when needed thus stopping the potential for overstocking and keeping consumables for printers that no longer exist.

Faults and problems can also be automatically diagnosed and raised with the ICT service desk and/or the partner's service desk and engineers and spares will be automatically sent to site to enable timely maintenance and repairs.

In conjunction with the new range of devices it is essential to deploy print management software. This will provide complete monitoring of the printed output to identify the true costs for each department. This can also allow the automatic routing of prints to the best printer on pre set criteria (proximity, cost or quantity).

The integration of the print room into the strategy is essential so that large volume print runs can be automatically routed there, maximising the use of the print room equipment and ensuring the most cost effective print devices are used.

The cost of printing will be reported in detail and charged on a usage basis, which with education of the users should reduce much of the casual and often unnecessary printing that currently takes place.

Access to the improved functionality of these devices can be controlled centrally and set per user, so although they can print, copy, fax and scan in colour or black and white, only those with the appropriate privileges will be able to do so. The ability to hold prints until the user is present and taps in a code or uses a proximity card removes issues of security and confidentiality that have already been raised by some users and the ability to delete any documents left in the printer queue after a set period will reduce wasted or aborted prints.

Due to the fact we will possibly have only 5 or 6 models of printers available, training for the users on these devices will be much simpler.

All users will be able to have the full functionality of the MFDs from any location on the network with the aid of Active Directory integration, this will allow a "hot desk" environment to evolve and be a great help to peripatetic users.

Other functions which will help with the Corporate Information Management and Communication strategies are also available. Fax from the MFDs or from the desktop will be introduced, together with scanning to email, filestore and into any document management system.

The Vale of Glamorgan Council is committed to the Green Dragon initiative on environmental management and this strategy will assist the Council in meeting some of those objectives.

4 Potential Savings

Through discussions with suppliers and by examining case studies of similar implementations, potential savings in the region of £100,000 pa have been made in organisations similar to this Authority. A proposal to replace the existing printers in the Docks office with multi function devices as part of the print audit estimates a cost saving of over £30,000 per annum for that building alone.

However the savings will only be maximised if this strategy is made compulsory across the Council and once the existing print output estate is replaced.

5 Procurement

The procurement process will initially evaluate the relative options proposed and identify the most cost effective solution.

The value of any contract let will probably necessitate the letting of a formal contract following a tender process. Discussions with the Procurement Team have already been held to identify the best procurement route; however a number of opportunities exist to take advantage of existing framework agreements and joint procurement opportunities with other local authorities that are considering introducing similar strategies, such as Bridgend and Caerphilly.

Value Wales already has a framework agreement in place that the Council could take advantage of thereby saving the costs of the procurement process.

The print audit has been obtained at no cost to the Council there by avoiding potential costs of about £5,000.

6 Recommendations

- 1) Let a Corporate Contract for Multi Function Devices (MFDs)
- 2) Through that contract replace all printers over a 3 year period
- 3) Include in that contract the maintenance & management of the print estate
- 4) Connect the print room to the corporate network
- 5) Work with the Director of Legal, Public Protection and Housing to consider the viability of the central print room function in the light of this strategy and recommend a way forward
- 6) Raise awareness of the strategy and its benefits through a number of workshops and publications
- 7) Procure Print Management software to control costs and provide management information.
- 8) Introduce a formal charging mechanism for prints/copies used
- 9) Investigate value Wales framework agreement
- 10) Investigate potential collaboration with other Local Authorities
- 11) Timeframe – contract in place for the 1st June 2008

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March 2008