WHITE PAPER

The Optimized Imaging and Output Environment: Effectively Balancing Costs And Employee Productivity

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EXECUTIVE SUMMARY

When it comes to the bottom line, few C-level executives would dispute the importance of having the right mix of their core resources, whether it's people, physical infrastructure, processes, or information. Misallocation of these resources can lead to higher costs and makes it harder for companies to get the most from their employees, processes, and assets. The premise of this brief — supported by a recent study conducted by IDC — is that these same effects also apply to a company's imaging infrastructure, defined as the devices and software that support printing, copying, faxing, and scanning within an enterprise. The key point is that when a company's imaging needs are out of alignment with its infrastructure, the bottom line suffers in a variety of ways.

As companies grow internally and through acquisition, imaging resources — such as printers, copiers, faxes, and scanners — often become misaligned with the companies' underlying imaging needs and usage patterns. This generally leads to higher costs, lower than optimal utilization, and inefficient supply management. IDC research suggests that companies spend 1–5% of their revenues on document production, distribution, storage, retrieval, and document/content repurposing. Imaging resources that are "out-of-balance" result in significant and unnecessary costs to an organization and prevents it from being able to adapt to changing business priorities. The benefits of a balanced deployment of imaging resources include the following:

- ☑ Significant hard cost savings, ranging from 8–41%, from a combination of reduced hardware, supplies, and maintenance spending, as well as lower IT support costs. A $10 billion company with direct hardcopy costs of $10 million per year could save up to $4.1 million per year or $20.5 million over five years.

- ☑ Increased employee and business process productivity when end users and devices are properly balanced. IDC research finds that end users who are moved to shared devices lose productivity, estimated at two hours per week per employee.

- ☑ Increased user satisfaction from a balanced deployment and proper implementation. End users of shared MFPs have the least satisfaction with their devices compared to printers and copiers.

DEFINING THE PROBLEM

Balance refers to the optimal mix of personal and shared devices, of printers and MFPs, and the placement of key functions and features closest to the point of need to maximize employee and business process productivity. Out-of-balance imaging infrastructures are most often characterized by a high proportion of single-user and single-function devices at the employees' desktops. To correct this situation, some companies go to the other extreme: relying too heavily on shared multifunction devices where the direct cost savings are offset by changes in employee productivity.

The best way to illustrate an out-of-balance imaging infrastructure is to trace the different ways they become that way. In most cases, imbalance develops over time, the result of a series of incremental (often department-level) decisions to deploy various devices that are generally not made within a broader governing framework, such as a targeted number of users per device. However, even if such criteria were applied to device deployment decisions, the mix of imaging devices can easily go out of balance as companies grow organically and work practices change while the device mix stays the same.

Imbalance through acquisitions represents the other end of the spectrum, in which case the acquiring company adds a large number of devices in one fell swoop. Regardless of how they come about, imbalanced imaging infrastructures are generally marked by a proliferation of older and difficult to maintain single-user, single-function devices (e.g., printers) that are often underutilized. Changing usage patterns — such as an observed decline in copying and faxing — have exacerbated this underutilization.

On the bottom line, an imbalanced imaging infrastructure tends to manifest itself in higher costs. For instance, more devices require companies to manage a larger and broader inventory of supplies, adding to both direct costs and administrative overhead. A larger number of devices also tends to correspond to higher costs for procurement, maintenance, and help desk services.

STRIKING THE BALANCE

Put simply, the goal of a balanced imaging infrastructure is to optimize the allocation of devices across the enterprise in a way that produces the maximum business value for the company. Under the most basic balance model, optimality would involve striking the right balance between shared, centralized resources and single-user devices. Companies shifting from single-user to shared devices experience a trade-off between increasing cost savings and decreasing productivity, as employees have to walk farther from their desks to print, scan, and so forth. Optimality represents the point where cost savings and productivity are balanced in a way that is consistent with a company's business priorities.

While this example is sound in principle, "real world" optimization is far more nuanced and the range of decisions to be made more varied. For instance, companies need to consider when and whether multifunction printers (MFPs) make sense as an alternative to standalone printers, copiers, scanners, and faxes. And if so, where— and in what density — should they be deployed? Another related consideration is the placement of advanced features, such as high-speed, color, and advanced finishing capabilities. With so many variables impacting optimality, it's clear that balancing initiatives must be underpinned by a rigorous understanding of:

☑ The hard costs associated with hardcopy devices (e.g., hardware, toner, maintenance)

☑ Support costs related to help desk, installation, and upgrade

☑ Device usage patterns (e.g., frequency and volume of use)

☑ Productivity issues (e.g., distance to hardcopy device, device redundancy/backup)

☑ How business process workflows would be impacted by device changes

To garner this information and translate it into a plan for action, companies need to perform a formal assessment of their imaging environment. Of the nine large organizations in the United States, Europe, and Asia recently interviewed by IDC, most had undertaken their own assessment using internal staff and (often limited) internally generated data. While the effectiveness of self-assessments naturally vary by company, IDC believes that the companies stand to achieve the most significant transformation by relying on specialized third parties who can bring advanced tools and best practices to bear.

OPTIMIZATION IN ACTION

Of the companies interviewed by IDC, nearly all had undertaken infrastructure balancing initiatives and reported an average cost reduction of more than 40% due to savings in hardware, supplies, and support. Here are a few examples of the optimization efforts performed by these companies:

☑ **Global auto manufacturer's European operations.** Removed 10,000 printers (mainly single-user) and 2,000 copiers and faxes, and added 300 MFPs. The company expects device utilization to triple, even as it imposes rigorous consumption management programs to limit printing.

☑ **U.S.-based diversified energy service provider.** Removed 2,000 printers, 200 faxes, and 100 copiers, and added 75 MFPs. The company expects to cut its equipment, maintenance, and supply costs by 10%.

☑ **Large U.S.-based bank.** In the process of removing 50–60% of devices in all categories (including MFPs) — from roughly 30,000 to 15,000 devices overall. Ultimately, the company expects utilization to rise from under 5% to 20% or higher.

CHALLENGES

In almost all cases, balanced deployment initiatives require a transformation in the way processes are performed. As such, they can generate adoption resistance from employees based on raw inertia as well as dissatisfaction with their new requirement to use shared devices. The study showed that companies that took the time to explain the "big picture" benefits to employees were able to largely diffuse this resistance. Another key issue pertains to the later stage of a balanced deployment project, after the initial optimization efforts have been completed. The point is that imaging optimization is an ongoing effort and, like investment portfolios, need to be periodically rebalanced to maintain optimality going forward. To achieve this, companies need strong remote monitoring and reporting capabilities to give them the insights they need to optimize their imaging environments over the long haul.

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