

Giant Strides

Unraveling Print Management's Secrets Equals a Greater Value Prop

by Dan Mooney • Recharger Magazine

Print management: It's a term that's become an integral part of the remanufacturing industry. From cost-per-page to managed print solutions, it's an angle most who sell cartridges have at least considered exploring. So what does the future of print management look like?

"Like a tsunami of opportunity and fun," SymQuest Group President and CEO Larry Sudbay said.

Sudbay's comment is fairly typical of the enthusiasm generated by those invested in the print man-

agement industry. Business is growing and potential for widespread expansion remains solid.

"We currently are monitoring all attached appliances for 350 clients," Sudbay said. "(Almost) all of our 4,000 clients will be monitored by 2012."

With business fierce and challenges around every corner, print management isn't much different from many business endeavors where information can mean everything and great things can evolve from big dreams.

Just ask Laura Hunt, PrintFleet's director of mar-

keting and strategic partnerships, about print management's power.

"The advantage is information," Hunt said. "Gaining access to information from clients, which is rich with opportunity. Everything from supplies levels, service alert readings to competitive devices, to device usage trends. A dealership can quickly go from 'the toner company' to 'the all-inclusive print management company' and that holds heavy competitive weight."

It's a path Page After Page has taken. The Boston-area cartridge remanufacturer now bills itself as a "pure print management company," with print management accounting for 10 to 15 percent of the company's current business.

President and CEO Frank Topinka started the push in 2004 to move Page After Page into print management, but it wasn't until 2006 that the company began to formulate a strong strategy to do just that. Along the way, Topinka

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**— Frank Topinka
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President and CEO**

and his staff came up with milestones the company needed to meet on the way to making the transition. Some of those milestones included developing a value proposi-

Thoughts from Industry Leaders

What are, if any, the shortcomings of using print management?

"Often, the shortcomings of using print management are directly related to the quality of the program being implemented in the environment. The shortcomings related to sub-optimal print management implementations often are the poor design of the output fleet architecture, ineffective service and support infrastructure, and lack of simplicity of the billing system. The total upfront costs to implement a print management system are zero."

— Sean Fleming, Vice President Business Development for Supplies Network

What is print management?

"Most sellers see print management as a way to bill their customers per page. And most of them are scared of billing in a cost per page format because they have trouble understanding how they can make money at it. Print management is, at its simplest form, a way for the seller to take the onus of managing printers away from the IT manager and transfer that responsibility to the seller. Cost per page is just a way to bill for the service."

— Aldo Spensieri, Director of sales (Canada) for West Point Products

What have been the biggest changes/improvements in print management?

"Better tools are now available. The tools are also more open to exporting information between applications to help in the billing process. The tools are easier to install and use."

—Aldo Spensieri, Director of sales (Canada) for West Point Products

"The single biggest stride in the evolution of print management recently has been the recognition that true print management is an ecosystem involving software, operations, training, and other elements that need to work seamlessly to deliver the value proposition to the customer."

— Sean Fleming, Vice President Business Development for Supplies Network

"Using print management to gain control of the print environment can translate not only into financial savings, but also improve environmental costs through reducing hardware and optimizing with more efficient devices."

— Louella Fernandes, Quocirca

tion and coming up with a strategy-session document and a proposal format.

"The process elevated our value proposition and provided the high-level value that appeals to busy IT professionals," Topinka said. "Our first big print management deal is in its second year and accounts for \$20,000 per month."

On the way to becoming a "pure print management company" Page After Page discovered that selling the system often meant sorting out the costs to end users. It's still widespread knowledge on the selling front that end users have yet to grasp their printing costs in a fragmented environment.

"I'd say 99 out of 100 (end users) have no clue what they're spending on printing because their costs are all over the map," said Frank Gaspari, CEO of Flex Print, Inc. "There's a huge opportunity for clients and vendors with all of the unmanaged expenses out there."

"It takes getting to the right people in an organization and finding the pain points and the business needs," said Lee Rummage, director of ImageWORKS at RJ Young Company. "It takes educating the organization on all of the costs involved in operating and maintaining their fleets. The hard costs — the product acquisition, the sup-

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— Jim Phillips
Digital Gateway CEO

ply and the service — are just the tip of the iceberg. There's a lot of hidden costs and soft costs that have to become part of the equation. We have to do a better job of educating our clients on these costs."

In a report published in February of 2008, Quocirca, a British primary research and analysis company, noted that organizations could reduce annual spending on printing by up to 30 percent by optimizing the print infrastructure by conducting a document assessment.

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Thoughts from Industry Leaders

What's the future/next big wave in print management?

"I don't know of any big wave, which I believe will be initiated by the OEMs. So watching them at the enterprise level is what I do. As far as improvements, I believe the print monitoring companies will face the biggest changes in the next several years."

— Frank Topinka, President and CEO of Page After Page

"We have spent the last couple of years trying to make the local devices "go away" and talk about their volume as being insignificant in the overall scheme. Accurate and complete local device discovery using the tools that I already use is on my wish list."

— Lee Rummage, Director of ImageWORKS at RJ Young Company

"There will be a lot more companies competing for this space."

— Frank Gaspari, CEO of Flex Print, Inc.

Why aren't more businesses using print management?

"The complexity of managed print is holding many back from making the transition. Most dealers know they need to get into print management, that's the easy part. But it's difficult for them to know how to succeed when no one has pulled together all of the elements into one solid offering. They've been left to provide their own solutions and for many it simply hasn't worked."

— Jim Phillips, CEO of Digital Gateway

"The main inhibitor to a managed print environment is lack of awareness."

— Louella Fernandes, Quocirca



and new devices, over- and underutilized devices and no central control over purchasing or supports, it's an area that has literally been left to its own devices," Quocirca's Louella Fernandes said. "Many organizations are still struggling to manage their print environment in-house, yet don't understand the cost benefits of moving to either a managed print service or using internal print tools. It often may appear a costly investment, but many print management savings can take place in a very short space of time — sometimes just a few months."

Page After Page has been able to connect with customers on the advantages of consolidating printing operations. Page After Page, according to Topinka, now has about 40 customers on full-scale, one-invoice agreements and the company is monitoring about 3,000 printers. As the company has found, opportunity for growth remains strong in print management, but nailing down details can be problematic.

"In managed print, there are many more transactions and contracts that must be managed and this can become cumbersome and complex if the proper systems are not put into place," Digital Gateway CEO Jim Phillips said. "If dealers are just a few degrees off in their calculations, it can lead to gross errors in the long run. Implementing the right system takes time, money, requires a change in

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Assessing costs, according to the Quocirca report, needs to include usage behavior, business workflows, device ratios and the direct and indirect costs associated with owning and running printing devices.

Page After Page has navigated the print management minefield through many methods, including enlisting the consulting services of Tom Callinan of Strategy Development, who Topinka calls "the best in the business."

Callinan agrees with the assessment that the majority of end users can't put a finger on what they're spending on printing, and in his mind the idea of "hidden costs" in

transitioning to print management shouldn't exist.

"The 'hidden costs' to the end user are multiple vendors, multiple invoices, lack of leveraging purchasing power, not having correct equipment in place," Callinan said. "With a print management program, the 'hidden costs' disappear or are addressed. So the costs aren't in setting up the program, but rather in not having a program. From a print management provider perspective, there should be nothing that is a surprise."

Weeding out the use of numerous vendors and streamlining costs has become a paramount sales pitch to end users.

"If saving money is the primary value proposition, the solutions reseller is in deep trouble," Callinan said. "Reducing responsibility to one vendor with one monthly invoice and outsourcing all of the break-fix responsibility that used to reside in house is the value. Longer term, working with a knowledgeable company to get the correct equipment in place will reduce cost."

"In the past, there has been no easy way to track the costs, especially so when organizations have such fragmented purchasing processes and the average cost of a mid-level printer is \$400-500," PrintFleet's Hunt said. "Employees buy printers as needed because they are cheap and easy to come by. They reorder supplies as needed with no idea as to current inventory onsite. This results in supplies cupboards filled to the ceiling with toner for devices, which in some cases are not even on the network anymore. It's the age-old adage: You can't manage what you can't measure. By providing visibility to the dealer of their customer printing fleets, they can begin to track and control the costs associated with printing and imaging."

Page After Page partners with, among others, HP and

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PrintFleet to push its print management program. PrintFleet has shown Page After Page that tiny steps can lead to giant numbers.

PrintFleet is managing more than 2.2 billion pages monthly, in part because it's catching the trickles of the print management pool.

"The mom and pop businesses are buying into this," Hunt said. "If they have only one printer and it's being monitored (remotely), they can see where it's at anytime, anyplace."

Digital Gateway's Phillips notes that, according to industry analysts, there are 4.2 trillion clicks that occur each year and only 3 percent are under managed print contracts. "This fact has been a huge call to action for dealers who see the opportunity to capture the remaining 97 percent not under contract," Phillips said. "Consequently, there has been an explosion of technologies and services aimed at helping dealers enter the managed print space. The problem is these technologies and services are disparate and dealers are left to cobble together their own solutions. A few have been effective and experienced great success while most have not fared so well."

Software questions from end users also remain a hurdle to implementing a system.

"While the software tools for network meter and device reading are completely benign to the host systems, some businesses are hesitant to allow software installations because of over exaggerated security concerns," Supplies Network Vice President of Business Development Sean Fleming said. "Dealers that develop strong sales force skills are able to overcome nearly all security related objections."

The value of one of print management's most basic sta-

“You really can’t wake up one morning and suddenly decide that today you are now in print management ... It really takes all aspects and departments of a company pulling towards that common goal to be successful. A print management strategy is only as strong as its weakest link.”

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Director of ImageWORKS at RJ Young Company

ples — the meter read — draws various opinions from industry experts.

“Most people equate technology in the print management space down to capturing meters,” Callinan said. “Although I believe most of the meter collection software providers have improved their product offerings, none of them capture all of the meters so they have not produced the efficiencies needed in the space. Eventually the ERP systems like OMD and LaCrosse will fully integrate with the meter capture products and are able to load meters into the billing system. That will be a significant benefit to the dealer community.”

“While (automatic meter reads) should be a given with print management rather than (presented as) a major benefit, it is still an appealing and fundamental aspect of the technology,” Hunt said.

In the case of PrintFleet’s software, the data collection agent scans a client network at pre-determined intervals. It’s commonly done every 60 minutes, but can be customized to scan as often as the dealer requires.

Topinka said the number one tool Page After Page has employed in the print management technology realm has been remote monitoring. “You don’t have to have it, but it makes it easier,” Topinka said.

Industry experts see the potential for continued huge growth in the industry, despite the daunting proposition that print management is often viewed as and the current economic downturn.

“You really can’t wake up one morning and suddenly decide that today you are now in print management,” Rummage said. “One of the things that has struck us is how many printers are in office in comparison to the copiers that have comprised our business in the past. The infrastructure required to collect all of these additional meters and bill the client monthly or quarterly and do it accurately requires a significant investment in automa-

tion. It really takes all aspects and departments of a company pulling towards that common goal to be successful. A print management strategy is only as strong as its weakest link.”

Those in print management see a future where many companies will attempt to join the field, with mixed results at best predicted. “Providers will come out of the woodwork trying to compete for this space,” Gaspari said. “The challenge is that most will be clueless, simply trying to survive because they’re getting into the space from a survival position versus a proactive value proposition offering.”

“In recent years, a consolidation seems to be occurring within the software provider component of print management and the ‘best of the best’ providers are surviving and enhancing their products/services to support real dealer needs and applications,” Fleming said.

Digital Gateway’s Phillips says that, according to industry analysts, the managed print market is growing by 11 percent annually. “Dealers who successfully take advantage of managed print will grow with the market,” Phillips said.

“As more businesses are becoming aware of print management as an option to gain control of this large, unmanaged expense, the range of consistency and quality of print management offerings from dealers in the market varies widely,” Fleming said. “Many dealer offerings that are touted as print management fall short of expectations, causing some businesses to pull back from executing a print management program in their environment.”

Page After Page’s print management business plan has been straightforward, enthusiasm sky high.

“The two-pronged attack was basically to convert existing customers to print management and acquire new customers with print management as the hook,” Topinka said. “The transition to print management has been huge for us.” **B**