Print spend

Making high costs a memory with managed print services

INTERVIEWED BY JAYNE GEST

Printer costs are typically hidden. They are a low priority in the overall budget, lumped in with all office supplies.

"Usually the expenses come in small enough dollar amounts that it doesn't get flagged, and no one is looking at the overall spend all at once," says Matt White, Managed Print Solution manager at Blue Technologies. "When executives do uncover it, they are surprised at how high it is."

For example, a company might have 10 locations with three or four printers at each location. That adds up to more than 30 printers. The total cost can be shocking, especially if employees at remote sites are getting supplies with a corporate credit card if the toner cartridge from the home office doesn't come quickly enough.

Smart Business spoke with White about printing costs and the benefits of shifting those over to a managed print program.

What mistakes do you see employers make with regards to print costs?

Companies must consider the total cost of ownership. There's a direct correlation between the upfront costs and the operating costs of a printer. For example, if an employer spends $300 on a printer, that printer's toner might be $200 and last a month. However, with a larger machine, which costs $900, the toner could still be $200 but last several months.

Employers also might be inclined to buy a cheap printer and replace it if it breaks, rather than get it fixed. Is that truly the best use of their resources?

Companies need to know what their printers cost to buy and to operate.

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How else should companies evaluate their print spend?

They should think about what each printer means to the organization. Is it in a warehouse, printing the pack slips that are necessary for each package that's sent out? Is it in an office and used by the marketing department for all test prints, or is it on an executive's desk and used solely for convenience? The location or the use of the printer is important. That can help dictate the costs of that machine and how much the organization wants to invest.

Additionally, sometimes the software dictates what type of machine is necessary. For example, many car dealerships use Lexmark printers because they work well with their auto dealer software, while many shipping companies use HPs for a similar reason.

Another factor is the soft cost. How much time are employees spending fixing printers, ordering supplies or sourcing new devices if something breaks?

The first step to evaluating print spend is transparency. Print costs and printer choices should be well-reasoned and well-known. Until an organization sets a benchmark, it cannot see where to make improvements.

Where does managed print come into this?

When companies take what they're spending on toner, service, etc., and reallocate those funds to a technology partner, they usually save 5 or 10 percent right away. That provider has better buying power — it gets lower prices for ink or toner — and is more efficient because printers are its core competency.

A managed print solution also can lower the company's soft costs, where IT sends a request for service and then goes back to higher-value tasks, or the print software triggers an alert to ship new toner to a remote location when it's needed.

However, this is just the beginning. Because the technology provider owns this particular cost, monitoring it and reviewing it, it can give companies the tools to save even more by conditioning the print habits of employees, putting prints on the right devices or reducing prints.

Standardization is one of the best ways to manage cost over time. With a standard printer fleet, the end user experience is better, as employees are more comfortable using the machines. It also reduces the type of ink or toner that needs to be kept on hand, and the technology partner is more likely to carry the parts to quickly get a printer running again if it goes down.

It's one thing to take over the service or supplies, but it's the ongoing analysis that allows a technology provider to help companies be more efficient and continue to drive their costs down. ●