

Fleet Management

**A guide to saving money by rationalising
your printing and copying resources**

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If your company is anything like most, then it's likely that your printers and copiers are deployed like a patchwork quilt, in a structure that's seemingly designed for maximum inefficiency. In many businesses, instead of applying a whole-of-company printing strategy, printing and copier hardware is capexed on an as-needs basis by individual departments. As a result, the organisation ends up with a large fleet of printers of different models and capabilities, each with different print drivers, support contracts and consumable needs, making them an administrator's nightmare and a headache for users. Some departments have too many, leading to under-performing assets. Others get too few printing resources. If you rationalise your fleet, however, you could save 10% to 30% of your annual print spending, according to the Gartner group¹. This paper is designed to show you some of the ways you might achieve that.

Printers and Total Cost of Ownership (TCO)

It has long been recognised that the cost of owning a fleet of printing products is far greater than the cost of acquiring those products. Over the lifetime of a printer, copier, or Multi Function Device (MFD), it's likely that ongoing costs will more than triple the initial purchase price. In fact, depending on usage of the device, the purchase price can be as little as 10 or 15% of the total cost of ownership (TCO). Even in outsourced environments, as is common in the copier industry (where business typically pay on a per-page basis), inefficient distribution of resources can lead to bottlenecks at the copier and time-consuming multi-vendor management and repairs.

For any business, a recognition of whole-of-life costs for printing products is vital to driving down operational expenses. Broadly speaking, these costs can be broken down into three major elements:

1. Acquisition costs, which includes the purchase cost, shipping, installation, financing, initial research and planning.
2. Consumables, including ink and toner, paper, electrical power, maintenance kits and other periodically replaceable elements.
3. Service and support, which incorporates ongoing maintenance, fleet management, technical support, repair, configuration, management and installation of consumables and the opportunity costs of downtime, walk time and wait time.

A successful fleet rationalisation strategy will touch on all three of these -- most notably service and support, but it will also reduce consumable usage and streamline the acquisition process.

Taking a holistic view

It's an unfortunate truth that, although printing probably comprises a significant part of your ongoing operational expenses – roughly 1-3% of revenue on average, according to industry experts - it's all too common for departments to look at printer acquisition solely through the lens of capital expenditures. Budgetary siloing, which puts the burden of acquisition on the IT department but shunts many of the running costs to individual departments, is frequently to blame for this, but just as often it's a natural consequence of poor company-wide document output planning.

For many companies, the upshot of this is a printer and copier fleet that is inefficiently distributed across the business and incurs unnecessary ongoing costs because of insufficient up-front planning.

If you take a holistic view of printer management and deployment, however, you can make a huge difference to your organisation's document output costs. Efficient allocation of the resources, single-sourcing, proper needs matching, unified fleet management and the appropriate use of MFDs are just some of the strategies that can be applied to reduce overall printing costs.

Assessing the document output needs

The first phase of any successful fleet rationalisation strategy is an audit of current systems and requirements. Far too few large organisations pay much attention to their printing fleets, and as a consequence the needs of users are often poorly met, support systems are haphazard at best, management systems are non-existent and document output resources are frequently duplicated.

The first phase of auditing is to get an assessment of who prints what and how much. There are numerous automated print management tools that can log print jobs and produce automated print reports. For non-networked appliances, internal device logs or staff interviews may have to suffice.

More importantly, however, it's important to get feedback from key stakeholders across the business and get them involved in the entire project. The impact of wait times and walk times, the need for colour or A3 printing, the use of personal printers on desktops, toner replacement and maintenance procedures, training and other aspects of printer use need to be factored into the rationalisation strategy. Failure to involve and satisfy key stakeholders can lead you to a kind of "asset creep", where individual departments will buy cost-inefficient and unmanaged personal and low-end workgroup printing and scanning devices outside the purview?? of the IT department. These purchases can be particularly harmful to the bottom line, since such purchases tend to focus not on the printer TCO but on a low initial acquisition cost (without thought to the longer-term costs associated with the printer).

Getting help with printer fleet assessment

Not all companies have the organisational resources to properly assess and rework their document output fleet. If this is the case, then Kyocera can help. As a provider of both MFDs and printers, Kyocera can recommend the optimum mix of devices, they can help you maximise output of printing assets and minimise budget and resource expenditure. It can perform a full audit of a companies fleet and provide recommendations to help drive down the costs of printing. For more information on Kyocera, call 13 KYOCERA or visit www.kyoceramita.com.au .

Fleet rationalisation strategies

With a proper output and needs assessment in place, you can then develop a strategy that will make optimum use of your available resources. Again, the involvement of stakeholders is essential here. There is no magical printer-to-user ratio that works in all cases, and even individuals with the same job description may require vastly different document output capacities, depending on their preferred mode of working. For the reasons outlined above, it's best to work with individuals to determine their needs rather than try and dictate printing scenarios.

With an output needs assessment in place, it's then possible to start implementing fleet rationalisation strategies. Many of the strategies will be dependent on company specific details: physical office layout, staff distribution and departmental needs, but below we've outline five of the common techniques that can be used in fleet rationalisation:

1. Rationalising lower-volume printers where practical. A single, higher-volume printer is nearly always more cost-effective than multiple printers. With departmental printers now capable of outputting 50ppm and more, it often makes sense to merge multiple printing points into one. The cost benefits are clear:

- high-volume printers tend to have lower consumable costs-per-page – and the difference can be considerable. For example, toner for Kyocera's 45ppm FS-4000DN workgroup printer is roughly 30% cheaper, on a cost per page basis, than toner for the 30ppm FS-2000DN, and that's largely a product of the greater toner capacity of the cartridges for the higher volume printer.
- there is a only a single device that has to be supported and maintained
- maintenance trips are less frequent
- potentially more efficient use of space and power
- there are fewer staff training requirements
- management requirements are reduced and centralised

Of course, these elements have to be balanced against other factors, such as:

- the "inconvenience" factor, most notably the walk time between desk and printer
- wait times in situations where a few users might have large print jobs, and no alternative printer is available
- a potential lack of redundancy in case of hardware failure

2. Reducing the number of personal printers in the organisation. It's not uncommon in many businesses to have a number of office workers with personal desktop printers, frequently low-cost inkjets. The big problem with these printers tends to be the per-page costs, which are significantly higher on low-volume printers than on workgroup printers. Inkjets, in particular, have costs per page that can exceed that of laser printers by a factor of 2 or more. Given that over the life of a printer, consumables will likely be the largest cost, keeping consumable purchases to a minimum is essential to cutting your costs.

However, there are circumstances where it is beneficial for an individual to have a personal printer. In these cases it's worth looking at alternatives to inkjets, such as laser printers with low consumable costs. It's also worth ensuring that they can be properly managed and accounted for by the IT department.

3. Developing a list of approved printers for departments. Simply standardising on a small range of printers (say, three or four tiers) can have cost benefits in terms of management, deployment, service and consumable acquisition. It also makes company wide training (for both tech support staff and users) vastly easier.

4. Looking for printers with higher maintenance intervals – the longer the time between scheduled maintenance, the better. Newer printers tend to have longer periods between scheduled maintenance, and are less prone to failure than older printers.

5. Using a single supplier. Rationalising a fleet to a single vendor has numerous benefits:

- a. a single point of contact for maintenance calls
- b. a unified support contract
- c. fewer invoices
- d. a common user interface for drivers and devices
- e. greater negotiating power in purchasing, especially for large businesses with the leverage to get significant discounts from a single supplier
- f. a single source for consumables and upgrades
- g. a certainty of compatibility with vendor-supplied management tools

Depending on the vendor, there may be other benefits as well. Kyocera, for example, has a universal driver – the KX Print Driver – that works for all the printers in its range, vastly simplifying the driver deployment even in businesses with multiple tiers of printing.

Deploying MFDs

Over the past few years, as more documents have been stored in electronic form, the balance between office copying and office printing has shifted quite dramatically. According to research firm IDC, where five years ago printouts and copies were roughly equal in volume, now more than 75% of document output comes from direct printouts. Even where multiple copies of a single document are being made, users are preferring printouts to copies, since they typically get better quality results and can often schedule the printouts from their PC, rather than having to walk over and wait at a copier.

That, combined with an increased use of scanning to deliver the organisational benefits of electronic document storage and portage has led many businesses to look at multi-function devices (MFDs) and a way of rationalising scanning, printing and copying resources.

Switching to MFDs can significantly reduce the size of your output fleet and consequently the management burden associated with that fleet. They also provide benefits that go beyond the cost savings associated with a smaller fleet:

- Network capacity not often found in scanners or copiers
- Better workflow integration
- Digital capture and sending of faxes, reducing paper usage
- Greater document security
- Fewer consumables to manage and store
- Better paper handling and document finishing capabilities
- Lower stand-by power requirements than separate devices
- Reduced physical space requirements
- Remote management and logging capabilities
- Reduced training

While MFDs offer many advantages over traditional scanner and copying solutions, it's important to not overdo it too soon. Some staff members will still require copying services, since copiers tend to be faster and since they would otherwise monopolise the company's printing services. Likewise, certain staff members may not need the extra functionality of an MFD and may be better served by a lower-cost printer.

Controlling the fleet

At the heart of any rationalisation strategy is the need for a project manager and later IT manager to understand and gain control of the printing devices company-wide. Armed with that knowledge and the capacity to use it, they can then decide where to cut or increase resources and by how much. This centralised approach, a departure from the ad hoc approach so many businesses now employ, can lead to printing and imaging cost savings of up to 30%. In addition, by using new technology, such as networked MFDs with document management capabilities, businesses can deploy new workflow models that increase staff efficiency, facilitate better business knowledge management and help staff find new and more efficient document management models.

¹ From 'Office Printing Q & A: Five Questions About Basics'
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