

How to Build a Cost-Effective Print, Copy and Fax Solution

An HP Planner



This planner is designed to help you understand why printing and imaging costs are increasing and consider ways you can control them.

Think about it: a brief overview of current issues and trends affecting printing and imaging costs.

Act on it: a checklist to help you evaluate your current print, copy and fax environment to identify areas for improvement.

Work with it: real-world business scenarios illustrating a variety of solutions and resulting cost savings and productivity gains.

Get help with it: a quick look at how HP can assist you.

Think about it

An important shift is occurring in the way organizations work with information. To understand the impact of this change we need only to look at our own work habits. When was the last time you printed a document, made a large number of copies of it to share with your colleagues and then filed the original in a filing cabinet? While these practices are not unheard of, they are becoming increasingly uncommon. These days it is far more likely that the business information we require comes to us electronically to be printed and stored as needed. Since it is generally more convenient (and just as economical) to print a smaller number of originals than it is to make copies of a single original, many of us often choose printing over copying.

There is no question that working people are changing their print, copy and fax behaviors. Yet in many organizations the hardware infrastructure that enables these workflows is not keeping pace with the change. For example, if your organization's printers can't support regular, small print runs, but you have a high-speed copier that no one is using, it is likely that you are spending too much on copier maintenance and overtaxing your printers.

Act on it

What follows is a quick look at the three steps required to build a cost-effective print, copy and fax solution and some hands-on tools to help you make your way through the process.

Step one: consider the true cost of document production

As noted in a recent HP white paper entitled *Examining the Cost and Value of Documents*, "documents have become a kind of currency for today's far-from-paperless workplace, and the organization that hopes to realize the most value from them must build those hopes on a sound document strategy. Such a strategy starts by identifying some of the key sources of document cost and value."* While every organization must determine the value of its documents for itself, there are some universal expenses that should be considered when calculating the true costs of documents. The following checklist offers a quick look at some major line items. See the HP Planner entitled "How to Control Printing and Imaging TCO" for a detailed guide.

Use this checklist for calculating the true cost of document production.

Equipment costs, including:

- √ Acquisition costs (buy or lease)
- √ Additional memory, disk space, input trays and print servers you choose to add to the device
- √ Software
- √ Consumables such as paper, toner, ink cartridges and maintenance kits
- √ Facilities costs pertaining to the office space devices occupy, include rent, electricity, heating and cooling and insurance
- √ Support costs, including annual service visits and technical support contracts
- √ Employee training

Productivity costs, including:

- √ Time spent retrieving copies from printers, copiers and fax machines
- √ Time spent clearing paper jams, resending faxes and performing other troubleshooting tasks
- √ Time spent changing cartridges and performing routine maintenance tasks
- √ Time lost working with difficult-to-use devices
- √ Time spent duplicating, collating and binding documents
- √ Time spent walking from one device to another to copy a printed or faxed document
- √ Time lost due to device downtime
- √ Time spent managing outside printing vendors for special needs

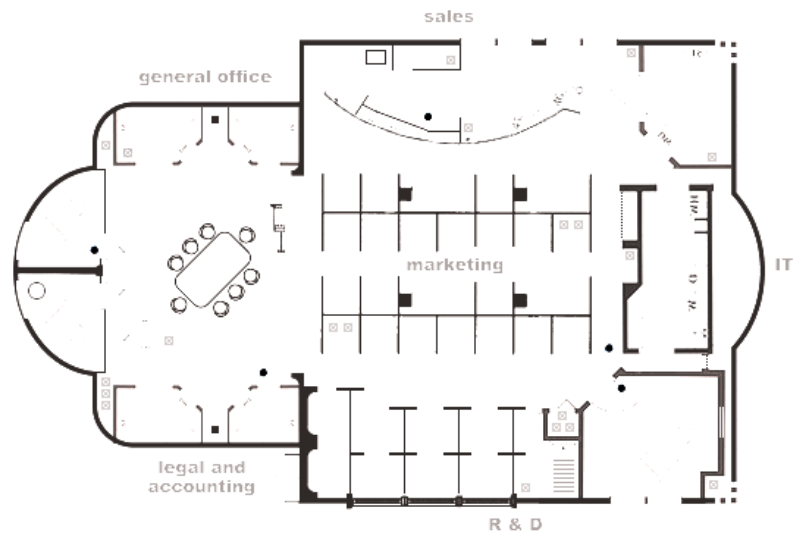
Document distribution costs, including:

- √ Process expenditures (Gartner suggests that the average document is copied, either physically or electronically, nine to 11 times at a cost of about \$18.***)
- √ Print-related security expenses including software and user training

Document storage costs including:

- √ Filing (Gartner contends that "documents cost about \$20 to file.***)
- √ Retrieval (According to Gartner, "retrieving a misfiled document costs about \$120"**))

While distance often separates the various printing and imaging environments found in most organizations, it pays to understand your infrastructure in its entirety. See HP's new white paper "Exploring the Business Communications Ecosystem" for details.



Step two: determine usage rates

Use the sample floor plan and usage questionnaire included here to help you think about devices in use across your organization. Be sure to consider all of the various printing and imaging environments that serve you. In addition, be sure that you include every device regardless of whether it is purchased or leased.

Usage questionnaire

- Which devices are most utilized? Least utilized?
- Which devices require a larger share of IT time and resources than others?
- Which devices generate the most user complaints?
- Could there be a better use for the space occupied by any device?
- Are devices difficult or time-consuming to access?
- Is it difficult or time-consuming to manage supplies for devices?
- If we had access to new technology such as digital sending (send-to-email) capability would we still need traditional analog faxing capabilities?

Step three: develop a plan

Now that you have a good idea of document costs and device usage, use this data to envision the infrastructure that will best fit your organization's needs. Creating a more cost-effective and useful print, copy and fax infrastructure requires that you think differently about the devices that can be incorporated into your environment. While you may have been limited to single-function systems in the past, now is the time to consider new print and imaging technologies like multifunction products. Known as MFPs, these devices combine multiple printing and imaging functions (typically print, copy, scan and fax) in a single device. If a single device can deliver four

functionalities just as well as four separate devices, resulting in a substantial cost savings, doesn't it make sense to consider this less traditional approach to cut costs and increase productivity? Be sure to consider all of the options. For example, if you have 100 people who need 20 printers, four copiers and ten fax machines, would it make more sense to purchase 34 separate devices or buy ten MFPs and supplement them with additional printers? Your goal is to find the best possible combination of devices to meet your organization's needs.

Once you have an overview of what your ideal infrastructure would look like, compare it to your current infrastructure. What devices do you already have and which are you missing? Consider those devices that are common to both your current and ideal infrastructures as the basis for working towards the most cost-effective solution. Finally, identify all of the devices in your current state that are slated to be replaced soon, either because their leases are up or because they are older and need to be replaced. These devices are your first, best route to leveraging your existing equipment to upgrade to a more appropriate print, copy and fax infrastructure.

Work with it

The typical office scenario

A typical department of 50 employees uses up to 18 devices to manage print, copy and fax activities:

- 11 printers—1 for every 4.4 employees
- 2 copiers—1 for every 25 employees
- 5 fax machines—1 for every 10 employees

Underused assets cost just as much

While supply and maintenance costs can fluctuate the more a device is used, most hard costs stay the same regardless of usage. That's why it pays to invest in fewer systems that better meet employee needs. You not only save money in hard costs, but also increase productivity.

On average, this setup costs \$1,750 per month in hard costs — not including productivity costs.

The MFP difference

Because MFPs pack multiple features into a single device, when you add them into the mix a more balanced scenario emerges. Although no two deployment strategies are the same, here is one example of how MFPs could be employed to meet the needs of those same 50 employees:

- 5 MFPs (combined print/copy/fax/scan)—1 for every 10 employees
- 2 stand-alone printers—1 additional printer for every 25 employees

Compared to the \$1,750 per month in hard costs associated with the typical setup, this MFP-based setup carries only \$1,560 per month in hard costs. That is a hard cost savings of \$190 per month per 50 employees. Further according to HP research, organizations that incorporate MFPs into their printing and imaging environments find that users are more efficient and utilize the devices. A switch to an MFP-based infrastructure can mean upwards of \$3,400 per month in productivity savings, for almost \$3,600 per month in total savings or over \$43,000 per year.*

The addition of MFPs provides one scanner for every ten employees at essentially no additional cost. MFPs also support digital sending, which uses the Internet to send digital documents, like faxes instead of regular phone lines, so you save on long distance phone call charges when you fax.

Get help with it

Visit us online at www.hp.com/go/printingandimaging and see how HP can help you significantly reduce your total cost of printing and imaging. HP offers a proven methodology and approach to creating and maintaining an effective and cost-efficient printing and imaging environment, and HP has the experience, networking expertise and technology leadership to serve as a valuable resource in this area.

Notes

* HP, "Examining the Cost and Value of Documents," 2004

** Gartner, "Document Management: Assessing Costs and Benefits," D. Logan, 27 September 2000.

+ Based on data gathered from actual customers by HP consulting, Gartner, and Griggs-Anderson. Productivity savings are generated from reduced time spent walking to printers, copiers and fax machines and back again, as well as reduced time spent on copying and faxing activities.

MFPs at work

Allen and Associates is a quickly growing accounting firm. They've managed to keep up with their growth, but haven't matched their actual printing and imaging needs with the right devices to meet those needs. As a result, the company runs inefficiently. It has 20 copiers, 8 network printers, 4 fax machines and 2 scanners for nearly 200 employees.

The copiers are used inconsistently. Some machines report high monthly page counts, with others showing little use. Faxes are constantly arriving at the wrong department. The two employees with scanners on their desks both have six foot high stacks of important correspondence and other documents that beg to be digitized. Their monthly charges for long distance faxes are significant.

After some careful consideration, Allen and Associates decides that an MFP-based solution can help them cut costs and reduce redundancies. After analyzing usage of their machines, the office manager realizes it makes more sense to work towards a goal of installing one MFP for every 20 users, adding additional stand-alone copiers and printers as necessary. Because it isn't practical to refit the entire office with MFPs at one time, the firm will replace older devices with MFPs as leases run out and take advantage of HP's Trade-In program to exchange some current HP and non-HP products for MFPs. This will allow the company to begin benefiting from the advantages of MFPs quickly and at minimum additional expense.

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