



410 Raritan Way
Denver, CO 80204

(888) 577-5133
www.chessinc.com



Eliminating Hidden Printing Costs by Streamlining Document Production

Introduction

the "hidden cost center" that can drain millions of dollars from a company's bottom line

Companies are quickly discovering that there's a "hidden cost center" that's draining millions of dollars from their bottom lines. That cost center is the cost of operating laser and ink printers. **Companies are spending up to 3% of their annual revenues on office printing, according to Gartner.** The costs have been hidden because typically not one group is responsible for tracking all of the costs. The IT department handles printer service. Toner and paper are purchased through an office supplies account, or by the facilities group. Often, different operational groups within an organization are responsible for making the purchases when needs arise. As a result, there is no overall strategy guiding these decisions.

There is good news. Tools and methods have been developed to help organizations analyze the costs and then put together a strategy for reducing these costs without sacrificing the needs of their users.

Background

paper consumption is increasing 6% - 8% per year

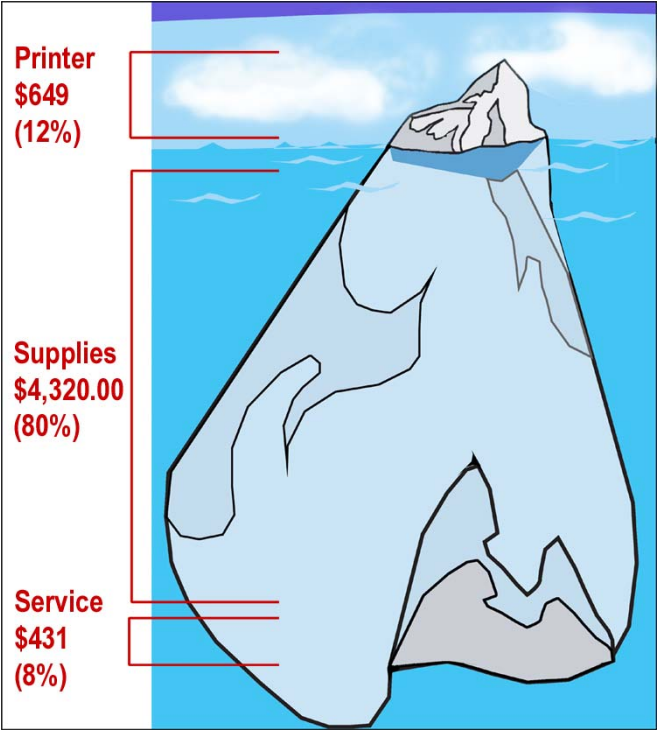
The paperless society is a myth. The fact is that more and more documents are being printed every day. According to XPLOR, paper consumption is increasing 6% - 8% per year with no downturn in sight. Email has actually increased print volumes by 40%, according to AIMM. Unfortunately, PC Magazine has concluded that 75% of all print output is waste. That means if a normal company spends up to 3% of their revenues making prints and 75% of that is waste, **that normal company is throwing away \$22,500.00 of every \$1 million in revenue they take in.**

Technology is helping – or is it?

Walk through a typical business today and you will see a proliferation of document creation devices. Laser and ink printers in most offices, departmental printers spread around the building, connected copiers placed where regular copiers have always been and a back room filled with several large printers and copiers. It is easier than ever for users to make prints and lots of them.

Another factor is that while the speed and quality of desktop printers have increased, the acquisition costs have been coming down. It is easier than ever for a user to get a desktop printer purchase approved. Unfortunately, purchasing the printer is truly the “tip of the iceberg” when it comes to calculating the total cost of ownership. There’s a 25 page per minute black and white laser printer that’s available for \$649.00. However, if that printer makes 5,000 prints per month, the total cost to operate the printer over 3 years will be over \$4,750.00. **That \$649.00 printer is actually going to cost \$5,400.00 to own for 3 years.** Desktop ink printers are even worse. A \$129.00 ink printer will cost over \$1,600.00 to operate over 3 years, printing only 25 sheets per day. **The total cost of ownership is actually well over 10 times the price of the printer!** These figures are based on the manufacturer’s supply pricing and yields. Calculate that by the number of printers in a company and it is obvious to see why this is so critical.

Equipment cost is truly just the “tip of the iceberg” when calculating the total cost of ownership



Analyze. Reduce. Manage.

There is a 3-step process to now get the office printing costs under control. Those steps are to: (1) analyze, (2) reduce, and (3) manage.

*analyze usage for
each individual printer
and user*

1. Analyze

The first step is to analyze the current situation. Which users are sending what print jobs to what printers? Knowing this can greatly enhance understanding the document flow, so that a process of good decision-making can take place. It's possible to track the following types of information:

- Who sent the print job
- How many pages was the print job
- What printer printed the job
- Whether color was used in the print job
- What printer(s) receive the most print jobs
- Which user(s) make the most print jobs

Once the data has been collected, professional document production consultants can analyze the data and begin to formulate a plan for the second step in the process.

2. Reduce

*large print jobs
can be redirected
to printers
that have a lower
price per page*

If 75% of all printed documents are waste, then it should be possible to reduce that percentage. Once print tracking systems are in place, one of the best ways to reduce unnecessary printing is inform the users that prints are now being tracked and monitored. Once users know their printing is being monitored, indiscriminant printing will be reduced.

Another option is to place quotas on users and jobs. If an administrative person in the accounting department doesn't need to be making many color prints, that person can be limited to X number of prints per month on color printers. If a user looks to be abusing their printing privileges, quotas can also be set for that user to help maintain control.

Once analysis has been completed, the higher cost per page devices can have quotas set for them. Large print jobs can be redirected to printers that have a lower price per page. Users can be notified that they need to select a more efficient printer if the job they are trying to print exceeds the maximum size for the less efficient device. By reducing the overall volumes for the most expensive devices, large savings can be realized while not depriving users of private/personal printers.

Now that the Reduce stage has been implemented, the final stage, Manage, can be set up.

*ongoing analysis
and consultation by a
professional document
expert can insure that an
organization is
continuing to make good
decisions about office
printing*

3. Manage

The primary problem with printers is that there is no management strategy behind their purchase or use. Printers are purchased because it was approved in the budget, or it fell within discretionary spending limits. Unfortunately, since no analysis has taken place, there's no knowledge whether or not that purchase was a good business decision. Obviously, more times than not, the decision does not make good long-term sense for the organization. Ongoing analysis and consultation by a professional document expert can insure that an organization is continuing to make good decisions about office printing.

Without an ongoing management process, how will the following questions get answered?

- Or
- Can the printer that was requested handle the workload **planned for it?**
 - Is the printer we are purchasing overkill for the application?
 - Are we purchasing our printer supplies at the lowest possible price and receiving the highest quality?
 - Do we have our printers properly allocated to insure that the most efficient printers are printing the highest volumes?
 - Should we change the distribution of our printers, so that users have access to the proper printers?
 - Where are the proper locations for color printers, now or in the future?
 - Are there more efficient printers available on the market?

Finally, we will get to answer the most important two-part question:

Given what we now know, what is the total cost of owning a particular printer? Does it make sense to buy or continue to own that particular printer?

Conclusion

*as a vendor neutral
hardware and solutions
provider,
Chess has the tools
needed to perform the
Analyze/Reduce/Manage
process*

Office printing costs continue to surge, and most businesses do not know how to control the problem. In fact, most businesses do not even realize that there is a problem. Chess Inc., a 27-year-old leader in the office printing industry, has solutions. As a vendor neutral hardware and solutions provider, Chess has the tools needed to perform the Analyze/Reduce/Manage process. Our consultants are experts at identifying cost savings and then working with our clients to implement a program to maximize the efficiency of office printing.

Chess representatives are available to make on-site visits to further explain the methods we use and begin the process of analyzing the office printing. Each business environment is different, and all recommendations are customized to provide the maximum cost savings while respecting the environment of each client.

Contact Chess today to schedule an initial on-site consultation.