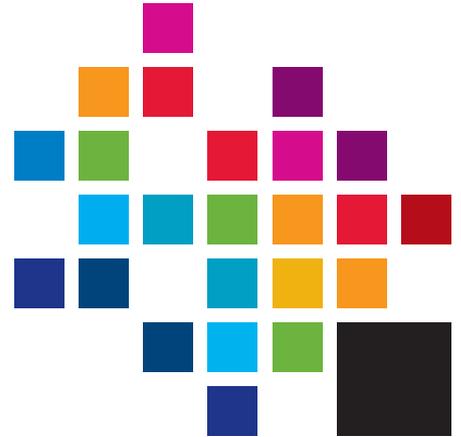




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Key Trends in Managed Print Services (MPS)

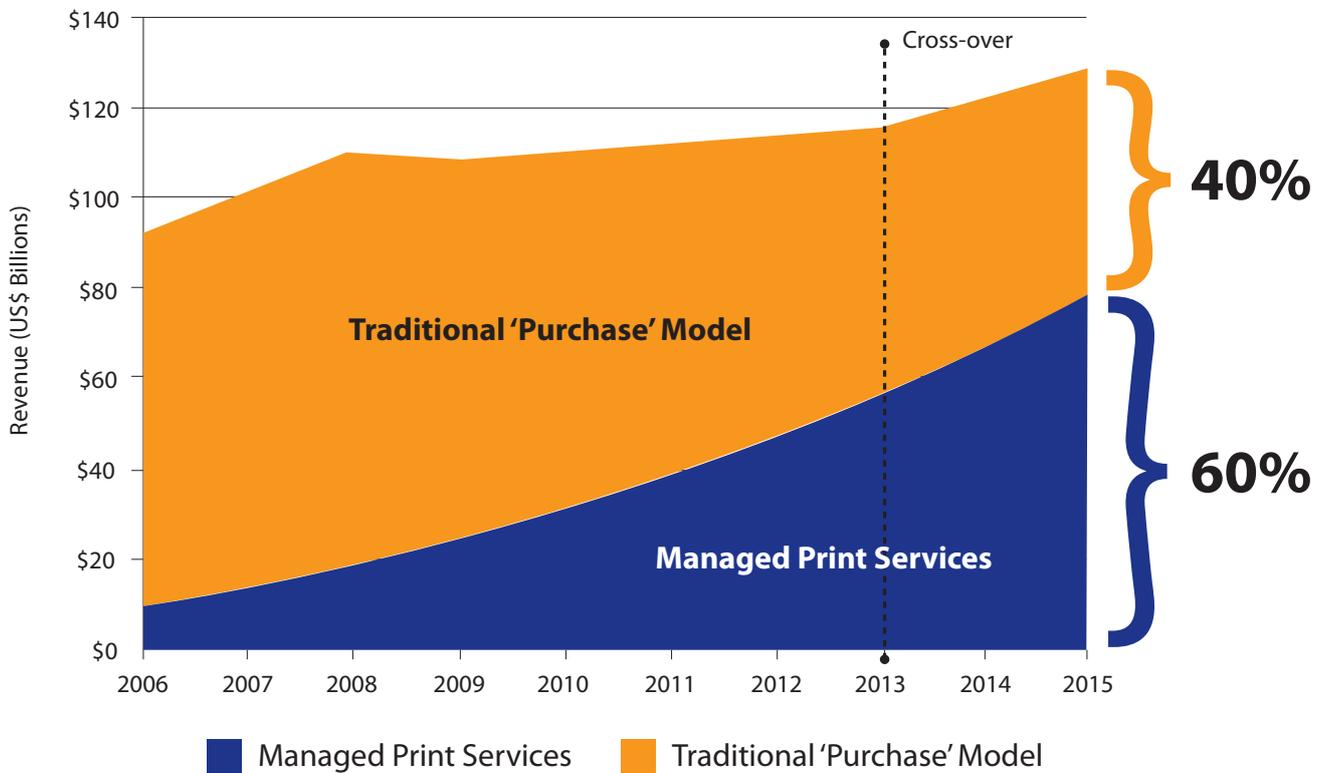
Konica Minolta's National Marketing Manager, Stevan Caldwell, reports on the latest research at a recent industry conference devoted to MPS.



Conference organiser and leading global research firm for the MPS Market, Photizo Group offered some interesting insights into market trends from their *2011 Managed Print Services Market Size, Share and Forecast Report*, published in November. Here are the highlights along with my commentary on potential implications for your organisation.

Reaching the tipping point

Globally, spend on Managed Print Services is about to match spend on the traditional 'purchase' model of acquiring office printing equipment. Photizo calculates MPS expenditure as including hardware, supplies, services, management and solutions.



Revenues from Managed Print Services versus the traditional purchase model

Source: Photizo Group, 2011 MPS Market Size, Share, and Forecast Report, November 2011
MPS revenue includes hardware, supplies, services, management and solutions.





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As Photizo's graph shows, five years ago in 2006 roughly nine times more was spent on traditional purchasing than on MPS. However, in 2011 MPS is expected to reach more than a third of total spend.

- Photizo expects MPS spend to overtake spend on purchase of equipment by the end of 2013.
- By 2015, MPS is predicted to rise to 60% of a total global market of just under US\$130 billion.

Photizo suggests that tough economic conditions may have been the primary reason for the global managed print market growing by a significant 27% in 2010. Looking forward, the MPS market indicates a 20% CAGR (2010-15), with Photizo forecasting it will surpass US\$78 billion in 2015

The Asia Pacific MPS market is currently estimated at US\$2.2 billion. However, Photizo is forecasting it will grow by more than double the global average (39% CAGR, 2010-2015), faster than any other region in the world except Latin America.

What does this mean for your organisation?

The MPS market is maturing, and more organisations are recognising the benefits of a comprehensive contract to cover the delivery and management of office print services over haphazard departmental purchasing and ordering of supplies, or even centralised management by in-house resources.

The rapid forecast growth of the MPS market indicates that the maturing of locally-available MPS models makes it feasible for organisations to move from the traditional purchase model to a more efficient and cost effective way of managing their print output fleet.

MPS uptake is based on real business benefits

According to Photizo, an organisation will on average cut costs by 30% after they first implement an MPS programme and reduce hardcopy fleet carbon emissions by 60%. And, for those with the strategic vision and foresight to think beyond the short- to medium-term benefits, it can also pave the way for real business change at a grassroots level.

Referring to the growth of the global Managed Print Services market, Ed Crowley, Photizo's CEO and founder says, "The MPS growth premise that the tough economic climate is one of the main drivers continues to hold true. Companies are forced into more effective cost measures, while simultaneously increasing productivity and efficiency. MPS closes this value gap."

What does this mean for your organisation?

Firstly, outsourcing a non-core capability such as management of your print output fleet is a proven strategy for reducing your cost overheads as well as capital tied up in equipment. Entering into an MPS contract can give you the opportunity to:

- Rationalise your existing fleet to streamline the cost of supplies, purchasing transactions and management of multiple contracts
- Reduce demand on your IT helpdesk and free in-house resources
- Move CAPEX to OPEX, including buy-back and fleet financing options
- Use your service provider's experience to develop, apply, monitor and enforce a best-practices enterprise print output policy, with the aims of reducing waste and increasing information security
- Track enterprise-wide usage, with the ability to allocate print costs to individual users and/or business units
- Access specialist expertise in designing and implementing 'paperless' business processes to reduce overall printing while enhancing staff productivity and operational efficiency.





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Secondly, with the Federal Government introducing a carbon tax, the ability to measure your carbon emissions – and subsequently lower them – will become critical for Australian organisations. Adopting a professional MPS contract for your print output operations can enable you to reduce your carbon footprint through:

- An initial print output audit, which will document ‘where you are now’
- Reduced power consumption by streamlining and configuring your fleet to minimise power usage, while retiring power-inefficient devices
- Development of user profiles based on role, coupled with greater visibility over who is printing what – which can target training at staff using too much paper and toner
- Leveraging best practices in environmentally-aware disposal and recycling of office equipment, toner cartridges and other peripherals by your service provider

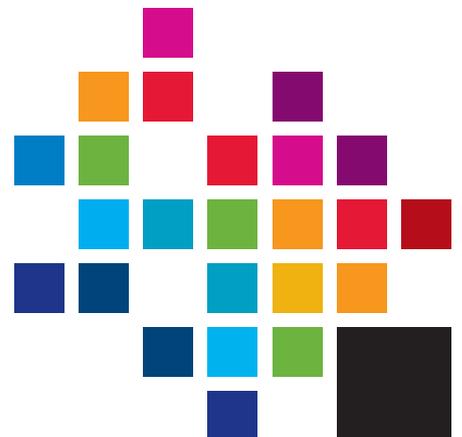
Finally, documentation of these savings by your service provider will enable you to quantify this reduction in order to meet your compliance reporting requirements.

KEY TAKEAWAYS

Maturing of locally-available MPS models makes it feasible for organisations to move from the traditional purchase model to a more efficient and cost effective way of managing their print output fleet.

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