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Dealers Look Beyond MPS for Growth

Jamie Bsales, Senior Product Editor, Solutions

A dealer cannot live by MPS alone. At least that was the overarching theme echoed by many of the speakers at the Managed Print Summit symposium, held late last year as part of the Business Imaging Expo trade show put on by The Imaging Channel. The presentations—delivered by a diverse group of analysts, OEM executives and managed print service providers during the day-long event—touched upon the challenges currently facing resellers that have embraced the MPS business model, along with ways for those dealers to overcome those challenges.

Richard Van Dyke, president of Advanced Office Services/Imaging Plus, a California-based document imaging provider, summed up the state of the industry succinctly and starkly: "If you [remain primarily] an MPS provider, you will not survive," he opined. "We have lost some good accounts due to being undercut on pricing." He reported that he has seen some MPS contracts with pricing of less than a penny per page—a level at which he says it is nearly impossible to make money.

Others concurred. In his presentation entitled "Overcoming the Barriers to MPS Profitability," Doug Johnson, senior vice president of Supplies Network's CARBON SIX MPS program, noted that the industry suffers from a problem in core profitability for resellers. "You can't build your business and expand into new markets if you aren't making money," he noted.

Johnson urged dealers to be sure they know their actual costs before they provide a bid to a potential MPS customer—a task made tricky by all the variables that go into such a deal. For example, the supplies cost to the dealer can vary widely during the term of a contract if the dealer has to switch to a different consumable brand. And Johnson noted that dealers must be realistic about page mapping (moving pages from high-cost-per-page printers to lower-cost-per-page devices) assumptions. For example, the dealer might assume he can replace most of the desktop printers with shared devices, but that assumption could backfire if the workflow and culture at a customer site upend those plans. Similarly, the dealer needs to know the actual typical page coverage for the documents a customer prints. "If you assume 5 percent page coverage but it turns out to be 7 percent coverage, that's 40 percent more toner usage than you figured on," he said.

Dealers also need to keep a close eye on when customers are changing the consumables. If they do so at the "toner low" warning, for example, there could be as much as 30 percent of the toner still remaining—a difference in anticipated yield that could turn a profitable MPS engagement into a money-loser. Johnson says dealers must assume and account for mis-orders, over-orders and rush orders of supplies when pricing a contract.

A host of other variables lurk on the service side, Johnson explained. Less reliable devices could wind up with four times the cost per page on the service side than a more reliable device, so the dealer needs to know which category a given device falls into. This is especially important if the dealer is taking over legacy devices as part of the contract.

Beyond pricing deals correctly, MPS dealers need to be sure they are diversifying in order to maintain profitability. "If you don't evolve into solutions and services, you won't survive," said Advanced Office Services' Van Dyke. "There's a hunger among customers to help them transition from paper to document solutions."

So it is incumbent upon dealers to move from selling products to selling business outcomes. To that end, Jamie Bsales, senior product editor for solutions at BLI, presented some solutions that could serve as a natural extension to an MPS practice and add value for customers. These include customer-centric print management platforms. "In contrast to the 'click-focused' MPS tools used by dealers to track output at customer sites, these print management tools address cost-reduction goals many customers desire," said Bsales.

In addition to meter reads and device status updates, these print management solutions typically deliver cost recovery and billing on a project, department or client level, along with the ability to reduce output costs through automatic job conversion, job re-routing and quota enforcement. These tools also generally offer secure pull printing (to enhance document security) and mobile print support. More advanced systems even incorporate aspects of scan capture and routing, further boosting the value proposition for customers and their end users. Among the many such solutions evaluated by BLI, Bsales pointed to several that stand out:

Canon uniFLOW (by NTware)

uniFLOW V5.2 is a wide-ranging output management solution that offers cost recovery, print management, job routing, scan workflow, mobile printing, document security, and production print features. Developed by NT-ware Systemprogrammierung GmbH and sold exclusively through Canon and approved resellers, the modular platform offers a multitude of components designed to meet the needs of both large and small enterprises that require an advanced output management platform.

Five different versions of uniFLOW V5.2 are available: Workgroup Edition, Business Edition, Corporate Edition, Enterprise Edition, and uniFLOW for SMBs. The only difference between the editions is the number of user licenses they offer. Each one comes with the core product and a module of the customer's choice, with additional modules available at extra cost.

Netaphor SiteAudit

Netaphor SiteAudit is an integrated fleet-assessment/fleet-management platform that delivers audit tools and usage/service analytics for a wide range of output devices. Intended for use both by IT departments within mid-size companies to large enterprises as well as managed print services (MPS) providers such as MFP/printer equipment dealers, the solution helps customers view print/copy volumes, maximize printer utilization, track compliance with Service Level Agreements (SLAs), and more. Moreover, the solution's proactive notification and reporting features help companies reduce supplies inventory, operations and other costs associated with an output device fleet. A device-agnostic solution, SiteAudit can discover and report on both networked and locally connected devices from all major OEMs, regardless of brand.

Nuance Equitrac Office 5

Juggling the myriad demands of usage tracking and billing, cost reduction, secure printing and environmental initiatives while also monitoring and managing devices, print drivers, print queues and network traffic is daunting. Equitrac Office 5, from Nuance Communications, Inc., can let an organization get all of that under control for just about any output device. The new version also delivers a host of other abilities, including scan capture/processing/routing abilities from supported MFPs and more.

Equitrac Office is targeted at any businesses—from SMBs to global enterprises—that require an in-house output management platform. Nuance also offers Equitrac Express, which is tailored for the education market, as well as Equitrac Professional, which is suited to professional services firms such as law and AEC (architectural, engineering, and construction) offices that primarily need to track and bill for client output.

PaperCut MF 13

PaperCut MF facilitates tracking and charging for print, copy, scan and fax jobs through authentication cards or user login at the device. The solution also includes print management features such as secure print release, rerouting of files to lower-cost devices, and the ability to enforce duplex printing or restrict output by application type. The developer reports that PaperCut MF is deployed in professional services firms that bill for document output, too. In a nutshell: It delivers all of the features most customers need, at a fraction of the cost of the leading solution.

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