Managed Print Services Landscape, 2013

A vendor analysis of the global enterprise MPS market

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MPS Vendor Landscape

EXECUTIVE SUMMARY

The managed print services (MPS) market is evolving from the core services of device consolidation and optimisation to one that favours long-term business improvement. As enterprises move to next generation MPS contracts, they are increasingly looking to drive further cost savings and productivity improvements. Digitisation of paper workflows and industry-specific solutions are key differentiators, with leading providers now offering a wealth of business process optimisation capabilities.

Leaders provide a breadth of mature MPS offerings	Xerox leads in the breadth of its service portfolio, excelling in broad coverage of enterprise offerings across office, mobile, production and off-site commercial environments. HP continues to deepen its MPS footprint, enhancing its mature office print MPS offerings with deeper document workflow services and expanded production print services. HP's ePrint enterprise mobile print platform is a strong differentiator in the market. Ricoh continues to make steady progress in its managed document services (MDS) strategy, strengthening its global enterprise MPS infrastructure. Lexmark shines in the depth of its industry solutions portfolio whilst Canon continues to strengthen its market presence supported by its strong technology portfolio.
Strong performers expanding MPS footprint	Konica Minolta and Kyocera have made strong progress over the past year, developing and expanding their MPS customer base, particularly in Europe. Konica Minolta has expanded its focus on serving smaller enterprises and made further acquisitions of managed IT service providers to boost its presence in this space. Kyocera is emerging as a credible player in the market with its MDS proposition, which is primarily delivered through its dealer network.
Next generation MPS can deliver business transformation	The bar is being raised in terms of what businesses expect from their MPS providers. As businesses enter next generation MPS engagements, service providers are evolving their service breadth to include business process services (BPS) and IT services (ITS). As the MPS market has matured, businesses are now looking beyond the costs savings and efficiency initiatives that can be gained from rationalising the print infrastructure. MPS customers now expect innovation, industry expertise, customised solutions and a commitment to continuous improvement from their providers.
MPS must support enterprise mobility	Despite the perception that mobile devices such as tablets may reduce the need for printing, mobility is driving significant changes in the printing landscape. Demand for mobile printing is steadily on the rise, with Quocirca's research revealing that 20% of organisations have already deployed mobile printing as part of their MPS contract, with a further 44% planning to implement this. Many MPS providers now offer integrated cloud-based mobile print platforms that embrace mobile platform diversity, bringing the same level of security and control to printing that applies to laptops and desktops.
Growing adoption of print security	Printing is often an overlooked aspect of enterprise security, yet, left unsecured, printers and MFPs can pose significant risks to confidential and sensitive information. Quocirca's research shows that more organisations are deploying, or planning to deploy, secure 'pull printing', which uses authentication to ensure documents are only released to authorised users – at any printer in any location. As well as enhancing security, there are also tangible cost savings through minimising wasteful printing and promoting enterprise mobility. Quocirca expects security and associated offerings to become more integral to MPS engagements in the coming year.
From Big Paper to Big Data	Next generation MPS supports big data challenges by accelerating business process improvement through the integration of digital and paper workflows. Big data is becoming a greater focus for many large enterprises struggling to deal with the ever-increasing volumes and diversity of corporate data. The digitisation of paper information is a key element of an organisation's information management strategy and Quocirca believes that MPS providers with mature business process expertise will be best positioned to articulate a strong proposition around big data.

Table of Contents

Introduction

Despite the age of digital communications and prevalence of smartphones and tablets, few organisations actually operate a paperless work environment, with many continuing to rely on printing to support business activities. In Quocirca's MPS study[1], over half (51%) of organisations indicated printing as critical or very important to their business, particularly in the financial service and public sector industries. Left unmanaged, this reliance on printing can be costly and inefficient. Many organisations operate a printer fleet that may be a mix of devices from different vendors with different supplies, service and support requirements. Such a patchwork of devices not only leads to spiralling costs – both financial and environmental – but can also be a huge productivity drain on IT departments, which are better placed focusing on more strategic activities. Added to this, many organisations may not have print management tools that provide a single view of print usage across their organisation. The adage of "you can't manage what you can't measure" applies well, meaning organisations need visibility of what is being printed, where and by whom.

Consequently, many enterprises have turned to a Managed Print Service (MPS). This is a proven approach to assessing, optimising and proactively managing the print environment in order to lower costs and improve productivity and efficiency while reducing risk. MPS is gaining wider adoption, particularly amongst large enterprises. A recent Quocirca study[2] across the UK, France and Germany revealed that, overall, 20% of enterprises were already using an MPS with 40% planning to adopt one in the next two years. Quocirca estimates that by 2015 over half of enterprises will be using MPS.

The market is certainly gaining maturity with larger organisations the most advanced in their MPS journey. In Quocirca's MPS survey, three quarters of very large organisations (over 10,000 employees) have been using MPS for over three years, compared to 41% of mid-market organisations (1,000 – 5,000 employees).

Larger organisations tend to be further along their MPS journey, with some entering their second or third generation contracts. These organisations are looking for opportunities to drive further cost savings and productivity improvements. In Quocirca's survey, 51% indicated that they have moved beyond MPS to encompass business process improvement.

In a flat and commoditised hardware market, MPS is certainly helping hardware vendors increase revenue and capture page volumes by proactively managing the print environment – which may be characterised by either standardised/single vendor or multi-brand fleets. Today the market is characterised by a diverse range of offerings from leading printer/copier manufacturers who deliver MPS directly or through their channel partners.
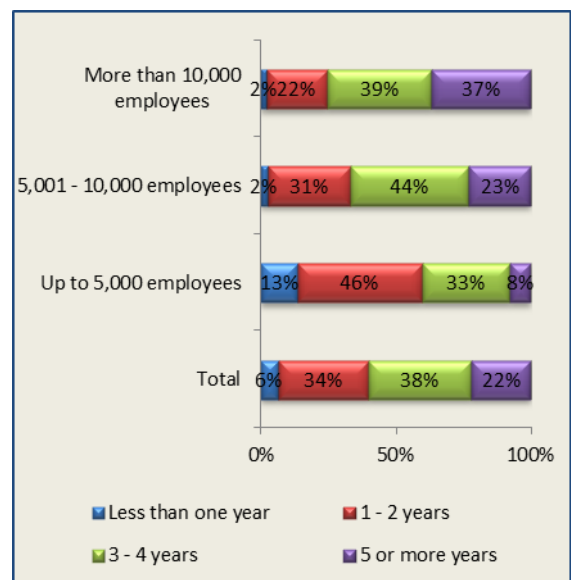

Figure 1. How long has your organisation been using MPS?

However, as the market reaches maturity, there is increasingly little to differentiate the core MPS offerings, which has created a level playing field. MPS providers are not only having to adapt their business models to address the new era of flexible and mobile working, but also extend their services beyond the walls of office printing. Consequently, many MPS providers are offering enhanced services that include centralised print services, business process services (BPS) and IT services (ITS). Meanwhile, big data is becoming a greater focus for many large enterprises struggling to deal with the diverse and ever-increasing volumes of data that are being processed. Quocirca believes that as MPS evolves into broader business process optimisation through digitisation of paper workflows, it will play a more essential role in an enterprise's overall information strategy.

This report discusses some of the key market drivers for MPS and examines the competitive landscape for MPS. It draws on end-user research with 140 enterprises (over 1,000 employees) using MPS across the UK, France, Germany and the US.

Definitions

Quocirca defines a "managed print service" as the use of an external provider to assess, optimise and continuously manage an organisation's document output environment in order to lower costs and improve productivity and efficiency while reducing risk. MPS allows organisations to reduce costs and improve efficiency by rationalising the print environment. It also leverages existing investments in multi-function peripherals (MFPs) while continually monitoring usage so that the optimised infrastructure continues to meet business needs.

MPS covers a number of service areas across three broad categories:

- **Assessment** – a review of the current print environment to provide recommendations for a rationalised print environment and provide an estimate of potential future savings. Assessments range from basic on-line assessments to full workflow assessments. Environmental impact analysis and document security assessments may also be included.
- **Optimisation** – device rationalisation and consolidation to improve user-to-device ratios and development of print policies to develop a governance framework for a full enterprise MPS, including change management and deployment and transition.
- **Management** – continuous process improvement, business reviews, SLA monitoring, remote management and workflow improvement.

These services fall under Quocirca's definition of MPS when the vendor takes over responsibility for delivery under a contract of three years or more in length. Such activities may also involve the transfer of people or assets to the vendor or provider.

Methodology

End-user analysis

Quocirca conducted an end-user survey with senior IT managers located in the UK, France, Germany and the US, from 140 enterprise companies with 1,000 or more employees. This survey was conducted by telephone and fielded during March and April 2013.

Vendor analysis

Quocirca has included the following MPS providers in this study: Canon, HP, Konica Minolta, Kyocera, Lexmark, Ricoh and Xerox. Vendor selection was according to:

- **Experience and skills in providing MPS services:** all providers had to demonstrate a strong record of delivering MPS.
- **Geographical delivery capability**: each provider was required to have the capability to deliver global services.

Each MPS vendor was requested to complete a written submission detailing its strategy, capabilities and customer references to ensure key facts and figures were captured. These submissions were followed up with vendor interviews. The quantitative and qualitative inputs from the vendor research were analysed by Quocirca in order to determine each vendor's score against a list of criteria for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an un-weighted model although prospective buyers may wish to weight the scores to meet their own specific needs.

The full market report, with detailed vendor rankings can be purchased directly from Quocirca. Please contact Louella.Fernandes@quocirca.com for more details.

Market Overview

The MPS market continues to gain maturity, with the majority of large organisations having used MPS for over three years. It is these organisations that are seeing the most success with MPS, having moved beyond the first phase of device consolidation to incorporate broader document workflow solutions, which can improve productivity as well as minimise wasteful printing. At the early stages of an MPS contract it is most common to operate a multi-vendor fleet, however there are significant efficiencies to be gained by moving to a standardised fleet. Quocirca's research revealed that although three quarters of organisations currently operate a mixed fleet, around half of these plan to move to a standardised fleet.

MPS enables organisations to gain predictable expenses as contracts typically wrap hardware, service, support and consumables into a monthly payment. This is often based on a cost-per-page basis depending on predicted print volumes. This monthly fee enables costs to become predictable as spend is moved from capital expenditure to operational expenditure. To avoid penalties for printing above minimum volumes, a detailed assessment is a vital element of an MPS to ensure that printing usage is accurately forecast through the term of the contract. Many providers are expanding their range of services to include environmental, document security and document workflow assessments. Large enterprises that operate a complex and heterogeneous printer fleet stand to benefit most from this as they move to an optimised printer fleet.

Quocirca's survey reveals that the top driver for moving to MPS is cost reduction, followed by predictable expenses (Figure 2). MPS can significantly reduce costs – both financial and environmental - by consolidating the printer fleet, replacing out-dated single function printers with modern, energy-efficient multi-function devices (MFDs). These devices, with capabilities to scan, route and store documents, can act as sophisticated document processing hubs. Through the use of sophisticated print management tools, MPS can support effective printing practices to reduce waste, for example by enforcing rules that limit use of colour printing, apply default duplex printing and deploy secure printing by user authentication at the device.

The manual, often ad-hoc, tasks of ordering toner, ink and managing service contracts can be a huge administrative burden on organisations operating an unmanaged print infrastructure. MPS contracts are often based on stringent SLAs that can improve service reliability, whilst providers also deliver proactive service and support, along with automated supplies replenishment, which alleviates the management burden on IT, freeing resources to focus on core business activities.
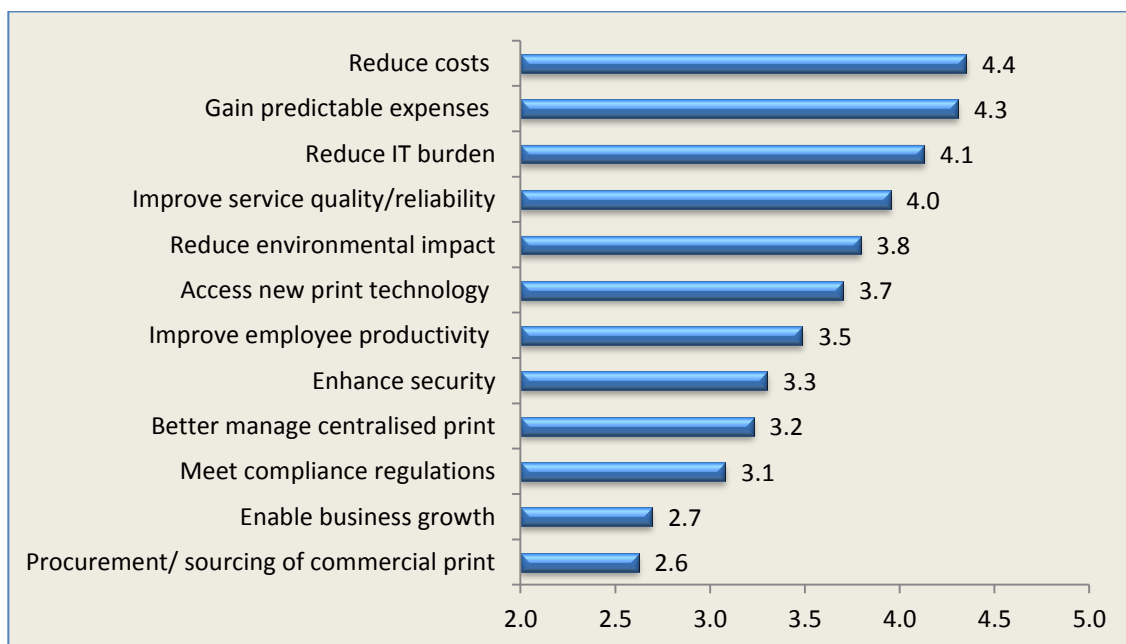

Figure 2: How important are the following drivers in motivating a move to a managed print service?
(Where 1 = unimportant to 5 = very important)

Mobility, Big Data and Security

There are a number of trends that will serve to shape the managed print services market over the next few years.

Mobility and the cloud
The consumerisation of IT, due in part to 'bring your own device' (BYOD) initiatives, is accelerating the adoption of smartphones, tablets and other mobile devices in the workplace. Although the widespread adoption of these devices is fuelling predictions of the demise of printing, it is also conversely opening up new opportunities for printing, as the need shifts from the desktop and laptop to mobile devices. Quocirca's research reveals that whilst, overall, 51% agree that the use of tablets is reducing the need for printing, there is healthy interest in the adoption of mobile print solutions. Quocirca believes that with mobile users increasingly accessing corporate applications from their mobile devices, rather than laptops or desktop PCs, there is a need for convenient and flexible printing to ensure users remain productive. Quocirca's study indicated that the deployment of mobile printing has increased since 2012. Currently 20% of organisations have deployed a mobile printing solution as part of their MPS contract, an increase from 15% in 2012. A further 44% are investigating or planning to implement a solution within the next 24 months. Interest is stronger amongst larger organisations, with 48% of organisations with over 5,000 employees indicating that they have already deployed mobile printing (Figure 3).
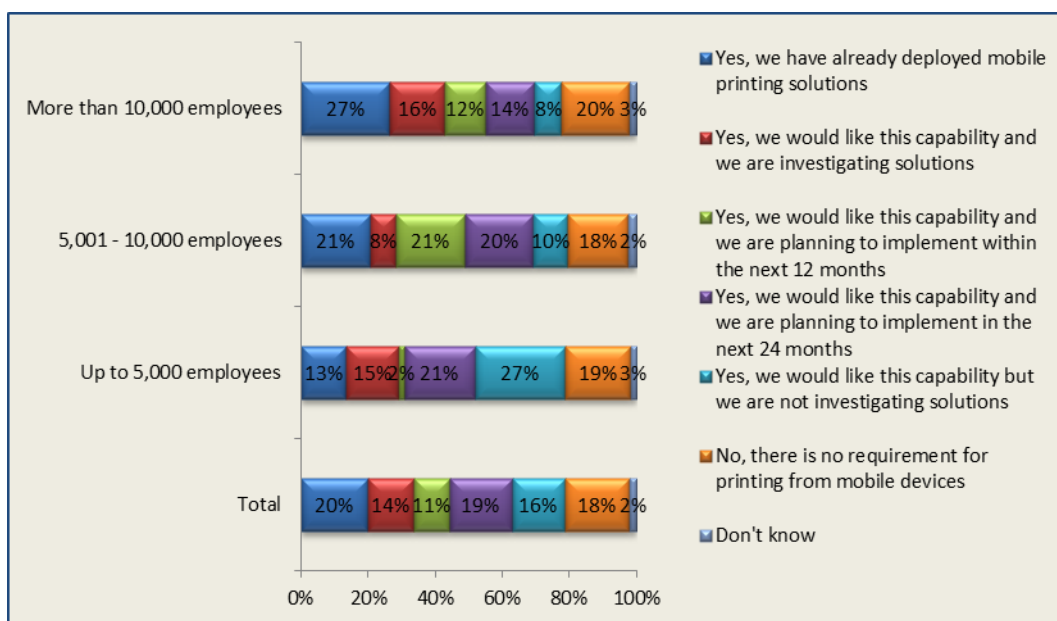

Figure 3: What is the level of interest in including mobile print within your MPS contract (i.e. printing from mobile platforms)

Big data – transforming big paper with business process improvement
Big data refers to a diverse and ever-growing set of data - enterprise data, transactional data, and social media data – which needs to be integrated and analysed to help organisations develop deeper insights into their business. Part of the big data equation that may be overlooked is the amount of data that resides on paper. Many organisations still rely on paper to support a variety of business-critical processes – for instance, mortgage applications, insurance claims, tax returns or patient records. This paper dependence is costly, risky and inefficient.

As organisations try to reduce costs, improve process efficiency and establish compliance with various government legislation and industry regulations (e.g. SOX, HIPAA, Data Protection Act), digitising paper documents becomes an important first step in the optimisation of information workflows. When captured at the point of origination, paper documents can be directly integrated into business-critical processes so that both digital and paper information is integrated and can be accessed in one place at any time. In this way, paper documents become part of the wider big data picture, which enables organisations to extract value from information to support faster decision making, for instance through business intelligence or big data analytics.

Such business process optimisation can also help organisations better leverage existing investments in MFPs, which are often not fully utilised as document capture and management devices. Deploying workflow tools through document capture, routing and management software can help leverage investments in MFPs and enable these devices to become document processing hubs.

Many MPS providers already offer discrete industry-specific services to automate manual processes such as electronic invoicing, mortgage application processing and health records management. Quocirca believes the benefits of transitioning from paper to digital workflows plays well to the big data challenges that large enterprises are facing. As such, MPS providers that offer business process services (BPS) are particularly well positioned in this space, and Quocirca recommends looking for MPS providers who have mature business process expertise supported by industry-specific offerings.

Security

Many businesses are exposed to potential data breaches in their print environment by not implementing adequate security controls for networked printers and MFPs. Consequently, documents often remain unclaimed in output trays or may be picked up by an unauthorised individual. This leaves businesses exposed to data losses – in Quocirca's 2012 Print Security Study amongst 150 enterprises with over 1,000 employees in the UK, France and Germany, 63% of businesses admitted they had experienced one or more print-related data breaches. Given the financial and legal ramifications of a data breach, businesses cannot afford to be complacent.

MFPs must be treated as any other networked IT device, and secured in order to safeguard sensitive information, employee and customer privacy and to meet regulatory compliance requirements. One of the simplest ways to implement secure printing is through 'pull printing', which releases documents upon user authentication at any networked MFP. This enables a user to print a document at any device on the corporate network, promoting mobility and eliminating unwanted printing.

Quocirca's 2013 MPS study shows that organisations using MPS are strongly aware of the need for print security. Almost 60% of respondents indicated that some form of security is included in their MPS contract (Figure 4), with the highest prevalence shown in the financial and government sectors. Secure printing solutions are most likely to be included/planned in large enterprise MPS contracts – around 70% of organisations with more than 5,000 employees have secure printing, compared to 42% of organisations between 1,000 and 5,000 employees.
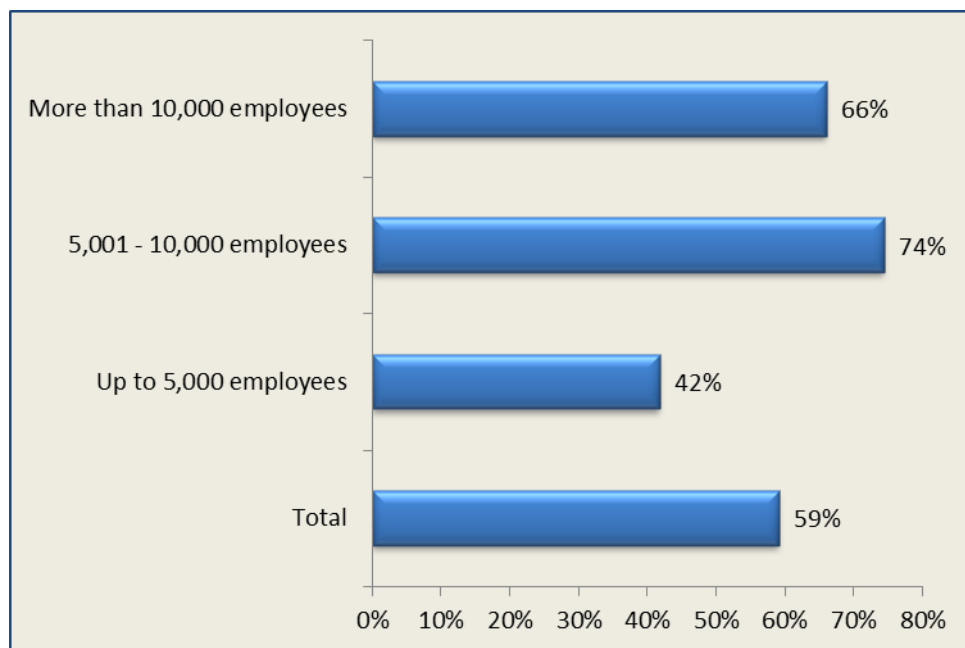
Figure 4: Are print security solutions included/planned to be included in your MPS contract?

Quocirca believes that security needs to become a standardised part of MPS contracts, for all sizes of organisation. Smaller enterprises may be reluctant to invest in additional costly pull printing software but, implemented effectively, secure printing solutions not only enhance security but also reduce costs – both financial and environmental - by minimising paper and other consumables wastage.

Extended services – the print room, business process services (BPS), IT services (ITS)
As the MPS market gains maturity, organisations moving beyond first generation engagements have often reached the end of their cost-cutting phase and are now looking for innovation to drive more business value. MPS providers are extending their services beyond office printing to encompass the print room, business processes and the IT infrastructure. For organisations managing a print room in-house or using outsourced providers, there are significant benefits to be gained by using a single MPS provider for both the office and the print room. Quocirca's research reveals that although less than 20% of organisations use a single MPS provider for both environments, there is certainly interest in doing so, particularly amongst organisations with more

than 10,000 employees. In this segment, almost 50% plan to investigate a single provider to manage both environments. Production print devices are often poorly utilised in the print room, and integrated production workflow tools can enable complex print jobs to be re-routed from office printers to the print room, ensuring better overall use of devices. Certainly, for large organisations with high volume production printing needs, Quocirca recommends considering a single provider to drive better utilisation of production devices and take advantage of cloud-enabled production print services as appropriate.

Leading MPS providers are more commonly offering BPS as part of wider MPS engagements, helping enterprises automate paper-dependent processes such as payroll, claims, mortgage processing and accounts payable, which are full of time-consuming, transaction-based tasks that can stifle productivity. Quocirca's research[1] shows reasonable interest in using a single provider for MPS and BPS. Currently 13% indicated they already use a single provider, with 20% very interested.

Although some MPS providers are promoting their IT services (ITS) capabilities as an extension to their MPS offerings, Quocirca's research shows that there is currently little uptake of these services. However, larger organisations do show some interest, with almost 43% either currently or planning to investigate using a single provider for ITS and MPS. Perhaps the strongest opportunity for MPS providers is to support print-related IT tasks such as print server management and help desk integration. Whilst organisations may not be looking at this immediately, there is certainly an expectation that MPS providers can take a broader role in the future (Figure 5).
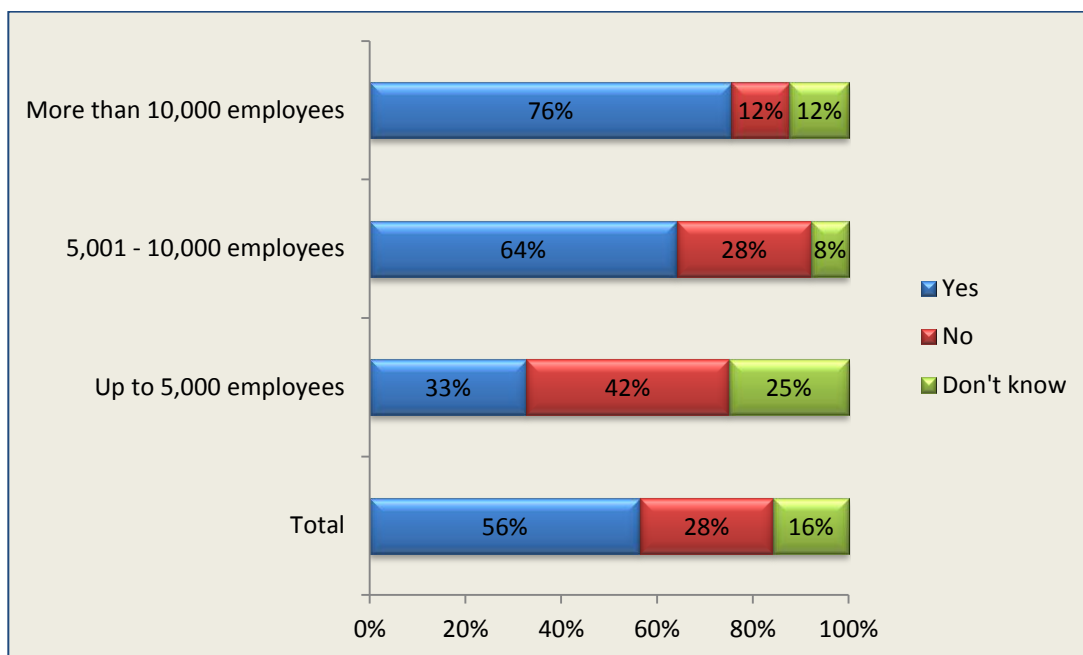

Figure 5. Do you see your MPS provider taking a broader role in managing your IT infrastructure in the next 2 to 5 years?

Recommendations

Quocirca recommends that MPS buyers consider the following when evaluating a managed print service.

- **Breadth and depth of assessment services.** A detailed assessment is the foundation of an effective MPS and should take a holistic view of all print-related processes. At the minimum, this should include a full document assessment that analyses print usage across the enterprise. Additional assessment services to consider include environmental and document security assessments. Some vendors also offer document workflow assessment services, which are vital for identifying business process improvement opportunities. A comprehensive assessment will ensure the greatest opportunities for cost savings and productivity improvements over the long term of a contract.

- **Business and process knowledge.** MPS is extending beyond the enterprise print environment to address the requirements of mobile and remote workers, as well as to encompass IT infrastructure and business process outsourcing. By leveraging the synergies of managed print services (MPS), business process services (BPS) and IT services (ITS) through a single provider, enterprises can drive business process innovation, which pays continuous dividends. Industry-specific solutions are becoming a key differentiator for MPS providers, and MPS providers should fully leverage existing investments in MFPs, which can be integrated with key business processes such as HR, legal, and finance and accounting. Leading MPS solutions allow seamless integration of MFPs with such vertical applications, optimising paper workflow and improving productivity.

- **Integrated and secure mobile strategy.** Although BYOD is often a catalyst for mobile printing, it can also lead to employees using untested or unsecure consumer mobile printing software. As this can present a security risk when printing sensitive or confidential information, the best approach is to implement an enterprise mobile printing platform that enables employees and guest users to print securely from any mobile device to any printer or MFP in the organisation. The diversity of mobile operating systems means MPS providers offer a range of mobile printing solutions, some which are delivered as a private cloud service. Quocirca advises organisations to adopt secure mobile printing capabilities today to support existing requirements and to prepare for the eventual broader adoption of mobile devices. When deployed as part of an MPS platform, organisations can ensure that mobile printing does not fall under the radar and can be tracked and reported on in the same way as printing from the desktop or laptop computers.

- **Flexibility.** As a business continually adapts to the marketplace, next generation MPS agreements should be adaptable as well – in terms of the commercial offering, contract terms, staffing and delivery location. When agreeing on the service offering, negotiate for the flexibility to incorporate new solutions. For example, next generation MPS may look to take advantage of evolving technologies such as software as a service (SaaS), web-based technologies, open standards, cloud computing, business intelligence and ITIL-based process methodologies to ensure that business objectives continue to be met throughout the duration of the contract.

- **Mature service level agreements and governance.** Next-generation SLAs are based on business drivers, and have to be driven by the value associated with them. SLAs have to be flexible, and the MPS provider must use analytics to be able to advise on future needs with sufficient notice – and to offer a range of different approaches based against the customer's own risk profile, balancing risk, cost and perceptions of added business value. Continuous improvement and best practices focus must be integral to the MPS provider and inherent in the expectations set out in the contract. Much of this relies on robust business intelligence, which provides comprehensive analytics across print related business processes.

Vendor assessment

Quocirca has created a vendor scorecard for each MPS provider, based on a range of criteria that determines an overall score for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an un-weighted model although prospective buyers may wish to weight the scores to meet their own specific needs.

Market presence criteria
- **Enterprise customers:** the strength of the vendor's European enterprise customer base.
- **Strategy:** how comprehensive is the vendor's MPS strategy, the quality of its overall value proposition and its evolutionary vision for MPS?
- **Maturity of offerings:** how long has the vendor been active in the market, how developed are its offerings?
- **Geographic reach:** a vendor's geographic reach, either directly or through partners or channels.
- **Overall financial strength:** a vendor's overall financial position and assessment of the scope for future investment in its MPS offering.
- **MPS revenue and growth:** European MPS revenue and growth over the past year.
- **Market credibility:** the effectiveness of vendor initiatives to promote its brand, increase awareness of its service offering and influence market development. Also includes the clarity, differentiation and internal/external consistency of the vendor's market messages.
- **Alliances and partnerships:** The strength of the vendor's partner and alliance network.
- **Investment and dedicated resources:** The vendor's investment in its MPS portfolio, resources and its innovation that will add improvements in approach, process or service offering.

Completeness of offering
- **Modularity of services:** the flexibility and scalability of the service portfolio to provide a customised offering.
- **Breadth and depth of service offering:** the range of services available, including complementary ones such as business process outsourcing (BPO), IT outsourcing (ITO) and document process outsourcing (DPO).
- **Help desk capabilities:** centralised help desk capabilities and integration, remote diagnostics and support.
- **CRD/production printing:** print room/production printing services to support high volume printing requirements.
- **Multi-vendor support and maintenance:** the vendor's ability to service and support third party products.
- **Mobile printing support:** capabilities to support mobile workers, either through mobile device printing or pull printing/authenticated secure printing.
- **Document workflow integration:** integration with third party products and services.

Figure 6 represents Quocirca's view of the competitive landscape for printer and copier vendors that deliver enterprise MPS. A vendor's market position is indicated by the size of the bubble, based on estimates of customer base. An indication of the growth in each vendor's position is shown by a (+), (-) or (=). The following categories are used to reflect a vendor's position:

- **Market leaders:** vendors that lead the market in both strategic vision and depth of service offering. Leaders have made significant investments in their service portfolio and infrastructure and are supported by strong delivery capabilities.
- **Strong performers:** vendors that have established and proven offerings supported by demonstrable customer success.
- **Contenders:** vendors that have service offerings that are currently being aligned on a global or European basis. Contenders are typically investing in resources, infrastructure and partnerships to expand market coverage.
- **Emerging:** vendors that are in the process of developing MPS offerings or offer MPS on a regional basis.
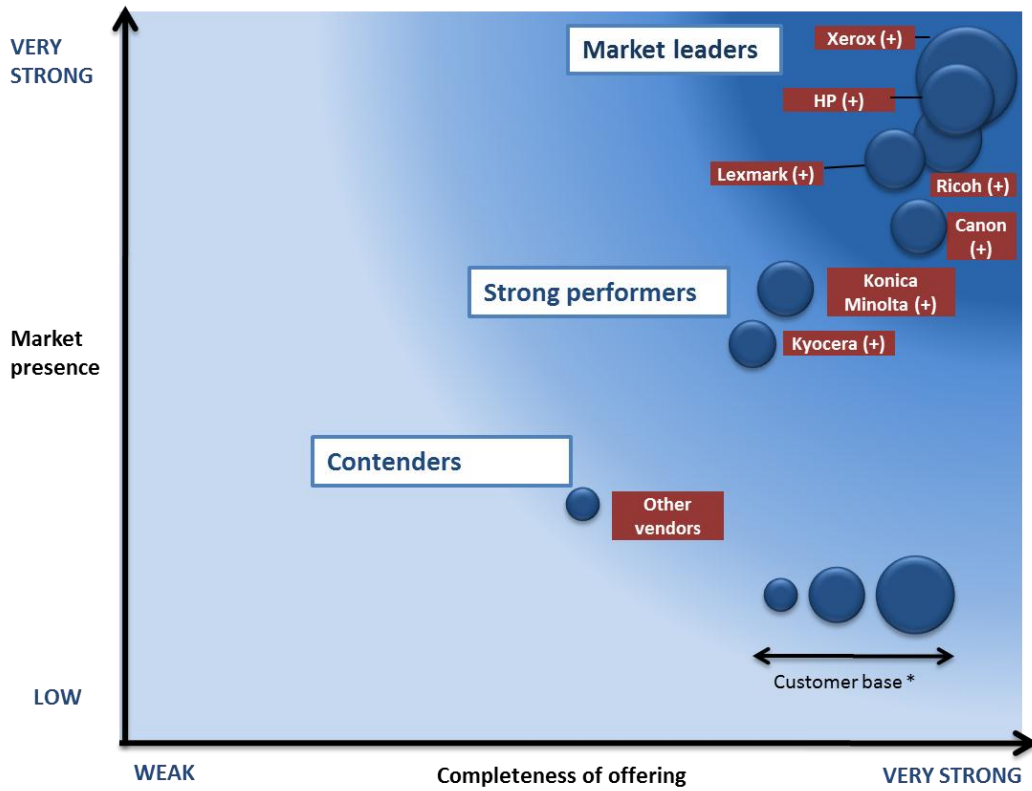
Figure 6: Quocirca MPS vendor positioning

* Customer base: Please note that enterprise customer figures and estimated devices under management have been considered when determining customer base bubble size.

Lexmark

Lexmark has retained a leadership position in Quocirca's review of the MPS market in 2013. It is a well-established player in the MPS market, having offered MPS through its worldwide services organisation for over 13 years. Lexmark's MPS strategy is focused on providing a holistic MPS offer covering central office and distributed environments. It has strong expertise with very large multi-national enterprises with thousands of devices heavily distributed across many locations and countries.

Lexmark's on-going focus on delivering business process improvement has been boosted by an acquisition-filled year in 2012. This is paying dividends, helping Lexmark to dominate the market when it comes to integrated industry solutions across a range of vertical markets. Lexmark's MPS total contract value is over $7bn and in 2012 it enjoyed worldwide MPS growth of more than 15%, with European growth of 16%. Lexmark's global presence and wide range of large, multi-national enterprise customers, coupled with its consistent MPS revenue growth, positions Lexmark well to further grow its presence in the market. Lexmark is working on strengthening its MPS brand profile by embarking on an aggressive brand marketing campaign in 2013. In an increasingly competitive market with vendors more focused on their business process expertise, Lexmark will do well to drive awareness of its mature and sophisticated business process services (BPS) skills and further grow its mindshare in the market.

Global presence and delivery

Lexmark has wide geographic coverage, operating in 170 countries. Its global MPS platform is based on a single-system infrastructure supported by standardised processes. This system enables Lexmark to provide advanced global analytics and reporting, which is increasingly becoming a value differentiator amongst MPS providers as the scope and size of MPS engagements grow.

In the past 24 months, Lexmark has secured 15 new MPS contracts with Global/Fortune 500 customers, displacing incumbent providers in each case. A large proportion of Lexmark's business involves multi-country MPS implementations, and this capability for distributed delivery is a key strength. Customer wins in 2012 include AmBev (Worldwide), Tesco (EMEA), Nordea (Nordics), an international retailer (42 countries), a top 20 manufacturer (31 countries) and a top 5 worldwide bank.

Leading industry expertise

Lexmark's resources are aligned and focused by industry vertical, which has enabled it to dominate in certain industries, particularly retail where it has 9 of the top 10 global retailers. It is also strong in financial services where it has 8 of the top 10 global banks as customers. By virtue of having ownership of all its technology, along with its industry focus, Lexmark is able to deliver customised services to its customers that may be more challenging for its larger competitors.

> **Lexmark MPS Summary**
>
> **Approach**: Fully flexible and modular suite of MPS services. Multiple offers available from basic MPS through to fully outsourced service
>
> **Target market:** Lexmark provides MPS to both Enterprise and SMB customers around the world. Notably it has a large number of international, large multi-country MPS engagements.
>
> **Geographical coverage:** Lexmark Global Services has a presence in over 170 countries worldwide
>
> **Route to market:** Lexmark sells MPS to large enterprises via its direct sales and operations teams and indirectly through authorised channel partners.
>
> **Alliances:** Lexmark has global partnerships with IBM, Dell and Fujitsu and also partnerships with large systems integrators.
>
> **Devices under management:** More than 850,000
>
> **Customer base:** More than 4,000 customers worldwide

By not relying on multiple third party products for both industry and horizontal offerings, Lexmark is able to deliver a strongly integrated MPS and solutions platform. Customers often cite the responsiveness of Lexmark as one of its key strengths. Lexmark should continue deepening its industry focus capabilities to support advanced business process improvement as customers look to further cost savings and productivity improvements from their next generation MPS contracts.

Acquisitions boost business process expertise

Lexmark continues to strengthen its business process expertise through acquisitive investment. Since 2010, Lexmark has completed eight acquisitions, advancing its workflow, intelligent capture and content management capabilities. Of particular note was its acquisition of Brainware, which gives Lexmark stronger intelligent capture and document classification capabilities. This is currently a key differentiator for Lexmark, and should help Lexmark drive broader MPS engagements that encompass advanced document workflow. The most recent acquisitions include Twistage, a cloud platform for managing video, audio and image content and AccessVia, a signage platform targeted at the retail market.

Investment in mobile printing platform

Lexmark has integrated cloud-enabled services across its MPS offerings. The Lexmark Solutions Platform provides a cloud-based foundation for a range of print management solutions, which include Lexmark Print Release for mobile capture and printing. Lexmark is seeing growing interest in incorporating mobile print within MPS contracts. It is able to offer customers an integrated mobile printing platform across a multi-vendor fleet, avoiding the complexity of integrating multiple third party mobile print applications.

Summary

Lexmark continues to advance its MPS capabilities beyond printing, enabling customers to drive further cost savings and efficiencies through business process automation. Lexmark's growing software portfolio will be key to it expanding its MPS

engagements and with competitors rapidly enhancing their document workflow and industry solution specific portfolios, Lexmark will need to ensure it continues its momentum in this area.

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Market Presence		
Criteria	**Details**	**Score**
Customer base	Currently Lexmark has more than 4,000 customers worldwide.	5
MPS strategy	Lexmark continues to expand its business process expertise capabilities through a number of acquisitions in 2012, including Brainware. Its industry knowledge and expertise, supported by a range of targeted industry offerings, is now a key differentiator for Lexmark.	5
Maturity of offerings	Lexmark has been offering MPS through its global services division for more than 13 years with a well-established global infrastructure, particularly for serving multi-country customers.	5
Geographical reach	Lexmark Global Services is present in over 170 countries. The largest part of Lexmark's business is International and it has customers with specific MPS installations in over 81 countries.	5
Financial stability	Overall revenue was $3.8bn in 2012 compared to $4.17bn in 2011. Lexmark phased out its consumer inkjet printers in favour of higher-performance business printers. Although this impacted revenue, this change increased Lexmark's operating profitability and cash flow percentage.	5
MPS revenue and growth	Lexmark's worldwide MPS revenue growth in 2012 was 15% and European MPS growth was 16%. As a sign of Lexmark's strong execution and operational capabilities, Lexmark's MPS renewal rate over the past 5 years is reported as 96%. Lexmark's MPS revenue accounts for approximately 30% of its total revenue for 2012. The total contract value of Lexmark's MPS business is over $7bn.	4.5
Brand awareness	Lexmark has strong credentials as an MPS provider in the banking and retail sectors. Lexmark is now more actively driving awareness of its MPS capabilities on a global basis.	4
Alliances and partners	Lexmark has global partnerships with Dell, Fujitsu and IBM. It also has alliances with IT providers, system integrators and teams with channel partners and copier dealers to provide MPS to SMBs and larger organisations. Lexmark has such relationships across Europe.	4
Investment/MPS resources	Lexmark continues its investment in document workflow capabilities. Its $148m acquisition of Brainware was followed with the acquisition of ISYS, search software Nolij, and higher education solutions and clinical content and clinical management software vendor Acuo Technologies.	5
Final market presence ranking	**VERY STRONG**	**4.72 (+)**

Completeness of Offering		
Criteria	**Details**	**Score**
Modularity of services	Lexmark provides a suite of flexible and modular MPS services that allows it to easily adjust its offerings from small organisations to the largest global enterprises.	5
Range of services	Lexmark has a full range of services for managing a distributed fleet environment, and is particularly suited to multi-location engagements. Lexmark has an extensive range of assessment services, which include environmental and document security as standard. Document workflow services have been boosted by recent acquisitions.	4.75
Help desk capabilities	Lexmark provides many variations of help desk services. These include complete function outsourcing, with Lexmark manning the output portion of the help desk and customer training to reduce help desk calls. Lexmark help desk services integrate with internal help desks providing 1st level, 2nd or 3rd level support as needed.	5
CRD/print room support	Lexmark offers production and commercial print services, both directly and through third parties. Lexmark also offers intelligent capture solutions that can be deployed in mail and print rooms.	4
Multi-vendor support	Lexmark provides services and support for multi-vendor fleets. Lexmark's MPS tools, systems, processes and resources provide support for third party devices in addition to Lexmark branded devices. Over 30% of devices under Lexmark management are third party devices.	5
Remote monitoring	Lexmark provides proactive maintenance and support including continuous monitoring allowing for remote diagnostics, trouble-shooting and remote fix. Lexmark estimates that it handles 91% of MPS incidents proactively.	5
Mobile printing support	Lexmark has significantly enhanced its mobile print offering to support peer-to-peer printing, on-premise and cloud-based printing. Based on a single platform, Lexmark is able to offer MPS customers integrated support and tracking of mobile printing across all devices, without the complexity of integrating third party solutions.	5
Document workflow	Lexmark has an extensive range of industry and horizontal offerings to help streamline business processes. Lexmark has added to this capability with the acquisitions of Perceptive Software, Brainware and Pallas Athena with intelligent capture and workflow, BPM and process mining and mapping software.	5
Final completeness of offering ranking	**VERY STRONG**	**4.84 (+)**

References

1 Quocirca End-User MPS 2013 Study, April 2013 (140 organisations with over 1,000 employees, UK, France, Germany, US
2 Quocirca Print Management Study, September 2012 (150 organisations with over 1,000 employees, UK, France, Germany)

Further Reading

The Mobile Print Enterprise: http://www.quocirca.com/reports/653/the-mobile-print-enterprise
Closing the Print Security Gap: http://www.quocirca.com/reports/624/closing-the-print-security-gap

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About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures for demonstrable business value in any implementation. The capability to uncover and report back on the end-user perceptions in the market enables Quocirca to provide advice on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Konica Minolta, Ricoh, Xerox, EMC, Symantec and Cisco, along with other large and medium-sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at http://www.quocirca.com