

Per-page-pricing for big savings: going green with print solutions

by CHRISTOPHER ROGERS

Transparency is almost always a preference when it comes to finances. If an organization doesn't know how much it is spending on any given solution, then chances are it is spending too much. With looming economic concerns and a recent trend towards environmental awareness, the time has never been better for businesses to start looking closely at how much they are spending on printing.

Printing costs can be astronomical and there are many companies that couldn't say how much they are spending on printing because the responsibilities are divided up amongst different aspects of their business. An IT department may be responsible for managing the printing devices and servicing them, while others may be responsible for toner and paper. With these kinds of setups it may be impossible for a business to truly understand what it is paying for printing.

PPP (price-per-page) or CPP (cost-per-page) are printing solutions which have been around for quite some time. They allow a company to implement transparency into its printing so that the true cost can be discovered. The solutions are exactly how they are described: businesses must pay for each sheet of paper printed rather than separate the costs of paper, toner and other printing necessities. It can be an eye-opening change for some companies to discover the true cost of printing.

Brian Kember, product manager at Lexmark Canada, said that PPP includes usage-based billing where a customer would print whatever they see fit and would receive a count at the end of the month based on how many pages they printed.

Kevin Hiebert, the president of Cell-A-Net Printer Services, a print-focused reseller, explained that the biggest difference is the management of the print infrastructure for the customer. From a pricing perspective, CPP is typically all inclusive. That means that supplies, service, maintenance, and in some cases, print tracing are all included in the price.

CPP and PPP can be easily confused with another popular printing term: managed print solution. The problem is that many managed print solutions include a CPP- or PPP-type billing method.

"Now a managed print service, which is what people usually mean when they say, I want cost-per-page, is cost per page, plus a bunch of stuff," Hiebert said.

"The management of the devices, meaning, are they proactively set up to alert the right people when there is a problem or a toner issue, and are the actual accounts being tracked by device or are the devices being optimized, are reports being generated for management? That kind of stuff is typically associated with managed print. The reason I make the differentiation is because even in the industry, but for sure with the customers, they will talk about cost-per-page but they mean managed print. There is a huge difference. Cost-per-page is just the guts of it. Managed print is the whole solution."

It may be daunting for a business to even think about changing its print solution but Peter Grady of Samsung Canada's IT business development said that "[PPP] offerings can be as simple as a contract for supplies and maintenance items...and that is done usually with a calculated cost on a predetermined price, based on an annual volume."

It turns out that switching over to a more transparent printing solution can be a very simple process. As a business moves more towards a more encompassing managed print solution, more of the printing cost is revealed.

"As you start to move up the scale to a managed print service you then start to have the option to include the actual equipment, the printer equipment and the supplies," Grady said.

"Probably most significantly is the overall management of the print fleet. That is managed internally or outsourced. So you start to get a lot more options under that scenario of managed print services. You can set that up so that you have a supplies and maintenance contract in place, maybe the

day-to-day operation of the equipment is still managed internally."

The cost savings kick in when companies begin to understand the power in transparent cost of printing. When companies are buying all the paper and cartridges, the company needs to buy enough to have reserves.



Mark Phillips, Canon Canada

"You can have very low cost or very high cost, there is a lot of variability depending on things like your page coverage, and hidden costs such as staff members doing their own maintenance," said Mark Phillips, manager of product marketing of the imaging systems group at Canon Canada.

"A cost-per-copy takes that a step further and basically says you don't have to worry about maintaining the machine or doing maintenance tests, all you have to do is put the toner in the machine and put the paper in the machine, or if you have any repair issues, that is where the price per page is, it gives you price certainty."

The amount of money a business stands to save will vary but for the majority, the cost savings can be significant.

"When you think of a large organization, their printing costs are usually 1.1 to three per cent of their revenue, one to three per cent of a large organization's revenue is devoted to output costs, and if we can see a 30 per cent savings, that's significant," Kember said.

It becomes clearer that cost-per-page printing is not just a way to get a handle on

who is printing too much or what the actual cost of printing is. There are strong savings that can be realized, but one of the biggest challenges for any business in implementing a printing solution with transparency is that the current cost of printing in their organization is a mystery to them.

"In many cases...the independent studies show a potential savings of up to 30 per cent on average," Hiebert said.

"The difficulty is in many cases the customers don't even know their costs anyway, so the first step before even getting to a cost-per-page model or a managed print solution model is to assess their current state, and from that current state of unmanaged, if you are able to get the actual costs, then that is a challenge. But assuming you can get the actual cost, from that point to managed, typically there is cost savings."

Hiebert added that an assessment must always be performed because many customers don't even know how many printers they have in their organization.

However, as with implementing any new strategy, there are a few challenges. Some of these have already been addressed, such as discovering how much a company is actually paying for printing. Others include discovering how many printing assets are in the company, and who is responsible for them. Other challenges come in the form of socialization that comes with printing less, or at least, printing smarter.

"People can be very emotional about their printers," Grady said.

"The notion of losing personal printing or desktop printing is important to a lot of people so it is important that they understand what the intention and the scope of the project is and I think also that it is really important that you have some sort of executive sponsorship for the project."

Beyond the cost savings, there is also a green side to these measures. Tracking user behaviour, saving on cartridges, and optimizing devices all lead to a more environmentally-friendly printing environment. The challenge here again, is with the end users.

"It's more on the user behaviour, that's where you are going to get the most savings when it comes to wasted paper and everything else," Phillips said.

"Regardless of how you make the machine and what features you put on it, if people don't use them you don't realize those benefits so it is a matter of getting people educated on those different features and those benefits

and that comes from the IT department that administers those machines."

One way to help ease users into the green way of thinking about printing is to use a staged approach where a business slowly introduces various elements of managed print to its workforce. The first step would



Peter Grady, Samsung

be to put the devices in place and implement the PPP structure. During that first step, Kember added that it is easy to put other green processes in place.

"During that step we can use the drivers to set up that everything by default is black, everything by default is duplex, just get them used to that stage, then we'll introduce the next stage, and the next stage could talk about scanning to the network, scanning to e-mail, different workflows so that you are actually reducing the paper usage. Then we go do the next stage and this could be timed over a year or over few months,

it all depends on the customer and it is all completely customized."

Despite the energy cost for the actual printing devices, Mark McCullough, marketing manager at Lexmark Canada added that many companies looking to be more environmentally-conscious about their printing are concerned with the devices and hazardous materials like cartridges and inks, but the biggest problem is actually paper.

"It seems that many companies are focusing on energy consumption or recyclability or use of hazardous substances," McCullough said.

"While these are all very valid and important contributors to the environmental impact of a printer, for us, it is very clear that paper, paper usage and paper wastage is the key environmental culprit. As a result our managed print solutions are really focused on making sure companies are focused on printing right and printing smarter and often that means printing less; the result of which is that they end up saving more."

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