



## I D C V E N D O R S P O T L I G H T

# Aligning Print Infrastructure to Organizations' Top IT Priorities

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*The CXOs of many organizations have traditionally placed less emphasis on their organizations' print infrastructure as compared to other IT infrastructure. However, with the changes taking place in the workspace environment, print infrastructure is becoming increasingly critical as part of the overall IT infrastructure and organizations today will need to select a vendor that can be relied upon to ensure core printing functions remain uninterrupted. This IDC Vendor Spotlight, sponsored by Fuji Xerox, looks at how print infrastructure will be integrated and aligned to organizations' top IT priorities in light of the new technologies on the 3<sup>rd</sup> platform and ever-changing future workspace. IDC defines the 3<sup>rd</sup> platform as the next-generation computing platform (mobile device accessed, cloud based) that will supplement 1<sup>st</sup> platform (mainframes) and 2<sup>nd</sup> platform (distributed computing) solutions already in the market today. This document also discusses the role of Fuji Xerox's capabilities and service offerings in Enterprise Print Services, which provides a more holistic approach to organizations' total print infrastructure.*

### Introduction

With enterprises adopting new technologies on the 3<sup>rd</sup> platform, the intersection of Big Data/Analytics, Cloud, Mobility and Social Networking will impact both buyer and user behavior in the future workspace. IT users, rather than IT decision makers, are set to play a more important role when it comes to work productivity using 3<sup>rd</sup> platform technologies, which promises to drive new business values and offerings in the new business era. Additionally, with printing devices such as MFPs integrated as part of the overall IT infrastructure, CXOs and IT decision makers will be prompted to look at the total printing environment as part of the overall IT infrastructure in terms of cost efficiencies and security issues.

As today's business environment becomes more sophisticated due to ever-growing customer needs, so too does the document workflow and print architecture within organizations. CXOs and IT decision makers now face an uphill battle in managing the printing needs of various business units, especially when an organization boasts multiple printing platforms and brands as part of its overall IT ecosystem. This challenge becomes more difficult, particularly when consolidation and process streamlining have become so vital to an organization's sustainability.

On the other end of the overall imaging and printing spectrum, large organizations in Asia/Pacific with internal marketing teams are delivering their marketing programs in different output platforms. Printed posters, mobile

### Vendor Spotlight at a Glance

- **Overview.** Increasing need to integrate imaging and printing solutions into organizations' overall IT infrastructure for better cost efficiencies, management and security in view of changing workspace and new technologies on the 3<sup>rd</sup> platform.
- **Challenges.** Organizational challenges include effectively managing the printing needs of various business units (multiple printing platforms, brands), managing the print and electronic data flow (data boom, different output platforms) and security issues (viruses, info leakage).
- **MPS Solutions/Benefits.** Provides detailed up-front assessment of an organization's actual print/copy/scan usage (device perspective and the "human factor"), and continuing analysis, reporting and recommendations for ongoing optimization.
- **Fuji Xerox Enterprise Print Services.** Offers a holistic outsourcing service:
  - i) Enterprise print governance ii) Support of mobile/remote printing iii) Integration between office and centralized print centers with holistic view of total printing spend and iv) Green IT solutions.

messages (in MMS or SMS platform) and social websites (e.g., Facebook) are just among the few output platforms available in the market today. These new output platforms are sometimes linked to company websites or web servers, increasing the potential of IT security threats such as viruses or information leakage.

In recent years, content explosion has driven Big Data/Analytics tools. Organizations in Asia/Pacific are faced with a significant data boom both internally and externally, and are being challenged to properly manage their print and electronic data flow. As a result, organizations are looking for content management solutions. In order to control the flow of information on paper (or digital information transferred to a hardcopy format), processes and controls have to be in place to better manage the flow and printing rights of employees. On the other hand, information management of different formats (structured and unstructured format such as emails and pictures) is also gaining traction as employees find it hard to manage different types of content that they have for archiving or printing purposes.

Increasingly in the Asia/Pacific market, organizations are demanding imaging and printing solutions which can be integrated with their overall IT infrastructure for better cost, efficiencies and management. Small and medium-sized businesses (SMBs) with few IT staff that generally have to be experts in every area of the companies' IT infrastructure will find it challenging to design or support the speed of mobile customers. In addition, with the complexity of 3<sup>rd</sup> platform and rising support/maintenance costs with increasing potential security threats through MFPs that connect to companies' networks, CXOs and IT decision makers need to immediately incorporate print infrastructure as part of their overall IT priorities. Organizations no longer look for just hardware support and services, but also seek management tools that can help them track and optimize their print infrastructure. When CXOs (or key IT decision makers) take into account the total printing cost in their organizations, particularly for organizations with multiple locations or branches across the world or different sub-regions, they realize they do not have a centrally managed system that can easily support users. Neither do they know the real total cost of internal and external printing, which they need to budget for.

## **Print Infrastructure: Alignment with Organizations' Top IT Priorities**

As imaging and printing is integrated within the overall IT infrastructure, CXOs or key IT decision makers in any organization will need to evaluate their overall IT priorities in order to ensure that the overall print infrastructure is aligned with their top priorities. And because printing cuts across different divisions and business workflows, there is an inevitable need for organizations to seek out more solutions that can help them achieve their short- to long-term goals.

Based on a recent survey conducted by IDC across the Asia/Pacific region (*IDC Asia/Pacific Continuum Survey, 2012*), Figure 1 indicates the top IT priorities for organizations in Asia/Pacific in the next 12 months. The key messages garnered from the survey include the following:

- **The top 5 critical IT priorities of organizations in the next 12 months are: reducing total cost of IT; aligning/adapting IT to the changing business landscape; building better management tools to help better manage business decisions; consolidating the IT environment; and building a more secure IT environment.** With printing increasingly recognized as part of the IT infrastructure in today's organizational environment (particularly in developed countries), CXOs and IT decision makers need to have a better managed print environment to ensure that the print infrastructure is aligned with these top IT priorities. With print infrastructure traditionally less managed by IT departments in the past, most CXOs or IT decision makers will naturally look to their third-party service providers for solutions when they realize the huge costs associated with printing. Thus, large organizations in both developed and developing countries have either adopted or are increasingly relying on Managed Print Services (MPS) providers for consolidating their print infrastructure with the aim of cost reduction or printing optimization to meet these top IT priorities. Enterprises or companies in this region have gained more knowledge on MPS, giving CXOs and IT decision makers the peace of mind that they have full analysis on total printing costs and continuous support services from MPS vendors.

- **Developed countries place more importance and priority on aligning/adapting IT to the changing business landscape, building better management tools to help make better business decisions and consolidating the IT environment.** Users in developed countries are migrating to new business models (either geographical expansion, change in business operation or creating a more agile organization that can react quicker to changes in business dynamics globally). As such, key decision makers need real-time access to information so that they can make strategic decisions faster. Companies today are also staying away from estimating the running cost, allowing a MPS model to work very well in developed countries where decision makers can quickly access statistics and information. The workspace in developed countries is also changing rapidly. More people are working remotely as organizations aim to lower running costs, and CXOs and IT decision makers need to react quickly to offer document workflow solutions to these employees. In addition, the remote printing needs versus file transfers are also gaining traction, whereby employees can either print through cloud or pick up documents that they need from cloud and print at the nearest printer available to them. For example, the Federal Government of Australia has committed the Australian Public Service (APS) to achieving the goal of 12% of APS employees regularly teleworking by 2020. This represents a significant change in the government's workflow and operation, where the basic IT infrastructure (including printing, scanning and file sharing) will evolve to accommodate users' needs.
- **Developing countries will continue to put more effort in reducing the total IT cost and building a more secure IT environment.** Most organizations in developing countries today place more importance on the server and network infrastructure as these are deemed as priority items which are more costly and vulnerable to security threats. However, larger and mature organizations in these countries are starting to realize that without a secure printing environment, these big ticket items are also prone to security breaches. In addition, the total cost of running the large number of printers/MFPs can come as a shock when organizations actually start to consolidate their total spending on hardware, supplies such as ink cartridges and laser toners and paper consumption on a monthly basis.
- **Green IT is increasingly gaining importance in Asia/Pacific.** Although green IT is not one of the top 5 critical IT priorities, most large enterprises, particularly in developed countries, are gaining awareness of fulfilling their corporate social responsibilities target. In developing countries such as Indonesia, India and China, environmental awareness is one of the top priorities for most governments; therefore, large enterprises there are increasingly having to look into energy saving or more efficient printing solutions.

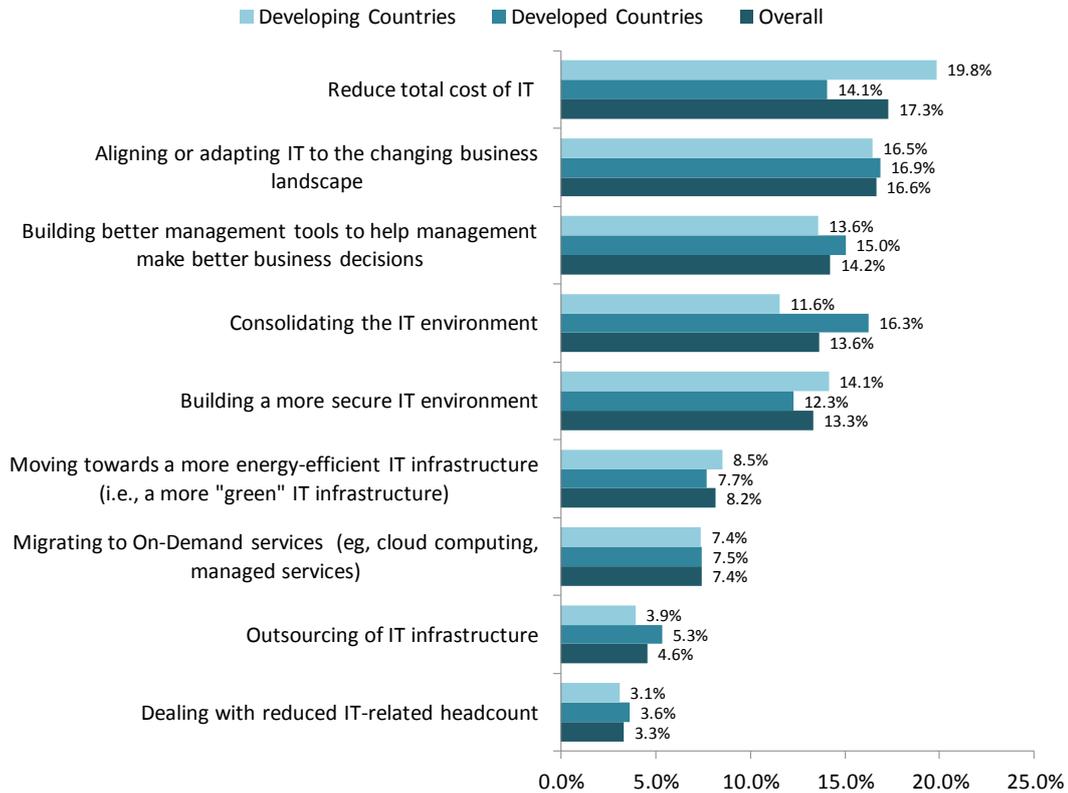
The same survey also shows that mobile printing is gaining traction in this region, with 10.6% of the companies allowing their users to print documents via mobile devices (e.g., Android, Blackberry, iPhone, iPad). Furthermore, 11.1% of the companies will start to implement mobile printing in the next 12–24 months. Of the total number of companies which are already printing using mobile devices or are going to start using mobile printing, 36.5% of them have integrated or are going to integrate their mobile printing with a cloud-enabled solution/application like Fuji Xerox Print Utility, HP ePrint, EFI PrintMe, Lexmark Print Release or Canon Cloud Connect. The flexibility of printing using mobile devices is gaining traction in organizations, resulting in CXOs and IT decision makers having to realign the organization's document workflow around this factor. This will also mean that organizations should look at print devices and solutions that incorporate these elements for their IT users.

While organizations look to their best-in-class IT system integrators or outsourcing partners to consolidate their print infrastructure, CXOs or IT decision makers will find it challenging to get third-party service providers able to consolidate print infrastructure under the overall IT infrastructure. IT service providers generally have little knowledge in helping organizations look at their document workflow and providing advice on how the organizations can maximize their print infrastructure without interrupting the daily activities of users. This results in CXOs or IT decision makers looking to print device providers that can offer best-in-class services and understand their needs in addition to providing basic support/maintenance services. Some of the key requirements

would include global or at least regional delivery services that meet ISO standards as well as providing consistent level of services including uniformity of product, services and pricing.

**Figure 1**

Top IT Priorities for the Next 12 months, Asia/Pacific



Note: Developed countries include Australia, New Zealand, Hong Kong, Singapore and Taiwan while developing countries include Indonesia, Malaysia, Thailand, Philippines and Vietnam

Source: IDC Asia/Pacific Continuum Survey, 2012

## Managed Print Services: Benefits of Using an Innovative Approach

Printing hardware vendors are naturally top of mind for CXOs and IT decision makers looking at consolidating and optimizing their organizations' print infrastructure. For larger organizations with different departments, branches or office locations, the print infrastructure will invariably be more challenging to consolidate or for IT departments to support. As such, many organizations today look to MPS providers to support their print infrastructure. This also explains why MPS is gaining more awareness and adoption in the Asia/Pacific market in recent years. Larger enterprises are realizing the value propositions of MPS vendors in helping them to print more efficiently in a more cost effective print environment.

The key features and benefits driving MPS adoption by companies in mature markets like Australia and New Zealand as well as enterprises in emerging markets like Thailand and Indonesia in recent years are as follows:

- MPS engagement includes a detailed up-front assessment of an organization's actual print/copy/scan usage, including both the device perspective and the "human factor". The "human factor" refers to the role of users within the whole document workflow, which

encompasses "who prints what", "where is the printing done" and "why is the document being printed". The assessment is used to design a print output strategy for optimization and provide baselines metrics for a service-level agreement with pre-defined goals.

- MPS vendors to provide continuing analysis, reporting and recommendations for ongoing optimization. More importantly, the vendor must be able to "proactively" provide suggestions, advice or solutions to optimize the print infrastructure besides ongoing day-to-day operation of the fleet, maximizing up-time and minimizing service events.

With MPS well accepted in large enterprises, MPS offerings are now positioned towards SMBs that need to consolidate their IT infrastructure including their fleet of printing devices. While large enterprises are generally satisfied with their MPS engagements, new requirements have emerged, calling for more innovation to the standard commodity and fleet management offerings that most hardcopy peripheral vendors are offering today. The new requirements include the following:

- **Aligning MPS offerings to the organization's goals and business objectives.** This should optimize and speed up business-process document workflows to drive revenue growth in addition to increasing cost savings. This often includes business process changes where MPS vendors need to continuously evaluate the changes in behavior and usage of the organization's employees. Change management programs may need to be in place in order to encourage users to adapt to the new document/printing workflow that is set to align with business goals and objectives in order to ensure that the business values of MPS are being materialized and achieved.
- **Optimization focusing on transitioning paper-based workflows to electronic workflows in a secured environment.** This encompasses leveraging on technologies such as mobile, intelligent capture, content management and business process management to automate and streamline processes so that the mobile workforce is able to access the documents anytime, anywhere. CXOs and IT decision makers also need to ensure that as documents flow to various departments and downstream within an organization, security governance is in place to ensure that only the authorized person(s) is able to access/print documents related to them.
- **Delivery of MPS services with document/content management solution.** As more and more commercial users fall into the mobile workforce category, they need to archive, store, modify and retrieve structured and unstructured documents easily from their mobile devices. Such a solution would be suitable for SMBs, which tend to face more challenges in their companies' data management system.
- **Management of centralized printing for large volumes of internal and external documents.** This will benefit organizations which print internal documents (such as HR books and employee manuals) from internal print centers or through outsourcing to third-party printers as well as organizations with external document printing requirements (e.g., bills, marketing brochures or personalized transpromo documents). This will enable key decision makers or CXOs to centrally manage all documents and enable workload balancing as printing decisions are undergoing transformation and decentralization.
- **Delivery of consistent professional services globally or regionally with horizontal or vertical business processes.** Large enterprises, particularly multinational corporations (MNCs) require their service providers to be able to commit to consistent professional services (product, services and pricing). This will enable MNCs to have better control of cost and services across their offices. Such requirements are also increasingly required by large local enterprises that have branches across the country such as banks, financial companies and manufacturers. Vertical knowledge and expertise are key competitive differentiators when it comes to understanding customers' pain points in local environments but still able to replicate the same effort for companies with different locations.

## Vendor Profile: Fuji Xerox

Fuji Xerox has always been strongly recognized as a services-led company in view of the company's existing capabilities as well as future strategic vision. The vendor is at the forefront in terms of MPS delivery in Asia/Pacific, in addition to providing a wide range of office products (printers/MFPs) and document solutions, as well as strong local teams for support/maintenance services. In recent years, Fuji Xerox has gained significant ground in the centralized print center environment within organizations and has firmly established itself among the third-party print service providers.

Fuji Xerox's MPS offering in the market is a complete solution from a thorough initial assessment of organizations' office print infrastructure, on-going tracking and support of various print devices (printers and MFPs) including managing third-party devices to proactively advising clients on how to improve cost efficiencies besides optimizing print infrastructure. Fuji Xerox's key competitive differentiators include:

- Consistent global delivery capabilities with the company continuing to build out its infrastructure for global support. Fuji Xerox service delivery follows Lean Six Sigma methodology, where the vendor is able to resolve users' corporate management issues from initial assessment to continuous optimization of print output environment. The Lean Six Sigma methodology is used across the globe, thus enabling global companies to receive consistent service from product, services to pricing. This helps to minimize challenges that MNCs generally have when it comes to global effort in consolidating IT infrastructure.
- While most MPS providers only offer one-off optimization of print infrastructure through initial assessment before the implementation of MPS, Fuji Xerox offers continuous improvement throughout the contract period to improve the print output environment. The vendor also provides change management and end-user services such as Xerox Service Portal, a web-based information and service support portal, to help transition, accelerate adoption and increase end-user satisfaction with new MPS.

In 2011, Fuji Xerox launched Enterprise Print Services, an end-to-end enterprise document management outsourcing service. Beyond the existing offering of MPS, Enterprise Print Services offers a holistic outsourcing service, which addresses organizations' top IT priorities. Enterprise Print Services offers organizations the following solutions:

- **Enterprise print governance.** An extension of Fuji Xerox's existing MPS solution, the vendor is now able to provide on-going assessment on employee work habits as part of the change management and business process. Recommendations can be made to help users to print more effectively based on a set of business objectives/processes and cost designed in order to ensure that the print governance is enforced.
- **Support of mobile or remote printing.** With mobile printing picking up in Asia/Pacific, this service enables IT users to print from various mobile devices without compromising on the security of documents. This provides peace of mind to IT staff, ensuring little or no information leakage. The key flexibility in this solution is that no printer driver needs to be installed, which then reduces the workload of IT staff.
- **Integration between office and centralized print centers within organizations to provide a holistic view of total printing spend for internal and external documents.** While office printing can be costly to organizations with little knowledge or governance in place to manage the total cost of operation on an annual basis, external document printing outsourced to third-party print services or printed internally through centralized print centers may contribute to a bigger spend in organizations' total revenue. Most organizations in Asia/Pacific (even large enterprises) have separate budgets set aside either with administration or marketing departments, making it difficult for the company to integrate all printing costs into a specific unit. With Enterprise Print Services, organizations are able to have a complete view of total spend on internal and external printing. This allows organizations to have a complete view on

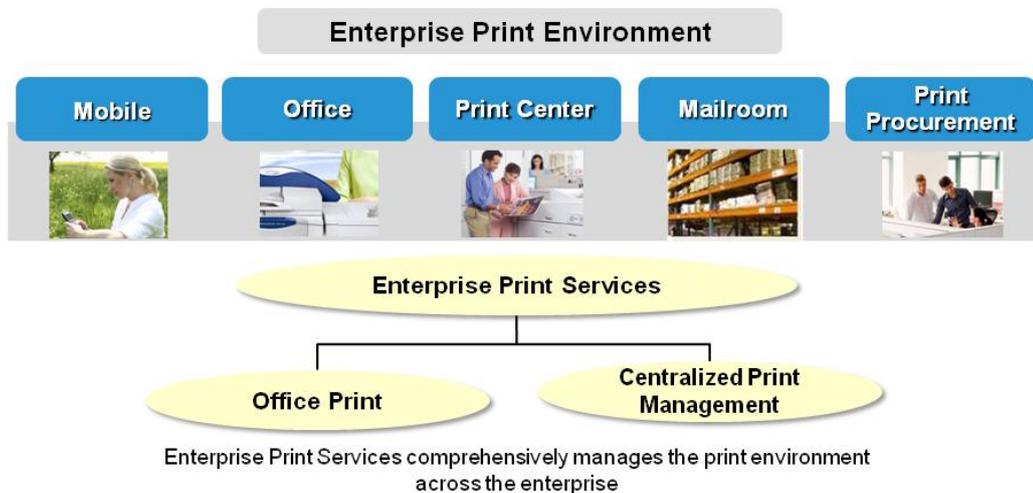
how to reduce total IT cost especially when organizations need to consolidate their IT infrastructure.

- Green IT solution that addresses the long ignored yet critical area of sustainability.** Many large enterprises today are embracing corporate social responsibility, where they need to ensure that their capital investments and operations are not negatively impacting the environment among others, while maintaining the cost of operations. Many organizations have long ignored the importance of printing efficiently, including paper consumption and toner usage in addition to purchasing energy-saving products. Fuji Xerox Enterprise Print Services incorporates this critical offering, whereby decision makers can effectively use a quantitative approach to calculate and monitor the progress of reducing energy consumption and waste. The service includes assessment, implementation and management of devices and copying/printing jobs in order to ensure that organizations can optimize their print infrastructure while building and sustaining responsible printing internally. For example, Enterprise Print Services assesses the organization's interior design and workflow in order to create a plan of where print devices should be located. Within the solution, certain functions such as duplex printing are set as a standard format for employees in order to reduce paper consumption. The deployment of new generation energy-efficient multifunction devices (MFPs) and implementation of enterprise print governance and responsible printing practices, along with hardware disposal and consumables recycling, also enables organizations to cut energy usage, eliminate unnecessary printing and reduce waste.

Figure 2 below depicts Fuji Xerox's Enterprise Print Services framework offerings in Asia/Pacific.

**Figure 2**

Fuji Xerox Enterprise Print Services Framework



Source: Fuji Xerox Singapore, 2011

### Challenges

While large enterprises or MNCs today will rely on MPS vendors to provide best-in-class solutions/services for the organization's infrastructure, organizations will increasingly expect MPS vendors to work directly or partner with their IT service providers in offering a complete solution. The demand stems from the fact that most organizations would want to streamline interaction with IT service providers only to those that manage the key infrastructure of their systems.

The integration of IT services and MPS will take on a bigger role in the next phase of development, especially since managed services adoption is increasing in this region. As the

MPS market matures and existing contracts undergo multiple renewal phases, existing MPS users will increasingly opt for vendors that can provide one-stop solutions moving forward. This is expected to spur MPS vendors to provide innovative solutions or partner with IT services vendors which incorporate adjacent services such as desktop outsourcing or network management.

While vendors such as Fuji Xerox Global Services can provide an end-to-end print service from office to production printing, Fuji Xerox Global Services will also need to acquire new skill sets and competencies which integrate MPS with adjacent IT services such as networking integration, content management services and security solutions. Such IT solutions are increasingly gaining emphasis from large companies as MFP or document solutions are integrated as part of the organizations' overall IT infrastructure.

## Conclusion

With the change in business dynamics and how workspace is evolving in Asia/Pacific, IDC recommends CXOs and IT decision makers to quickly consider adopting a holistic workspace strategy that not only embraces the trends of Cloud, Mobility and Social Networking, but one which extends from the desktop to the printed document across the entire organization. As the average IT department headcount in the Asia/Pacific region remains flat or is growing marginally, accessing the skills to deliver on a holistic strategy will demand the consideration of external service providers.

Print infrastructure is critical to the workspace, but most IT departments still have little expertise when it comes to document workflow and consolidating internal and external printing. It is recommended that CXOs and IT decision makers evaluate the options that MPS vendors can provide. MPS vendors, which provide a more innovative and complete approach to total print infrastructure from internal to external printing, will be able to address the problems faced within the printing environment in a more holistic manner. More importantly, IT decision makers need to select a committed MPS vendor with strategic plan and offerings which can align the print infrastructure to the company's top IT priorities for medium- to long-term changes and development.

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