

Doing More With Less:
Reducing the cost of producing and distributing documents.
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Over the past 5 years companies have been increasingly focused on driving operating efficiencies to fund and support future growth. Corporate profits are challenged by rising costs and slower revenue growth. Senior management teams are challenging everyone to do more with less.

One area of technology acquisition has not been strategically managed - document production and delivery systems. This includes printers, copiers, faxes, and scanners. The cost of document production/distribution has been fragmented and disbursed over multiple departments and operating budgets. The true financial impact has been hidden from view.

Industry analysts, such as the Gartner Group, estimate that the total cost of document creation (e.g. printing and copying), distribution and control represents 6% to 15% of a companies' revenue. This would include: system infrastructure, hard costs (device, toner and maintenance), IT support, administration/purchasing, and document workflow.

Taking a conservative view of 2% for a company with \$20 billion in annual revenue; this would represent an annual expense of \$400 million. A 10% improvement would put an additional \$ 40 million to the bottom line. Or a company with \$50 million in revenue could put an additional \$100 thousand to the bottom line.

How do we do more with less? Begin by thinking of document technology as a strategic asset. Next you need to develop a comprehensive inventory of document technology and workflows. Third, you need to develop an implementation plan for document technology that controls expenditures, increases productivity and the return on assets.

The inventory of document technology would include the devices (printers, copiers, faxes and scanners) and operating costs (supplies, repair parts, maintenance and help desk labor). For the devices, an inventory should define whether they are network or non-networked, and utilization (e.g. pages per month versus capacity). Networked devices are typically operating at a higher utilization rate with better cost control.

The operating costs will surprise you. You will need to record the number of different supplies (quantity and location), parts (quantity and location), monthly cost of analog fax lines, and purchase orders issued, and reconciled to name a few items. And do not forget to add in all of those expensive pre-printed forms.

Definition of the document workflow process is your next task. An analysis starts with understanding whether yours is a company that prints and distributes or are you a company that distributes and prints? You need to understand the requirements for

printing on demand in color and monochrome. What level of security do you require in the document production/distribution processes?

Once you know what you have and how you use it, you can then build a solution that increases your return on document technology assets and productivity. This is not a solution that causes you to replace all existing document technology; rather it is a strategic plan that enables you to leverage your existing assets, acquire incremental new technology, consolidate and create new workflow processes.

The plan will identify opportunities to replace analog faxes with scan to email, as well as new device technology to consolidate multiple devices into a single device (multifunction printers). Implementation of network devices will enable you to increase asset utilization and reduce the number of devices per employee while increasing productivity. The plan will increase your understanding of the total cost of ownership/operation versus the monthly payment or cost per image.

All of this is a great deal of work, but the potential payback is great. In the end you will be able to do more with less and be better positioned for future growth.