



Fast Facts: When to Refresh Your Printer Fleet

A look at IT expert guidance, Dell custom survey results, and Dell's Return on Investment figures

Inefficient printer management = wasted money

Look around your office. How many printers do you see? In most organizations, you'll find a mix of color, black-and-white, laser, and inkjet printers. Some are on the network. Some are on individual employees' desks.

Who's in charge of purchasing and maintenance? Who orders the consumables? How long have these printers been in service? At most organizations, nobody has the answers to these questions.

In an era where data center equipment is being consolidated and refreshed in order to reap efficiencies and savings, there's no excuse not to do the same for printers. In fact, IT analysts have been urging businesses to track printer costs, overhaul their processes, and refresh their fleets on regular basis for years.

In 2011, IDC estimated that print spend as a proportion of an organization's revenue can run as high as 12%, with an accepted average range of 1% to 3%. For a \$1 billion organization, that's \$10 million - \$30 million per year that isn't well-monitored or optimized.

Gartner experts mapped out several "printer management blind spots" back in 2003 that are still rampant today:

- Few organizations know what equipment they have
- Even fewer monitor supplies or post-acquisition spending
- Organizational responsibility is splintered among IT, facilities, and administrative teams
- Printers aren't perceived as a major cost sink or savings opportunity

Making matters worse, most organizations do not realize the financial burden of keeping older printers in operation. In particular, older printers have higher maintenance costs; refreshing printers lowers maintenance costs.

Older printers not only break down more often, repairs are typically not covered. The reason: Most enterprise printers are purchased with a three year warranty that covers many

repairs. After three years, the costs of the more frequent breakdowns of an older printer, not under warranty, are the responsibility of your organization.

Older printers also incur IT productivity costs as resources are consumed keeping an older printer, which breaks down more often, running.

That's why experts say a refresh is not only smart, but critical.

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"90% of actual printing costs are being ignored. In many cases, "Total Cost of Ownership" (TCO) is not even close to the real 'Total' cost."

—InfoTrends, 2005

Expert guidance = refresh every 3 years

Federico de Silva, principal analyst at Gartner Research, recommends refreshing printers every three years. This will help deliver savings and efficiencies by enabling organizations to leverage:

- Declining supplies costs (older printers require supplies that are difficult to find and rarely discounted)
- Increased speed and durability
- Longer replenishment intervals for supplies
- Reduced number of printers (especially when deploying multifunction devices) – fewer printers are easier to manage = increase IT productivity which indirectly lowers costs
- Reduced number of suppliers (which reduces administrative headaches and management time)
- Lower maintenance costs (which are typically covered under a 3-year warranty sold with a printer, but are not covered after three years when the printer is no longer under warranty)
- Reduced energy consumption

De Silva found that a 2-cent drop in cost per page alone could save thousands every year. When considered with savings from fewer helpdesk calls, fewer printers, and fewer suppliers, you can cut 30% off printing costs, according to Ken Weilerstein of Gartner.



Custom Survey results = IT managers can do a better job of managing frequency of printer refreshes

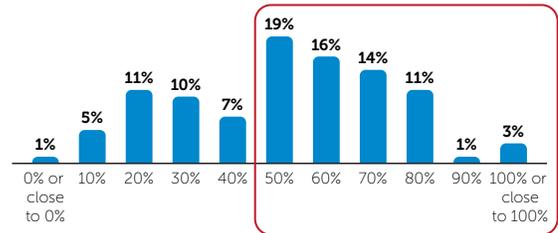
To learn whether organizations are following these guidelines, Dell and Ziff Davis Enterprise conducted a survey of 135 IT influencers who are involved in purchasing, setting up, or maintaining printers in organizations of 500 or more employees. The results show that there is great room for improvement because organizations are not very proactive in terms of printer refreshes. Specifically, if organizations were more proactive with their printer refreshes, they would reap great cost savings and increase the productivity of their IT staff.

Two-thirds of respondents said that half or more of their printers are older than three years (Figure 1), and most deal with printer issues only when something happens to warrant a response (Figure 2). The largest segment of respondents—41%—replace printers only when they break, and less than a third track and calculate operating costs of old versus new devices in order to determine a refresh schedule (Figure 3).

“Having reviewed the print environment and through hardcopy fleet rationalization, it is possible to reduce an organization’s device fleet by 25% to 60%.”

– IDC, 2011

Figure 1: Most printers are 3 or more years old.



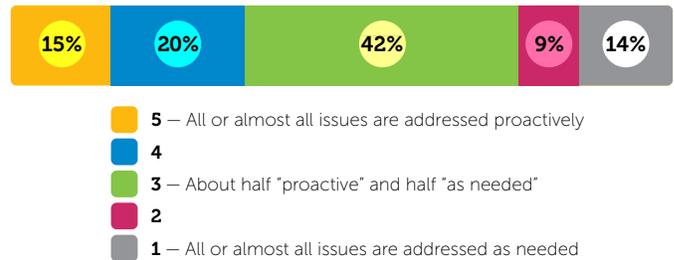
% of printers in organization more than 3 years old

Base: All qualified respondents (135)

Q. Of the printers currently in use in your organization, what percent would you say are 3 or more years old?

Source: Printer Upgrade ROI Study, conducted by Ziff Davis Enterprise for Dell, February 2012

Figure 2: Only 35% claim to be fully proactive about printer maintenance.

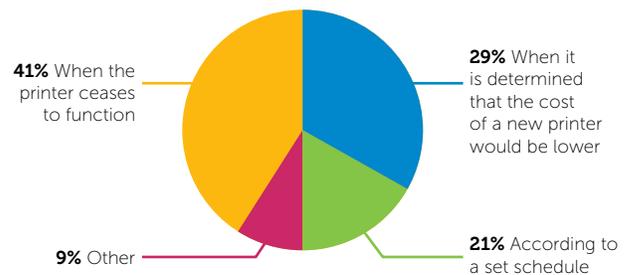


Base: All qualified respondents (135)

Q. Using the scale below, how would you characterize your organization’s overall approach to maintaining its printer infrastructure?

Source: Printer Upgrade ROI Study, conducted by Ziff Davis Enterprise for Dell, February 2012

Figure 3: A large segment of respondents replace printers only when they’re broken.



Base: All qualified respondents (135)

Q. What best describes the typical manner in which printers are retired in your organization? "Other" included When a new standard vendor comes on board (e.g., as result of new lease or agreement with outsourcer) (4 responses), When cost to repair greater than value (1), and Lack of maintenance support (1).

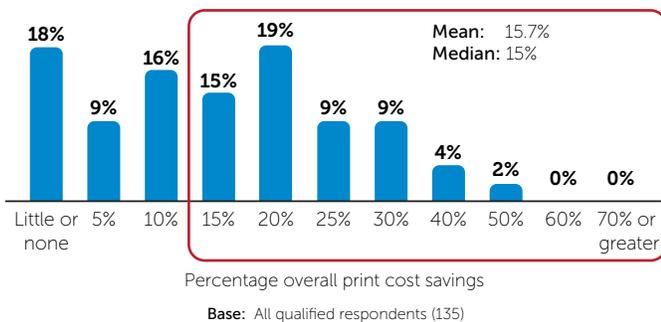
Source: Printer Upgrade ROI Study, conducted by Ziff Davis Enterprise for Dell, February 2012



ROI calculation = 45% savings

As noted in Figure 4, 58% of respondents indicated that the replacement of even one-tenth of their older, lower-performing printers would yield overall print cost savings of 15% or more.

Figure 4: How much would you save if you replaced 10% of your older printers?



Q. Suppose your organization decided to replace 10% of its least cost-effective printers that accounted for 10% or your organization's total printing volume. By what percent do you think the annual costs on that printing volume would fall? Consider all of the potential savings from lower ink/toner costs, lower hardware maintenance, fewer helpdesk calls, lower energy consumption, and less lost productivity due to out-of-service printers (minus the price of the new replacement printers divided by, say, 3 years of expected life).

Source: Printer Upgrade ROI Study, conducted by Ziff Davis Enterprise for Dell, February 2012

In fact, using cost comparisons provided by Dell, the number is closer to 45%. Specifically, when calculating operating costs for a typical printer refresh situation, Dell found organizations could save 47% on total supplies costs, 55% on color cost per page, and 68% on total service costs. These and other savings contributed to this 45% total cost of ownership savings.

Figure 5: Dell calculations of cost savings in a typical printer refresh

Printer Refresh ROI Analysis	Percent Savings
Total Supplies Costs	47%
Total Service Costs	68%
Average Color Total Cost Per Page	55%
Total Cost per Employee	45%
TCO	45%

Additionally, Dell ROI calculations show that moving from a mix of monochrome and color printers to a standard fleet of multifunction devices delivers significant savings. For example, in a recent site analysis of an administrative building in a large educational facility, Dell Imaging Consultants uncovered a large number of personal devices, old under-utilized printers and obsolete technologies that were all contributing to high printing costs and inefficient workflows. With guidance from Dell consultants, the customer was able to reduce the number of devices by 77%, increase the utilization by 331% and decrease the cost per page by more than 30% for both mono and color.

Conclusion = refresh printers and track costs regularly

It's abundantly clear that printers represent a significant, often-overlooked and underestimated expense for most organizations. For the last decade, IT experts have been unanimous in their recommendation of right-sizing, consolidation, and regular fleet refreshes on a three-year basis.

Recent survey results show that organizations aren't doing enough to realize the efficiencies and savings that can result from regular printer refreshes, but they do recognize the potential for cutting printer costs significantly. In fact, ROI calculations from Dell show that the savings could reach 45%.

Dell's vast industry leadership and experience with organizations just like yours makes it a strong partner when it comes to your printer fleet. Dell can work with you to determine if your organizations would benefit from a printer refresh. And when you're ready to refresh your printer fleet, Dell understands your entire print management infrastructure and will work closely with you, creating a solution that will deliver operational benefits and bottom-line savings.

To learn more, please visit www.Dell.com/printers