



Managed Print Services Landscape 2017 – A Vendor Analysis of the Global Enterprise MPS Market

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Biography

Clive Longbottom is the founder and research director of Quocirca (www.quocirca.com). Trained as a Chemical Engineer, Clive understands that everything within a business is predicated on process, and that the only point of technology is in making sure that the processes run efficiently and smoothly.

Business processes cover a multitude of sins, and therefore Clive is a technical generalist, covering areas as diverse as storage, servers, operating systems, IT platforms, data centres, systems management, on-line services, big data and analytics – in fact, pretty much anything that can have an impact on the business. He strongly believes that analysts that are too focused on a single area may be able to help the IT department, but that they will generally fail in what they should really be doing – helping the business.

Clive is regularly quoted in the technology industry and mainstream business media and is a regular contributor of analytical content to various publications and frequently blogs on Computer Weekly. He regularly delivers presentations from formal keynotes at large events to informal off-the-cuff talks at executive dining evenings.

Clive has been elected as a Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA). As part of this, Clive has written on how technology can be used to help underserved areas of the planet, and can help in making life better for people without imposing a view of everyone needing to move to cities or to change their aspirations.



Louella Fernandes
Principal Analyst –
Managed Print and
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Louella Fernandes is a respected and globally recognized analyst who has a wealth of experience and knowledge from 20 years' association with the printer industry. Her research and consulting experience includes strategic and competitive analysis of the managed print services (MPS) market and analysis of end-user MPS requirements from small businesses to large enterprises.

Quocirca's MPS Landscape reports (www.quocirca.com/reports) are widely respected across the industry as providing an insightful and authoritative view of the global MPS market. Louella has also authored a variety of reports on the document security, mobility and the extension of MPS into broader business process services (BPS) and IT services (ITS) markets. Louella also presents on the evolving print market at vendor events, video interviews and webinars.

Prior to joining Quocirca in 2006, Louella was European Developer Relations Programme Manager at Canon Europe, focusing on expanding the availability of print and document solutions for Canon's range of digital copiers through ISV partners.

Louella regularly publishes articles on her blog site louellafernandes.com Louella has a BSc (Hons) degree in Computer Science from Aston University.

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Abstract

This article is an abstract of a report (www.quocirca.com/content/managed-print-services-landscape-2017) that examines the competitive landscape for Managed Print Services (MPS) and discusses the key market drivers and trends that will shape future generation MPS engagements. It also draws on new research



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conducted in June 2017. The survey covered organizations with over 500 employees using Managed Print Services in the UK, France, Germany and the US. The full report and research findings are available to purchase directly from Quocirca (www.quocirca.com).

Introduction

Managed print services (MPS) remains a proven approach that enables businesses to acquire the skills and expertise they require to address the cost, complexity and risk of an unmanaged print infrastructure. While many MPS providers are repositioning MPS in the wider realm of workflow or process automation or content management, it is the minority of organizations that have embraced these broader services within their MPS engagements. However, these organizations are much more positive about the outcome of their MPS engagements. While most clients are content with their MPS relationships, many continue to voice the desire for a direct, proactive and innovative business partnership. As the market matures, the opportunity to drive greater business value through MPS, particularly in the context of digital transformation, is increasing. This customer-centric and strategic approach to MPS requires innovation, insight and industry expertise – areas in which MPS providers demonstrate mixed levels of performance.

A market in transition

The market has seen a wave of consolidation in the past few years, with manufacturers scrambling to reposition their print businesses and respond to digital disruption. HP Inc acquired Samsung's printer business for \$1 billion in September 2016, while Xerox returned to its roots in January 2017 following the separation of its service business, now called Conduent. The Foxconn Technology Group acquired Sharp in August 2016, and Lexmark's acquisition by a Chinese consortium led by Apex Technology was completed in November 2016. MPS and associated solutions represent fundamental growth opportunities for all vendors, but in a commoditised and mature enterprise market it is becoming increasingly challenging to differentiate. Nevertheless, the market is relatively stable, with Quocirca's survey revealing that 65% of organizations expect MPS spend to rise in the coming year.

Strong MPS market leadership group

The enterprise MPS market is characterised by a closely packed group of leaders: Xerox, HP Inc., Ricoh, Canon, Lexmark and Konica Minolta. All demonstrate a mature service portfolio, investment in their MPS platform, commitment to enhanced service delivery and an ongoing investment in analytics. Xerox leads due to its breadth and depth of capability across office to production print environments, and a strong vision for innovation around its ConnectKey MFP ecosystem.

HP Inc has moved security to the heart of its MPS strategy, offering one of the most advanced and comprehensive security-led technology and services portfolios. Lexmark has extended its predictive analytics capabilities to further enhance its



proactive service delivery credentials. Konica Minolta continues to deepen its focus on digital transformation, with a highly-focused IT services-led proposition for mid-market businesses.

Service delivery quality is the battleground for MPS

Given many organizations' continued reliance on printing (48% indicate that paper is important to their daily business), they are demanding more reliability and availability from their print resources. Improved service quality is the top reason for MPS adoption, cited by 42% of respondents, ahead of cost reduction, cited by 33%. MPS providers are performing well in this area, being rated on average 4.09 out of 5 for effectiveness.

Smarter analytics, automation and a proactive approach hold the key to service delivery excellence. Service performance can be enhanced through embedding analytics throughout the MPS engagement – from the initial assessment process to continuous monitoring. Some leading MPS providers are incorporating predictive analytics to provide insights on equipment, support operations and field technicians in order to optimise service delivery. Providers that fail to invest in analytics capabilities face the risk of failing to adapt to the more demanding 'as-a-service' economy.

Security moves up the MPS agenda

Addressing cybersecurity risks is a top priority for many businesses, and has overtaken cost reduction as a top reason for MPS initiatives: 82% indicate that this was an important or very important driver (average score of 4.09 out of 5). Data losses remain prevalent, with 60% of organizations reporting at least one print-related data breach in the past year. Consequently, just 25% are completely confident that their print environment is protected from security threats – a clear opportunity for MPS providers. The level of security assessments varies by provider: HP Inc. stands out in particular for its Secure MPS strategy that incorporates a range of consulting services as well as broader IT integration with existing SIEM tools. Overall, 31% of businesses report they have completed a security assessment, with 65% citing threat protection as the major goal for an assessment.

An enabler for digital transformation

Almost three quarters (72%) of organizations view MPS as an important driver for digital transformation, with 89% expecting it to be important within the next two years. MPS providers are making progress here – 78% of respondents say their current provider is effective at providing solutions to support digital transformation. This is encouraging, as leading MPS providers have invested heavily in repositioning MPS for digital transformation. Clearly, MPS providers must deliver on their promises; most offer an extensive workflow solutions portfolio, backed by industry aligned consultants.

Despite the various company separations, most MPS providers have retained business process automation expertise. However, some are better positioned to address the complex needs of digital transformation than others. For midmarket organizations, the smart multifunction printer (MFP) will play an important role in



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information capture and automation. A comprehensive MFP platform can provide leapfrog opportunities for vendors – Xerox ConnectKey is a prime example. Success relies on channel engagement and a broad software ecosystem, but there is a significant opportunity for providers who can offer a simplified and customized approach for digitization and set the stage for broader digital transformation initiatives.

Future outlook

The past year has seen significant market consolidation, and the coming year will reveal who will emerge unscathed and refocused. HP Inc. has already made strong progress, and is well positioned to disrupt and innovate in the market following its acquisition of Samsung. Quocirca expects it to continue to set the pace in the industry for innovation in technology and ‘as-as-service’ models. There remain significant opportunities for MPS providers, particularly those who can serve both the SMB/midmarket space and more lucrative large enterprise market. Although the core services of MPS are increasingly commoditised, the most successful MPS providers will be those that can develop a collaborative partnership with customers and drive business transformation through differentiated services.

The full report can be downloaded direct from Quocirca at:

www.quocirca.com/content/managed-print-services-landscape-2017



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 organizations. 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 organization’s environment and the pressures of the need for demonstrable business value in any implementation. This 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 organizations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca’s clients include Oracle, IBM, CA, O2, T-Mobile, HP, Xerox, Ricoh and Symantec, 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 www.quocirca.com