



Managed Print Services Landscape, 2015

A vendor analysis of the global enterprise MPS market

July 2015

SUMMARY REPORT

This report examines the competitive landscape for MPS and discusses the key market drivers and trends that will shape future generation MPS engagements.

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EXECUTIVE SUMMARY

The managed print services market continues to gain momentum as enterprises seek to tackle escalating print costs and drive greater business efficiency. The market is relatively buoyant with 51% of organisations (either already using or planning to use MPS) indicating they plan to increase expenditure on MPS over the next year. Whilst broader workflow solutions are proving to be a significant differentiator, service delivery remains a key MPS market driver. Quocirca believes that continued investment to drive enhanced service performance through predictive analytics and a focus on consistent delivery through integrated back-end platforms is ultimately what sets the leading providers apart.

Market leaders characterised by mature offerings and enhanced workflow solutions portfolio

The tightly contested MPS market is characterised by a cluster of leaders, with Xerox remaining in the lead. Despite limited MPS revenue growth in the past year (mainly due to an already large base than other vendors), its leadership margin is boosted by its breadth of capabilities across office and enterprise printing. Other market leaders are HP, Ricoh, Lexmark and Canon with Lexmark showing strong growth and continued investment in and enhancement of both its MPS and ECM portfolio.

Strong performers provide complementary strengths

Konica Minolta has made significant progress since last year, with strong growth in MPS revenue, which has helped expand its market penetration. It has developed a strong holistic approach to its Optimized Print Services (OPS) offering supported by a growing focus on business process optimisation. Kyocera is emerging as a credible player in the market with its MDS proposition, which is primarily delivered through its dealer network. Particularly unique is its cloud services offering through its strategic relationship with KDDI and Telehouse data centres, where it offers a virtualised MPS model.

Security driving the MPS agenda

For the first year, security has risen to the top of the agenda with 75% indicating that this was an important or very important driver (average score of 4.01 out of 5). Overall 40% of organisations have completed a security assessment with a further 46% indicating an audit was underway. Overall 74% of organisations have deployed or are planning to implement secure print solutions (i.e. pull printing). Those using MPS are most likely to have deployed pull printing – 42% compared to just 14% of those not currently using MPS.

MPS is effectively driving paper to digital transition

Overall, 72% of respondents indicated that they have some paper free processes and are planning more. For those already using MPS, this rose to 74% compared to 57% that have yet to start MPS. Key to the transition to digitised workflow is better utilisation of smart MFP technology. Overall, 37% of organisations have a well-defined strategy that maximises the benefits of smart MFPs. Those using MPS are most confident about paper to digital integration - 77% compared to 56% of those yet to embark on an MPS engagement.

Analytics has potential to drive greater business value

Driven by the need to gain greater insight from the wealth of structured and unstructured data collected across an enterprise, the market for Big Data analytics continues to grow. Quocirca's survey revealed that overall, 45% of organisations using MPS plan to increase expenditure in this area. Providers recognise that through running large-scale engagements, there is a wealth of insight that can be uncovered about their customer businesses. As MPS moves up the value chain and becomes more focused on delivering strategic business impact, analytics promises to be the next key differentiator amongst leading MPS providers.



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Methodology

End-user analysis

Quocirca conducted an end-user survey among senior IT managers with responsibility for decisions relating to a managed print service. Research was conducted in the UK, France, Germany, and the US, at 210 enterprise companies with 1,000 or more employees. Overall, 100 respondents were using MPS, 46 were planning to and 64 were not using or planning MPS. This survey was conducted by telephone and fielded during April 2015.

Vendor analysis

Quocirca has included the following MPS providers in this study: Canon, HP, Konica Minolta, Kyocera, Lexmark, Ricoh and Xerox. Vendor selection was according to:

- **Experience and skills in providing MPS services:** all providers had to demonstrate a strong record of delivering MPS.
- **Geographical delivery capability:** each provider was required to have the capability to deliver global services.

Each MPS vendor was requested to complete a written submission detailing its strategy, capabilities, and customer references to ensure key facts and figures were captured. These submissions were followed up with vendor interviews. The quantitative and qualitative inputs from the vendor research were analysed by Quocirca, in order to determine each vendor's score against a list of criteria for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an un-weighted model although prospective buyers may wish to weight the scores to meet their own specific needs.

Definitions

Quocirca defines a "managed print service" as the use of an external provider to assess, optimise and continuously manage an organisation's document output environment, in order to lower costs and improve productivity and efficiency while reducing risk. MPS allows organisations to reduce costs and improve efficiency by rationalising the print environment. It also leverages existing investments in multi-function peripherals (MFPs), while continually monitoring usage, so that the optimised infrastructure continues to meet business needs.

MPS covers a number of service areas across three broad categories:

- **Assessment** – a review of the current print environment to provide recommendations for a rationalised print environment and provide an estimate of potential future savings. Assessments range from basic online assessments to full workflow assessments. Environmental impact analysis and document security assessments may also be included.
- **Optimisation** – device rationalisation and consolidation to improve user-to-device ratios and development of print policies to develop a governance framework for a full enterprise MPS, including change management, deployment and transition.
- **Management** – continuous process improvement, business reviews, SLA monitoring, remote management and workflow improvement.

These services fall under Quocirca's definition of MPS when the vendor takes over responsibility for delivery under a contract of three years or more in length. Such activities may also involve the transfer of people or assets to the vendor or provider.



The MPS ecosystem

The MPS landscape includes printer/copier manufacturers, systems integrators and software infrastructure vendors.

- **Printer/copier manufacturers:** these vendors' programmes are generally tied to their product offerings, although multi-vendor support is often offered. Service offerings include assessment, design, implementation, and support services. They may also offer MPS programmes to their reseller partners. Vendors in this category include Canon, HP, Kyocera, Konica Minolta, Lexmark, Ricoh, Toshiba, and Xerox.
- **Systems integrators/resellers:** these are a channel to market for some printer and copier vendors, and may offer MPS as part of a wider managed IT services offering.
- **Independent Software Vendors (ISVs):** these provide software tools for use in the print environment. Examples include print management products such as Nuance Equitrac, Print Audit, FM Audit, and PrintFleet and secure printing products from Equitrac, SafeCom, and Ringdale. MPS providers often use such third party products to add value to a particular element of their MPS portfolio.

Market overview

Market momentum

The managed print services market continues to gain momentum as enterprises seek to tackle escalating print costs and drive greater business efficiency. The market is relatively buoyant with 51% of organisations (either already using or planning to use MPS) indicating they plan to increase expenditure on MPS over the next year. Quocirca estimates that almost 50% of large enterprises (over 1,000 employees) are now using some form of MPS, with stronger prevalence in very large enterprises. Overall, a further 20% are planning to use MPS within the next year, reflecting the growing maturity of the market. Whilst broader workflow solutions are proving to be a significant differentiator, service delivery remains a key MPS market driver. Quocirca believes that continued investment to drive enhanced service performance through predictive analytics and focus on consistent delivery through integrated back-end platforms is ultimately, what sets the leading providers apart.

On average, organisations have been using MPS for 3 years with an average of 23 locations and 6 countries covered by an MPS contract. The majority (64%) are in the second phase of their engagements – having optimised their fleet and now implementing document workflow tools. Overall, 70% operate a multivendor fleet managed by a single MPS provider (mixed fleet) reflecting the need for strong multivendor support capabilities at the outset of any MPS contract. However, almost 80% indicate that they intend to consolidate on a single brand. Operating a standardised fleet offers a range of efficiency benefits – for both IT management and end-users. Clearly those MPS providers that are able to offer the broadest hardware portfolio are best positioned to address the diverse printing and imaging needs of large enterprises.

Currently, the majority of respondents indicated that they use a hybrid MPS approach, retaining some print management tasks in-house. However, the fully outsourced approach is the one paying the most dividends. Overall, 90% of those using a fully outsourced service are satisfied or very satisfied with the management and performance of their print infrastructure, compared to 68% of those taking a hybrid approach. In fact, while overall respondents reported an average saving of 26% on the cost of printing over the past year through using MPS, it is those using a fully outsourced approach that report the highest savings. Almost 40% of this segment indicates savings of over 30% compared to 24% of those using a hybrid approach.

Certainly, with a full-outsourced approach, organisations can achieve significant cost efficiencies and the scale and experience of the MPS provider can go beyond what is available from internal resources. It can also enable an organisation to drive innovation and change by freeing up internal IT staff to spend on development projects that are more closely aligned to achieving business objectives. Whilst a hybrid approach can help an organisation retain some level of in-house control, it requires robust governance to ensure efficiency and consistent service level quality.

Security and cost are top drivers for MPS

Overall, for the first year, security has risen to the top of the agenda with 75% indicating that this was an important or very important driver (average score of 4.01 out of 5). Document security was rated the highest by professional service and financial sector respondents with government, despite their heavy reliance on printing, paying it the lowest priority. Unsurprisingly cost remains a top driver – particularly amongst organisations with more than 3,000 employees and those in the professional services



and financial sector. Clearly, despite many of these organisations transitioning to digital processes, the cost of printing is still a key challenge, which they are looking to mitigate through MPS. Service quality follows closely behind; improving service levels through better governance, SLA quality and reporting and analytics is now a key differentiator for the top MPS providers.

Notably, larger enterprises are also more likely to be using MPS to reduce paper usage and reduce environmental impact. MPS has a strong role to play here and increasingly, leading MPS providers are looking at this from a holistic view at the outset of every MPS engagement. With the appropriate workflow solutions and services supported by the latest smart MFP technology, MPS can help organisations make strong inroads in automating workflows and reducing wasteful and inefficient paper processes.

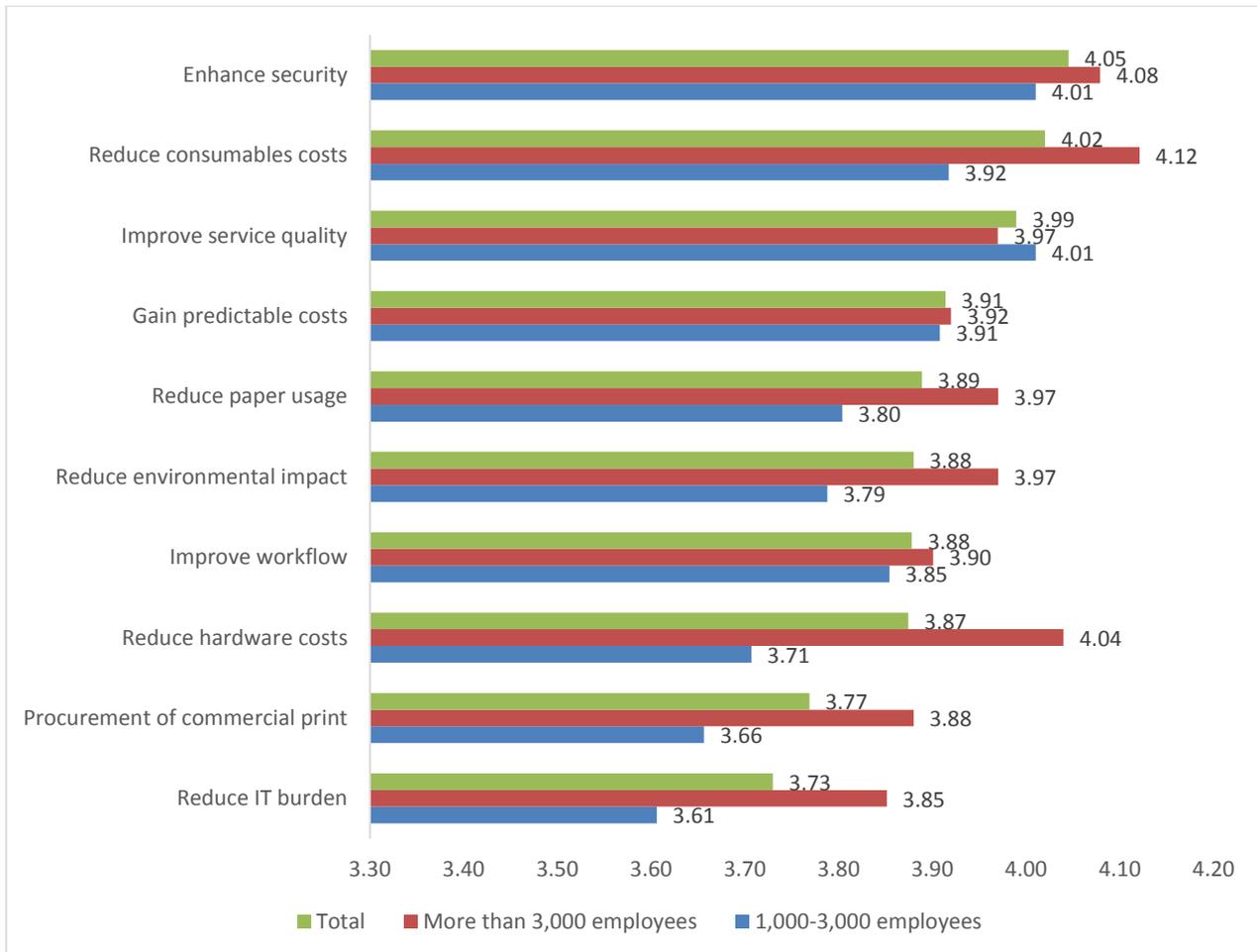


Figure 1. How important are the following drivers to your organisation in motivating a move to a managed print service?

MPS is successfully tackling paper to digital workflow

Overall, 72% of respondents indicated that they have some paper free processes and are planning more. For those already using MPS, this rose to 74% compared to 57% that have yet to start MPS. So how well is MPS faring when it comes to helping organisations transition to digital workflows?

A key consideration is the smart multi-function printer (MFP), which when effectively utilised is the foundation to bridging the paper and digital gap. With sophisticated document capture and routing capabilities, these devices can integrate directly with enterprise content management (ECM) and other systems such as enterprise resource planning (ERP). So, for instance, paper invoices or expense receipts can be scanned and routed directly to an accounts application from the MFP interface panel.

Quocirca’s survey revealed that overall, 37% of organisations have a well-defined strategy that maximises the benefits of smart MFPs, with 50% indicating that they understand the value of smart MFPs and are starting to exploit them. Notably, 46% of MPS users have a well-defined MFP strategy compared to just 14% of those that are yet to begin their MPS engagement.



Those using MPS are already reaping the benefits in their paper and digital workflow integration. Overall, larger enterprises are faring the best, with 87% indicating that their organisations are effective or very effective (average score 4.01 out of 5) compared to 65% of smaller enterprises (average score of 3.84). It is those organisations using a fully outsourced model that are likely to be most satisfied – 50% rated their ability as very effective compared to 26% of those taking the hybrid model. Business process optimisation expertise is a key success criteria for effectively automating paper dependent processes. Clearly those organisations using a fully outsourced approach are reaping the benefits from accessing the skills and expertise of a third party MPS provider.

There is a direct correlation between MPS usage and confidence in paper to digital workflow integration – 77% of MPS users indicate high confidence levels compared to 56% of those planning MPS (Figure 2). There are some industry variations; whilst financial services are the most confident, government and professional services lag behind. By region, just 48% of UK respondents believed their organisations were effectively integrating paper and digital workflow compared to 84% of US respondents.

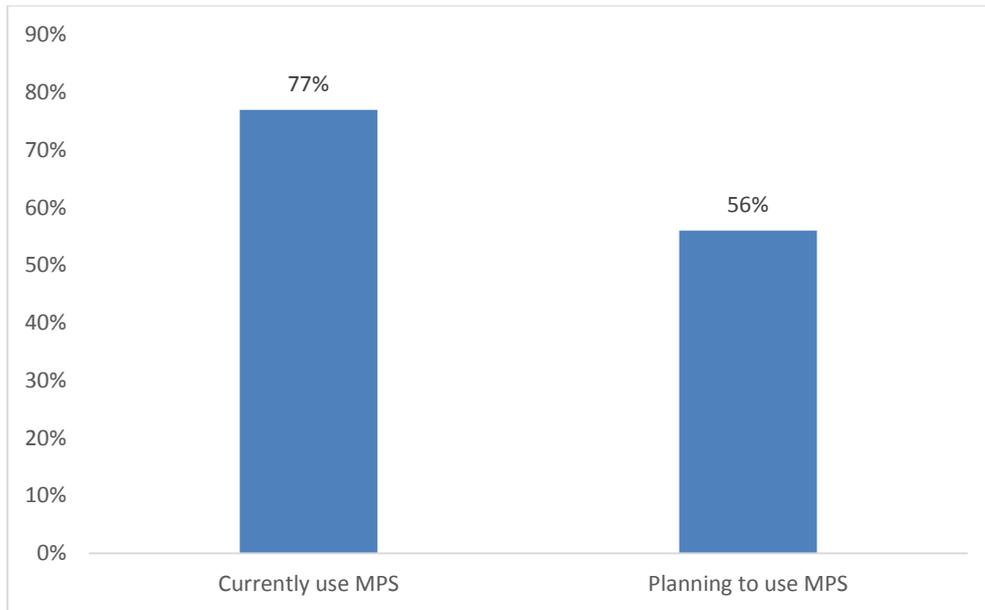


Figure 2. How effectively does your organisation manage and integrate paper-based information into digital workflows? (Rated effective or very effective)

MPS is certainly helping organisations tackle the paper trail, and as more organisations move to the business process optimisation stages of their engagements, Quocirca expects to see even higher confidence in this area.

MPS is closing the print security gap

Overall, 65% indicated that their organisations plan to increase expenditure in IT security. This is encouraging for the MPS market as there is still a significant opportunity to enhance the security of what is often the weakest link – the print environment. Whilst enterprises reporting document security as a top driver for moving to MPS, there is still a significant opportunity to close the print security gap. Information – whether it resides on paper or electronic format represents a vast array of customer insight, customer insight, employee knowledge, business intelligence and innovation. Left unsecured, this information can pose a huge legal and reputational risk.

Organisations are waking up to the potential security risks that moving to a shared MFP environment poses. However, there are regional variations - whilst 40% of UK respondents indicated they were concerned with data loss through unclaimed output, this rose to 56% in the US.

Overall, 70% reported at least one data loss in the past year, with losses being slightly more prevalent in organisations with over 3,000 employees. The US shows the highest level of data loss – 82% indicating paper-related data losses compared to 42% of UK respondents. However, the picture could be worse in the UK with 16% not knowing the level of data loss at all (Figure 3). By vertical, the highest incidence of data loss was reported in the government sector, with only 20% indicating no data loss compared to 40% of financial service respondents.



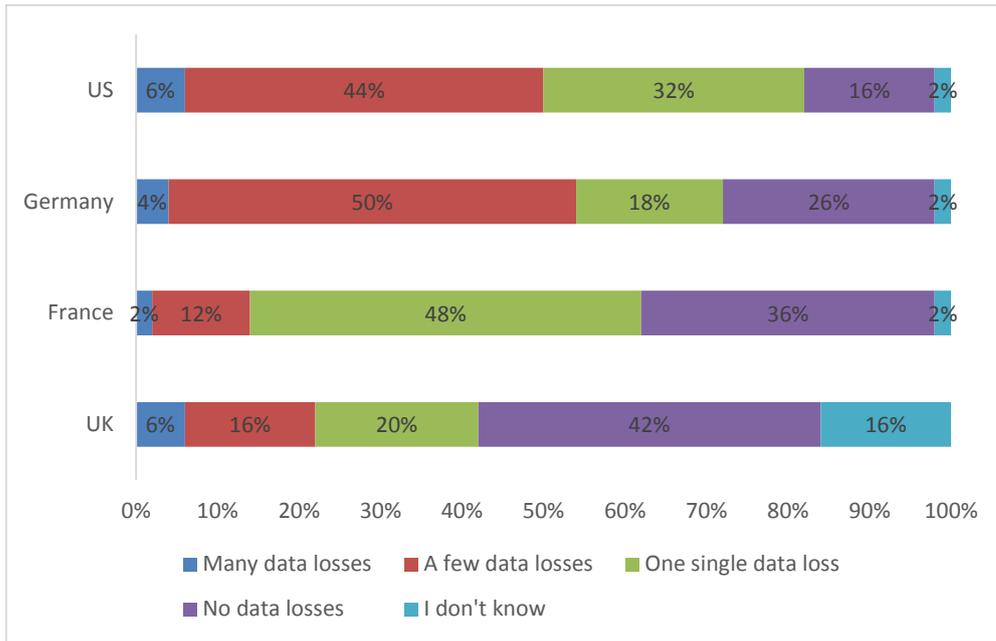


Figure 3. What level of paper-related data losses through printers/MFPs has your organisation had in the past 12 months?

Clearly, this all points to the need for full document security audits and the implementation of secure print solutions. Overall 40% of organisations have completed a security assessment with a further 46% indicating an audit was underway. Organisations in the US and France are most likely to have completed a security assessment, reflecting a higher priority attributed to document security. Overall, 74% of organisations have deployed are or planning to implement secure print solutions (i.e. pull printing). Those using MPS are most likely to have deployed pull printing – 42% compared to just 14% of those not currently using MPS. Despite a lower incidence of data loss, UK respondents have deployed pull printing at the same levels as other regions. There is a variation by industry, with the majority of financial services leading in their deployment and the government sector lagging behind. (Figure 4)

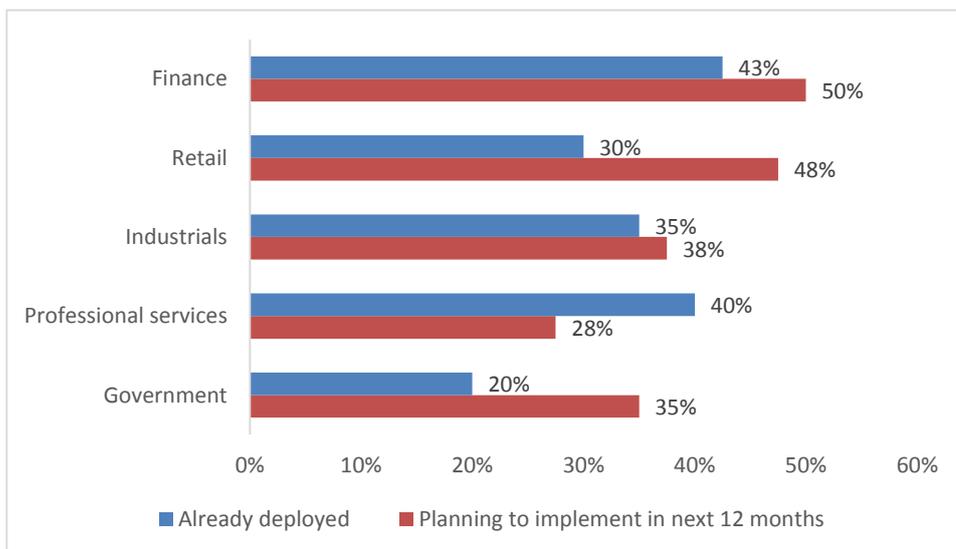


Figure 4. Has your company deployed or plan to deploy pull printing?



Encouragingly, 77% of organisations feel that MPS has delivered on its goal to enhance document security. Quocirca believes that security assessments and solutions are now a core requirement for any MPS engagement. Buyers should closely evaluate not only the detail of any security assessment but also the hardware and software technology, to ensure that document security is robust across the entire printer fleet.

Innovation through analytics

Driven by the need to gain greater insight from the wealth of structured and unstructured data collected across an enterprise, the market for big data analytics continues to grow. Quocirca's survey revealed that overall, 45% of organisations using MPS plan to increase expenditure in this area. As MPS moves up the value chain and becomes more focused on delivering strategic business impact, analytics promises to be the next key differentiator amongst leading MPS providers. They are recognising that through running large-scale engagements, there is a wealth of insight that can be uncovered about their customer businesses. Whilst most providers offer standardised reporting or ad-hoc reports, these may often only describe the current or historical situation. However, the most advanced providers, such as Xerox and Lexmark, have developed expertise in the area of predictive analytics.

Gaining insight into the future through predictive analytics, predictive modelling and forecasting and optimisation enables organisations to understand what could happen in the future and anticipate likely scenarios so they can plan more effectively. In the most effective engagements, providers apply their domain and industry expertise to enhance operational delivery through pre-defined service level agreements (SLAs) and key performance indicators (KPIs).

Through predictive analytics, proactive service is enabled and device uptime and availability improved. Through deeper analysis of workflows, recommendations can also be made with respect to workflow optimisation. Quocirca believes that leveraging analytics supported by strong industry expertise will be key to driving new levels of insight and innovation across MPS engagements in the long term. Additionally, as printer and smart MFP become a connected part of the internet of things (IoT) landscape, using data collected by these devices offers vendors' further opportunities to improve efficiency, develop new products and services and innovate.



Recommendations

Overall, the top criteria for vendor selection are pricing, SLA quality and references. However, the relative importance of each criterion varies by region, with the US and Germany showing a higher priority to most criterion than the UK and France.



Figure 5: How important are the following factors to your organisation when selecting an outsourced MPS provider?

Given that the requirements for an MPS provider will vary by industry and business need, Quocirca recommends the following broad criteria to evaluate when selecting an MPS provider:

- Breadth and depth of assessment services.** A detailed assessment is the foundation an effective MPS and should take a holistic view of all print related processes. At the minimum, this should include a full document assessment which analyses print usage across the enterprise. Additional services to consider should include environmental and document security assessments, which are now more common. Workflow assessments at the outset are critical for identifying business process optimisation opportunities. A comprehensive assessment will ensure the greatest opportunities for cost savings and productivity improvements over the long term of a contract.
- Scale of offerings.** Many organisations may be using a variety of providers for their print, IT and business process services. However managing multiple service providers can also be costly and complex. For maximum efficiency, look for a provider with a comprehensive suite of services which cover office and production printing, IT services and business process automation. Consolidating through a single supplier that has a compelling value proposition across these services can offer a range of benefits including driving cost savings from increased supplier efficiency. Such potential providers should be financially strong and have global capability, scalability and proven performance.
- Strong multivendor support.** Most print infrastructures are heterogeneous environments comprising hardware and software from a variety of vendors, so MPS providers should have proven experience of working in multivendor environments. A truly vendor-agnostic MPS provider should play the role of trusted technology advisor, helping an organisation select the technologies that best support their business needs. Independent MPS providers should also have partnerships with a range of leading vendors, giving them visibility of product roadmaps and emerging technologies.



- **Industry and process expertise.** In addition to helping customers improve the efficiency of their print infrastructure, leading MPS providers can help them drive business transformation and increase employee productivity as well as supporting revenue growth. An MPS provider should understand the customer's business and be able to advise them on solutions that can be implemented to improve business performance, extend capabilities and reach new markets. Industry specific workflow solutions which integrate with key business processes such as HR, legal and, finance and accounting are becoming a key differentiator for MPS providers.
- **Integrated and secure mobile strategy.** The continued growth in enterprise mobility along with the broader use of shared MFP technology poses a range of security risks. Look for an MPS provider that offers a range of security solutions from both a hardware and software perspective supported by robust auditing capabilities.
- **Flexibility.** Businesses will always want to engage with MPS in a variety of different ways. Look for an MPS provider that offers flexible contracts in terms of the commercial offering, contract terms, staffing and delivery location. Some organisations may want to standardise on a single vendor's equipment and software, while others may prefer multivendor environments. Some may want a provider to take full control of their print infrastructure while others may only want to hand over certain elements; and some may want to mix new technology with existing systems so they can continue to leverage past investments. Leading MPS providers offer flexible services that are able to accommodate such specific requirements. Flexible procurement and financial options are also key, with pricing models designed to allow for changing needs.
- **Mature service level agreements and governance.** MPS providers must be willing to meet performance guarantees through contractual SLAs, with financial penalties for underperformance. They should also understand the controls needed to meet increasingly complex regulatory requirements. SLAs have to be flexible, and the MPS provider must use predictive analytics to be able to advise on future needs with sufficient notice – and to offer a range of different approaches based against the customer's own risk profile, balancing risk, cost and perceptions of added business value. Continuous improvement and best practices focus must be integral to the MPS provider and inherent in the expectations set out in the contract. Much of this relies on comprehensive analytics and reporting across print related business processes. Any need to enact on any financial penalties should be regarded as a failure of both parties; the provider for not providing continuous advice, and the organisation for not maintaining a degree of due diligence on the provider's activities.
- **Consistent global service delivery with local support.** Global delivery capabilities offer many advantages, including rapid implementation in new locations and the ability to effectively manage engagements across multiple countries. However, it is also important that a provider has local resources with knowledge of the relevant regulatory and legal requirements. Check whether an MPS provider uses standard delivery processes across all locations and how multi-location teams are organised and collaborate.
- **Full service transparency.** Consistent service delivery is built on consistent processes that employ a repeatable methodology. Look for access to secure, web-based service portals with dashboards that provide real-time service visibility and flexible reporting capabilities.
- **Alignment with standards.** An MPS provider should employ industry best practices; in particular aligning with the ITIL approach to IT service management. ITIL best practices encompass problem, incident, event, change, configuration, inventory, capacity and performance management as well as reporting. Support for ITIL will lead to easier integration of the MPS service into existing systems, such as the help desk function.
- **Innovation.** Leading MPS providers must demonstrate innovation. This may include implementing emerging technologies and new best practices and continually working to improve service delivery and reduce costs. Choose a partner with a proven track record of innovation. Do they have dedicated research centres or partnerships with leading technology players and research institutions? Consider how a prospective MPS provider can contribute to a company's innovation and business transformation strategy. Bear in mind that innovation within any outsourcing contract may come at a premium – this is where gain-sharing models may be used.

Ultimately, businesses are looking for more than reliability and cost reduction from their MPS provider. Today they also want access to technologies that can increase productivity and collaboration and give them a competitive advantage as well as help with business transformation.

By ensuring a provider demonstrates the key characteristics above before committing, organisations can make an informed choice and maximise the chances of a successful engagement.



Vendor assessment

Quocirca has created a vendor scorecard for each MPS provider, based on a range of criteria that determines an overall score for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an un-weighted model although prospective buyers may wish to weight the scores to meet their own specific needs.

Market presence criteria

- **Enterprise customers:** the strength of the vendor's European enterprise customer base.
- **Strategy:** how comprehensive is the vendor's MPS strategy, the quality of its overall value proposition and its evolutionary vision for MPS?
- **Maturity of offerings:** how long has the vendor been active in the market; how developed are its offerings?
- **Geographic reach:** a vendor's geographic reach, either directly or through partners or channels.
- **Overall financial strength:** a vendor's overall financial position and assessment of the scope for future investment in its MPS offering.
- **MPS revenue and growth:** European MPS revenue and growth over the past year.
- **Market credibility:** the effectiveness of vendor initiatives to promote its brand, increase awareness of its service offering and influence market development. Also includes the clarity, differentiation and internal/external consistency of the vendor's market messages.
- **Alliances and partnerships:** The strength of the vendor's partner and alliance network.
- **Investment and dedicated resources:** The vendor's investment in its MPS portfolio, resources, and its innovation that will add improvements in approach, process, or service offering.

Completeness of offering

- **Modularity of services:** the flexibility and scalability of the service portfolio to provide a customised offering.
- **Breadth and depth of service offering:** the range of services available, including complementary ones such as business process outsourcing (BPO), IT outsourcing (ITO) and document process outsourcing (DPO).
- **Help desk capabilities:** centralised help desk capabilities and integration, remote diagnostics and support.
- **CRD/production printing:** print room/production printing services to support high volume printing requirements.
- **Multi-vendor support and maintenance:** the vendor's ability to service and support third party products.
- **Mobile printing support:** capabilities to support mobile workers, either through mobile device printing or pull printing/authenticated secure printing.
- **Document workflow integration:** range of solutions to support document capture, routing and integration with ECM systems.
- **Industry solutions:** capability to offer industry software solutions in key vertical markets and industry alignment of sales force

Figure 6 represents Quocirca's view of the competitive landscape for printer and copier vendors that deliver enterprise MPS. A vendor's market position is indicated by the size of the bubble, based on estimates of customer base. An indication of the growth in each vendor's position is shown by a (+), (-) or (=). The following categories are used to reflect a vendor's position:

- **Market leaders:** vendors that lead the market in both strategic vision and depth of service offering. Leaders have made significant investments in their service portfolio and infrastructure and are supported by strong delivery capabilities.
- **Strong performers:** vendors that have established and proven offerings supported by demonstrable customer success.
- **Contenders:** vendors that have service offerings that are currently being aligned on a global or European basis. Contenders are typically investing in resources, infrastructure and partnerships to expand market coverage.
- **Emerging:** vendors that are in the process of developing MPS offerings or offer MPS on a regional basis.



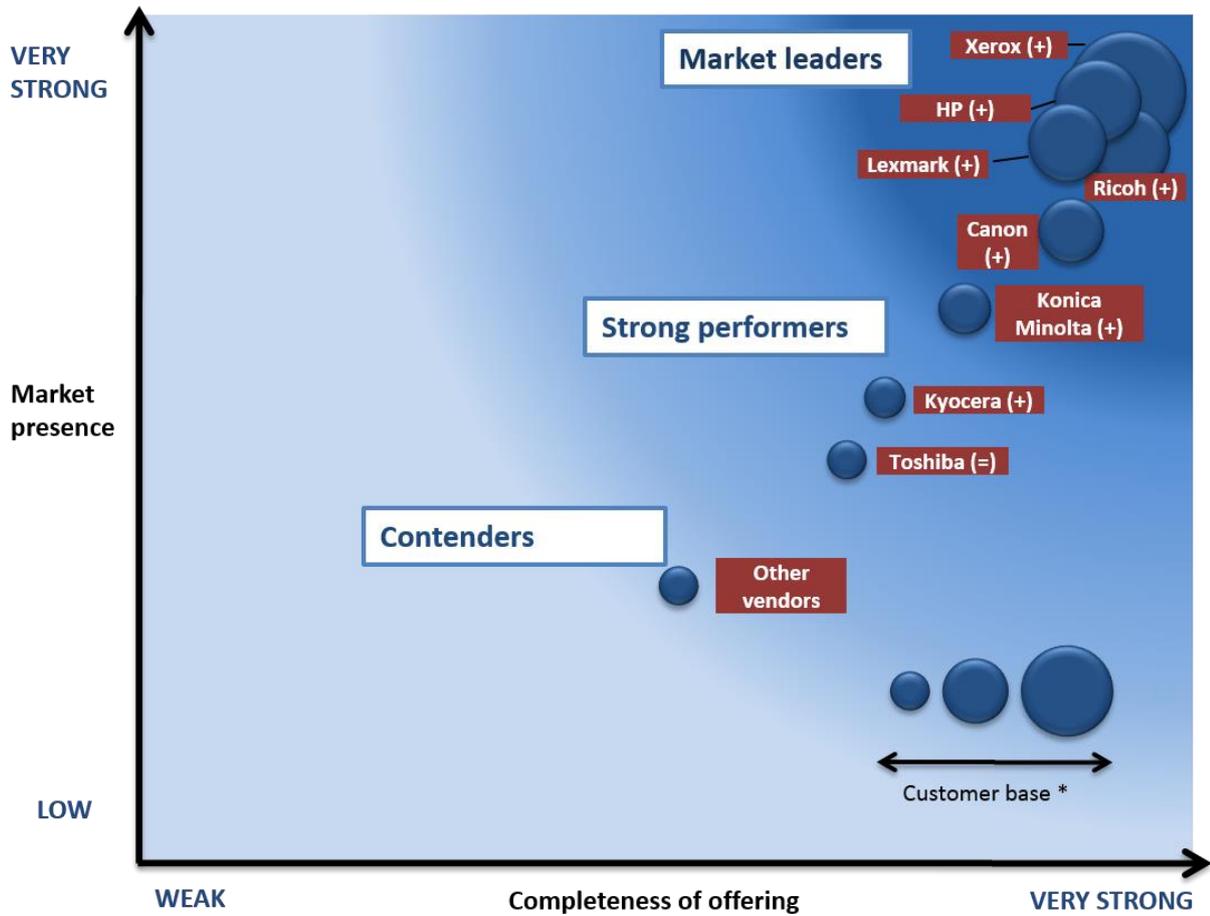


Figure 6: Quocirca MPS vendor positioning

* Customer base: Please note that enterprise customer figures and estimated devices under management have been considered when determining customer base bubble size.



Vendor highlights

Quocirca has seen the MPS market gaining maturity and emerging from first and second generation offerings, leading to improvements in all vendors' offerings as new functions and capabilities have been added to the core offering, as well as through BPO and ITS services. Many of the vendors are also investing heavily through acquisitions and adapting their portfolio to changes in the overall IT market, such as bring your own device (BYOD) and mobility.

Market leaders: Xerox, HP, Ricoh, Lexmark, and Canon

Market leaders possess diverse strengths with a wide global presence and have prioritised their efforts and investments to win in this highly competitive marketplace. Prospective buyers will find these providers differ in their individual strengths by industry, geography and service line but all articulate a strong MPS proposition for enterprise customers.

- **Xerox:** Xerox's strategy to reposition itself as a services company remains on track. It retains its overall leadership position in the market due to its broad and mature MPS portfolio that it continues to enhance with value added solutions services. An early leader in the market, its key strength is the depth and scale of its service offering which encompasses office printing, production printing and workflow automation services. Its services revenue now represents more than half – 54% - of its total revenue. In December 2014, Xerox agreed to sell its information technology outsourcing (ITO) business to ATOS in order to focus on higher value services. This will enable it to strengthen its service portfolio and also improve service margins. Xerox is now taking a more vertical approach to its services business, organising its go-to-market resources into 6 global industry business groups. This new industry alignment, supported by a strong industry workflow automation portfolio will be critical to its success in deepening its customer relationships. A key strength for Xerox has always been its strong analytics and reporting capabilities, which are vital to the success of any MPS engagement. With tighter synergies between its document outsourcing and BPO businesses, Xerox is well positioned to capture greater mindshare as enterprises look to more business-process centric MPS engagements.
- **HP:** HP remains a leader in the MPS market, supported by a strong end-to-end hardware and software and services portfolio. It offers one of the broadest product ranges in the industry, from low-end consumer printers to production-class web presses. HP is the only MPS provider that also provides personal systems professional services for HP desktops, laptops, tablets and other mobile devices as a complete end-user workplace services offering. It continues to strengthen its MPS business with an ever-expanding range of software solutions and multi-vendor support to meet a broader range of mobility, security and document workflow needs. Its partnership with Sharp has boosted its production printing offerings. It has also invested heavily in its MPS offering for channel partners to expand its penetration in the SMB and midmarket. Its Enterprise Content Management (ECM) offering holds strong promise for the future if HP can deepen the synergies with the future Hewlett Packard Enterprise and leverage the synergies between MPS and broader business process automation engagements. Whilst HP intends to maintain strong agreements between the two companies post separation, Quocirca will be watching the split carefully to see how successfully HP carries forward its overall managed services portfolio.
- **Ricoh:** Ricoh is in the midst of transformation, actively streamlining its company structure to accelerate growth across a number of markets and shifting focus to what it calls "workstyle innovation". It has maintained its position as a leader in the MPS market, boosted by its global scale, unified service and delivery infrastructure and effective approach to business process automation. Today it has over 4,000 engagements with in excess of 1 million devices under active management on a global basis. In September 2014 Ricoh announced eight new service lines which include MDS, Production Printing Services, Business Process Services, Application Services, Sustainability Management Services and Communication Services. Leveraging Ricoh's 5 step adaptive model, this service expansion is supported by a broad range of technology and solutions, enabling it to address a broad range of enterprise needs not only to better manage the document infrastructure, but also to optimise business processes, drive productivity and lower environmental impact. Ricoh is taking the right direction to change perceptions of its brand and develop broader services capabilities. With a broad array of services, it is now competing in many new markets and should focus on building its credibility in a few core areas and partnering with best of breed providers in others.
- **Lexmark:** In recent years, Lexmark has consistently expanded its global position in the MPS market. Its strategy continues to go from strength to strength, buoyed by further acquisitions (Kofax and ReadSoft) in the business process automation space. It now offers one of the broadest MPS and ECM portfolios in the industry and is successfully integrating its go-to-market approach. Meanwhile, its new brand identity emphasises its strategy to expand its position as a serious player in the enterprise software and services market. Lexmark's strategy is to continue to focus on a number of key areas. These



include a specific focus on industry specific MPS, expansion of industry specific and horizontal solutions, intelligent MPS, cloud enabled services, analytics, enhanced proactive services, mobile capture and print, and intelligent capture. Lexmark has developed a strong proposition for connecting print and digital information and addressing the unstructured information challenge. Although its business process automation capabilities and industry alignment will be key to its success in broader MPS engagements, its mature MPS infrastructure and proactive capabilities are just as important in driving efficiencies and improving service delivery for new and existing customers. With competitors moving to expand focus on industry workflow solutions, Lexmark will need to ensure it maintains its reputation in this space by avoiding any complexity that may result from a very broad and diverse portfolio.

- **Canon:** Canon's presence in the MPS market continues to gather momentum. In Europe, its MPS revenue grew by 20% in 2014 compared to 2013. This growth was boosted by Canon's strong push in the SME and mid-market segments along with some significant global MPS wins in 2014. In the UK, Canon leveraged its strong position in the public sector, with many additional new and large contracts signed in the healthcare and public sector markets. Canon has developed a mature set of MPS offerings targeted at businesses of all sizes. This comprises a broad end-to-end hardware and software portfolio supported by an expansive and loyal partner network. It continues to develop its offering, particularly investing in its MPS platform to further enhance its delivery and support capabilities. It is also actively expanding its mobile print and cloud services that offer advanced device management.

Strong performers: Konica Minolta, Kyocera Document Solutions

- **Konica Minolta:** Konica Minolta continues to strengthen its position in the MPS market by enhancing its Optimized Print Services (OPS) program and adjacent service offerings. Its global MPS revenue grew by 65% in 2015. Europe remains its dominant region, accounting for around 50% of MPS revenue. It is a company in good health, with both its hardware and services business growing. For the fiscal year 2015 (ending March 2015), sales for its Business Technologies group rose by 10%. Its future roadmap to 2016 is focused on capturing further production-print volume, further developing its managed IT services proposition and portfolio, increasing revenues with its Managed Content Services which includes a range of ECM applications, more technology acquisitions, an expansion of its MFP product portfolio and also developing its 3D printing offerings. In 2014 it established Business innovation Centres in each of its 5 key regional markets of North America, Europe, Asia Pacific, China and Japan as part of its shift from traditional hardware sales models to the provision of services and solutions. Konica Minolta is making great strides with its MPS strategy – both through direct and indirect channels. Its IT infrastructure management services are particularly a strong differentiator in the midmarket and its robust hardware and software portfolio is a key strength in supporting what is now a relatively mature MPS offering. Based on this year's performance, Quocirca expects Konica Minolta to move into a leadership classification in the next year.
- **Kyocera Document Solutions:** Kyocera showed further growth in its MPS business in 2014, particularly in the European mid-size business space, which it targets through its indirect channel. Kyocera Document Solutions has spent the past two years evolving its growing MPS offering, known as Kyocera Managed Document Services (MDS). It still has some progress to make in accelerating its services and software strategy, which to date has seen most success in Europe. European MPS revenue grew by 32% in 2014, and now accounts for over 40% of its global MPS revenue. Kyocera now manages over 200,000 devices in Europe, more than doubling its devices under management from 2012. A key differentiator for Kyocera is sustainability, through its long-life ECOSYS technology, which is known for high reliability, low total cost of ownership (TCO) and reduced environmental impact. Kyocera is actively repositioning its MDS strategy and is seeing growing interest as a result of strong integration with its hardware and software portfolio. A significant opportunity for Kyocera is to more fully leverage its strategic partnership with KDDI Telehouse and build on the success of its cloud printing services in the UK. This approach to the virtualisation of MDS is fairly unique in the market and mid-market customers stand to gain both cost efficiency and productivity improvements through this approach to managing their print infrastructure.

Others: Toshiba

- **Toshiba:** Toshiba has an established MDS offering in the US and Europe although its strategic approach differs by region. Quocirca views Toshiba as a contender in the MPS market, having made reasonable progress in expanding its offerings in the US and Europe. It is a major supplier of A3 MFPs and works with partners such as HP, Lexmark and OKI to fill the gap in its A4 portfolio. Although it can provide MPS directly, the majority of its MPS business is managed through its broad dealer network, particularly in the US. Its Encompass MPS brand is well established in the US, while its European strategy, based on a sustainability message, is less mature. In Europe, its "ECO-MDS" leverages the Toshiba Carbon Zero Scheme, Managed Energy Services and its ECO-MFP product. Particularly unique is its e-STUDIO306LP MFP paper reusing



system, which prints documents in erasable toner and erases documents for reuse – making more effective use of paper. This is alongside its Energy Manager software, which allows IT administrators to easily implement policies for energy usage profiles on PCs and Toshiba MFPs. Based on a long established Carbon Zero CO2 offsetting initiative and optimised Eco-settings for regular MFP products, Toshiba has brought these elements together to form its ECO-MDS offering. In Europe, Toshiba currently focuses primarily on the retail, healthcare, public sector and education vertical markets and now plans to target unified MPS contracts including barcode printers and MFPS for the manufacturing and logistics sectors. From a solutions perspective, Toshiba offers a broad range of both proprietary and third party solutions. This includes the Toshiba e-BRIDGE Fleet Management System (EFMS) which offers device management, Toshiba e-Follow for document accounting and Toshiba e-Bridge Print and Capture for mobility and workflow.



HP vendor profile

Overview

HP remains a leader in Quocirca's evaluation of the MPS market. It offers one of the broadest product ranges in the industry, from low-end consumer printers to production-class web presses, and the services to match. HP is the only MPS provider that also provides personal systems professional services for HP desktops, laptops, tablets and other mobile devices as a complete end-user workplace services offering. It continues to strengthen its MPS business with an ever-expanding range of software solutions and multi-vendor support to meet a broader range of mobility, security and document workflow needs. Its partnership with Sharp has boosted its ability to support production printing needs, improving its competitive position against vendors such as Xerox and Ricoh. Meanwhile, HP has enhanced its MPS offering for channel partners to expand its penetration in the SMB and midmarket.

Broad and scalable portfolio

HP states that it has over \$13.5 billion in cumulative Total Contract Value (TCV), FY00-FY14. It continues to maintain a comprehensive set of configurable services, ranging from assessments, procurement, implementation, on-going management and support, and document and workflow services, including Management of Change, and sustainability initiatives.

HP has offered MPS for over 15 years, with a proven strategic approach that has been established for over 8 years. This is based on three elements – optimise infrastructure, manage the environment and improve workflow. HP has expanded its capabilities and offerings around document workflow, working with a range of third party partners to accredit, certify and provide integrated workflow capabilities. It has also expanded its own solutions – for instance its range of HP Flow MFPs are integrated with HP Big Data and offer comprehensive capture/route capabilities.

HP also offers broader capabilities around its HP Big Data software such as HP TeleForm, HP Process Automation, HP Records Manager, HP Control Point, HP WorkSite and HP Marketing Optimization offerings.

Global and modular approach

HP offers a unified global service supported by its global delivery platform that supports both its direct and indirect channels. It provides customers with a modular approach to MPS, which means that organisations do not need to take a fully outsourced service, and can retain control of certain areas if required.

HP offers a scalable set of options, which include multi-vendor and "managed as is" as well as simple "get-started" MPS offerings like Page Plan.

Expanded solutions and industry focus

Solutions are a major strength for HP through its broad JetAdvantage portfolio. It estimates that over 75% of its enterprise-direct engagements are software enabled, including solutions such as document capture, security, mobility, job accounting, forms automation and production printing.

HP is working to deepen its industry focus, through market development, industry segment marketing and sales enablement capabilities. Its mature industry solution portfolio combines best of breed technologies (HP and partner developed) to support and optimise business processes. HP has a strong focus, in particular, on industries such as Financial Services and Insurance, Healthcare, Manufacturing, Communications/Media/Entertainment and the Public Sector and a broad set of vertical solutions through the current pan-HP platform (which will be extended in the new Hewlett Packard Enterprise and HP businesses, post separation.) It

HP

Approach: Flexible service options from out-tasking to full outsourced service

Target market: HP Managed Services includes managed print services aimed at large enterprise accounts as well as mid-market customers. This encompasses hardware and software portfolio from HP organisations like LaserJet and Enterprise Solutions (LES), Inkjet and Printing Solutions (IPS) and Graphics Solutions Business (GSB).

Geographical coverage: Global

Route to market: Direct for targeted large enterprises, indirect for enterprise and SMB organisations. HP is ramping up channel MPS initiatives across most regions.

Alliances: Internal partnerships such as HP Enterprise Group, HP Enterprise Services, HP Software, HP Financial Services and HP Labs. HP also partners with other print hardware providers (e.g. Canon, Sharp, Toshiba) and resellers, and with a qualified set of application development and SI partners.

Customer base: Direct - worldwide: Over 3,400 direct customers (over 1,000 in EMEA)



also offers HP Big Data (Autonomy/Exstream) integration with HP Access Control and HP Capture and Route on Flow MFPs. For instance, HP's Process Automation (HPPA) solution offers a single-vendor solution that links HP MFP devices and HP software to enable the automation of complex workflows and processes to single button "app" that may be accessed directly from the MFP screen. HP plans to build more configurable capabilities with a focus on specific industry workflows.

Summary

HP continues to enhance its mature MPS proposition. Its number one share in the printer market combined with deep network and infrastructure management expertise sets it apart from its traditional competitors. Its Enterprise Content Management Suite offer strong promise for the future if HP can deepen the synergies with the future Hewlett Packard Enterprise and leverage the synergies between MPS and broader business process automation engagements. Whilst HP intends to maintain strong agreements between the two companies post separation, Quocirca will be watching the split carefully to see how successfully HP carries forward its overall managed services portfolio. HP has a long history of successful partnerships with hardware, software and services partnerships, which should serve it well.

MPS Strategy

HP's strategy is centred on three key stages; a customer can engage with HP from the start in any of these three stages.

- **Optimise infrastructure.** Based on a full assessment of the existing printing infrastructure and workflows, this stage focuses on rationalising the printer fleet, standardising on fewer models and increasing network and fleet security for an increasingly mobile workforce. Gaining visibility of print usage and costs helps reduce IT's burden and allows it to focus on other priorities.
- **Manage the environment.** On-going, proactive management of the existing infrastructure helps to maintain efficiencies, security and improve user productivity, while making best use of existing assets. Use of analytics and client/industry insights is key.
- **Improve workflows.** This phase focuses on digitising and streamlining paper intensive business processes. HP identifies digital processes that would generate the greatest return on investment.

Over the coming year, HP's business strategy is to continue to accelerate its vertical approach and drive better integration with its broader industry solutions capabilities such as HP Big Data, Exstream and Personal Systems. It continues to invest in enhanced data analytics capabilities to offer customers deeper insight into their print infrastructure. Over the coming year, HP aims to expand its penetration of MPS in emerging markets.

HP continues to leverage HP Enterprise Services to deliver BPO/ITO capabilities and to broaden its sales coverage at the Enterprise level. HP will continue to work with HP Software to build out its industry solutions capabilities, as it continues to expand its software partner ecosystem. And, it will continue to leverage the global strength, flexibility and coverage of its HP Financial Services organization. It is also actively ramping its Partner Managed Print Services offering to capture the SMB and Enterprise opportunity for MPS through its broad channel partner ecosystem.

MPS infrastructure

HP has a strong and mature MPS platform, which it continues to enhance. This supports the following key service capabilities:

- **Global delivery.** HP MPS Smart Decision Suite is a technology platform that integrates devices, solutions, monitoring and management tools with HP's enterprise services infrastructure. The platform transforms data into information enabling HP's MPS global delivery teams to optimise imaging and printing environments, remotely manage and maintain fleets and solutions, and proactively deliver and support customer needs. HP MPS Smart Decision Suite, coupled with global standard delivery processes and resources, simplifies fleet management activities for enterprise managed print services environments, improving the total customer experience.
- **Service portal and Fleet Management Console.** HP provides a singular global integrated services portal and dashboard that provides live, instant views of overall fleet status and detailed device information. The HP Service Portal is a secure website that enables customers to view their MPS contract, usage reports, and printer fleet details online. Customers can order supplies, preventative maintenance kits, and initiate next-business-day onsite hardware support. HP's Fleet Management Console provides HP and customer the capabilities to view and track fleet device change requests in real time. Through this portal, HP also delivers a global integrated support desk.
- **Multivendor support.** This varies by country and includes support through selected authorised partner services for print and copy devices. Service includes hardware support and supplies replenishment for models from all major brands. Canon, Epson, Fujitsu, Konica Minolta, Kyocera, Lexmark, Okidata, Panasonic, Ricoh, Xerox, Zebra and others are



supported. In addition to hardware support, the base level support for multivendor models includes supplies management/auto-replenishment, remote monitoring, fleet maintenance services, and fleet administration.

- **Proactive supplies management.** This includes automated supplies replenishment services, which have been enhanced to be based on historical consumption (based on days-based-thresholds technology to provide “just-in-time” supplies replenishment based on observed consumption patterns rather than remaining toner or ink levels.) This approach allows HP to manage usage thresholds with minimal customer intervention. HP also has a reporting system that shows the customer where toner/ink may be wasted, and how to target educational activities to minimise waste and conserve resources.
- **Billing. HP offers a variety of billing options including:**
 - **Level Pay.** A monthly fee is paid based on the projected annual ink/toner usage. At the end of the year a consolidation is carried out, reconciling the amount of consumables actually used against the forecast that has been billed.
 - **Base plus Click.** A base fee is paid which covers the hardware and any fixed services. A click charge is also paid based on the variable charge.
 - **Pages included plus excess click.** A base fee is paid which covers the hardware, any fixed services and a minimum volume of pages. A customer pays the base fee for any under-usage, and an over-usage charge based on the number of pages above the forecasted volume in addition to the base fee.
- **Reporting.** HP offers comprehensive reporting through the Service Portal and Fleet Management Console mentioned above along with regular strategic business reviews conducted by the Account Delivery Manager (ADM). The ADM is a dedicated point of contact who monitors all aspects of the business to ensure SLAs are met, using data-driven analysis to identify, recommend and implement improvements (including workflow automation opportunities).
- **HP remote management centres (RMCs).** These global and geographically diverse centres provide direct regional coverage, local language support and around-the-clock monitoring in over 26 languages. RMC personnel remotely monitor, diagnose, and resolve device issues, using a configurable set of tools to align with the customer agreement. HP personnel regularly review device data to proactively recommend service, leading to improved device uptime and reliability. In addition to proactively monitoring alerts and remotely applying the appropriate fix, RMCs cover back-office tasks such as data analytics and reporting, billing, call-centre and help-desk duties, dispatch services, account administration, supplies management, and firmware updates.

Service offerings

HP offers a comprehensive range of services, which include the following:

- **Assessment services.** HP offers a vast range of assessment services, from simple online analysis to more sophisticated discovery and design services. Customers can choose select from the following:
 - **HP Managed Print Analysis:** free online tool that quickly assesses a customer’s office printing environment. A customised report identifies inefficiencies and outlines recommendations for increased efficiency and reduced costs.
 - **HP Industry Benchmark Analysis:** provides benchmark costs estimates by industry, providing a predictive model appraisal of potential print spend, comparing to benchmark metrics. This model is powered by All Associates Group, using Enterprise Document Assessment Methodology (EDAM), which measures over 270 industries across 56 segments. The model also measures over 300 occupational descriptions within the segments.
 - **HP Optimization Assessment:** this provides recommendations for a future-state fleet design that goes beyond simple ratios to incorporate recommendations for solutions and longer-term strategies.
 - **HP Managed Environment Assessment:** this analyses the impact of print output and provides findings, recommendations and a preliminary business case for moving to a managed services approach.
 - **HP Eco Printing Assessment:** this evaluates the current print-related carbon footprint, offers recommendations for improvement and projects the positive impact of changes on the future carbon footprint.
 - **HP Security Assessment:** a holistic approach to developing a quantitative and qualitative understanding of security risk exposures throughout the enterprise-printing environment.
 - **HP Workflow Discovery:** this consultation evaluates an organisation’s paper and document-intensive processes, identifies inefficiencies, and then offers solutions to optimise workflows. This consists of modular offerings including discovery sessions, workshops and assessments.
 - **HP Discovery and Design:** consultative service that provides a comprehensive view of the existing environment and designs an optimised environment for the future, using the Lean Six Sigma methodology. This is a standard assessment service provided as part of HP’s MPS offering.
 - **HP Digital Workflow Integration Services:** provides professional services like consultation, business and technical assessments, as well as implementation and solutions integration services (includes business optimisation plans, architecture and deployment plans, as well as rollout/implementation.)



- **Fleet optimisation and planning.** HP right sizes the printer fleet and manages on-going optimisation through a dedicated team that includes Solutions Architects and Transition Manager for the initial implementation; the Account Delivery Manager ensures on going optimization and future state recommendations. HP's Management of Change (MoC) model and toolset help deliver a structured approach to facilitating planned change within an organisation, shifting from a current state to a desired future state. Components include sponsorship and governance recommendations, communication strategies, tools and templates, and training designed to help end-user acceptance and adoption of the new environment.
- **Project management.** HP uses Lean Six Sigma and ITIL methodologies, handling simple to complex MPS engagements. In the direct model, HP consultants manage the implementation according to a governance model that defines roles and responsibilities, operational processes, risks plans, rollout schedule, and the transition and transformation program on a country-by-country and global basis.
- **On-site support.** HP offers a variety of on-site staffing solutions. On-site administrators (OSAs) can be leveraged for various customer locations or dedicated to a single one, and provide a variety of services. These include web-based software and processes to proactively monitor and manage fleets, preventative maintenance and troubleshooting, consumables support, first level device support and troubleshooting, spare device replacements and end-user training.
- **Service portal.** HP Service Portal is a highly secure website that enables clients to view its HP Managed Print Services contract, usage reports, and printer fleet details online. Clients can easily order supplies, preventative maintenance kits, and initiate next-business-day onsite hardware support. Benefits include visibility and transparency, ease of access to reports, account information and ability to initiate service requests. HP delivers a global integrated support desk, world-class services and access to information through a common, simplified services portal for rapid issue resolution and an optimal print environment. Investments continue to be made to the Smart Decision Suite portal to enable near time dynamic fleet analytics.
- **HP Enterprise Production Print Solutions.** HP's MPS production printing offering evolved this year. It offers onsite copy/print and mailroom services and data centre print outsourcing, leveraging its Document Processing Services group, which enhanced its offering with the integration of HP Exstream. HP's global processing centres specialise in capturing, digitising, storing, archiving and retrieving data and in delivering high-volume print and mail services through outbound processing capabilities. Additionally, HP expanded its portfolio this year with the HP S900 Series MFPs with HP value add services and solutions (HP Access Control, HP Capture and Route, SafeCom, Troy, ePrint Enterprise, Web Jetadmin, Universal Print Driver, Remote Monitoring.) The HP S900 Series MFPs are only available via an MPS contract (HP or channel.) Web-to-print offerings continued to be supported, on a regional basis.

Solutions

HP has one of the most comprehensive solutions portfolios, supported by over 260 HP and partner solutions and 26 targeted industry solutions. HP estimates that over 75% of its enterprise-direct engagements include some type of solution which include:

- **Cloud/fleet management:** This includes print management solutions such as Web Jetadmin, Universal Print Driver, Open Extensibility Platform and HP's FutureSmart 3 Firmware, which offers remote firmware upgrades. HP Management Server and UDC (multivendor monitoring) provide additional management options.
- **Mobility.** HP has a broad range of mobile print solutions which range from embedded WiFi Direct and Near Field Communications (NFC) "tap to print" and "tap to authenticate" solutions, to enterprise integrated mobile printing through the HP ePrint Enterprise or HP Access Control solutions. HP Mobile Print Driver for Windows (pre-loaded on HP ElitePads) prints automatically to ePrint Enterprise and HP's network of 30,000 Public Print Locations. On February 18, 2014, HP introduced the first Mopria certified devices, making it easier to print from mobile devices. HP print compatibility is built into more mobile devices than any other print manufacturer. HP also notes growing interest in Public Print cloud infrastructures; with businesses looking for ways they can drive additional revenue for their locations. HP is already working with Hilton, Swiss Post, UPS, FedEx Office, Walmart, Walgreens and others.
- **Security.** HP's JetAdvantage Security Manager includes policy creation and editing features to apply a single corporate security policy across an entire fleet of HP devices. The solution also automates the application of device certificates and restores printers to the company's security policies after a re-boot. HP also offers a modular range of secure print solutions through its HP Access Control portfolio to help control user authentication and device usage. HP is enhancing its global JetAdvantage Security Advisory Services for MPS customers over the next year, and continues to apply broader HP security capabilities into MPS-related industry workflow solutions.
- **Big Data/Digitisation.** This includes solutions such as HP embedded capture, capture and route, digital send software and Flow CM. From a hardware perspective. HP's Flow MFPs are designed to help customers get control of 'big data'; provided as an on-demand service, Flow MFPs enable the capture, indexing, storage, search and retrieval of information - whether it resides as a document, email, voice, video, web page or other format. For advanced content management capabilities, the HP workflow MFPs can be integrated with HP's Flow CM Enterprise platform, via HP Big Data software.



- **HP Industry solutions.** HP offers 26 industry specific solutions across the financial services and insurance, public sector (government/education), manufacturing and distribution, communications/media/entertainment, and healthcare sectors. This includes solutions across cloud/fleet management, mobility, security, and big data/digitisation.
- **HP Exstream.** This is a customer communications management (CCM) platform that enables the creation and delivery of personalised, multichannel customer communications. This mature product has a customer base of more than 850 customers worldwide, who are using it to reduce document production costs and lower document processing time. Examples are the customisation of high-volume statements and bills and self-service web applications for account enrolment. HP Exstream is part of HP's Big Data software family.
- **HP Big Data (formerly Autonomy).** A broad-ranging platform that processes all forms of digital information including unstructured data such as emails, paper documents, electronic documents, images, web pages and video. HP Big Data's infrastructure software is based on the Intelligent Data Operating Layer (IDOL) Server. The IDOL Server collects indexed data from connectors and stores it in its proprietary structure, optimised for fast processing and retrieval of data.

Partnership strategy

- **Alliance partners.** HP has expanded its relationship with OEM providers, including Canon/Océ, Toshiba and most recently Sharp through the HP branded S900 Series MFPs.
- **Channel-led MPS.** HP has multiple programmes to support its broad channel reach. A key programme is HP's Partner MPS, which is available in 20 countries and is a critical part of HP's growth initiatives for expanding its MPS penetration amongst the Enterprise, SMB and mid-market. The programme is part of HP's Partner One Program, and allows resellers to own the customer contract and access HP cloud-based pricing and proposal tools, services, fleet analysis and real-time reporting capabilities. It also includes sales support, training, and marketing and co-branding opportunities. It includes HP Express Decision Portal, a cloud-based application that connects customers, partners and HP support together in one portal for services, supplies and maintenance. This platform provides partners with proposal and quote generation for cost-per-page pricing, client invoicing and reporting, device monitoring, and account and contract management. Also included is HP Bundled Page, an all-inclusive bundle of pricing and services for the customer with an all-in cost-per-page price for supplies, maintenance and break/fix services. The service offers multivendor support and select HP JetAdvantage solutions.
- **Global Solutions Partners.** HP has over 100 partners with over 250 solutions and 26 targeted industry solutions that leverage its partners' capabilities. Partners can develop applications for HP devices based on HP's Open Extensibility Platform, and become authorised (and their solutions certified) through the Accreditation, Certification and Test programme. In the past year, HP spent over 550,000+ hours testing partner solutions on HP platforms. HP estimates that it has over 12M+ solutions enabled devices.
- **ePrint partners.** HP is expanding its ePrint partner ecosystem, which includes companies such as Salesforce.com, Good, Mobile Iron and DocuSign (eSignatures) as well as public print locations partners like Hilton, Swiss Post, UPS, Walgreens, Walmart and FedEx Office.
- **Systems Integrator partners:** while HP's prime partner for pan-HP engagements that include MPS is HP Enterprise Services, HP will also work with regional and industry-specific systems integrators. HP Services gives HP's MPS extensibility into BPO/ITO opportunities.

Strengths and opportunities

Strengths

- **Strong, trusted technology foundation.** HP's mature MPS platform, a broad hardware portfolio and enterprise-scale technology across the IT infrastructure, makes HP a reliable choice for businesses of all sizes. With its expanded Partner Managed Print Services, HP now has a comprehensive set of services to support its channel to transition their customer base to MPS contracts in the SMB and mid-market space.
- **Workflow automation.** HP's MPS includes document and workflow services, and they were perhaps the first to do so. HP has built an extensive portfolio of hardware and solutions to help businesses to securely digitise paper workflows, with an industry approach. HP is able to leverage the HP Big Data/Exstream/Flow MFP platforms to provide a well-integrated MPS and ECM platform. It is also leveraging HP Exstream as part of wider engagements to help larger enterprises better manage printed communication, as well as scaling its offering for the channel. While stakeholders for this are different to traditional MPS decision makers, it is a valuable offering in HP's MPS portfolio.
- **Global reach.** HP has a broad global reach; both directly and through a vast global partner network. With 50% of its direct MPS customer base being multinational or global, HP has developed a robust and mature global MPS platform and infrastructure to support and service global customers. Continued investment in its Smart Decision Suite platform will enhance its global invoicing, reporting and service capabilities which will be key to expanding its global MPS footprint.



Opportunities

- **Strengthening HP Enterprise Services synergies.** With business process services (BPS) becoming a more common offering from MPS vendors, HP will need tighter engagement with its Enterprise Group (EG), which already has a mature BPS offering. Joint go-to-market activities will be key for HP to gain higher value MPS deals – not only for BPS but also ITO. With the Personal Systems and Printing groups now merged, HP is strongly positioned to take advantage of interest in integrated IT and print services by offering desktop managed services alongside MPS, driving further value for its customers.
- **Vertical focus.** HP has a strong reputation in technology engagements, but is now facing competition from providers with mature industry consulting capabilities. As businesses look to accelerate their paper-to-digital workflows, they are looking for providers with deep industry knowledge. HP has built a strong industry solution portfolio, but will need to leverage stronger vertical expertise to engage not only with MPS stakeholders but also business process owners.
- **Cloud.** From an overall company and technology perspective, HP is a leading proponent of the cloud, and recent announcements about Helion indicate the seriousness of HP's commitment to cloud. HP is strongly positioned to bring broader cloud capabilities to the MPS arena, not only through cloud-solutions but also through hosting MPS in a private cloud. While some vendors have the capabilities to offer print server virtualisation, consolidation and hosting, HP has a clear opportunity to innovate in this area and leverage its existing converged infrastructure and cloud IaaS (Infrastructure as a Service) capabilities.



Vendor scorecard

Market Presence		
Criteria	Details	Score
MPS customers	HP has over 3,400 global direct enterprise MPS customers, with an estimated 850,000 devices under contract globally (as of end of FY14). From a direct sales perspective, HP has over \$13billion under MPS contract worldwide.	5
MPS strategy	HP continues to refine its MPS strategy, which includes a mature set of industry and technology solutions offerings.	5
Maturity of offerings	HP has been offering MPS for over 15 years, and has developed a broad and scalable service portfolio, primarily focused on the office print environment and expansion into production and commercial print (including cloud-based options for both Enterprise and SMB).	5
Geographic reach	HP offers global scale and delivery with MPS implementations in more than 170 countries. Global and multi-region customers represent approximately up to 50% of HP's MPS revenue, but HP is also able to address the needs of single country customers.	5
Overall financial strength	HP's fiscal 2014 net revenue of \$111.5 billion was down 1% from the prior year. Printing is the most profitable of all HP's groups, accounting for about 20% of overall revenue. HP's printing revenue declined by 4% to \$23 billion in 2014.	5
MPS revenue growth	Overall, HP states that its global MPS business grew by double digits in 2014. HP saw steady growth in TCV between 2013 and 2014.	4.5
Brand awareness	HP is a global brand and its dominance in the printer market has helped it build a strong profile as a MPS provider, across office, mobile and remote worker print environments.	5
Alliances and partners	HP partners with HP Enterprise Services to drive synergies in MPS deals. HP has expanded its network of channel partners for MPS sales, delivery, and support, and has a broad global solutions partner network.	4.95
Investment and resources	HP has actively invested in a range of areas in 2014. These include its Smart Decision Suite MPS platform, an expanded hardware portfolio that include Flow MFPs and scanners, new Page Wide Array (OfficeJet, DesignJet and other InkJet) offerings and new light production-class devices. "Blended reality" capabilities include investments in Sprout and 3D.	5
Final Ranking	VERY STRONG	4.94 (+)

Completeness of Offering		
Criteria	Details	Score
Modularity of services	HP has a scalable, modular approach to MPS, which means that organisations do not need to take a fully outsourced service, and can retain control of certain areas if required.	5
Breadth of services	HP's set of configurable services includes assessments, procurement, implementation, on-going management and support, and document and workflow services.	5
Help desk capabilities	HP's centralised help desk support is augmented with remote management centres that provide localised language support and proactively track and manage print devices around the world.	5
CRD/print room support	HP offers on-site service capabilities through partner relationships; off-site capabilities with 15 production facilities plus over 30,000 near-site printing locations in public print locations. HP has expanded production print portfolio with new light production printers, the result of its new OEM partnership with Sharp (HP S900 Series MFPs).	4.75
Multi-vendor management	HP has expanded its multi-vendor management capabilities – widening country coverage, adding thermal device support, and increasing the number of models supported. Third party servicing varies by country and can involve local authorised service partners.	5
Remote monitoring	All MPS contracts use remote monitoring, which may use HP's MPS Smart Decision Suite or Remote Management Centers (RMCs).	5
Mobile printing	HP launched the first Mopria certified devices in 2013. Its mobile print offering (ePrint) is hardware-agnostic, enabling printing from any smartphone or mobile device.	5
Document workflow	Business process automation is a key element of many MPS contracts. HP's new Flow MFPs with HP Big Data software offer integrated content management capabilities further enhancing HP's document workflow capabilities.	5
Industry solutions	HP continues to strengthen its industry focus with a range of solutions supporting discrete processes such as hospital admissions, claims processing, invoice processing and loan origination. It is further developing its industry model through market development, industry segment marketing, and sales enablement capabilities.	4.85
Final Ranking	VERY STRONG	4.96 (+)



About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. 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.

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, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium-sized vendors, service providers and more specialist firms.

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