

Case study

Fred Hutch

Cancer research institute resumes Original HP supplies



Industry

Healthcare

Objective

Cost efficiently meet printing needs of cancer research institute operations

Approach

Purchase Original HP Supplies and participate in the HP PurchasEdge tracking program

IT matters

- Help eliminate printer damage from remanufactured toner leakage
- Help eliminate poor printing quality from smearing and streaking
- Help prevent downtime from cartridge failure
- Deliver high print quality for professional image with Original HP Supplies

Business matters

- Help reduce Total Cost of Ownership in selection of Original HP Supplies
- Help ensure employee productivity, efficient business operations with reliability in Original HP Supplies
- Meet grant-application deadlines when producing lengthy printed proposals on critical deadlines
- Obtain eligible printer products valued at \$40,000 to date by participating in the HP PurchasEdge tracking program for purchasing Original HP cartridges



“On the surface, it looked like remanufactured toner would save money. But we soon realized that it would cost us more long term—in dollars, staff time, and business risk.”

—Joeletta Mummert, buyer level 3, Fred Hutch, Seattle, Wash.

Fred Hutch is a cancer research institute, based in Seattle, Wash., whose researchers include three Nobel laureates. Funded largely by grant money, Fred Hutch is conscious of making wise use of every dollar spent. Hoping to reduce costs, at one point the institute switched from OEM supplies to remanufactured toner. However, the decision soon led to costly problems. Remanufactured cartridge yields were lower than expected. Toner leaks smeared pages and damaged printers. A cartridge blew up in the middle of a deadline rush. Remanufactured toner ending up costing more, not less. Fred Hutch returned with relief to the reliable, high quality of Original HP Supplies.

“Original HP cartridges are made for the printers in which they are used—no streaking, smearing, leakage or explosions. Just reliable, high quality printing with true cost efficiency.”

— Joeletta Mummert, buyer level 3
Fred Hutch

The Fred Hutch / University of Washington Cancer Consortium is a research and clinical collaboration between the Hutch, the University of Washington, Seattle Children’s and Seattle Cancer Care Alliance. The consortium is among 45 National Cancer Institute-designated comprehensive cancer centers nationwide. Printing is integral to all parts of Fred Hutch’s operations. Clinicians use printers for medical documents such as color slides of cells. Labs use them to print black-and-white text. Administrators, trainers, transportation and security departments all use printers to create everything from marketing brochures to street-closure notifications. Fred Hutch has standardized on HP LaserJet printers and multifunction devices for more than 20 years. Three quarters of its deployment have color capabilities.

Switch to remanufactured toner proves costly

Striving for cost reduction—since every operational dollar saved can be directed toward research—Fred Hutch switched from OEM toner to remanufactured toner. The institute had calculated the switch would help reduce toner costs by 20% to 30%. Within three months, however, problems began to emerge. With remanufactured toner, the page yield per cartridge was inconsistent and often less than stated by the vendor—from one half to three quarters of expected yields. Print quality suffered, with smearing and smudging on pages that should have been presenting a professional image. Leaking toner damaged the machines. Although repairs were included in the service, the printers wore out faster, lost performance quality, and had to be replaced sooner.

It became apparent that the product difference was more than an inconvenience. On one occasion, a cartridge exploded inside a printer just as Fred Hutch was trying to meet a grant application postmark deadline. The risk of missing funding deadlines was unacceptable, so was the cost of people’s time to transfer jobs to functional printers, redo printing, shred ruined documents to maintain security, and arrange for printer repairs.

Also, the printers using remanufactured toner were noisier, irritating employees and distracting them from their work. Users started buying OEM supplies outside of the institute’s purchasing system, which did not take advantage of purchasing agreements and rates offered to institute purchases.

“On the surface, going with remanufactured toner appears to be a cost-effective choice; the dollars look good on paper,” says Joeletta Mummert, buyer level 3, Fred Hutch. “Within months, we realized you have to look cradle-to-grave. The total cost of remanufactured supplies was much higher than the surface cost, not just in money but in people’s time, in wear on machines, and in operational areas at risk because of the need for print.”

Original HP Supplies deliver cost benefits

After nine months, Fred Hutch discarded the experiment with remanufactured toner and resumed the standard of Original HP Supplies for proven reliability, efficient performance, and high quality. Page yield per cartridge was consistent and met or exceeded ratings. Print quality was exceptionally high. The toner cartridges—designed and manufactured specifically for the printers in which they are used—made leakage, smearing, blotching and the odd explosion a distant memory.

Fred Hutch came out ahead in the financial calculus as well. The institute receives volume pricing from HP and HP PurchasEdge points. PurchasEdge is an HP supplies tracking program eligible to U.S. or Canadian customers that spend more than \$25,000 USD on Original HP printing supplies annually. Before the switch to remanufactured toner, Fred Hutch, over five years, had acquired eligible printers valued at more than \$40,000 through PurchasEdge—an amount that had not been considered when calculating the hoped-for savings from remanufactured toner. The institute typically uses the equipment acquired through the PurchasEdge program in startup programs that have not yet received grant funding—enabling research innovations in the fight to cure cancer.

“We learned from experience that the true economies of scale came from Original HP Supplies. Remanufactured toner was going to cost us more in the long run, and with the ongoing issues, it just wasn’t worth it,” Mummert says. “Meanwhile, the quality and performance of Original HP cartridges is consistently high. We realized that for us, it’s the most cost-efficient solution.”

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