

## Case study

# Allied Document Solutions and Services increases profitability



## HP Partner reduces service calls, service costs and expenses with Original HP Supplies

### Industry

Technology services

### Objective

Reduce service costs, while improving customer relationships

### Approach

- Transition customers to Original HP Supplies

### IT matters

- Reduced number of service calls 43% due to Original HP Supplies
- Cut toner cartridge returns by 71%

### Business matters

- Reduced service costs by 59%<sup>2</sup>
- Engaged at a higher level with customers and built long-term contractual relationships
- Improved profitability, with revenue up 23%, gross profit up 36% and operating income up 102% year-over-year<sup>3</sup>



**“We want to provide customers with Original HP Supplies. We reduce service costs, provide better reliability and lower pricing – which all helps grow our business.”**

—Rob Richardson, owner and founder, Allied Document Solutions and Services



## HP Partner reduces service calls, service costs and expenses with Original HP Supplies

Allied Document Solutions and Services, a full-service imaging and printing solutions provider collaborates with HP to enhance and expand the service it offers its customers. With increased focus on service, the partner has transitioned from remanufactured and compatible cartridges to Original HP Supplies, which has reduced service calls 43%, decreased toner returns, cut service costs, and helped boost profitability.



### Tough competition

Allied Document Solutions and Services is a full-service imaging and printing solutions provider, including providing consumables, printer repair and preventive maintenance, and equipment such as printers and copiers. It has attained the status of HP MPS (Managed Print Specialist) partner, and works with customers in the Delaware Valley region of the US.

When it started out, ads-s sold toner and paper, but found business tough.

“As a small independent at the time, it was difficult to compete, quite frankly, so we started selling generic, remanufactured supplies to lead with price.”

—Rob Richardson, owner and founder, Allied Document Solutions and Services

### Expert resource

As well as selling supplies, ads-s started to offer service to its clients, and this in turn led to selling of printers and other equipment from HP. ads-s has taken advantage of the resources provided by HP to its partners to expand its offerings, and to provide Managed Print Services (MPS) to its clients.

“Any new business for sure goes to Original HP Supplies, and we’ve converted many of our existing MPS clients.”

—Rob Richardson, owner and founder, Allied Document Solutions and Services

“As we grew with HP, their programs also grew, and we could access new resources,” says Richardson. “This meant we could engage at a higher level with customers, and became viewed more as an expert – which enabled us to build long-term contractual relationships, rather than being just ‘the toner guys’, who are easy to replace.”

### Original HP supplies boost competitiveness

As its service has evolved, ads-s has moved away from remanufactured toner, and now offers Original HP Supplies as part of managed printing.

According to Richardson, he has seen a significant decrease in labor costs due to fewer service visits, by shifting to Original HP Supplies, as well as higher page yields which also contribute to lower costs. He comments, “I know I can achieve better margins and we can be priced more competitively in the market.”

“If I’m buying a compatible for less per unit, with all the other variables that come into play, the overall cost is still much more. We want to provide customers with Original HP Supplies because we reduce service costs and can provide better reliability and lower pricing.”

—Rob Richardson, owner and founder,  
Allied Document Solutions and Services

By moving to Original HP Supplies, ads-s has found toner cartridge returns due to defects have reduced by 71% and service costs have dropped 59%. As well as the cost of the toner itself, this saves the cost of overnight shipping for a replacement and the associated paperwork, as well as improving customer satisfaction.

Print quality is impacted by the supplies used and Original HP Supplies have improved quality and reliability for customers ads-s has transitioned to HP, Richardson explains, “Previously, we were trying to diagnose an issue on the phone, and inconveniencing the client with that conversation trying to determine whether it’s a bad toner or not — it could be leaking, could be a spot on the page, could be ghosting, it could be a dozen or so different variables.”

Overall, working with HP, and in particular its recent transition to Original HP Supplies, has helped ads-s build its business, with revenue in the current year up 23%, gross profit up 36% and operating income up 102%<sup>3</sup>.

“We’re in as good a position now as we’ve ever been,” concludes Richardson. “We’ve had growth year over year, and the first four months of this year were just tremendous.”

We’re leveraging HP programs and we’re going as far as we can. As we grow, we’re growing with HP.”

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<sup>1</sup> 2016 data comparing partner’s returned cartridges annually of compatible cartridges and Original HP

<sup>2</sup> 2016 data of service calls to largest customers year over year with compatible cartridges and Original HP

<sup>3</sup> Year-over-year comparison Q116-Q117 with transition to Original HP Supplies.

