



Managed Print Services Landscape, 2018

A vendor analysis of the global enterprise MPS market

October 2018

Xerox Excerpt

This report examines the competitive landscape for managed print services (MPS) and discusses the key market drivers and trends that will shape future MPS engagements. It also draws on new research conducted in June 2018. The survey covered organisations with over 500 employees using MPS in the UK, France, Germany and the US.

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REPORT NOTE:

This report has been written independently by Quocirca. During the preparation of this report, Quocirca has spoken to a number of suppliers involved in the areas covered. We are grateful for their time and insights.

Quocirca has obtained information from multiple sources in putting together this analysis. These sources include, but are not limited to, the vendors themselves. Although Quocirca has attempted wherever possible to validate the information received from each vendor, we cannot be held responsible for any errors in any information supplied.

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Managed Print Services Landscape, 2018

Executive summary

Managed print services (MPS), along with related services and solutions, represent fundamental growth opportunities for print manufacturers and their partners. However, the market is mature, forcing MPS providers to differentiate themselves with new offerings. Today MPS has largely been repositioned in the broader realm of digital workflow transformation. While most providers offer a broad portfolio to help drive workplace productivity and efficiency, Quocirca's 2018 MPS survey reveals that some are falling short in the key areas needed to support this – analytic insight, workflow automation and innovation. MPS providers should deepen their competencies in these areas and expand their influence in the enterprise through participating in the broader managed security and internet of things (IoT) space. This will enable providers to become trusted partners for services beyond print.

Strong MPS market leadership group

The enterprise MPS market is characterised by a closely packed group of leaders: Xerox, HP Inc., Ricoh, Canon, Lexmark and Konica Minolta. All demonstrate a mature service portfolio, commitment to enhanced service delivery and an ongoing investment in analytics. Xerox in particular excels in its workplace productivity strategy, supported by its innovative ConnectKey multifunction printer (MFP) platform. HP Inc. continues to deepen its footprint with an expanded hardware portfolio and one of the most advanced security service offerings. Ricoh has perhaps the broadest range of non-print-centric services, with its IT services capabilities, and it has gained stronger traction in Europe over the past year.

MPS is recognised as an enabler for digital transformation

MPS is a key enabler for accelerating digital transformation, through digitisation and workflow automation, and organisations recognise the potential. While today just under a quarter (23%) agree that MPS plays a very important role in digital transformation, 54% expect it to do so in two years' time. While most vendors have expanded their digital workplace portfolios, some traditional MPS providers are struggling to deliver successfully, due to the sheer complexity of workflow automation.

Security moves up the MPS agenda

With cybersecurity threats constantly increasing, there is growing concern about IoT devices being the target of attacks, pushing security higher up the MPS agenda. Quocirca's 2018 MPS Survey reveals that data losses remain widespread across companies of all sizes that use MPS. In 2018 65% report at least one data loss, an increase from 60% in 2017. Overall, just 30% of respondents report that they are completely confident that their print infrastructure is protected from all threats, both internal and external. Leading MPS providers are enabling businesses to close this print security gap through comprehensive security assessment services, although the level of depth varies by provider.

Analytic insight is key to enhanced service delivery

Organisations are expecting deeper analytic insight from their MPS provider, with 41% indicating that this was a 'very important' requirement, compared to 31% in 2017. This puts it in second place after service level quality. In fact, both criteria are closely linked, as service performance can be enhanced through embedding analytics throughout MPS engagements, from the initial assessment process to continuous monitoring. However, providers must expand their capabilities beyond predictive analytics for service delivery. To make a real impact on workplace productivity MPS providers need to develop a true understanding of user behaviour to deliver cohesive digital workflow services that automate manual, paper-based processes.

Future outlook

MPS providers cannot rest on their laurels in a market that demands stronger differentiated services beyond traditional MPS engagements. Quocirca recommends that providers develop broader collaboration and partnerships with IT service providers to participate in growth areas such as managed security and managed IoT. Developing services in these areas not only offers broader growth opportunities but unlocks the potential for traditional MPS providers to innovate their service portfolio. This will enable them to make their offerings more relevant to enterprises, which are increasingly looking for more expertise from their providers.



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Methodology

End-user analysis

Quocirca conducted a survey among senior IT managers with responsibility for decisions relating to managed print services. The research was conducted in the UK, France, Germany and the US, amongst 240 enterprises with 500 or more employees that already use a managed print service. For the purposes of this research, organisations with 500 to 999 employees are referred to as midmarket organisations and those with over 1,000 employees as large organisations. The survey was conducted online and fielded during June 2018.

Vendor analysis

The following vendors participated in the study: HP Inc., Konica Minolta, Lexmark, Ricoh and Xerox. Vendors were selected according to the following criteria:

- **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 asked to complete a written submission detailing its strategy, capabilities and customer references to capture key facts and figures. These submissions were followed up with vendor interviews. The quantitative and qualitative inputs from the vendor research were analysed by Quocirca, to determine each vendor's score against a list of criteria related to 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 unweighted 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 and improve productivity and efficiency while reducing cost and risk. It also leverages existing investments in multifunction printers (MFPs), while continually monitoring usage, so that the optimised infrastructure continues to meet business needs.

MPS covers several service areas across three broad categories:

- **Assessment** – A review of the current print environment to provide recommendations for rationalisation and 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 as part of a governance framework for a full enterprise MPS, deployment, transition and change management.
- **Management** – Continuous process improvement, business reviews, service level agreement (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.



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 available. Service offerings include assessment, design, implementation and support services. They may also offer MPS programmes via their resellers. Vendors in this category include Canon, HP Inc., Kyocera, Konica Minolta, Lexmark, Ricoh, Sharp, 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 Nuance, Print Audit, ECI FM Audit, PrintFleet, Ringdale, UniPrint and YSoft, which offer print management and secure printing products. MPS providers often use such third-party products to add value to a particular element of their MPS portfolio.



Market overview

A mature and evolving market

In a relatively mature enterprise market, MPS remains a key strategy for print manufacturers to expand service-centric revenue. Overall, 65% of organisations expect MPS budgets to increase over the next year, which is unchanged from 2017. The US leads in its MPS spending plans, with 78% of US respondents indicating a rise in spend over the next 12 months, compared to 50% of UK organisations (Figure 1).

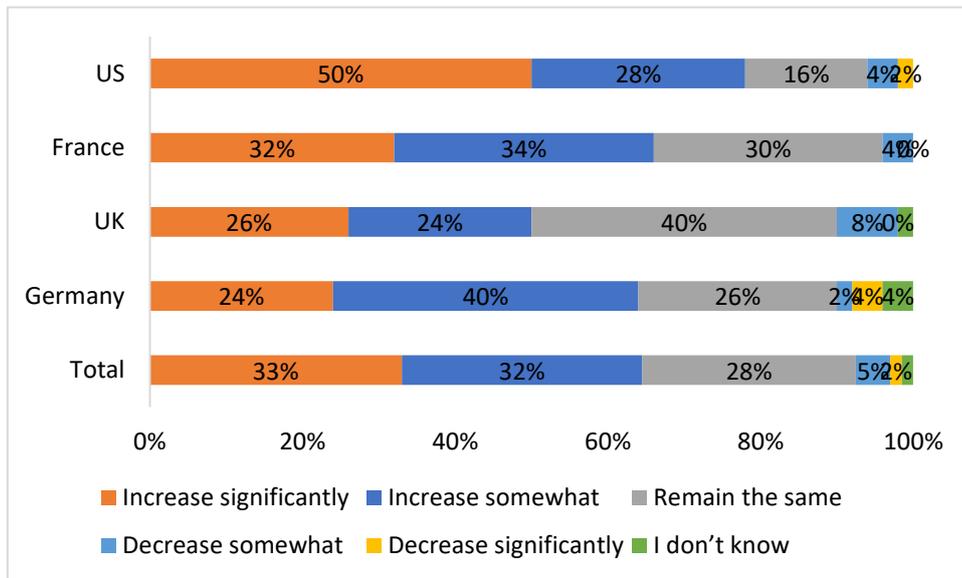


Figure 1. MPS budget plans over the next 12 months

Organisations remain dependent on paper to support their business processes, although this is diminishing – at a faster rate in some regions than others. Overall, 44% of organisations using MPS indicate that paper is ‘very important’ to their daily business (Figure 2). This is a drop from 48% in 2017. The US continues to be the most reliant on paper, with 72% saying it is ‘very important’ compared to 30% in France.

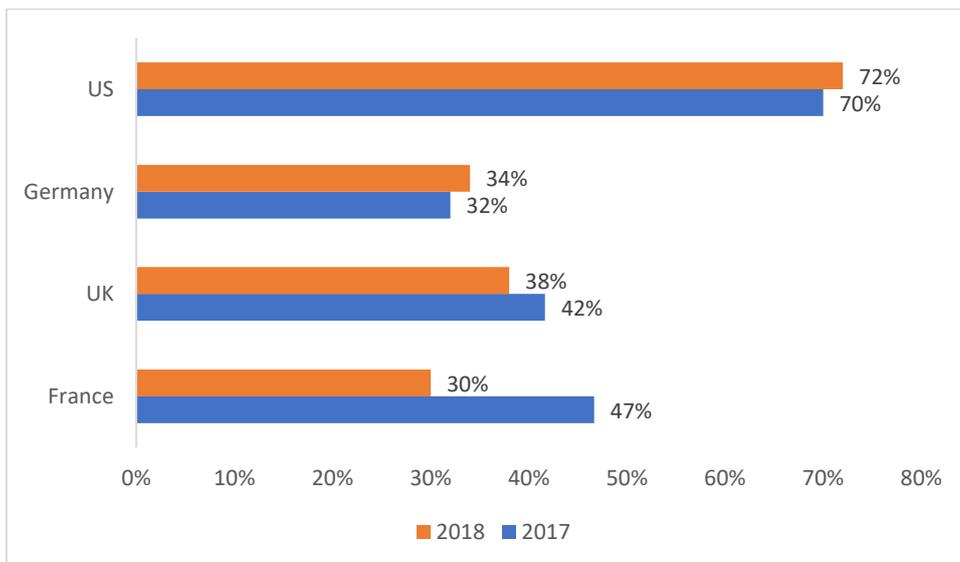


Figure 2. How important is paper to the daily business of your organisation? (‘Very important’ responses)



Digitisation initiatives are underway

Given the high level of paper usage among all organisations, digitisation is a key opportunity for MPS providers. Extending MPS contracts to encompass digital workflow services can help businesses drive further efficiency and productivity improvements. Overall, 84% organisations have implemented digital paperless processes. This rises to 88% among UK respondents and 83% in the retail sector.

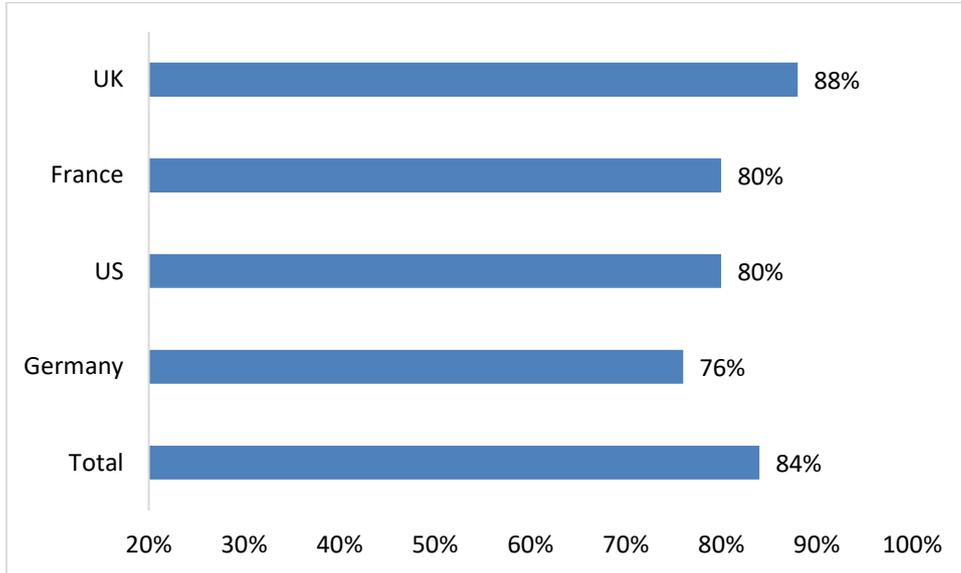


Figure 3. Organisations that have already implemented paperless processes

MPS is a key enabler of digital transformation, through the implementation of digitisation and workflow automation. Organisations certainly recognise the potential. While today just under a quarter (23%) agree that MPS plays a ‘very important’ role in digital transformation, 54% expect it to do so in two years’ time (Figure 4). All industry sectors predict an increase, but this is highest in the public sector, where 8% see MPS as important to digital transformation now, while 53% anticipate that it will be by 2020.

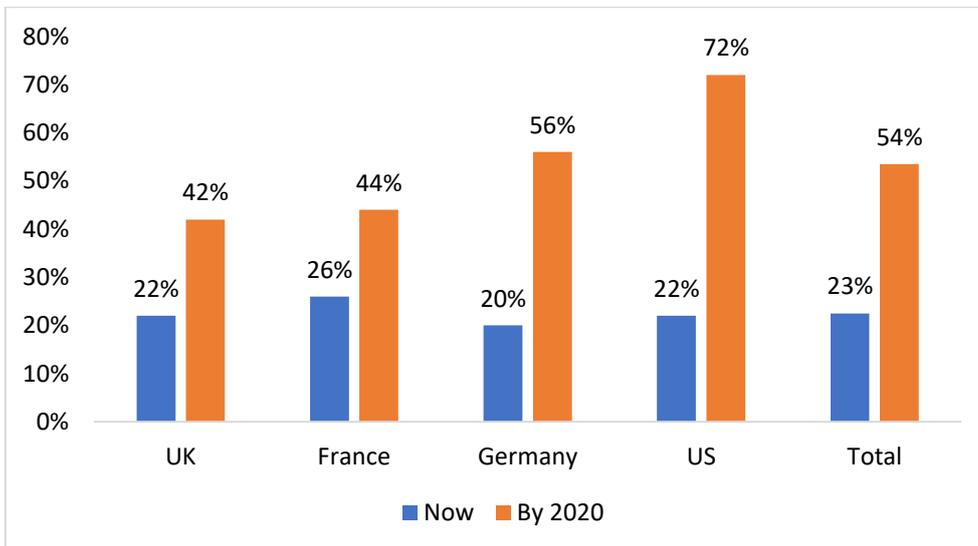


Figure 4. The importance of MPS to digital transformation initiatives ('Very important' responses)



Cost, service quality and security remain top drivers for MPS

While cost, service quality and security are the top reasons for MPS adoption, there are notable variations by country and organisation size. Service quality is the top MPS driver for 54% of US organisations. Meanwhile 30% of French organisations rate enhanced security and reduced costs as the top factors driving MPS adoption. Notably, 40% US organisations place importance on analytics, such as reporting on device usage or user behaviour – higher than in other countries (Figure 5).

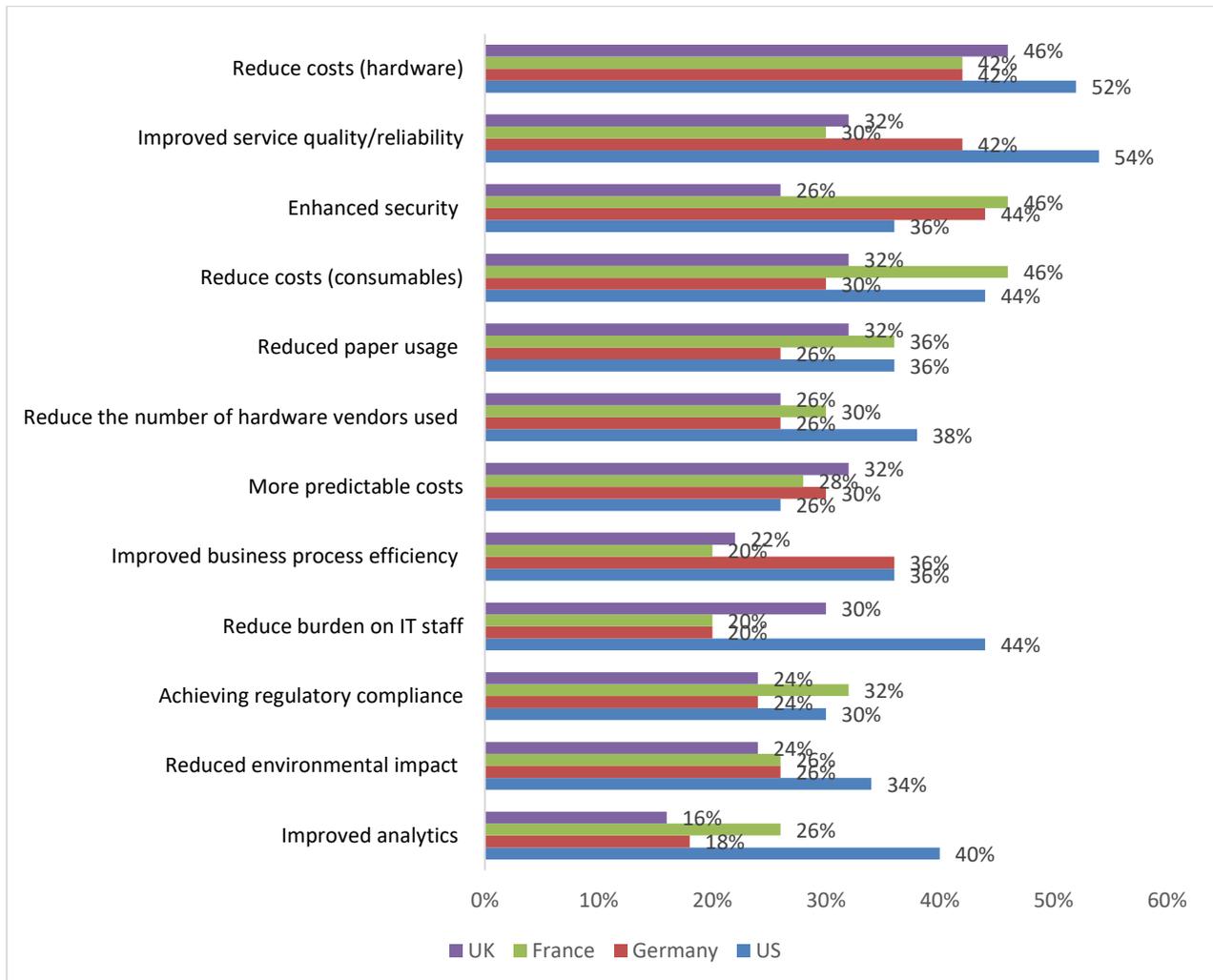


Figure 5. How important are the following business benefits to your organisation in relation to managed print services? (Average score on a scale of 1 to 5, where 1 = not important and 5 = very important)

Security assessment trends

Ongoing concerns about the ever-growing number of cybersecurity threats are exacerbating worries around IoT devices being targeted in cyberattacks. Almost half (49%) of organisations agree that print security is important to their overall information security strategy, rising to 70% amongst US respondents. Yet overall, just 30% of respondents report that they are completely confident that their print infrastructure is protected from all threats – internal and external. Today’s advanced MFPs present a range of potential risks, if left unprotected. This includes data, document, device and network security vulnerabilities.

Quocirca’s 2018 MPS Survey reveals that data losses remain widespread across companies of all sizes that use MPS. In 2018, 65% reported at least one data loss, an increase from 60% in 2017. Notably this rises to 70% for midmarket organisations and drops to 60% for larger organisations. The growing threat is not so much from paper documents going missing in output trays, but the potential for MFPs to be used as a point of access to the network. The threat is real – overall 68% report at least one denial of service (DoS) or malware attack on a print device, reflecting the growing need to ensure that networked MFPs and printers are safeguarded from such attacks.



Given that print security is a broad and diverse area, delivering robust and comprehensive security assessment and monitoring services is becoming critical for MPS providers. Security assessments provide a good opportunity to uncover vulnerabilities, including any print security shortcomings. MPS providers are responding to the need by stepping up their security assessment service offerings.

The most effective security assessments evaluate the complete print environment, identify security gaps and offer ongoing monitoring. The more advanced services integrate with existing security incident event monitoring (SIEM) platforms to provide a holistic approach.

As the security landscape becomes increasingly more complex, it is likely that enterprises will turn to IT service providers to manage their security needs (Figure 6). Already, 31% of organisations indicate that they use a managed IT service provider that offers print security assessments, and this rises to 44% in the US. MPS providers should capitalise on the opportunity to collaborate and partner with such service providers to deliver these services, and potentially expand their reach.

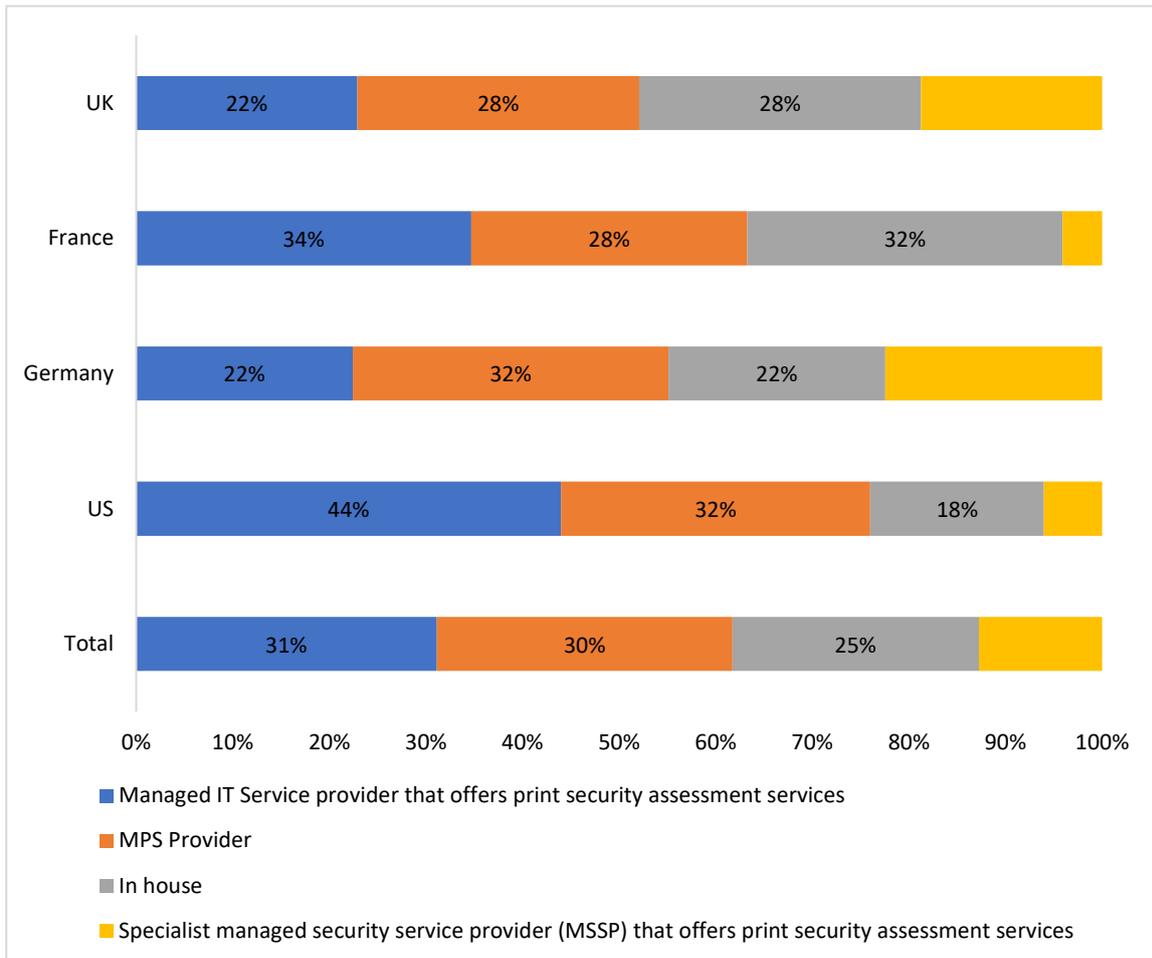


Figure 6. Print security assessment provider preference (among those using or planning a print security assessment)



MPS performance

Notably those that are using a fully outsourced MPS, rather than a hybrid approach (where some print management tasks are managed internally), are more likely to be achieving their goals. Nevertheless, MPS appears to be falling short of expectations in several areas. For instance, just 25% of organisations indicate that they have fully achieved their cost saving goals, and only 28% indicate that their service delivery goals have been met (Figure 7).

This could be due to a range of reasons, including expectations not being set correctly at the outset and the MPS contract failing to adapt as business needs change. Both these risks can be mitigated through more comprehensive assessments, implementation of effective print policies and ongoing or proactive strategic business reviews.

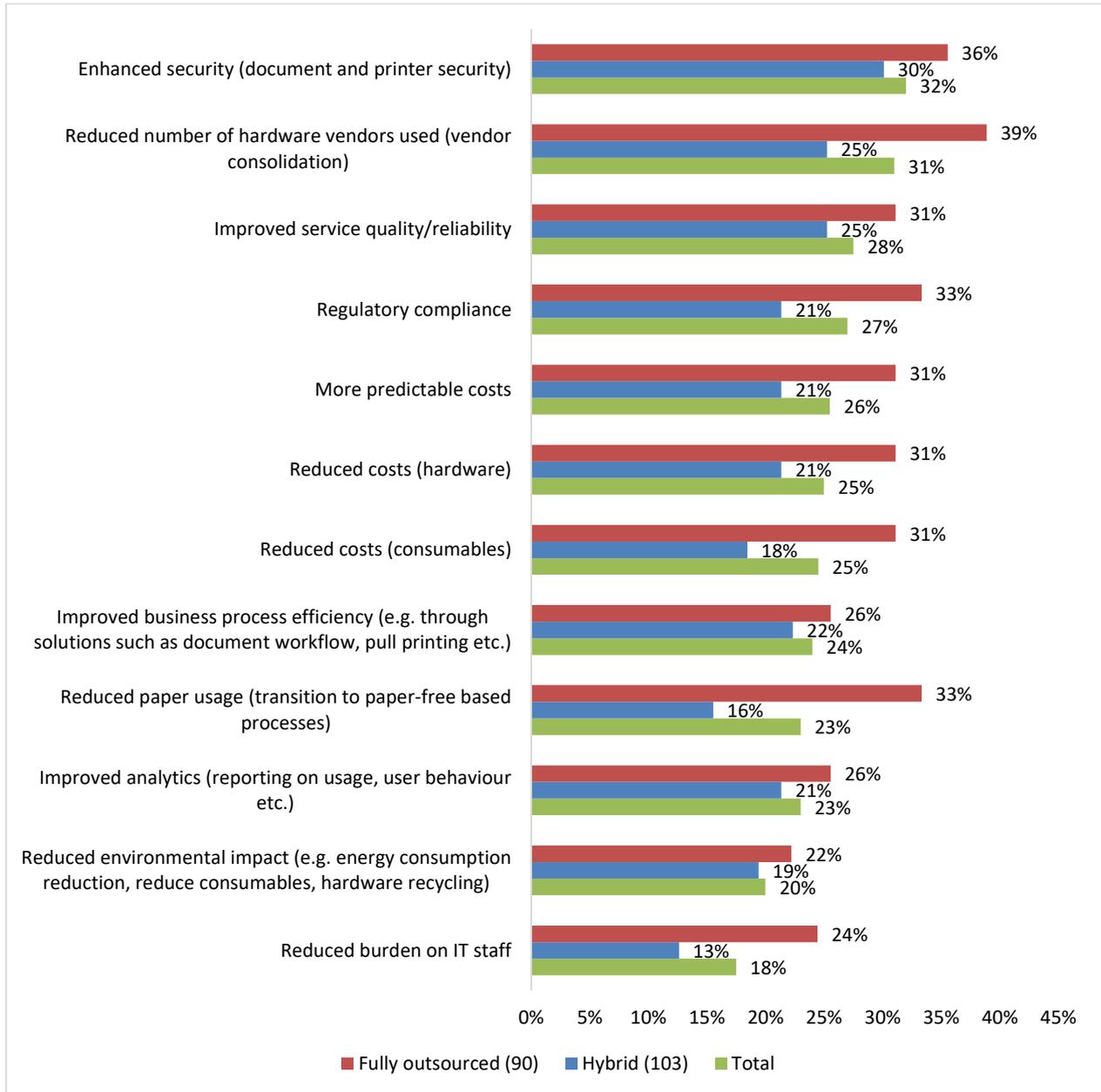


Figure 7. Achievement of MPS goals ('Fully achieved' responses)



Overall, MPS satisfaction levels have dropped from 2017, with a third (33%) of organisations reporting that they are ‘very satisfied’ with their MPS provider in 2018, compared to 43% in 2017 (Figure 8).

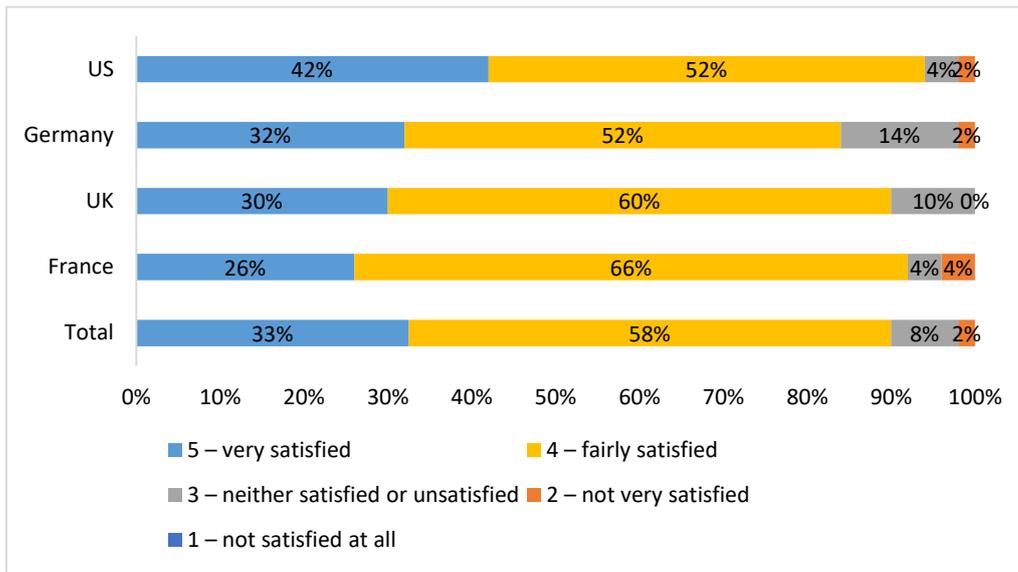


Figure 8. MPS satisfaction rates

While service quality remains the top supplier selection requirement, analytic insight has moved higher up the ranks, from 31% of respondents to 41% in 2018 (Figure 9). As organisations move to the second or third phase of their MPS engagement, it becomes more important that strategic business reviews deliver proactive, actionable insight to improve efficiency and performance. That means analytics that go beyond device usage and encompass a true understanding of user behaviour, driving efficiency and workplace productivity improvements and facilitating the next level of business transformation.

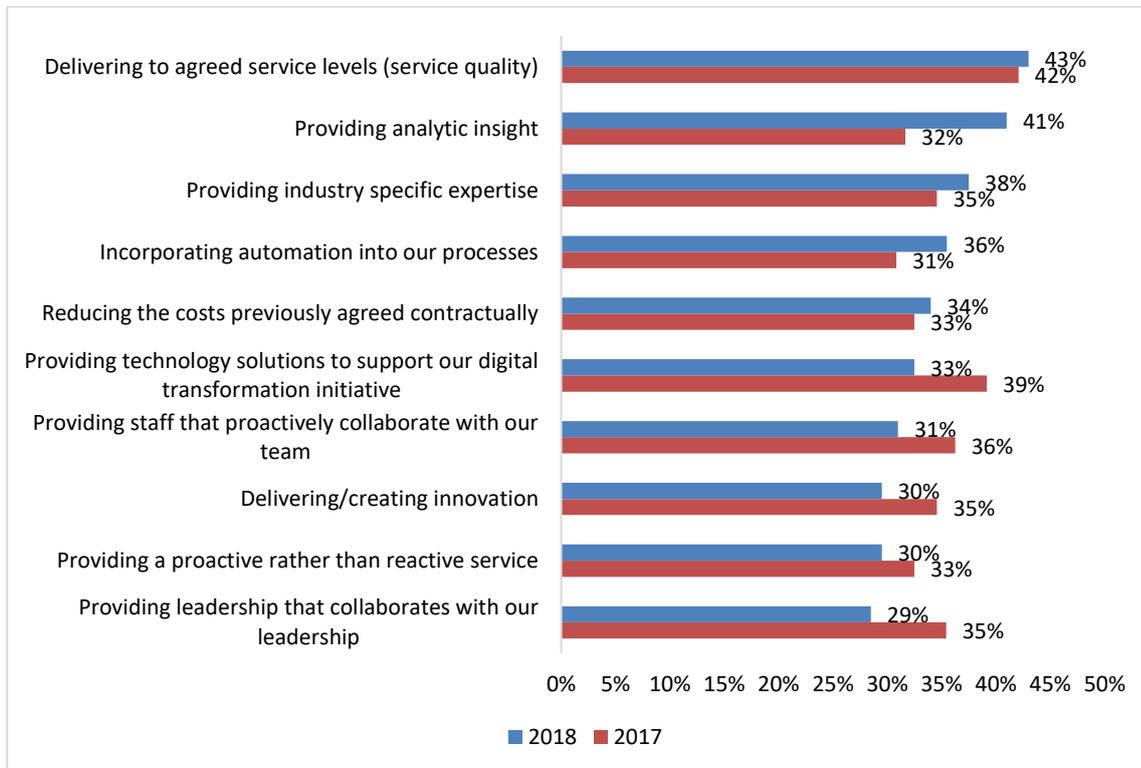


Figure 9. Importance of MPS provider selection criteria (‘Very important’ responses)



However, there are significant variations by region in how MPS providers are performing, with the US most positive across most criteria and Germany most conservative in their ratings (Figure 10). UK organisations display low satisfaction rates around MPS providers providing technology solutions to support digital transformation and industry expertise, compared to other regions.

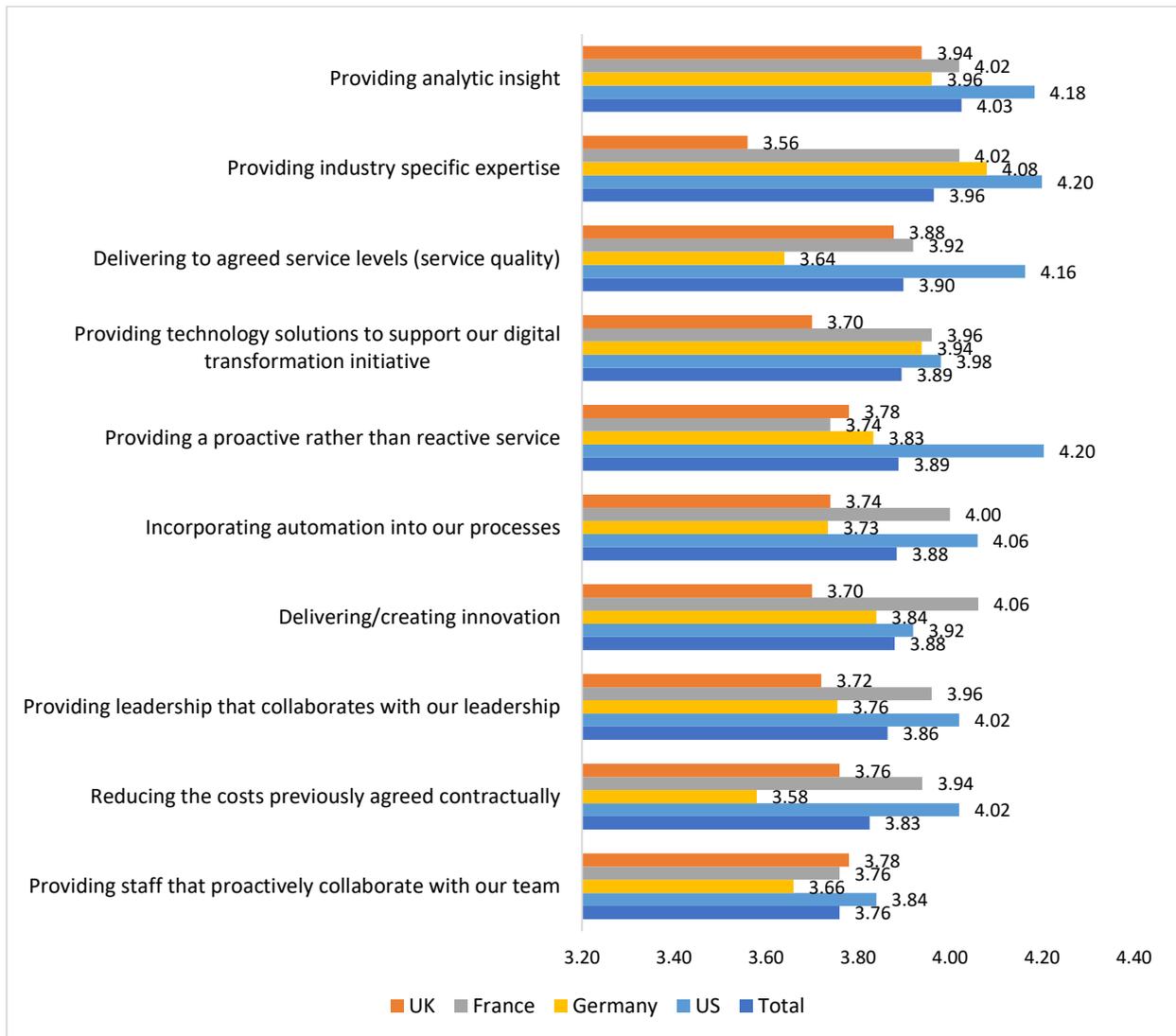


Figure 10. How effective is your current primary MPS provider at delivering the following business benefits? (Average score where 1 = completely ineffective and 5 = completely effective)



Future opportunities for MPS providers

As the core services of MPS continue to mature, traditional MPS providers must improve their offerings and deepen their competencies in areas such as IoT, security and analytics. While most of the market leaders offer a diverse set of services, the future of MPS lies in manufacturers and their partners fostering deeper partnerships across the broader IT landscape.

Quocirca recommends that providers evaluate the following opportunities:

Extend to a managed IoT service model

MPS providers should capitalise on their expertise in managing the most established IoT devices on the network – printers and MFPs.

MPS provides a foundation for ensuring the performance, reliability, security and continuity of the print infrastructure. Today's advanced MFPs enable automatic firmware upgrades, device monitoring and diagnostics, predictive maintenance and device authentication.

Today, the emergence of IoT platforms designed to manage a wide range of connected devices, offering centralised security, fault detection and remote monitoring, presents a broader opportunity for MPS providers. By integrating management of non-print IoT devices into their service portfolio, traditional MPS providers stand to increase their influence, becoming involved in a broader IT services engagement, as well as tapping into new revenue opportunities.

Traditional MPS providers should work with platform vendors or managed IoT service providers to integrate MPS technology. This could potentially extend to managing other IoT workplace assets such as lighting, heating and vending machines.

HP has already made some steps in this direction, with its Device-as-a-Service offering, covering PCs and laptops. Whether it extends to cover more IoT devices or whether other print manufacturers will follow suit remains to be seen.

Although managed IoT services can offer broader opportunities, providers also need to consider the security challenges it can bring. While most MPS providers offer robust security solutions to protect print devices from external hacking and prevent exposure of confidential information, managing other connected devices will demand new competencies. Collaborating and partnering with third-party providers to gain expertise in IoT device management and security is therefore the best way forward for MPS providers looking to extend their capabilities in the IoT space.

Develop managed security services offerings

Security has come to the forefront of the MPS agenda, and many providers are already expanding and deepening their capabilities around print security assessment and monitoring services. Quocirca's Print 2025¹ study revealed that enterprises are looking more to IT services providers to deliver MPS capabilities, which represents both a threat and an opportunity for MPS providers. While IT service providers are likely to outsource the MPS engagements to traditional print suppliers, MPS providers should evaluate the opportunity to work more closely with such providers and develop joint offerings.

Adding managed security to their service portfolios enables MPS providers to extend their core services. However, their print security offerings need to evolve beyond device monitoring to encompass incident detection and response. To participate in this broader managed security services market, MPS providers should partner with security technology providers who have the tools and specialist skills to provide strategic services around an integrated print and IT security offering.

Some print security offerings already integrate with security information and event management (SIEM) tools, and MPS providers should consider adding services and integration around these capabilities. As the market gravitates to a security-as-a-service model, MPS providers should also consider adding cloud-based security services to their portfolio. This will particularly appeal to small to medium-sized businesses (SMBs) that lack the budget and expertise to manage device security internally.

Unlocking the value of IoT analytics

MPS providers already use analytics as part of their assessment services, ranging from basic assessments of device usage to more sophisticated analysis of user behaviour. Although much of this data is used effectively to improve the efficiency of a print infrastructure – providing predictive maintenance and asset tracking, reducing unplanned downtime, minimising risk and lowering costs – MPS providers have yet to exploit the true potential of analytics.



MFPs generate a wealth of data, including device, document and user information. Manufacturers can use data about product usage to gain customer insights, which they may then use to market and deliver new services. Beyond this, predictive analytics can be used to personalise customer experiences, predict demand and dynamically set and optimise prices.

However, print management analytics tools are often not designed for massive data analysis, and MPS providers may lack the necessary business intelligence analysis skills. Exploiting big data and analytics requires new expertise and competencies from manufacturers. This will need to be built through a big data talent acquisition strategy, driven either organically or through collaborative partnerships.

References

¹ Quocirca's Print 2025 global market insight study, 2018 – www.print2025.com



Buyer recommendations

Having evolved beyond device-centric contracts focused on fleet optimisation, the most effective MPS contracts leverage data analytics and industry expertise to drive better business performance.

As the market continues to mature, organisations need to look for providers that can meet higher expectations around improved service delivery and longer-term business efficiency. MPS providers need to make the transition from high quality service delivery to innovative and proactive partnerships with their customers. As MPS enters the realms of business transformation, contracts will become increasingly complex and involve a wider range of stakeholders.

When shortlisting and selecting MPS providers, buyers should seek vendors that possess the ability to:

- **Help them improve business performance** – In addition to helping customers improve the efficiency and security of their print infrastructure, an MPS provider can help them drive business transformation and increase employee productivity. MPS is not just about reducing costs and mitigating risks – the right MPS partners will also have a vested interest in supporting a customer’s revenue growth. Today’s MPS proposition should be designed around specific business outcomes, whether these are increased revenue, enhanced customer service or faster innovation. As such, an MPS provider should understand the customer’s business and be able to advise them on solutions they can implement to improve performance.
- **Offer a broad portfolio of managed services** – Organisations that use multiple providers for their print and IT services often find that managing them can be costly and complex. For maximum efficiency, organisations should look for a provider that has a comprehensive suite of services covering office and production printing, IT services and business process automation. As businesses look more to ‘as-a-service’ options for software implementation, MPS providers with strong expertise across both on-premise and cloud delivery models will be better placed in the market.
- **Provide 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’s also important that a provider has local resources, with knowledge of the relevant regulatory and legal requirements. MPS providers must use standard delivery processes across all locations, and also standardise how multi-location teams are organised and collaborate.
- **Make proactive continuous improvements** – An MPS provider must go beyond a break/fix model to offer proactive and pre-emptive support and maintenance. As well as simple device monitoring, they should offer advanced analytics that can drive proactive support and provide visibility into areas for ongoing improvement. Analytics is now a critical technology differentiator for improving the outcome of an MPS engagement. Not only does it improve operational performance on an ongoing basis, but it can also support long-term strategies for business efficiency improvement, through helping clients understand existing document and business processes. Organisations should demand increasingly strong analytical capabilities from their MPS provider, supported by strategic business reviews to ensure that the MPS contract continues to meet their expectations.
- **Guarantee strong multi-vendor 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 multi-vendor environments. A true vendor-agnostic MPS provider should play the role of trusted technology advisor, helping an organisation select the technologies that best support its business needs. Independent MPS providers should also have partnerships with a range of leading vendors, giving them visibility of product roadmaps and emerging technologies.
- **Be flexible** – Businesses will always want to engage with MPS in a variety of different ways. Some may want to standardise on a single vendor’s equipment and software, while others may prefer multi-vendor 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. Organisations should look for an MPS provider that offers flexible services able to accommodate their specific requirements. Flexible procurement and financial options are also key, with pricing models designed to allow for changing needs.
- **Be accountable** – Organisations need greater accountability from their MPS providers, to help them meet the increasing demands of shareholders, regulators and other stakeholders. A key differentiator for leading MPS providers is the ability to ensure strong governance of MPS contracts and act as a trusted, accountable advisor, making recommendations on the organisation’s technology roadmap. 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.

- **Provide full service transparency** – Consistent service delivery is built on consistent processes that employ a repeatable methodology. Buyers will be looking for access to secure, web-based service portals with dashboards that provide real-time service visibility and flexible reporting capabilities.
- **Align 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.
- **Innovate** – MPS providers must demonstrate innovation. This may include implementing emerging technologies and new best practices as well as continually working to improve service delivery and reduce costs. Businesses should choose a partner with a proven track record of innovation, and either dedicated research centres or partnerships with leading technology players and research institutions. They should also consider how a prospective MPS provider can contribute to their own innovation and business transformation strategy. Innovation within any outsourcing contract may come at a premium, however – this is where gain-sharing models may be used.



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 unweighted 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 global enterprise customer base.
- **Strategy** – The comprehensiveness of the vendor's MPS strategy, the quality of its overall value proposition and its evolutionary vision for MPS.
- **Maturity of offerings** – How long the vendor has been active in the market and how developed its offerings are.
- **Geographic reach** – A vendor's geographical reach, either via direct engagement or through partners or channels.
- **Market credibility** – The effectiveness of the vendor's initiatives to promote its brand, increase awareness of its service offering and influence market development. This 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 and resources, and innovation that will add improvements in approach, processes or service offerings.

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).
- **Helpdesk capabilities** – Centralised helpdesk capabilities and integration, remote diagnostics and support.
- **Production printing** – Central reprographics department (CRD) or print room services to support high volume printing requirements.
- **Multi-vendor support and maintenance** – The vendor's ability to service and support third-party products.
- **Reporting** – The breadth and depth of capabilities to provide analytics and reporting.
- **Business process automation** – Capabilities and expertise for business process automation – both software solutions and business process services.
- **Document workflow/ECM integration** – A range of solutions to support document capture, routing and integration with enterprise content management (ECM) systems.
- **Industry solutions** – Capability to offer industry software solutions in key vertical markets and industry alignment of sales force.

Figure 13 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 customer base estimates.

- **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 with service offerings that are currently being aligned on a global or European basis. Contenders are typically investing in resources, infrastructure and partnerships to expand their market coverage.
- **Emerging** – Vendors that are in the process of developing MPS offerings, or which offer MPS on a regional basis.

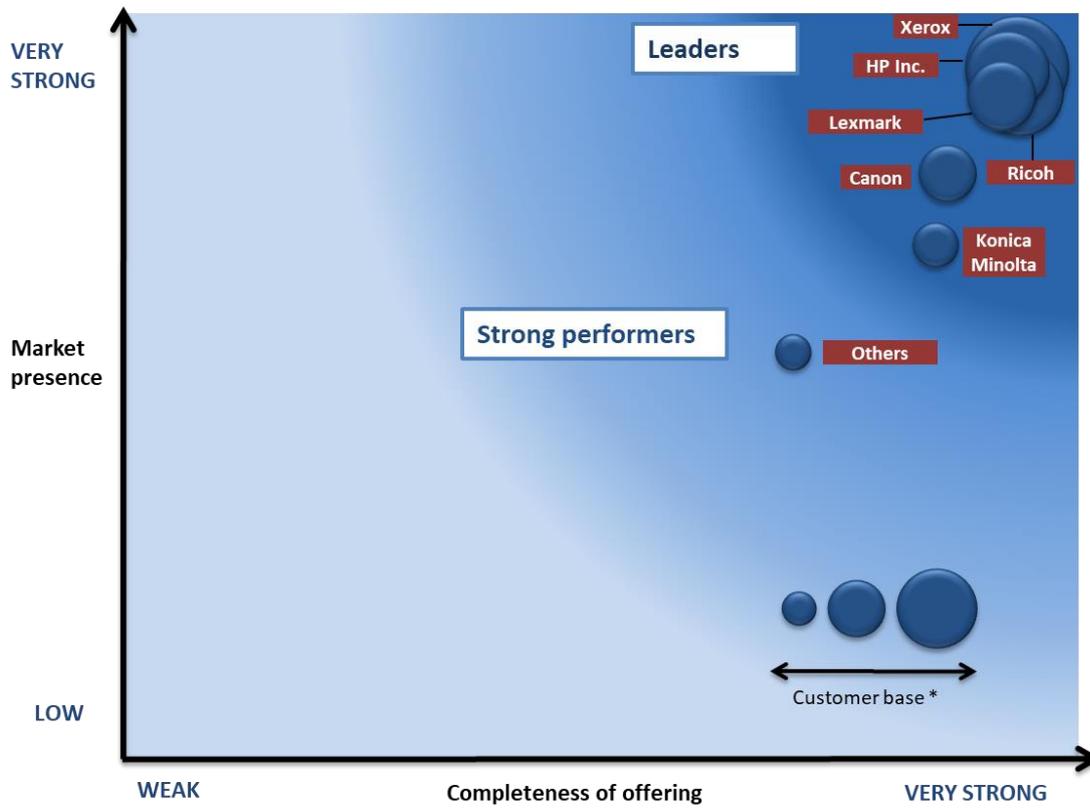


Figure 13: Quocirca MPS vendor positioning

** Customer base: Note that enterprise customer figures and estimated devices under management have been considered when determining customer base bubble size. Please refer to vendor profiles and scorecards for detailed information.*



Xerox

Quocirca opinion

Although the leadership group in the MPS market is becoming more closely packed, Xerox retains a leadership position, by virtue of a strong global MPS platform across both office and production print environments. Xerox excels in global service delivery, providing standardised services for both Xerox and third-party products. Its ConnectKey technology platform is integral to its MPS offering, providing the foundation for its digital workflow automation solutions and services. A key differentiator for Xerox is its broad range of analytics services. This includes Document Analytics and Process Analytics services, which evaluate paper-intensive processes and identify opportunities for digitisation and automation, providing the foundation for more detailed workflow assessments. Xerox continues to expand its focus on the SMB market through continual updates to its range of channel-led services and solutions.

A mature and workflow driven MPS strategy.

Its three new strategy pillars around its Managed Document Services strategy encompass MPS, Customer Communication Services and Digital Solutions. Xerox's MPS model continues to be centred around three main stages: Assess and Optimise, Secure and Integrate, and Automate and Simplify. In response to the growing shift to the Cloud, Xerox continues to develop additional cloud-based services, which support clients' needs to manage distributed printing in a virtualised infrastructure.

A key strength for Xerox's MPS portfolio is its broad range of workflow automation services and solutions. Through Xerox Digital Solutions, Xerox aims to provide the tools and solutions that businesses need to accelerate the digitisation of their business processes. Xerox ConnectKey technology is fundamental to the innovation of Xerox's MPS strategy. This is designed to enable workflow automation, turning multifunction devices into 'workplace assistants'. Xerox ConnectKey technology reflects the company's investments in driving more business value across its hardware portfolio, through a consistent platform across its 29 new VersaLink and AltaLink devices. Xerox ConnectKey devices are a key enabler for digital transformation, providing access to a range of cloud services and supporting simple digital workflows directly from the device.

Beyond the ConnectKey platform, key assets and partnerships in this space include its DocuShare content management platform and Hyland, which Xerox leverages for its comprehensive range of industry solutions across verticals such as insurance, healthcare, banking, manufacturing, retail and higher education.

Continued security enhancements

Xerox has a robust set of security services and tools, which are core to its MPS contracts. Its layered approach to security includes assessment services, security policy development, compliance and remediation and user analytics, auditing and tracking. Xerox has developed new capabilities around content security, which will enable documents to be inspected against customer-defined keywords before they are printed, copied or scanned. Onsite security assessments include security awareness and training, information security, physical site security, network security and IT security compliance.

At a device and user level, Xerox has built a broad range of authentication, reporting and monitoring tools, along with intrusion prevention capabilities. In particular it has expanded its security services through the Xerox Print Security Audit Service and its Secure Print Manager suite of solutions (both Xerox and partner solutions). These offer analytics, secure printing and control and reporting. Xerox's Print Security Audit Service now includes automated device setting remediation, as well as advisory services that provide support for the creation of security policies for customers and detailed reporting. In addition its ConnectKey software offers advanced security features, leveraging Xerox's partnerships with Cisco and McAfee. Capabilities include malware protection and content security, available on Xerox VersaLink devices.

Deep analytics capabilities

Xerox's assessments range from quick basic assessments to detailed, interactive and predictive user-based analytics. Xerox categorises its analytics capabilities across five levels: device, user, document, process and service. Through these services Xerox provides detailed insights to help its clients pursue incremental cost savings, efficiencies and productivity in office, centralised production print and user services requirements such as mobility, device and user security, environmental impact and paper-to-digital transformation. Analytics also are a key element of Xerox's strategic business reviews with MPS clients, which include developing an innovation roadmap. In the past year Xerox has enhanced its quarterly business review (QBR) and client engagement tools, which help it to personalise innovation recommendations based on trend analysis.



Summary

Xerox has a long track record of delivering MPS, excelling in a range of areas such as global delivery, multivendor support and comprehensive analytics and reporting. ConnectKey has proven to be a strong technology platform for Xerox to drive broader workflow automation benefits for its clients. In the past year Xerox has also created a stronger proposition around security. While the future of Xerox as a single entity remains unknown, given the uncertainty around the Fuji-Xerox merger, for now it remains in a strong position in the MPS market.

Strengths and opportunities

Strengths

- **Broad and scalable services portfolio.** Xerox has a mature, proven and globally consistent MPS offering. It has developed a broad set of assessment, security and workflow tools and services, which are key to differentiation. It particularly excels in large complex MPS engagements, and is also an established leader in channel-led MPS services for the SMB market. Xerox's MPS offerings are modular, and affordable for SMBs as well as large organisations through variable costing models and pay-as-you-go services.
- **Robust ConnectKey technology platform.** ConnectKey is a strong differentiator, providing Xerox with a platform to help organisations accelerate their paper-to-digital workflows. Xerox ConnectKey is part of a mature digital workflow portfolio that is complemented by DocuShare and discrete workflow automation offerings. By leveraging ConnectKey-enabled MFPs, businesses can automate paper-based processes, either through packaged or customised apps.
- **Proactive business intelligence.** Reporting is a key strength, with Xerox offering more than 50 standard KPI/SLA reports. Its sophisticated Business Intelligence Platform provides interactive and globally consistent reporting across all areas of enterprise print for multiple sites and countries. Reporting supports Xerox's Global Service Delivery Model, which reviews operational performance and identifies areas for innovation.
- **Continued investment in security.** In the past year Xerox has stepped up its investment across its security portfolio, through both proprietary and partner solutions. The Xerox Print Security Audit Service now offers broader interactive capabilities to manage compliance levels as well as to identify intrusion detection.
- **Strong and integrated production print services.** Xerox has a long track record in supporting production printing through onsite document production, external print procurement, mail management and cross-media publishing. This makes it a strong choice for large enterprises looking to gain efficiencies in enterprise-wide printing.

Opportunities

- **Expanding security and IT services.** As businesses look to suppliers with broader security and IT expertise, Xerox should continue to expand its capabilities around security and IT services – either organically or through partnerships. Xerox Virtualised Print, a new Cloud/Print Virtualisation service, which provides capabilities around print server virtualisation in the cloud and driver management is certainly a step in the right direction. Xerox has also developed a strong print security portfolio and should further leverage industry partnerships, such as McAfee to build awareness of its credentials with a traditional IT audience.
- **Better leverage DocuShare capabilities.** DocuShare has perhaps not been fully exploited within MPS engagements but provides Xerox with a significant opportunity to drive more efficient content and workflow management for its customers. Continued enhancements to the DocuShare platform mean that it can accommodate both small and large enterprise customers and as such can be a key enabler to driving workflow efficiency in both new and existing MPS contracts.
- **Innovation.** Quocirca believes that Xerox should capitalise on its R&D and Innovation heritage by developing and commercialising products and services in areas such as IoT, AI and RPA. These are areas that offer the potential to transform Xerox's position in the market if it can take a lead in applying such emerging technology to both core and new product areas.

MPS strategy

Xerox's Managed Document Services portfolio includes MPS, Digital Solutions and Customer Communication Services. Its MPS portfolio addresses the entire print landscape, from office to production printing. Its established MPS model is based on three stages:

- **Assess and optimise.** This first stage focuses on providing customers with an accurate baseline of their current spending for both Xerox and non-Xerox office and production printing environments. The assessment methodology



has been expanded to include not only device usage but also tracking of user print behaviour – for instance what types and volumes of documents are printed and at what time. Data is analysed using Xerox’s AssetDB and CompleteView Pro toolset in order to identify inefficiencies, and help customers minimise costs and environmental impact as well as improve the productivity of their employees. An optimised environment is designed, which can include both Xerox and non-Xerox devices depending on cost, security, sustainability and functionality.

- **Secure and integrate.** This phase focuses on securing and integrating the recommended print environment, encompassing security, mobile printing and print server and print queue management. Xerox offers a robust set of tools to control and secure a customer’s print environment. Xerox ConnectKey multifunction printers (MFPs) support McAfee’s whitelisting technology to detect and prevent unauthorised access of MFP files. In addition, ConnectKey MFPs incorporate Cisco TrustSec, for intelligent access control. Xerox has also established key partnerships with YSoft (security), EFI (public printing), Elatec (card readers), CA (print server monitoring), and Cisco (energy management)
- **Automate and simplify.** This phase improves productivity by transforming the way organizations securely collaborate, manage documents, and support critical business processes. Xerox’s own DocuShare digitises paper-based processes, for enhanced data accessibility and collaboration. This platform is complemented by PARC innovation and key strategic partnerships such as Hyland, to help organisations better convert and leverage digital content, extract insight, and optimise complex workflows to drive growth.

Partnership strategy

Xerox has a multi-channel approach, working with channel partners for SMBs, alliance partners for larger enterprises, and a direct sales force for selected large enterprises.

- **Alliance partners.** Xerox works with a number of strategic IT partners including Cisco, McAfee, HCL, TCS, CGI and Atos. It also has regional partnerships with companies including CompuCom, SMS, DecisionOne in North America and Computacenter and T Systems in Europe.
- **Channel-led MPS.** For the SMB market Xerox Partner Print Services (XPPS) is delivered entirely by channel partners and acquired channel partners (e.g. Veenman in the Netherlands, Concept Group in the UK and IBS in Ireland). Xerox reports that it now has hundreds of partner organisations actively selling XPPS globally including Xerox concessionaires, multi-brand document technology providers, managed service providers and corporate resellers. Its XPPS programme includes formal sales training and also a coaching and mentoring programme with Xerox MPS specialists and Xerox Assessment Services specialists to ensure the partner’s transition to services is seamless.

MPS infrastructure

Xerox’s MPS offering leverages the ongoing development of its infrastructure platform and continued expansion of its global delivery network. Highlights include:

- **Global delivery.** Xerox has dedicated global MPS delivery centres, with European hubs in Dublin and Lisbon staffed by a dedicated, full-time delivery team of approximately 350 people. These are supported by local resources designed to provide a standard service across countries. Significant in-country service delivery teams supplement this regional delivery model. The European centres are part of a larger global infrastructure able to provide 24x7 ‘follow-the sun’ support to global customers.
- **Helpdesk integration.** The Xerox Service Desk incident management tools can be integrated with customer helpdesks to enable more efficient incident management, and increase the Service Desk transparency between client and vendor helpdesks. Additionally, Xerox has developed a new API into the Xerox Service Manager tool that enables partners to integrate device, billing and incident status information into their own systems in support of service provision to their clients.
- **MPS service portal.** All Xerox MPS customers can gain access to any element of their service through a bespoke service portal. Xerox also provides customers with an e-commerce platform that enables them to request additional services.
- **SLA and reporting.** Xerox provides globally consistent reporting across all areas of enterprise print for multiple sites and countries. Monitoring is conducted in real time, against both individual incidents and rolling performance within the contracted measurement periods to ensure SLA compliance and support over performance levels. Xerox offers more than 50 standard KPI/SLA reports to customers. As part of the Xerox Global Service Delivery Model (GSDM), it offers annual, quarterly and monthly business reviews. These focus on both operational performance and the identification of opportunities for innovation.



- **Billing.** Xerox offers a range of pricing options that include all-inclusive utility-based pricing and component-based billing (e.g. equipment and services, plus click) models. Billing can be delivered at various levels, from local through to consolidated global billing. For its key enterprise customers, Xerox also offers innovative commercial models including Level Pay, Flat Fee and User or Seat based models. Customers typically receive one invoice per month for each of the countries where they take the service, with Xerox acting as the billing and management agent for each of the existing device contracts. Channel MPS customers are billed directly by the partner, with most partners having the capability to offer the customer consolidated billing.

Service offerings

Xerox addresses the full enterprise print environment, with a broad set of services that adapt to MPS maturity. Services range from fleet management and optimisation to business process optimisation, driving efficiency of document-intensive processes. Offerings include:

- **Full range of assessment services.** Xerox has developed a suite of assessment services to address the different levels of MPS maturity in an organisation. Assessments range from quick, assumptive-driven assessments to full, fact based assessments with the flexibility to create a blended approach to support varying customer requirements. These include:
 - **MPS Maturity Assessment.** This free consultancy service includes a short assessment to help define a client's MPS maturity and develop an appropriate MPS roadmap.
 - **Device Analytics.** This captures volume, financial and sustainability data, allowing a future state to be designed that will deliver both a reduced total cost of ownership and environmental benefits for the client.
 - **User Analytics.** Analyses individual print behaviour through data collected from various print management systems. It provides insight into how, what, when and where users are printing.
 - **Document Analytics.** Identifies the business processes that contribute to printing and aims to help the client understand why users are printing.
 - **Process Analytics.** Identifies the inefficiencies in a process, on a step-by-step basis. This enables a mapping to future state and creates the associated business case for change.
 - **Service Analytics.** This uses technology and analytics, which enable services delivery professionals to provide clients with objective SLA performance data.
- **Fleet optimisation.** Xerox uses the Asset DB tool to develop an optimised fleet. This incorporates design of an optimal print policy and solution, which is validated using its proprietary interactive application, CompleteView Pro. This enables Xerox to compare the optimised environment to the current environment, as well as allowing the customer to benchmark its environment against others in the same industry. Xerox also offers optimisation of production printing through its Communication and Marketing Solutions offering, which looks at both labour and device utilisation. Xerox can provide offsite staff for periodic peak load volumes as needed.
- **Device management.** Xerox Services Manager (XSM) offers a hosted cloud-based asset database, which provides a single source of record for all client managed device events (e.g. consumables requests and fault alerts). These could be events captured by the XDM (Xerox Device Management) and XDA (Xerox Device Agent) device alerts (located inside the customer firewall), or via other event logging systems such as the Services Portal or Service Desks. XDM/XDA tools also enable other remote device management tasks such as meter reading and device configuration.
- **Multivendor support.** Xerox states that the top 10 brands and 2,549 models are validated for proactive supplies and break fix management prior to contracting, with other brands and models also being proactively managed where technically possible.
- **Print server management.** Xerox can take over the monitoring and management of print servers, an often-ignored element in print infrastructure management. By consolidating servers, or eliminating them altogether where appropriate, Xerox can reduce costs and avoid the complexity of server management.
- **Project management.** Xerox assigns a dedicated project manager for larger, complex MPS deployments. Xerox service professionals use Six Sigma methodologies to ensure a smooth transition in project delivery, and project managers are trained to Prince II standards.
- **Solution architecture.** Xerox provides solution design, software implementation and full application lifecycle management services for all MPS solutions.
- **Change management.** Xerox uses a structured approach to set client expectations, improve end-user satisfaction and accelerate adoption. This includes:



- Strategy – preparing for organisational change
- Awareness – understanding why change is needed
- Desire – motivating people
- Knowledge – what you need to know to succeed
- Reinforcement – how to sustain a changed process.

Solutions

- **Mobility.** Xerox offers a range of mobile print solutions, including the Xerox Workplace Solutions, which has been designed to reside either in the MPS customer environment (on-premise) or hosted via Xerox's secure Microsoft Azure environment. Xerox Workplace Solutions support both Xerox and non-Xerox devices and are compatible with any email-enabled mobile device. The services approach requires minimal IT resources as it does not need printer configurations, installation procedures or device specific applications to be installed on mobile devices. Organisations can control who has access to mobile printing, and secure release codes ensure printed documents are not intercepted by unauthorised users. Xerox's mobile print solutions also enable end-users to print securely to public print locations.
- **Security.** As part of its MPS offering, Xerox provides security planning and execution, continuous monitoring and reporting, secure printing and authentication as well as intrusion prevention on certain devices.
 - **Print Security Audit Service.** Provides automatic inspection against the baseline firmware/security policy, along with proactive remediation and reporting to protect devices from potential security breaches. It monitors consistent device behaviour and settings, as well as providing an interactive dashboard via which organisations can easily view and make adjustments across an entire fleet.
 - **Secure Print Manager Suite.** Aims to improve compliance with print policies, while adding more security and insight with rules-based functionality. It provides insight into process improvements with fact-based data, and guides user behaviour changes to use print resources more efficiently.
 - **User Analytics Service.** Improves security by enforcing established print, security and sustainability policies. Analytics identify who is printing, when and where. Dashboards provide insight into user behaviour alongside in-depth analysis of document costs and automated internal cost recharging.
 - **Print Server Management Service.** Provides end-to-end monitoring services for servers and queues via a simple and efficient onboarding process, with health check, proactive monitoring and resolution, efficient triage of incidents and print driver management.
 - **ConnectKey Devices.** These incorporate a comprehensive set of security features to keep printers and data safe. Xerox secures every part of the data chain, including print, copy, scan, fax, file downloads and system software.
- **Workflow automation.** Xerox has developed a range of personal and office workflow solutions, which include:
 - **Xerox DocuShare 7.0.** This enterprise content management (ECM) platform is targeted at businesses of all sizes. It offers broad ECM capabilities for capture, content management, collaboration and process automation and is tightly integrated with Xerox ConnectKey multifunction printers. Capabilities include content management consultative services that help clients easily capture, store, share and transform paper-based and electronic documents from a variety of sources – web, desktop applications, tablets, smartphones, and MFPS.
 - **DocuShare Flex.** A cloud-based DocuShare platform that provides automation, security and scalability of large-scale ECM systems targeted at SMB and company departments.
- **Industry specific solutions.** Xerox has a range of industry solutions for workflow automation across HR, finance and accounting, insurance, retail, banking, manufacturing, higher education, government and healthcare. These include (but are not limited to):
 - **Retail banking.** This includes new client onboarding, compliance and records management, fraud management and loan application processing.
 - **Manufacturing.** This new suite of offerings automates processes in areas such as engineering change management, quality assurance, logistics and fulfilment, and maintenance and operations.
 - **Higher education.** A broad range of solutions covering admissions processing, financial aid, register processing, student advising, student billing and transcript capture and evaluation.
 - Retail supply chain optimisation streamlines the in-store product lifecycle by capturing information about ordering, inventory and shipping, and providing it via an analytics dashboard to enable staff to deal with exceptions.
 - **Health Records Information Management.** This unifies patient information (including electronic medical records, DICOM images and unstructured data) to provide consistent access to a single view of that patient.



- **Insurance solutions.** These include automation of new business processing, claims processing, case management and ACORD application processing.
- **HR onboarding.** This provides workflow to help bring together the disparate information sources used to securely hire and provision a new employee.
- **Finance and accounting solutions.** These include accounts receivable, accounts payable, procurement and vendor management.
- **Document Digitization Services.** These include managed scanning, capture, extraction and integration services that are performed through Xerox's network of offsite centres. Both highly customised and packaged services are available.



About Quocirca

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