

Managed Print Services, 2023

Building a secure and sustainable workplace



Executive Summary

Amid a challenging economic climate, organisations are looking to maximise operational efficiencies and re-evaluate technology infrastructure investments. Although a measured return to the office is underway, print volumes will continue to be pressured, particularly as organisations accelerate digitisation initiatives. Organisations using MPS have higher expectations of its ability to reduce environmental impact, while also looking to address ongoing costs associated with their print infrastructure.

Many are re-evaluating, optimising, and refreshing their printer fleet, providing MPS providers with opportunities to help customers transform their print and digital infrastructure through cloud-based, secure, and sustainable solutions and services. However, customer satisfaction is falling as expectations increase. MPS customers expect suppliers to demonstrate strong expertise across cybersecurity, cloud, and sustainability, reflecting the need for suppliers to enhance their competitive differentiation.

This report highlights the findings from Quocirca's primary research study, conducted in May 2023 across 208 organisations using MPS in the UK, France, Germany, and the US.

Key findings:

- **Changing office footprints are creating new workplace solution needs.** Real estate footprints are expected to change by 2025. Overall, 59% of businesses indicate that they expect it to increase, compared to 26% that anticipate a decrease. This suggests that some organisations may be moving to introduce more satellite offices or expand collaboration and social space. As hybrid work impacts office occupancy levels, organisations are looking at more effective workplace solutions to maintain employee productivity and engagement.
- **Hybrid work continues to impact print volumes.** While employees are increasingly returning to the office, with an average of 40% working fully in the office and a further 33% in a hybrid model, employee behaviour may have irrevocably changed when it comes to printing. On average, organisations estimate that print volumes are 52% of pre-pandemic levels, with this expected to stay relatively stable at 54% through 2024. While the UK is more optimistic at 60%, this compares to just 48% in France.
- **Organisations are refreshing and rethinking their printer fleets.** As organisations look to drive more efficiency and control costs, they are updating their printer fleets. Overall, 42% are moving to a more centralised fleet, with 41% indicating they are moving to a more distributed fleet. While this is strongly dependent on industry sector and organisation size, 36% are notably prioritising the introduction of inkjet printers in the office, rising to 45% in the retail sector.
- **Cost, sustainability, and security are top print management challenges.** Overall, 37% of respondents report that cost control is the top print management challenge, followed by the cost of purchasing and maintaining print servers (32%) and reducing environmental impact (31%). Larger organisations are more likely to consider reducing environmental impact a key challenge (34%), as well as securing home printing (23%).
- **Cloud usage is driving cloud print management adoption.** Overall, 48% of organisations using MPS report that they have implemented a cloud print management platform, with a further 39% planning to do so in the next year. However, despite this shift to the cloud, only 13% say they are prioritising reducing or eliminating print servers. This suggests a lack of awareness of the benefits of serverless printing, as well as an ongoing requirement amongst many organisations to operate an on-premise print infrastructure.
- **Cybersecurity and IT expertise are top MPS provider selection factors.** Cybersecurity expertise is the top requirement when organisations are selecting an MPS provider. Overall, 45% rate this as very important, rising to 51% amongst UK respondents. In the US, IT infrastructure expertise (along with analytics expertise) is rated as the top selection factor (52%), compared to just 33% in Germany. This reflects a more mature market potentially for managed IT services in the US, as well as acceptance of using a single supplier for both print and IT services.
- **MPS satisfaction rates have dropped since 2022.** Only 31% of respondents indicate that they are very satisfied with their MPS supplier in 2023, compared to 47% in 2022. Key areas where MPS is proving less effective include reducing environmental impact, service reliability, and reducing costs. Although active dissatisfaction is still low at only 6%, a lack of positive feeling towards suppliers increases the risk of customers reviewing their contracts or looking elsewhere.

Contents

Executive Summary 2

Methodology and Definitions 4

Quocirca MPS Vendor Assessment..... 5

Vendor Profile: Lexmark 7

Recommendations 9

About Quocirca 11

Methodology and Definitions

Quocirca conducted a survey among senior managers with responsibility for decisions relating to managed print services. The research was conducted in the UK, France, Germany, and the US, amongst 218 enterprises with 500 or more employees that were already using a managed print service. For the purposes of this research, organisations with 500 to 999 employees are referred to as mid-size organisations, and those with over 1,000 employees are classed as large organisations. The survey was conducted online and fielded in May 2023.

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 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. These 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.

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 Brother, Canon, Epson, HP Inc., Konica Minolta, Kyocera, 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. They vary from print management, security, and analytics tools to cloud printing solutions. Examples include Kofax, MPS Monitor, Print Audit, Eci FM Audit, PaperCut, Printix, Process Fusion, Ringdale, and YSoft. Providers often use such third-party products to add value to a particular element of their MPS portfolio.

Quocirca MPS Vendor Assessment

Quocirca's vendor assessment is based on a range of criteria that determines an overall score for market presence and completeness of offering. Each score is based 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.

Strategy criteria

- **Enterprise customers.** The strength of the vendor's global enterprise customer base.
- **Vision and 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 criteria

- **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 services and IT services.
- **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.
- **Multivendor 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.
- **Workflow automation.** Capabilities and expertise for business process automation – both software solutions and business process services. This includes solutions to support document capture, routing and integration with enterprise content management (ECM) systems.
- **Industry solutions.** Ability to offer industry software solutions in key vertical markets and industry alignment of sales force.

Figure 9 represents Quocirca's view of the competitive landscape for vendors that deliver MPS.

- **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.
- **Major players.** Vendors that have established and proven offerings supported by demonstrable customer success.

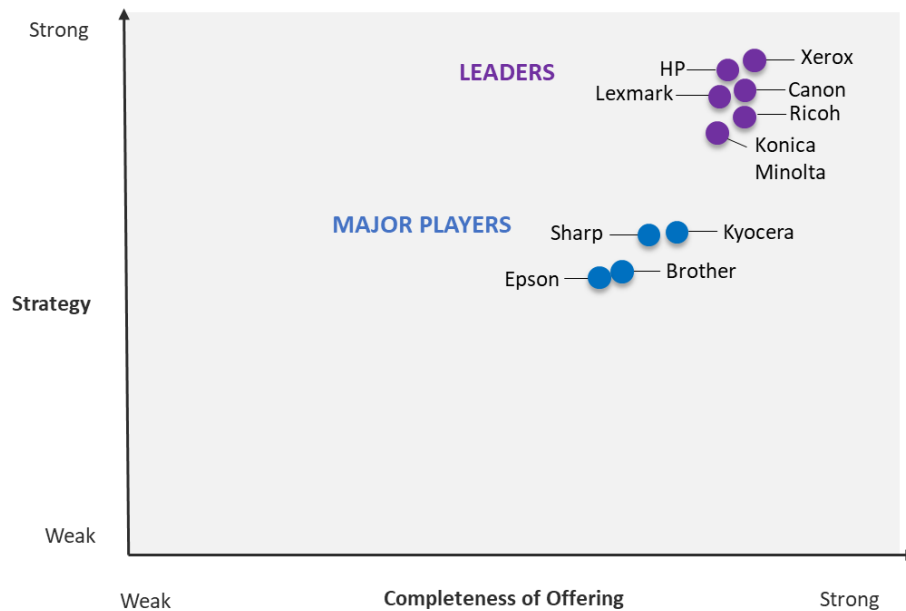


Figure 9. Quocirca MPS Vendor Landscape, 2023

The Quocirca Vendor Landscape is a graphical representation of Quocirca's opinion of the market and is based on Quocirca's scorecard methodology. This information is provided as a visual representation only and should be combined with other sources to determine the suitability of any vendor. Quocirca does not endorse any vendor, product, or service. Information is based on best available resources and opinions reflect judgment at the time. All opinions are subject to change.

Vendor Profile: Lexmark

Quocirca opinion

Lexmark retains a leadership position in Quocirca's assessment of the managed print services market. Lexmark has a strong heritage in global MPS delivery, particularly excelling in supporting distributed print environments. Lexmark offers a single global platform for worldwide reporting, governance, and operational management, which provides real-time fleet and device-level visibility in all geographies. A key differentiator for Lexmark is its deep vertical expertise and range of industry-specific solutions, particularly in the retail sector.

Expanded SMB MPS offering

Lexmark is also scaling its MPS offerings for the SMB market. Introduced in February 2023, MPS Express (which replaces the Lexmark MPS Core channel solution) is a standardized cloud-based offering. The program includes services, support, proactive replacement of supplies, and remote management capabilities, and is designed to enable IT value-added resellers (VARs) and system integrators to sell managed print services as part of their broader IT service offerings.

Security-led MPS

Security is core to Lexmark's MPS offerings. Security assessments form an integral part of MPS engagements, providing customers with a deep level of understanding around print network vulnerabilities. Lexmark has dedicated security consultants within its global professional services team who analyse market trends and monitor emerging threats, providing guidance on product roadmaps and IT initiatives.

Mature predictive analytics expertise

Analytics has long been a core competency for Lexmark, and it leverages artificial intelligence and machine-learning technologies to support its predictive support capability suite. Lexmark reports that it monitors over 700 sensor data points in its devices, including paper path timing, motor torque readings, and current draw. This sensor data feeds into its predictive service algorithm engine, which uses artificial intelligence/machine learning to combine sensor feedback with CRM service history to trigger and initiate remote fix processes, ship parts automatically, and batch on-site service calls together. Its proactive consumables management (PCM) offering applies self-learning algorithms to analyse device performance and predict optimal automatic consumables delivery. Finally, it ties these together with its proactive device notification capability, where service and consumables order status can be displayed on the device operator panel, eliminating customer confusion and unneeded help-desk calls.

Mature sustainability focus

Lexmark uses AI/ML/DL as part of its innovative Smart Refresh lifecycle management program, which uses performance and usage data to replace only the printers and MFPs in a customer's environment that are truly at the end of their useful life. In September 2022, it launched its first CarbonNeutral certified devices, which include carbon offsets to minimise their environmental footprint, as well as the Lexmark OnePrint print subscription service for SMBs.

Cloud print management capabilities

Lexmark continues to build out its portfolio of cloud solutions and services. Lexmark Cloud Bridge technology enables all types of print devices and complete fleet network environments to connect to Lexmark's cloud infrastructure in a simplified, secure, and flexible manner. It supports all network scenarios, whether devices are USB-connected, are connected via a downloadable app on the operator panel, or use the native firmware in the device itself. Recent developments include expanded use of AI/ML algorithms within its Cloud Print Management and Cloud Fleet Management functionality to enhance visualisations and add new data sets into its Customer Governance Portfolio interactive dashboards, as well as incorporate new data collection paths into its Cloud Bridge suite.

Workflow automation partnerships

Document workflow automation is an enhanced service offering from Lexmark. Software partnerships with companies including Ringdale, Hyland, Kofax, LRS Output Management, PaperCut, Pharos, Retarus, and etherFAX

are a key part of the Lexmark MPS alliance ecosystem. The alliances enable customers to leverage solutions to boost productivity, simplify device management, and streamline their output environment from a single source.

Key differentiators

- **Industry expertise.** Lexmark has proven expertise in supporting distributed print environments, particularly those with a strong requirement for A4 devices. Its long heritage in supporting the retail environment has enabled Lexmark to deliver effective support for hybrid work environments that rely on a distributed fleet infrastructure across central and branch office locations.
- **Deep sustainability focus.** Lexmark demonstrates an ongoing commitment to delivering a sustainable print infrastructure for customers. Its Smart Refresh lifecycle management program is particularly noteworthy. This unique data-driven lifecycle management program means Lexmark manufactures less materials, and customers realise cost and carbon footprint savings.
- **Comprehensive security focus.** Lexmark's Secure by Design approach across its hardware and services portfolio ensures that MPS engagements help organisations mitigate risks around device, document, and network security.

Recommendations

This year we have seen a shift towards focusing on long-term goals, particularly improving environmental performance. This issue has become more significant over time, but is now at the top of many organisations' agendas due to government policy and consumer pressure. This shows the biggest gap between customer expectation and MPS vendor delivery.

At the same time, in a period of economic uncertainty, businesses are being forced to focus on cost control. MPS providers must offer great value by efficiently meeting customers' needs, as well as be seen as trusted advisers helping customers meet their print challenges and broader business goals.

Vendors can guide customers as they navigate changes, such as by refreshing printer fleets, managing the development of customers' estate portfolios, and migrating infrastructure to the cloud. However, they could expand their remit into supporting sustainability, digitisation, and IT security by targeting their offers at organisations at the forefront of these developments.

Supplier recommendations

- **Broaden collaborative and workplace services.** MPS providers should offer distributed collaboration systems that organisations are already investing in to support their distributed workforce, such as cloud-based synchronised file-share platforms, VoIP systems, and cloud-based document storage and management. Beyond a means for a distributed workforce to operate more cohesively, such services provide more secure document and records retention, a more auditable and reportable environment, and a better way of ensuring continuous access to systems via high-availability cloud systems.
- **Expand flexible and scalable cloud offerings.** At least some on-premise capability will still be needed, specifically for customers that want to maintain a degree of print management services on-premise for security and compliance. This may be an opportunity for providers to apply continued premium pricing to cover the additional costs of managing updates and patches, as well as offer discrete and bespoke support.
- **Provide broader home-printing/home-office support.** MPS providers should look at how best to support the home worker with suitable printers and support, as well as continuous monitoring and provision of consumables. Tying lifecycle management of home print devices into existing MPS agreements is useful for businesses: they can cut costs through access to better pricing for devices and consumables while gaining better control of the device as part of an overall MPS agreement.
- **Shift to a zero-trust security model.** Security services should extend to both information and device security – with focus on information, as this is the key to an organisation's ongoing health. Many leading MPS providers have expanded their security assessments and monitoring capabilities, which will be vital in closing security gaps around the hybrid workplace. Looking to provide more rounded solutions, such as data leak prevention (DLP) and digital rights management (DRM), will give customers the information control they need and could result in rapid payback.
- **Leverage the value of analytics.** As organisations continue to accelerate their digitisation initiatives, MPS providers should adapt data-driven business models to uncover opportunities for business process automation. Expectations around environmental analytics are also increasing, creating a demand for comprehensive assessments of the print infrastructure to identify ways to reduce energy usage and wasteful printing. MPS providers should also establish measurement criteria to monitor progress.
- **Build relationships with companies seeking to change their office footprints.** Such organisations are likely to need to reassess their requirements, which will create opportunities for new providers.

Buyer recommendations

MPS providers are expanding their provision of services to meet the long-term objectives of their customers. Buyers can take advantage of these developments by choosing providers that:

- **Look for a coherent solution to support the hybrid workplace.** Providers should be able to advise on and deliver home-office device provision, monitor usage and security patterns, and offer solutions that allow closer collaboration between the home and office environment, including secure print management alongside consumables replenishment services.
- **Consider support for the transition to a cloud print environment.** Providers should be able to deliver cloud consultancy and design solutions that are appropriate to the organisation's level of cloud maturity and ambition. They should offer clear metrics on the benefits of a cloud transition.
- **Evaluate workflow automation services.** Explore solutions such as business process automation, broader workplace technology solutions, and the benefits of the provider's wider partnership ecosystem to ensure digitisation can proceed at the desired pace and sophistication level.
- **Consider a zero-trust-based print infrastructure.** Security continues to be critical as IT environments evolve to a distributed, perimeter-less model. Buyers should evaluate zero-trust MPS approaches and how solutions integrate with existing tools such as SIEM and end-point detection and response, while ensuring devices remain protected and monitored by built-in security features.
- **Leverage analytics to gain continuous improvement and value-added services.** Analytics from the print environment can deliver valuable information around areas such as device and workspace usage patterns and service requirements.
- **Look for measurable sustainability benefits.** As supplier sustainability due diligence enters the realm of regulatory compliance, expect MPS providers to supply detailed data around the environmental and social impacts of their own operations. Buyers should look for solutions that contribute to key environmental targets, such as reducing energy consumption, waste, and carbon emissions.

About Quocirca

Quocirca is a global market insight and research firm specialising in the convergence of print and digital technologies in the future workplace.

Since 2006, Quocirca has played an influential role in advising clients on major shifts in the market. Our consulting and research are at the forefront of the rapidly evolving print services and solutions market, trusted by clients seeking new strategies to address disruptive technologies.

Quocirca has pioneered research in many emerging market areas. More than 10 years ago we were the first to analyse the competitive global market landscape for managed print services (MPS), followed by the first global competitive review of the print security market. More recently Quocirca reinforced its leading and unique approach in the market, publishing the first study looking at the smart, connected future of print in the digital workplace. The [Global Print 2025 study](#) provides unparalleled insight into the impact of digital disruption, from both an industry executive and end-user perspective.

For more information, visit www.quocirca.com.

Usage Rights

Permission is required for quoting any information in this report. Please see Quocirca's [Citation Policy](#) for further details.

Disclaimer:

© Copyright 2023, Quocirca. All rights reserved. No part of this document may be reproduced, distributed in any form, stored in a retrieval system, transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without express written permission from Quocirca. The information contained in this report is for general guidance on matters of interest only. Please note, due to rounding, numbers presented throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. The information in this report is provided with the understanding that the authors and publishers are not engaged in rendering legal or other professional advice and services. Quocirca is not responsible for any errors, omissions, or inaccuracies, or for the results obtained from the use of this report. All information in this report is provided 'as is', with no guarantee of completeness, accuracy, timeliness, or of the results obtained from the use of this report, and without warranty of any kind, express or implied. In no event will Quocirca, its related partnerships or corporations, or its partners, agents, or employees be liable to you or anyone else for any decision made or action taken in reliance on this report or for any consequential, special, or similar damages, even if advised of the possibility of such damages. Your access and use of this publication are governed by our terms and conditions. Permission is required for quoting any information in this report. Please see our [Citation Policy](#) for further details.