

Print Management Case Study

Exposing a Dishonest and Lazy Service Provider who Provided a Traditional Print Management Service Disguised as a Cost-Per-Page Solution

The Challenge

A regional bank, which was billed for print management services on a cost-per-page basis, was approached by their service provider, requesting of the bank that their per-page rate be increased by an amount that was almost double what was currently being paid. They told the bank that this was necessary because they were losing money on the account. Subsequently, the bank contacted a service provider who offers Cost Management services utilizing the Miracom Solution. Indicating that they thought the rate increase was unfair, the bank requested the Cost Management service provider assess the request, and indicate what *their* cost-per-page rate would be if they were to bid on the contract.

The Solution

Prior to a bid, the Cost Management service provider requested approval from the bank to install Miracom Network's Magic 1500 appliance onto the bank's network, in order to capture utilization data on their networked print devices. The bank's IT department reviewed the request, and granted it. Aside from sharing with the service provider an IP range from which print devices could be located, no other information, time, and effort was required of the bank and its IT department.

Within 30 days, the Magic 1500 provided preliminary data that enabled the Cost Management service provider to determine that the per-page rate would in deed fall within range of the bank's current service provider's requested rate change.

In the interim, the Cost Management service provider began exploring what services the bank's current service provider was delivering under their cost-per-page program. What the bank was getting was no more than toner drop offs and basic repair services.

Service support did not include parts, only labor. Requests for service usually required a 24 hour response time. Little to no preventative maintenance was performed on the devices. In order to minimize their costs, the service provider stored excessive numbers of toner cartridges on site, and recommended new print device acquisitions more often then not. Most importantly, they had little meaningful data on the bank's print environment, which made it impossible to understand the cost structure necessary to manage the bank's print environment or even how to reduce costs and improve efficiencies.

It was clear that this service provider had captured a contract based on a rate that was unrealistic. They had no idea what the actual rate was or should be. They simply knew they were losing money. In order to minimize their loss, they delivered the least amount of service possible.

The Cost Management service provider proposed a rate 1/10 of a penny higher than the requested rate asked of by the service provider that was currently servicing the bank, and agreed to provide a full Cost Management solution based on that rate.

The Result

The Cost Management service provider was awarded the contract. Utilizing Miracom Network's Central Plus Solution, the service provider was able to lower the rate it charged the bank by 3/10 of a penny within the first six months, and still make a nice margin of profit. Response time for service support improved to 2-4 hours. The bank's capital expenditures decreased substantially as cost avoidance became a standard. Historical data on the bank's print environment became a prevalent tool for process efficiency and product acquisition decisions.

What a Real Cost Management Solution Looks Like

Cost Management is an outsourcing service by which a service provider takes on full responsibility for a company's print environment, including the costs associated with repair, maintenance, consumables, and often the replacement of print devices themselves. The fee structure for this service is typically based on a cost-per-page rate.

Cost Management is the most strategic and value-added service a provider can offer. But it can't be offered without having access to the very data that drives it. This is what the Miracom Solution enables, and specifically, Miracom's *Central Plus Solution*.