

The Fine Print

Managing hardcopy and electronic documents for competitive advantage and cost savings

Executive Summary

Hardcopy and electronic documents impact every worker and business process in corporate America today. Companies that manage information efficiently and effectively will speed up the pace of their business, improve customer satisfaction and increase profits.

Bruce Dahlgren

Lexmark International, Inc.

The Fallacy of the Paperless Office

Not long ago, the paperless office was deemed a near certainty. Electronic communication technologies were hailed as the office saviors - designed to reduce the amount of paper consumed around the globe, speed up business and put bottomlines in the black.

Virtually no one anticipated the tremendous reverse impact the Internet, electronic mail, personal digital assistants and even electronic calendars would have on the number of documents we print and the amount of paper we use. But the unthinkable has happened. More documents are being created and printed than ever before.

The impact of these trends on the enterprise information technology infrastructure is startling.

- Printing is costing corporations an amount equal to one to three percent of their revenue¹,
- The average \$1 billion corporation generates 88 million sheets of paper each year²,
- Paper use is growing six to eight percent per year³,
- Up to 60 percent of help desk calls are output related⁴,

- E-mail is increasing printing volumes by 40 percent⁵, and
- Employees, on average, are printing 33 Internet pages each day⁶.

What remains constant is that the hardcopy document is still a critical part of a corporation's information system. Nearly every business process whether loan applications, invoices, purchasing requests or payroll, requires information printed on a piece of paper. For most organizations, their antiquated printers, copiers and fax machines are ill-equipped to handle the myriad of complex files crossing corporate transoms every minute of every business day. These infrastructure elements are impacting business efficiencies more than ever before.

In layman's terms, the poor management of hardcopy and electronic documents is slowing down the pace of business, impacting customer service and significantly increasing costs. And, it's only poised to get worse.

To address these issues, organizations need partners to help them identify and deploy technology solutions that enable them to ***print, move and manage*** information more effectively and efficiently to reap the benefits of a more streamlined information system.

¹ Source: Gartner Group, "Rightsizing Output Fleets: The Hidden Gold Mine," March 19, 2001

² Source: AIIM

³ Source: XPLOR

⁴ Source: InformationWeek, November 24, 1997-Forrester Research

⁵ Source: XPLOR

⁶ Source: MarketTools



Although each of these areas can be viewed as separate stages on an improvement path, most organizations will find that efficiencies and costs savings will dramatically increase when all three stages are addressed collectively.

Print

On the surface, printing may appear to be simple, but it can cause havoc within corporations. In fact, it is often antiquated devices that extend the cycle times of daily business processes.

Although businesses see the inherent value of upgrading their PCs to the latest technology in order to keep pace with today's demanding applications, often the printer remains the office dinosaur, creating bottlenecks that slow business down.

Moreover, the costs of these antiquated printers and inefficient systems are spiraling out of control - largely unnoticed by the organization.

A big part of reducing costs is encouraging users to print differently - only when they need to and use the right device for the job they are printing. For example:

- Printing duplex and multi-up (multiple pages on a single sheet) to reduce paper consumption.
- Eliminating the need to use outside vendors for printing color documents can reduce costs and improve business responsiveness.
- Converting pre-printed to electronic forms can avoid waste, save significant dollars and speed up business productivity by enabling faster access to needed forms.
- Providing finishing capabilities such as stapling and off set stacking close to the user can reduce cycle times and increase worker productivity.

But printing the document is only one small part of the challenge. It is when documents need to be shared between people that the equation gets more complicated and more costly.

Move

Generating information is easy. However, moving information quickly within the organization to customers and suppliers is often a challenge. The goal should be to keep pace even in the midst of complex business processes. This requires both hardcopy and digital documents to be delivered to recipients in the format in which they are needed. Many of these business processes involve multiple people and steps and often hardcopy technology becomes the bottleneck that relegates business to a snail's pace.

The ability to capture hardcopy information and turn it from a paper format to a digital one that can quickly be shared with others is a powerful way to increase the pace of business and reduce operational costs. Organizations can then automate manual repetitive processes, sometimes eliminating hours and even days from cycle times and improving overall customer satisfaction. For example:

- A job application process wastes value time in an environment with few good candidates. Automating this process will help hire the best available candidates.
- An insurance claims process takes several days to complete. Automating the process will improve customer service levels with faster payments.
- A paper-intensive hospital registration process takes valuable time away from patient care. Transforming the process will ensure patients are registered faster and give medical personnel immediate access to vital patient records.

Given these challenges and the possible rewards, it's surprising that such little attention is paid to maximizing input and output technologies. The key to success lies in achieving a seamless interplay between hardcopy and electronic document formats,

so that the pace of business speeds up, productivity is optimized and customer service is improved.

Manage

Although printing is operationally critical to a business, it often does not make the IT department's top 10 list. Many organizations find that even simple questions cannot be answered:

- How many output devices are there across the corporation?
- Where are the devices located?
- Who is using them and what for?
- What percentage of help desk calls are hardcopy related?

Until answers to these questions are known, organizations will continue to operate in the dark without much hope of getting a handle on their hardcopy infrastructure costs.

A hardcopy infrastructure is best managed with active monitoring by IT professionals using simple, yet sophisticated, printer management software tools so that device usage statistics are readily available and so that problems are resolved before they impact users.

But the reality is that IT departments do not have the bandwidth or budgets to focus on every aspect of their business that could be improved. As a result, many organizations look to outsource functions that are important, but not strategic, to qualified providers.

The advantages are significant. Organizations can outsource their entire printing function to a qualified provider so the IT department can continue to focus on other priority IT projects. This also allows companies to buy pages instead of tying up capital in depreciating assets.

The result of engaging an expert partner should be a highly efficient hardcopy infrastructure, including improved service levels and the latest equipment, supplies and maintenance - all at significant cost savings.

The Lexmark Approach

Customers of all types and sizes are looking for creative ways to reduce costs and improve efficiencies and are turning to Lexmark to help them achieve their goals. Our experience suggests that the savings opportunities can be up to 20 percent of an organization's current costs.

Lexmark works with customers on a number of levels. Some customers come to us looking to solve a variety of business problems that are caused by processes being "gated" by paper. Others ask Lexmark to help them move information more quickly and efficiently. And some ask us to manage their entire output infrastructure. Regardless of the level at which customers work with Lexmark, significant savings and productivity gains can be achieved.

Lexmark is focused on helping customers choose and implement technologies that lower costs, improve processes, improve customer service levels and increase worker productivity. Lexmark has helped thousands of customers apply modern day technologies to address these real business challenges and reap the rewards.

Opportunities for significant cost savings and efficiencies are ripe for the taking - from simply printing more affordably to moving information more quickly and efficiently and in managing the total printing environment. If your organization is determined to attack this growing business challenge, what steps are you willing to take?

Lexmark and the Lexmark diamond design are trademarks of Lexmark International, Inc., registered in the U.S. and/or other countries. All other trademarks are the property of their respective holders.