Responding to user needs with an optimal output management service.

**Overview**

- **Challenge**
  Establish and implement an end-to-end output management strategy across multiple business sites to address high costs, poor availability and low user satisfaction associated with aging printer technology.

- **Why on demand?**
  Be responsive to employees by providing consistent printer availability, service and management, as well as advanced multifunction device (MFD) capabilities, virtually anywhere and through a usage-based model.

- **Solution**
  An outsourced output management service featuring industry-leading MFD technology.

- **Key Benefits**
  Consistent output management resulting in 30 percent cost savings and 20 percent increase in customer satisfaction; improved productivity due to faster print devices and higher-quality output; and the ability to better align technology with business needs.

With US$89.1 billion in revenue in 2003 and more than 315,000 employees across the globe, IBM is one of the world’s largest information technology (IT) companies and business and technology services providers. It strives to lead in the invention, development and manufacture of the industry’s most advanced information technologies and, through its professional solutions and services, translate those technologies into value for its clients.

“**Of the many elements of IBM’s IT infrastructure, print was fundamentally one area that was unmanaged, and it was leading to dissatisfied end users, high costs and ineffective asset tracking.”**

—Johnny G. Barnes, vice president of Global IT Solutions and Standards, IBM
With its successful launch of the e-business on demand™ vision, IBM is building solutions that combine technology and business strategy to help clients respond with speed and flexibility to customer demands, market opportunities and external threats. IBM is also helping clients automate business processes to move away from paper toward digital content. Like many other companies today, IBM continually strives to streamline costs, increase revenue and improve customer service.

In an effort to leverage technology to improve workforce productivity, a vice president within the CIO’s office took the initiative to evaluate several of IBM’s infrastructure-related areas. “With regard to print, employee satisfaction had been decreasing over the years,” says Johnny G. Barnes, vice president of Global IT Solutions and Standards. “When we dug deeper, we saw that IBM was not effectively managing print in a way that was going to satisfy employees.”

Printers, copiers and fax machines were owned by different departments with different budgets, were often underutilized and rarely received routine maintenance. Ineffective supply management made it difficult to find printer supplies. Inconsistent or nonexistent key operator services meant machines frequently remained broken for extended periods of time. To get something repaired, end users had to call and request service, and then have their department foot the bill. Since people were reluctant to place service calls, printers remained in disrepair or were replaced, driving up costs. Internal user frustration levels were also rising. “I was working late one night producing a presentation that I had to pitch early the next morning, and I needed 15 copies of it—but the printer was out of toner,” explains Jeff Calhoun, customer relationship manager for IBM Printing Systems. “I couldn’t find any toner for that device, but I did find toner for an older printer that hadn’t been at that location in years.”

Additionally, it was challenging for mobile workers to easily locate and print to machines at other IBM sites. Not only were output costs high and internal productivity and customer service affected, but employees couldn’t effectively serve their clients and capitalize on revenue opportunities. “We had very inconsistent management of device services across IBM sites, specifically regarding
hardware maintenance, supplies ordering, key operator support and steady-state management,” notes Cheryl Frederick, manager of IBM’s global client and data network. “We wanted to improve that and create a consistent, end-to-end process that employees could count on.”

**Envisioning streamlined costs and happier users**

To be responsive to employees and enable them to focus on core competencies, IBM needed to implement an output management service that provided devices with advanced functionality, such as scan to e-mail. IBM sought a comprehensive service offering that would help it consolidate its fleet of printers, copiers and fax machines, and provide users with print, copy and fax capabilities—all in a usage-based billing model.

**Enterprisewide deployment of an optimal IBM output solution**

After designing a CIO-approved business model and plan—called IBM Output Management Services for On Demand Workplace—IBM performed five initial deployments that served as proofs of concept. “At the core of the solution, we were after two things,” explains Calhoun. “Achieve current-year hard dollar savings versus our current configuration, and improve user satisfaction.” IBM upgraded aging printers with new MFDs that enable copying, printing and faxing from one machine. IBM implemented a consistent set of managed services, including asset management, key operator services, maintenance and supplies management. Following the success of the initial pilots, IBM has expanded solution deployment to its remaining U.S. locations.

**Higher availability and an integrated environment**

The new MFDs offer superior availability, faster speeds and better quality compared with the older devices; this industry-leading output functionality helps users produce higher-quality deliverables. They are also easy to use and faster, providing an integrated print/copy/fax environment. And employees can leverage advanced features—such as high-speed duplex scanners; safeguarded user logon and confidential print; scan to e-mail; and a document library—to save time and improve business process efficiency. Realtime monitoring tools enable IBM to proactively identify and resolve potential print problems, helping to maintain printer availability.

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<td>IBM Output Management Services for On Demand Workplace</td>
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“Before, what we had was chaos, and now we have managed assets that deliver measurable financial performance and markedly improved customer satisfaction levels.”

—Jeff Calhoun, customer relationship manager, IBM Printing Systems
By consolidating devices, IBM has reduced costs and made available analog lines previously used by fax machines. E-mail and remote copy capabilities have decreased overnight mail and paper costs. Deployment of industry-leading MFDs provides users with one device for multiple activities, helping to improve productivity and efficiency. Better key operator services mean supplies are stocked, managed and replenished regularly, and users can take advantage of a single point of contact for problem resolution. Additionally, mobile workers have improved access to printers. “On a recent trip to Somers, New York, I simply located a convenient printer onsite and used our Web-based tool to install the necessary drivers so the system behaved exactly like the one I use in Boulder, Colorado,” explains Calhoun.

Largely the result of a 25 percent printer consolidation, IBM has realized 30 percent savings in costs. For example, IBM consolidated 484 printers, copiers and fax machines at its Boulder site to 274 multifunction devices, printers, copiers and fax machines. Other key cost drivers include the elimination of depreciation expenses on older equipment, a reduction in maintenance, bulk supplies purchases and lower costs associated with the reduction of fax machines. By outsourcing, IBM avoids capital outlays and, after paying a monthly rate, incurs costs based on print volume. The new solution enables IBM to convert its time and materials maintenance to new device warranties and to have supplies included as part of the base service offering, helping to reduce costs. Better device service and maintenance has facilitated improved employee productivity and a 20 percent increase in customer satisfaction. Finally, the new solution enables employees to provide higher levels of service to their clients, as well as leverage the latest print technology to produce higher-quality output at faster speeds.

Near completion of a multiyear project
With the pilot location deployments complete, the company is on an aggressive rollout schedule to implement its Output Management Services solution to the rest of its U.S. locations. “A major focus for this year is to exploit this technology to derive incremental business value for IBM,” says Calhoun.

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