

# Managed Print Services – North America

Market Insight

ANALYSIS

January 2024

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## INTRODUCTION

In the years following the COVID-19 pandemic, there has been much discussion around what the “new normal” looks like across industries, including in workplace environments. In the Managed Print Services Insight published in 2022, market leaders were positioned to address an increased need for at-home and remote support services coming off the pandemic, as well as incorporating artificial intelligence (AI) and data analytics platforms modernize their offerings.

Despite some stabilization in the volume of remote workers, these trends continue to remain consistent for Keypoint Intelligence’s 2023 Market Insight on Managed Print Services. Remote worker support has become an increasingly important part of managed print services (MPS) contracts as many workplaces continue to have hybrid and remote working models in place due to how the new and preferred ways of working have evolved. There has also been an increase in demand for cloud print solutions, which enhance flexibility and access to print for the disparate workforce.

These market factors are contributing to the decreased usage of office printers and MFPs as more companies have adopted digital transformation initiatives and fewer employees are printing in the office. MPS customers are looking for more flexible, scalable, and data-driven ways to manage their print fleets, as well as ways to optimize those fleets and reduce costs. On top of this, the state of the economy is also impacting MPS services as inflation is leading to increased costs of vendor services across the board with the need for vendors to pass some of those costs onto customers.

Between expanding the depth of their portfolios and growing their market presence, vendors are continually tasked with finding new ways to support clients through their MPS offerings in an ever-changing work landscape.

## KEY FINDINGS

- ◆ The availability of multiple billing and subscription-based options for MPS customers has become more prevalent and almost a requirement for MPS providers. Payment options, such as flat-rate, as-a-service, per-device, per-page, and per-seat, provide greater flexibility and cater to specific customer preferences.
- ◆ Cloud-based solutions and MPS platforms offer a range of benefits compared to on-premise print servers, which are expensive and burdensome to manage. Adopting a cloud MPS strategy enables organizations to reduce costs and increase efficiency and control. MPS print solutions can often be tailored to align with any environment and an organization's future infrastructure goals.
- ◆ Some OEMs have integrated document management and process automation solutions within their MPS offerings to augment or enhance a customer's digital transformation journey. These advanced solutions and services provide extended support, addressing the larger document workflows and processes beyond the MFP.

## ANALYSIS

Managed print services are a critical component of the print and document industry. Both OEMs and channel partners, including independent dealers, offer MPS, which typically include services such as meter and consumables data collection, consumables replenishment, fleet management and rotation, troubleshooting, and more. Some MPS agreements may also include IT management and support in addition to print and print-related process or document management. This analysis discusses key trends in MPS and the results of our recent MPS survey, including the participants' scores and profiles.

### Overview of Managed Print Services Sub-Segments

MPS is generally comprised of services whereby a provider takes responsibility for a client's print infrastructure. A carefully crafted MPS program is still a bread-and-butter offering for office equipment manufacturers and their partner resellers. Onboarding an MPS account converts a "transactional" customer into a contractual one, opening the door for ongoing sales in all areas a vendor offers.

Keypoint Intelligence divides this market into three primary sub-segments: (1) supplies break/fix engagements strive to move customers away from a transactional purchase to a managed contract purchase, (2) basic MPS is focused on optimizing the devices under a contract, and (3) advanced MPS places an additional emphasis on improving business processes under the contract.

Managed document services (MDS) are part of advanced MPS engagements. MDS are services related to document-centric processes and workflows that extend beyond the realm of print. As such, they are sometimes categorized separately from MPS; this is the approach we took for this study. To maximize productivity, businesses need a way to store, find, share, and effectively manage the information that is too often trapped in silos spread throughout the organization. A natural follow-on to MDS, business processes services (the umbrella term we have used in this study) consider the entire ecosystem of content, people, workflow, and endpoints with the goal of streamlining how each interacts with the structured and unstructured data critical to business success.

MPS is viewed as a continuum of services, and Keypoint Intelligence's annual forecast shows projected growth of the MPS market within the advanced MPS segment, which includes MDS and business process services. In North America, advanced MPS engagements represent the largest MPS segment by revenue, superseding basic MPS engagements. Looking ahead, only advanced MPS engagements are expected to grow in coming years. This is driven by customers' interest in and need for a wider range of services that address the larger document and business process environment—including a focus on workflows, document management, and security.

## Key Trends in Managed Print Services

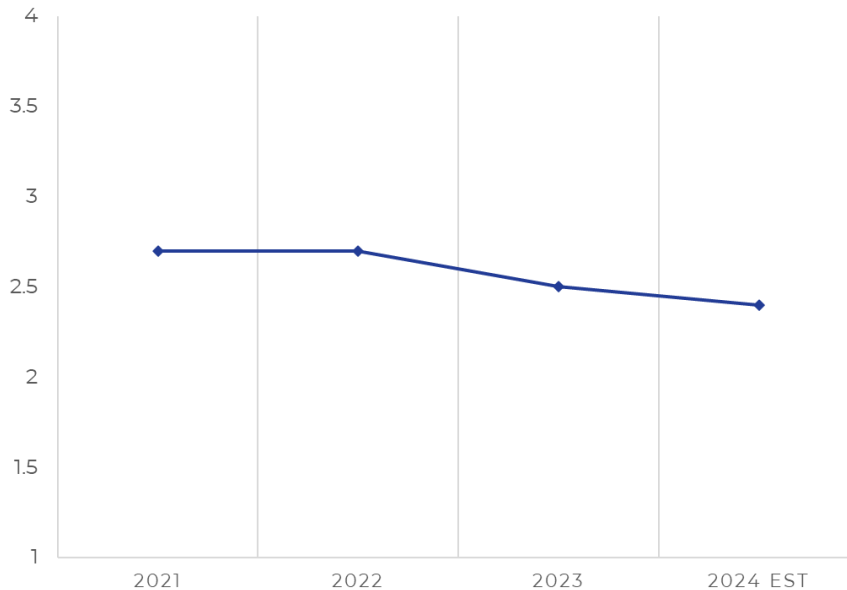
### **Inflation Is Bumping up MPS Prices**

Based on the responses provided by vendors who participated in this Market Insight, they all indicate inflation has impacted the cost of their MPS contracts. The respondents are actively trying to take the proper steps to mitigate the impact inflation has on their businesses and their customers while adjusting their pricing to reflect the increased costs of their services. For some vendors, this has resulted in rate increases of up to 15%. Much of this is inevitable, as the cost of just raw materials such as paper, ink, and toner has been on the rise. All vendors involved in this study confirmed that they have been able to pass on some or all the increased costs to their customers through general price increases, surcharges, or renegotiating contract terms. As per Keypoint Intelligence's Analysts' views on the impact of inflation on print volume (2022), the longer-term outlook of inflation in the industry remains unknown due to the threat of a recession. Despite this, vendors continue to remain vigilant and cooperate with clients' uncertainties related to inflation.

## Accommodating Hybrid and Remote Workers

The average days per week knowledge workers work at home is projected to average around 2.4 days as per our Future of Work surveys from 2021, 2022, and 2023. This signifies a steady decrease in time spent at home, compared to the initial lockdown period with just more than half of the average knowledge worker's week spent in the office. While no more COVID-19-related print volume disruptions have occurred following the summer of 2022, workers are still printing less at home.

Figure 1: Average Days Working from Home



Source: Keypoint Intelligence, Future of Work Surveys 2021, 2022, & 2023

Whether or not the MPS providers we spoke to are currently fully supporting remote workers, they all recognize the growing need for remote worker support in MPS contracts as remote work is becoming part of the norm. Overall, vendors have found that more and more businesses are adopting hybrid work models, which will likely lead to a continued increase in the need for remote worker support in MPS contracts. One vendor participant mentioned that despite not currently seeing an increase in their remote worker support, they offer remote location devices as part of their contract as they expect more businesses will need this in the coming years. Another participating vendor indicated that they have seen the demand for cloud print solutions has doubled or tripled every year since 2019, reinforcing the need for MPS providers to support remote workers since cloud solutions can be accessed from anywhere.

## Decreased Office Printer and MFP Usage

As a result of the previous trend, vendors have noticed that remote and hybrid work is driving a decrease in office printer and MFP usage. This can particularly be seen in verticals like professional services and finance, while industries such

as healthcare and manufacturing continue to have high print volumes. Customers whose office printer and MFP usage has dropped are looking for more flexible and agile ways to manage their print fleets, as well as better ways to optimize their fleets and reduce costs. Vendors are addressing these needs by offering a variety of pricing models, providing fleet analysis and optimization services to help customers identify and implement cost-saving measures, and developing new tools and technologies (for example, Toshiba has developed and equipment optimization tool that determines the remaining useful life of print devices) to help these businesses reach their goals.

## Vendor Evaluation Methodology

For the managed services evaluation, we invited all leading document imaging OEMs to complete an expansive questionnaire detailing their relevant MPS offerings (direct and indirect), global capabilities, key differentiators, and future visions.

The responses were grouped into two main criteria for which the vendors were evaluated. The two elements comprise: 1) MPS vision and global scale of business and additionally 2) the depth of their MPS portfolio inclusive of hardware products, services, and solutions. Within the market vision and global scale of business, vendors were asked to provide information about the size of their MPS business, ability to deploy MPS or partner globally, and what regions they serve. For the depth of the portfolio, vendors were asked the types of services available within MPS, Digital Transformation (DX) solutions, print adjacent products offered, 3<sup>rd</sup> party products/solutions, platform tools and support, remote management capabilities, remote/hybrid work support, and predictive analytics.

OEMs that opted to participate were also asked to make key personnel available for in-depth interviews with our analysts to give a more complete picture of the vendors' strategies for these managed services markets.

The following sections will discuss some commonalities and differentiators seen across the various participants in this study in addition to the ways in which the individual participants performed in the study.

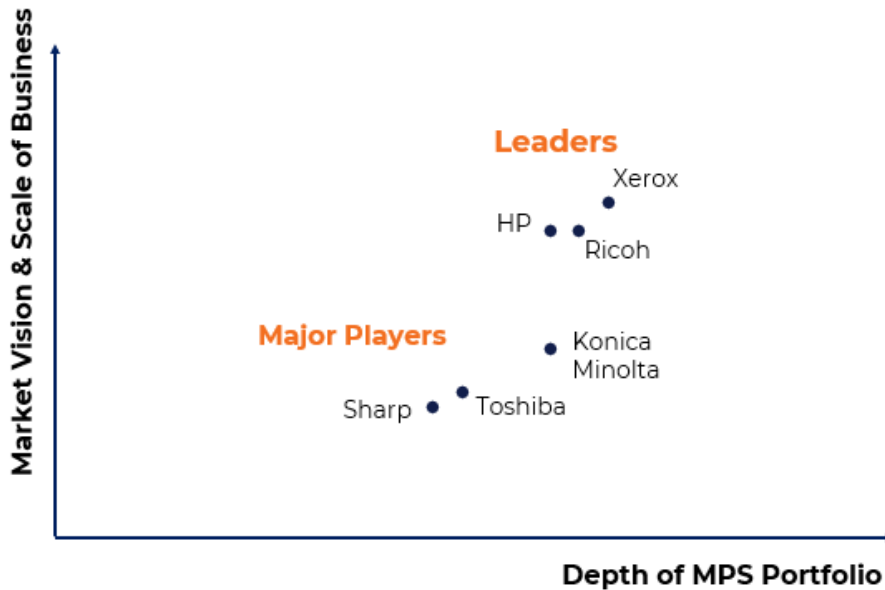
## Overall Score Analysis

The last two years have seen OEMs accelerate the provision of print, document capture/management, and light IT services for remote workers. Market leaders have forged a path in this direction anyway with a move to zero-infrastructure and zero-trust models, cloud-first development, and the use of AI, ML, and data analytics. However, every OEM must now adopt the same strategy because remote working is now commonplace in a lot of industries. Many OEMs reported they can now supply and service laptops, Chromebooks, and other light IT equipment, while others said they can assist their customers with procurement if they couldn't provide them as part of an MPS contract.

Not all the participants offer it, but a move to Managed Print as a Service (MPaaS) is a long-time trend, and those who do usually provide a menu of individual services from which customers can select those in which they are interested.

The graphic below shows the vendor ranking for the study.

Figure 2: MPS Vendor Ranking



## Vendor Evaluations

### Ricoh USA

#### Overview

Ricoh is viewed as a leader in the Managed Print Services and has notably evolved its as-a-Service offerings with the goal of supporting all customer sizes and industry types. In the last year, Ricoh expanded its cloud printing options with the launch of CloudStream, and prior to that release, the company had already capitalized on cloud technology to create a zero-infrastructure managed print product. Across its MPS ecosystem, Ricoh embraces a hybrid print infrastructure approach and this stems from design, management, and support, to consulting customers on how to optimize performance by embracing a hybrid print infrastructure using the cloud.

Ricoh recently enhanced a bundled service package featuring print security services that assess, analyze, and remediate devices along with an application management service for Ricoh and 3rd party software applications.

Another development in the works comes from the joint venture between Ricoh and Toshiba, which will effectively consolidate the design, development, and technical capabilities of both companies aiming to combine their technological

strengths in R&D and production of office devices. Looking ahead, the end-result will be to collaborate on developing new innovative solutions that address customers' DX needs.

### **Strengths**

Ricoh scored high for its global reach and ability to execute MPS on a global level. Ricoh USA not only has a large direct sales force, but Ricoh globally can effectively sell and support MPS in nearly 200 countries and territories worldwide.

In terms of portfolio breadth, Ricoh also scored high for its inclusion of third-party devices in its offering, pulling both from Ricoh's wide-ranging print lineup and other manufacturers based on a customer's specific requirements. Leveraging its comprehensive portfolio, Ricoh has developed the ability to support remote work environments through a range of products and software platforms, including its flagship Streamline NX, CloudStream (in the near future), and other 3<sup>rd</sup> party solutions. Ricoh's methodology is to configure the right-sized solution based on customer needs and requirements by evaluating on-site, remote, mobile and hybrid workforces and delivering a consistent user interface.

For its cloud approach, Ricoh is consultative and will work with customers to craft an MPS program to be aligned with or enhance a customer's cloud strategy and architecture. If there is the absence of a cloud strategy or roadmap, Ricoh will bring in its IT services team to develop and implement one. In addition, DocuWare and Ricoh's Intelligent Business Platform (IBP)—its secured, scalable, cloud-hosted ecosystem that includes several subscription-based services such as Intelligent Delivery Services, Capture and Conversion, and Claims Management—can run in the cloud and can be incorporated into a single MPS contract.

A range of security tools and services are available as part of Ricoh's MPS program. Ricoh's Print Security Service provides expertise on device-related security by addressing potential problems and/or vulnerabilities, while other Ricoh services, like Managed Security Services, provides an assessment and planning approach to help customers develop security and compliance strategies to protect themselves from larger threats beyond the MFP. Ricoh MPS solutions are designed to support Zero Trust implementations and include features like security policy enforcement, micro-segmentation, automation, data classification and protection with features including end-to-end server to hardware encryption, user authentication, auditing functionality, and integration with cloud-based authentication.

As noted above, CloudStream is a new component of Ricoh's MPS strategy that also provides SMB and mid-market opportunities to Ricoh channel partners. The platform is based on Ricoh's Smart Integration Platform and serves as an evolving development for Ricoh's future MPS solutions. Ricoh's goal is for the platform to support all the devices and services that Ricoh can manage for a



customer, in addition to the print input/output management systems, including workflow and information storage, A/V management solutions, and hybrid conferencing and collaboration tools. The platform serves as a differentiator for Ricoh as it looks to further integrate products and services across segments.

Ricoh's MPS program provides the components of a cloud-enabled advanced MPS and print management solution that allows customers to design and build a customized solution that can be scaled to accommodate changing needs including: print devices (with several flexible purchasing, billing and subscription options), fleet assessment, change management and continuous improvement systems, just-in-time device maintenance and supply management, with a unified cloud native printing infrastructure.

### Challenges

While Ricoh offers a strong range of MPS security features and services, Ricoh could benefit from additional security measures such as the ability to integrate with leading SIEM systems. The industry is seeing more print vendors offer SIEM integrations to strengthen device security and make it easier for organizations and their IT teams to manage print technologies.

Currently, scanners are not part of Ricoh's MPS offering, and PCs are supported via Ricoh's IT services programs. That said, Ricoh could enhance its MPS portfolio with the inclusion of these non-print options as part of its MPS offering that could be leveraged and cross-sold across Ricoh's managed services customers.

## RECOMMENDATIONS

- ◆ **Data-driven analytics is key:** Market leaders are using machine learning (ML) and AI to gain deeper insights into a customer's environment to drive increased efficiency, security, and productivity. Vendors should have intuitive analytics dashboards that use print and scan infrastructure data along with AI to allow their customers to better understand how they can optimize their fleet performance and workflows.
- ◆ **Optimize technology for hybrid/remote workers:** Largely due to COVID-19, most MPS vendors have developed a technology offering that supports remote and hybrid workers, but for some OEMs, there is room to add an option to bundle light IT support with MPS to provide laptops, PCs, and other services to cater to home workers. The ability to manage, secure, and track these devices will offer critical insights into an organization's technology usage.

- ◆ **MPS with Extended Managed Services:** Offering an extended range of managed services can enhance the MPS customer experience and drive greater efficiency within an organization. More vendors are offering select managed services, including content services, document services, security services, and IT services, as a complement to their MPS programs that allows customers to outsource these areas and reduce the resource burden.

## OPINION

Despite its mature market status, managed print services programs have significantly evolved in recent years with more vendors integrating modern technologies and services to better support today's organizations. The COVID-19 pandemic accelerated the need for remote and mobile customer support, along with cloud-based zero-infrastructure and zero-trust MPS products, all while the post-COVID landscape brings a continued need for advanced MPS services such as process automation, managed IT services, and security services to augment print management.

Within current vendor portfolios, MPS programs feature a stronger focus on offering a consultative approach inclusive of adjacent products and services that aim to drive increased productivity and support digital transformation initiatives across a workplace environment. Advanced analytics and predictive maintenance capabilities leveraging artificial intelligence can help businesses enhance their fleet management, drive service efficiencies, and reduce costs.

Moving forward, it is necessary for MPS providers to offer advanced services such as cloud, workflow solutions, process automation, and security services to capitalize on the market growth opportunities and strengthen their portfolios. MPS providers who don't inherently specialize in these areas should establish partnerships that enable them to expand their service offering.

## AUTHORS

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Senior Analyst

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