How Much is Out-of-Control Printing Costing Your Business?

Probably double what it should in extra paper, toner, ink, and printer maintenance costs.

When the Finance Department identified almost $1,000,000 (500,000 pounds) in printing costs for the year, executives knew there was a problem. Just three years earlier, the annual cost of printing was roughly $200,000 (100,000 pounds). While staffing had grown, it could not account for the huge increase in consumable printing costs for the University Hospital Birmingham NHS Foundation Trust (UHB), which runs two hospitals employing about 7,000 in Birmingham, United Kingdom.

"What caught us off-guard was the large number of inkjet and low-end laser printers bought for personal use," explains Stephen Chilton, Technical Architecture Manager for UHB. "Because of their minimal purchase price they weren't included on asset lists, yet the cost of uncontrolled printing in ink, toner, and paper was horrendous. We realized we had to contain printing costs to avoid putting the organization's bottom line at risk."

Like many budget-conscious corporations and small businesses worldwide, UHB was caught in a conundrum -- how do you provide printing access for legitimate, business needs while weeding out wasteful, costly printing abuse?

In contrast to labor-intensive oversight, expensive hardware, or piecemeal solutions, a new generation of software is enabling comprehensive print tracking and quotas across business networks.

Out-of-Control Printing Costs
Few business administrators realize the extent that out-of-control printing costs are stressing the budget. Most administrators don't know how the organization's printers are really being used and thus can't control printing costs.

But doing the math highlights the need to shrink the perennial budget drain of wasted printing resources. Multiply the number of the organization's printers (black/white, color, and laser) by the number of staff printing on them; by the size, type, and number of daily print jobs -- and you get a massive figure in paper, ink, toner, printer wear-and-tear, and technical support expenditures. Dataquest figures show that the average cost of producing documents is equivalent to 40% of a company's labor cost. Other industry analysts estimate the total cost of printing to run between five and 15 percent of a company's annual revenues.

What makes costs grow exponentially is the number of wasteful or non-business-related print jobs that should never be printed, or could be copied more

economically. This runs the gamut from unnecessary color printing, JPEG photos, and fantasy football scores to multiple copies of 1,000-page PDF files when a few pages would suffice, the printout doesn't immediately appear, or cheaper hardbound copies already exist.

The problem is that personally monitoring every staff member's print outs for business relevance is intrusive, labor intensive, and can disrupt more important tasks.

Printer manufacturers, for their part, often build some control functions into their printers. But these controls are typically limited to their brand or an individual machine, and thus not effective in most business environments, which tend to use multiple printer brands across their networks. Moreover because printer manufacturers essentially sell inkjet and low-end laser printers as loss-leaders to generate a high-margin revenue stream from consumable ink, toner and paper, relying on them to control printing costs is akin to putting the fox in charge of guarding the henhouse.

Since other software-based solutions aren't native to the Microsoft Windows Operating System commonly used on business print servers, they're also susceptible to software instability and unwanted complexity. Despite the huge expense of uncontrolled printing on profits, most corporations view it as "the cost of doing business" since it's impossible to control without the right information and tools.

On Track for 50% Annual Savings
As Technical Architecture Manager for UHB, Stephen Chilton understood the need to distinguish legitimate business printing from illegitimate or wasteful printing. He turned to Print Manager Plus, next generation printer control software that tracks, quotas and reports print usage and costs across the business network.

Made by Software Shelf, a publisher of print and file recovery products used by thousands of businesses and organizations worldwide, Print Manager Plus not only allows administrators to restrict printer users by dollar amount, job size, file type, or other specifiers, but also gives them an easy, centralized way to view essentially everything printed on the network, see how much it costs, who's doing it, which printers are used, and so on. After a unique identifier is assigned to each user, they're kept apprised of their print status, account balance, and other key information.

Unlike printer software that works on a single machine or just with a specific brand, Print Manager Plus can track, manage, control, and account for the cost of printing on all printer brands across the business network. As the only purely native Windows printer control software solution, it offers greater stability than

non-native Windows options. Because it's licensed by print server, each license covers unlimited printers, users, and workstations across the business network.

Chilton found the software simple to install on a single print server, and was able to seamlessly download software to PCs throughout his organization via the network. This allowed him to monitor not only network printers but also personal printers, whose rapid deployment throughout his organization had lead to an unsustainable growth in consumable printing costs.

The software helped Chilton drill down to specific printing data organization-wide and gave him a top-to-bottom ability to monitor and manage printing activity. Previously, much of this data was untracked or buried in departmental minutia. Now the software allows UHB to negotiate better discounts with vendors, consolidate individual printing around more cost effective shared printing, and curtail truly inappropriate or wasteful printing.

Though Print Manager Plus has the ability to provide over 80 reports on printing use, among Chilton's favorites are most-active-printers, history-by-user, color use, and number of times a document has printed.

"We determined that people were printing materials in full, glorious color when they didn't need to," says Chilton. "Some were printing multiple copies of manuals better obtained from Human Resources in a more cost-effective, pre-printed format. In some instances, individuals printed a volume of private materials that rivaled a printing shop."

Because the software program makes industry-average printing costs instantly available for benchmarking and allows administrators to customize printing quotas and messages, organizations can quickly identify and control printing costs.

"We noticed that some older inkjet printers required replacement cartridges that were more expensive than some new printers," explains Chilton. "And new inkjet printers, while initially cost-effective, ended up costing up to five times their purchase price in annual ink cartridge replacements." Based on such data analysis, UHB is gradually migrating staff back to shared network based printing, so as personal printers wear out they're not replaced.

While UHB isn't currently using print quotas, Chilton estimates that smarter printing, including setting some grayscale, double-sided print defaults and re-educating abusive users, has achieved savings of one-quarter to one-third. By the time UHB moves staff to a new facility being constructed, he expects shared printing to save up to half or more annually in consumable paper, ink, and toner, not counting decreased maintenance and technical support.

"The money not spent on frivolous things like unnecessary color printing goes right back into our core mission, which is patient care," says Chilton. "Print Manager Plus is helping our staff understand the true cost of printing resources, and giving us an effective, comprehensive means of reining in costs."

Protecting the Bottom Line
Rowan Trollope, a Vice President at Symantec Corporation, a global leader in infrastructure software, appliances and services, says he isn't surprised by business's interest in controlling printer waste.

"Just as administrators control a system's security to protect against threats, so should they protect their print environment against an abuse of printing resources," says Trollope, who has reviewed Print Manager Plus. "At Symantec, we've been fixing holes in the Windows operating system for years. In the printing field, Print Manager Plus does a similarly thorough job of extending print controls to networks using the Windows operating system."

Ray Gardner, a System Administration Supervisor for ITT Corporation at a Southern California jobsite, notes that most users who print documents focus solely on their own convenience rather than on cost or need.

"When we see people printing 20 copies of a 200-page document, it not only ties up printing resources but also hurts the bottom line," says Gardner. "Much of the time, only two pages are actually needed and perhaps these could've been reviewed online."

After a review of printing control software options and a free 30-day trial of Print Manager Plus, Gardner implemented the software. For now, Gardner is monitoring printing individual and group printer use but hasn't imposed quotas.

"We like the software's ease of use and the built-in accountability it provides," concludes Gardner. "Already, we're curbing printing costs and expect to do far more once we analyze the data and perhaps quota by cost, color, file size, type or other parameters.
It's an easy, often overlooked way to lower operation costs, which ultimately boosts profitability."

Print Manager Plus is used by thousands of corporations, small businesses, and organizations worldwide to control their printing costs, including Hyatt Hotel, Commerz Bank, Capital Blue Cross, and Aventis Pharma Canada. It is the only third-party software included in Microsoft's Learning Network Manager, and was granted Microsoft's "Solution of the Month" for the Eleventh straight month on the company's Public Sector Website.