

Lexmark helps DSGi to further reduce costs and improve business efficiency

Lexmark drives yet more savings for DSGi

The Organisation

DSG international plc (DSGi) is Europe's leading specialist electrical retailer. It sells a wide range of electrical products and after-sales' services in 1,300 retail and online stores across 28 countries and employs 40,000 people. DSGi owns some of the UK's best known brands including PC World, Currys and Dixons.co.uk.

The Challenge

In order to remain at the top in a highly competitive industry, DSGi must continue to offer value for money to both customers and shareholders by continuously improving business efficiency and driving down costs. Working in conjunction with Lexmark, DSGi had already reduced annual print costs two years ago by consolidating the number of devices from 6,000 to 4,800 and implementing print reduction strategies such as double-sided (duplex) printing and toner density reduction. Two years after the initial rollout DSGi, with Lexmark, reviewed the fleet again and looked to make further cost savings in all areas of its business, including a further reduction in print costs.

The Solution

The MPS management information was used to measure usage across the whole of the UK estate and it showed DSGi the following:

- 90% of print volumes were printed on 50% of the devices
- 1250 devices were printing less than 500 sheets (one paper ream) of paper per month.

The recommendation was to consolidate print devices and further optimise the remaining units. There was also a need to implement in-store colour printing across the Currys stores; due to fast reactions to the market place, Currys pre-printed Point of Sale (POS) material was quickly out of date and a large volume of material was being wasted.

“We were already two years into a four year Managed Print Service (MPS) contract with Lexmark which allowed us access to two years of management information. This data enabled us to view usage across the estate and look for further opportunities to re-size the print fleet. In order to build on and optimise the relationship we had already started to build with Lexmark, we worked together and identified devices which had a low page count. These were units printing less than one ream of paper per month (500 sheets of paper). We also reviewed the current fleet design and aligned it to our current business requirements.”



– Emily Hill
Senior Buyer
DSGi

The introduction of in-store colour printing helped eliminate some of the expense, waste and delays associated with the production of pre-printed POS material.



As DSGi's existing managed print service provider, Lexmark had in-depth knowledge of printing in the company's headquarters, retail stores and distribution centres.



In 2006, it consolidated DSGi's printer fleet, reducing the number of output devices from 6,000 to 4,800 and since then it has managed all aspects of printer use, from proactive consumables' monitoring and delivery to servicing and support.

Because all DSGi devices are monitored centrally, Lexmark knows exactly how many pages are printed on each device, making it easier to identify any inefficiencies and scope for further savings.

Faced with the requirement to cut print costs, DSGi worked with Lexmark to identify areas where savings could be made: further fleet consolidation across the estate and the introduction of Currys in-store colour printers that would enable colour POS material to be produced on-demand.

Accordingly, Lexmark removed a further 914 print devices which were either MFPs or single function units from the DSGi Head Office, PC World and Currys stores. At the same time, it installed a colour printer in all 505 stores.

The Result

- * Lexmark reduced the number of print devices printing low volumes in DSGi locations generating savings for DSGi of over £360,000 in a year.
- * By printing point of sale material in stores, Lexmark can assist DSGi with further savings relating to shipping and waste disposal costs.

"Lexmark was awarded the managed print services (MPS) contract by DSGi because it showed a deep understanding of the challenges facing the retail industry, primarily the need to cut costs and improve business efficiency. Lexmark was able to demonstrate how proactive device management could help DSGi achieve these two objectives," said Emily Hill, Senior Buyer, DSGi. The company was impressed by Lexmark's view of fleet rationalisation as a springboard for further savings rather than as an end in itself, and by its commitment to a process of continuous improvement. The introduction of the in-store printing of point of sale material illustrates the benefits of such an approach.

