

IDC MarketScape

IDC MarketScape: Worldwide Contractual Print and Document Services Hardcopy 2018-2019 Vendor Assessment

Robert Palmer

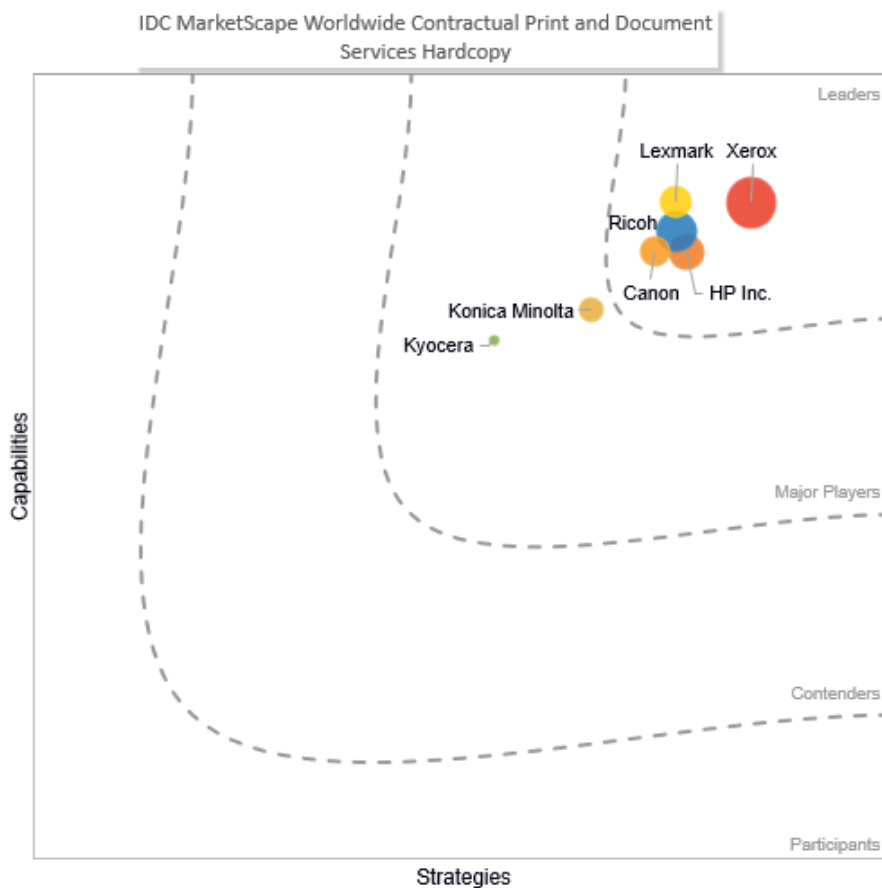
Allison Correia

THIS IDC MARKETSCOPE EXCERPT FEATURES LEXMARK

IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Contractual Print and Document Services Hardcopy Vendor Assessment



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly DC MarketScape: Worldwide Contractual Print and Document Services Hardcopy 2018-2019 Vendor Assessment (Doc # US44387318). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study assesses the market for contractual print and document solutions and services among select hardcopy vendors through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that position vendors for success in this important market. This IDC MarketScape covers a variety of hardcopy vendors and is based on a comprehensive framework to evaluate contractual print and document offerings delivered as standalone services and solutions, within the context of a managed print and document services (MPDS) engagement, and as non-MPDS professional and managed services. Organizations using the IDC MarketScape for contractual print and document solutions and services can identify vendors with strong offerings and well-integrated business strategies aimed to keep the vendors viable and competitive over the long run. Capability and strategy success factors identified from this study include:

- Current solutions portfolio, device-level features, managed services, professional services, and other capabilities to address optimization of the print and document infrastructure
- Ability to address core competencies in assessment, design, optimization, device and supplies management, governance and change management, end-user support, tracking, reporting, security, billing and invoicing, mobility, and support for remote users
- Road map to address workflow automation and process optimization, new billing structures and business models, print and document security, and channel enablement
- Capabilities beyond print management, demonstrating the ability to support the most complex use cases
- A holistic approach to delivering horizontal and vertical solutions and services through both direct and indirect channels
- Focus on operational and service delivery excellence, which includes consistent service delivery on a local, regional, and global basis
- Continued expansion into new geographic territories, vertical industries, and line-of-business (LOB) applications
- Flexible service delivery, pricing, and billing models and the ability to support on-premises, private, and public cloud offerings

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This document includes an analysis of seven major hardcopy equipment manufacturers with broad services and solutions portfolios to specifically address the needs for contractual print and document services on a global scale. Participation in this study was extended to hardcopy vendors that offer managed print and document services programs through direct and indirect channels, with total 2017 revenue exceeding \$150 million. Vendors were also required to demonstrate global service delivery capabilities. Excluded from the study are IT outsourcing companies, business process outsourcing (BPO) providers, and software manufacturers that either offer print and document services as part of their IT services or subcontract these services to hardcopy vendors. Indirect channel partners of hardcopy equipment manufacturers have also been excluded from this study.

ADVICE FOR TECHNOLOGY BUYERS

Organizations are scrutinizing virtually every area of business operations to reduce costs, increase operational efficiencies, and drive worker productivity. Gaining control over an unmanaged print and document infrastructure can be a crucial step in the overall process. Even so, IDC's research shows that the majority of companies are still in the early stages of print and document management maturity.

For years, large enterprise organizations have been outsourcing the ongoing management of their print and document infrastructure to third-party service providers. By contracting directly with hardcopy equipment manufacturers for managed print and document services, larger businesses have realized significant cost and productivity advantages. In the enterprise sector, businesses are entering the third- and fourth-generation contract phase, which means that MPDS programs are highly structured and there are fewer opportunities to take cost out of the print infrastructure. As a result, enterprise customers are placing greater emphasis on solutions and services to help advance print and document maturity, with a focus on process optimization and workflow automation, print and document security, business analytics, and improved IT integration.

Meanwhile, new packaged MPS programs, cloud-based MPS tools, and subscription-based print services are all factors driving growth in channel-delivered MPS. These trends mitigate the risks associated with MPS adoption by making it easier to manage and deploy contractual print and document services and lowering implementation costs. Today, hardcopy vendors are working closely with channel partners to extend the value proposition of outsourced print services to the broader market.

Among hardcopy vendors, the market for contractual print and document services is characterized by a closely knit group of leaders. Over the past decade, vendors have assembled mature solutions portfolios while driving significant investment in MPS service delivery and support infrastructure, cloud infrastructure, adjacent services, go-to-market capabilities, and advanced analytics. Nevertheless, each vendor has worked to find areas of differentiation by developing core competencies and extended capabilities in key areas. To ensure optimal results, organizations should seek out partners with service offerings that are well aligned with current and future business objectives.

Accordingly, organizations should consider the following:

- **Understand your current environment.** Evaluate the existing print and document infrastructure to identify opportunities for print optimization, security threats, workflow automation gaps, and process optimization opportunities.
- **Develop a long-term plan.** Proactively evaluate the print and document infrastructure and process pain points, then develop a strategy to address those pain points and advance to

higher levels of maturity. Quick-starting an outsourced print and document services program with an emphasis on reducing costs could introduce further inefficiencies and reduce worker productivity in the long run.

- **Look to hardcopy vendors.** When evaluating needs within the overall document infrastructure, ensure that hardcopy vendors are included in the mix. These vendors have a compelling set of advanced workflow and security solutions and services with a clear road map for incorporating technologies to meet evolving business needs in these areas.
- **Identify partners with specific vertical market focus.** Most hardcopy vendors have developed comprehensive MPS practices based on a broad mix of horizontal tools and solutions. It is important to identify the short list of vendors with the necessary process expertise to effectively address print and document workflow requirements inherent to your specific company needs.
- **Identify vendor-specific core competencies.** Specific requirements to optimize print and document processes vary greatly by company size and vertical market. Seek out vendors with core competencies in areas of greatest importance to your organization, such as print and document workflow, content management, IT integration, and security.
- **Ensure security and compliance.** Consider long-term complexities for print and document security over the next several years. Most printing equipment offers built-in features for endpoint security protection, but organizations looking to develop a comprehensive print and document security strategy should seek out solutions and services to extend protection well beyond the device.
- **Consider your organization's overall IT objectives.** Organizations are increasingly looking to outsource the entire IT environment, from devices to services and infrastructure. Outsourcing the print infrastructure as part of an overall managed IT services contract represents increased opportunities for businesses looking to consolidate service providers and drive further efficiencies through integration.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Lexmark

Lexmark is positioned as a Leader in our IDC MarketScape for contractual print and document solutions and services worldwide. Lexmark is headquartered in Lexington, Kentucky, United States, and serves customers in 170 countries.

Lexmark's approach to contractual print and document services is technology based, focusing and investing in key technology areas such as analytics, IoT, and big data systems to simplify and drive customer value across all key metrics: service implementation, delivery, support, pricing models, and infrastructure. Lexmark positions its value proposition as having three fundamental elements: technology leadership extending beyond the hardware to its software, services, and solutions; deep industry expertise leveraged from its highly verticalized go-to-market strategy; and a customer-centric approach to the market.

Lexmark offers a full spectrum of MPS programs, solutions, and services, beginning with a broad range of assessments to enterprise and middle market customers worldwide. As part of its MPS practice, Lexmark can offer singular or corporatwide assessments of fleet deployment and utilization,

document workflow, security, and environmental sustainability. Each of these assessment focus areas has a range of options from optimization to analysis and governance.

Lexmark is also working to ensure that its printing equipment is more service friendly. Lexmark equipment is now designed with multiple sensors to enable data collection and mining in multiple areas around device deployment, usage, and service requirements. Investments in this area are helping Lexmark move to a more predictive service model, with the ability to detect, or in some cases predict, potential equipment problems and provide preemptive action before failure occurs.

Security also remains a priority for Lexmark and its overall strategy for print and document services. Through a broad range of security assessments, Lexmark can help customers understand security risks in the current output environment, benchmark against industry best practices, make informed decisions to mitigate potential risk, and develop a print security strategy designed to meet specific corporate governance objectives.

Further expansion into cloud-based print services is another important component in Lexmark's overall security strategy. With its recently introduced Lexmark Cloud Services (LCS) platform, the firm is providing an alternative to traditional on-premises solutions for print management, pull-printing, device management, and other productivity solutions.

Strengths

Lexmark continues to separate itself from competitors through its vertical market approach and consistent global service delivery. Lexmark's single global system is a key differentiator, providing the firm with visibility into devices installed all around the world. Combined with investments in cloud, IoT, and data analytics, Lexmark is creating a global service delivery platform designed to keep pace with evolving workplace dynamics.

Combined with its expansive portfolio of services, hardware, solutions, and industry expertise, Lexmark is in a strong position to effectively address and manage customer environments and drive real digital transformation. Lexmark also continues to make significant investments in capabilities to support direct and indirect delivery of MPS, with a focus on the future needs of its customers.

Challenges

IDC believes that, since divesting of certain software assets, Lexmark's overall offering portfolio requires continued innovation and expansion to maintain its competitive position and market differentiation. Lexmark's overall offering strategy could benefit from new strategic alliances with other complementary service providers and software companies to drive portfolio expansion.

Consider Lexmark When

Organizations should consider Lexmark when looking for vertical-specific expertise in a wide variety of markets and applications. Lexmark's verticalized approach to the market helps position the firm as a strong contender for any program where deep integration with existing systems is important. Lexmark should also be on the short list of vendors when considering programs that focus in key areas such as print infrastructure, security, and process optimization.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

For the purposes of the 2018-2019 IDC MarketScape for worldwide contractual print and document services, IDC defines managed print and document services as:

- **Managed print and document services:**
 - **Third-party management of a fleet of printers and/or MFPs under a multiyear agreement.** Coverage to include, at a minimum, ink/toner and maintenance/repairs (may also, optionally, include hardware)
(The contract may also cover management of an in-plant, central reprographic department [CRD], copy center, or datacenter; however, it must be included in the distributed office environment. The contract includes a remote monitoring solution while acknowledging the fact that non-network connected machines would require manual monitoring.)
 - **Detailed assessment.** Provider analysis of the organization's actual print/copy usage, and recommends an output strategy for optimization with defined goals
 - **Fleet usage analysis/reporting.** Ongoing analysis, reporting, and recommendations against predefined goals

- **Ongoing optimization of the print and document infrastructure.** With proactive management, usage of the provider's resources to continuously manage the environment toward contract goals
- **Governance.** Established business rules and/or a formal change management program with education and incentives to get employees and their managers to achieve and sustain contract goals for printing and document workflows
- **Benefits to the user.** MPDS, a comprehensive model for achieving increased cost savings, improving productivity, driving process efficiencies, meeting security and regulatory compliance, and supporting sustainability policies and goals
- **Workflow services:**
 - Professional and managed services aimed at removing the inefficiencies of information silos and disconnected processes, connecting people to the information they need at the moment they need it with specific business benefits
 - Could be delivered as part of an MPDS engagement or as standalone professional or managed services
- **Alternative print consumption models:**
 - New print-as-a-service business models that are emerging in the SMB market
 - Subscription-based models that comprise a monthly fixed fee for a set number of pages (could include hardware, supplies, and ongoing service)
 - Fixed-cost and "all you can print" usage contracts

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Imaging, Printing, and Document Solutions 2019 Predictions* (IDC #US44385518, October 2018)
- *Market Analysis Perspective: Worldwide and U.S. Managed Print and Document Services, 2018* (IDC #US44283218, September 2018)
- *IDC MarketScape Criteria: Worldwide Contractual Print and Document Services Hardcopy 2018 Vendor Assessment* (IDC #US44241818, September 2018)
- *Worldwide and U.S. Managed Print and Document Services and Basic Print Services Forecast, 2018-2022* (IDC #US43832618, June 2018)
- *Worldwide and U.S. Managed Print and Document Services and Basic Print Services Market Shares, 2017: Moving Downmarket* (IDC #US42612918, June 2018)
- *IDC MaturityScape Benchmark: Print and Document Management in the United States, 2017* (IDC #US41265117, July 2017)

Synopsis

This IDC study assesses the market for contractual print and document services among foremost global hardcopy vendors and identifies their strengths and challenges. This assessment discusses both the quantitative and qualitative characteristics that position the vendors for success in this important market. This IDC MarketScape covers a variety of hardcopy vendors and is based on a comprehensive framework to evaluate contractual print and document offerings delivered as

standalone services and solutions, within the context of a managed print and document services (MPDS) engagement, and as non-MPDS professional and managed service.

"Organizations can benefit greatly by gaining control over an unmanaged print and document infrastructure," says Robert Palmer, research vice president for IDC's Imaging, Printing, and Document Solutions group. "Over the past decade, hardcopy vendors have advanced their MPDS programs to extend services beyond print management to include key capabilities in information management, document workflow, security, and IT integration."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights. IDC and IDC MarketScape are trademarks of International Data Group, Inc.

Copyright 2018 IDC. Reproduction is forbidden unless authorized. All rights reserved.

