

Magic Quadrant for Managed Print Services, Worldwide

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VIEW SUMMARY

“Managed print services” (MPS) is a generic Gartner term for a service offered by an external service provider to optimize or manage a company’s document output to certain objectives, such as driving down costs, improving efficiency and productivity, and reducing the IT support workload. Under MPS, a service provider takes primary responsibility for meeting the customer’s office printing needs, including the printing equipment, the supplies, the service and the overall management of the printer fleet. The main components provided are needs assessment, selective or general replacement of hardware (optimization), and the service, parts and supplies needed to operate the new and/or existing hardware. The provider also tracks how the printer fleet is being used, the problems and the user satisfaction. The MPS provider analyzes the information gathered in the course of tracking printer usage and makes (or recommends to the customer) the adjustments needed to not only ensure fleet efficiency but also meet changing user needs.

Who Uses MPS?

MPS is mostly adopted by organizations with more than 500 users, across all industries and in all world regions. Although MPS can benefit all but the smallest organizations, it is midsize and large organizations that ask Gartner about it the most. Large organizations, in particular, tend to have the most complex and least efficient office printing practices to begin with, and thus stand to benefit the most from optimizing them. These large organizations and many midsize ones, as well, typically have offices in multiple locations and world regions. Some seek MPS in all of their offices from Day 1, but most choose to start small and then add sites, divisions, countries and regions over time. For that reason, our Magic Quadrant is limited to providers that can serve as a single source for at least two world regions.

EVALUATION CRITERIA DEFINITIONS

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization’s financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization’s portfolio of products.

Sales Execution/Pricing: The vendor’s capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor’s history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization’s message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This “mind share” can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

How Do Customers Pay for MPS?

MPS does involve a consolidation of spending, but the actual payment schemes vary. Generally, the external service provider either owns the hardware or (more typically) leases it from a financing company in its customer's name. The customer usually pays a per-page charge, which covers the cost of the equipment, any leasing costs, the supplies, the parts, the service and other MPS elements. Some contracts stipulate a minimum number of pages per device per month, with unused pages forfeited. Others involve some variation on the monthly minimum, such as a sliding cost per page that decreases as the number of pages increases. Services are usually folded into the click charge, although in some cases, they are billed on a flat monthly or quarterly basis. Contracts that impose no minimum number of pages appear risk-free but typically obtain some other financial commitment on the part of the customer, such as a flat fee, a per-device fee or a per-seat fee. Some MPS contracts include guarantees of a certain result, but this hinges on agreeing to do things the vendor's way. MPS may also be extended to include the outsourcing of desktops, servers and networks.

Magic Quadrant

Figure 1. Magic Quadrant for Managed Print Services, Worldwide



Source: Gartner (October 2012)

As of October 2012

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

Vendor Strengths and Cautions

ARC

Strengths

MPS caters to the print-intensive, deadline-driven, quality-driven needs of architecture, engineering and construction, and includes on-site help for both the business development and fulfillment areas. Customers in other industries with similar needs should also consider ARC.

ARC's business model allows it the flexibility to scale up and scale back down customer sites over much shorter time frames than the life of the equipment — something that customers in construction, engineering and architecture need but that others might also benefit from.

Some customers also value the fact that, unlike most of the leading MPS providers, ARC is not a manufacturer.

Cautions

ARC's customers report less-consistent levels of attention to needs assessment compared with customers of some other MPS providers. It's true that ARC is so familiar with the printing needs of customers in architecture, engineering and construction that it can probably estimate your needs correctly. Nevertheless, you should expect any MPS provider to perform a state-of-the-art assessment using the latest measurement tools so as to clearly document the starting state and to allow you to properly track your progress. Thorough needs assessments can also identify opportunities you might otherwise overlook.

ARC's Abacus software is a very important element of its MPS, because it accounts for the costs of different types and sizes of wide-format prints and allows for cost chargeback against numerous project codes. But, some customers struggle to get it to work smoothly in their computing environment. So you should make sure you test and trial it on your own network first.

Canon

Strengths

Canon's MPS rests on a solid foundation: a wide range of MFPs, printers and proven software; a very experienced global service network; and a diverse and financially solid corporation that invests as much in MPS-related R&D as some of its competitors earn in gross revenue.

Customers who have not researched Canon since 2010 or earlier should note that it has gained much more MPS experience across an expanded customer base, and it has invested heavily in the tools and personnel required. Canon does a good job of keeping its customers involved, even after the MPS engagement has begun.

Cautions

Canon has a core global MPS practice, as well as distinct regional MPS packages, making it difficult for large and geographically dispersed customers to understand or apply all of its capabilities in any one location. The ongoing absorption of Océ adds still more MPS functionality, but also more variation.

For example, the different divisions define change management differently and take some what different approaches to delivering it. Some customers report unwelcome surprises in areas such as billing and logistics, which appear to result from the way Canon orchestrated the rollout and communicated its plans to the customer, rather than from a specific problem. You should take the time early on to review the rollout plans closely with Canon.

HP

Strengths

HP has done more than anyone else to extend MPS from large, centralized offices to small, dispersed ones, and continues to advance its remote monitoring and management capabilities. Although HP can staff MPS sites, it relies less on on-site service than its competitors, and some customers believe the remote approach is more efficient and manageable. HP puts a systematic focus on supporting and streamlining the role of the account delivery manager. The result is that the account delivery managers are better able to do their job of managing the MPS engagement and delivering on the commitments the vendor made to the customer.

Cautions

You should ask HP to help you ensure that any new printers or MFPs added to your fleet under MPS are fully compatible with the HP or third-party software used for managing your equipment or for pull printing. Some customers have reported failures. You should also work closely with HP to test the entire solution — both the equipment and the software — in your specific IT environment.

Midsize customers in particular should review the terms and conditions HP proposes. Some clients have reported unfavorable clauses, such as a surcharge for existing equipment with toner cartridges that are less than half full. HP tells Gartner it is standardizing its contract terms to eliminate anomalies.

Konica Minolta

Strengths

Konica Minolta is able to link its MPS with an expanding range of services related to reprographics and high-volume production printing functions that are important to some customers. Some MPS providers cater mostly to large enterprises, but with some notable exceptions, most of Konica Minolta's large and growing customer base has 1,000 or fewer users. Konica Minolta's technology and business model are well-adapted to the needs and preferences of midsize customers, as well as local and regional operations of large ones.

Cautions

Konica Minolta has invested money and effort to advance its MPS practice. However, some customers report that what Konica Minolta delivers or proposes often falls short of what the company is able to do in areas such as needs assessment, integration with the customer's help desk and change management.

Some customers have reported equipment down due to lack of parts being close enough at hand. You should discuss your expectations upfront. You should also ask Konica Minolta about the steps the company is taking to maximize uptime, such as IT service management (ITSM) standard service metrics, proactive customer satisfaction surveys and hot spares.

Kyocera

Strengths

Customers report Kyocera Document Solutions doing a good job with the administrative aspects of MPS, and even the cost-per-page billing, which other MPS providers continue to struggle with.

Kyocera Document Solutions has gained valuable experience providing MPS to its mostly midsize customers in a variety of business and public sectors, and it has references to vouch for most industries.

Cautions

Although Kyocera Document Solutions does provide MPS to a few very large enterprises, it lags far behind most competitors in the proportion and absolute numbers of large customers. This implies a shorter and narrower range of large-customer experience upon which it can draw.

Customers who seek an MPS provider that keeps its tools and practices at the cutting edge should note that Kyocera Document Solutions' R&D investments are currently much smaller than those of its direct competitors. Also, where competitors often spend well into the tens of millions of dollars custom-developing MPS methodologies and software, some of what Kyocera has added in recent years involves off-the-shelf software of the kind used by copier and MFP dealers, and customization of third-party methodologies.

Lexmark

Strengths

Lexmark has assembled the greatest percentage of large customers (more than 1,000 users) of any MPS provider. We believe Lexmark's care in developing, applying and adapting its MPS methodology to the expectations and goals of large customers makes this possible.

Customers in industries that Lexmark has long served, such as financial services, healthcare, manufacturing, retail, pharmacies and government, sometimes report Lexmark using its understanding of their industry to help them extract and act upon useful information in their documents. Lexmark has also begun to tap its Perceptive Software and Brainware divisions for synergies in this area.

Cautions

Many customers distinctly prefer an A3-centric approach to MPS, in which they strive to eliminate laser printers and move all their page volume to more centralized MFPs. These MFPs are suitable for high monthly volumes, take A3 (ledger-size) paper, and sometimes feature advanced finishing.

Lexmark can, with the help of partners, accommodate such customers, but it usually does not advocate an A3-centric approach.

Some enterprises spend far more on copy centers or high-volume production printing than on office printing, and they seek a single provider for both needs. Sometimes they hope to take advantage of the on-site staff already present for high-volume printing, to drive a harder bargain based partly on the production printing spending, or simply to deal with only one vendor across documents of all types and sizes (often in both print and digital form). Customers of this kind should note that Lexmark does not typically get involved with production printing.

Pitney Bowes

Strengths

Customers who seek to align their MPS more closely with their business processes and customer communications strategies will find Pitney Bowes' long-term vision compelling — especially in sectors in which Pitney Bowes has substantial expertise, such as legal.

Pitney Bowes is not a printer or MFP manufacturer, and its independence appeals to customers who see a conflict of interest in a printer manufacturer optimizing and managing their own printer fleet. Although Pitney Bowes does, in fact, place substantial quantities of equipment from all of the leading printer and MFP brands, you should speak up if you want a strict best-of-breed approach that compares all of the brands, since Pitney Bowes tends to favor equipment from Sharp, which whom it has a close business relationship.

Cautions

Organizations of all sizes struggle with documents, content and business processes. Although Pitney Bowes understands how to help them and has the right technology, it has not yet figured out how to make its broad, integrative vision for MPS work across a wide range of customers. Instead, it usually provides them a narrower and more conventional approach to MPS that is often closely tied to reprographic or production printing centers.

Although Pitney Bowes is a global company with MPS capabilities in several world regions, it generally does not initiate MPS engagements outside of North America and Western Europe, except as part of a larger MPS engagement.

Ricoh

Strengths

Customers often tell us that Ricoh proposed a good combination of value and price. That kind of competitive pressure can help skillful buyers achieve the best pricing and the best terms and conditions possible, no matter which MPS provider they ultimately choose.

Customers also report satisfaction with Ricoh's close and continuing attention to their needs, even once the major rollouts are completed, and at times when there is no major renewal at stake.

We believe this is more than just good luck, because Ricoh has and continues to invest in refining its MPS methodologies, and it has hired MPS specialists to help ensure this result.

Cautions

Ricoh has increased the global reach of its MPS in recent years, but it relies on resellers and dealers in some locations for the delivery.

This works well for local and national customers, but some larger ones report inconsistencies in the understanding that Ricoh's resellers and dealers have of Ricoh's current and emerging MPS capabilities. Ricoh is addressing this with its channel education, alignment and certification programs.

We know that, thanks to its investments in software and methodology, Ricoh should be able to arm you with the facts and figures you'll need to make the case for MPS inside of your organization. But customers also tell us this does not happen consistently, and some have expressed frustration about it. You should anticipate what data you'll need to make your case and discuss with Ricoh how it will satisfy this need. Please note that Ricoh's new Clariti data repository will provide better on-demand reporting, too.

Toshiba

Strengths

Although Toshiba has a well-defined methodology for MPS, it is not rigid about it. Some customers praise Toshiba's willingness to accommodate their specific needs in order to win their business or ensure that their MPS project is successful.

Good training helps customers adjust to the changes that MPS imposes on them. At a time when some competitors skimp on upfront face-to-face training to save costs, Toshiba still believes in training, and customers report it is generous about training their users upfront and over time.

Cautions

Large enterprises should note that although Toshiba does have some large national-level accounts in areas such as banking and healthcare, most of its MPS experience is with midsize customers.

Toshiba has always had many more MPS customers in North America than in other world regions, and this disparity remains year after year. Multiregional customers should consider whether they want the same MPS provider in different regions, and if so, how much consistency they value. Even as competitors catch up in their ability to deliver MPS with a roughly consistent approach across different countries, Toshiba still lags.

Xerox

Strengths

Xerox has been quick and effective in using the technologies and practices it acquired from NewField IT to refresh and bolster its long-standing strengths in needs assessment, and to bring those strengths to more of its small and midsize customers. Xerox has generally expanded its channels to serve small and midsize customers in recent years, and it has increased the range of standard services available to them.

Xerox continues to explore and exploit synergies between the service business it acquired from CS and its own MPS practice. This includes the MFP-embedded LiveKey applications for common paper-intensive business processes, such as travel documentation, invoice payment and processing, and insurance claims.

Cautions

Because MPS increasingly includes solutions that go beyond the printers and MFPs, you should be sure to test the hardware and software elements of a proposed MPS solution in your own IT environment, including any third-party pull-printing software, card readers and fax solutions.

Customers' network security requirements and the quirks of their various business systems sometimes cause conflicts with printers, MFPs or MPS-related software. But because it's usually easier for customers to modify the printing environment than the other elements, we recommend you work closely with Xerox's technical staff early on to ensure compatibility. Streamlining your MFP and printer models can also simplify matters.

Although Xerox is well-positioned to sell and provide its MPS to global customers, those who maintain a highly standardized IT environment across regions should be alert to the subtly different products and drivers used by Xerox in the America and EMEA regions versus those from Fuji Xerox in Asia/Pacific. Xerox's Global Print Driver is designed to minimize such incompatibilities and has been the operational norm in Xerox's MPS engagements since 2010.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time.

A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Added

Kyocera Document Solutions has built up its MPS practice for some years. For the first time in 2012, it meets all of our inclusion criteria (see the Inclusion and Exclusion Criteria section).

Dropped

Oce was removed from the Magic Quadrant because it has merged with Canon.

Inclusion and Exclusion Criteria

Inclusion Criteria

Only vendors that meet all the following criteria are included:

- Is able to provide the equipment (via lease or as a procurement service).
- Provides the supplies.
- Performs the repairs and preventive maintenance.
- Provides the technical support.
- Have at least 25 MPS customers in total, each with 500 or more users.
- Provides MPS in two or more world regions to at least one customer. The customer must be verifiable and have at least 500 MPS users. The regions are North America, EMEA, Asia/Pacific (including Japan) and Latin America.
- Provides the long-term tracking and management of the printer/MFP fleet.
- Performs the initial assessment(s).
- Buys back or disposes of existing equipment that is being replaced, if this is required.
- Bills on a per-page or per-seat basis.

Exclusion Criteria

Print-related services that fall short of MPS are excluded. These include traditional, narrowly drawn copier contracts, certain retail printer service packages, and most infrastructure outsourcing contracts. Some genuine MPS providers also did not qualify because they did not meet one or more of our inclusion criteria. Sharp and Oki, for example, do have MPS programs. We mention them because they are well-established as suppliers of MFPs and printers worldwide, but they did not demonstrate to us that they meet all of our inclusion criteria in 2012. Many small MPS providers operate in only one country or location, and thus they do not meet the inclusion criteria for the Magic Quadrant, either. Depending on your requirements and needs, you may want to also consider these providers as well. Gartner recommends you contact our analysts to discuss your specific circumstances and needs, and to help you determine which of the MPS providers makes sense for your shortlist, whether or not they are in this Magic Quadrant.

Evaluation Criteria

Ability to Execute

The Ability to Execute axis position for each MPS provider is based on its success in delivering results today as well as its preparation to deliver results in the future. On this axis, Gartner verifies an MPS provider's capability to deliver MPS based on direct feedback from extensive interviews with its clients and other provided customer references.

Gartner analysts evaluate MPS providers on the quality and efficacy of the processes, systems, methods or procedures that enable their performance to be competitive, efficient and effective, and to positively affect revenue, retention and reputation. Ultimately, MPS providers are judged on their capability and success in capitalizing on their vision.

Each criterion is weighted high, standard or low in importance and scored accordingly. Table 1 shows the criteria for evaluating providers' ability to execute.

Product/Service: This criterion addresses core goods and services offered by the MPS provider that competes in and serves the defined market. This includes current product and service capabilities, quality, feature sets and skills. We probed how well the provider ensures that the customer ends up with the right mix of equipment and help throughout the MPS engagement.

Overall Viability (Business Unit, Financial, Strategy and Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the business unit's likelihood of continuing to invest in the service solution. We drew on all available sources to gauge how solidly grounded the MPS providers are today and how safe a bet they are for the future.

Sales Execution/Pricing: This criterion examines each MPS provider's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support and the overall effectiveness of the sales channel. MPS agreements can lock in customers for years and can do more harm than good if the terms, conditions and pricing are drawn up wrong. We examine how well the vendor ensures that the customer gets a fair deal that is appropriate for the customer's needs.

Market Responsiveness and Track Record: This criterion looks at the MPS providers' ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the provider's history of responsiveness. Successful MPS engagements cater to the specific needs of the customer at hand. We looked closely at how far the vendor goes to ensure the success of the specific customer.

Marketing Execution: This criterion refers to the clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the MPS offering, and establish a positive identification with the service/brand and organization in the minds of buyers. This mind share can be driven by a combination of publicity, promotional activities, thought leadership, word of mouth and sales activities. Effective marketing is important, because customers struggle to understand exactly what each vendor will do for them and how this differs from one provider to another. We look from all angles at how well the vendor communicates this, and how easy it is for customers to obtain this information.

Customer Experience: This criterion evaluates the relationships, products and services/programs that enable clients to be successful with the MPS evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, and SLAs. Successful MPS depends on the provider's relationship with the customer in ways that SLAs and contract clauses can never entirely anticipate and enforce.

We look from numerous angles at how well the provider ensures it maintains a good all-around relationship with the customer.

Operations: This criterion reviews the MPS provider’s ability to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Office printing is one of those technologies that affect almost everyone, so even small disruptions matter. We look at how the vendor works hand in hand with the customer to minimize the disruption to the end users and key stakeholders in the customer organization.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	high
Sales Execution/Pricing	high
Market Responsiveness and Track Record	high
Marketing Execution	high
Customer Experience	high
Operations	high

Source: Gartner

Completeness of Vision

The Completeness of Vision axis reflects each MPS provider’s prospects for success by analyzing its view of the market, its service operating model, and its strategic plans for growth and service improvements.

Gartner verifies an MPS provider’s vision based on presentations from the providers and direct feedback from extensive interviews with the MPS provider’s clients, as well as insight gained while answering Gartner client inquiries on that topic.

Each criterion is weighted high, standard or low in importance and is scored accordingly. Table 2 shows the criteria for evaluating providers’ completeness of vision.

Market Understanding: This criterion refers to the MPS provider's ability to understand buyers' needs and translate these needs into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those wants with their added vision. We look at key areas in which the provider can prepare the customer for tomorrow's priorities as well as today's.

Marketing Strategy: This criterion evaluates the MPS provider's strategy and approach to marketing and promoting MPS.

We looked for a clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: This criterion reviews the provider's sales strategy and its capability to sell MPS. It includes the strategy for selling MPS that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: This criterion addresses the MPS provider's approach to MPS development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements. Across each of the main elements of MPS, we examined how the vendor maximizes the benefit of its MPS to customers.

Business Model: This criterion assesses the soundness and logic of an MPS provider's underlying business proposition. A sustainable MPS business model must not only deliver savings and other benefits to customers, but also minimize the risks. We looked at how the vendor protects its customers against the risks inherent in MPS.

Vertical/Industry Strategy: The experience that MPS providers gain and investments that they make in vertical markets will help them build and retain their customer base in an increasingly competitive market. We assessed the MPS provider's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: This criterion includes direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, or defensive or pre-emptive purposes. As MPS matures, customers should expect continued improvements both in what vendors do for them and in how they do it. This depends on judicious investments. We look at the quantity and quality of the providers' investments in MPS versus the value that they will likely provide to customers.

Geographic Strategy: This refers to the MPS provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market. Many of Gartner's clients have offices scattered across an entire country or region, several continents or the entire world.

We evaluated the ability of the providers to accommodate the range of customers' geographies, from local through national, regional, multiregional and global.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	high
Sales Strategy	high
Offering (Product) Strategy	high
Business Model	Standard
Vertical/Industry Strategy	high
Innovation	High
Geographic Strategy	high

Source: Gartner

Quadrant Descriptions

Leaders

Leaders provide MPS to a wide range of customers, including the largest and most geographically dispersed, so they must demonstrate a truly global reach.

They must demonstrate not only the skills to deliver today's MPS, but also the understanding, initiative and resources to prepare for tomorrow's MPS. Leaders characteristically augment the full scope of MPS with a wide range of added-value services. As a result, they are frequently short-listed by large and midsize customers.

Challengers

Although Challengers have solidly demonstrated that they provide the core elements of MPS, they communicate a less complete view of the market direction than Leaders.

The package of services they offer and the way it is marketed may also cater to a somewhat narrower range of company sizes and industries than that of Leaders.

Even when the customers are the same as for the Leaders, the scope of engagement may be narrower.

Visionaries

Visionaries thoroughly understand today's market and also know how to address customers' future needs and expectations. In the aggregate, they provide a wide range of MPS to a diverse range of customers. What differentiates them from Leaders is their ability to successfully market and deliver all of their services to customers of different scale and across different regions in a well-unified way.

Niche Players

Niche Players meet all of our inclusion criteria but provide a more-narrow range of services to a more-narrow range of customers than the other vendors. They may be a cost-effective choice for customers whose requirements, scale and geographical scope happen to be a good match. They may also cater to specific industries. Some customers also report that the Niche Players pay them especially close attention and are generally more accommodating than large vendors.

Context

Gartner's MPS Magic Quadrant is a useful starting point for identifying and evaluating MPS providers. It is intended for Gartner's client base of mainly midsize and large organizations, many of which operate throughout two or more regions, and some of which are truly global. Although not all MPS projects are multiregional or global at the outset, customers often choose to scale up one region at a time. In this way, they can manage their office printing in a unified manner globally. The providers in this Magic Quadrant have the geographical scale to attend to your office printing needs across world regions in a coordinated way.

Numerous other MPS providers approach their MPS projects locally, country by country or region by region and cater to like-minded customers, but they do not appear in this Magic Quadrant. Why not? As organizations progress from the prevailing loosely managed approach to an efficiently and closely managed one, it makes sense to manage the entire fleet in a unified way, rather than with today's characteristically fragmented approach. Naturally, some MPS customers are organized in a way that makes a unified fleet impossible or are confined to one country or region.

Your provider selection should be based on a detailed evaluation of your office printing needs and goals compared with a service provider's capacity to fulfill those requirements and expectations. Just because a service provider falls into the Leaders quadrant does not automatically make it the right choice for you.

All selections are buyer-specific, so providers in the Challengers, Visionaries or Niche Players quadrants may sometimes be a better match for your requirements. For example, MPS providers in the Challengers quadrant are capable of delivering the services required by most enterprises and may have a long MPS track record. Customers whose needs are mostly at the local or national level, or whose interest in MPS is limited to reducing their printer and MFP fleet costs, may find Challengers more than adequate. Those in the Visionaries quadrant match both the range of needs and the geographical scope of many midsize and large organizations.

For smaller organizations or large ones situated mostly in a single locale, providers in the Niche Players quadrant may be the most attentive and most-cost-effective match. Some Niche Players cater to specific industries. All the providers ranked in this Magic Quadrant are large, established companies, so buyers should not assume that the Niche Players are likely to drop out of the market in the near future.

Note that MPS is not right for everyone, and if you are unprepared to revisit what equipment and services you need to do the job, MPS will not produce results for you. Also, if you can trust an outside vendor to do no more than sell you equipment, repair it and provide the supplies, then you should seek a traditional purchase or lease arrangement. In this case, the savings opportunity will likely be smaller — 5%, rather than 10% to 30%. You will also need to take full responsibility for choosing the right mix of equipment and services, which would be the provider's responsibility under MPS. For more on how to choose the right printer and MFP fleet to meet your needs, see "Toolkit: Choosing the Right Classes of Printers and MFPs for Your Enterprise."

Market Overview

The Big Picture: Changing Print Volumes

Office printing page volumes are declining. We see it in our day-to-day inquiry conferences with Gartner's clients and in the usage records they show us as we assist their print-related decisions. The long-term reduction in printed, copied and faxed pages appears to total approximately 50% during the past six to seven years. Conversations with industry insiders also bear out a gradual decrease, rather than a steeply accelerating drop. The decrease is uneven, however, and some organizations still report volumes of 1,000 pages per user per month. Page volumes vary by sector, and certain elements of government and industries, such as banking, have relatively high volumes, while others, such as software development companies, have very low volumes.

Why Is It Happening?

The reasons why people print and copy less are clear, but most organizations we speak to cannot say which factors inhibit page volume the most:

- Larger displays

- The digitization of paper-based processes (usually to increase the organization's efficiency, and speed and effectiveness)

- Generational preferences, as workers who grew up with PCs and the Web replace ones who didn't

- Environmental initiatives by individuals, enterprises and governments to conserve the energy, materials and water used to manufacture, ship, print and store paper

What Will Happen Next?

The trajectory of change is currently downward, though whether it will remain gradual or will accelerate is less certain. Some print providers argued in the past that digital photography and the increasingly easy access to vast troves of images and documents on the Web would provide a new source of printed documents.

Although Web browsers do indeed account for many of the office pages printed, some of them are just replacements for existing paper documents (such as downloading and printing an application form instead of using a preprinted one). Whatever pages the Web has contributed are not enough to offset the declines.

Investor analysts we speak to assume that tablets will reduce print volumes, and that seems too reasonable an assumption to ignore, but by how much and how quickly is still unclear. Some print providers have also suggested that tablets will also contribute substantial printing volumes, but most enterprises have only begun to enable their core business processes on tablets, and they do not yet use tablet computers widely enough to tell how many pages they will eliminate. Some of today's bring your own device (BYOD) users say they rarely print anymore. However, it's unclear how representative they are of the larger number of people who will eventually use tablets, because these BYOD users may have different job roles and because they were motivated enough to buy the tablet out of pocket in the first place. And as hard as it is to gauge the impact of the current generation of tablet technology, it is harder still to predict the effect of subsequent hardware developments and their applications on future printing. Gartner uses a scenaric thinking exercise to explore questions of this kind, and, in fact, none of the four scenarios that we constructed to explore the role of printing in 2022 suggests that office printing will disappear within the five-year planning horizon that MPS projects involve. One scenario could even increase printing volumes. For a far more complete exploration of the four scenarios, see "Gartner's Future of the Print Market: An Introductory Guide to Long-Term Strategic Planning" and the following six reports that it accompanies: "Market Insight: Scenario-Based Planning as a Tool for Imaging and Printer Products and Services Providers," "Market Insight: Four Scenarios for the Future of the Print Market," "Market Insight: The Future of the Print Market, the 'Text World' Scenario," "Market Insight: The Future of the Print Market, the 'Digital Frenzy' Scenario," "Market Insight: The Future of the Print Market, the 'Templated World' Scenario" and "Market Insight: The Future of the Print Market, the 'Technology as a Filter' Scenario."

Implications for MPS Customers

The real concern for office printer buyers is not so much that volumes are declining, but rather, how rapidly they are declining. For example, even though an insurance company might average 600 pages per user per month, we cannot say for certain how much it will generate in three to five years. Neither of the obvious responses to this concern is entirely satisfactory:

Do contract equipment and accept pricing based on today's volumes so that you'll be well-prepared for the near future, and worry about reconciling this with changed needs if and when they change.

Assume a modest decline to avoid both buying too many printers and committing to too many pages, and then backtrack if volumes increase or remain level.

A credible middle ground is to find out as much as you can about how you currently use office printing, estimate how this might change over time, and plan for what you believe is the most likely outcome, leaving room for correction in case you are wrong.

The problem is that most organizations have neither the usage data nor the analytical expertise, time or inclination to obtain those data on their own.

That, of course, is the reason MPS was developed in the first place. MPS could, in principle, provide you with the research and consultative help you need to estimate and prepare for your future printing needs, as well as some additional mechanisms to reduce the risk of overbuying or underbuying:

Business models that offer more flexibility about print volumes than outright purchase of MFPs and printers.

Business models that allow you to reduce the quantity of equipment over time.

Assessment, tracking and analysis of printing usage. This would identify within the context of your current and planned business, and where and how much your printing volumes might decline.

Software, solutions and consultative help that proactively reduce those volumes for you today, so you don't end up overresourced tomorrow.

Important: Although MPS could help protect customers against the risks of declining print volume, today's programs are not designed for this purpose. During 2012, we asked today's MPS providers about how they help their customers estimate their three- to five-year page volumes. We expected to uncover different approaches and differing levels of skill that we could then report back to you. Instead, we found that none of the MPS providers fully address this question, although we believe they have the potential to do so. We therefore recommend that you discuss with your current or prospective MPS providers how they can help you accomplish this. Beyond this, when evaluating your current or proposed MPS customer agreement, you should explore what would happen if volumes decreased. In particular, look at the effect of monthly minimum volumes and equipment leases that are costly to exit prematurely. We also invite you to discuss the vendor's responses and proposals with Gartner's analysts as client inquiries via [Gartner.com](#), by email at Gartner.com or by phone.

At a practical level, you should also assess the opportunities that MPS can provide to minimize your printing volumes today. Beyond optimizing printing, MPS can already help you capture paper documents into digital form and expose the content of the document through scan-time character recognition and forms recognition. This applies to scanning and then searching paper documents, such as legal contracts and evidence, as well as to recognizing the cover sheets on incoming faxes and routing them digitally to the intended recipient's email inbox.

At a strategic level, if you thought about purchasing MPS to reduce both printing costs and IT-side support burdens, you should also see it as a way to help your organization carry out the document-centric aspects of its core business as efficiently as the peers or competitors, or more so. A major implication is that, now, more than ever, you must involve line-of-business people in planning your MPS, as well as the usual IT and purchasing stakeholders.

MPS providers, for their part, must develop the assessment and tracking practices to estimate future volumes, as well as find ways to engage the customer's line-of-business departments.

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