

Managed Print Services, 2021

Transforming the hybrid workplace



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Executive summary

The acceleration of digitisation initiatives and the rise of cloud computing – prompted significantly by the shift to hybrid working as a result of COVID-19 - have forced MPS providers to rethink their approach. The market has reached a level of maturity, and new revenue opportunities will come from broader engagements that support an organisation's digital transformation initiatives while reducing cost, minimising risk and boosting sustainability. Quocirca's MPS 2021 study reveals that businesses are becoming more demanding of their suppliers across these key areas and prioritising suppliers who can offer broader workplace, collaboration or IT services. Meanwhile, more organisations are set to transition their print infrastructure to the cloud in order to drive greater cost efficiencies and reduce IT burden. Deploying support, security and management for devices used by remote workers will also be a key priority as organisations adapt to the long-term impact of COVID-19 on the workplace.

Key findings:

- **MPS leaders are differentiating beyond traditional print services.** Xerox continues to lead the group. It has one of the broadest service portfolios across the office and production print environments and deep expertise in business process automation. HP has made strong advances in deepening its security services and solutions portfolio. Lexmark continues to excel, particularly in distributed environments, boosted by its cloud print services offerings.
- **A slow recovery of office print volumes.** 77% of organisations indicate that paper is fairly or very important to their business, though this has dropped from 87% in 2019. Large organisations and those in the US are more print-dependent than smaller and European counterparts. 50% of respondents reported a decrease in office print volumes since the start of the pandemic. As organisations relinquish reliance on print-based processes, this indicates that a return to pre-pandemic print volumes is unlikely.
- **MPS spend growth is slowing.** 53% of respondents expect to increase their expenditure on MPS in the coming year. This is a drop from 79% of respondents who planned to increase spend in 2019. The US remains the most positive about MPS spend, with 73% expecting it to increase, although this is still a fall from 84% in 2019.
- **MPS is used to support the hybrid workplace.** Fully outsourced MPS is already showing its value for the future hybrid workplace. 56% of organisations with fully outsourced MPS have provided printers for remote workers, compared with only 42% of those using a hybrid model. Provisioning printers for home workers combats shadow IT purchasing and allows the organisation to retain control over the print devices accessing its network and data.
- **On-line purchasing of home printers has filled MPS provider supply gaps.** While 52% indicated that they used their MPS supplier to procure their home printers, 44% indicated that these were purchased online – 10% of which used a B2B online store such as Amazon Business. This highlights the changing nature of B2B purchasing, particularly through the pandemic where speed of purchase and delivery was critical to ensuring remote workers were set up quickly for home working.
- **Cloud adoption accelerates.** As businesses adjust the shape of their physical estate and adapt to incorporate remote users, cloud-based print management and advanced analytics can play a core role in print environment redesign and deployment. Three quarters of organisations expect to see greater use of cloud print management by 2025.
- **MPS as a digital enabler.** Organisations continue to see MPS as a key component of digitisation efforts, with 37% saying MPS is *very important* to digital transformation in their organisation. Organisations have accelerated digital transformation programmes to absorb the impacts of COVID-19, meaning MPS providers should be exploring opportunities to assist with digitising processes and workflows and aiding remote collaboration.

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Methodology

End-user analysis

Quocirca conducted a survey among senior IT managers with responsibility for decisions relating to managed print services. The research was conducted in the UK, France, Germany and the US, amongst 219 enterprises with 500 or more employees that already use a managed print service. For the purposes of this research, organisations with 500 to 999 employees are referred to as midmarket organisations and those with over 1,000 employees as large organisations. The survey was conducted online and fielded during January 2021.

Vendor analysis

The following vendors participated in the study: Canon, HP Inc., Konica Minolta, Lexmark, Ricoh and Xerox. Vendors were selected according to the following criteria:

- **Experience and skills in providing MPS services** – All providers had to demonstrate a strong record of delivering MPS.
- **Geographical delivery capability** – Each provider was required to have the capability to deliver global services.

Each MPS vendor was asked to complete a written submission detailing its strategy, capabilities and customer references to capture key facts and figures. These submissions were followed up with vendor interviews. The quantitative and qualitative inputs from the vendor research were analysed by Quocirca to determine each vendor's score against a list of criteria related to market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an unweighted model, although prospective buyers may wish to weight the scores to meet their own specific needs.

Definitions

Quocirca defines a 'managed print service' as the use of an external provider to assess, optimise and continuously manage an organisation's document output environment and improve productivity and efficiency while reducing cost and risk. It also leverages existing investments in multifunction printers (MFPs), while continually monitoring usage, so that the optimised infrastructure continues to meet business needs.

MPS covers several service areas across three broad categories:

- **Assessment** – A review of the current print environment to provide recommendations for rationalisation and an estimate of potential future savings. Assessments range from basic online assessments to full workflow assessments. Environmental impact analysis and document security assessments may also be included.
- **Optimisation** – Device rationalisation and consolidation to improve user-to-device ratios, and development of print policies as part of a governance framework for a full enterprise MPS, deployment, transition and change management.
- **Management** – Continuous process improvement, business reviews, service level agreement (SLA) monitoring, remote management and workflow improvement.

These services fall under Quocirca's definition of MPS when the vendor takes over responsibility for delivery under a contract of three years or more in length.

The MPS ecosystem

The MPS landscape includes printer/copier manufacturers, systems integrators and software infrastructure vendors.

- **Printer/copier manufacturers** – These vendors’ programmes are generally tied to their product offerings, although multi-vendor support is often available. Service offerings include assessment, design, implementation and support services. They may also offer MPS programmes via their resellers. Vendors in this category include Canon, HP Inc., Kyocera, Konica Minolta, Lexmark, Ricoh, Sharp, Toshiba and Xerox.
- **Systems integrators/resellers** – These are a channel to market for some printer and copier vendors, and may offer MPS as part of a wider managed IT services offering.
- **Independent software vendors (ISVs)** – These provide software tools for use in the print environment. These vary from print management, security, analytics and cloud printing solutions. Examples include EveryonePrint, MPS Monitor, Nuance, Print Audit, ECI FM Audit, PaperCut, Printix, Process Fusion, Ringdale, and YSoft. Providers often use such third-party products to add value to a particular element of their MPS portfolio.

The impact of COVID-19 on office and home printing

The ongoing impact of the pandemic on print volumes

The MPS market has witnessed market disruption like never before, with national lockdowns and stay at home orders prompting a mass exodus to remote working. On average, 47% of employees are now working remotely, this figure rising to 53% in the UK and 54% in the professional services sector. Whilst this has led to a surge in home printing, as organisations grappled to support remote workers, it has also created a rise in the shadow purchasing of home printers by employees, often unapproved by employers.

While some organisations have procured home printers through their MPS suppliers, many have turned to simple transactional online procurement, creating gaps in security and device management. At the same time, with offices remaining shut for most of the year, office print volumes remain in decline and may never return to pre-COVID-19 levels.

Many organisations remain reliant on paper to support their daily business - 77% of organisations indicate that paper is fairly or very important. However, there is a gradual decline, this being a drop from 87% in 2019 (figure 1). There are regional variations, with 87% of US organisations indicating that paper is fairly or very important compared to 68% in the UK. Larger organisations tend to be more reliant on paper-based processes (82%) compared to smaller organisations (73%).

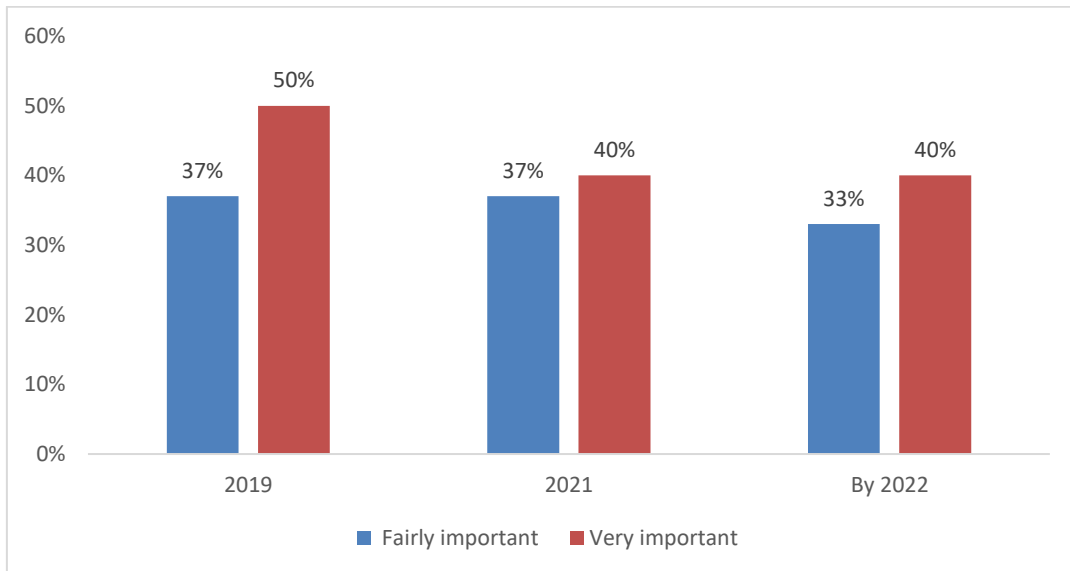


Figure 1. Importance of paper to daily business

Overall, 50% of respondents reported a decrease in office print volumes since the onset of the pandemic (figure 2). 12% of respondents have seen a fall of over 20% in office print volumes, rising to 26% in the UK and falling to 6% in Germany. Only 1% have seen print volumes increase by more than 20%, with only 9% seeing print volumes grow by between 11% and 20%, rising to 15% in the USA and falling to 8% in Germany.

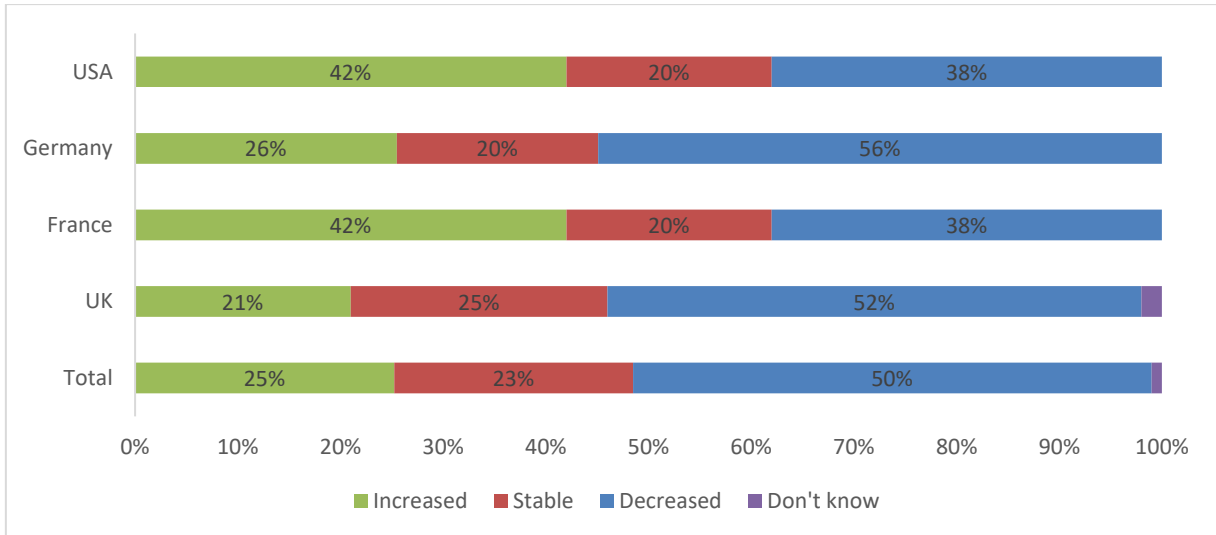


Figure 2. What impact has COVID-19 had on your office print volumes (since the onset of the pandemic in March 2020)?

Figure 2 shows the consolidated responses across those stating various levels of increase, decrease and stability in print volumes. When the actual stated percentages are taken and an overall measure taken of the percentage increase/decrease, then the figures shown in figure 3 are created.

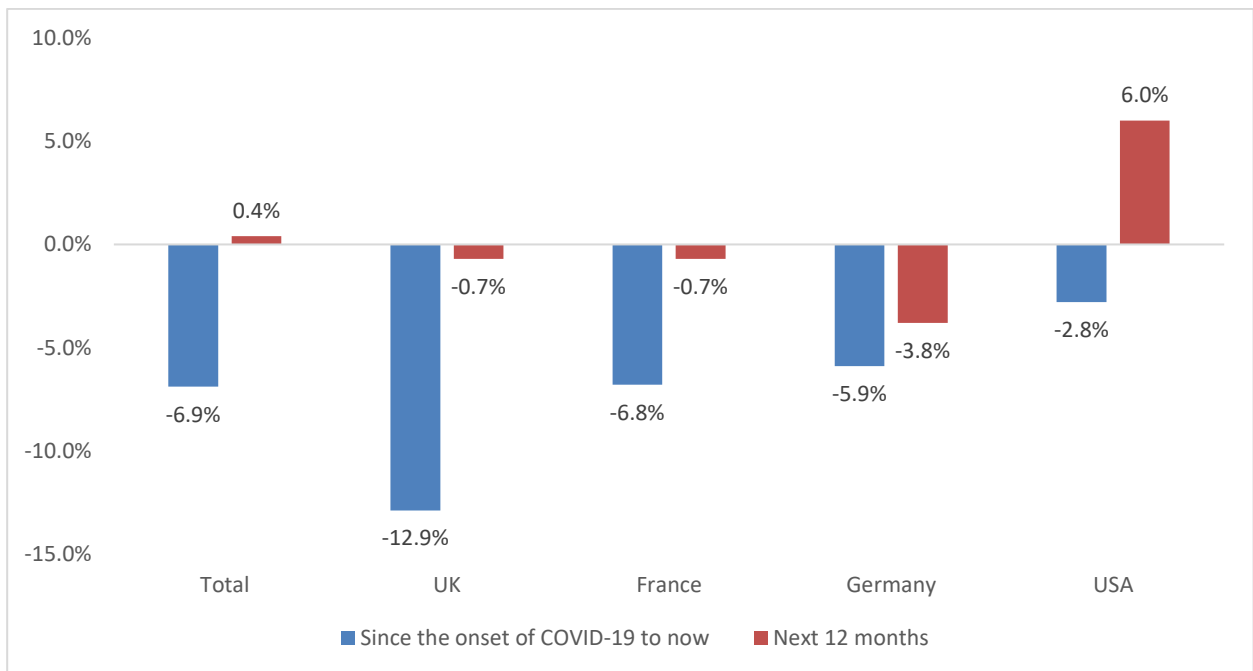


Figure 3. Actual/expected change in print volume (overall average)

Overall, the research shows that there has been a 6.9% fall in office print volumes since the pandemic started (figure 3). The UK has seen the biggest overall fall at 12.9%, with the US the smallest fall at 2.8%.

Although the overall expectation around office print volume growth over the next 12 months is only just positive (0.4%), this is heavily skewed by the findings for the US. When looking at expectations around any rebound in office print volumes over the next 12 months, the US is very optimistic, with an expectation for an overall 6%

growth in office print volumes. However, all other countries expect to see a continued fall in office print volumes, with Germany expecting to see a continued decrease of 3.8%.

Larger organisations have seen a greater fall in print volumes, with 16% seeing a decrease of more than 20% against only 7% of smaller organisations. 25% of public sector organisations have seen a fall of more than 20%, against only 6% of the industrial sector. Those with an out-tasked MPS agreement have seen the greatest fall in print volumes, with 22% seeing a greater than 20% fall, compared to only 9% who have a fully-outsourced MPS agreement.

Although offices reopening may lead to a recovery in print volumes, many organisations will be implementing flexible work policies alongside operating offices at reduced capacity. Overall, 44% will keep existing office sites, but with reduced capacity, while a further 23% will consolidate office locations with one HQ office remaining open (figure 4). This of course has implications for office print volumes, and with remote work set to continue and even be permanent for some organisations, MPS providers will need to capture opportunities for supporting organisations with hybrid workplace printing capabilities (home and office) alongside digital workflow and collaboration services as organisations set up their adoption of digital technologies.

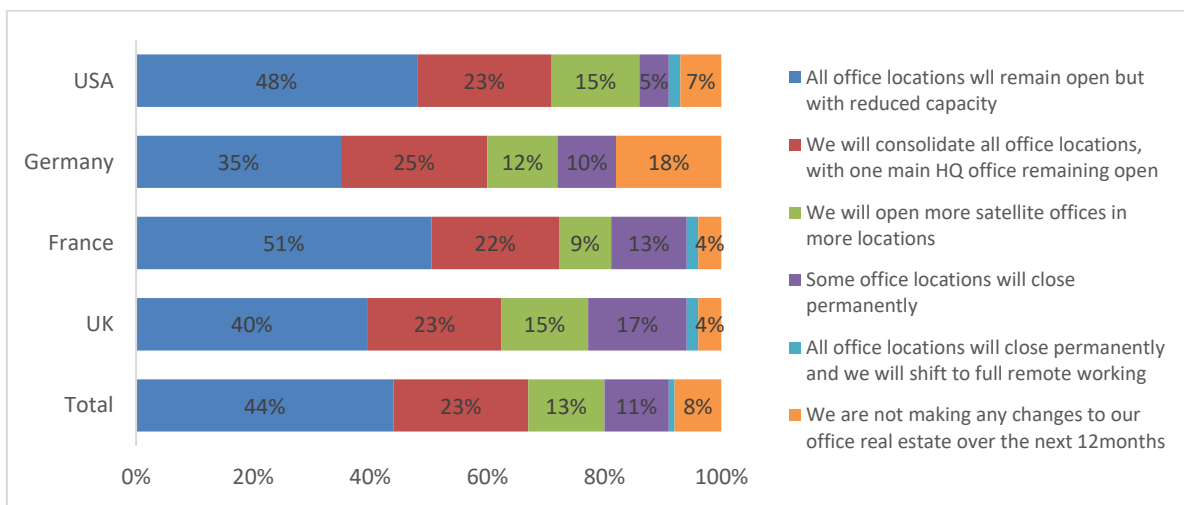


Figure 4. How do you expect your office locations to operate over the next 12 months?

The shift to home printing and office print recovery

In contrast, respondents are more positive about home printing volumes. Over the next 12 months, 40% expect home print volumes to increase, rising to 53% of respondents in the US (figure 5). Notably, just 23% of French organisations expect an increase in home printing volumes. This can be seen as a correlation between the US having a far higher expectation of employees continuing to work remotely (43%) than France (36%).

Professional services expect to see the largest increase in home print volumes, with 50% expecting to see an increase, although the same group also has the highest score for reduced home printing at 28%. Only 30% of public sector respondents expect to see growth, with 26% expecting a decrease.

When it comes to office print volumes, 42% of professional services respondents expect to see an overall increase, against only 30% of public sector respondents. Conversely, 36% of public sector respondents expect to see a decrease, against 32% of professional services.

Although home printing is set to hold up due to the shift to remote working, the volumes will not be sufficient to offset the steeper decline in office print volumes. Overall, 38% of respondents expect to see a growth in office printing over the next 12 months. Germany expects to see the least growth in office printing (24%) against 60% of US respondents. However, 33% of all respondents expect to see a decrease in office print volumes, against only 25% expecting home print volumes to fall.

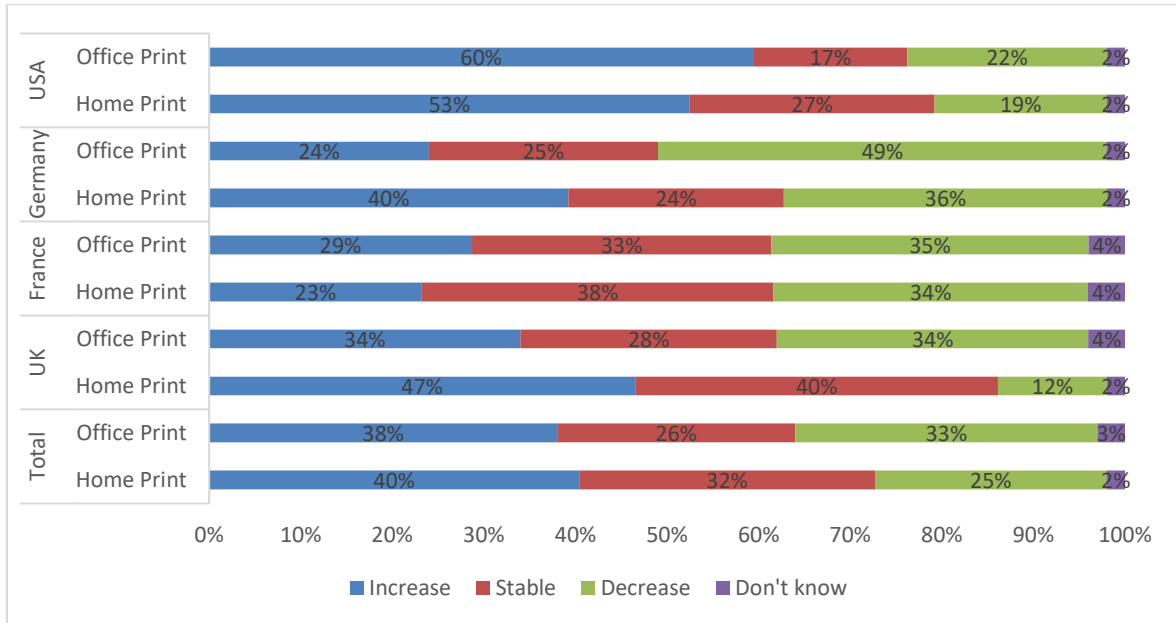


Figure 5. How do you expect your home and office printing volumes to change over the next 12 months?

Just over a third of organisations (35%) indicate that they have provisioned home printers for **all** employees (figure 6). This rises to 40% in the US and drops to 26% in the UK. The financial services sector is most likely to have provided printers to all employees (53%). Overall, just 14% indicate that they have not provided any home printers. It is more likely to be organisations that use a fully outsourced MPS that are providing printers to all employees (54%) compared to 22% of those using a hybrid MPS model.

While 52% indicated that they used their MPS supplier to procure their home printers, 44% indicated that these were purchased online – 10% of which used a B2B online store such as Amazon Business. This highlights the changing nature of B2B purchasing, particularly through the pandemic where speed of purchase and delivery was critical to ensuring remote workers were set up quickly for home working.

Notably, just 35% of organisations say that they are reimbursing employees for printing running costs. It is highly likely that most organisations are yet to deploy effective tools for monitoring and managing home printing, but are more likely to have these capabilities if their MPS provider is utilising cloud print management tools to manage both the office and home environments.

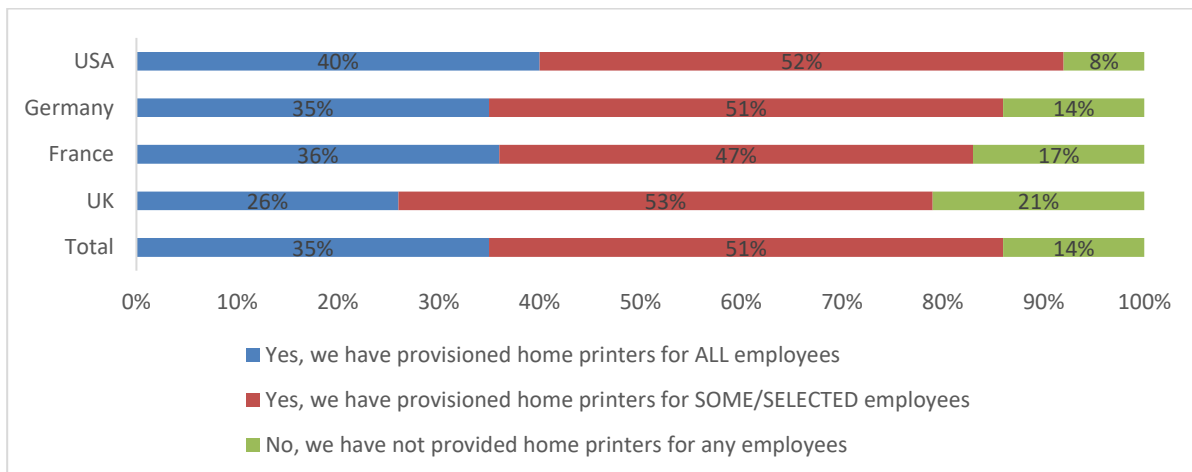


Figure 6. Provisioning of home printers

Outlook for MPS spending

MPS spending looks set to slow compared to our previous study conducted in 2019. Overall, 53% report that they expect to increase MPS spending over the next 12 months (figure 7). This compares to 79% of respondents in 2019 (figure 8). While just 1% expected a decline in MPS spending in 2019, this is now 16%, rising to 27% of UK respondents. The US continues to be most positive with 73% expecting an increase in spend, compared to 84% in 2019. The UK expects to see the greatest fall in MPS spending, with 25% stating that they expect to see spend decrease somewhat and a further 2% expecting to see it decrease significantly. Against this, only 7% in the US expect to see spend decrease somewhat and 2% decrease significantly.

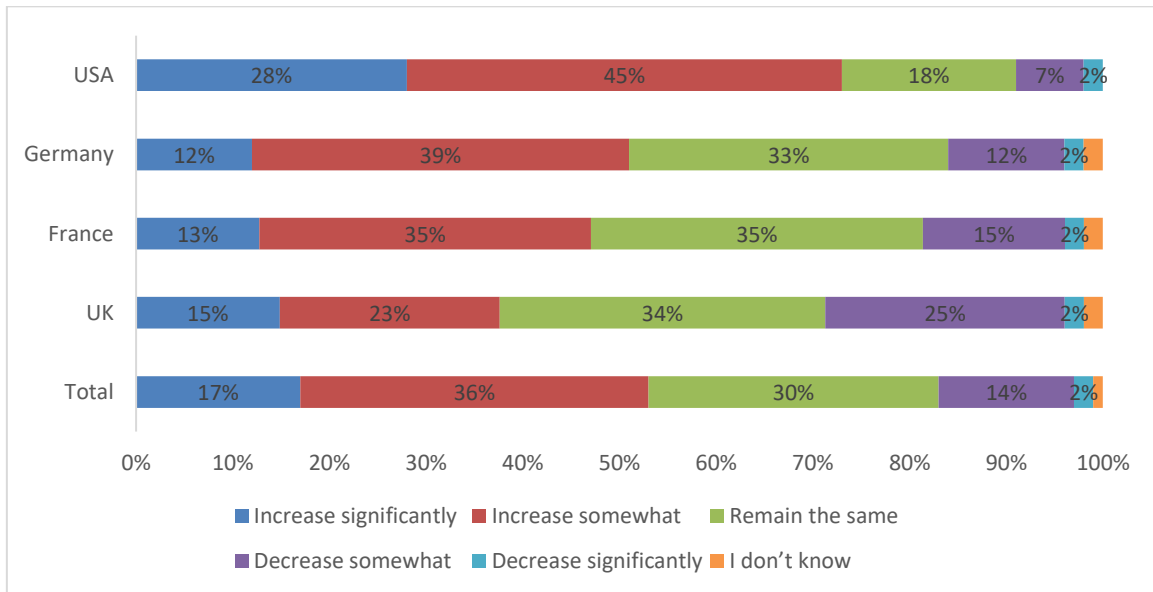


Figure 7. MPS spending plans over the next 12 months by country

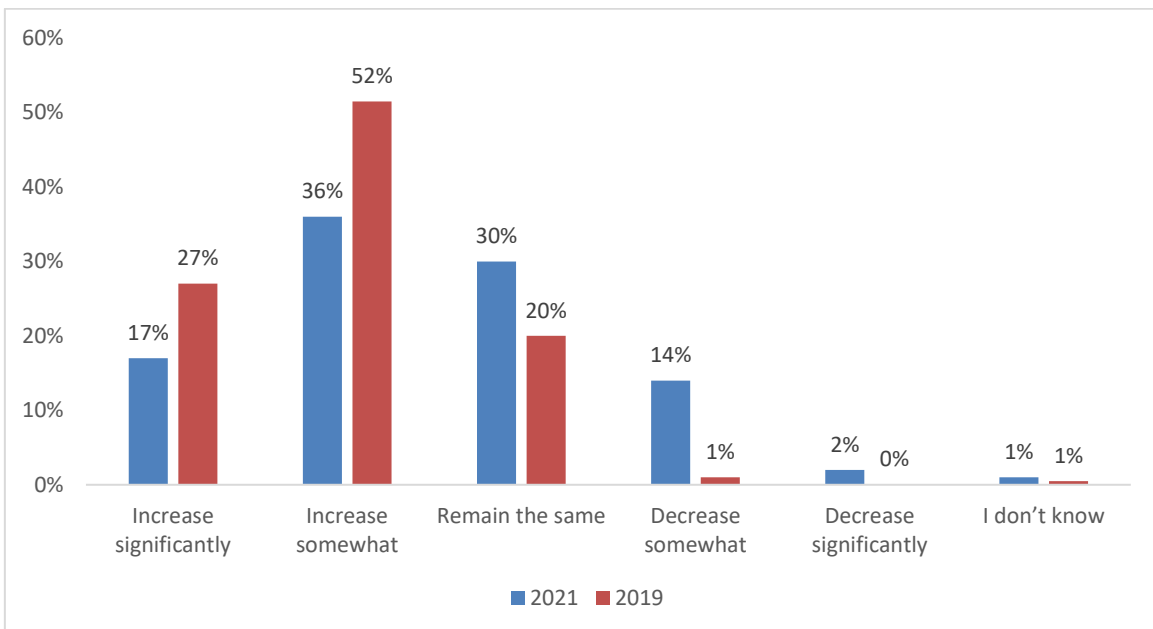


Figure 8. MPS spending plans over the next 12 months, 2021 versus 2019

The digitisation opportunity

This continued reliance on printing creates ongoing opportunities for the optimisation of the print infrastructure as well as improved digitisation – especially relating to workflow. Reducing dependence on print not only leads to lower costs – both financial and environmental – but also improved employee productivity and efficiency of processes that remain paper-based. This is particularly evident as a result of the pandemic, which has disrupted formerly paper-based processes and prompted organisations to implement digital workarounds. 37% of organisations currently agree that MPS is *very important* to digital transformation, unchanged from 2019 (figure 9). US organisations are the most positive (52%), Germany the least (27%).

Retail businesses place a higher importance on MPS as an enabler for digital transformation – 53% say it is very important, compared to just 28% in the public sector. This aligns with the fact that fewer public sector organisations say that paper is very important to their business (28%) compared to 47% in the retail sector.

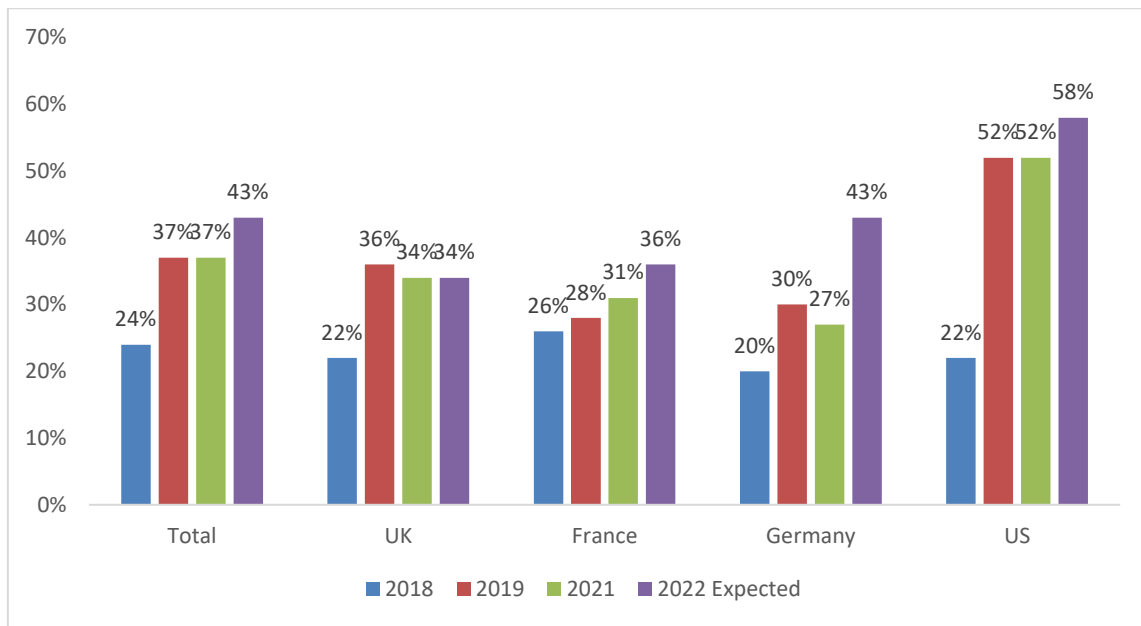


Figure 9. Importance of MPS to digital transformation (very important responses)

Hybrid print and digital workplace measures

As organisations embrace remote working, they are putting measures in place to support the print and digital requirements of their employees. A fully outsourced MPS enables an organisation to take advantage of a range of print solutions that can deliver a more connected and efficient print infrastructure for the hybrid workplace. Unsurprisingly, the transition to digital documents tops the list as organisations accelerate the use of digital technologies (figure 10).

Overall, 46% of organisations indicate that they provide approved printers to selected remote workers with a further 34% planning to offer this. This rises to 57% in the US and drops to 40% in the UK. Retail organisations (56%) are most likely to be providing printers to remote workers, which aligns with their stated higher print volumes. Notably, organisations using a fully outsourced MPS are more likely to be provisioning printers for remote workers (56%) compared to those that use a hybrid MPS (42%).

Some organisations are minimising printing completely. 43% have already implemented some form of content security or DLP to prevent sensitive or confidential documents being printed. This rises to 45% in France and 50% in the US, with the Professional and Financial Services sectors most likely to have implemented this technology (49% and 47% respectively).

The US is much further ahead in terms of revising their BYOD security policies to support employee use of their own home printers. While 57% of US organisations indicated they have changed their BYOD policies for home printing, this falls to 36% in the UK, 31% in France and 29% in Germany. It is more prevalent in the Retail and Professional Sectors (44%).

While 39% indicate that they have implemented a cloud print management platform, this rises to 52% in the US, 48% in larger organisations and 51% in the Finance sector. A shift to a more distributed print environment based on A4 MFPs is more likely to be adopted in the US where 53% indicate they have implemented this. This is least likely in the UK where just 26% say they have changed from an A3 to A4 distributed model.

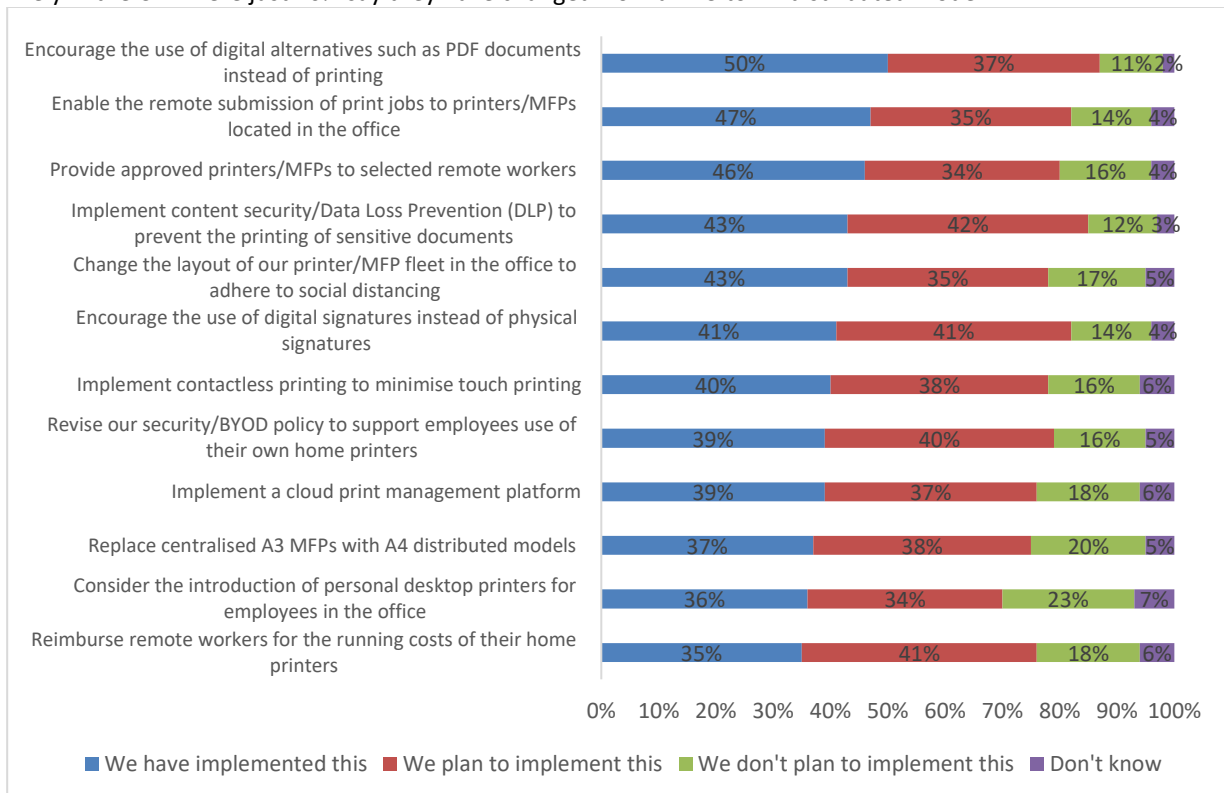


Figure 10. Print related measures in place

Service, security, sustainability and digitisation lead MPS drivers

When it comes to the importance of areas considered as goals when looking at an MPS agreement, respondents look to improvements in service quality (4.26) and regulatory compliance (4.23) as their two strongest criteria (figure 11). Areas such as delivering/creating innovation (3.98) and managing and monitoring home printing are seen as the least important goals.

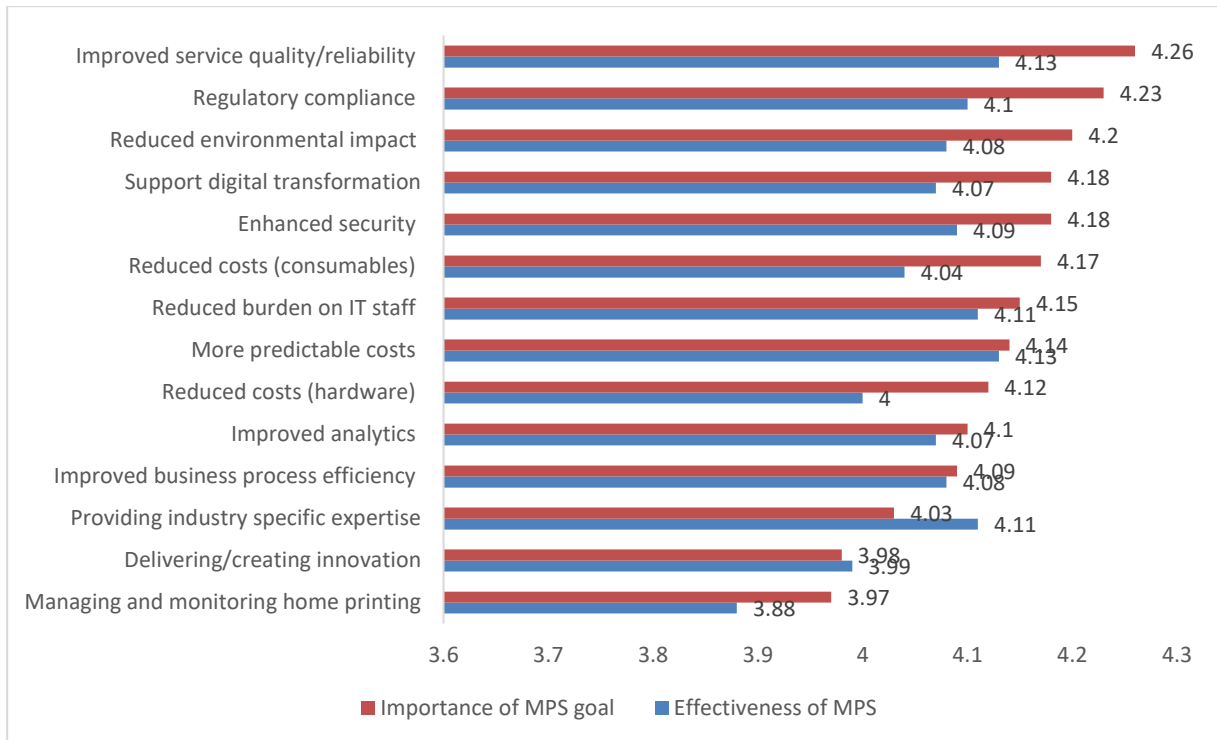


Figure 11. MPS satisfaction gap (goal versus achievement of MPS goal – average scores shown where 1= not important/not effective to 5= very important/very effective)

However, those areas seen as most important tend to have the largest gap between the importance of the goal and the respondents’ satisfaction with how effective the MPS agreement is in meeting that goal. For example, there are 0.13 point gaps between the importance and satisfaction for improved service quality/reliability as well as for reducing the costs of consumables. There is also a 0.12 point gap for regulatory compliance, reducing environmental impact and reducing the cost of hardware.

Although the importance of providing industry specific expertise is seen as being low, respondents perceive that their MPS agreements are beating their goals – as is the case (just) with delivering/creating innovation.

It is apparent that MPS providers need to focus on those areas where there is the largest gap between importance and perceived effectiveness, as well as looking to educate on areas not yet seen as being important, such as the management of home printing, which have now shown themselves to be of critical importance at a business level due to the COVID-19 pandemic.

Notably, those that are using a fully outsourced MPS, rather than a hybrid version, are most likely to report that their MPS is more effective (figure 12). This is particularly the case in areas such as industry expertise, reducing environmental impact and providing solutions for digital transformation. In addition, although home printing was not stated as a top goal for MPS, a fully outsourced MPS outperforms a hybrid approach to MPS.

Fully outsourced MPS providers are more likely to have a comprehensive view of the full printing and imaging environment and through strategic reviews and in-depth analytics can help organisations optimise their print infrastructure with the appropriate hardware, software and services – across both print and digital technologies.

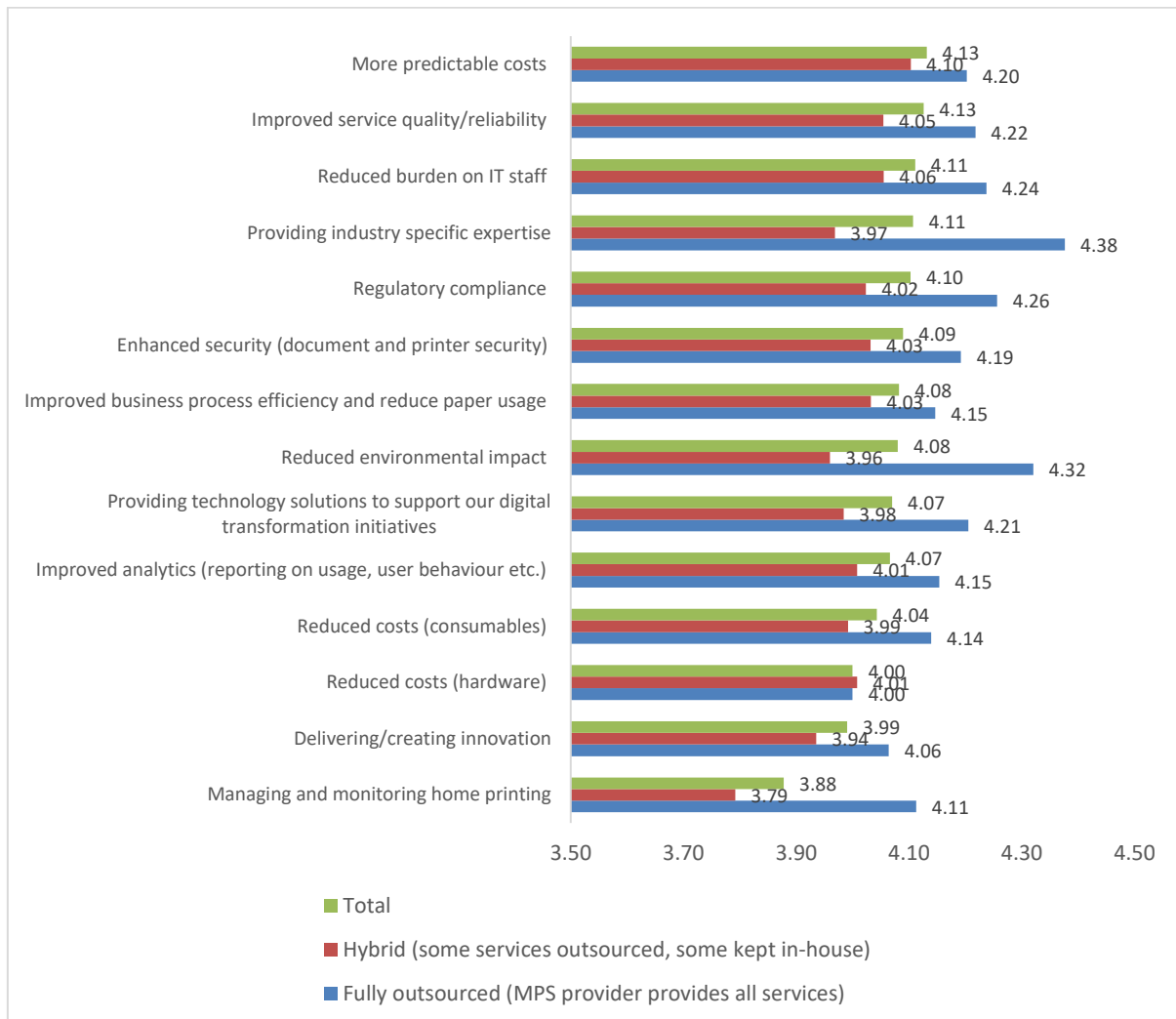


Figure 12. Effectiveness of MPS (Average score)

On the whole, most organisations are satisfied with their MPS provider’s performance over the past year. 30% state that they are very satisfied, rising to 42% in the US and dropping to 21% in the UK (figure 13). Retail respondents are the most satisfied - 40% are very satisfied, compared to 18% in the public sector. General satisfaction with the performance of MPS has held up during COVID-19, with 75% remaining quite or very satisfied with the performance, compared to 79% prior to the pandemic. However, loyalty is low: 38% plan to change their provider at the end of the contract, rising to 45% in the UK and falling to 33% in the US.

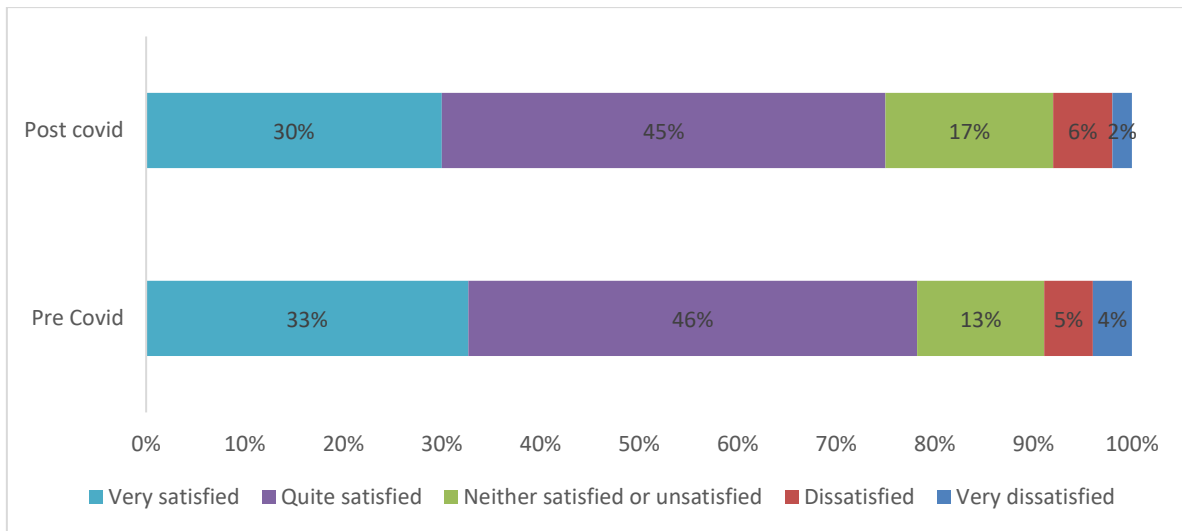


Figure 13. Satisfaction levels with MPS

The workplace services opportunity

Quocirca defines workplace services as those which include communication and collaboration capabilities that enhance productivity. Such services usually include consultancy to evaluate how an organisation is using its current facilities and identify where improvements can be generated through the use of video conferencing, cloud, voice, wireless presentation devices, touchscreen interactive whiteboards, digital signage and so on. Today, capabilities vary significantly by provider, although most are repositioning their MPS offerings within this wider category, either directly or through partners.

Overall, 56% of organisations rank workplace services in their top three selection criteria that would make them more likely to choose a specific MPS agreement (see figure 14). This rises to 69% in the US, falling to 47% in France which ranks cloud print services higher (51%). This is followed by Cloud Print Services (45%), which has moved higher on the agenda since our 2019 report, followed by sustainability services (30%) and managed security services (29%). There is variation by region for managed security services, with only 24% of German respondents placing it in their top three compared to 32% of UK respondents.

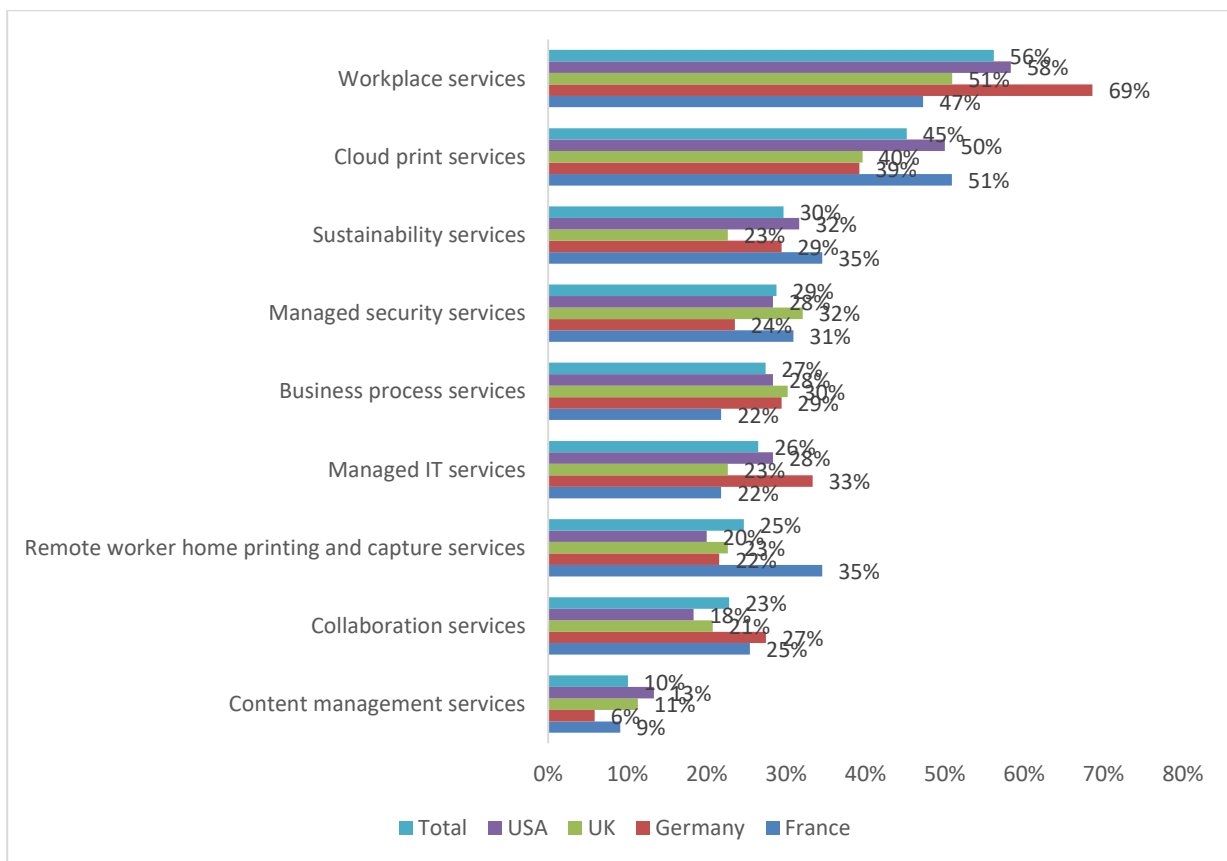


Figure 14. What additional services would be more likely to make you select an MPS provider?

Cloud is certainly a key opportunity for MPS providers, many of whom are developing broader cloud print management portfolios. While the majority are managing print jobs on-premise, three quarters of organisations expect cloud-based print management to increase between now and 2025. Quocirca will be publishing a dedicated report on the Cloud Print Services market in April 2021.

Future opportunities for MPS providers

The COVID-19 pandemic has changed the world – likely for ever. MPS providers must respond to these changes to both remain relevant and also maintain levels of competitiveness against others in the market. This will involve the creation, provisioning and management of a range of different services.

MPS offerings continue to mature – and need to change to better embrace and support the issues organisations are now facing due to the COVID-19 pandemic. Such changes must not be carried out to the exclusion of other much-needed additions to MPS, however – there are continuing requirements around enhanced security, analytics and intelligent IoT services. It is still the case that the best way to offer wide-ranging MPS services that best support a diverse and distributed workforce will be through the use of public cloud as a main platform.

Embrace the cloud opportunity

MPS providers must embrace cloud as a means of offering rapidly deliverable services provisioned on an ongoing subscription level. Public cloud is rapidly becoming the platform of choice for many organisations looking for flexibility and scalability. For those providing services, cloud offers a means of maintaining control and optimising support, so cutting down on support costs.

By moving to a cloud-first model and investing in in-house cloud expertise, MPS providers gain an environment that they maintain full control of, and also open up the opportunity to enter into agreements with third-party providers to offer adjacent services, such as content management and IT management. AWS, Microsoft Azure and Google remain the dominant public cloud providers, and are increasingly being used by print OEMs to provide their services to the channel. As enterprises become more prescriptive about the platforms they wish to use, these partnerships will become critical.

However, not all the market is yet ready to move to cloud. MPS providers should still look to provide at least a degree of on-premise capability, slowly moving customers who are willing to pay a premium for such services to a hybrid on-premise/cloud model and then to a fully cloud-based model. Some customers will want to maintain some services on-premise for the foreseeable future due to security and compliance concerns – this may be a possibility for premium pricing.

Bridge the remote and office working gap with integrated solutions and services

The biggest change between our previous MPS research and this report has been the impact of the COVID-19 pandemic. Lockdown, furloughs and working from home have changed how people work, with many employees exchanging the office environment for their home. Information security is a major issue for organisations, as they do not see any easy ways of maintaining control over information when it is being accessed from an employee's home, rather than in the more controllable confines of the office. MPS providers need to look at how their offerings can better embrace home printing, and also provide services in information management and security control.

Alongside such technical services, MPS providers should also look at how best to support the home worker with the provision of suitable printers and the continuous monitoring of and provision of consumables. Tying the lifecycle management of home print devices into existing MPS agreements can make a lot of sense to the business: they can cut costs through access to better pricing for devices and consumables while gaining better control of the device as part of an overall MPS agreement.

Broaden collaborative and workplace services

MPS providers should be looking to the provision of distributed collaboration systems that organisations are already investing in to support their distributed workforce, such as cloud-based synchronised file share platforms. To better support home workers, services such as managed desktops and IP-based telephony services can also provide valuable capabilities to businesses and workers alike. Visual communication and collaboration solutions, such as videoconferencing and screen sharing, also help in ensuring that distributed workers can still work effectively across locations.

Shift to a zero-trust security model

The threat landscape is expanding, with the traditional network perimeter no longer enough to secure a remote and diverse workforce that connects via multiple devices and accesses the corporate network from distributed locations, often over public networks. Today's organisations should be operating on a 'zero-trust' model: assume that everything is a security risk, and so create an environment that can deal with the possible threats.

Many leading MPS vendors have expanded their security assessments and monitoring capabilities and this will be vital in closing any security gaps around the hybrid workplace. Alongside this, investments in data leak prevention (DLP) and digital rights management (DRM) to provide their customers with the information control needed may well provide rapid payback.

Quocirca's Print Security 2020 study¹ shows that the pandemic has resulted in lower overall confidence in organisation's trust levels in their own security capabilities. This uncovers a nascent market ripe for the channel to provide services into. Security information and event management services should be part of a broader offering, helping organisations to create a security environment that crosses over their own network's boundaries to embrace the home working environment. Such a solution will provide levels of remote monitoring that are required to rapidly identify and deal with security issues. Combined with machine learning (ML) and artificial intelligence (AI), such monitoring can kick off automated events that can deal with security issues quickly and effectively.

Unlock the value of analytics

As the IT platform becomes more complex, it is generating more data. That data, on its own, is meaningless; it needs to be collected and analysed to be useful. Printers are major data hubs and most MPS providers already provide good analytics for the print environment. However, printers can no longer be looked at in isolation from the rest of the environment; they are part of information workflows and are also part of the increasingly complex Internet of Things (IoT) environment.

MPS providers need to look at how best to ensure that they can provide analytics across more than the print environment, alongside ensuring that the data created by the areas under their control can be best used by other environments, such as building information management (BIM) systems and so on.

¹ Quocirca Print Security Landscape 2020 <https://print2025.com/reports/print-security-2020/>

Vendor assessment

Quocirca has created a vendor scorecard for each MPS provider, based on a range of criteria that determines an overall score for market presence and completeness of offering. Each score is on a scale of 1 to 5, where 1 is weak and 5 is very strong. This evaluation of the MPS market is intended as a starting point only. Please note that Quocirca's scoring is based on an unweighted model, although prospective buyers may wish to weight the scores to meet their own specific needs.

Market presence criteria

- **Enterprise customers** – The strength of the vendor's global enterprise customer base.
- **Strategy** – The comprehensiveness of the vendor's MPS strategy, the quality of its overall value proposition and its evolutionary vision for MPS.
- **Maturity of offerings** – How long the vendor has been active in the market and how developed its offerings are.
- **Geographic reach** – A vendor's geographical reach, either via direct engagement or through partners or channels.
- **Market credibility** – The effectiveness of the vendor's initiatives to promote its brand, increase awareness of its service offering and influence market development. This also includes the clarity, differentiation and internal/external consistency of the vendor's market messages.
- **Alliances and partnerships** – The strength of the vendor's partner and alliance network.
- **Investment and dedicated resources** – The vendor's investment in its MPS portfolio and resources, and innovation that will add improvements in approach, processes or service offerings.

Completeness of offering

- **Modularity of services** – The flexibility and scalability of the service portfolio to provide a customised offering.
- **Breadth and depth of service offering** – The range of services available, including complementary ones such as business process outsourcing (BPO), IT outsourcing (ITO) and document process outsourcing (DPO).
- **Helpdesk capabilities** – Centralised helpdesk capabilities and integration, remote diagnostics and support.
- **Production printing** – Central reprographics department (CRD) or print room services to support high volume printing requirements.
- **Multi-vendor support and maintenance** – The vendor's ability to service and support third-party products.
- **Reporting** – The breadth and depth of capabilities to provide analytics and reporting.
- **Business process automation** – Capabilities and expertise for business process automation – both software solutions and business process services.
- **Document workflow/ECM integration** – A range of solutions to support document capture, routing and integration with enterprise content management (ECM) systems.
- **Industry solutions** – Capability to offer industry software solutions in key vertical markets and industry alignment of sales force.

Figure 15 represents Quocirca’s view of the competitive landscape for printer and copier vendors that deliver enterprise MPS. A vendor’s market position is indicated by the size of the bubble, based on customer base estimates.

- **Market leaders** – Vendors that lead the market in both strategic vision and depth of service offering. Leaders have made significant investments in their service portfolio and infrastructure and are supported by strong delivery capabilities.
- **Strong performers** – Vendors that have established and proven offerings supported by demonstrable customer success.
- **Contenders** – Vendors with service offerings that are currently being aligned on a global or European basis. Contenders are typically investing in resources, infrastructure and partnerships to expand their market coverage.

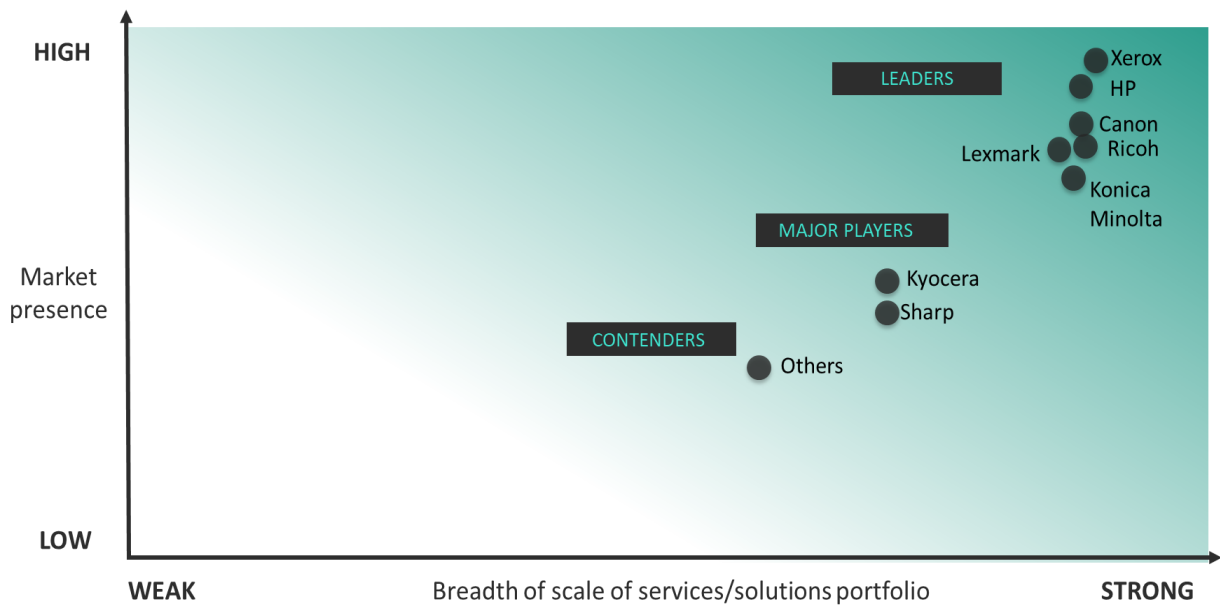


Figure 15: Quocirca MPS vendor positioning, 2021

This information is provided as a visual representation only and should be combined with other sources to determine the suitability of any vendor programme.

Vendor profile: Xerox

Quocirca opinion

Xerox retains its leadership position in Quocirca's assessment of the global MPS market. It excels in its broad and comprehensive service portfolio which is supported by a mature global service delivery platform. In particular, it has heavily invested in the delivering of a robust cloud services infrastructure which has enabled it to provide a secure and agile platform for supporting the printing and document collaboration needs of the hybrid worker. Of particular note are Xerox's broader digitisation capabilities, combined with its enterprise-class managed IT services capabilities, both of which place Xerox in a strong position to meet the unique needs of SMB customers who will increasingly be looking for solutions that extend beyond print to support business needs in the new normal.

Xerox expects to realise future growth within the large enterprise space across areas including printer, document, data and content security solutions; cloud-based print management solutions; workflow automation; business intelligence through real-time and AI-driven predictive data analytics; capture and content services including digital mail; and IT managed services. Additionally, it is also targeting strong growth within the SMB market via its partners as well as Xerox-acquired dealers. The company completed four acquisitions in 2020 - Arena Group, Altodigital and ITEC Connect in the UK and Digitex Canada - to expand its reach in this sector.

Security is core to Xerox's MPS engagements and it offers multiple tools and solutions to maintain tight security with respect to print infrastructure and continues to bring new security capabilities to market. Its ConnectKey technology features a comprehensive set of advanced security features in partnership with McAfee and Cisco – which is a strong differentiator. Secure device and document management monitors devices, usage and content for compliance to policies, regulatory requirements and data privacy acts. Xerox has also integrated with market leading SIEM software tools to communicate security event data in real-time.

Xerox was the first print vendor to achieve FedRAMP (Federal Risk and Authorization Management Program) accreditation, which standardises security assessment, authorisation, and monitoring for cloud products and services. Xerox's FedRAMP authorisation was extended to State and Local Governments in the US in 2020, allowing all government agencies to leverage the security assessment work already done by the FedRAMP Joint Authorization Board in their own security and authorisation process—a considerable saving in time and resources.

Xerox continues to advance its cloud strategy, ensuring its cloud initiatives are consistent with customer requirements. Through its ConnectKey platform, it has been a leader in enabling mobile workers' needs with a portfolio of cloud capabilities from seamless printing independent of location, and other aspects of mobile user workflow such as capture and MFP apps.

Mature and comprehensive global MPS proposition

Xerox is one of the most established MPS providers in the market and has a long heritage in delivering large complex engagements. Xerox's strengths lie in its global service delivery design, ability to provide multi-vendor support, use of comprehensive analytics, and strong security credentials - capabilities which are key to differentiation in a mature MPS market.

Its Intelligent Workplace Services (IWS) strategy is built around leveraging analytics, cloud, digitisation and security solutions to advance the way employees and technology work together. In 2020, Xerox expanded this offer further to maximise the ROI of the print infrastructure, increase employee productivity, and reduce security concerns across the corporate office, home/remote office, or a combination of both.

IWS includes a core set of MPS capabilities - assessment and optimisation, fleet management and print management; plus a set of digital transformation capabilities - capture and digitisation, workflow automation, and content management.

Whether delivered by Xerox or its channel partners, Xerox's global service delivery organisation enables it to standardise and replicate IWS capabilities that are consistent across all regions around the world, provide the right service to meet current customer requirements, easily match emerging requirements, and deliver value-add

services throughout the digital journey. This approach affords customisation and predictability within customer environments and across geographies.

Key components of the offer include a wide range of Xerox technology and software solutions that can be tailored to individual needs; a clear bias for cloud to host and deploy; technology partnerships with the best industry experts in specific areas e.g. cyber security; connectors into popular horizontal and sector-specific industry solutions; as well as a people-centric, data-driven approach to assessing workplace needs.

Enabling the hybrid workforce

Xerox's strategy with IWS is to enable the hybrid workforce with technology and services that enable productive employees, and an efficient and secure workplace, no matter where that workplace might be.

In order to deliver on this, Xerox will continue to focus on a number of key areas including cloud hosted solutions available as-a-service; implementing digital collaboration tools, process automation solutions and services; as well as multifunctional devices that bridge the physical and digital worlds in a seamless manner. Xerox's approach also covers: enabling continuity of operation for core business processes; protecting a distributed workforce against various forms of cyber-attacks or other security related risks through a combination of Xerox capabilities, services, and partnerships; improving the user experience and productivity with AI, machine learning and RPA technologies as well as analytics; and innovation in technologies such as IoT sensors and clean tech.

IWS for home office

The new Xerox IWS for home office offering uses Xerox device direct technology to enable IWS customers with employees working from home to be supported with managed print services. Delivery, installation, configuration and help desk support is consistent with current contracted services and automated meter reads tie to the existing billing process. Xerox's homemaker service also includes reactive break fix, proactive supplies replenishment and basic reporting that differentiates home office devices from corporate devices.

Xerox Workplace Cloud Print Tracker

Xerox Workplace Cloud Print Tracker extends print management into the home. With a Xerox Workplace Cloud Account, IT teams can authorise, control and track business related data printed on registered home printers. Users can send jobs from home and securely release them at the office or send jobs from home directly to an office printer for colleagues to pick up. A new delegate mode allows users to delegate central office workers to release secure jobs when they are needed. Additionally, new content security features monitor documents with words or terms that are tagged as sensitive - to ensure policies are observed.

Providing workplace insight through analytics

Insight gained from Xerox's full suite of analytics including assessments and reporting is the foundation of the Intelligent Workplace. In 2020, it introduced 'new normal' workplace analytics using the same assessment and optimisation tools, to help customers rebalance and redeploy assets from the office to the home office. Analytics dashboards and reporting enables customers to identify and monitor security risks to data, documents, devices and content, or identify manual workflows and paper-intensive processes that can be optimised and automated, driving innovation by improving speed, accuracy and employee productivity.

About Quocirca

Quocirca is a global market insight and research firm specialising in analysing the convergence of print and digital technologies in the future workplace.

Since 2006, Quocirca has played an influential role in advising clients on major shifts in the market. Quocirca's consulting and research are at the forefront of the rapidly evolving print services and solutions market, trusted by clients who are seeking new strategies to address disruptive technologies. Quocirca has pioneered research in many emerging market areas. More than 10 years ago Quocirca was the first to analyse the competitive global market landscape for managed print services (MPS), followed by the first global competitive review of the print security market.

More recently Quocirca reinforced its leading and unique approach in the market, publishing the first study looking at the smart, connected future of print in the digital workplace. The Global Print 2025 study provides unparalleled insight into the impact of digital disruption, from both an industry executive and end-user perspective.

For more information, please visit www.quocirca.com.

Report Notes

This report has been written independently by Quocirca Ltd. During the preparation of this report, Quocirca has spoken to a number of suppliers involved in the areas covered. We are grateful for their time and insights. Quocirca has obtained information from multiple sources in putting together this analysis. These sources include, but are not limited to, the vendors themselves. Although Quocirca has attempted wherever possible to validate the information received from each vendor, Quocirca cannot be held responsible for any errors in any information supplied.

Although Quocirca has taken what steps it can to ensure that the information provided in this report is true and reflects real market conditions, Quocirca cannot take any responsibility for the ultimate reliability of the details presented. Therefore, Quocirca expressly disclaims all warranties and claims as to the validity of the data presented here, including any and all consequential losses incurred by any organisation or individual taking any action based on such data.

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