

Office-Based MFDs:

Going Beyond the Green Button



Blackstone Research Associates
10 River Road, Suite 104
Uxbridge, MA 01569-2245

Phone: (508) 278-3449

Fax: (508) 278-7975

e-mail: mike@blackstoneresearch.com

www.blackstoneresearch.com

b l a c k
s t o n e

Research Associates

Author: Michael Zeis,
President

Table of Contents

1. Introduction	1	<i>Case Details: Reverse Sticker Shock</i>	29
Where We've Been: Networks Move		Office Document Drivers	30
Computing and Printing Into the Office	1	Print Less Instead of Print	30
When Applications Move, the Print		<i>Case Details: Using MFDs to</i>	
Requirement Moves, Too	1	<i>Reduce Copying</i>	30
Users Call the Shots	1	<i>Case Details: MFDs Reduce</i>	
MFD Rollout, Part 2	3	<i>Dependence on Paper</i>	30
Let's Blame Sales	3	Automation	31
The Carrot? HP's Customers	4	MFDs Solving Office Document Problems	31
In This Report	4	<i>Case Details: Benefit—Big-job Printing</i>	31
2. Methodology and Demographics	7	<i>Case Details: Removing Printers</i>	
Methodology	7	<i>Removes Repair Hassle</i>	31
Demographics	8	Selling Full-deployment MFDs	
3. Office Equipment and the Document	11	is a Complex Task	32
Connecting Document Strategies with		5. The MFD: Linking Office Equipment	
Corporate Objectives	11	to Office Applications	33
Documents and the Core		Documents Support the Enterprise	33
Functions of Business	12	MFDs in Use by About Half	34
<i>Case Details: New Software</i>		<i>Case Details: We Need a New Copier</i>	38
<i>Means New Printers</i>	12	<i>Case Details: For Some, the Cost to</i>	
Office Equipment Inventories	13	<i>Connect is Too High</i>	38
4. Big Trends Affecting the IT/		Scanning as a Step to Advanced MFD Use	39
Office Equipment Infrastructure	21	<i>Case Details: Heavy-Duty Scanning</i>	42
The Effects of the Economy	21	6. What MFDs Offer, and	
The Economy: A Two-edged Sword	21	What Customers Need	43
The Need for Speed	21	MFD Acquisition Rationale	43
The Effects of Mergers and Acquisitions	21	<i>Case Details: Better Needs Assessment</i>	46
<i>Case Details: A Glut of Desktop Printers</i>	22	<i>Case Details: Sharing Technology</i>	46
<i>Case Details: Outsourcing and</i>		<i>Case Details: Has to be Close to Workers</i>	46
<i>Facilities Management</i>	22	Applications Driving MFD Decisions	48
Justify	22	<i>Case Details: MFD Required for Archiving</i>	48
IT and Technology Priorities	23	MFD Advantages	52
Responsiveness is Key Mission	23	<i>Case Details: Time is Money</i>	54
Infrastructure Software	23	MFD Disadvantages	56
<i>Case Details: Decision Creep</i>	24	<i>Case Details: Waiting for Prints</i>	
<i>Case Details: Suddenly, IS is</i>		<i>to Come Out</i>	59
<i>Supporting Copiers</i>	24	7. Targeting Real Work	61
Purchase Behavior	25	Focus on HR	61
Purchase Philosophy	25	<i>Case Details: Going Paperless in HR</i>	62
Third Parties: Leasing and Outsourcing	29		

8. The MFD in Use: Deployment	
Alternatives and Practices	69
General Use or Specialized Use?	69
Acceptance by Staff	74
<i>Case Details: Get Up and Walk</i>	77
<i>Case Details: Need Drivers with Same Look and Feel</i>	77
Extension to Other Areas	78
<i>Case Details: MFDs by Default</i>	78
<i>Case Details: Production-grade Finishing on Small Units</i>	78
Dealers Have to Help Customers Succeed	79
<i>Case Details: Helping Customers Make the First Step</i>	80
<i>Case Details: Looking to the Vendor for Help</i>	80
9. Customer Preferences: The Importance of Product Features	82
Production Features	82
Color	85
Equipment Replacement	86
<i>The MFD and Faxing</i>	87
10. Gauging Potential	89
<i>Process Enhancement</i>	89
<i>Case Details: Print Instead of Copy</i>	90
Scanning	90
<i>Case Details: A Hankering for Document Management</i>	90
Supporting Collaboration?	92
Present and Potential Use of MFD Functions ...	93
11. How Hot is the Market?	96
Intent to Acquire MFDs	96
Growth of Installed Base	100
Brand Recognition	101
Brands of Intended Purchases	105
Inventory Shifts	106
12. Conclusions	115
Characteristics of Those Who Use MFDs	
Fully and Fruitfully	115
Strong Central Management	115
Avoiding IT vs. Facilities Conflicts	115
Using an MFD's Capacity	115
Smart Deployment of Technology	115
Scanning Benefits Recognized	115
<i>A Big-Company MFD Success Story</i>	116
Taking Advantage of Lower Page Cost	116
Service: Not Our Problem	117
Scanning Limited, But May not Always Be ...	117
<i>Donuts Smooth the Transition to MFDs</i>	118
A Donut for Your Thoughts?	118
Standardization	118
<i>Scanning to Support Manufacturing</i>	119
Scanning Streamlines Manufacturing	119
Scenarios for the Future	120
Collaboration: Archiving as a First Step	120
Workflow	120
Should printers and copiers be available as office or workgroup resources or as personal resources?	120
The Changing Role of Print	120
Print Migration	121
Color	121
Hewlett-Packard Offers Copiers?	121
<i>Vendor Action Items</i>	122
For Hardware Manufacturers	122
For Distributors	122
Appendix	125
IT vs. Facilities, from <i>Corporate Color</i> (2001) ...	139
Questionnaire	

List of Figures

1. Introduction

1-1	Importance of MFD Functions	2
1-2	MFDs: Document Makers or Workflow Allies?	3
1-3	MFD Installed Units Growth, 2003 to 2005, by Company Size (Location)	6

2. Methodology and Demographics

2-1	Size of Company (Company-wide)	8
2-2	Size of Company (Location)	8
2-3	Profile of Respondent Base by Industry and Size	9
2-4	Respondent's Hardware Heritage, by Company Size	9
2-5	Respondent's Department, by Company Size	10
2-6	Respondent's Title, by Company Size	10

3. Office Equipment and the Document

3-1	Presence of a Formal Document Policy	11
3-2	Presence of Monochrome MFDs, by Company Size	13
3-3	Presence of Monochrome MFDs, by Company Size (Location)	14
3-4	Share of MFDs Installed, by Company Size	15
3-5	Age of Installed Base (MFDs), by Company Size	16
3-6	Locations with MFD Brands Installed	17
3-7	Presence of Connected Color Copiers, by Company Size	18
3-8	Presence of Monochrome Desktop Laser Printers, by Company Size	18
3-9	Presence of Color Laser Printers, by Company Size	18
3-10	Presence of Standalone Fax Machines, by Company Size	19
3-11	Presence of Standalone Scanners, by Company Size	19
3-12	Presence of Monochrome Office Copiers, by Company Size	19
3-13	Inventory of Office Equipment, by Company Size (Location)	20

4. Big Trends Affecting the IT/Office Equipment Infrastructure

4-1	Stance on Office Equipment Decision Making, by Company Size	25
4-2	Responsibility for Copier/MFD/Office Printer Decisions, by Company Size	26
4-3	Responsibility for Fax/Scanner/Color Decisions, by Company Size	27
4-4	MFD Decision-making and Organizational Structure, by Company Size	28

5. The MFD: Linking Office Equipment to Office Applications

5-1	Status of Documents in Organization, by Company Size	33
5-2	Status of Documents in Organization, by Industry	34
5-3	Company Size, by Use of MFDs	35
5-4	Status on Connecting Copiers, by Company Size	35
5-5	Examination of Large-company MFD Hold-outs	36
5-6	Consideration of Connected Copiers, by Company Size (Non-users)	37
5-7	Applications Prompting MFD Investigation (Non-users)	37
5-8	Applications for Standalone Scanners	39
5-9	Presence of a Production-grade Imaging Function, by Company Size	39
5-10	Applications for Production-grade Imaging	40
5-11	MFD Purchase Intent, by Presence of Production-grade Imaging Function	41
	MFDs Installed, by Presence of Production-grade Imaging Function	41
5-12	MFD Purchase Intent, by Presence of Standalone Scanners	42
	MFDs Installed, by Presence of Standalone Scanners	42
5-13	MFD Purchase Intent, by Importance of Providing Scanners	42
	MFDs Installed, by Importance of Providing Scanners	42

6. What MFDs Offer, and What Customers Need

6-1	Rationale for Acquiring MFDs	44
6-2	Rationale for Acquiring MFDs, by Company Size	45
6-3	Rationale for Acquiring MFDs, by Hardware Heritage	47
6-4	Applications Prompting MFD Acquisition, by Company Size	49
6-5	Initial User Group, by Company Size	49
6-6	Appraisal of Effectiveness of MFDs in Meeting Needs	50
6-7	Office Equipment Deployment Examples	51
6-8	Basic Customer Types	52
6-9	Advantages of MFDs, by Company Size	53
6-10	Advantages of MFDs, by Use of MFDs	55
6-11	Advantages of MFDs, by Purchase Likelihood (Non-users)	56
6-12	Disadvantages of MFDs, by Company Size	57
6-13	Disadvantages of MFDs, by Use of MFDs	58
6-14	Disadvantages of MFDs, by Purchase Likelihood (Non-users)	60

7. Targeting Real Work

7-1	Average HR Staff Size, by Company Size (Non-users)	62
7-2	Number of Monochrome Laser Printers Used by HR (Non-users)	63
7-3	Brand Share of Monochrome Laser Printers Used by HR (Non-users)	63
7-4	Number of Monochrome Copiers Used by HR (Non-users)	64
7-5	Brand Share of Monochrome Copiers Used by HR (Non-users)	64
7-6	Use of Office Equipment in HR (Non-users)	65
7-7	Consideration of MFDs for HR, by Company Size (Non-users)	65
7-8	Reasons for Investigating an MFD for the HR Group (Non-users)	66
7-9	Expected Role of MFDs in HR, by Company Size (Non-users)	68

8. The MFD in Use: Deployment Alternatives and Practices

8-1	General Use or Specific Departments, by Company Size	69
8-2	Groups Using Dedicated MFDs	70
8-3	Pivotal MFD Function for Dedicated MFDs	70
8-4	Summary Profiles of Sites Using MFDs for Specialized Purposes, for Whom Scanning Was a Pivotal MFD Purchase Rationale	71
8-5	Installation Dates of Dedicated MFDs	72
8-6	Brand Share of Dedicated MFDs	72
8-7	Brands and Models of Dedicated MFDs	73
8-8	MFD Installation Support, by Hardware Heritage	73
8-9	Use of Software with MFDs, by Company Size	74
8-10	Software Installation Support, by Hardware Heritage	74
8-11	Software Used with Special-purpose MFDs	75
8-12	Acceptance of MFDs by Office Staff, by Company Size	76
8-13	Methods of Fostering Acceptance of MFDs	77
8-14	Extension of MFDs to Other Business Functions or Applications, by Company Size	78
8-15	Extension of MFDs to Other Work Groups, by Company Size	79

9. Customer Preferences: The Importance of Product Features

9-1	Importance of MFD Functions	83
9-2	Importance of Production-related MFD Attributes	84
9-3	Importance of Color	85
9-4	Importance of Equipment Replacement	86

10. Gauging Potential

10-1	MFDs: Document Makers or Workflow Allies?	89
10-2	Importance of Scanning Functions	91
10-3	Use of MFD Functions	92
10-4	Importance of MFD Management Functions	93
10-5	Expectation of Increased Use of MFD Functions	94
10-6	Selected Cases of Present and Potential Role for MFDs in Collaboration	95

11. How Hot is the Market?

11-1	12-month MFD Purchase Likelihood, by Company Size	97
11-2	12-month MFD Purchase Likelihood, by Use of MFDs	97
11-3	13-to-24-month MFD Purchase Likelihood, by Company Size	98
11-4	13-to-24-month MFD Purchase Likelihood, by Use of MFDs	98
11-5	24-month MFD Purchase Likelihood, by Company Size	99
11-6	24-month MFD Purchase Likelihood, by Use of MFDs	99
11-7	MFD Installed Units Growth, 2003 to 2005, by Company Size (Location)	100
11-8	Brand Recognition (All Mentions), by Company Size	101
11-9	Brand Recognition by MFD Brand Installed	102
11-10	Brand Recognition, by Use of MFDs	102
11-11	Brand Recognition, by Hardware Heritage	102
11-12	Brand Recognition, by Purchase Likelihood	103
11-13	Brand Recognition (First Mentions)	103
11-14	Brand Recognition (First Mentions), by Purchase Likelihood	103
11-15	Brands of Expected MFD Purchases	104
11-16	Consideration of Color MFDs, by Company Size	105
11-17	Brands of Expected Color MFDs	105
11-18	Office Equipment Inventory Reduction, by Company Size	106
11-19	Effects of MFDs on Monochrome Laser Printer Inventory, by Company Size (Location)	107
11-20	Brands of Monochrome Laser Printers Displaced	107
11-21	MFD Brands Replacing HP and Lexmark Printers	107
11-22	Effects of MFDs on Monochrome Copier Inventory, by Company Size (Location)	108
11-23	Brands of Monochrome Copiers Displaced	109
11-24	MFD Brands Replacing Copiers	109
11-25	Two-year Unit Change to Installed Base, 2003 to 2005, by Company Size (Location)	110
11-26	Inventory Changes, Fax, Scanners, Color Lasers, and Connected Color Copiers	111
11-27	Printer and Copier Inventory, 2003 to 2005, by Company Size (Location)	112
11-28	Employee-to-Equipment Ratios, 2003 to 2005, by Company Size (Location)	113

Appendix

A-1	Share of MFDs Installed, by Company Size	126
A-2	Status of Documents in Organization, by Use of MFDs	128
A-2a	MFDs: Document Makers, or Workflow Allies, by Purchase Likelihood, and by Hardware Heritage	128
A-3	Status on Connecting Copiers	129
A-4	Advantages of MFDs, by Hardware Heritage	130
A-5	Disadvantages of MFDs, by Hardware Heritage	131
A-6	Brands and Models of Monochrome Lasers installed in HR, by Company Size (Non-users)	132
A-7	Brands and Models of Monochrome Copiers Installed in HR, by Company Size (Non-users)	133
A-8	Importance of MFD Functions, by Use of MFDs	134
A-9	13-to-24-month MFD Purchase Likelihood, Users vs. Non-Users, by Company Size	135
A-10	Brand Recognition (All Mentions), by Company Size	136
A-11	Brand Recognition (All Mentions), by Hardware Heritage	137
A-12	Brand Recognition (All Mentions), by Use of MFDs	138
	IT vs. Facilities, essay from <i>Corporate Color</i> (2001)	139