

AUSTRALIAN

OFFICE

PRINT MANAGEMENT REVIEWED

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\$75,000 Annual Print Savings



Print leases tailored to building leases

International airports retail giant, the Nuance Group, has slashed more than 25% from the print bills of its airport outlets and Alexandria, NSW head office,

saving more than \$75,000 per annum.

Importantly for IT Support Manager Darren Pearce, the Australian arm of this Zurich-based leader in duty free

shopping was able to negotiate contracts that catered to the vagaries of some of its tenancies, providing shorter printer leases for sites that may be relocating.

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Builder's Six Figure Cost Cut



\$10-20k Monthly Print Blow Out A Thing Of The Past

Beechwood Homes is celebrating 30 years in building and enjoying not only 10% p.a. growth under a new owner and management team, but a better bottom line thanks to a number of improvements, not the least of which is a contract that is slashing hundreds of thousands from print costs.

Beechwood Homes Group Accountant, Alan Robson, is understandably more than a little chuffed at being able to play a role in such an improvement and point to the print contract as an example.

When he joined Beechwood in January from Radical Australia, the country's largest importer of race cars by volume, Alan was astounded by Beechwood's printing costs under a rental program with a service agreement.

"It was a bad deal, the supplier wasn't giving good service, monthly invoices were worked out on estimates rather than actual figures and when they were

under-estimated it wasn't unusual for catch-up invoicing to blow our expected \$7,000 bill out to \$17,000 or \$27,000," Alan said.

"We got two companies to provide quotations and because I had twice previously dealt with Mark Bresler from PrinterCorp, and each time seen some amazing savings, he was the first person I rang."

After examining the existing equipment and print volumes Mark came up with a print management plan price that had Beechwood Homes new owner, Vic Cavasinni, taken aback.

His reaction when shown the figures by Alan was explicit: "My God, we've been ripped off" he said of the previous rental deal. "Yes, you have," Alan replied as he examined a new proposal that represented a saving of tens of thousands a year.



While Alan is reluctant to go into exact detail he said that over the course of the five year PrinterCorp agreement the saving represents hundreds of thousands of dollars, an estimate he is convinced will be born out after examining Beechwood's print volumes since the contract started three months ago.

Alan said that the saving extended past those from monthly print costs. It is even larger when you take into account that the contract included the provision of nine new, state of the art printers at no capital cost together with an iManage remote monitoring programme that automates toner and service ordering and delivery to further cut internal labour costs.

"Plus we get one clear, concise easy to read invoice each month. Nobody has to pick through it, trying to make sense of the numbers charged and then match them to individual printers. It's one invoice, one cost and pretty much set as long as we don't exceed our print estimates.

"Because there are no nasty surprises we can be confident in our budgeting and cash flow management," he said.

"Also, under the flexible management plan our printers are always modern, current models, plus we can add printers or even change printers and, all things being equal, we will still be enjoying the same savings. If anything, exponentially you'd say that every time we add a printer we're probably saving a bit more," he said.

Alan is already looking to doing just that - adding printers, because at PrinterCorp's prices he can afford to.

Currently the nine new printers are spread between the company's state-wide spread of four offices and two of the many sales offices located in display villages. Alan is working to increase the coverage in display/sales offices.

Ten Different Models In 80 Printer Rollout

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Darren said that despite the company's printer fleet comprising a mixture of machines, some 80 in total, at sites including Brisbane, Sydney, Melbourne and Perth airports, Nuance deals with just one PrinterCorp account services representative and everything from service to consumables is remotely managed.

Not even the complexity of the printer configurations and sheer number of locations presented a problem with a roll-out that was accomplished quickly with only one minor hiccup related to communication between a single printer and some Nuance software.

"The rollout involved 10 different printer models, a mix of Ricoh and Lexmark, spread through the sites and we don't just have a single shop at each airport.

"At Sydney airport, for example, there are some 30 printers spread between eight stores plus our main airport office and warehouse," Darren said.

Internationally, Nuance operates in more than 56 airports spanning 17 countries and five continents. It is one of the world's largest airport retailers and traces its roots back to 1917 when Ocean Trading began operating on board cruise ships.

In Australia it trades under a number of banners including Downtown Duty Free, First Tax Duty Free and Sydney Airport Tax and Duty Free.

In a company of this size and history, due diligence is essential and it was as a result of a due diligence process at the expiry of a previous printer agreement that Nuance changed to PrinterCorp and realised the massive savings.

"We were happy enough with our previous supplier, but at the end of the day it all comes down to what you can save and PrinterCorp's quote was way ahead of the others," Darren said.



Because Nuance's previous agreement was with the retail arm of a manufacturer, Darren admits he initially had reservations about the ability of a reseller to provide a national support network. But his doubts were allayed by reassurances from some of PrinterCorp's many national customers.

He said that the company also went out of its way to meet Nuance's particular needs, with the creation of two separate agreements being a case in point.

"The way we trade at airports, we're under lease agreements for certain periods of time and have to re-tender at the expiry of the leases. Perth is due for expiry at the end of 2013, at about the same time as the lease on our Sydney head office, so we asked to put the printers in these locations on a shorter lease agreement.

"We didn't want to get stuck with a four year lease when in two years' time we might not win the Perth contract and we would be stuck with a dozen devices sitting around doing nothing.

"Although this probably wasn't a usual request, PrinterCorp came to the party and put both Perth Airport and our Sydney head office on one lease and the rest of the printers on another," Darren said.

The company's willingness to adapt to client requirements was also demonstrated when an unexpected and extremely high print load on a particular printer meant it ran out of toner unexpectedly.

While the entire fleet is constantly monitored remotely using PrinterCorp's iManage software, the high volume print run of training manuals caught everyone out.

To preclude this happening again PrinterCorp stocked each outlet with an additional toner order, thus ensuring that all devices always have reserves.

Darren said that while the fleet has only been in place for just under two months, so far he has not had a single concern about service and response times and the company's ability to provide national backup.

SMEG Ahead By \$270,000 & Better Served

Savings of \$54,000 a year over the life of a **five year contract add up to \$270,000** not-to-be-sneezed-at dollars. Yet it's not this saving that SMEG's Network Support specialist Vasko Bozinovcki values most about PrinterCorp.

While PrinterCorp may have won SMEG's printer business on price and contract terms, Vasko believes that relationship management and a proactive approach to client service have proven to be the company's strength.

"A lot of vendors treat you just as a number whereas these guys look after you as a valued customer and that's what differentiates a good vendor from someone who's just going to take the money and run," Vasko said.

Underscoring this was the fact that even after winning the SMEG contract with a per page usage based price that was \$30,000 per annum lower than the previous suppliers on the same volumes, PrinterCorp's proactive approach uncovered further savings.

"About three months ago they carried out an audit and advised us that our warehouse printer was over utilised. We had a contract based on 35,000 pages per month and were printing about 50,000.

"They offered to replace the warehouse printer with a better, higher volume model – at no capital cost – and restructure our per page print agreement to better reflect the higher volumes, affording us an additional saving of \$1,500 to \$2,000 per month.

"Every dollar counts in business and when a supplier identifies savings that you can put to other parts of a business then that's a good thing.

PrinterCorp took over SMEG's printing 18 months ago when SMEG went to self-representation in Australia after being distributed for some time by the Hagemeyer Brands Australia.

On appointment PrinterCorp provided 11 new printers for SMEG's Sydney



head office and three for the Melbourne office under a no capital cost, repair and maintenance agreement that was awarded after a due diligence project from which three printer suppliers were selected to tender.

"The new printers, all with colour touch screens, replaced a fleet in which most printers were around four years old.

"I haven't sat down and worked out the capital cost savings, however from what we were paying previously we're saving around \$30,000 per annum in terms of usage costs and we're much better off with more modern, reliable printers.

"The other company simply charged too much whereas PrinterCorp are a lot more realistic."

Vasko said that as a result of PrinterCorp's audit and subsequent re-arrangement of printers and development of a new, more accurate contract, budgets should be extremely accurate.

"We have the right printers with the right capabilities in the right places and can accurately predict and budget our monthly print costs.

"We have done an analysis of the last quarter and based on that we can tell where we are headed with budgeting and set aside the right amount of money."

PrinterCorp's remote monitoring of toner levels is also affording time and labour savings for SMEG. Only twice in 18 months has the company had to actually order toner, a rare situation given the level of monitoring, PrinterCorp's commitment to maintaining adequate stock levels at the client's premises and the network design that concentrated on printer commonality where possible.

Vasko is also more than impressed with response times of 4-6 hours, and with the fact that on average he sees his PrinterCorp client service representative every two to three weeks.

"He'll just call to touch base, see how things are going and make sure everything's OK with the operation.

"For PrinterCorp our relationship is not just transactional. They look after us as a means of value adding and that to me is more important than any dollar savings – having someone there with you for the long run. Not many vendors do that," he said.