Managed Print Services Landscape, 2018

A vendor analysis of the global enterprise MPS market

October 2018

Excerpt Report
Full report available to purchase on request

This report examines the competitive landscape for managed print services (MPS) and discusses the key market drivers and trends that will shape future MPS engagements. It also draws on new research conducted in June 2018. The survey covered organisations with over 500 employees using MPS in the UK, France, Germany and the US.

Louella Fernandes
Quocirca
Tel: +44 7786 331924
Email: Louella.Fernandes@Quocirca.com

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Executive summary

Managed print services (MPS), along with related services and solutions, represent fundamental growth opportunities for print manufacturers and their partners. However, the market is mature, forcing MPS providers to differentiate themselves with new offerings. Today MPS has largely been repositioned in the broader realm of digital workflow transformation. While most providers offer a broad portfolio to help drive workplace productivity and efficiency, Quocirca's 2018 MPS survey reveals that some are falling short in the key areas needed to support this – analytic insight, workflow automation and innovation. MPS providers should deepen their competencies in these areas and expand their influence in the enterprise through participating in the broader managed security and internet of things (IoT) space. This will enable providers to become trusted partners for services beyond print.

Strong MPS market leadership group

The enterprise MPS market is characterised by a closely packed group of leaders: Xerox, HP Inc., Ricoh, Canon, Lexmark and Konica Minolta. All demonstrate a mature service portfolio, commitment to enhanced service delivery and an ongoing investment in analytics. Xerox in particular excels in its workplace productivity strategy, supported by its innovative ConnectKey multifunction printer (MFP) platform. HP Inc. continues to deepen its footprint with an expanded hardware portfolio and one of the most advanced security service offerings. Ricoh has perhaps the broadest range of non-print-centric services, with its IT services capabilities, and it has gaining gained stronger traction in Europe over the past year.

MPS is recognised as an enabler for digital transformation

MPS is a key enabler for accelerating digital transformation, through digitisation and workflow automation, and organisations recognise the potential. While today just under a quarter (23%) agree that MPS plays a very important role in digital transformation, 54% expect it to do so in two years' time. While most vendors have expanded their digital workplace portfolios, some traditional MPS providers are struggling to deliver successfully, due to the sheer complexity of workflow automation.

Security moves up the MPS agenda

With cybersecurity threats constantly increasing, there is growing concern about IoT devices being the target of attacks, pushing security higher up the MPS agenda. Quocirca's 2018 MPS Survey reveals that data losses remain widespread across companies of all sizes that use MPS. In 2018 65% report at least one data loss, an increase from 60% in 2017. Overall, just 30% of respondents report that they are completely confident that their print infrastructure is protected from all threats, both internal and external. Leading MPS providers are enabling businesses to close this print security gap through comprehensive security assessment services, although the level of depth varies by provider.

Analytic insight is key to enhanced service delivery

Organisations are expecting deeper analytic insight from their MPS provider, with 41% indicating that this was a 'very important' requirement, compared to 31% in 2017. This puts it in second place after service level quality. In fact, both criteria are closely linked, as service performance can be enhanced through embedding analytics throughout MPS engagements, from the initial assessment process to continuous monitoring. However, providers must expand their capabilities beyond predictive analytics for service delivery. To make a real impact on workplace productivity MPS providers need to develop a true understanding of user behaviour to deliver cohesive digital workflow services that automate manual, paper-based processes.

Future outlook

MPS providers cannot rest on their laurels in a market that demands stronger differentiated services beyond traditional MPS engagements. Quocirca recommends that providers develop broader collaboration and partnerships with IT service providers to participate in growth areas such as managed security and managed IoT. Developing services in these areas not only offers broader growth opportunities but unlocks the potential for traditional MPS providers to innovate their service portfolio. This will enable them to make their offerings more relevant to enterprises, which are increasingly looking for more expertise from their providers.

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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 240 enterprises with 500 or more employees that already use a manged 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 June 2018.

Vendor analysis

The following vendors participated in the study: 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. Examples Nuance, Print Audit, ECi FM Audit, PrintFleet, Ringdale, UniPrint and YSoft, which offer print management and secure printing products. MPS providers often use such third-party products to add value to a particular element of their MPS portfolio.

Market overview

A mature and evolving market

In a relatively mature enterprise market, MPS remains a key strategy for print manufacturers to expand service-centric revenue. Overall, 65% of organisations expect MPS budgets to increase over the next year, which is unchanged from 2017. The US leads in its MPS spending plans, with 78% of US respondents indicating a rise in spend over the next 12 months, compared to 50% of UK organisations (Figure 1).
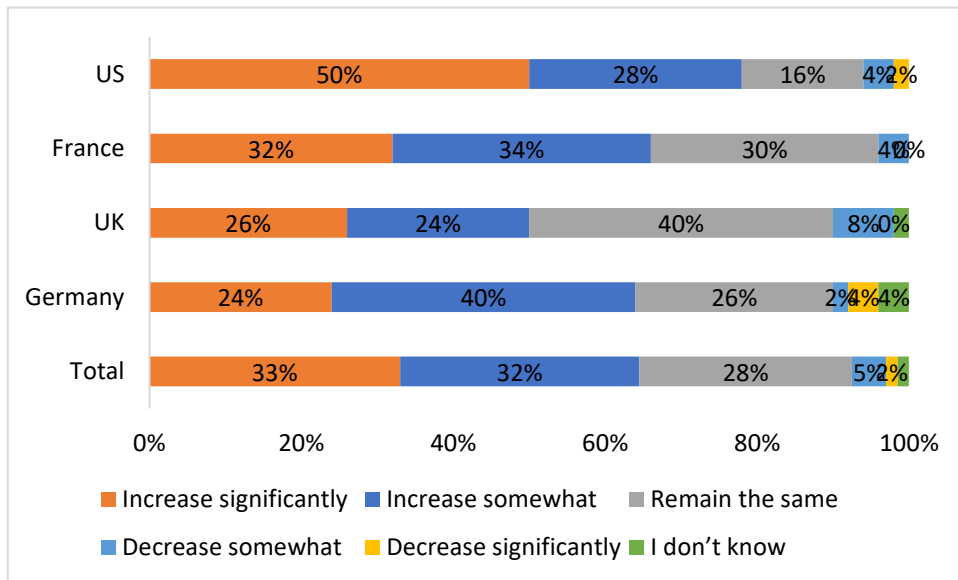
Figure 1. MPS budget plans over the next 12 months

Organisations remain dependent on paper to support their business processes, although this is diminishing – at a faster rate in some regions than others. Overall, 44% of organisations using MPS indicate that paper is 'very important' to their daily business (Figure 2). This is a drop from 48% in 2017. The US continues to be the most reliant on paper, with 72% saying it is 'very important' compared to 30% in France.
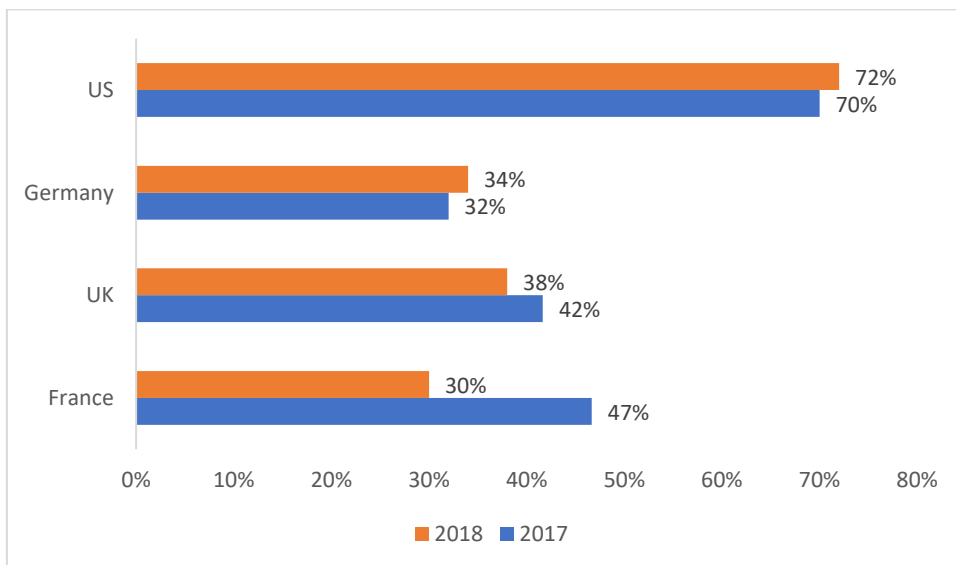
Figure 2. How important is paper to the daily business of your organisation? ('Very important' responses)

Digitisation initiatives are underway

Given the high level of paper usage among all organisations, digitisation is a key opportunity for MPS providers. Extending MPS contracts to encompass digital workflow services can help businesses drive further efficiency and productivity improvements. Overall, 84% organisations have implemented digital paperless processes. This rises to 88% among UK respondents and 83% in the retail sector.
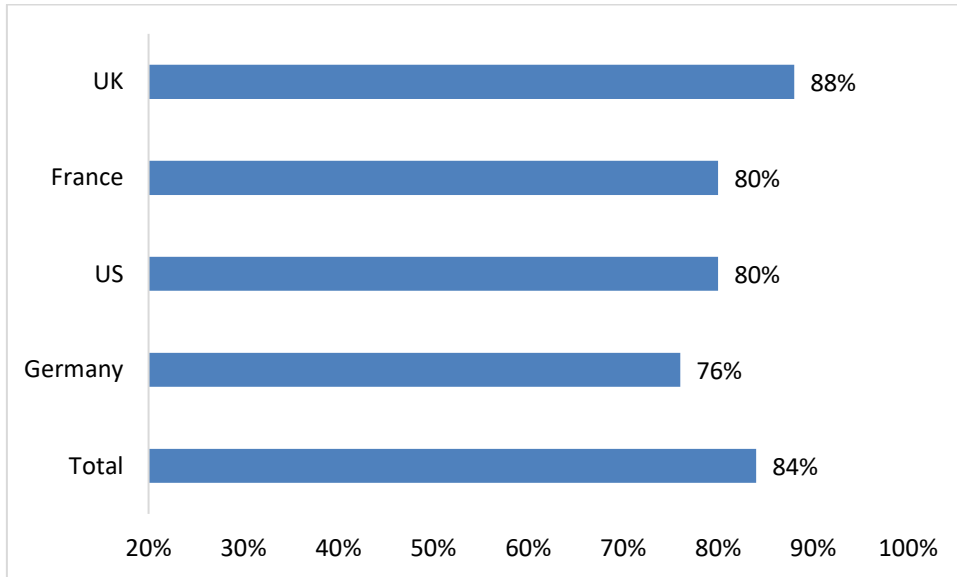
Figure 3. Organisations that have already implemented paperless processes

MPS is a key enabler of digital transformation, through the implementation of digitisation and workflow automation. Organisations certainly recognise the potential. While today just under a quarter (23%) agree that MPS plays a 'very important' role in digital transformation, 54% expect it to do so in two years' time (Figure 4). All industry sectors predict an increase, but this is highest in the public sector, where 8% see MPS as important to digital transformation now, while 53% anticipate that it will be by 2020.
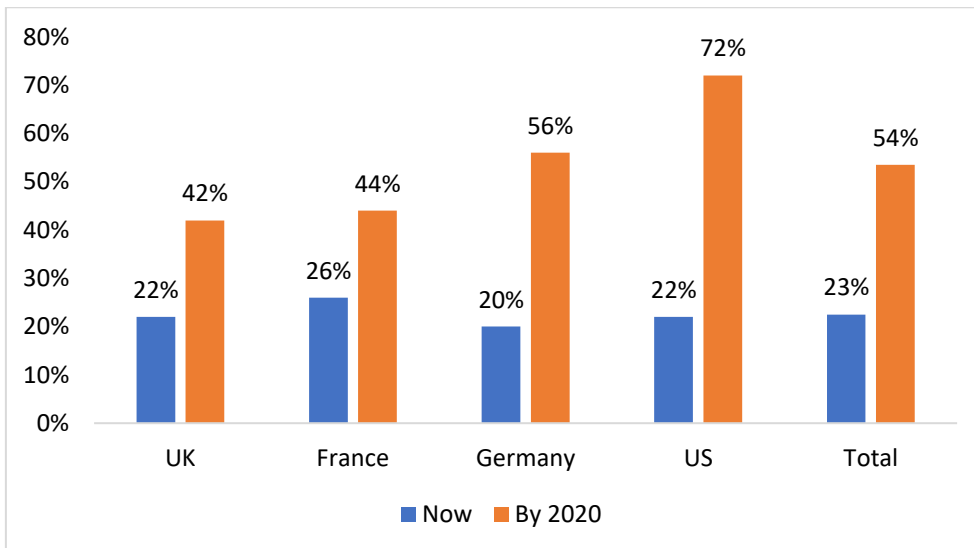
Figure 4. The importance of MPS to digital transformation initiatives ('Very important' responses)

Cost, service quality and security remain top drivers for MPS

While cost, service quality and security are the top reasons for MPS adoption, there are notable variations by country and organisation size. Service quality is the top MPS driver for 54% of US organisations. Meanwhile 30% of French organisations rate enhanced security and reduced costs as the top factors driving MPS adoption. Notably, 40% US organisations place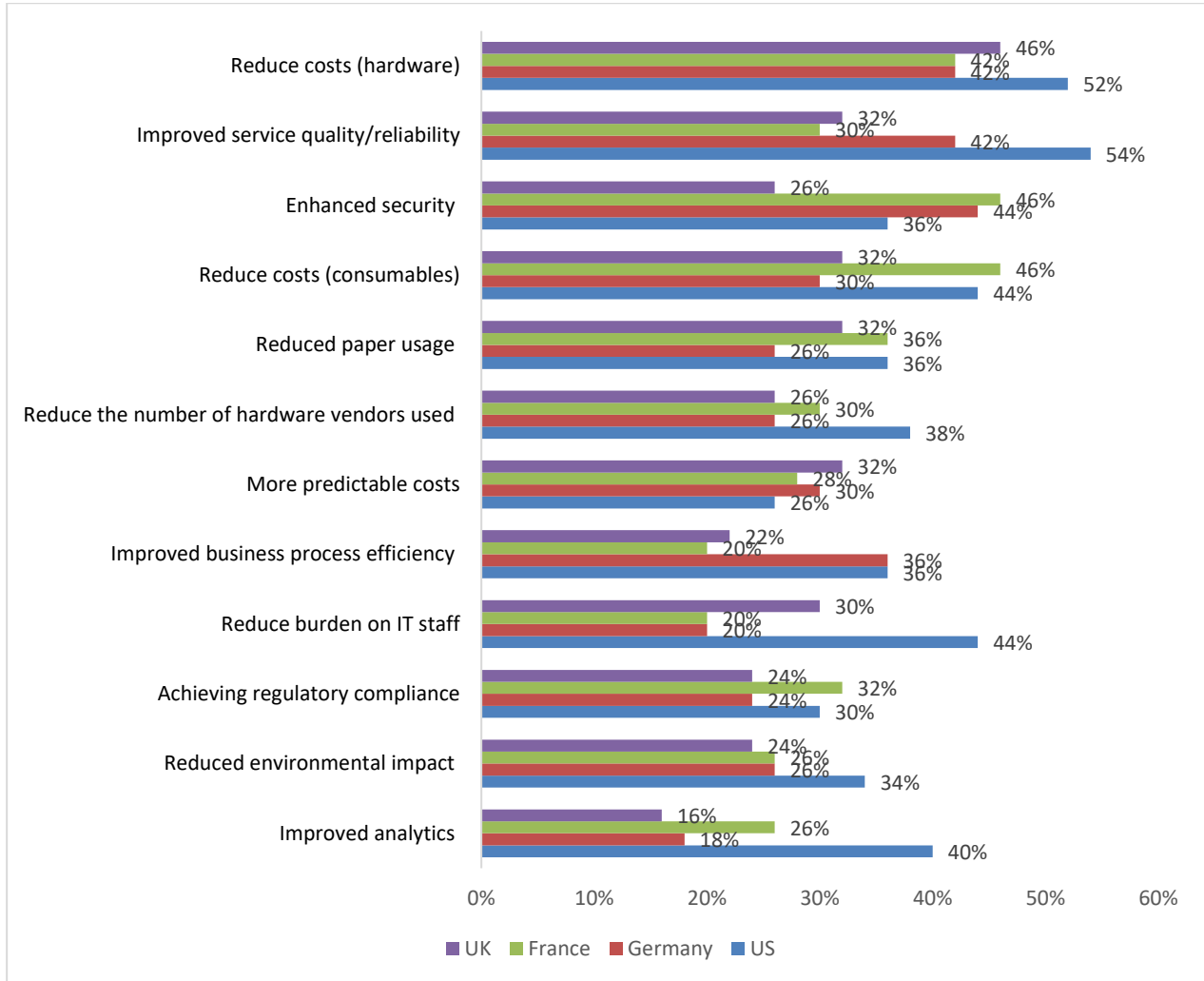 importance on analytics, such as reporting on device usage or user behaviour – higher than in other countries (Figure 5).

Figure 5. How important are the following business benefits to your organisation in relation to managed print services? (Average score on a scale of 1 to 5, where 1 = not important and 5 = very important)

Security assessment trends

Ongoing concerns about the ever-growing number of cybersecurity threats are exacerbating worries around IoT devices being targeted in cyberattacks. Almost half (49%) of organisations agree that print security is important to their overall information security strategy, rising to 70% amongst US respondents. Yet overall, just 30% of respondents report that they are completely confident that their print infrastructure is protected from all threats –internal and external. Today's advanced MFPs present a range of potential risks, if left unprotected. This includes data, document, device and network security vulnerabilities.

Quocirca's 2018 MPS Survey reveals that data losses remain widespread across companies of all sizes that use MPS. In 2018, 65% reported at least one data loss, an increase from 60% in 2017. Notably this rises to 70% for midmarket organisations and drops to 60% for larger organisations. The growing threat is not so much from paper documents going missing in output trays, but the potential for MFPs to be used as a point of access to the network. The threat is real – overall 68% report at least one denial of service (DoS) or malware attack on a print device, reflecting the growing need to ensure that networked MFPs and printers are safeguarded from such attacks.

Given that print security is a broad and diverse area, delivering robust and comprehensive security assessment and monitoring services is becoming critical for MPS providers. Security assessments provide a good opportunity to uncover vulnerabilities, including any print security shortcomings. MPS providers are responding to the need by stepping up their security assessment service offerings.

The most effective security assessments evaluate the complete print environment, identify security gaps and offer ongoing monitoring. The more advanced services integrate with existing security incident event monitoring (SIEM) platforms to provide a holistic approach.

As the security landscape becomes increasingly more complex, it is likely that enterprises will turn to IT service providers to manage their security needs (Figure 6). Already, 31% of organisations indicate that they use a managed IT service provider that offers print security assessments, and this rises to 44% in the US. MPS providers should capitalise on the opportunity to collaborate and partner with such service providers to deliver these services, and potentially expand their reach.
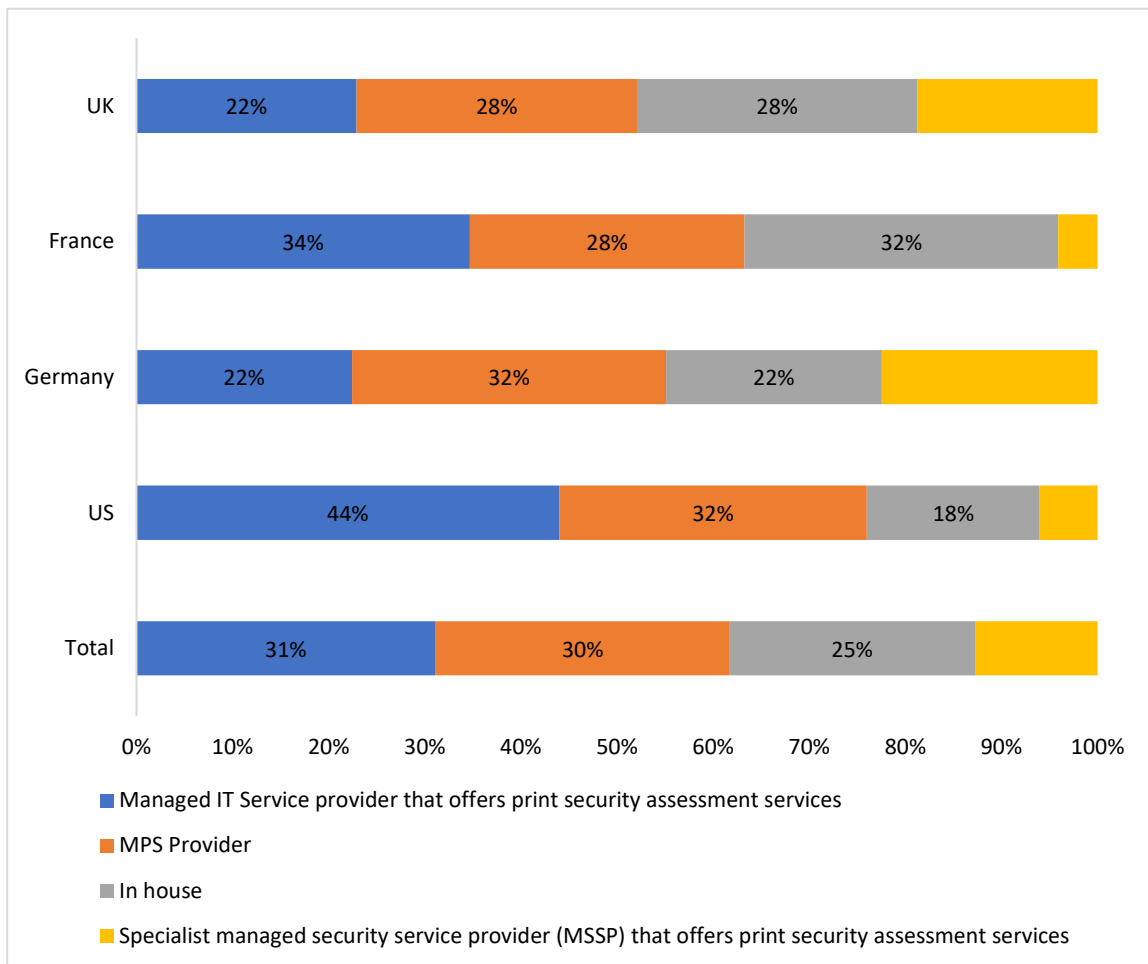
Figure 6. Print security assessment provider preference (among those using or planning a print security assessment)

MPS performance

Notably those that are using a fully outsourced MPS, rather than a hybrid approach (where some print management tasks are managed internally), are more likely to be achieving their goals. Nevertheless, MPS appears to be falling short of expectations in several areas. For instance, just 25% of organisations indicate that they have fully achieved their cost saving goals, and only 28% indicate that their service delivery goals have been met (Figure 7).

This could be due to a range of reasons, including expectations not being set correctly at the outset and the MPS contract failing to adapt as business needs change. Both these risks can be mitigated through more comprehensive assessments, implementation of effective print policies and ongoing or proactive strategic business reviews.
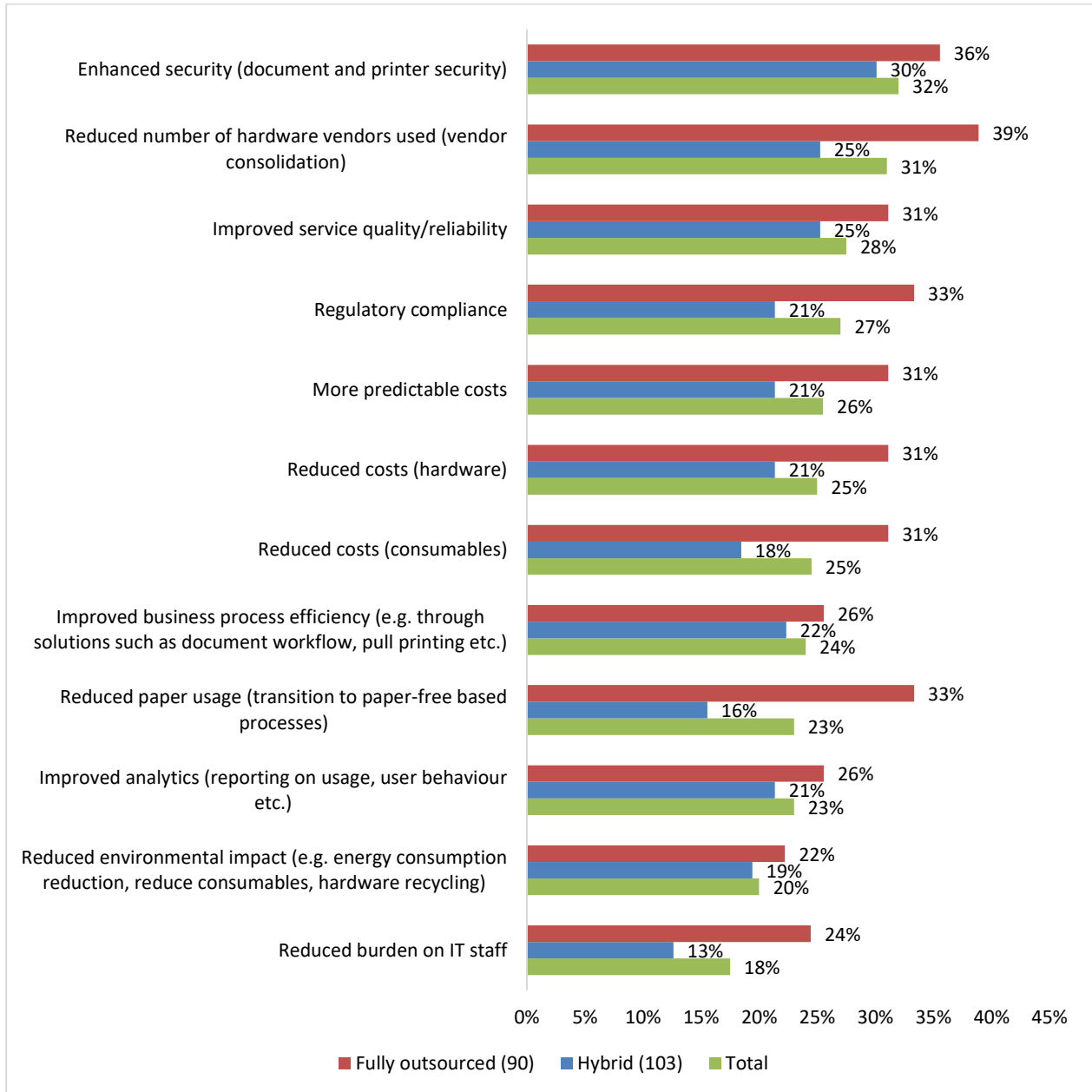
Figure 7. Achievement of MPS goals ('Fully achieved' responses)

Overall, MPS satisfaction levels have dropped from 2017, with a third (33%) of organisations reporting that they are 'very satisfied' with their MPS provider in 2018, compared to 43% in 2017 (Figure 8).
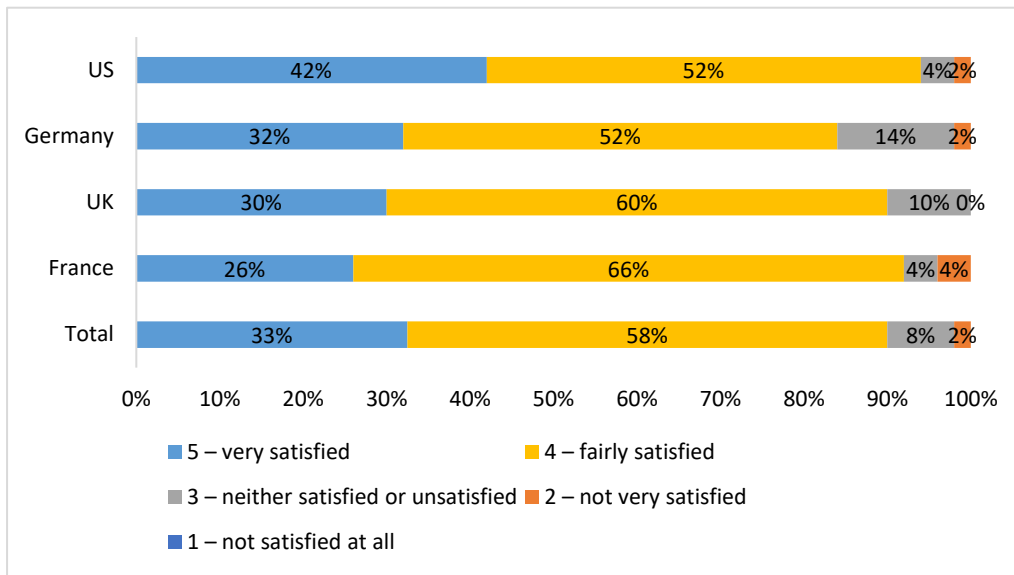
Figure 8. MPS satisfaction rates

While service quality remains the top supplier selection requirement, analytic insight has moved higher up the ranks, from 31% of respondents to 41% in 2018 (Figure 9). As organisations move to the second or third phase of their MPS engagement, it becomes more important that strategic business reviews deliver proactive, actionable insight to improve efficiency and performance. That means analytics that go beyond device usage and encompass a true understanding of user behaviour, driving efficiency and workplace productivity improvements and facilitating the next level of business transformation.
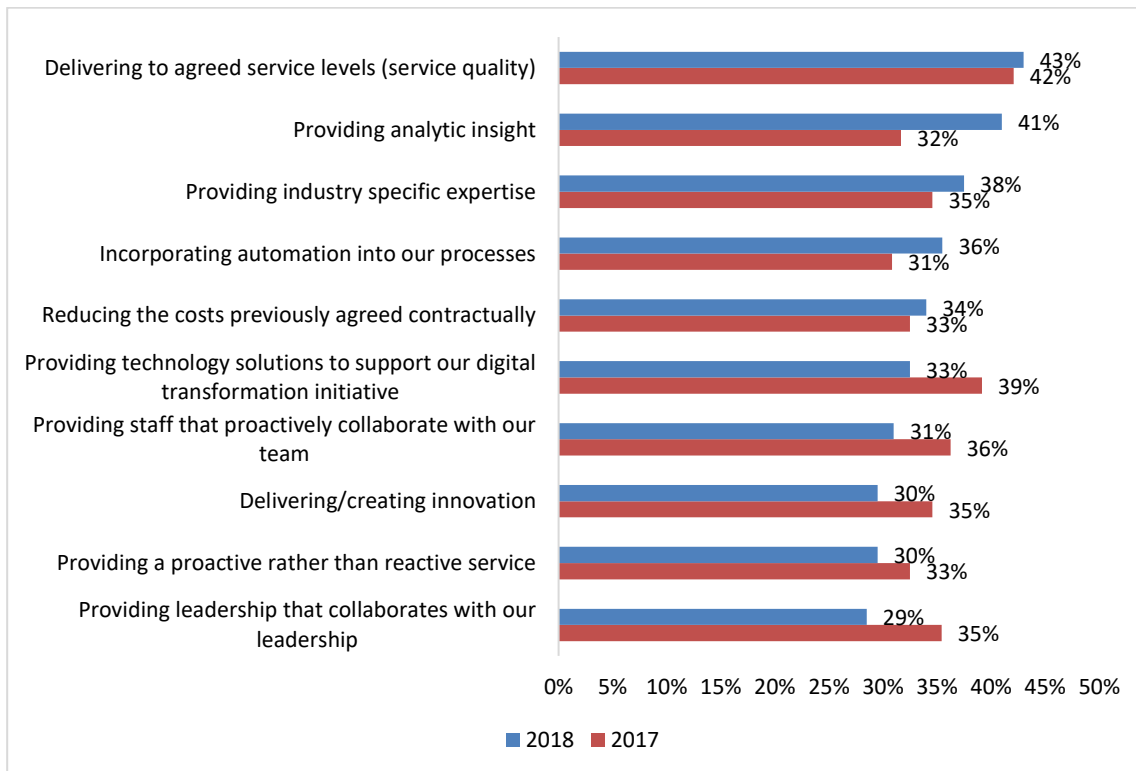
Figure 9. Importance of MPS provider selection criteria ('Very important' responses)

However, there are significant variations by region in how MPS providers are performing, with the US most positive across most criteria and Germany most conservative in their ratings (Figure 10). UK organisations display low satisfaction rates around MPS providers providing technology solutions to support digital transformation and industry expertise, compared to other regions.
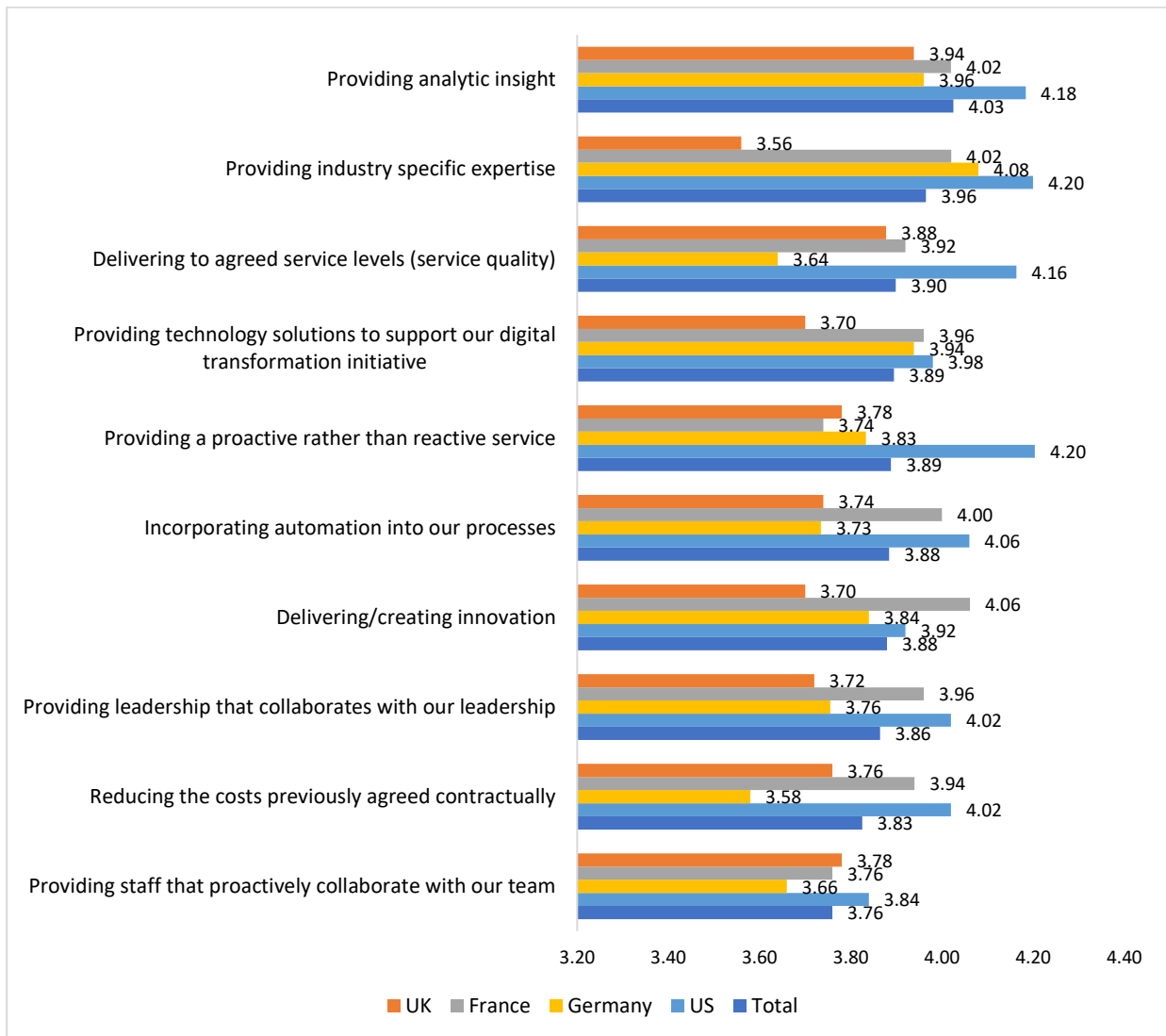
Figure 10. How effective is your current primary MPS provider at delivering the following business benefits? (Average score where 1 = completely ineffective and 5 = completely effective)

Future opportunities for MPS providers

As the core services of MPS continue to mature, traditional MPS providers must improve their offerings and deepen their competencies in areas such as IoT, security and analytics. While most of the market leaders offer a diverse set of services, the future of MPS lies in manufacturers and their partners fostering deeper partnerships across the broader IT landscape.

Quocirca recommends that providers evaluate the following opportunities:

Extend to a managed IoT service model

MPS providers should capitalise on their expertise in managing the most established IoT devices on the network – printers and MFPs.

MPS provides a foundation for ensuring the performance, reliability, security and continuity of the print infrastructure. Today's advanced MFPs enable automatic firmware upgrades, device monitoring and diagnostics, predictive maintenance and device authentication.

Today, the emergence of IoT platforms designed to manage a wide range of connected devices, offering centralised security, fault detection and remote monitoring, presents a broader opportunity for MPS providers. By integrating management of non-print IoT devices into their service portfolio, traditional MPS providers stand to increase their influence, becoming involved in a broader IT services engagement, as well as tapping into new revenue opportunities.

Traditional MPS providers should work with platform vendors or managed IoT service providers to integrate MPS technology. This could potentially extend to managing other IoT workplace assets such as lighting, heating and vending machines.

HP has already made some steps in this direction, with its Device-as-a-Service offering, covering PCs and laptops. Whether it extends to cover more IoT devices or whether other print manufacturers will follow suit remains to be seen.

Although managed IoT services can offer broader opportunities, providers also need to consider the security challenges it can bring. While most MPS providers offer robust security solutions to protect print devices from external hacking and prevent exposure of confidential information, managing other connected devices will demand new competencies. Collaborating and partnering with third-party providers to gain expertise in IoT device management and security is therefore the best way forward for MPS providers looking to extend their capabilities in the IoT space.

Develop managed security services offerings

Security has come to the forefront of the MPS agenda, and many providers are already expanding and deepening their capabilities around print security assessment and monitoring services. Quocirca's Print 2025[1] study revealed that enterprises are looking more to IT services providers to deliver MPS capabilities, which represents both a threat and an opportunity for MPS providers. While IT service providers are likely to outsource the MPS engagements to traditional print suppliers, MPS providers should evaluate the opportunity to work more closely with such providers and develop joint offerings.

Adding managed security to their service portfolios enables MPS providers to extend their core services. However, their print security offerings need to evolve beyond device monitoring to encompass incident detection and response. To partcipate in this broader managed security services market, MPS providers should partner with security technology providers who have the tools and specialist skills to provide strategic services around an integrated print and IT security offering.

Some print security offerings already integrate with security information and event management (SIEM) tools, and MPS providers should consider adding services and integration around these capabilities. As the market gravitates to a security-as-a-service model, MPS providers should also consider adding cloud-based security services to their portfolio. This will particularly appeal to small to medium-sized businesses (SMBs) that lack the budget and expertise to manage device security internally.

Unlocking the value of IoT analytics

MPS providers already use analytics as part of their assessment services, ranging from basic assessments of device usage to more sophisticated analysis of user behaviour. Although much of this data is used effectively to improve the efficiency of a print infrastructure – providing predictive maintenance and asset tracking, reducing unplanned downtime, minimising risk and lowering costs – MPS providers have yet to exploit the true potential of analytics.

MFPs generate a wealth of data, including device, document and user information. Manufacturers can use data about product usage to gain customer insights, which they may then use to market and deliver new services. Beyond this, predictive analytics can be used to personalise customer experiences, predict demand and dynamically set and optimise prices.

However, print management analytics tools are often not designed for massive data analysis, and MPS providers may lack the necessary business intelligence analysis skills. Exploiting big data and analytics requires new expertise and competencies from manufacturers. This will need to be built through a big data talent acquisition strategy, driven either organically or through collaborative partnerships.

References

[1] Quocirca's Print 2025 global market insight study, 2018 – www.print2025.com

Buyer recommendations

Having evolved beyond device-centric contracts focused on fleet optimisation, the most effective MPS contracts leverage data analytics and industry expertise to drive better business performance.

As the market continues to mature, organisations need to look for providers that can meet higher expectations around improved service delivery and longer-term business efficiency. MPS providers need to make the transition from high quality service delivery to innovative and proactive partnerships with their customers. As MPS enters the realms of business transformation, contracts will become increasingly complex and involve a wider range of stakeholders.

When shortlisting and selecting MPS providers, buyers should seek vendors that possess the ability to:

- **Help them improve business performance –** In addition to helping customers improve the efficiency and security of their print infrastructure, an MPS provider can help them drive business transformation and increase employee productivity. MPS is not just about reducing costs and mitigating risks – the right MPS partners will also have a vested interest in supporting a customer's revenue growth. Today's MPS proposition should be designed around specific business outcomes, whether these are increased revenue, enhanced customer service or faster innovation. As such, an MPS provider should understand the customer's business and be able to advise them on solutions they can implement to improve performance.

- **Offer a broad portfolio of managed services –** Organisations that use multiple providers for their print and IT services often find that managing them can be costly and complex. For maximum efficiency, organisations should look for a provider that has a comprehensive suite of services covering office and production printing, IT services and business process automation. As businesses look more to 'as-a-service' options for software implementation, MPS providers with strong expertise across both on-premise and cloud delivery models will be better placed in the market.

- **Provide consistent global service delivery with local support –** Global delivery capabilities offer many advantages, including rapid implementation in new locations and the ability to effectively manage engagements across multiple countries. However, it's also important that a provider has local resources, with knowledge of the relevant regulatory and legal requirements. MPS providers must use standard delivery processes across all locations, and also standardise how multi-location teams are organised and collaborate.

- **Make proactive continuous improvements –** An MPS provider must go beyond a break/fix model to offer proactive and pre-emptive support and maintenance. As well as simple device monitoring, they should offer advanced analytics that can drive proactive support and provide visibility into areas for ongoing improvement. Analytics is now a critical technology differentiator for improving the outcome of an MPS engagement. Not only does it improve operational performance on an ongoing basis, but it can also support long-term strategies for business efficiency improvement, through helping clients understand existing document and business processes. Organisations should demand increasingly strong analytical capabilities from their MPS provider, supported by strategic business reviews to ensure that the MPS contract continues to meet their expectations.

- **Guarantee strong multi-vendor support –** Most print infrastructures are heterogeneous environments, comprising hardware and software from a variety of vendors, so MPS providers should have proven experience of working in multi-vendor environments. A true vendor-agnostic MPS provider should play the role of trusted technology advisor, helping an organisation select the technologies that best support its business needs. Independent MPS providers should also have partnerships with a range of leading vendors, giving them visibility of product roadmaps and emerging technologies.

- **Be flexible –** Businesses will always want to engage with MPS in a variety of different ways. Some may want to standardise on a single vendor's equipment and software, while others may prefer multi-vendor environments. Some may want a provider to take full control of their print infrastructure while others may only want to hand over certain elements. And some may want to mix new technology with existing systems so they can continue to leverage past investments. Organisations should look for an MPS provider that offers flexible services able to accommodate their specific requirements. Flexible procurement and financial options are also key, with pricing models designed to allow for changing needs.

- **Be accountable –** Organisations need greater accountability from their MPS providers, to help them meet the increasing demands of shareholders, regulators and other stakeholders. A key differentiator for leading MPS providers is the ability to ensure strong governance of MPS contracts and act as a trusted, accountable advisor, making recommendations on the organisation's technology roadmap. MPS providers must be willing to meet

performance guarantees through contractual SLAs, with financial penalties for underperformance. They should also understand the controls needed to meet increasingly complex regulatory requirements.

- **Provide full service transparency –** Consistent service delivery is built on consistent processes that employ a repeatable methodology. Buyers will be looking for access to secure, web-based service portals with dashboards that provide real-time service visibility and flexible reporting capabilities.

- **Align with standards –** An MPS provider should employ industry best practices, in particular aligning with the ITIL approach to IT service management. ITIL best practices encompass problem, incident, event, change, configuration, inventory, capacity and performance management as well as reporting.

- **Innovate –** MPS providers must demonstrate innovation. This may include implementing emerging technologies and new best practices as well as continually working to improve service delivery and reduce costs. Businesses should choose a partner with a proven track record of innovation, and either dedicated research centres or partnerships with leading technology players and research institutions. They should also consider how a prospective MPS provider can contribute to their own innovation and business transformation strategy. Innovation within any outsourcing contract may come at a premium, however – this is where gain-sharing models may be used.

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 13 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.

- **Emerging** – Vendors that are in the process of developing MPS offerings, or which offer MPS on a regional basis.
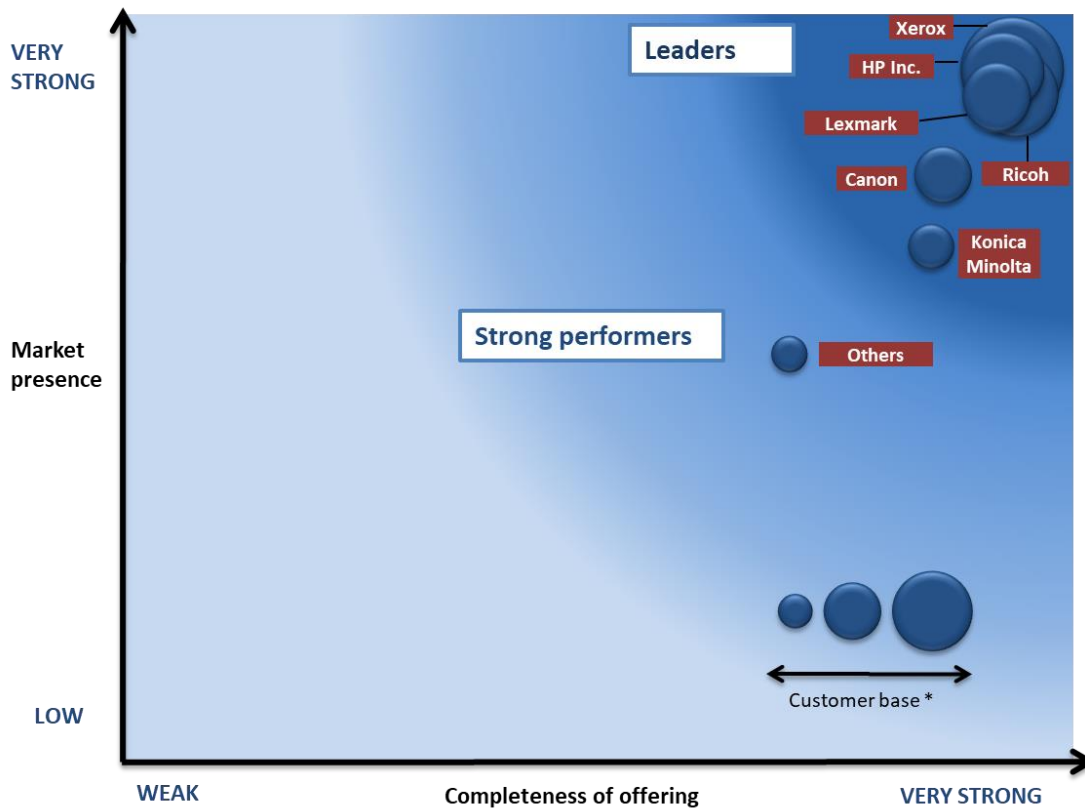
Figure 13: Quocirca MPS vendor positioning

* Customer base: Note that enterprise customer figures and estimated devices under management have been considered when determining customer base bubble size. Please refer to vendor profiles and scorecards for detailed information.

Vendor highlights

Market leaders: Xerox, HP Inc., Ricoh, Lexmark, Canon and Konica Minolta

The market leaders possess diverse strengths combined with a wide global presence, and have focused their efforts and investments on winning in this highly competitive marketplace. Prospective buyers will find these providers differ in their individual strengths but all offer a compelling MPS proposition for enterprise customers.

Xerox

Following the separation of Xerox and Conduent Inc., Xerox has emerged as a more focused and energised company, committed to growing its market position. The foundation of its strategy is providing the technology and services to help customers improve communication and collaboration in today's evolving digital workplace. Key areas of strategic focus include strengthening its leadership in managed document services, increasing its SMB market coverage and expanding its share of the digital colour production market.

Xerox has maintained its leadership in Quocirca's evaluation of the MPS market thanks to its global scale and its mature and comprehensive MPS portfolio, which give it unique advantages across both office and production print environments. It has a long track record of delivering MPS, excelling in a range of areas such as global delivery, multi-vendor support and comprehensive analytics and reporting. It continues to expand its security solutions and service offerings, which will be vital in a market increasingly driven by security concerns.

In particular, the ConnectKey platform holds great promise as a key enabler for workflow automation for both SMBs and large enterprises. With a growing portfolio of workflow automation services and solutions, backed by dedicated industry experts, Xerox is strongly positioned to support the digital transformation initiatives of larger organisations. However, it should ensure that its workflow automation portfolio does not become over-complicated, as many MPS customers are at the early stages of integrating MPS with broader digitisation initiatives.

HP Inc.

HP Inc. continues to enhance its MPS portfolio and invest in its global MPS infrastructure. HP reports over 6,600 MPS clients globally with over 1 million devices under management through its direct MPS offering.

As a company, HP continues its journey of transformation and reinvention across both its Personal Systems and Print groups. For Q2 2018 (three months ending 30 April), sales reached $14 billion, up 13% on the previous year. For the first time since 2010, sales increased for both the printing (2%) and PC (10%) segments. It also reported the 20th consecutive quarter of MPS growth.

HP is committed to leading innovation in the print market, focusing on next generation areas such as mobile-optimised printing and voice-enabled printing along with print security. It is making progress in the integration of S-Print (the Samsung business it acquired in 2017).

The channel is a key competitive advantage to HP, and its strategy to gain 20% of the market for printing on A3 paper by 2020 is underway, supported by the continued expansion of its partner network. Most recently, HP has advanced its contractual sales strategy through the acquisition of Apogee, a European services firm, in July 2018.

Today HP is the only MPS provider that can leverage its own IT and network technology to deliver a complete 'everything-as-a-service' (XaaS) model across printing and PCs. HP's IT credentials will serve it well as expectations of MPS providers extend to delivery of more general IT expertise. As MPS evolves, HP is well positioned to address the varying needs of business of all sizes as they look to improve the efficiency of their print infrastructure and accelerate their digitisation initiatives. HP's broad hardware, software and services portfolio is backed by extensive investment in its sales and technical resources.

Ricoh

Ricoh has repositioned itself as a global provider of technology and services to address the changing demands of the modern workplace. It is one of the few providers that can address optimisation opportunities across the workplace, including office printing, IT infrastructure, production printing and digital mailroom automation. Ricoh's well-established managed document services (MDS) proposition is part of a broader service line that encompasses eight services in total, including business process, application and IT infrastructure services. In particular, Ricoh continues to build out its IT service capabilities, having integrated a number of acquisitions made in previous years.

Ricoh is well positioned to address the diverse needs of both enterprises and SMB customers by virtue of its comprehensive range of scalable services, of which MPS is one element. Its IT service portfolio is a particularly strong differentiator for Ricoh, enabling it to target the broader enterprise space and drive potential synergies in both MPS and IT service engagements.

Lexmark

Lexmark has continued to focus on expanding its MPS offering across infrastructure management, to include print servers, print queue management, cloud-enabled services, print-as-a-service, mobile capture and print, sustainability and analytics.

The company has invested heavily to boost its capabilities to support both direct and indirect MPS engagements. Recent investments have focused on the areas of MPS process analytics, predictive service and expanded cloud platform enhancements, including configuration management services, infrastructure management and print release. In June 2018, the company completed a refresh of over 90% of its hardware, creating a cohesive portfolio of devices to suit anything from small work groups through to large, busy departments.

Lexmark excels in providing effective management across highly distributed customer environments, in addition to centralised operations. This proposition appeals principally to large enterprises operating across multiple locations. A key strength for Lexmark is its global operational capabilities, with a single-system infrastructure that offers MPS customers visibility and consistency in reporting across their fleet of devices on both a country and a global basis.

Canon

Canon is one of the only vendors to have advanced its position in Quocirca's MPS leadership category in 2018, as it continues to expand its focus on global delivery and support along with broader capabilities across document workflow, mobility and security. Strong brand recognition, a comprehensive technology portfolio that caters to both the office and production print environments and a tailored MPS offering spanning all sectors are key factors contributing to continued growth in its MPS business.

Canon's proprietary print management tool, UniFLOW, underpins its MPS offer. This scalable modular tool, which suits businesses of all sizes and supports multi-vendor fleets, provides customers with centralised control over their print infrastructure.

The company has also relaunched its EMEA channel partner programme, using direct partner feedback to revamp the programme to better meet the needs of a challenging and evolving marketplace. Under the new programme, partners can secure accreditations based around end-user applications, including document digitisation, managed print, document output, graphic arts and applications, as opposed to product-centric accreditations. Proactive joint business planning and a strengthened account management culture will help partners stand out from the competition and enjoy business growth.

Konica Minolta

Konica Minolta continues to build its credentials beyond MPS, setting its sights on becoming a leading global IT services provider. Over the past year it has shifted its strategy to focus on how its services address the convergence between MPS and IT services. Much of the emphasis of its marketing strategy has been on the impact of digital disruption in the future workplace.

It is investing in a range of technologies around robotics, big data, workplace of the future and IoT – the fruits of its Business Innovation Centers (BICs). Located in five regions, these not only initiate, support and manage new business and technology development, but also incubate new ICT service businesses. In March 2017 it launched its WorkPlace Hub, which provides integrated IT and print services for SMBs.

In recent years, Konica Minolta has made a number of acquisitions in the ECM space in the US and Europe, as well as broadening its IT services capabilities through acquisition combined with organic growth. As part of its repositioning strategy, it has focused on expanding penetration of 'hybrid-type sales', which combine hardware sales with the provision of IT services and other services such as ECM and business process optimisation.

Strong performers: Kyocera, Sharp and Toshiba

Vendors in this category include Kyocera, Sharp and Toshiba*. While all of them offer a comprehensive MPS service portfolio, this varies significantly by region, which means they lack a consistent global approach. These vendors primarily focus on the SMB market and, as such, are highly reliant on channel engagement to drive their MPS business forward.

Sharp

Sharp has reaped the rewards of Foxconn's investment in 2016 and the company as a whole is now in a significantly improved financial position. The manufacturing giant's financial backing, advanced manufacturing technology and massive purchasing power is enabling investment in future technology areas, such as artificial intelligence (AI), IoT and 8K. Sharp's AIoT strategy reflects the company's synthesis of AI and IoT, focusing on connected technologies in the home and office environments.

Sharp has expanded its MPS proposition beyond the MFP – to include cloud and IT services, video conferencing and collaboration solutions, large format displays and digital signage. Sharp is also taking proactive steps to become a more IT-centric business. In June 2018, it announced its acquisition of Toshiba's PC business for $36 billion, heralding a return to the PC market. It has also added IT services to its portfolio, and plans to roll this out to channel partners.

Sharp is particularly successful in the SME (small and medium-sized enterprise) sector and takes a 'whole office' approach to digital transformation. Its process is to conduct a survey and analysis of existing business operations and the use of current office equipment, meeting rooms and collaboration, then design a digital transformation solution that incorporates integrated office MFPs, interactive whiteboards (IWBs), Sharp document management and original cloud services.

Its Optimised Software Solutions portfolio is its platform for delivering managed print and managed content services, and is based on Sharp's own technologies supported by third-party alliances. This initiative ensures a common platform of applications and services across Europe, while extending the capabilities of Sharp hardware and software products through integrations with selected third-party products.

* Note that Kyocera and Toshiba did not participate in the 2018 study so their profiles have not been included in this section.

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With worldwide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first-hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

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