ptc

Lexmark teaches customers how to save money by printing less

In 2012, Lexmark CEO Paul Rooke signaled a change of direction when he announced the company was exiting the consumer inkjet business. At the time, Lexmark was designing and manufacturing some of the best printers and multifunction machines on the market. To product owners, it was an unexpected decision, but Lexmark had compelling business reasons for the move.

"Consumer inkjets did not help us meet our profit objectives," says Brad Lawless, Lexmark's Director of Global Service Parts Organization." We could be more effective in the enterprise market by focusing on software and services."

The company continues to sell printing and imaging products in 170 countries, but now it places more emphasis on software, solutions, and services that help customers in those markets save time and money. By expanding its focus to services and software, Lexmark has been able to grow its market share in banking, education, government, healthcare, manufacturing, and other industry categories. Its new strategy is more consultative and emphasizes providing complete solutions that reduce costs by maximizing the efficiency of networked workgroup-style printers and multifunction machines.

"We are building deeper relationships," says Lawless. "We are doing a lot of proactive things like providing quick-response service-level agreements and teaching customers how to print less and save more."

Lexmark also is designing new products that will eventually support deep connectivity between hardware and software and allow broad integration into the Internet of Things (IoT).

Creating a real-time inventory view

To continue improving this service-oriented strategy, Lexmark has relied on its long-term relationship with PTC.

"Lexmark has been a PTC customer for 10 years," says Steven Caldwell, VP solution management. "We have a collaborative relationship."

Lexmark relies on this PTC Planning software to perform process planning, inventory parts management, provisioning, forecasting, and other core business tasks. PTC software is integrated with Lexmark's other enterprise planning software and provides a single-instance view of the company's entire service operation and parts inventory. This improved access to information enables employees to proactively address issues and maintain customer satisfaction.

"PTC is doing for us what we do for our managed service customers," says Lawless. "We count on their expertise to improve how we deliver service. It is absolutely a partnership."

Meeting the toughest SLA guarantees

With real-time visibility into its global operation, Lexmark is able to offer service-level agreements that guarantee minimum downtime.

"People are less willing to wait," Lawless says. "The standard used to be next-day service. Now, more customers are demanding faster than next-day restore."

This type of fast response is only possible if technicians have ready access to parts. To meet this need, Lexmark maintains large distribution centers along with hundreds of forward-stocking locations. Forward stocking in shared warehouse spaces provides an affordable way to distribute inventory while controlling overhead costs. Analytics also help Lexmark identify which parts should be stocked near customers or carried in technician vehicles.

"Most of our customers operate globally," says Lawless. "They expect the same performance everywhere."

Optimizing MFP usage with workgroups

Lexmark uses a combination of industry experience and analytics to evaluate a customer's operation and determine how many multifunction printers (MFPs) it requires. Often, the customer learns it is maintaining too many MFPs and wasting a lot of money.

"They are a little surprised when we share our assessment," says Lawless. "But our goal is fewer MFPs that are more heavily used."

Of course, some customers are apprehensive about installing fewer MFPs since other MFP companies may be advising a larger order. Lexmark addresses their concerns by explaining its analysis and showing how a smaller number of MFP workgroups can serve the same number of users more efficiently. Lexmark also points to its access to spare-parts inventory and track record of 99-percent SLA attainment.

Lexmark designs networked workgroups so the printers are used intensively. Higher utilization makes each unit more efficient to operate while also saving on space and utilities. It also achieves additional savings on supplies and acquisition costs by including only as many large-format MFPs as customers need to meet their user demand.

Teaching customers to save by printing less

Lexmark promotes further savings by showing each company how to change user behavior. Because MFPs are so common in the workplace, users have become conditioned to print documents without fully considering their need for hardcopies.

Lexmark shows customers how to use its print-release feature to reduce this problem. With print-release, all jobs are held in a print queue until the user releases them.

"With print-release, you have to look at a screen on the printer or multifunction device," says Lawless. "You get an opportunity to pick just the jobs you really need and delete the rest."

Data shows that users decide to delete a significant number of print requests, and those decisions save companies a lot of expense. On many projects, Lawless says customers can expect to save up to 50 percent on overall printing costs.

"PTC has been fundamental to our systematic improvement," he adds. "We count on their tools and expertise to help us manage our global inventory and make decisions quickly."

To learn more, please visit: http://www.ptc.com/service-lifecycle-management/service-parts-management