

3M Company

HP Managed Print Services saves more than \$3M at 3M



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—Ernie Park, CIO, 3M

HP customer case study: Technology leader cuts print costs, improves quality and service with HP MPS, HP Eco Solutions program

Industry: Manufacturing

Objective:

- Optimize office printing infrastructure at 3M locations worldwide
- Reduce total cost and environmental footprint

Approach:

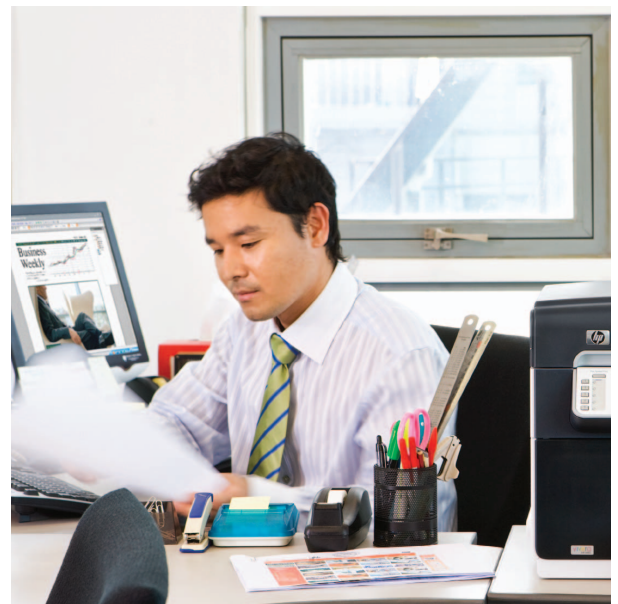
- Partner with HP for Managed Print Services
- Consolidate with energy-efficient HP MFPs and laser printers, streamline printer fleet management; reduce device count by some 47 percent globally, network-level duplex settings
- Centralized management using HP Web Jetadmin software facilitates automated supply ordering

Business benefits:

- More than \$3 million in savings in first two years
- Per page costs reduced by up to 90 percent
- Flexibility to continue deployment as 3M grows, changes

Environmental impact:

- Reduced energy consumption by an estimated 79.9 percent, saving more than \$1.2 million in energy costs
- 8,240 metric tonnes reduction of CO₂ emission from energy and paper reductions, equivalent to taking 978 cars off the road for one year
- Estimated 353 million fewer pages printed
- Over a 12-month period, recycling efforts diverted more than 17,000 print cartridges away from landfill¹



For decades, 3M Company has built its reputation as both an innovator and one of America’s best-run companies. But like most large corporations, it was overpaying for output services—printing, copying and faxing—and often did not meet the needs of the user community.

“People forget now that just a few years ago, when they walked to the photocopy machine, it was often broken. Or it was making lousy copies,” notes Paul White, IT Print Services Manager at 3M. “And we were throwing away money on personal printers that were horribly expensive to operate. It was costing us literally millions of dollars a year in waste.”

Partnering with HP through a Managed Print Services agreement has changed all that. 3M has standardized offices worldwide on HP multifunction (MFPs) and laser printers, reduced its device count by some 47 percent globally, and saved more than \$3 million in two years in the United States alone. Those savings increase each and every day and will continue to rise as the program grows globally.

“Web Jetadmin lets us monitor all facets of the printers’ and MFP devices’ operation—including performance and reliability issues. It sends alerts that help us catch a problem before a machine goes down so we can proactively address problems before users are affected.”

Paul White, IT Print Services Manager, 3M



Under the Managed Print Services agreement, 3M pays a monthly fee comprised of a base rate for use of the LaserJet printers and MFPs, and a “click” charge based on actual page volumes. The agreement also covers print cartridges and repair/maintenance services.

Within 3M, the program is known as “Output eXpress.” And while some 3M employees were initially reluctant—in some cases, 3M staff had to raid office spaces at night to “retire” individuals’ personal printers—most now realize they’re getting more capabilities from HP’s MFP printers, better quality, and virtually 100 percent uptime.

“The quality we’re getting today is much better than any of the old personal printers could produce,” acknowledges David Crist, Marketing Director for the Office Supplies Division. “We’re able to print things for in-store displays, promotions and other customer-facing documents right in the office. Best of all, we can make last minute changes without ever having to make a midnight run to the quick print store.”

Reforming print as a Six Sigma project

3M embraces the concept of Six Sigma — a process improvement methodology based on the foundation of managing by facts with data and measurement tools. So in 2005, with strong support from 3M’s CEO, the IT organization launched a Six Sigma project on office printing. Its goals: to raise quality and strive for continuous improvement, all while cutting costs.

3M considered all its corporate partners, and chose HP to help in implementing the project. The companies started by gathering data on 3M’s existing processes and print infrastructure. “HP’s expertise in the discovery and design phase—investigating what devices we had in place, how we were using them, and what the costs were—was invaluable,” says Ernie Park, CIO at 3M. “They really brought the blueprint for this type of analysis.”

The overall amount of spending and waste was eye-opening. There was no centralized control of printing or copying. Individual departments or offices would simply decide to go buy a printer or copier when they needed one. Little thought was given to the long-term cost of supplies or service.

Some offices had almost as many printers as people. In the initial research, 3M and HP found some 101 different printer models scattered throughout 3M offices. And while the desktop printers were inexpensive up front, managers had little idea what the total cost of ownership was.

“There’s no questions, simplifying the fleet has produced savings on maintenance and it has improved service.”

Paul White, IT Print Services Manager, 3M

“We had a very large number of desktop printers,” says White. “And we knew that the purchase price was only a small part of the total cost of ownership. Some models may have been cheap to buy, but the replacement cartridges made them very expensive to operate.”

Launching a centralized, managed print service

The data supported a completely new approach to printing: a centralized, turnkey print service. “Instead of departments buying printers, cartridges and support contracts, now they buy managed print services,” White explains. And instead of throwing money down a black hole with no accounting, 3M knows exactly what it’s spending for output services, month by month.

Of course, getting started was no picnic. “We had to overcome the entitlement philosophy that people had,” notes White. “People were used to having their own personal printer. They didn’t want to give it up.”

How did 3M win them over? By giving users more. Instead of a slow personal printer and unreliable copiers that produced poor quality, users now have access to high-speed printing, copying, faxing and scanning capabilities, all from a newer, more reliable MFP. In the past, faxing and scanning capabilities were separate from copiers and printers making tasks more difficult. Maintenance—from print cartridges to routine service and repairs—is also provided.

“Edgeline technology is just the latest example to us that HP is a leader in printing and imaging, and the best possible partner for our managed print environment. We expect to continue moving forward together.”

Paul White, IT Print Services Manager, 3M

3M’s savings have reached more than \$3 million in the first two years of the five-year contract with HP. The cost per page on many devices is as much as 90 percent lower than 3M was paying in the past.

The Managed Print Service even brings environmental benefits. The new printers use less power than the devices they replaced, and are set to default to duplex printing. So 3M saves both energy and paper. Over three years the company is expected to reduce energy use for printing and copying by some 10.69 million kWh, for cost savings of more than \$1.2 million. The program will reduce carbon emissions—from reduced power and paper use—by 8,240 metric tonnes of CO₂, equal to the annual greenhouse gas emissions from 978 passenger cars.

“In our analysis of the power usage of old devices, we could see that there would be definite energy savings,” says White.

In addition, 3M participates in the HP Planet Partners Recycling Program, recycling 100 percent of its print cartridges.

“We collect and send all of the used print cartridges to HP, so there is one well-understood process for disposal,” White says. “In the past, some people would put them in the trash and others had their own recycling methods. Now it’s very easy for people to automatically recycle. A label goes on the box and it’s sent to HP.”

Among the advantages for employees: new capabilities that enable more efficient workflows. In the past, many employees would print a document original on their personal printer, then walk to the copier and (assuming it was working that day) make as many copies as they needed. Quality suffered, and it took extra time. Now, they can simply print all those copies on a high-speed LaserJet MFP straight from their desks.

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One 3M group was required to send receipts to customers each day. So employees would copy the receipts, package them up and send them out via overnight messenger. Now, with an HP MFP, they can scan the receipts, key in an e-mail address, and attach the scanned file using the scan-to-e-mail function. “They’re saving thousands of dollars a week,” enthuses White. “And it’s a faster process that saves them time.”

Easy to support

The Managed Print infrastructure is much easier to support, too. First, the company has reduced the number of printer models from 101 to 9. The company can stock fewer types of print cartridges and parts, and technicians can more easily diagnose and fix problems.

"There's no question, simplifying the fleet has produced savings on maintenance and it has improved service," says White.

Second, 3M uses HP Web Jetadmin, a web-based management software tool, to centrally manage print devices. "Web Jetadmin lets us monitor all facets of the printers' and MFP devices' operation—including performance and reliability issues," says White. "It sends alerts that help us catch a problem before a machine goes down so we can proactively address problems before users are affected."

Web Jetadmin also sends an alert when a printer cartridge is low, so it can be replaced before it empties entirely. That prevents downtime, too.

Finally, says White, the program is a powerful tool for problem resolution because it enables HP and 3M to gather information on recurring issues. When it comes time to load driver and firmware updates, Web Jetadmin can be programmed to broadcast the updates to devices across the network, all after hours when users won't be affected.

Growing, adapting with 3M

At a company like 3M, nothing ever stands still. The company continues to grow in various places around the world. And as it does, it deploys additional HP MFPs and printers at the desired employee to device ratio.

Even in offices where HP printers have been deployed before, the fleet can be adjusted. "We can chart the monthly volume figures against the expected volume in a given area. Then we take the outliers—the top 10 and bottom 10 percent—and decide if some adjustment is necessary," explains White. "Do we need to deploy another printer on this floor? Can we substitute a printer that's rated for fewer pages per month? It's all about matching the print capabilities with the user needs."

Looking ahead, 3M is currently evaluating new HP Edgeline printers. Edgeline printers deliver high-volume, high-quality color output using a new approach to inkjet printing. "We're evaluating whether or not we can reduce the number of color devices we have by driving color jobs to the Edgeline printers," notes White. Edgeline printers offer laser speed combined with a significant reduction in cost per page.

"Edgeline technology is just the latest example to us that HP is a leader in printing and imaging, and the best possible partner for our managed print environment," White says. "We expect to continue moving forward together."

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¹Based on 2007 WW average recycling process efficiency

This customer's results depended upon its unique business and IT environment, the way it used HP products and services and other factors. These results may not be typical; your results may vary.

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