

Centralizing in-house printer management yields system savings of \$1.7 million

Challenge

Member background and initial challenge

A large-system member was managing its network and desktop printing equipment and supplies purchasing through two departments. Information technology (IT) staff procured and maintained the printers, while the supply chain team ensured toner and supplies were always on hand. The supply chain team saw value in outsourcing print services and recommended this model to free up internal resources and save on costs, but the IT department saw no issues with the existing arrangement and resisted the proposed change. The supply chain team even conducted a request for proposal and presented a business case, but it wasn't strong enough to convince the IT team leadership that changing the process was necessary.

Solution

Vizient assessment: the approach and methodology

Enter Vizient® and a purchased services assessment for this business segment. The assessment revealed a number of challenging factors:

- Key service measures were not available, such as the amount of print production, the volume of color versus black and white, and cost to the end user. This made the overall cost of printing difficult to quantify and resulted in an out-of-sight, out-of-mind mentality.

- Instead of a proactive preventive maintenance program, the health system used a reactive operating model that relied on internal technicians and extended warranties.
- The organization was using more than 250 different printer models, compared to the less than 50 models found in a typical hospital system; so maintaining toner and ink supply inventory was cumbersome.
- According to the escalating number of desktop service calls, downtime on critical devices was increasing. The Vizient team was able to quantify the total cost of printing based on aggregated spend for toner procurement, extended warranties, external and internal labor, and printer parts. In addition, the volume of print was determined and segmented by color, monochrome and inkjet. Vizient concluded that the system's utilization of color print was extremely high compared to the health care industry average.

Expert insight: diagnosing opportunities for improvement

With supply chain as the organization champion, Vizient experts presented a printer management solution to the IT executive management team that demonstrated significant cost savings and operational improvement.

A 60-day proof of concept comprising four success criteria was deployed at one of the system's hospitals to ensure savings, operational improvement, and partner selection compatibility. The hospital proof-of-concept achieved results that not only met but surpassed the goals.

In addition, print optimization recommendations to reduce the cost of printing were presented to the team.

Criterion	Target	Actual
Cost reduction	45%	50%
Service level expectations	Four-hour response time	1.6 hours
Device uptime performance	98%	99.8%
Toner delivery process	Next business day	90% same day

Results

A managed print solution for operational and financial value

This system is in the process of deploying a systemwide managed print solution with an estimated savings goal of \$1.7 million.

Additional print optimization steps are under consideration, which include deploying the right device in the right location, educating the end user on the cost of print, eliminating inkjet usage, and using the monochrome print setting as the organization's default mode.



For more information on Vizient capabilities in purchased services, contact us at consulting@vizientinc.com.

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