

# Office-Based MFDs: *Going Beyond the Green Button*



A market report based on  
primary research from



## Turf Wars

***The MFD sales situation can be muddied by IT/facilities turf wars...***

“Our attitude in Information Systems is that we don’t want anything to do with copiers. But what ends up happening, by merging the two [copier, printer] together, inevitably, is that it becomes an IS support responsibility. Users get confused. You might say to them ‘if the thing doesn’t work for copying, go to purchasing. If it doesn’t work for printing, go talk to Information Systems.’ The average user isn’t going to be able to handle that thought process, so what they’ll end up doing is knee-jerking it to Information Systems, regardless of what the problem is. And *ipso facto*, suddenly Information Systems is supporting copiers, which we don’t want to do.”

## Rank-and-File Resistance

***...but getting the rank and file to use the units after they are installed is an even bigger problem.***

“The important features of an MFP are copying, and being able to e-mail a document that you copy. Actually, you’re scanning, but you’re fooling the employee into thinking that they’re copying into their computer, not scanning. If you say ‘scan’ to a great number of people in this building, they get upset, they don’t want anything to do with it.”

## Report Highlights

### *Turf wars*

If you think the management turf battle between IT and facilities is the big quandary in the MFD sales world, we have a bigger one for you. Granted, the sales process has to be redirected when responsibilities shift in a company, which means that new contacts for office equipment sales have to be uncovered. But if you have a field sales person that doesn’t welcome the challenge of discovering new pockets of responsibility at a prospect’s company, you may have an order-taker instead of a sales representative.

### *Rank-and-file resistance*

Here is a much bigger problem. People don’t like change, but to get the extraordinary productivity gains that connected shared peripherals promise, people have to change. That’s what you have to deal with as a vendor, that’s what your distribution partners have to deal with, and that’s what we had to deal with as market researchers. The approaches we encountered ranged from companies that standardized on MFDs for the entire organization, but did not connect a single one, to companies whose IT teams came in over the weekend and unplugged all of the desktop printers. Most are somewhere in between.

### **How would you like to work here?**

Adoption by decree is a legitimate tactic.

“You take the stamps away, you take the envelopes away, you take their desktop printer away, you say, ‘There is the multifunction machine, here’s your e-mail, here’s your computer...’”

“They left on Friday with some systems, and when they came in on Monday there were new printers, and all of the little desktop devices had gone away. We didn’t give people a choice.”

### *Here’s what is at stake*

Many don’t care, but many companies are considering the time and money spent tending to desktop printers and trying to find another way. So the rules are changing, and long-standing vendor allegiances are in question. That means opportunity for Kyocera Mita, Ricoh, and Canon. That means challenges for Lexmark and HP. And if you are competing in the office, you must compete against Xerox too, a company that is fighting for survival.

## Donuts and Candy Dishes

Like throwing a stone into a still pond, bringing the first MFD into the office may cause ripples. But regardless of who wins the arm-wrestling match between the IT group and facilities, end users are the ones who make the technology transition succeed or fail. Many tactics are used to help office workers become familiar with their new MFDs. Some lure their coworkers with food.



Placing donuts near the MFD gives people a reason to go near the equipment. (There is no sugar-coating and there are no choices in some companies: “Learn how to use them, or move on,” is the policy at one company.)

Yes, donuts are a soft sell, but there are legitimate concerns about ease of use. “People have trouble just making copies, sometimes, let alone fax, scan, or print. What if a person walks up to a MFP while someone else’s job is printing. What will they do?”

“We don’t like to use the word, ‘change.’ People react negatively to it,” we were told by a person in product marketing who works for one of the giants in the business. That statement sums up the quandary for MFD vendors. How can we deliver benefits to our customers if they are unwilling to change? And managing MFDs means managing change. “People continue to use the machine as a copier, and that’s all. I can’t make it any plainer. Without negative reinforcement or positive reinforcement, or without pulling their printers, they’re not going to do it....you have to have a carrot.” There it is. A product with such promise is reduced to being a green-button box.

*Don’t say “change”*

In a methodical fashion, the researchers and analysts at Blackstone Research have heard directly from people in pivotal positions not only about intended acquisition of hardware, but also the prospects of integrating MFDs into their work process.

*A workflow tool?*

Our research mission was to get a current reading of the end-user office equipment environment, and use the fresh observations to guide vendors’ approach to the market. It’s a fact: today, you have to sell boxes to those who want to buy boxes. Even though the MFD can contribute the most as a workflow tool, our suspicion was that few workgroups had learned to use MFDs to support their work. The vendor product marketing task is made more complicated by the malleability of the MFD product.

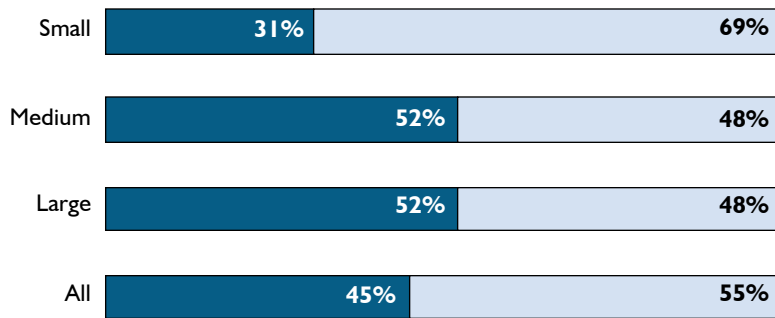
To sort it out, we had to dig deep to learn customer motivation. We’ve cataloged the variety of reasons companies install MFDs. We uncover barriers to adoption in the first place, and barriers to using full functionality, as well.

*Motivation*

Because we asked our respondents to compare their experience with their expectations, we can help you anticipate potential dissatisfiers. Learn which MFD functions provide concrete benefits and the most satisfaction.

*Experience*

### MFDs: Document Makers or Workflow Allies? by Company Size



□ MFDs are mostly useful to provide additional print options.

■ MFDs can improve the work process significantly.

Number of respondents: 150

Blackstone Research Associates

#### Shaking things up

How much of our economy hinges on copier lease expiration? In our industry, it's pretty important. Lease renewal prompts internal needs assessment, which, this time, includes connected copiers alongside of or instead of HP laser printers. Some very big companies are pulling the plug on fleets of HP (and other) desktop lasers, and going to Canon, Ricoh, Kyocera, Konica. In the past, these companies talked to purchasing or talked to facilities. Now it's an IT discussion.

#### Learning from those who "get it"

When you scan the market, you find a few who are very smart about leveraging document technology. In *Office-Based MFDs: Going Beyond the Green Button* you will learn the reasons for their success. Our examples are tempered by our assessment of the circumstances: some say copier-based MFDs are great for IT because the products are more robust and require less attention than desktop printers. Others say copier-based MFDs are a curse for IT because IT ends up tending to copiers, a task they hate.

#### Adoption scenarios

We look at the strength of the offering and the strength of resistance to change, we map out the critical mile markers for market exploitation.

### With Office-Based MFDs: Going Beyond the Green Button you will be able to...

- Learn the top MFD drivers and inhibitors.
- Learn which MFD functions and features deliver the most to customers.
- Get the keys to successful deployment from leading-edge users and visionary thinkers.
- Learn how connectivity changes the rules of copier sales.
- Track the migration of business functions from "low-tech" to "high-tech."
- Some use MFDs to *augment* personal printers, and some *replace* personal printers with MFD. They're both right. You need to have a strategy for each.
- Prepare for the future by following likely evolutionary scenarios.
- Learn why everyone has something to lose when a lease is up for renewal.
- Learn about the lure of special printer functions.

## Understand the conditions that favor or hinder MFD adoption:

**Saving money is a top motivator.** “The main reason we put these things in was for printing large jobs to save money so our toner costs would go down.”

“That has been an incredible cost savings for me. And I have people that say they want an ink jet. I tell them it’s going to cost too much money to run it. And they say, ‘but I have to walk.’ And I say, ‘Yes, you have to walk. Get up and walk.’ ”

**A top benefit: office access to copier functionality:** “One of the serious advantages is being able to ship files to a printer, and have it do all of the printer functions with that file, whether it be collate, staple, copy, punch, whatever. It’s like a network printer on steroids, and that’s what I like about it, that it can print fast, it can organize the work, and it can finish the job.”

**IT and facilities are enemies.** “The IT department and I grind it a little bit. They don’t worry so much about cost. Generally, that’s my main goal. I am here to save money—to make things as good or better, and cheaper. IT people love HP. They’ve grown up in an HP environment. IT doesn’t like the MFP technology. They feel that the more functions you have on it, the more likely it is that it will break.”

### Industry Profile, by Company Size

NAICS * Code	Industry	Small (1-99)	Medium (100-249)	Large (500+)	All
11, 21, 23	Agriculture/mining/ construction	4%	4%	8%	5%
22	Utilities	6	10	4	7
31	Manufacturing	18	20	22	20
42	Wholesale	8	10	4	7
44, 45	Retail	6	4	2	4
48, 49	Transportation & warehousing	6	4	6	5
51	Information	6	6	2	5
52, 53	Finance/nsurance/ real estate	14	16	22	18
54, 55, 56	Business services	6	4	2	4
61	Educational services	4	10	2	5
62	Health care	4	4	8	5
72, 81	Other services	8	4	8	7
—	Government	10	4	10	8
		100%	100%	100%	100%
	n	50	50	50	150

\* North American Industry Classification System

## Office-Based MFDs: Going Beyond the Green Button

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### Methodology: Primary research with influential individuals

*Office-Based MFDs: Grown-up Copiers or Business Facilitators?* is based on 150 in-depth structured telephone interviews with those responsible for managing office printers and office copier for their companies. These are not interviewing-service CATI interviews. Our interviews were conducted by the same in-house data collection team that grilled end users about color office printing for *Price Wars* and production color printing for *Corporate Color*. In addition, nearly 50 individuals who could offer special insight on the MFD adoption issue were contacted in-person or on the telephone by the report authors for in-depth discussions. To request a copy of the questionnaire, call us at (508) 278-3449.



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### Not Just Boxes

Half of the people we interviewed are not venturing beyond basic print and copy functions with their MFDs. Many MFDs are placed by a channel still coming to grips with life in a digital world. The distribution channel bears much of the responsibility for ensuring the products they sell are used to the fullest. Those who do not advance their skills and help their customers function better in a digital world will be happy to know that their box-moving skills are still in demand in other industries.

### Pricing and Availability

**Office-Based MFDs: Going Beyond the Green Button**, with 124 pages and 128 figures, is available for \$11,750. Additional copies are \$1,395 each. For quantity pricing or an Intranet posting license, contact Mike Zeis at (508) 278-3449 or via e-mail at [mike@blackstoneresearch.com](mailto:mike@blackstoneresearch.com).

#### Satisfaction is guaranteed.

We offer a simple guarantee: if you are not completely satisfied, return the report within 30 days for a full refund.

### About Blackstone Research Associates

*Office-Based MFDs: Going Beyond the Green Button* was researched and written by the same research team that covered color printer and copier adoption dynamics in *Color in the Office* in 1998, examined the use of production color printers in *Corporate Color* in 2000, and dug into color printers on the desktop in *Price Wars* in 2002.

Since 1991, Blackstone Research has studied document technology adoption issues, with proprietary contract studies, published research reports, and monthly newsletters. Research projects have covered color copy quality, color printer and copier cost of ownership, color peripheral product adoption, and the effect of e-techniques on hard copy printing and publishing. Blackstone Research Associates also publishes the *Color Business Report*, a monthly computer industry newsletter.

In addition to publishing research studies, Blackstone Research Associates provides custom market research and strategy consulting services to product managers, strategic planners, and R & D executives in the computer industry. Survey-based primary research supports many assignments.

**black  
stone**

Research Associates

Blackstone Research Associates  
10 River Road, Suite 104  
Uxbridge, MA 01569-2245

Phone: (508) 278-3449

Fax: (508) 278-7975

e-mail: [mike@blackstoneresearch.com](mailto:mike@blackstoneresearch.com)

[www.blackstoneresearch.com](http://www.blackstoneresearch.com)



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10 River Road, Suite 104  
Uxbridge, MA 01569-2245  
Phone: (508) 278-3449  
Fax: (508) 278-7975  
e-mail: [mike@blackstoneresearch.com](mailto:mike@blackstoneresearch.com)  
[www.blackstoneresearch.com](http://www.blackstoneresearch.com)