# 2017 Office Productivity Trends to Improve the Bottom Line

An International Survey Report

September 2016

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# Introduction

An independent survey performed by Coleman Parkes Research and commissioned by Xerox has found there are numerous opportunities for SMBs in the US and Europe to significantly improve productivity by digitizing paper-intensive processes and streamlining document workflows. Respondents to the poll ranged from operations managers, IT managers and owners to CTOs.

# Survey Background

1,021 Small and Medium Businesses (SMBs) with revenue ranging from less than $6 million to more than $305 million took part in a detailed online survey from July to September 2016, the project being run by independent research company Coleman Parkes Research. Those providing detailed information on their businesses were senior business managers in operations, finance and IT, with some owners in the smaller businesses who shared common printing concerns related to business growth, cost savings and productivity improvements.

## Survey Respondent Characteristics

The SMBs taking part had 50 to 1,000 employees and were from the US, UK, France and Germany.

| Countries Surveyed | Total | % |
|---|---|---|
| **Base: All Respondents** | **1021** | **100%** |
| UK | 309 | 30% |
| France | 218 | 21% |
| Germany | 201 | 20% |
| US | 293 | 29% |

## Primary Sectors Companies Operate In

| Sector | Total | UK | France | Ger | US |
|---|---|---|---|---|---|
| Financial Services | 15% | 18% | 12% | 18% | 12% |
| Manufacturing | 19% | 16% | 24% | 16% | 21% |
| Retail & Distribution | 13% | 15% | 13% | 10% | 12% |
| Healthcare | 10% | 13% | 9% | 8% | 11% |
| Professional services | 24% | 18% | 25% | 29% | 25% |
| Public Sector | 8% | 8% | 9% | 8% | 7% |
| Legal | 5% | 7% | 5% | 5% | 4% |
| Other | 6% | 5% | 5% | 5% | 9% |

The survey results from 4 countries – US, UK, Germany, and France – were mostly directionally the same, with slight variance in quantitative value. This proves that similar trends are occurring amongst SMBs in these countries.

## SMB Business Priorities

The top ranked business priorities for SMBs include (percent ranking each priority in the top three out of eight priorities):

- Growing the business – 47%
- Increased productivity through improved workflow/business processes – 47%
- Reduced printing costs – 42%
- Improve customer service/response times – 39%
- Improve security/disaster recovery – 34%

81% of all organizations also report that they plan to improve some of their current document workflow processes in the coming 12 months; only 22% intend to use the office equipment dealer to carry out the assessment. One in five will carry out the assessment in-house and 29% expect an IT reseller to perform the assessment. One-third of US SMBs [vs. 24% (UK), 31% (France), and 19% (Germany)] will turn to a consultant to help with the assessment of the document workflow selected for improvement.

Improvements in document workflow to gain the most benefit will be focused on the IT and finance teams. 61% of SMBs expect that a document workflow solution could generate at least a reasonable improvement in the bottom line (Figure 1).

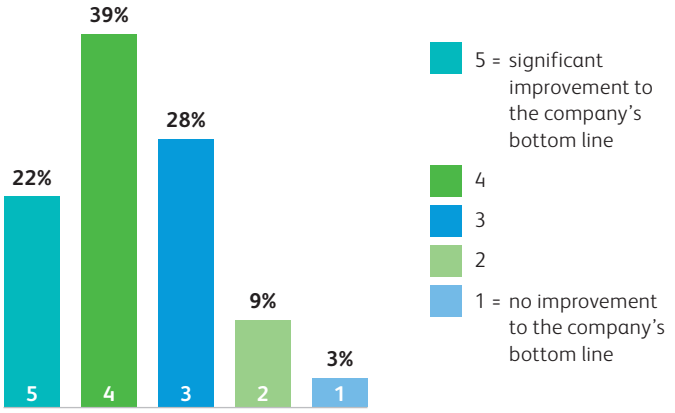


Figure 1 – Document workflow technology solution improvement on the company's bottom line

Even though SMBs cite "Growing the Business" as their top priority, it does not drive decisions on workflow improvement. As Figure 2 shows, "Cost reduction" is the most-common factor that SMBs take into account when deciding which workflows to improve. 21% said that the "Impact on improved productivity" has the biggest impact on the workflow process to improve while only 14% overall [17% (US), 13% (UK), 13% (France), and 9% (Germany)] cited "Impact on revenue growth."

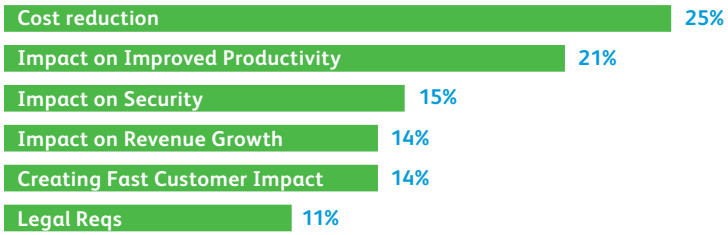


Figure 2 – Factors that have the greatest impact on the decision when selecting the workflow processes to improve

## Paper Remains Prominent

Paper-intensive processes still abound within SMBs. Only 1% say that they do not have any paper intensive processes in the business. The most common paper-intensive processes are billing/invoicing, business/financial reporting and HR forms. A typical SMB reports having at least four paper-intensive processes that can add cost and complexity to the execution of the process.

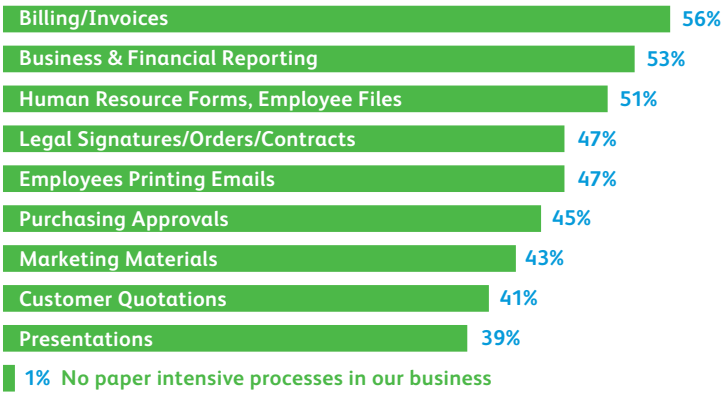


Figure 3 – Paper intensive processes in use

When further questioned, 46% of all SMBs – 50% (US), 43% (UK), 37% (France), 51% (Germany) – said that time is wasted in the organization every day on paper intensive processes indicating the potential for great savings if the process could be streamlined. Moving paper-based processes to digital is a significant method of reducing costs and time spent on processes. There is evidence to suggest that SMBs are digitizing paper processes:

- 28% report they are well advanced with respect to implementing their plans to digitize paper processes.
- 37% have only just started to digitize paper processes.
- 12% will embark on the process change in the next 12 months.

One in five SMBs would like to implement a plan for digital processes but are unaware of the paper-free options/solutions.

Finance and IT are the departments that would be most the likely prioritized for the digitization of paper processes, reflecting their high paper usage or IT focus. The top reasons for digitization include (percentage relates to the proportion putting the reason in their top three):

- Cost reduction (53%)
- Reduction in paper storage/save space (40%)
- Making it easier/faster to share documents (38%)
- Improved employee productivity (37%)

Revenue and growth factors such as growing the business or faster customer response times were much further down the list, indicating that the focus of digitization is on internal issues as opposed to external ones.

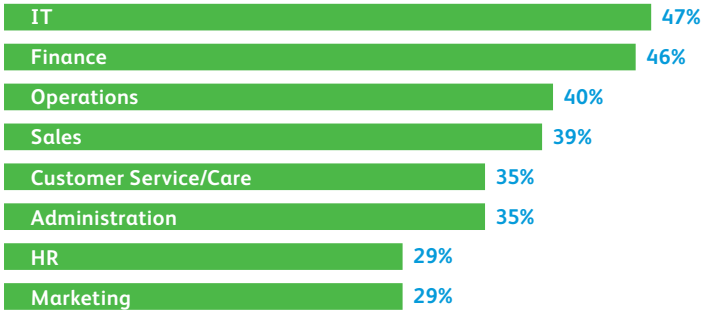


Figure 4 – Prioritization of department implementation

## Print Security

56% of all SMBs [61% (US), 59% (UK), 50% (France), and 51% (Germany)] include printers and/or MFPs in their security strategy.

57% of SMBs agree that they find value in having a printing security assessment from an office equipment dealer and 65% expect their office equipment dealer to be able to explain how their offerings support or enhance the SMB's information security.

## Mobility

By the end of 2017, 23% of SMBs envision that mobile devices will be completely integrated with their workflow processes.

Today, 66 percent of SMBs currently include mobile printing in their mobility initiatives, while 27 percent plan to within the next year. The main drivers include increasing productivity of mobile workers, meeting customers' needs for remote information, and improved and faster customer service.

## Progress Toward Digitization

SMB progress towards digitization of paper-intensive processes varies from country to country. Among SMBs reporting that they are "well advanced with respect to implementing our plans to digitize our paper processes," French firms are the leader with 33% [26% (US), 28% (UK), 24% (Germany)].

US firms clearly lag in their progress towards digitization. 41% of US firms reported that they have "only just started implementing our plans to digitize paper processes" [38% (UK), 31% (France), 39% (Germany)].

Overall, 12% of SMBs with paper-based processes reported that they intended to implement digitization in one to three years.

## Most SMBs Have Had Assessments

27% of SMBs – 22% (US), 25% (UK), 35% (France), 28% (Germany) – have real-time monitoring/constant assessment of the efficiency of their print fleet (Figure 5), while a further 39% – 44% (US), 41% (UK), 32% (France), 35% (Germany) – have had an assessment in the last 12 months.

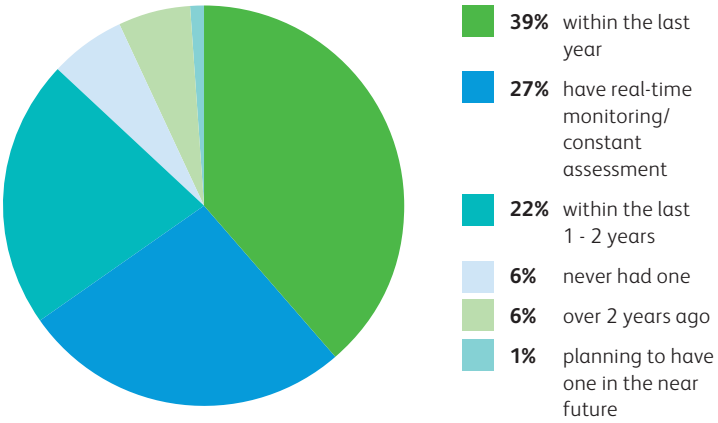


Figure 5 – Last assessment of the efficiency of the print fleet

## Status of MPS Implementation

42% of SMBs taking part in the survey have a Managed Print Service (MPS) contract in place with a further 40% planning to put a contract in place within the next 12 months. Only a small minority of companies do not expect to move to a MPS contract in the foreseeable future. By the end of 2018, the overwhelming majority of SMBs will have some form of contract in place.

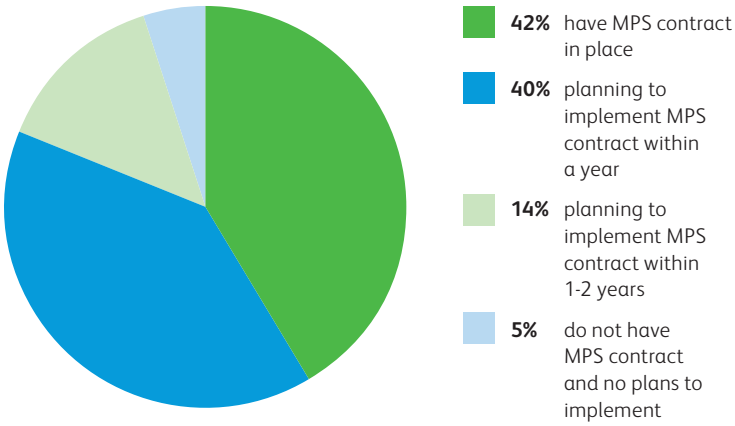


Figure 6 – Managed Print Service contracts

## Satisfaction with MPS

Companies that have a managed print services contract in place report very high levels of satisfaction across a range of expectations including service quality, reduction in paper consumption, and cost (savings) of the service meeting or exceeding expectations. For example, 37% of SMBs report that the service quality exceeded expectations; 26% said the cost of the service positively exceeded their expectations.

The top benefits of a MPS contract include (percentage saying a major benefit):

- Reduced costs (48%)
- Reduced paper consumption (47%)
- Improved tracking of print costs (42%)
- Improved document workflow (41%)

Less than one in five of the SMBs taking part rated any of the potential benefits of a MPS as being of no benefit at all the lowest rated was 17% for reducing help desk calls. It is clear that those SMBs that have moved down the MPS route are seeing great benefit from it.

## Print Purchase Preferences

48% of all SMBs surveyed buy their printing devices from the local print reseller/office equipment dealer, the channel most preferred [44% (US), 47% (UK), 49% (France), 55% (Germany)]. Outsourced IT services provider is the second preference with 38% overall. Overall 13% of SMBs – 22% (US), 10% (UK), 9% (France), and 8% (Germany) – buy from the local office superstore/retailer/online. 65% of respondents spend more than $1,000 per month for printing including hardware/toner and service but excluding paper.

In terms of where SMBs prefer to procure their software and solutions, no single channel dominates. Moreover, the channel they prefer varies with the type of software and solution they are procuring. For example, 38% of SMBs would buy customized applications for a device from an office equipment dealer while the same proportion would buy from the manufacturer. For MPS, there is a preference to buy from the IT reseller as opposed to the office equipment provider.

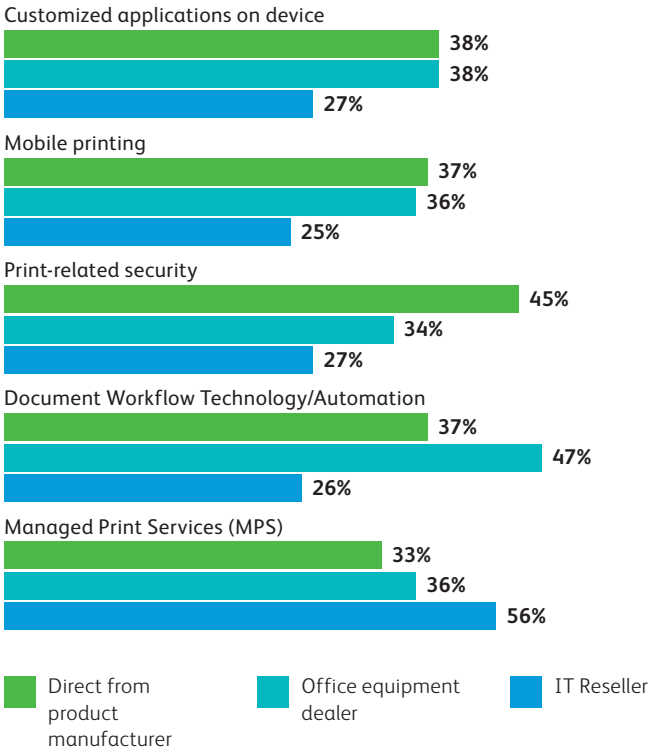


Figure 7 – Preferred channels for the purchase of key software and solutions

The top skills that SMBs seek in a third party workflow solutions/technology provider (Figure 8) include:

- System integration skills
- Full MPS service provision
- Software development capabilities
- Pre-sales consultancy and support
- Certifications

The first three of these skills are far more important to US SMBs than European SMBs.

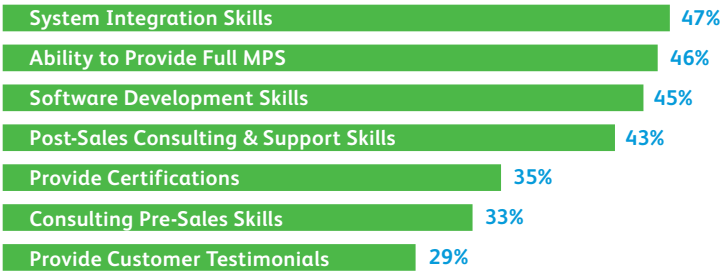


Figure 8 – Skills/abilities expected in a workflow solution/ technology provider

As SMBs prepare to digitize their paper process, most will turn to outside expertise for help since only one in five respondents are aware of existing paper-free solutions in the market.

In terms of the channel from who to purchase Document Workflow Technology/Automation, the study shows that 47% will look to their office equipment dealer for help in workflow and automation, 1 in 4 will look to their IT Reseller and 37% will turn to the product manufacturer.

# Conclusion

It is clear from this extensive review of SMBs priorities, workflows and buying habits that things are set to change as SMBs seek to embrace workflow change, eliminate paper-intensive processes and move to digitization.

With 81% of SMBs saying that they plan to improve some of their current document workflow processes in the coming 12 months, SMBs are also looking to embrace the concept of Managed Print Services with the vast majority looking to have a contract in place by the end of 2018. Benefits they seek include cost reduction, reduced paper consumption and improved workflows. SMBs currently have far too many paper-intensive processes (only 1% report they have no paper-intensive processes) and an average SMB has four paper-intensive processes, which adds to cost and complexity.

46% of SMBs confirm that they waste time every day on paper-intensive processes, so it is clear they could save money by streamlining and digitizing these processes. Despite the saving potential, only 28% of SMBs report that they are well advanced in the transition to digitization. Great movement in this area is expected in the next few years.

In terms of security, 57% of SMBs say they find value in having a printing security assessment from an office equipment dealer. By the end of 2017, 23% of SMBs believe mobile devices will be completely integrated with their workflow processes.

As SMBs prepare to digitize their paper processes, most will turn to experts for recommendations since only one in five respondents are aware of existing paper-free solutions in the market. The study shows that 47% will go to an office equipment dealer, one in four will look to their IT reseller and 37% will turn to the product manufacturer.

This all leads to a market that is changing rapidly, eliminating unproductive or paper based processes while moving towards digitized workflows.

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