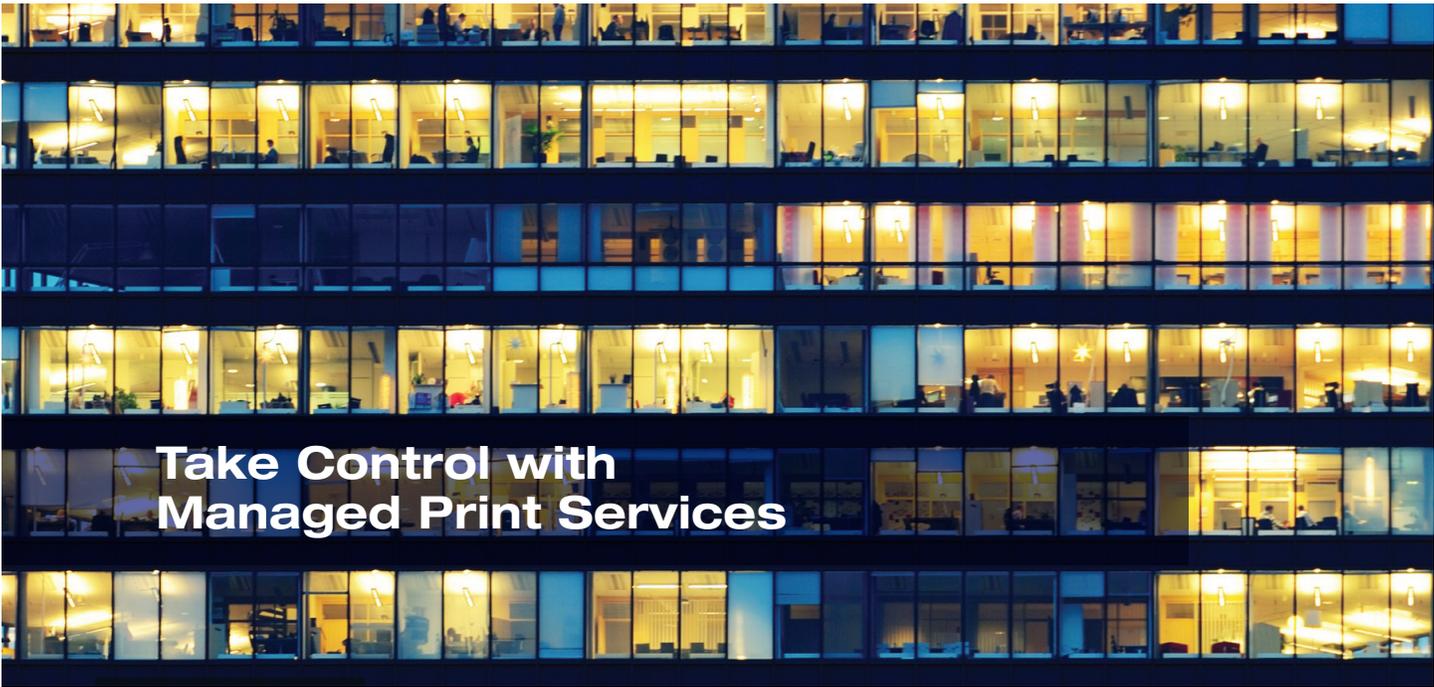




**Take Control with
Managed Print Services**



Take Control with Managed Print Services

An often overlooked, yet significant, expense for most companies is the cost of printing.

Managed Print Services (MPS) is a powerful strategy for reducing overall print costs and has been gaining in popularity over the past few years.

Why? There are many reasons.

According to the Photizo Group, a research and consulting firm in the imaging industry, the typical large corporation using Managed Print Services programs, on average, enjoys the following benefits:

- \$1 million in print-related costs saved annually (30% of total hard copy costs)
- 60% reduction in carbon emissions
- 10% of IT staff time freed from print-related support activities
- Improved employee productivity
- Improved print infrastructure

The Basic Principles of MPS

An MPS program varies depending upon the size of the enterprise, but the basic principles remain the same. They are:

- Workflow optimization
- Fleet optimization
- Fleet standardization
- Ongoing fleet management
- Pay-by-usage

The benefits of implementing MPS strategies include:

- Reduced printing
- Improved employee productivity
- Improved print output
- Lower IT costs

The Basic Principles of MPS (continued)

Workflow optimization

At the beginning of an MPS partnership, or even before an agreement is signed, the MPS provider performs a workflow study. This includes an audit and evaluation of what printers and copiers exist in an organization, as well as an evaluation of the organization's production needs, which software applications are used, output quality requirements (print type, color, large-format, etc.), common deadlines, and other factors.

Print-device discovery and analysis software is used to determine machine inventory, printer-use volumes and related print software. The complete study produces valuable information needed to correctly determine the equipment needs of an organization.

The study often also unearths any disparity in processes within a company, creating an opportunity to standardize workflows. Moreover, with the rapid pace of technological change, it is not uncommon to find that new and better approaches to tasks are available. A fresh look at an organization's print-related processes can result in significant savings. For instance:

- Converting invoices to PDF and emailing them vs. printing and mailing, a conversion which saves significant print, labor, and postage expenses
- Utilizing batch-plotting utilities rather than single-file print operations, which saves time, improves quality, and standardizes print output
- Electronically transmitting documents and printing closer to the destination, rather than using overnight shipping services. This saves the labor of packaging, as well as the overnight-shipping costs. In many cases, it's possible to deliver the same day, reducing project time and, hence, project costs.

Fleet optimization

Once a workflow optimization study has been completed, an MPS provider reviews equipment assignments for each department, location, or employee. Equipment is assigned and deployed based on demonstrated need and unnecessary equipment is eliminated or deployed more appropriately.

MPS providers have the expertise to know which piece of equipment is best suited for each environment, based on equipment capabilities, durability ratings, and experience working with the many on-site print installations that they manage, service, or install.

Fleet standardization

By standardizing on a single equipment provider, companies minimize the need to order dozens of different inks, toners, and maintenance parts. Firmware and print driver updates became easier when the IT staff has to deal with a smaller number of variations, and they were able to use software deployment tools to keep all devices current at all times.

The benefits of equipment standardization are often seen only indirectly but they are powerful. For smaller firms, the simple effect of minimizing IT time by standardizing on a printer model may translate into hundreds or thousands of dollars in reduced IT consulting costs. More time and money can then be spent on revenue-generating projects.

Standardized equipment reduces training requirements and consumable inventory, as well as the maintenance and warranty challenges associated with printing. It also improves employee productivity by minimizing frustration and lost time due to unfamiliarity with certain equipment lines.

Ongoing fleet management

MPS providers use sophisticated software to ensure that fleets remain optimized as business needs change. When strategic or operational changes occur within an organization, it is important to recognize that the printing needs of a location or department may change also.

Because companies typically view printers as asset purchases, very little thought is given to how print requirements might change should a department or company offer new or different services. Often, an organization will make do with existing equipment, or add another device. In this way companies gradually become wasteful with their printer usage. For the vast majority of firms, this organic process is outside standard budget analysis and therefore often goes undetected.



With an MPS program, however, equipment is moved around departments and locations as needed, or replaced as part of the service agreement with the provider. The

best MPS agreements offer customers flexibility, not commitment.

Fortunately, the printer and print-tracking software used during this maintenance phase is generally priced in a scalable manner and can be used even by firms with just a few people. Regular reviews of the reports generated by this software allow for the printer fleet to be adapted appropriately. Simply tracking and reporting an organization's printing instigates cost-saving efforts and can result in up to 15-20% in cost reductions. For companies with clients reimbursing them for print costs, this can lead to significant savings and frequently profitability for the print room.

Pay-By-Usage: It's About Service, Not Machines



A key difference between an MPS program and traditional equipment purchases is that with MPS printing is treated as a service and not an equipment sale.

An MPS program is structured so that a significant part of the cost is based on employee print usage. These programs often include a small base fee, plus a variable cost for each

print from the devices. Equipment becomes incidental to the service of providing the print and can be replaced with bigger or smaller equipment as required.

By structuring an MPS agreement this way, the costs associated with printing scale up and down based on a company's print activity. When slow business cycles occur, a company pays a lower cost instead of the fixed cost associated with buying printers outright.



ARC MPS

ARC offers comprehensive MPS on-site, off-site, and virtually — making it unique in the MPS field.

We leverage our more 350 national service centers and global partners to print and manage documents just about anywhere in the world. The result is that ARC can manage the entire document workflow for our clients, regardless of origin or print run length. The benefit to ARC clients is control.

ARC sees all opportunities available to their customers for cost reduction and greater efficiency. This is rarely done by placing more machines, therefore ARC MPS is agnostic toward manufacturers and has an unbiased approach to equipment placements.

ARC MPS Consulting Methodology

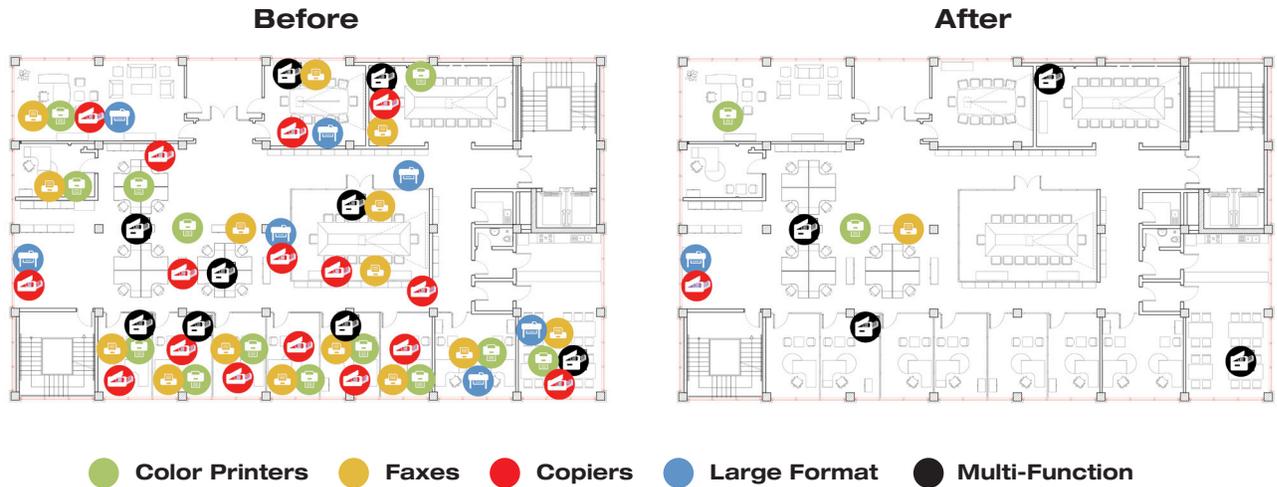
ARC identifies the client's challenges with the following processes:

Ten Good Questions Asked. The goal is to identify where processes break down, shine a light on hidden costs, determine the current providers for all related print services, assess the bottlenecks in the current workflow, learn about the current invoicing process and how it is handled internally at the customer location(s), aim to establish a current spend, and listen to the client outline the need for a managed solution. A 30-day network audit and on-site physical audit by our local divisions follows this engagement.

Solution Presented. In this step, ARC configures a custom solution for the client. An account executive and an integration manager work together to review the qualitative and quantitative data collected during site visits and on the network. They review existing equipment capabilities, locations, utilization, age, and cost. They also look at the client feedback from prior meetings and on-site visits and factor that into the analysis. When they have gathered all the data, they design the new fleet. The new fleet may consist of a mix of existing and new devices, but the goal is always to optimize the environment to be as highly functional as possible, while reducing the number of devices, centralizing the workgroups, and enhancing the capabilities over the previous fleet. The end result is a custom environment built for the client.

ARC MPS Consulting Methodology (continued)

Here is an example of a floor plan before and after optimization



Accompanying the new fleet configuration is a “Report Card” that benchmarks the client’s print environment and demonstrates what the ARC solution can bring in terms of savings, optimization, and process improvement.

The “Report Card” may look something like this>

Audit Report Card Example

Expense Categories	Current	Managed
Paper per Sheet	\$0.0150	\$0.008
Toner per Impression	\$0.0060	\$0.0058
Monthly Fee (Software)	\$150.00	\$125.00
Monthly Fee (Machine)	\$255.00	\$200.00
Electricity per Machine	22K kwh	18K kwh
Copies per Employee	3:1	8:1
Black & White vs. Color Machines	2:1	3:1
Carbon Output per Month	320 tons	190 tons
Space	9500 sq ft	7500 sq ft
Total Impressions	XXX,000	XXX,000
Cost per Employee	\$X,000	\$X,000
Savings Percentage		15%

The goal of the solution presentation stage is to present the custom solution, highlight the benefits of ARC, as well as to benchmark a starting point from which we can evaluate the success of the program in future Quarterly Business Review meetings with the client.

Once the agreement has been authorized, the ARC integration team becomes fully engaged. An Implementation Schedule is created which outlines all tasks related to the roll out of the program. The goal is for full visibility, open communication, and task management.

ARC MPS Consulting Methodology (continued)

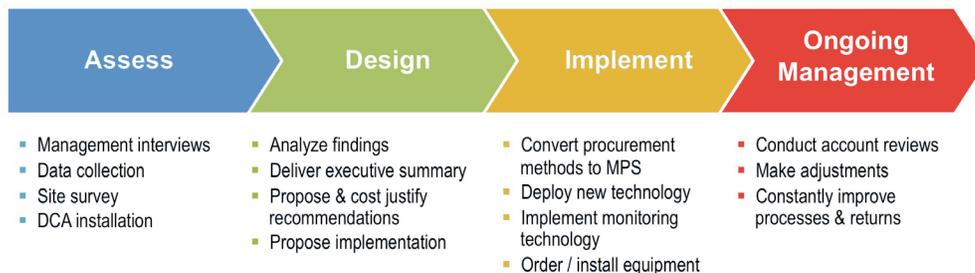
A fully implemented ARC MPS solution includes the following:

- 1. Fleet Ownership.** We purchase all existing print devices, assume all open leases, and purchase all existing consumables from the client.
- 2. Fleet and Service Management.** We constantly monitor the network of print devices and provide real-time metrics on utilization, service requirements, and toner levels. We tie this data into our fleet management software that triggers alerts to the appropriate ARC division for timely responses to service calls and automated toner ordering. We also create a customer portal that enables the client to place orders for consumables, request service, order jobs from the shop, and stay abreast of news at ARC.
- 3. Global Tracking.** All print work done in the client's location is tracked by our internally developed cost-recovery solution, AbacusPCR.
- 4. Management/Optimization.** The final, and longest stage in ARC's MPS program is the ongoing management of the client enterprise. This is where ARC is able to bring more value and more solutions to further improve our client environment. We do this through constant contact, open communication, and by utilizing our local teams and global tools.

Clients experience the following as the relationship moves forward:

- **Optimization.** Monthly and quarterly we study the metrics to gauge the state of the fleet. The goal is always to have the right device in the right place for the client, and ARC is sensitive to the ever-changing requirements of a client facility.
 - **Quarterly and Annual Business Reviews.** Every three months, we sit down with the client for a business review. There are typically two parts to these meetings — review and roadmap. We measure usage, spend, and ROI based on the initial benchmarks. We review successes and highlights of the previous quarter and also look back at the previous roadmap to ensure we hit the targets expected.
- 5. Global Invoicing.** Client invoicing is centralized in our billing system. The system is populated with the same data used in AbacusPCR, so that all off-site billing done in our ARC shops uses the same project and employee data available at the client site in AbacusPCR. This creates a consistent record of data that when meshed with the information captured in AbacusPCR allows for a single, consolidated invoice to be delivered to the client at the desired interval (weekly, bi-weekly, or monthly). All data is uniform and validated from all locations, on-site and off.

ARC MPS Consulting Methodology



ARC MPS Is Unique

As a services company, we position MPS as an organic extension of our long history in document services. The difference with MPS is that we now provide document services in the client's environment in addition to our own.

ARC MPS is a turnkey solution that is completely outsourced, fully managed, and constantly optimized for each client. To us, MPS means a scalable and monitored print infrastructure, which manages all print expenses and components in order to provide ongoing cost reductions.

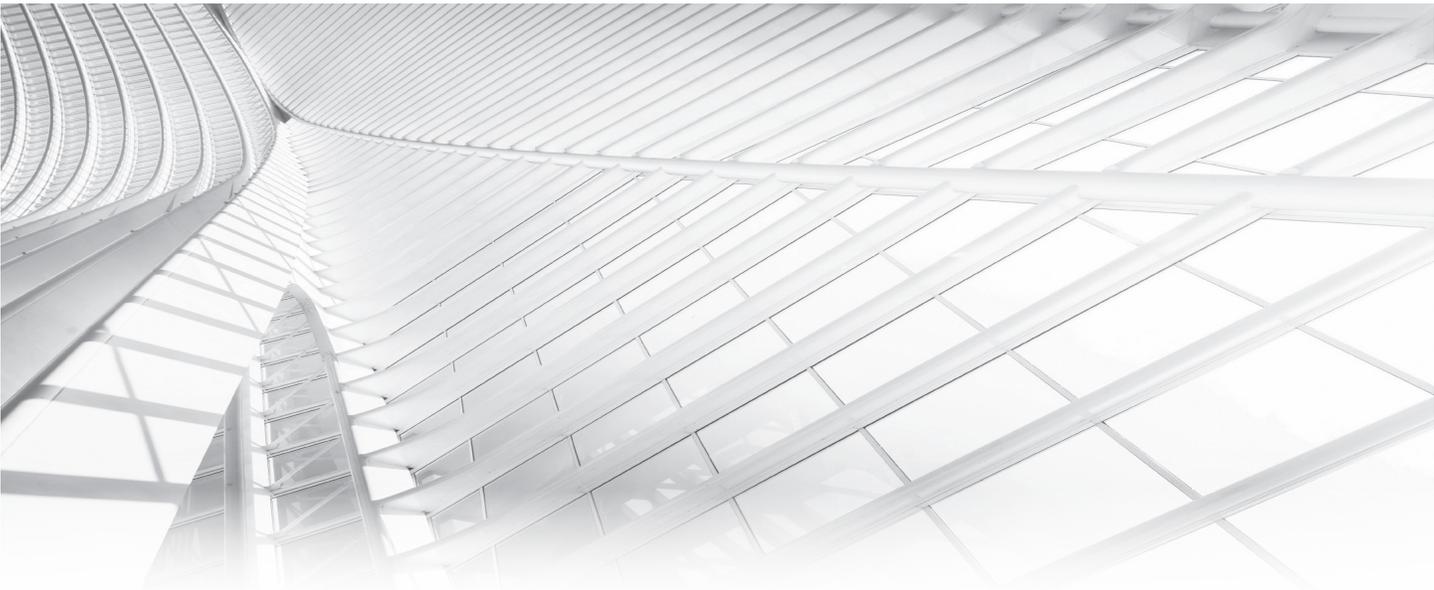
Unique to ARC MPS are these five key practices:

- 1. Vendor neutrality.** We select equipment lines based on capabilities and “best fit” rather than supporting any one line or vendor.
- 2. True needs assessment.** We look at all facets of on-demand print services and suggest ways to achieve the greatest efficiency.
- 3. On-site, off-site and virtual solutions.** We are not a network of partnered companies, but a full-service business-to-business provider of equipment, services, supplies, and outsourced printing.
- 4. Comprehensive click.** Our click price includes the equipment, toner, ink, and paper. It also includes installation, de-installation, monitoring, optimization, cost tracking (AbacusPCR) and consolidated invoicing. To top it off, there are no minimums and no terms per device — we correct fleet size when necessary, not when the lease or term is over. Clients can scale up when they are busy, or scale down when they are slow, all without penalty.
- 5. National pricing.** In most cases, our rates are the same at our client's locations and at any ARC shop, which promotes healthy workload balancing (send the big jobs out to our shop, keep the small ones on-site). Further, standardized pricing provides FAR and CAS compliance for federal work.

Our Relationship with the Architecture, Engineering, and Construction Industry



For more than 100 years, ARC has been providing document services to the Architecture, Engineering, and Construction (AEC) industry, where documents and their proper, timely, and efficient management are exceptionally important. By combining our global footprint, our buying power as one of the largest consumers and resellers of print hardware and media, and solutions from ARC Technology — which builds software and utilities for document management, logistics, and cost recovery — ARC is able to build custom solutions for business-process improvement for our clients.



Document Solutions

About ARC

ARC is a full-service document solutions company, fulfilling AEC, corporate, retail, and personal document needs.

We are headquartered in California, with service centers in 42 states in the U.S., three provinces in Canada, 12 locations in China, and locations in the U.K., Hong Kong, Australia, and India.

Although ARC is an international company, we offer local, personalized service. By leveraging our size and work volume, we're able to provide our customers with the highest levels of quality and service in the industry and at the most competitive rates.

Through a one-on-one approach, we tailor our services to meet the needs of each client and guide them towards the solution that provides for their particular needs.

Our mission is to deliver our customers' time-critical information whenever they want it, wherever they want it, in whatever form they want it.

