

## THE MANAGED PRINT SERVICES CORNER

### MANAGED PRINT SERVICES: FACT VS. FICTION

#### *Do You Have the "Facts" to Run Your MPS Business?*

By Ed Crowley, Sr. Partner, The Photizo Group

**F**act or Fiction? Winning the assessment for an MPS agreement provides you with a 'lock' for winning the MPS account.

**FICTION:** While it is true that providing an assessment is typically 'table stakes', the Photizo Group study of MPS engagements in North America and Western Europe shows that, on average, assessments will only turn into engagements 52% of the time!

**IMPLICATION:** Clearly, in order to be considered, you will probably have to offer an assessment. However, don't assume that the assessment provides a lock on the business. Firms are finding that by charging for assessments they can sort out which customers are 'serious' versus which customers are just shopping on 'price' or gathering data to support a Request For Proposal. Understanding the true potential 'win rate' based on the number of assessments completed is key to producing a reliable sales forecast.

**Fact or Fiction? MPS is only for very large businesses.**

**FICTION:** The truth is that companies with 500-999 employees representing the fastest growing segment of the market. MPS business in firms with 1,000 or more employees is also growing, but not at the same rate.

**IMPLICATION:** When targeting your MPS programs, it's critical to understand who is the most likely target for your services and to target your sales and marketing efforts at these companies. If you target the wrong group, you may actually miss more lucrative prospects or spend too much time chasing a very limited number of opportunities.

**Fact or Fiction? Many firms have tried MPS, but have quit after being dissatisfied with vendors' capabilities.**

**FICTION:** No, the MPS customer "well" has not been poisoned by users having poor experiences with MPS vendors. The reality is that over 92% of all MPS customers continue to use MPS after the first engagement. And among these MPS customers, the satisfaction level with their MSP vendors is actually very high!

**IMPLICATION:** First, customers will typically actually have

had a good MPS experience. So you may not have to sell the benefits of MPS that hard after all.

However, the high level of satisfaction with incumbent vendors means it will be tougher to 'dislodge' that customer from their existing vendor.

The reality is that every businessperson needs fact-based insights to run their business. Is following your "gut" important? Sure it is. Like every other business owner, there have been times when I've followed a hunch or insight, and it turned out to be a great idea. However, time and experience have taught me that it is critical to filter this internal instinct with fact-based analysis and insights which either validate or disprove my gut reaction.

**Why shouldn't I just follow my intuition?**

There are several problems with simply following intuition. First, your intuition is based upon your experience, your internal data bank, and the data points you have had either through second-hand stories or through your direct experience with a limited set of customers. This limited experience can lead to a sort of "tunnel vision" which can result in your ignoring or never seeing information which is critical to the decision. My favorite example of this comes through in the following story:

An aircraft carrier Captain is entering a harbor when he sees another ship's light through the thickening mist. The Captain radios the other ship and says, "Sir, you need to alter your course by 10 degrees in order to avoid a collision."

The other ship replies, "No sir, you need to alter your course 10 degrees."

The Captain, who is accustomed to a certain degree of deference to his orders, then states, "Sir, I am Captain Smith of the United States Aircraft Carrier New York. I advise you to alter course immediately."

The other ship replied, "Sir, I am Ensign Jones of the Lighthouse Point Charles. And I advise you to alter your course.... immediately!"

The point of this story is that, of course, your set of information may be limited. And as a result of this limited information, you may make a decision which "runs you onto the rocks".



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### FACT VS. FICTION

*Do You Have the “Facts” to Run Your MPS Business?*

#### Data Based Insight Is Too Expensive, Isn't It?

The short answer is that good information is seldom “free”. Yes, there is an ocean of “facts” available, among other sources, through Google and the Internet. However, often times these “facts” are no more than opinions packaged and presented to appear as facts. Information is basically subject to the same rules as any other commodity. You get what you pay for.

However, at the same time, good information does not have to cost an arm and a leg. There are several good tools for relatively inexpensive information regarding the MPS market including (at the risk of contradicting myself) a few free resources.

#### • Conducting your own survey:

You can conduct fairly inexpensive surveys of your customers and prospects using commonly available tools such as Survey Monkey (see [www.surveymonkey.com](http://www.surveymonkey.com)).

If you don't feel comfortable conducting your own survey, one idea is to partner with a local college or university. Conducting a “real” research survey can be a great assignment as a class project, and many local college professors are willing to work with local businesses in developing and executing these surveys.

#### • MPS Insights Journal:

(Disclaimer – my firm publishes this journal.) This Journal provides in-depth of coverage of market trends, customer profiles, best practices, and even reviews of software and MPS infrastructure vendors. <http://www.managed-print-services.com>

#### • Multi-Client Research Studies:

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These studies can be a great source of cost-effective insights into specific MPS issues and topics. In fact, in some cases, manufacturers' co-op programs will even pay for these resources.

**• Research Firm Webinars:**

Most research companies offer periodic free webinars which you can participate in at no, or low cost. While the firms' ultimate goal is to get you to purchase research or multi-client studies, these can be an excellent source of information.

**• Industry "Expert" Blogs:**

There are several very good blogs by experts in the industry including:

**• Death of the Copier:**

<http://thedeathofthecopier.blogspot.com/>

**ChangeForge:** <http://www.changeforge.com/>

**• Printer Industry Blog:**

[www.printerindustry.blogspot.com](http://www.printerindustry.blogspot.com)

**• MPS Resource Sites and Social Networking Sites:**

**• Managed Print Services Web Site:**

<http://www.managed-print-services.com/articles.htm>

**• MPS Group at LinkedIn:**

[http://www.linkedin.com/groups?gid=1308227&trk=hb\\_si\\_de\\_g](http://www.linkedin.com/groups?gid=1308227&trk=hb_si_de_g) or utilize the link to this group at [www.managed-print-services.com](http://www.managed-print-services.com)


**How to Evaluate Information**

Clearly there are a number of resources available to develop good, data-backed insight into the MPS market. However, it is important to look at all information with a critical eye and to ask a few basic questions including:


What is the source of this information? Is it a market-based study? Is it opinion? Opinions are okay, but understand that anyone's opinion includes certain biases and may or may not be accurate. It is particularly important to answer this question for information obtained from the Internet. Just because it is on the web doesn't mean it is credible or valid.

If it is based on a study, how large is the study? Anything less than 32 respondents should be viewed with caution and is really "directional" versus being statistically significant. The sec-

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One question is whether the respondents to the study are representative of the target market. In other words, I can ask a group of 50 basketball fanatics about their favorite pro football team. This would be a statistically significant set of respondents (sample), but it would not be representative of pro football fans!

Can this information help me make better business decisions? In the end run, it is all about making decisions and managing risk. Will this information help you make better business decisions?

The bottom line, to me, is that business information is critical. Trying to run your business without adequate market information is a little bit like trying to drive without a gas gauge, speedometer, rearview mirror, or oil gauge. Can you do it? Sure you can. Are you likely to have an accident as a result? Absolutely! So be safe. Make wise investments in information which will help you navigate the complex and ever-changing world of Managed Print Services.

Would you like to learn more about your dealership's status relative to the competition? Sign up for our dealer panel and receive a free copy of the *MPS Insights Journal* to find out how your business compares to those of other panel participants. Visit our web page at <http://www.managed-print-services.com/dealerpanel.htm> to learn more about the panel and to apply to become a member. ♦

*The Photizo Group is the leading research and consulting firm in the area of Managed Print Services, conducting research and publishing reports and analyses, assisting clients in the implementation of successful go-to-market strategies and programs. With an extensive background in writing, public speaking, and market analysis, Mr. Crowley is a leading expert in the MPS field. The Photizo Group is hosting the industry's first MPS Conference on April 26-28, 2009 in San Antonio, Texas. For more information go to Photizo's website at [www.managed-print-services.com](http://www.managed-print-services.com) or call the firm at 859 873 4518. Ed Crowley can be reached via email: [eacrowley@photizogroup.com](mailto:eacrowley@photizogroup.com)*

**Disclaimer:** The author is the founder of a business intelligence firm, so he is firmly biased in favor of running a business using insights based on data, not just the individual's experience or anecdotal information. Also, the author spent over 20 years in key management positions making make-or-break decisions both with and without good data-based insights. So his view is not a 'hypothetical' position, but rather a practical one based upon a career in the industry and the school of (more than a few) hard knocks!

\* These "Fact or Fiction?" statements are derived from the



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Photizo Group's popular "Photizo Facts" bi-weekly emails. The emails are distilled from analysis of the firm's exclusive MPS Tracking Study in North America and Europe. This is the industry's only ongoing study measuring MPS decision makers' views of MPS brands and the MPS purchase process. please sign up at <http://www.photizogroup.com>.

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