Jim Rempel
The Print Operations Group Inc.
Calgary, Alberta, Canada

Ph: (403) 870-2756
e-mail: Jim.Rempel@PrintOpsGroup.com

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LA County Assessment 800 May11.doc

Los Angeles County … Distributed Print Assessment

Project … Engage an independent print consulting firm to build a *unified* and *integrated* organization-wide print strategy that will address end user requirements and identify cost reduction opportunities.

Objectives … Document current output related costs. Benchmark the current state of the LA County print environment to comparable organizations. Identify areas for improvement and optimization. Create a best-in-class output strategy and quantify cost reduction opportunities available.

Scope … The scope of this assessment included a review of the distributed fleet of printers, copiers, fax machines, plotters, scanners, and multi-functional devices. The assessment includes an overview of the metrics used to track current "green" initiatives.

Current State Findings …

1. An organization-wide print strategy supported by governance and/or policy to effectively manage hardware life cycles and end user expectations is missing. Acquiring technology over time without a clear decommissioning process has generated a lack of output technology standards. LA County has 306 different types or models of output equipment. The industry benchmark range is 43 to 67.

2. The ratio of staff to office equipment is 2.2 to 1. Top performers are targeting 8 to 1. A third of all output devices are small, older and more expensive desktop units (limited opportunity to share).

3. At an average of $0.050 per page, distributed print costs are 35% higher than the industry average. Distributed color printing accounts for 36% of the total cost of distributed printing.

Opportunities for Improvement …

1. **Output Strategy** … Strategy, governance, standards, structure, and policy will provide cost effective and efficient guidelines for the entire organization to follow with respect to the selection, deployment, and sustainment of hardware, software, and all output related services.

2. **Sustainment Program** … A well structured sustainment program will ensure consistent measurement of key performance indicators that can be used to build awareness and visibility of print related costs within departments (i.e. continuous improvement, benefits realization).

3. **Awareness and Education** … Improved awareness and education will lead to increased levels of accountability and responsibility with respect to the number of output devices, the type of technology selected, volumes generated, total cost of ownership, and "green" initiatives.

Financials

- LA County currently spends $35.6 million per year to support the distributed fleet of 43,426 output devices. Optimization efforts will reduce the annual cost to $25.9 million.

- The $48.7 million 5-year savings opportunity represents a 27% cost reduction in operating cost and a 57% device count reduction. Update → As of March 2017, savings will exceed $50 million.

- It is recommended that LA County utilize an all-inclusive price per page services model. Proposed financials *include* the funding for $50 million in new equipment. (i.e. 87% new technology)

- $10.8 million per year in "green impact" costs have *NOT* been included in the financial analysis.

Contact   John Arnstein (Senior Associate)   CEO's Office