

# How to Take Your Print Fleet from CAPEX TO OPEX



**The general rule of thumb is to use capital expense for static investments, and operating expense for fluctuating costs. Rapid advancements of print fleet technology are changing the thinking of the distribution of investments along these two lines, as future technologies and resulting business requirements are more difficult to predict.**

## **PRINT IS THE THIRD MOST EXPENSIVE OPERATING EXPENSE**

It's worth considering leasing your print devices and incorporating managed print service programs moving from CapEx to OpEx instead of buying the devices and paying time and materials for consumables and repairs.

## **WHAT ARE THE BENEFITS OF MOVING TO OPEX?**

Leased devices give you greater flexibility. You'll be able to cut costs, since you only need to pay for the capacity you need, and you'll still have the ability to scale as your company grows and changes. New services can be bought and deployed quicker too.

By moving to OpEx, you'll also be able to decrease the risks of infrastructure overcapacity, and improve your cash flow by optimizing for your specific organizational needs. You can keep costs fixed and predictable, which is a major benefit of leasing combined with a managed print service program.

Increased organizational productivity is important, too. With the rise of mobile devices, it has never been more important to use compatible print machines that support the move towards smartphone and tablet usage in the office. Also, the advent of digital document workflows is becoming an important requirement for

many companies that have the need of better control and organization of their documents. Companies using these and other newer technologies have the advantage of efficiency and speed over those that don't. Newer devices reduce energy costs as well.

There are several other financial benefits to the OpEx model including:

- Less need to borrow cash. Operations can finance expenses quicker.
- Fewer items to track and account for on your balance sheet.
- Tax considerations — a fixed tax-deductible cost saves you from having to follow a complicated device depreciation schedule.

## **WHAT ARE THE CHALLENGES OF MOVING TO OPEX?**

In the past, companies bought the necessary technology. But all too often, purchasing has been done in departmental silos instead of as a holistic organizational unit. It's not uncommon for line of business management, IT, and purchasing departments to all have a hand in buying print devices. Because of this, it's difficult to know how many print devices the



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organization has or how they are used. As result, print fleets often aren't as optimized as they could be.

Few companies track their hardcopy costs, and most don't understand the spending on document production, management, administration and purchasing. These costs can be quite significant.

Most also are not clear on the costs of systems, applications, helpdesk support, logistics, legal aspects, warranties and the continuous monitoring that's required for what likely has become over time a mix of many brands and models of print devices.

Internal assessments are unlikely to recommend the optimal system for your organization unless the staff has specific expertise in print fleets.

## HOW TO GET STARTED MOVING FROM CAPEX TO OPEX

Most organizations aren't aware of the hidden costs. They don't have a way of tracking device usage or purchasing behaviors, and they don't know what steps to take to reduce costs and improve their print fleet.

To begin, have a complete, professional assessment of your print fleet conducted by a reputable business technology provider like INNOVEX. We will make an inventory of your print devices along with an overview of your contracts and leases, print volumes, color vs. black and white usage, and other actual print costs such as toner supply purchase history. Discuss your future business plans with us as well so that your future needs are considered and included in applicable recommendations.

Recommendations will include an optimized print environment, suggestions on best practices, print controls (if necessary), and information regarding newer technologies that will make your business more efficient.

## CONCLUSION

Deploying a print fleet is more than just catering to, and meeting, your immediate business demands. It's about being aware of how to improve your current workflows, understanding future business plans and using devices that are well-matched to your objectives and needs.

When many different departments are separately involved in buying, and purchases are made to solve an immediate need, they could actually be creating more problems in the long run than they are solving in the short term.

A thorough assessment of your company requirements will prove beneficial and will allow you to optimize your fleet. The OpEx model will ultimately result in major cost savings and productivity benefits for your company.

## ABOUT INNOVEX

Technology is at the heart of every business organization. We are the single source developed to support your entire technology infrastructure, from your document systems to your servers — our focus is you.

Whether you use our Technology Products, Managed Services, or IT Professional Services, our integrated offerings simplify your business' operations, giving you the efficiencies you value. We stay current in technology that constantly changes, and are committed to providing you service excellence.

A 50-year-old independent, locally-owned company, we're also one of the fastest-growing companies.\* We are here for you now and will be in the future.

\*Providence Business News' Book of Lists, 2016

