CATEGORY STRATEGY

PRINT & POST SERVICES – DRAFT
MARCH 2018

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Executive Summary

Category Goals and Vision

- Move to a solution which supports flexible working and drive a paperless approach across the Council.

Business needs and Priorities

- Reduce overall costs to meet budgets by 31st March 2018 for both D&PSS and Print Out.
- Other areas with similar budget pressures.
- Current MFD contract ends December 2018.
- Flexible working due by Oct 2018 to support PH decant.

Category Strategy

- Joined up, cross-council approach to print and other related activities, e.g. mail / distribution, etc.
- Review current combination of in-house and outsourced and determine if this is still appropriate.
- Review and assessment of relevant market opportunities.

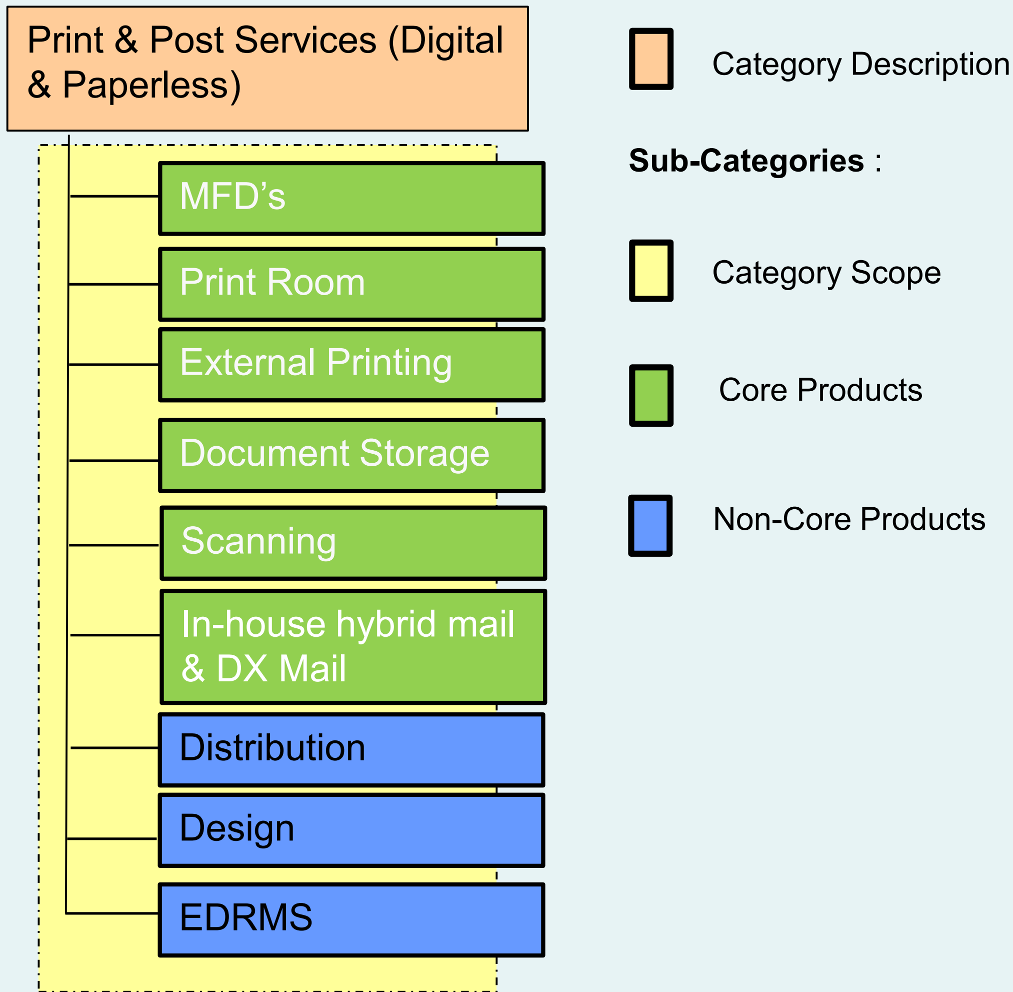
Opportunities

- Economies of scale and category expertise through spend being through defined channels.
- Demand reduction for paper through new ways of working.
- Review processes as we determine specific business needs / implementation

Objectives	Key Activities		
	Year 1 (2017)	**Year 2 (2018)**	**Year 3 (2019)**
Service delivery re-design to coincide with NWOW from Oct 2018.	• Get defined approach on budget proposals / challenges • Get go/no go for budget centralisation by CB with D&PSS overseeing across the Council as part of strategy	• Approach to market and procurement; new contract start	• NWOW / paperless technology fully implemented.

Category Scope

Category tree



Category scope

The scope of this category approach will cover determining a requirement which is attractive to the market and which fits with Future Ealing (FE) and New Ways of Working (NWOW), e.g. hybrid mail, other forms of document management that supports move to paperless

It will focus upon future proofing technology whilst also rationalising the number of applications and ensuring they are open source as far as possible.

Business need and Strategic fit

Overview of the business need

- Ensure service continuity when current contract ends;
- To deliver to NWOW and Future Ealing proposals, dependent on full analysis of current user needs in line with overall Council strategy;
    - Including move to paperless where possible and supporting more mobile workforce
- A flexible digital and print solution that meets future requirements as well as current ones;
- A solution which drives digital transformation across the Council.

Strategic fit

Priority	How priority will be delivered
Future Ealing - *a growing economy creates jobs and opportunities for Ealing residents to reduce poverty and increase incomes*	Any supplier will be asked to outline how they will provide apprenticeship or similar training opportunities as part of their offer.
Future Ealing - *the borough has the smallest environmental footprint possible*	Any supplier will be asked to outline how they will reduce the carbon footprint associated with any print & post solution. Recycled paper will be used in MFD’s
New Ways of Working – *digital approach, paperless and remote working*	Support through a flexible, innovative approach which drives behaviour change and move to paperless through process re-design where required

Current Position and Spend Analysis - Print

There were a total of 55 suppliers used in 2016/17

Supplier Name (£15k +)	16/17 Spend
THE DANWOOD GROUP LTD	£703,471
WYNDEHAM PETERBOROUGH LTD	£64,455
AGC PRINT SOLUTIONS LIMITED	£63,666
FCS LASER MAIL	£59,627
GEMINI PRINT SOUTHERN LTD	£46,398
EURO LABEL PRINTERS LIMITED	£35,473
GREENFORD PRINTING CO LTD	£31,801
MPC PRINT SOLUTIONS	£28,067
BOI CREATIVE LTD	£24,678
FIRST MOVE MARKETING SERVICES LTD-POSTAGE	£23,332
ABACUS DATA AND MAILING LIMITED	£21,388
SEVEN DEGREES MARKETING SERVICES LTD	£17,505
IAN STUART PAPE	£15,583
RUISLIP PRESS T/A EVOLVE PRINT SOLUTIONS	£15,449

Large tail of spend with external suppliers, including for non-print services such as design. Some managed centrally via PrintOut, others direct from service areas

SWOT Analysis

STRENGTHS	WEAKNESSES
• *Pan London contract for post: confirmed by recent review as well managed* • *Some strong relationships with service areas (although not across all of the council)*	• *Floor space in prime site currently being used for in-house print & post services* • *Lack of full knowledge of local processes in services and overall council service requirements* • *Split service provision: services use own suppliers, Print Out and Reprographics*
OPPORTUNITIES	**THREATS**
• *Burning platform to move to more paperless and New Ways of Working due to move from Perceval House* • *Print Out desire to collate all requirements to ensure appropriate design & council message* • *Move of market in the same direction as Ealing aims (although market developing this capability)*	• *Culture change and ICT infrastructure needed to make the most of any new contract provision* • *Debate regarding appropriate location for final central service: element of competition between DAPSS & Print Out*

Opportunity Analysis

Opportunity	Description	Pros	Cons
Ensuring local processes for print demand are fit for purpose	Ensuring that any new contract and new digital ways of working are fit for purpose and meet current and future business needs	• Reduction of print costs across the Council • Channel shift behaviours and working practices • Lead to overall change in digital behaviours	• Change dependent on customer engagement and buy-in across the Council
Future proof contract for NWOW and Future Ealing	Making sure that any contract can meet and support/drive future requirements of NWOW and Future Ealing	• End up with a contract that assists with transformation from paper to fully digital • Deliver savings year on year and flexibility in contract	• Difficulty in incentivising a supplier to receive less money each year • Making a reducing contract attractive to the market • May end up having to pay for flexibility
Appointing a supplier who is up to date with the latest technology and also acts as a transformation partner	Ensure any partner is able to provide both transformation and cost reduction across the duration of any contract through viable commercial incentives (i.e. gain share / Joint Venture etc)	• Ensures fleet is future proof and uses latest available technology led by the supplier • Supplier supports the Council's digital transformation	• Unknown cost implications at this stage • Upfront cost v's ROI
Ensure the Council is keeping up with market leaders such as Sainsbury's, Merton Council etc	Ensures Council is a leading print provider for commercialisation ensuring VFM and future proofing	• Opportunity to trade externally as market leader • Provide best value for money • Drive innovation across the Council	• Unknown investment at this stage • Is a JV attractive to a supplier for example?
Channel shift - reduction in manual paper records stored offsite	Auto archive using intelligent software (currently no corporate EDRMS solution in place)	• Reduction of current 36k boxes costing £150k per annum • Scan on demand to the customer • Current framework exists to provide such a service	• Initial cost unknown • Legislation/regulation

Cost saving strategies and levers

Consolidation

- *Consolidate the supplier 'tail' to a manageable preferred list of suppliers. Postal costs at least as low as Royal Mail contract through ability to allow our external suppliers access to this for our jobs*

Demand management

- *Linked with channel shift and digital strategy; reduction in overall need for print and post both externally to residents/ service users and internally to facilitate processes*

Review

- *Better central visibility of high use areas allows focus for business process re-engineering*

Contract and tendering

- *Constructing the contract to incentivise supplier support of move to paperless through a wider-remit integrated contract*

Policy and Compliance

- *All mail going direct to a central mail room for print helps ensure consistent application of templates to gain best postage costs*

Governance

- *(N/A)*

Benefits Realisation

Savings Strategy (as FE1)	Current Budget	Savings (Low)	Savings (High)
Levers applied as laid out on previous slide.	*£1,839k*	*£140k*	*£340k*
(NB: budget excludes HRA & DSG)			

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Dependencies / Assumptions

The achievement of the identified benefits is dependant on a number of key factors, as described below

Suitable ICT infrastructure: ability to be able to network print fully to enable print rules applications, users to print remotely to a central site, etc. Suitable technology accessible to provide alternatives to paper, including CRM/ corporate document system

Agree a single centre for print and post across the council to enable consolidation

Mandate to enable central control agreed by Corporate Board

Investment required to deliver the benefits

- *Project resource:* to deliver the procurement but also lead the culture change
  - Business Process resource? (May be able to source from a provider but could incur implementation costs as a result)

- *Time i.e. how long will this process take to start realising the benefits:* to be verified through soft market testing and collating findings of site visits conducted to date.
  - Assuming that a tender can be conducted through the Crown Commercial Services Framework and so completed in a condensed timeframe. This would allow an award within the current contract
  - Implementation of business changes & digital approach to be further scoped

Stakeholder map (Currently)

Role	Nominated Officer	RACI Status
Sponsor	Ross Brown	Consulted
Project Lead	Kate Graefe & DAPSS	Responsible, Accountable
Commercial & Procurement Lead	Tim Smith	Consulted
Legal Contracts Lead	TBC	Consulted
Finance Lead	TBC	Consulted
Stakeholders	All print & post users across the Council	Consulted, Informed

Activities and Milestones

Immediate (within the next 4 weeks)			
Focus	**Action**	**Owner**	**Due**
Market analysis	Soft market test	Kate G/ Daniel O	By end Feb 2018
Budget consolidation	Financial scoping	TBC	By end Feb 2018?
Service scoping	Collate service requirements/ contracts	Kate G/ Daniel O	By end Feb 2018
Short term (2 – 6 months)			
Focus	Action	Owner	Due
Budget consolidation	Decision/ budget build	Finance	By end Mar 2018
Market approach	Tender spec	Kate G/ Daniel O	By end Mar 2018
Medium / Long term (6 – 24 months)			
Focus	Action	Owner	Due
Procurement process	Tender	Kate G/ Daniel O	By end May 2018

Appendix A

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Lessons Learned

From the Previous Contract

- Listen to the contractor’s recommendations for bulk print.
- Incentivise the supplier to encourage reductions in print – and work closely with the supplier in order to move towards a paperless solution.
- Learn from the digital transformation journey of leading councils to deliver a robust, future-proof service model.
- Ensure all print (& scanning where relevant) devices are identified and included within the same contract.
- Ensure the contract includes consolidated billing.
- Eliminate off contract spend by preventing services from signing contracts with different print suppliers.
- Improved SLA – 2 hour for repairs and 2 days for parts.
- Include break clause – and options/flexibility to reduce fleet based on the Council’s changing requirements.

Supply Market Analysis

Vendor Positioning Diagram

The new world of managed print services is defined by changing customer ambitions, new priorities and a different set of challenges.

As a consequence, organisations are looking for more flexibility in their MPS contracts, a better roadmap for innovation and a clearer strategy for information management. This is changing the value proposition for MPS.

Whilst MPS is delivering on cost-saving expectations, it must play a more important role in helping organisations realise strategic growth plans.

The past year has seen significant changes in the print industry with HP, Xerox and Lexmark all undergoing changes in organisation. Although this has not impacted their market position in this year's study, clients will be looking for a provider that can demonstrate long-term viability and stability.

Supply Market Analysis

The MPS market is characterised by a strong leadership group
Xerox leads a tightly packed group of leading providers including HP, Canon, Lexmark, Ricoh and Konica Minolta. Xerox has built a credible and strong portfolio of services for organisations of all sizes, enhanced by an expanded range of workflow automation solutions. HP continues to enhance its MPS proposition, particularly around its workflow and security-led services. Ricoh has also added to its numerous service lines and is increasingly taking a more business-process-centric approach to MPS. Lexmark continues to stand out for its extensive software portfolio and industry expertise. Konica Minolta has expanded its MPS footprint, moving into the leader's category. This has been boosted by continued investment in its information-management-led MPS offerings and its adjacent IT services capabilities.

Not just about cost savings
MPS is no longer just about achieving significant cost reduction targets. It is also about moving to an optimised future state that drives business process efficiency. It is here that MPS providers are falling short of expectations – particularly in areas such as information management, flexible contract terms and innovation.

MPS is an enabler for digital transformation
Although most MPS providers have access to an extensive workflow solutions portfolio, process automation demands a new breed of provider that can address the complex needs of larger organisations. Here, MPS is encroaching on the traditional business process outsourcing (BPO) space, and success may ultimately rely on better collaboration with specialist providers.

The road to business transformation
MPS providers have had a competitive advantage for some time given their mature expertise and infrastructure for assessments, device optimisation and service delivery. While they also have expertise for digital transformation, the successful MPS providers will be those that can bridge the gap between paper and digital and create a long term road map for business transformation. Organisations need strong proof points on provider performance and capability as MPS evolves into a broader, more complex business-process-centric outsourcing engagement.